

City of Bushnell, Florida



Comprehensive Annual Financial Report

Fiscal Year Ended: September 30, 2019

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

**CITY OF BUSHNELL, FLORIDA
Prepared by: Jody Young
Office of the Finance Director**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
CITY OF BUSHNELL, FLORIDA**

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CITY OF BUSHNELL, FLORIDA**

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INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bushnell
Florida**

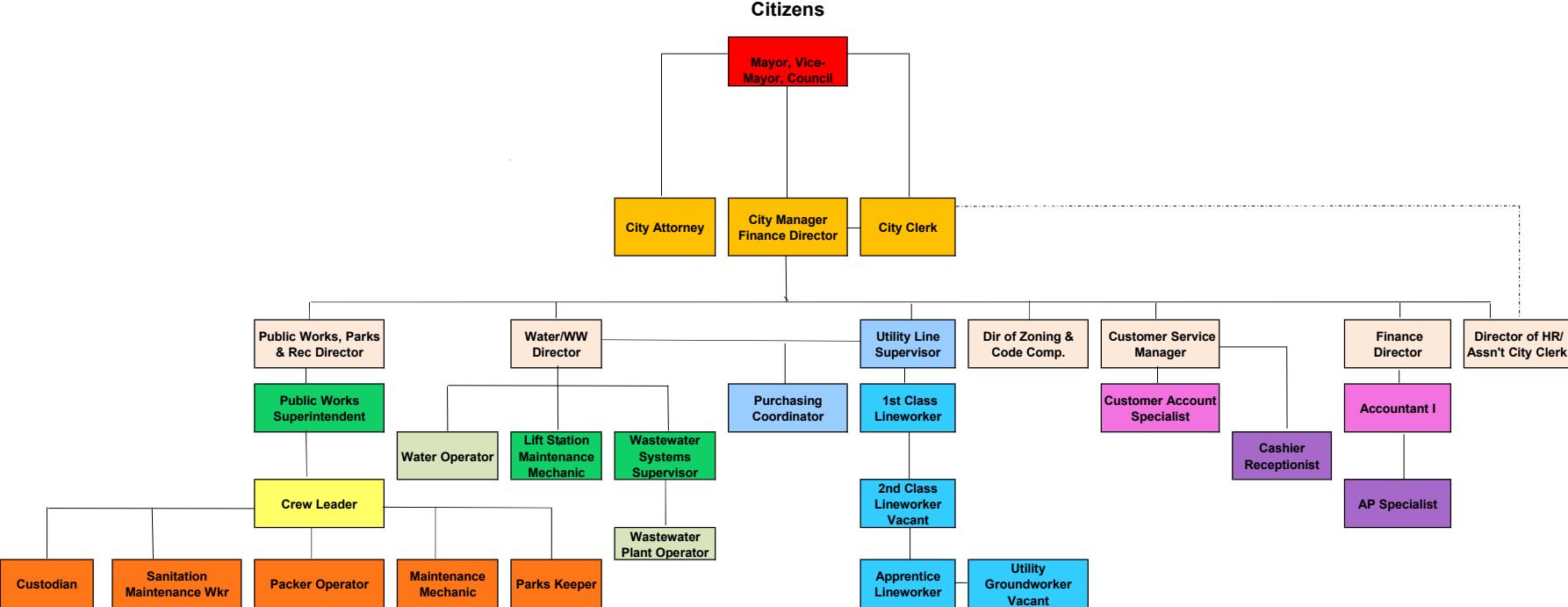
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

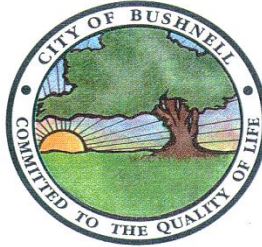
Christopher P. Morrill

Executive Director/CEO

**CITY OF BUSHNELL, FLORIDA
ORGANIZATIONAL CHART**



11:



CITY OF BUSHNELL, FL
117 E. Joe P Strickland, Jr. Ave., P.O. Box 115
Bushnell, FL 33513
Phone: 352-793-2591 Fax: 352-793-2711

March 24, 2020

TO THE CITIZENS OF THE CITY OF BUSHNELL:

The Comprehensive Annual Financial Report of the City of Bushnell for the fiscal year ended September 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. To provide a reasonable basis for making these representations, management of the City of Bushnell has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bushnell's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bushnell's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Additionally, the Management's Discussion and Analysis section that follows will provide highlights and review the financial performance during the reporting period.

BACKGROUND INFORMATION

The City is a political subdivision of the State of Florida located in Sumter County. The City was established under the legal authority of the Laws of Florida, Chapter 57-105. The City operates under a council-manager form of government. The legislative branch of the City is composed of a four-member elected City Council, and an elected Mayor.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City. The City of Bushnell provides a full range of general governmental services and activities. These services include code enforcement; administrative and financial services; planning, zoning and development review; maintenance of highways, streets, and drainage; recreation and special events. Police, fire and library services are provided by either agreement or contract with the Sumter County Board of County Commissioners. In addition to general government activities, the governing body also operates an Electric, Water, Wastewater, and Sanitation utility operation.

LOCAL ECONOMY

The City of Bushnell is the County Seat of Sumter County. It also contains, within its boundaries, Bushnell Elementary and South Sumter High School. The County Courthouse, as well as the schools, brings a diverse group of consumers into the Bushnell area. While Bushnell's municipal limits are 10.5 square miles, our consumer service area is much greater.

The City of Bushnell is one of the smallest Electric utility providers in the State of Florida. The City also provides Water; Wastewater and Sanitation services to consumers within the municipal limits as well as select areas outside our municipal boundaries. The Wastewater Utility continues to encourage commercial growth, which has created employment opportunities within the area.

Major industries located within the government's boundaries include manufacturers of air conditioning vents and metal components; go cart-racing motors; and storage buildings. The City also permits a Class 2 landfill within the city limits.

Due to its central location within the state, Bushnell has access to all major cities via Interstate 75, Highway 301, and the Florida Turnpike, thus, making it easy to commute to Tampa, Orlando, Ocala, and Gainesville.

CURRENT YEAR PROJECTS

During the Fiscal Year 2019, the City of Bushnell completed several projects to help improve on the services provided to our citizens. The following highlights these projects.

Road Improvements

The following road improvements were completed in Fiscal Year 2019:

- Paving of Jumper Drive South from Main Street to West Street.
- Paving of Seminole Avenue from Florida Street to Jasper Street.
- Various intersection and sidewalk improvements.

Parks and Recreation

The following park improvements were completed in Fiscal Year 2019:

- Downtown Plaza Park: various sculptures; and addition of trees and landscaping; and Cedar Pergola.

Utility Projects

The following Water utility project was completed in Fiscal Year 2019:

- Modification of Water Plant #2 adding tank by-pass lines.

The following Electric utility project is in process during Fiscal Year 2019:

- The Bushnell/SECO Electric Integration Project, whereby the City of Bushnell will be taking over the service territory of approximately 620 customers currently being served by SECO Electric. The project timeline will be approximately 12-18 months, and will be completed in Fiscal Year 2020.

Community Events

As in past years, the City continues to hold the annual Bushnell Fall Festival. This event has been put on by the City for the past 34 years to celebrate the birthday of the City of Bushnell. The City continued the tradition of the Santa in the Park event, welcoming Santa and his elves to Bushnell to meet local children. Many of the City's local businesses partnered with the City to create a truly

magical event filled with food, games, and fun. The City continued to partner with Mid-Florida Senior Services in providing an activities program for seniors using the City's Community Center.

MAJOR INITIATIVES/FUTURE PROJECTS

Road Improvements

The city is scheduled to make the following road improvements in Fiscal Year 2020:

- Paving of Central Avenue, Parker Avenue, Hunt Avenue, West Street, York Street, Jasper Street, Walker Avenue, and Palm Avenue.

Parks and Recreation

The following park improvements are scheduled for Fiscal Year 2020:

- Bushnell Downtown Park: Addition of trees and landscaping; additional sculptures and clock.
- Remodel restrooms at the Kenny Dixon Sports Complex.
- Replace roofs on the picnic pavilions at the Kenny Dixon Sports Complex.

Utility Projects

The following Water utility projects are scheduled to be completed in Fiscal Year 2020:

- Modification of Sumterville Water Plant Phase II.
- Water Plant 2 improvements consisting of the following: adding a third high service pump, motor and controls; replacing the outdated data flow monitoring system with a new Scada monitoring system, and replacing the roof on the water plant building.

The following Wastewater utility projects are scheduled to be completed in Fiscal Year 2020:

- Wastewater Treatment Plant improvements consisting of the following: upgrading the plant instrumentation and electronics; purchasing backup mixing pumps; and engineering costs for the design of the expansion of the Wastewater Treatment Plant.
- New generator replacement for the Master Lift Station in the Wastewater collection system.
- New Lift Station monitoring system for all lift stations within the Wastewater collection system.
- Major improvements to Lift Station 6 in the Wastewater collection system (to be paid with grant proceeds from a DEO-CDBG grant.)

The following Electric utility projects are scheduled to be completed in Fiscal Year 2020:

- The Bushnell/SECO Electric Integration Project, whereby the City of Bushnell will be taking over the service territory of approximately 620 customers currently being served by SECO Electric.
- Replace system neutral along Main Street and replace insulators and lightning arresters along the same electric distribution line.
- Upgrade and re-conductor the electric distribution line between E. Seminole Ave. and the County Jail property.
- Meter replacement project which will replace approximately 1200 old dial meters for customers located within the city's electric distribution area.
- Construct new equipment storage building at the Electric Warehouse for housing and covering new electric bucket vehicles.
- The purchase of additional backup transformers and trip savers for increased electric distribution reliability.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firm of Purvis, Gray, and Company, LLP was selected by the City of Bushnell to complete this year's audit. The auditors' report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of the report.

Awards:

Safety Award: The City has received numerous electric safety awards. The first safety award was presented to the City by the Florida Municipal Electric Agency to the Utility Department for recognition of a perfect safety record without reports of accidents. The City has received this award for 28 years.

Tree City USA: The Tree City USA award was first presented to the City in 1994. The City has continued to receive this award to the present. This award requires an annual Arbor Day Celebration, the planting of trees, and the implementation of a tree preservation policy as well as an annual application documenting levels of expenditure for maintenance of the program.

Certificate of Excellence in Financial Reporting: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bushnell for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the eighteenth consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments:

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Administrative Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We should also like to thank the Mayor and the Council Members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Jody Young

Jody Young,
Finance Director



CITY OF BUSHNELL, FL
117 E. Joe P. Strickland, Jr. Avenue, PO Box 115
Bushnell, FL 33513
Phone: (352) 793-2591 Fax: (352) 793-2711

City of Bushnell

ELECTED OFFICIALS

Seat 1 Mayor	Bil Spaude	2019-2022
Seat 2 Councilman	Bill Durham	2017-2020
Seat 3 Councilman	Joe P. Strickland, Jr.	2019-2022
Seat 4 Councilman	Dale Swain	2017-2020
Seat 5 Vice-Mayor	Karen Davis	2019-2022
City Clerk	Christina Dixon	2017-2020

APPOINTED OFFICIALS

City Manager	Jody Young
Public Works Director	Mike Eastburn
City Attorney	Felix Adams

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary

CERTIFIED PUBLIC ACCOUNTANTS

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Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

INDEPENDENT AUDITOR'S REPORT

comparison for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – COVID-19

As more fully described in Note 16 to the financial statements, the City may be materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Pension and Other Postemployment Benefits information and schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

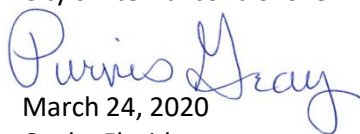
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


March 24, 2020
Ocala, Florida

Management's Discussion and Analysis

As management of the City of Bushnell, we offer readers of Bushnell's financial statement this narrative overview and analysis of September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets and deferred outflows of the City of Bushnell exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$25,014,605. Of this amount, \$4,320,744 may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City of Bushnell's governmental funds reported combined ending fund balances of \$3,424,714, an increase of \$1,081,285 in comparison with the prior year.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the City of Bushnell basic financial statements. The City of Bushnell's basic financial statement comprises three components: 1) governmental-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statement themselves.

1.) Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Bushnell's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Bushnell's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Bushnell is improving or deteriorating.

The statement of activities presents information in how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 10-12.

2.) Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bushnell, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bushnell can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's *near-term* financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's *near-term* financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bushnell maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue funds.

The City of Bushnell adopts an annual appropriated budget for its general and special revenue fund. The budgetary comparison statements have been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-21.

Proprietary funds: Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bushnell uses enterprise funds to account for its electric distribution operation, water services, wastewater services, and sanitation services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, and sanitation services, of which all are considered to be major funds of the city of Bushnell.

The basic proprietary fund financial statements can be found on pages 22-26.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the city of Bushnell's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found of pages 27-28 of this report.

Management's Discussion and Analysis

3.) Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-63 of this report.

4.) Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bushnell's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 64-69 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bushnell, assets exceeded liabilities by \$25,014,605 at the close of the most recent fiscal year.

By far the largest portion of the City of Bushnell's net position, 81% reflects its investment in capital assets (e.g., land, buildings, utility plant in service, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Bushnell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bushnell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

CITY OF BUSHNELL'S NET POSITION

	Governmental		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
	Current and Other Assets	\$ 3,542,488	\$ 2,577,389	\$ 3,846,631	\$ 5,640,458	\$ 7,389,119
Capital Assets	9,143,131	9,175,468	25,295,306	19,490,751	34,438,437	28,666,219
Total Assets	12,685,619	11,752,857	29,141,937	25,131,209	41,827,556	36,884,066
Deferred Outflows	152,297	234,332	132,225	335,602	284,522	569,934
Long-term Liabilities Outstanding	2,398,146	2,586,221	12,519,516	8,667,451	14,917,662	11,253,672
Other Liabilities	284,968	176,655	1,538,305	1,281,957	1,823,273	1,458,612
Total Liabilities	2,683,114	2,762,876	14,057,821	9,949,408	16,740,935	12,712,284
Deferred Inflows	197,576	184,140	158,962	244,310	356,538	428,450
Net Position:						
Net Investment in Capital Assets	7,541,557	7,457,262	12,636,092	11,535,696	20,177,649	18,992,958
Restricted	437,917	422,366	78,295	326,002	516,212	748,368
Unrestricted	1,977,752	1,160,545	2,342,992	3,411,395	4,320,744	4,571,940
Total Net Position	\$ 9,957,226	\$ 9,040,173	\$ 15,057,379	\$ 15,273,093	\$ 25,014,605	\$ 24,313,266

CITY OF BUSHNELL'S CHANGES IN NET POSITION

	Governmental		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
	Revenues:					
Program Revenues:						
Charges for Services	\$ 1,632,154	\$ 909,679	\$ 5,406,967	\$ 5,831,201	\$ 7,039,121	\$ 6,740,880
Capital Grants and Contributions	563	-	68,603	25,680	69,166	25,680
Operating Grants and Contributions	38,941	67,624	1,716	2,683	40,657	70,307
General Revenues:						
Property Taxes	593,883	575,954	-	-	593,883	575,954
Other Taxes	1,033,322	1,037,102	-	-	1,033,322	1,037,102
Other Revenues	475,793	463,780	22,776	10,720	498,569	474,500
Gain on Disposition of Capital Assets	-	598	-	-	-	598
Total Revenues	3,774,656	3,054,737	5,500,062	5,870,284	9,274,718	8,925,021
Program Expenses:						
General Government	801,554	630,896	-	-	801,554	630,896
Public Safety	880,557	787,138	-	-	880,557	787,138
Physical Environment	21,503	21,783	-	-	21,503	21,783
Transportation	677,913	514,543	-	-	677,913	514,543
Culture and Recreation	427,464	387,853	-	-	427,464	387,853
Interest on Long-Term Debt	98,612	91,186	-	-	98,612	91,186
Electric Utility	-	-	3,140,714	2,843,389	3,140,714	2,843,389
Water Utility	-	-	749,251	607,011	749,251	607,011
Sanitation	-	-	605,606	528,276	605,606	528,276
Wastewater Utility	-	-	1,170,205	1,201,125	1,170,205	1,201,125
Total Expenses	2,907,603	2,433,399	5,665,776	5,179,801	8,573,379	7,613,200
Excess (Deficiency) Before Transfers	867,053	621,338	(165,714)	690,483	701,339	1,311,821
Transfers	50,000	-	(50,000)	-	-	-
Increase (Decrease) in Net Position	917,053	621,338	(215,714)	690,483	701,339	1,311,821
Net Position, Beginning, Restated	9,040,173	8,418,835	15,273,093	14,582,610	24,313,266	23,001,445
Net Position, Ending	\$ 9,957,226	\$ 9,040,173	\$ 15,057,379	\$ 15,273,093	\$ 25,014,605	\$ 24,313,266

Management's Discussion and Analysis

An additional portion of the City of Bushnell's net position 2% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$4,320,744 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Bushnell is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its governmental activities.

The government's net position increased by \$701,339 during the current fiscal year.

The increase in net position is partially attributed to the net improvement in revenues over expenses in the governmental funds and electric, water and sanitation utility funds.

Governmental activities: Both the general fund and the special revenue - cemetery fund are considered major governmental funds. Governmental activities increased the city of Bushnell's net position by \$917,053. This increase is attributed to the following:

- Decrease in transfers out to proprietary funds.
- Decrease in park improvement projects not covered by grant funding.

Business-type activities: The City considered all four of the business-type activities - electric, water, wastewater, and sanitation major funds. Business-type activities decreased the city of Bushnell's net position by \$215,714. The key element of this decrease was the wastewater utility fund. This utility decreased in net position this year due to the increase of wastewater repairs to that were required to be made to key elements of the wastewater treatment plant.

Financial Analysis of the Government's Funds

As noted earlier, the City of Bushnell uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the City of Bushnell's governmental funds is to provide information on *near-term* inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city of Bushnell's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Bushnell's governmental funds reported combined ending fund balances of \$3,424,714, an increase of \$1,081,285 in comparison with the prior year. 13% of the fund balance is restricted for perpetual care for the cemetery. Approximately 15% is assigned for the Community Trust Fund related to the landfill revenues. The remaining 72% is considered unassigned and available to meet the City's obligations.

Management's Discussion and Analysis

The general fund is the chief operating fund of the City of Bushnell. At the end of the current fiscal year, fund balance of the general fund reached \$2,986,797. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures.

The fund balance of the City of Bushnell's general fund increased by \$1,065,734 during the current fiscal year. The key factor in this increase is as follows:

- Additional revenues received from the ACMS landfill surcharge.

Proprietary funds: The City of Bushnell's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Electric, Water, Wastewater, and Sanitation funds at the end of the year amount to \$2,342,992. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bushnell's business-type activities.

Governmental Funds Budgetary Information

Differences between the original budget and the final amended budget are briefly summarized as follows:

- The City Council eliminated the collection of City Occupational License fees.
- The City fewer building permits.
- The City did not receive the FRDAP Grant from FDEP in FY2018-2019.
- The City received proceeds from FEMA for Hurricane Irma.
- The City received additional revenues from the ACMS landfill surcharge.

Capital Asset and Debt Administration

Capital Assets: The City of Bushnell's investment in capital assets for its governmental and business type activities as of September 30, 2019, amount to \$34,438,437 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Capital asset events during the current fiscal year included the following:

- The paving project for Jumper Drive South from Main Street to West Street.
- The addition of improvements to the Downtown Plaza Park.
- The paving project for Seminole Avenue from Florida Street to Jasper Street.
- Modification of Bushnell Water Plants 1 and 2.
- Integration and expansion of the Electric Utility.

Management's Discussion and Analysis

Additional information on capital assets can be located on page 40, within the notes to the financial statements.

Long-term debt: The City of Bushnell's total debt increased by a net \$4,652,609 during the current fiscal year. The key factor of this increase was due to a Direct Borrowing Loan from FMPA that was issued in the Electric Fund to finance the City's Electric Integration and Expansion Project. Additional information on long-term debt can be located on page 41, within the notes of the financial statements.

Economic Factors and Next Year's Budgets and Rates

Economic Factors: Bushnell is the County Seat of Sumter County, reported by the University of Florida, Bureau of Economic and Business research as "The second fastest growing County in 2009". Situated just 50 miles north of Tampa and 50 miles west of Orlando, Bushnell is strategically located between Interstate 75 and the Florida Turnpike. Our location provides easy transportation access to both of these metropolitan areas.

Easily accessible from many areas and being the County Seat in transitioning Sumter County makes Bushnell's market area much larger than its corporate limits. Independent market studies suggest that the population within the market area affected by the City of Bushnell could exceed 70,000 people. In addition to this significant number, traffic studies conducted by the Sumter County Road and Bridge Department indicate average daily traffic counts of 20,000 cars on West Belt Avenue. These statistics are mentioned only to illustrate the much larger market and social forces affecting this small community on a daily basis. Within the utility service area, which comprises mostly the incorporated city limits and some small areas in the unincorporated Sumter County, the City of Bushnell services a total 1,449 of metered customers, of which 457 are commercial customers. Bushnell exhibits steady growth in its commercial sector. The SR 48 and I-75 interchange still has a number of commercial undeveloped parcels of varying size; these parcels have available utility services to them making them attractive for further commercial development.

Next Fiscal Year Budget and Rates: For fiscal year 2019-2020 the Council of the City of Bushnell adopted the roll back rate. Council is considering using revenues from the tipping fees provided by the Heart of Florida Landfill operations to defray the need for rate increases in the water and wastewater utilities. The City intends to continue to monitor all the revenue streams to ensure sufficiency in meeting expenditures and for establishment and funding of capital reserve accounts.

Requests for Information

This financial report is designed to provide a general overview of the City of Bushnell's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 115, Bushnell, Florida 33513.

BASIC FINANCIAL STATEMENTS

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Cash Equivalents - Unrestricted	\$ 2,900,328	\$ 1,869,984	\$ 4,770,312
Cash and Cash Equivalents - Restricted	-	355,469	355,469
Cash with Fiscal Agent	-	272,244	272,244
Accounts Receivables, Net	578,781	627,716	1,206,497
Due from Other Governments	60,978	5,708	66,686
Inventory	-	640,107	640,107
Prepaid Items	-	9,073	9,073
Power Cost Adjustment	-	64,096	64,096
Net Pension Asset	2,401	2,234	4,635
Capital Assets Not Being Depreciated:			
Land	1,141,034	708,188	1,849,222
Construction in Process	15,189	8,757,504	8,772,693
Capital Assets - Depreciated, Net	7,986,908	15,829,614	23,816,522
Total Assets	12,685,619	29,141,937	41,827,556
Deferred Outflow			
Deferred Outflows - OPEB	16,765	13,860	30,625
Deferred Outflows - Pension	135,532	118,365	253,897
Total Deferred Outflows of Resources	152,297	132,225	284,522
Liabilities			
Accounts Payable	44,971	374,774	419,745
Accrued Liabilities	49,812	78,331	128,143
Accrued Interest Payable	-	76,600	76,600
Deposits	20,590	277,174	297,764
Non-Current Liabilities:			
Due Within One Year	169,595	731,426	901,021
Due in More Than One Year	2,398,146	12,519,516	14,917,662
Total Liabilities	2,683,114	14,057,821	16,740,935
Deferred Inflow			
Deferred Inflows - Pension	197,576	158,962	356,538
Total Deferred Inflows of Resources	197,576	158,962	356,538
Net Position			
Net Investment in Capital Assets	7,541,557	12,674,912	20,216,469
Restricted for:			
Perpetual Care	437,917	-	437,917
Debt Service	-	78,295	78,295
Unrestricted	1,977,752	2,304,172	4,281,924
Total Net Position	\$ 9,957,226	\$ 15,057,379	\$ 25,014,605

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 801,554	\$ 1,547,087	\$ 7,611	\$ 563
Public Safety	880,557	43,906	-	-
Physical Environment	21,503	-	31,330	-
Transportation	677,913	-	-	-
Culture and Recreation	427,464	41,161	-	-
Interest on Long-Term Debt	98,612	-	-	-
Total Governmental Activities	<u>2,907,603</u>	<u>1,632,154</u>	<u>38,941</u>	<u>563</u>
Business-Type Activities				
Electric Utility	3,140,714	3,089,209	55	12,755
Water Utility	749,251	788,701	1,303	16,782
Sanitation	605,606	628,489	-	-
Wastewater Utility	1,170,205	900,568	358	39,066
Total Business-Type Activities	<u>5,665,776</u>	<u>5,406,967</u>	<u>1,716</u>	<u>68,603</u>
Total Business-Type and Governmental Activities	<u>\$ 8,573,379</u>	<u>\$ 7,039,121</u>	<u>\$ 40,657</u>	<u>\$ 69,166</u>

General Revenues

Property Taxes
Franchise Taxes
Public Service Taxes
Other Taxes
State-Shared Revenues (Unrestricted)
Investment Income
Miscellaneous Revenues

Total General Revenues

Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

See accompanying notes.

Net (Expense) Revenue and Change in Net Assets

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ 753,707	\$ -	\$ 753,707
(836,651)	-	(836,651)
9,827	-	9,827
(677,913)	-	(677,913)
(386,303)	-	(386,303)
(98,612)	-	(98,612)
<u>(1,235,945)</u>	<u>-</u>	<u>(1,235,945)</u>
-	(38,695)	(38,695)
-	57,535	57,535
-	22,883	22,883
-	(230,213)	(230,213)
-	<u>(188,490)</u>	<u>(188,490)</u>
<u>(1,235,945)</u>	<u>(188,490)</u>	<u>(1,424,435)</u>
593,883	-	593,883
350,994	-	350,994
328,640	-	328,640
353,688	-	353,688
418,920	-	418,920
7,551	22,776	30,327
49,322	-	49,322
<u>2,102,998</u>	<u>22,776</u>	<u>2,125,774</u>
<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
917,053	(215,714)	701,339
<u>9,040,173</u>	<u>15,273,093</u>	<u>24,313,266</u>
<u>\$ 9,957,226</u>	<u>\$ 15,057,379</u>	<u>\$ 25,014,605</u>

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds		
	General Fund	Cemetery Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 2,448,214	\$ 452,114	\$ 2,900,328
Accounts Receivable	578,781	-	578,781
Due from Other Governments	60,978	-	60,978
Total Assets	<u>3,087,973</u>	<u>452,114</u>	<u>3,540,087</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	42,724	2,247	44,971
Other Accrued Liabilities	49,812	-	49,812
Deposits	8,640	11,950	20,590
Total Liabilities	<u>101,176</u>	<u>14,197</u>	<u>115,373</u>
Fund Balances			
Restricted	-	437,917	437,917
Assigned - Community Trust Fund	513,432	-	513,432
Unassigned	2,473,365	-	2,473,365
Total Fund Balances	<u>2,986,797</u>	<u>437,917</u>	<u>3,424,714</u>
Total Liabilities and Fund Balances	<u>\$ 3,087,973</u>	<u>\$ 452,114</u>	<u>\$ 3,540,087</u>

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2019**

Total Fund Balances of Governmental Funds	\$ 3,424,714
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Net Pension Asset - Regular Employee Pension Plan	2,401
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,166,693 and the accumulated depreciation is \$4,023,562.	9,143,131
Deferred Inflow of Resources: Pension Related	(197,576)
Deferred Outflow of Resources: OPEB Related Pension Related	16,765 135,532
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:	
Notes Payable	(1,594,766)
Compensated Absences	(110,802)
OPEB Obligation	(768,388)
Net Pension Liability	(86,977)
Installment Contract Payable	<u>(6,808)</u>
 Total Net Position of Governmental Activities	 <u><u>\$ 9,957,226</u></u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
SEPTEMBER 30, 2019

	Major Funds		
	General Fund	Cemetery Fund	Total Governmental Funds
Revenues			
Taxes:			
Property	\$ 593,883	\$ -	\$ 593,883
Half Cent Sales	332,202	-	332,202
Fuel	21,284	-	21,284
Franchise	679,634	-	679,634
Licenses and Permits	45,492	-	45,492
Intergovernmental Revenues	427,094	-	427,094
Charges for Service	41,161	25,060	66,221
Fines and Forfeitures	43,904	-	43,904
Landfill Surcharge	1,501,594	-	1,501,594
Miscellaneous Revenues	57,078	6,270	63,348
Total Revenues	<u>3,743,326</u>	<u>31,330</u>	<u>3,774,656</u>
Expenditures			
Current:			
General Government	636,439	-	636,439
Public Safety	847,866	-	847,866
Physical Environment	-	15,779	15,779
Transportation	403,556	-	403,556
Culture and Recreation	295,127	-	295,127
Capital Outlay	329,360	-	329,360
Debt Service:			
Principal	116,632	-	116,632
Interest	98,612	-	98,612
(Total Expenditures)	<u>(2,727,592)</u>	<u>(15,779)</u>	<u>(2,743,371)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,015,734</u>	<u>15,551</u>	<u>1,031,285</u>
Other Financing Sources (Uses)			
Transfers in	50,000	-	50,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balances	1,065,734	15,551	1,081,285
Fund Balance, Beginning	<u>1,921,063</u>	<u>422,366</u>	<u>2,343,429</u>
Fund Balance, Ending	<u>\$ 2,986,797</u>	<u>\$ 437,917</u>	<u>\$ 3,424,714</u>

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 1,081,285

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which depreciation expense of (\$341,697) and capital additions of \$329,360. (32,337)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The following principal repayments of long-term debt occurred during the year:

Principal Repayments:
Notes Payable, Revenue Bonds, and Capital Leases 116,632

Change in deferred inflows and outflows of resources:
Pension Related (100,786)
OPEB Related 5,315

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated Absences (16,517)
OPEB Obligation (64,714)
Net Pension Asset (54,904)
Net Pension Liability (16,921)

Change in Net Position of Governmental Activities \$ 917,053

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Ad Valorem	\$ 602,156	\$ 602,156	\$ 593,883	\$ (8,273)
Local Government Infrastructure Surtax	314,452	332,404	332,202	(202)
Local Option Gas Tax	19,802	19,802	21,284	1,482
Franchise Tax:				
Electric	153,498	167,406	167,406	-
Utility Tax:				
Communication	97,143	97,143	100,671	3,528
Gas	32,357	41,329	46,791	5,462
Electric	160,610	181,178	183,588	2,410
City Utility Tax	196,628	177,753	181,178	3,425
Total Taxes	<u>1,576,646</u>	<u>1,619,171</u>	<u>1,627,003</u>	<u>7,832</u>
Licenses and Permits				
City Building Permits	64,746	41,696	41,696	-
City Occupational License	10,521	3,797	3,797	-
Total Licenses and Permits	<u>75,267</u>	<u>45,493</u>	<u>45,493</u>	<u>-</u>
Intergovernmental Revenue				
FRDAP Grant Proceeds	550,000	-	103	103
FEMA Proceeds	-	7,611	7,611	-
DOT Highway Lighting and Maintenance	16,797	16,797	16,797	-
Safety Grant Proceeds	1,500	1,500	460	(1,040)
State Revenue Sharing	88,550	88,550	90,307	1,757
Alcohol Beverage License Distribution	2,500	2,500	3,171	671
Mobile Home Licenses	6,795	6,795	8,149	1,354
Sumter County Gas Tax	114,826	114,826	121,924	7,098
Half-Cent Sales Tax	174,887	174,887	178,572	3,685
Total Intergovernmental Revenue	<u>955,855</u>	<u>413,466</u>	<u>427,094</u>	<u>13,628</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues (Concluded)				
Charges for Services				
League Fees	\$ 7,690	\$ 5,840	\$ 5,840	\$ -
Fall Festival	24,287	24,287	22,578	(1,709)
Summer Youth Program	19,361	12,742	12,743	1
Miscellaneous Revenue	500	-	-	-
Total Charges for Services	<u>51,838</u>	<u>42,869</u>	<u>41,161</u>	<u>(1,708)</u>
Fines and Forfeitures				
Fines and Forfeitures	43,314	43,314	41,633	(1,681)
Police Education	2,376	2,376	2,272	(104)
Total Fines and Forfeitures	<u>45,690</u>	<u>45,690</u>	<u>43,905</u>	<u>(1,785)</u>
Miscellaneous Revenue				
Rent - Community Building	9,520	9,520	8,930	(590)
Rent - Tower Space	31,826	31,826	34,042	2,216
Investment Income	17	7,551	7,551	-
Landfill Surcharge	680,643	1,501,594	1,501,594	-
Miscellaneous	2,379	3,570	6,554	2,984
Total Miscellaneous Revenue	<u>724,385</u>	<u>1,554,061</u>	<u>1,558,671</u>	<u>4,610</u>
Total Revenues	<u>3,429,681</u>	<u>3,720,750</u>	<u>3,743,327</u>	<u>22,577</u>
Expenditures				
General Government				
Legislative:				
Personal Services	18,140	24,590	25,075	(485)
Operating Expenses	5,067	5,067	5,505	(438)
Aid to Private Organization	11,200	1,800	1,800	-
Total Legislative	<u>34,407</u>	<u>31,457</u>	<u>32,380</u>	<u>(923)</u>
Finance and Administrative:				
Personal Services	468,396	461,896	445,293	16,603
Operating Expenses	143,894	139,901	134,639	5,262
Capital Outlay	-	-	4,722	(4,722)
Total Finance and Administrative	<u>612,290</u>	<u>601,797</u>	<u>584,654</u>	<u>17,143</u>
Legal Counsel:				
Operating Expenses	24,129	24,129	24,129	-
Total General Government	<u>670,826</u>	<u>657,383</u>	<u>641,163</u>	<u>16,220</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued)				
Public Safety				
Law Enforcement:				
Personal Services	\$ 1,478	\$ 1,478	\$ 1,311	\$ 167
Operating Expenses	679,582	679,582	679,582	-
Total Law Enforcement	<u>681,060</u>	<u>681,060</u>	<u>680,893</u>	<u>167</u>
Code Compliance Department:				
Personal Services	150,929	124,852	119,599	5,253
Operating Expenses	65,726	45,688	47,374	(1,686)
Total Code Compliance Department	<u>216,655</u>	<u>170,540</u>	<u>166,973</u>	<u>3,567</u>
Total Public Safety	<u>897,715</u>	<u>851,600</u>	<u>847,866</u>	<u>3,734</u>
Transportation				
Roads and Streets:				
Personal Services	265,229	265,072	267,697	(2,625)
Operating Expenses	142,981	146,141	135,859	10,282
Capital Outlay	274,377	274,377	272,012	2,365
Total Transportation	<u>682,587</u>	<u>685,590</u>	<u>675,568</u>	<u>10,022</u>
Culture and Recreation				
Libraries:				
Operating Expenses	1,575	1,575	1,574	1
Total Libraries	<u>1,575</u>	<u>1,575</u>	<u>1,574</u>	<u>1</u>
Parks and Recreation:				
Personal Services	181,370	162,761	153,023	9,738
Operating Expenses	112,938	93,478	95,713	(2,235)
Capital Outlay	626,500	52,628	52,628	-
Total Parks and Recreation	<u>920,808</u>	<u>308,867</u>	<u>301,364</u>	<u>7,503</u>
Special Events:				
Operating Expenses	40,200	31,235	29,644	1,591
Summer Youth Program:				
Personal Services	3,768	3,768	3,164	604
Operating Expenses	11,200	11,200	12,006	(806)
Total Summer Youth Program	<u>14,968</u>	<u>14,968</u>	<u>15,170</u>	<u>(202)</u>
Total Culture and Recreation	<u>977,551</u>	<u>356,645</u>	<u>347,752</u>	<u>8,893</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Concluded)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Concluded)				
Debt Service				
Principal Retirement	\$ 111,203	\$ 111,203	\$ 116,632	\$ (5,429)
Interest and Fiscal Charges	97,233	97,233	98,612	(1,379)
Total Debt Service	<u>208,436</u>	<u>208,436</u>	<u>215,244</u>	<u>(6,808)</u>
(Total Expenditures)	<u>(3,437,115)</u>	<u>(2,759,654)</u>	<u>(2,727,593)</u>	<u>32,061</u>
Excess of Revenue Over Expenditures	<u>(7,434)</u>	<u>961,096</u>	<u>1,015,734</u>	<u>54,638</u>
Other Financing Sources (Uses)				
Transfers in:				
Sanitation	50,000	-	50,000	50,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	42,566	961,096	1,065,734	104,638
Fund Balance, Beginning of Year	<u>1,449,082</u>	<u>1,471,264</u>	<u>1,921,063</u>	<u>449,799</u>
Fund Balance, End of Year	<u>\$ 1,491,648</u>	<u>\$ 2,432,360</u>	<u>\$ 2,986,797</u>	<u>\$ 554,437</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - CEMETERY
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Contributions	\$ 5,195	\$ 6,270	\$ 19,060	\$ 12,790
Sale of Cemetery Lots	6,000	6,000	6,000	-
Interest	7,287	8,928	6,270	(2,658)
Total Revenues	<u>18,482</u>	<u>21,198</u>	<u>31,330</u>	<u>10,132</u>
(Expenditures - Physical Environment)	<u>(18,482)</u>	<u>(16,006)</u>	<u>(15,779)</u>	<u>227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,192	15,551	10,359
Fund Balance, Beginning of Year	<u>417,134</u>	<u>427,021</u>	<u>422,366</u>	<u>(4,655)</u>
Fund Balance, End of Year	<u>\$ 417,134</u>	<u>\$ 432,213</u>	<u>\$ 437,917</u>	<u>\$ 5,704</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

	Business-Type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 791,266	\$ 600,065	\$ 413,466	\$ 65,187	\$ 1,869,984
Cash with Fiscal Agent	272,244	-	-	-	272,244
Restricted Cash	277,174	-	-	-	277,174
Receivables:					
Customers (Net of Allowance for Uncollectible Accounts)	397,648	80,676	64,434	84,958	627,716
Unbilled Power Cost Adjustment	64,096	-	-	-	64,096
Inventories, at Cost	571,809	41,879	-	26,419	640,107
Prepaid Items	9,073	-	-	-	9,073
Due from Other Governments	5,708	-	-	-	5,708
Due from Other Funds for Cash Overdrafts	425,580	233,578	-	-	659,158
Total Current Assets	2,814,598	956,198	477,900	176,564	4,425,260
Non-Current Assets					
Restricted Cash					
Debt Service - Sinking Fund	-	19,436	-	46,088	65,524
Debt Service - Reserves	-	12,771	-	-	12,771
Total Restricted Cash	-	32,207	-	46,088	78,295
Capital Assets					
Land	2,300	43,340	-	662,548	708,188
Construction in Process	8,703,552	40,127	-	13,825	8,757,504
Utility Plant in Service and Buildings	2,986,019	7,277,301	-	12,486,395	22,749,715
Machinery and Equipment (Accumulated Depreciation and Amortization)	1,232,511 (3,039,412)	1,340,887 (2,805,564)	1,117,888 (746,156)	327,619 (4,347,874)	4,018,905 (10,939,006)
Total Capital Assets - Cost Less Depreciation	9,884,970	5,896,091	371,732	9,142,513	25,295,306
Other Assets					
Net Pension Asset	1,003	397	421	413	2,234
Advances to Other Funds	885,100	377,948	-	-	1,263,048
Total Other Assets	886,103	378,345	421	413	1,265,282
Total Non-Current Assets	10,771,073	6,306,643	372,153	9,189,014	26,638,883
Total Assets	13,585,671	7,262,841	850,053	9,365,578	31,064,143
Deferred Outflow of Resources					
OPEB Related	6,404	1,938	2,907	2,611	13,860
Pension Related	45,924	34,558	19,109	18,775	118,366
Total Deferred Outflow of Resources	52,328	36,496	22,016	21,386	132,226
Total Assets and Deferred Outflow of Resources	\$ 13,637,999	\$ 7,299,337	\$ 872,069	\$ 9,386,964	\$ 31,196,369

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019
(Concluded)

	Business-Type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 255,600	\$ 54,273	\$ 20,487	\$ 44,412	\$ 374,772
Accrued Expenses	47,904	11,199	6,733	12,495	78,331
Compensated Absences	10,611	10,953	6,184	2,860	30,608
Current Portion of Capital Leases, Revenues Bonds, and Notes Payable	449,432	78,078	32,423	117,413	677,346
Interest Payable	24,677	16,619	1,269	34,035	76,600
Due to Other Funds for Cash Overdrafts	-	-	-	659,158	659,158
Customer Deposits	277,174	-	-	-	277,174
Total Current Liabilities	1,065,398	171,122	67,096	870,373	2,173,989
Non-Current Liabilities					
Revenue Bonds Payable	7,592,568	1,339,500	-	2,131,200	11,063,268
Notes Payable	-	-	-	507,042	507,042
Capital Lease Payable	251,745	6,554	-	4,422	262,721
Compensated Absences	31,832	32,859	18,552	8,581	91,824
OPEB Liability	233,212	83,612	109,547	123,588	549,959
Installment Contract Payable	8,752	973	1,945	972	12,642
Advances from Other Funds	-	20,100	-	1,242,948	1,263,048
Net Pension Liability	1,067	54,468	-	-	55,535
Total Non-Current Liabilities	8,119,176	1,538,066	130,044	4,018,753	13,806,039
Total Liabilities	9,184,574	1,709,188	197,140	4,889,126	15,980,028
Deferred Inflow of Resources					
Pension Related	48,050	71,859	19,699	19,354	158,962
Total Deferred Inflow of Resources	48,050	71,859	19,699	19,354	158,962
Total Liabilities and Deferred Inflow of Resources	9,232,624	1,781,047	216,839	4,908,480	16,138,990
Net Position					
Net Investment in Capital Assets	1,621,293	4,470,986	337,364	6,245,269	12,674,912
Restricted for Debt Service	-	32,207	-	46,088	78,295
Unrestricted	2,784,082	1,015,097	317,866	(1,812,873)	2,304,172
Total Net Position	\$ 4,405,375	\$ 5,518,290	\$ 655,230	\$ 4,478,484	\$ 15,057,379

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019

	Business-Type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
Operating Revenues					
Charges for Services	\$ 3,089,209	\$ 788,701	\$ 628,489	\$ 900,568	\$ 5,406,967
Operating Expenses					
Purchased Power	1,980,708	-	-	-	1,980,708
Salaries and Benefits	497,306	293,001	242,008	282,042	1,314,357
Other Costs of Sales and Services	288,621	249,959	282,182	475,652	1,296,414
Depreciation	207,722	172,416	79,159	334,669	793,966
(Total Operating Expenses)	(2,974,357)	(715,376)	(603,349)	(1,092,363)	(5,385,445)
Operating Income (Loss)	114,852	73,325	25,140	(191,795)	21,522
Non-Operating Revenues (Expenses)					
Safety Grant Proceeds	55	1,303	-	358	1,716
Grant Proceeds	-	10,798	-	18,369	29,167
Investment Income	18,878	2,503	1,395	-	22,776
Debt Issuance Costs	(17,600)	-	-	-	(17,600)
Interest Expense	(148,757)	(33,875)	(2,257)	(77,842)	(262,731)
Total Non-Operating Revenues (Expenses)	(147,424)	(19,271)	(862)	(59,115)	(226,672)
Income (Loss) Before Capital Contributions and Transfers	(32,572)	54,054	24,278	(250,910)	(205,150)
Capital Contributions and Transfers					
Capital Contributions (Cost Assistance)	12,755	5,984	-	20,697	39,436
Transfers (out)	-	-	(50,000)	-	(50,000)
Total Capital Contributions and Transfers	12,755	5,984	(50,000)	20,697	(10,564)
Change in Net Position	(19,817)	60,038	(25,722)	(230,213)	(215,714)
Net Position, Beginning of Year	4,425,192	5,458,252	680,952	4,708,697	15,273,093
Net Position, End of Year	\$ 4,405,375	\$ 5,518,290	\$ 655,230	\$ 4,478,484	\$ 15,057,379

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
SEPTEMBER 30, 2019**

	Business-Type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
Cash Flows from Operating Activities					
Receipts from Customers	\$ 2,959,843	\$ 806,399	\$ 627,711	\$ 904,355	\$ 5,298,308
Payments to Employees for Services	(382,656)	(290,459)	(202,795)	(269,932)	(1,145,842)
Payments to Suppliers	(2,716,247)	(195,807)	(286,535)	(435,080)	(3,633,669)
Net Cash Provided by (Used in) Operating Activities	<u>(139,060)</u>	<u>320,133</u>	<u>138,381</u>	<u>199,343</u>	<u>518,797</u>
Cash Flows from Non-Capital Financing Activities					
Due from/to Other Funds	189,776	(233,578)	-	43,802	-
Transfers to Other Funds	-	-	(50,000)	-	(50,000)
Grant Proceeds	55	12,101	-	18,727	30,883
Net Cash Provided by (Used in) Non-Capital and Related Financing Activities	<u>189,831</u>	<u>(221,477)</u>	<u>(50,000)</u>	<u>62,529</u>	<u>(19,117)</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(6,456,219)	(71,494)	(15,900)	(54,907)	(6,598,520)
Capital Contributions (Costs Assistance)	12,755	5,984	-	20,697	39,436
Loan Proceeds	7,935,000	-	-	-	7,935,000
Debt Issuance Costs	(17,600)	-	-	-	(17,600)
Principal Paid on Capital Debt	(3,110,875)	(76,845)	(33,096)	(146,220)	(3,367,036)
Interest Paid on Capital Debt	(148,757)	(33,875)	(2,257)	(77,842)	(262,731)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,785,696)</u>	<u>(176,230)</u>	<u>(51,253)</u>	<u>(258,272)</u>	<u>(2,271,451)</u>
Cash Flows from Investing Activities					
Investment Income	18,878	2,503	1,395	-	22,776
Net Increase (Decrease) in Cash and Cash Equivalents	(1,716,047)	(75,071)	38,523	3,600	(1,748,995)
Cash and Cash Equivalents, Beginning of Year	<u>3,056,731</u>	<u>707,343</u>	<u>374,943</u>	<u>107,675</u>	<u>4,246,692</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,340,684</u>	<u>\$ 632,272</u>	<u>\$ 413,466</u>	<u>\$ 111,275</u>	<u>\$ 2,497,697</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
SEPTEMBER 30, 2019
(Concluded)

	Business-Type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
<u>Shown in the Financial Statements as</u>					
Cash and Cash Equivalents	\$ 791,266	\$ 600,065	\$ 413,466	\$ 65,187	\$ 1,869,984
Cash with Fiscal Agent	272,244	-	-	-	272,244
Restricted Cash - Debt Reserves	-	32,207	-	-	32,207
Restricted Cash	277,174	-	-	46,088	323,262
Total	\$ 1,340,684	\$ 632,272	\$ 413,466	\$ 111,275	\$ 2,497,697
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income (Loss)	\$ 114,852	\$ 73,325	\$ 25,140	\$ (191,795)	\$ 21,522
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	207,722	172,416	79,159	334,669	793,966
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):					
Accounts Receivable, Net	97,758	17,698	(778)	3,787	118,465
Inventory	(69,235)	12,627	-	14,376	(42,232)
Customer Deposits	14,901	-	-	-	14,901
Accounts Payable	(377,683)	41,525	(6,208)	26,196	(316,170)
Accrued Expenses	1,370	(1,273)	1,855	2,167	4,119
Power Cost Adjustment	(242,025)	-	-	-	(242,025)
Compensated Absences	(4,169)	12,046	2,227	(21,916)	(11,812)
OPEB Liability	28,762	7,191	10,786	7,191	53,930
Net Pension Liability and Related Deferred Inflows and Outflows	88,687	(15,422)	26,200	24,668	124,133
Total Adjustments	(253,912)	246,808	113,241	391,138	497,275
Net Cash Provided by (Used in) Operating Activities	\$ (139,060)	\$ 320,133	\$ 138,381	\$ 199,343	\$ 518,797

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2019

Assets	
Cash and Cash Equivalents	\$ 120,010
Investments:	
Corporate and Foreign Bonds	410,922
U.S. Government Securities	552,891
Common Stock	2,503,294
Real Estate Investment Trusts	<u>32,186</u>
Total Cash, Cash Equivalents, and Investments	<u>3,619,303</u>
Accounts Receivable	<u>11,070</u>
Total Assets	<u><u>3,630,373</u></u>
Total Liabilities	<u>-</u>
Net Position	
Net Position Restricted for Pensions	<u><u>\$ 3,630,373</u></u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Additions	
Contributions:	
Employer	\$ 151,010
Net Investment Income	110,285
Total Additions	<u>261,295</u>
Deductions	
Benefits Paid to Plan Members	35,269
Administrative Expenses	36,660
Total Deductions	<u>(71,929)</u>
Change in Net Position	189,366
Net Position Restricted for Pensions, Beginning of Year	<u>3,441,007</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 3,630,373</u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 1 - Description of Funds and Summary of Significant Accounting Policies

The financial statements of the City of Bushnell, Florida (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below:

Reporting Entity

The City is a political subdivision of the State of Florida located in Sumter County (the County). The City was established under the legal authority of the Laws of Florida, Chapter 57-105. The City operates under a council-manager form of government. The legislative branch of the City is composed of a four-member elected City Council, and an elected mayor. The Mayor and City Council are governed by the City Charter by state and local laws and regulations. The Mayor and City Council are responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager. The City provides services to its residents in many areas, including contracting with the County for public safety (police), highways and streets, utilities, sanitation, culture and recreation, public improvements, and general administrative services.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's Governing Board and: (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that there are no component units that the City is required to report on.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Indirect expenses are allocated automatically and certain indirect costs are included in program expenses reported for individual function and activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide activities.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City operates the following major governmental funds:

■ **Governmental Funds**

Governmental funds are used to account for all or most of a government's general activities. The City operates the following major governmental funds:

- The **General Fund**—is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Evergreen Cemetery Fund**—accounts for the proceeds from sales of cemetery lots and contributions to the City's cemetery fund, which is used to maintain the cemetery. This fund is reported as a special revenue fund. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

■ **Proprietary Funds**

Proprietary funds are used to account for the City's ongoing activities, which are similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

The City reports the following major proprietary funds:

- The **Electric Utility Fund**—accounts for the fiscal activity of providing electric services to residential and commercial customers.
 - The **Water Utility Fund**—accounts for the fiscal activity of providing water services to residential and commercial customers.
 - The **Wastewater Fund**—accounts for the fiscal activity of providing wastewater services to residential and commercial customers.
 - The **Sanitation Fund**—accounts for the operations and maintenance of the City’s refuse collection system.
- **Fiduciary Fund**
- **Pension Trust Fund**—accounts for the activities of the City’s General Employees’ Retirement fund, which accumulates resources for pension benefit payments for qualified retiring employees. It is excluded from the government-wide financial statements because it is fiduciary in nature and does not represent resources available to the government for operations. The financial statements are prepared on the accrual basis of accounting. Benefits and refunds of the postemployment defined benefit plan are recognized when due and payable in accordance with the terms of the plan. In addition, administrative costs are financed through plan earnings.

Summary of Significant Accounting Policies

The City conforms to all significant accounting policies to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant principles and practices used in the preparation of these financial statements:

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to generally use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes; however, this decision is frequently made on a case-by-case basis based upon facts and circumstances. Revenues of the enterprise funds are recognized on the basis of services rendered. Billing cycles of the enterprise funds that overlap September 30 are prorated based upon meter reading dates.

Budgets and Budgetary Accounting

The City’s procedures in preparing and adopting the annual budget, which is adopted on a basis consistent with generally accepted accounting principles, are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental funds and proprietary funds for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of the City Council. The budget data presented is in agreement with the originally adopted budget as amended by the City Council.
- Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the provision for depreciation expense is not included in the budget of the proprietary funds. Total budgetary appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the basic financial statements is prepared on the same basis of accounting as that prescribed for the fund. An annual operating budget was prepared for all funds.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

During the year, the City made supplemental budget appropriations, which increased or decreased the budgets as necessary.

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits with banks, money market funds, and certificates of deposits, as well as short-term investments with a maturity date within three months of the date acquired.

The City utilizes pooled cash and investment accounts in which each fund participates on a dollar equivalent basis (except the pension trust funds). Interest is distributed monthly based on average balances. The nature of the pooled accounts permits temporary negative cash balances upon overdrawing of cash available in individual funds, which is presented as inter-fund receivables and payables. The cash and investments of the pension trust funds are held separately from those of other City funds.

Transfers

Transfers are recognized in the accounting period in which the inter-fund receivable and payable arise. Transfers are made between funds to finance operations, per the budget.

Capital Grants

Accounts receivable from other governments include amounts due from grantors. Program and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are deferred. Capital grants for capital asset additions to the proprietary funds are recorded as non-operating revenues.

Investments

Investments, including pension funds, are stated at fair value. State Board of Administration (SBA) funds are stated at amortized cost.

Receivables

Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30 is estimated and accrued at year-end. The allowance for doubtful accounts is detailed in Note 12.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

General Fund receivables represent amounts due from the federal, state, or local governments, State of Florida or Sumter County for shared revenues or costs. The amount is considered collectible in full within sixty days of fiscal year-end (therefore, an allowance for doubtful accounts is not recorded).

Inventories and Prepaid Items

Inventories held by the utility funds are priced by the weighted-average costs method at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Cost Reimbursements

Certain personal services and operating expenses/expenditures recorded in various funds and departments are a results of services performed and expenses/expenditures incurred for the benefit of other funds and departments. In order to better reflect various funds and departments' actual costs, a cost reimbursement is recorded as a reduction in expenditures or expenses. The funds and departments that benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

Capital Assets

Capital assets, which include land, utility plant-in-service, buildings, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Utility plant-in-service and equipment with initial individual costs that equal or exceed \$300 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost if purchased or constructed. Infrastructure assets acquired prior to the implementation of GASB Statement No. 34 has not been recorded.

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	32-50 Years
Improvements Other Than Buildings	10-50 Years
Machinery, Equipment, and Furniture	3-15 Years

Bond Discounts

Bond discounts for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line amortization method, which produces a result not significantly different from the interest method. Bond discounts are presented as a reduction of the face amount of bonds payable.

Compensated Absences

In the governmental fund financial statements there are no amounts of compensated absences associated with employee vacations and sick leave recorded. In the government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and non-current portions. The general fund is used to liquidate the liability for compensated absences.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

In proprietary funds, the amount of compensated absences associated with employee vacation days and sick leave that are recorded as expenses represent the amounts paid during the year and accrued at year-end. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and non-current portions and also recorded in the entity-wide statements.

The policy for payment of sick leave is upon voluntary termination of the employee, 50% of the accumulated hours would be paid (75% for long-term employees with twenty or more years of full-time service) not to exceed 1,040 hours. The City accrues and records 100% of unpaid vacation pay and 50% or 75%, as applicable, of unpaid sick pay at the employee's current pay rate.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments are recorded as expenditures in order to reserve that portion of the applicable appropriation, is not employed by the City for budgetary purposes.

Unearned Revenues

Unearned revenues include amounts collected before the revenue recognition criteria are met and receivables which, under the modified accrual basis of accounting, are measurable but not yet available.

Water Line Extension Charges

Water line extension charges are made to customers to cover the full cost of the addition. Costs of the extension are reported as utility plant in service, and depreciated over the estimated useful life of the assets.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2019, was 4.2299%.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Sumter County Property Appraiser incorporates the City millages into the total tax levy, which includes the County and the County School Board tax requirements.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

Taxes are assessed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. Unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

The City does not accrue its portion of the County held tax sales certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

Fund Balance Reporting

GASB has promulgated Statement No. 54, entitled *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement is designed to do two things. First, it clarifies the definition of what activities are to be reported within different types of governmental funds (general fund, special revenue fund type, capital project fund type, debt service fund type, and permanent fund type). No changes were required by the City based on this standard clarification.

Second, it provides clearer fund balance definitions that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds as follows:

- *Non-Spendable*—Resources that cannot be spent, such as for inventories and prepaid items.
- *Restricted*—Balances that only can be spent for specific purposes imposed by external sources.
- *Committed*—Resources that can only be spent for purposes established by the highest decision making authority in the government—the City Council.
- *Assigned*—Amounts designated for specific purposes, but does not meet the criteria to be designated restricted or committed.
- *Unassigned*—The residual classification for all remaining funds not contained in other classifications for the general fund.

All *Restricted* fund balances relate to external debt service restrictions and perpetual care for the cemetery. The City Council is the highest decision making authority of the City, approves the establishment, increase, and reduction in *Committed* and *Assigned* fund balances by resolution. All other fund balances are *Unassigned*. *Restricted* and *Committed* fund balances are always used first for the purposes for which they are designated. Changes to this practice require prior City Council approval. The City Council, the governing body, has not provided authorization or a policy designating authority to changes of the above classifications to any other individual. A minimum fund balance amount has not been formally adopted.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify as deferred outflows of resources on its government-wide and proprietary statement of net position, the deferred outflows for Other Postemployment Benefits (OPEB) and deferred outflows for pension. The deferred outflows for OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The deferred outflow for OPEB and pensions will be recognized as pension expense, or a reduction of the net OPEB, or pension liabilities in future reporting periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one type of deferred inflows on its government-wide statement, the deferred inflows related for pensions. The deferred inflows for pensions are an aggregate of items related to pensions as calculated under the sample principles as the deferred outflows for pensions. Both will be recognized as a reduction to pension expense in future reporting periods.

New GASB Statement Implemented

In fiscal year 2019, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placement.

Note 2 - Cash and Cash Equivalents and Investments

All cash deposits were held in qualified public depositories and were covered by federal depository insurance or by the *Florida Security for Public Deposits Act*, Chapter 280 of the Florida Statutes.

The amounts placed with the SBA Florida Prime™, for participation in the Local Government Surplus Funds Trust Fund investment pool was created by Section 218.415, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The City's investments in the Florida Prime™, a Securities and Exchange Commission investment pool, are reported at fair value which is amortized at cost. The fund issues separate financial reports and can be found at their website at www.sbafla.com/PRIME.

The City cash and cash equivalents, investments, and required disclosures for the year ended September 30, 2019, are as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

<u>Type</u>	<u>Fair Value</u>	<u>WAM</u>	<u>Level</u>	<u>Credit Ratings</u>
Cash and Cash Equivalents				
Cash Deposits	\$ 4,551,961	N/A	N/A	N/A
Petty Cash	1,050	N/A	N/A	N/A
Certificates of Deposit	418,822	3 Yrs	1	N/A
SBA*	426,192	85 days	N/A	AAAm
Money Market Funds-Pension	<u>120,010</u>	N/A	2	N/A
Total Cash and Cash Equivalents	<u>\$ 5,518,035</u>			
Investments				
Regular Employee Pension:				
Corporate/Foreign Bonds	\$ 410,922	9.12/4.99/ 2.45 Yrs	2	AAA/AA-/ BBB+/BBB/ A/A-
U.S. Treasury Notes/Bonds	367,739	4.58 Yrs	2	AAA/AA+
US Government Agency Bonds	185,152	3.31 Yrs	2	AA+
Common Stock	2,503,294	N/A	1	N/A
Real Estate Investment Trust	<u>32,186</u>	14.93 Yrs	1	N/A
Total Investments	<u>3,499,293</u>			
Total Cash and Cash Equivalents	<u>5,518,035</u>			
	<u>\$ 9,017,328</u>			
Reconciliation with the Statement of Net Position				
Cash and Cash Equivalents - Unrestricted	\$ 4,770,312			
Cash and Cash Equivalents - Restricted	355,469			
Cash with Fiscal Agent	272,244			
Pension Cash and Investments	<u>3,619,303</u>			
Total	<u>\$ 9,017,328</u>			

*SBA is only the Florida Prime™ pool and is valued at amortized cost.

Fair Value Hierarchy

The City holds assets that are defined as short-term investments. The City's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1—Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals, (2) implied volatilities, and/or (3) credit spreads and market corroborated inputs. This includes other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.).

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Level 3—Inputs—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Disclosures per GASB Statement No. 79

The City holds investments in qualified external investments pools that measure all of its investment at amortized cost for financial reporting purposes. These investments are recorded at amortized cost. The following investment is recorded at amortized costs and is not subject to the fair value hierarchy:

- Florida Local Government Investment Pool (Florida Prime™)

The pool has no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates.

GASB Statement No. 79 says that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes, all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states the principal and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Investments

The City established an investment policy on September 7, 2017, that follows the Florida Statute 218.415.

The investment policy for the General Employees' Pension Fund was established in 2002, pursuant to the Florida Statutes requirements and has been amended.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Interest Rate Risk

The City's pension plan investment policy does not address the risk that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The pension plan's interest rate risks are measured using the weighted average maturity method (WAM). The WAM method expresses investment time horizons, the time when investments become due and payable-in years or months, weighted to reflect the dollar size of individual investments.

Custodial Credit Risk

The City's pension plan's policy requires securities be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City shall be properly designated as an asset of the City.

Concentration of Credit Risk

The City's pension plan policy states that except for Treasury and Agency Obligations, the debt portion of the investments shall contain no more than ten percent (10%) of a given issuer irrespective of the number of differing issues.

Credit Risk

The City's pension plan policy states that all securities must hold a rating in one of the three highest classifications by a major rating service. All of the fixed income investments in the pensions' funds hold a rating of AAA by Standard & Poor's and Moody's. As of September 30, 2019, there were no investments that had greater than 5% concentration by any one issuer other than those explicitly guaranteed by the U.S. Government.

Foreign Currency Risk

The City's pension plan policy does not address applicability in investments in foreign currency. The pension plan does not have exposure to foreign currency risk.

Rate Stabilization

The rate stabilization fund was created pursuant to an agreement with the City's wholesale power provider, Florida Municipal Power Agency (FMPA). These funds are held in trust by FMPA in a money market fund and can be utilized by the City to stabilize the City's bulk electric rates. As of September 30, 2019, the balance in this account was \$229,743.

Note 3 - Restricted Assets

Customer Deposit

Customer deposits have been restricted to indicate that the amount is not available for the financing of current utility operations.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases/ Transfers</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,141,034	\$ -	\$ -	\$ 1,141,034
Construction in Progress	12,343	2,846	-	15,189
Total Capital Assets Not Being Depreciated	<u>1,153,377</u>	<u>2,846</u>	<u>-</u>	<u>1,156,223</u>
Capital Assets Being Depreciated:				
Buildings	4,021,573	-	-	4,021,573
Improvements Other Than Buildings	6,748,501	263,153	-	7,011,654
Equipment and Furniture	913,882	63,361	-	977,243
Total Capital Assets Being Depreciated	<u>11,683,956</u>	<u>326,514</u>	<u>-</u>	<u>12,010,470</u>
Less Accumulated Depreciation:				
Buildings	(1,052,107)	(79,186)	-	(1,131,293)
Improvements Other Than Buildings	(1,903,002)	(244,466)	-	(2,147,468)
Equipment and Furniture	(706,756)	(38,045)	-	(744,801)
Total Accumulated Depreciation	<u>(3,661,865)</u>	<u>(361,697)</u>	<u>-</u>	<u>(4,023,562)</u>
Total Capital Assets Being Depreciated, Net	<u>8,022,091</u>	<u>(35,183)</u>	<u>-</u>	<u>7,986,908</u>
Governmental Activities Capital Depreciated, Net	<u>\$ 9,175,468</u>	<u>\$ (32,337)</u>	<u>\$ -</u>	<u>\$ 9,143,131</u>
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 708,188	\$ -	\$ -	\$ 708,188
Construction in Progress	2,308,240	6,449,264	-	8,757,504
Total Capital Assets Not Being Depreciated	<u>3,016,428</u>	<u>6,449,264</u>	<u>-</u>	<u>9,465,692</u>
Capital Assets Being Depreciated:				
Utility Plant in Service	22,217,277	112,509	-	22,329,786
Buildings	419,930	-	-	419,930
Machinery and Equipment	3,982,156	36,751	-	4,018,907
Total Capital Assets Being Depreciated	<u>26,619,363</u>	<u>149,260</u>	<u>-</u>	<u>26,768,623</u>
Less Accumulated Depreciation:				
Utility Plant in Service	(7,351,341)	(528,205)	-	(7,879,546)
Buildings	(289,593)	(11,243)	-	(300,836)
Machinery and Equipment	(2,504,106)	(254,518)	-	(2,758,624)
Total Accumulated Depreciation	<u>(10,145,040)</u>	<u>(793,966)</u>	<u>-</u>	<u>(10,939,006)</u>
Total Capital Assets Being Depreciated, Net	<u>16,474,323</u>	<u>(644,706)</u>	<u>-</u>	<u>15,829,617</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 19,490,751</u>	<u>\$ 5,804,558</u>	<u>\$ -</u>	<u>\$ 25,295,309</u>
Depreciation Expense -				
Governmental Activities				
General Government				\$ 57,050
Public Safety				200
Physical Environment				2,474
Transportation				194,637
Culture and Recreation				107,336
Total Depreciation Expense - Governmental Activities				<u>\$ 361,697</u>
Depreciation Expense -				
Business-Type Activities				
Electric Utility				\$ 207,722
Water Utility				172,417
Wastewater Utility				334,669
Sanitation Utility				79,158
Total Depreciation Expense - Business-Type Activities				<u>\$ 793,966</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes Payable:					
Note Payable - SunTrust Bank - Direct Borrowings	\$ 1,704,590	\$ -	\$ (109,824)	\$ 1,594,766	\$ 122,777
Other Liabilities:					
Installment Contract Payable - Direct Borrowings	13,616	-	(6,808)	6,808	6,808
Net Pension Liability - FRS	47,074	12,478	-	59,552	-
Net Pension Liability - HIS	22,982	4,443	-	27,425	-
Other Postemployment Benefits	703,674	64,714	-	768,388	17,850
Compensated Absences	94,285	35,374	(18,857)	110,802	22,160
Total Other Liabilities	881,631	117,009	(25,665)	972,975	46,818
Total Government Activities	<u>\$ 2,586,221</u>	<u>117,009</u>	<u>(135,489)</u>	<u>\$ 2,567,741</u>	<u>\$ 169,595</u>
Business-Type Activities					
Revenue Bond and Notes Payable:					
Electric Fund:					
Bond Anticipation Note - Taxable - Direct Placement	\$ 1,083,237	\$ -	\$ (1,083,237)	\$ -	\$ -
Bond Anticipation Note - Tax-Exempt - Direct Placement	1,916,763	-	(1,916,763)	-	-
FMPA - Direct Borrowings	-	7,935,000	-	7,935,000	342,432
Water and Sewer Funds:					
Wastewater - Hanson Plant SRF - Direct Borrowings	592,690	-	(56,768)	535,922	27,909
State Revolving Loan, Drinking Water - Direct Borrowings	139,534	-	(17,018)	122,516	17,966
State Revolving Loan, SR48 Widening - Direct Borrowings	455,834	-	(23,172)	432,662	23,407
Revenue Refunding Bond, Series 2017 - Direct Placement	3,200,000	-	(120,000)	3,080,000	120,000
Total Revenue Bond and Notes Payable	7,388,058	7,935,000	(3,216,958)	12,106,100	531,714
Other Liabilities:					
Capital Lease Obligation - Direct Borrowings	63,574	-	(31,151)	32,423	32,423
Capital Lease Obligation - Direct Borrowings	165,790	-	(39,946)	125,844	40,931
Capital Lease Obligation - Direct Borrowings	17,270	-	(4,162)	13,108	4,264
Capital Lease Obligation - Direct Borrowings	295,078	-	(62,177)	232,901	66,069
Installment Contract Payable - Direct Borrowings	25,284	-	(12,642)	12,642	12,642
Net Pension Liability - FRS	55,182	-	(17,159)	38,023	-
Net Pension Liability - HIS	26,942	-	(9,432)	17,510	-
Other Postemployment Benefits	496,029	53,930	-	549,959	12,775
Compensated Absences	134,244	15,037	(26,849)	122,432	30,608
Total Other Liabilities	1,279,393	68,967	(203,518)	1,144,842	199,712
Total Business-Type Activities	<u>\$ 8,667,451</u>	<u>8,003,967</u>	<u>(3,420,476)</u>	<u>\$ 13,250,942</u>	<u>\$ 731,426</u>

The total amount of interest charged to expense in the business-type activities was \$262,731, and the governmental activities was \$98,612**.

* Noted that the REPP had a net pension asset as of fiscal year-end.

**Noted that governmental interest is not accrued due to payments made at month end.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

The following is a schedule of long-term liabilities at September 30, 2019:

Governmental Activities

Type	Purpose of Loan	Amount Issued	Amount Outstanding	Interest Rate
Note Payable - Direct Borrowings	City Hall Construction	\$ 2,650,000	\$ 1,594,766	5.797%
Installment Contract Payable - Direct Borrowings	Software Purchase	20,424	6,808	0.00%

Business-type Activities

Type	Purpose of Loan	Amount Issued	Amount Outstanding	Interest Rate
Revenue Bond - Direct Placement	Refunding Bond, Series 2017	3,315,000	3,080,000	2.85%
State Revolving Loan - Direct Borrowings	Wastewater Plant (State Revolving Loan Fund)	1,100,779	535,922	2.17%
State Revolving Loan - Direct Borrowings	Elevated Water Tank (State Revolving Loan Fund)	254,708	122,516	2.71%
State Revolving Loan - Direct Borrowings	SR48 Widening (State Revolving Loan Fund)	489,496	432,662	3.10%
Capital Lease - Direct Borrowings	Garbage Truck and Containers (Sanitation)	272,000	32,423	4.04%
Capital Lease - Direct Borrowings	Aerial and Digger Trucks	325,475	232,901	3.02%
Capital Lease - Direct Borrowings	Bucket Truck	204,774	125,844	2.45%
Capital Lease - Direct Borrowings	Truck	21,332	13,108	2.45%
Installment Contract Payable - Direct Borrowings	Software Purchase	37,926	12,642	0.00%
Bond Anticipation Note - Direct Placement	SECO Integration Costs:			
	Taxable	\$ 1,083,237	\$ -	3.40%
	Tax-Exempt	\$ 1,916,762	\$ -	2.69%

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Revenue Bond and Notes Payable

Debt service to maturity on the City's bonded indebtedness and notes payable are as follows:

Year Ending	Direct Borrowings		Direct Placement and Direct Borrowings		Total Primary Government Debt	
	Governmental Activities		Business-Type Activities		Principal	Interest
	Principal	Interest	Principal	Interest		
2020	\$ 122,777	\$ 92,466	\$ 574,357	\$ 275,065	\$ 697,134	\$ 367,531
2021	122,692	85,743	545,532	292,829	668,224	378,572
2022	129,805	78,630	560,799	278,999	690,604	357,629
2023	137,331	71,105	576,324	264,627	713,655	335,732
2024	145,292	63,144	587,112	250,062	732,404	313,206
2025-2029	943,677	179,170	7,462,150	1,023,632	8,405,827	1,202,802
2030-2034	-	-	1,107,482	177,267	1,107,482	177,267
2035-2039	-	-	704,986	33,585	704,986	33,585
Total	\$ 1,601,574	\$ 570,258	\$ 12,118,742	\$ 2,596,066	\$ 13,720,316	\$ 3,166,324

Defeased Debt

There are no outstanding defeased bonds.

2019 Bond Anticipation Note

During the fiscal year, the City paid off the Series A and B Tax-Exempt and Taxable Debt in the amount of \$3,000,000. This debt was utilized to fund the initial payment to Sumter Electric Cooperative for the purchase of the City customers and to fund the integration of those customers to the City's Electric System. The City issued permanent financing through Florida Municipal Power Agency's Pooled Loan Program.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 6 - Pledged Revenues

The City has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2019. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and noted at September 30, 2019:

<u>Type</u>	<u>Revenue Pledged</u>	<u>Revenues (Net)</u>	<u>Principal and Interest Paid</u>	<u>Estimated Revenue Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Governmental Activities						
Note Payable - SunTrust (City Hall)	General Fund Non-Ad Valorem Revenues	\$ 2,249,880	\$ 208,436	9%	\$ 2,165,024	2029
Business-Type Activities						
Revenue Bonds - Centerstate - Water/Wastewater System	Waste Water System Revenues and Available Non-Ad valorem	491,816	210,416	43%	3,980,315	2037
Loan Payable (State Revolving Loan Program) - Elevated Water Tank	Net Water System Revenue (2)	199,890	27,864	14%	137,143	2026
Loan Payable (State Revolving Loan Program) - SR48	Net Water System Revenue (2)	172,026	20,685	12%	278,636	2036
Loan Payable (State Revolving Loan Program) - Hanson Plant	Waste Water System Revenues and Available Non-Advalorem	81,510	69,311	85%	590,422	2028
Florida Municipal Power Agency Utility Expansion	Electric Revenues	172,757	137,985	80%	9,520,603	2029*

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation.

(2) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation minus 2006 bond payments.

*Noted that these funds maybe rolled into another long term financing product at the term date.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 7 - Lease Obligations

Capital Lease

The City has entered into a lease agreement for financing the acquisition of vehicles and related equipment.

	Business-Type Activities
Assets	
Front End Loader and Containers*	\$ 292,890
F-150 Truck	21,332
Bucket Truck	204,774
Aerial Service and Digger Trucks	325,475
(Accumulated Depreciation)	(363,449)
Total	\$ 481,022

* Total purchase price is \$292,890 of which \$272,000 is financed through a capital lease.

Future minimum lease payments under terms of the leases are as follows:

	Direct Borrowings Business-Type Activities
Year Ending	
2020	\$ 152,354
2021	118,946
2022	118,946
2023	35,312
Total Minimum Lease Payments	425,558
(Less Amount Representing Interest)	(21,282)
Present Value of Minimum Lease Payments	\$ 404,276

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 8 - Electric Power Agreements

FMPA

The City is a member of the FMPA, which is a joint action agency formed by a number of Florida municipalities for the purpose of providing electric power alternatives for its members.

FMPA is a governmental, joint action agency formed pursuant to Florida Statutes. FMPA has the authority to undertake joint power supply projects and to issue tax-exempt bonds or other obligations to finance or refinance the costs of such projects.

Due to the diverse needs of Florida's municipal electric systems, FMPA was established as a project-oriented agency. Under this structure, each member has the option whether or not to participate in a project. Members may choose to participate in more than one project; however, each of the FMPA's five projects is independent from the other and no revenues or funds available from one project can be used to pay the costs of any other project.

The City has elected to participate in the "All Requirements Project", which supplies all of the City's power requirements. The agreement will remain in effect until October 1, 2035, with optional successive five-year renewal periods. The contract provides for optional withdrawal by the City, but would require the City to make all remaining project members whole, which is generally understood as a paying off of its share of the project's debt. The cost to the City withdrawing from the contract has not been calculated, but is generally understood to require payoff of the City's portion of project debt.

Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA.

Note 9 - Employee Retirement Systems

Florida State Retirement System—Pension Plan

All full-time employees of the City hired prior to January 1, 1996, participate in the Florida State Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined-benefit, public retirement plan available to governmental units within the state of Florida. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-5706.

All full-time employees of the City hired prior to January 1, 1996, are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 55, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: (1) average monthly compensation in the highest five years of creditable service, (2) creditable service during the appropriate period, and (3) the appropriate benefit percentage. Benefits fully vest on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits, and annual cost-of-living adjustments. Benefits are established by Florida Statute. Beginning in 2011, the state mandated a 3% contribution to the plan by the employees. The City currently has two employees that participate in Florida Retirement System.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 8.26% of the compensation for regular members, 14.03% for Deferred Retirement Option Program (DROP), 26.06% for senior management, and 48.70% for elected officials as of September 30, 2019. In addition employees that are not participating in the DROP Program are required to contribute 3% of their gross salary.

The City contributed 100% of the required contributions to the System (cumulative total for both state plans – FRS and HIS) for the years ended September 30, 2019, 2018, and 2017 as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 9,930
2018	12,063
2017	20,179

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2019, the City reported a net pension liability of \$97,575 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net pension liability was based on projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the City’s proportionate share was .00028333317 %, which was a decrease of .00005615634 from its proportionate share measured as of June 30, 2019.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$26,381. On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Inflow Funds</u>	<u>Deferred Outflow Funds</u>
Differences between Expected and Actual Experience	\$ 61	\$ 5,788
Change in Assumptions		25,061
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,398	-
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	91,000	3,350
City Contributions Subsequent to Measurement Date	-	1,144
Total	<u>\$ 96,459</u>	<u>\$ 35,343</u>

The Deferred Outflows of Resources related to pensions totaling \$1,144 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

<u>Year</u>	Total Inflows/Outflows
2020	\$ (27,060)
2021	(18,465)
2022	(5,858)
2023	(6,344)
2024	(4,150)
Thereafter	(383)
Total	<u><u>\$ (62,260)</u></u>

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Including Inflation
Investment Rate of Return	7.00%, Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2019. As a result of the 2018 actuarial experience study, the real payroll growth assumption was 3.25% and the long-term expected rate of return was 6.90%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	<u><u>100%</u></u>			

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Discount Rate—The discount rate used to measure the total pension liability was 7.00%. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. The discount rate used in the 2018 valuation was updated from 7.10% to 7.00%. The rate of return assumption is a prescribed assumption as defined by ASOPs. The 7.40% assumption was adopted by the 2018 FRS Actuarial Assumption Conference; however, the rate utilized was 7.00% as allowable under the governmental accounting and reporting standards.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate—The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 5.90%	Current Discount Rate – 6.90%	1% Increase 7.90%
City’s Proportionate Share of the Net Pension Liability	\$ 168,676	\$ 97,575	\$ 38,195

FRS Pension Plan Fiduciary Net Position—Detailed information about pension plan’s fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

Florida State Retirement System—Health Insurance Subsidy (HIS)

Plan Description—The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State City System Optional Retirement Program are not eligible to receive benefits from the HIS Plan.

Benefits Provided—The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS defined-benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS—At September 30, 2019, the City reported a net pension liability of \$44,935 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the City's proportionate share was .00040160875%, which was a decrease of .00007007937 from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2019, the City recognized pension expense is listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

	<u>Deferred Inflow Funds</u>	<u>Deferred Outflow Funds</u>
Differences between Expected and Actual Experience	\$ 55	\$ 546
Change in Assumptions	3,673	5,203
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	29
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	39,216	1,859
City Contributions Subsequent to Measurement Date	<u>-</u>	<u>281</u>
Total	<u>\$ 42,944</u>	<u>\$ 7,918</u>

The deferred outflows of resources related to pensions totaling \$281 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>September 30,</u>	<u>Inflows/Outflow</u>
2020	\$ (10,848)
2021	(8,114)
2022	(4,861)
2023	(5,276)
2024	(4,611)
Thereafter	<u>(1,597)</u>
Total	<u>\$ (35,307)</u>

Actuarial Assumptions—The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increase	3.25% Average, Including Inflation
Bond Buyer General Obligation 20-Bond Municipal Bond	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2019.

Discount Rate—The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2019.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate— The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.87 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease 2.50%	Current Discount Rate - 3.50%	1% Increase 4.50%
City's Proportionate Share of the Net Pension Liability	\$ 51,297	\$ 44,935	\$ 39,638

*Pension Plan Fiduciary Net Position—*Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

Florida State Retirement System Opt-Out

In December 1995, the City Council approved opting out of the Florida State Retirement System effective with all new employees hired after January 1, 1996. City employees covered under the System at December 31, 1995, will continue to participate in the state System and the City will continue to make contributions on their behalf. As of fiscal year-end September 30, 2019, the City has one remaining employee participating in FRS who retired in October 2019.

Deferred Compensation Plan

The City also participates in a qualified deferred compensation plan (457 Plan) in which employees can voluntarily participate. The City matches 10% of the employee's biweekly individual contribution. Amendments to the plan can only be made via the approval of the City Council. This 457 Plan is administered by the U.S. Conference of Mayors. The employee chooses one or a combination of several available investments. Employees are 100% vesting in this program and accounts are maintained individually by employees. Following are the City's contributions to the plan:

Year	Amount
2019	\$ 4,512
2018	6,797
2017	6,296

General Employees' Defined Contribution Plan

After freezing entrance to its previous defined benefit plan effective October 1, 2013, the City created a new defined contribution plan covering all eligible general employees of the City. Contributions continue for hired employees prior to October 1, 2013, and Florida Retirement System opt out October 1, 1995.

Prior to October 1, 2013, the City contributed 17.8% of the employees' salary, with a six-year step-vesting period. Employees had to be full-time.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

The Plan was amended and restated October 1, 2013. The City now makes non-elective contributions of 10% of the full time employee's payroll expense. Additionally, starting in October, for every 1% that an employee sets aside in their (457) Deferred Compensation plan (listed above), the City also matches an additional 1% up to a maximum of an additional 4%. The match amounts are deposited into the employees 401(a) defined contribution account. The employees' retirement savings now have the potential of totaling 18% of their salary. Amendments to the plan can only be made via the approval of the City Council.

Forfeitures are used to offset current contribution by the City. The normal retirement date is the first day of the month coinciding with the participants sixtieth birthday.

The vesting schedule, based on the number of years of service, is as follows:

Greater than 6 months but less than 2 Years	0%
2 Years	20%
3 Years	40%
4 Years	60%
5 Years	80%
6 or more Years	100%

Upon severance from employment, the participant is entitled to apply to receive his or her benefit payable under any payout option that satisfies the provisions of the Plan.

At September 30, 2019, there were twenty active members of the Plan. For the years ended September 30, 2019, 2018, and 2017, the City contributed \$57,843, \$51,185, and \$34,865, respectively, to the Plan. There were no forfeitures during the fiscal year.

Defined Benefit Plan

Pension Trust Fund

■ **Plan Description**

In January 1996, the City adopted a separate single-employer pension plan, general employees' retirement plan, that covers substantially all full-time City employees employed after January 1, 1996, pursuant to the City's opt-out of the Florida Retirement System. This plan is maintained as a pension trust fund and included as part of the City reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies every three years. A stand-alone financial report is not issued.

The general employees' retirement plan (the Plan) covers all full-time employees. The Plan is non-contributory, and the City provides the full contribution to fund the Plan. The annual pension cost related to the Plan includes amortization, over a thirty-year period, of a prior service cost established October 13, 1995. The City Council has the authority to amend the Plan.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Plan Administration

The City's General Employees' Pension Plan is a defined benefit pension plan administered by a Board of Trustees, which acts as the Administrator of the Plan. The Board consists of five Trustees, two who are legal residents of the City appointed by the City Council, two who are employee members elected by a majority of the Members of the Plan, and a fifth Trustee, who is chosen by a majority of the first four Trustees.

Benefits Provided

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Date: Earlier of age 62, or 30 years of Credited Service, regardless of age.

Benefit: 1.6% of Average Final Compensation times Credited Service. Benefit rate increases to 1.63% at age 63 or 31 years, to 1.65% at age 64 or 32 years, and 1.68% at age 65 or 33 years. Benefit Rate for Senior Management is 2.0%.

Early Retirement:

Eligibility: 6 Years of Credited Service, regardless of age.

Benefit: Accrued benefit, reduced 5% for each year prior to Normal Retirement.

Vesting:

Schedule: 100% after 6 Years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 6 Years of Credited Service.

Benefit:

Benefit accrued to date of disability, but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Pre-Retirement Death Benefits:

Vested: Joint Annuitant receives an immediate or deferred monthly benefit computed based on the assumption that the Member retired on the date of death and elected the 100% joint and survivor annuity. Joint Annuitant is a spouse, dependent child, or any person receiving 50% or more of their support from the Member.

Non-Vested:

Refund of any Member contributions.

Cost-of-Living Adjustments:

Each July 1 following the retirement the monthly benefit amount is increased 3%. The increase is based on the June benefit, excluding any health insurance subsidy.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Contributions:

Member contributions—none. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over no more than 40 years.

■ **Investments**

Investment Policy

The following was the Board’s adopted asset allocation policy as of September 30, 2019:

Asset Class	Target Allocation
Large Cap US Equity	45.0%
Small/Mid Cap US Equity	10.0%
Non-US Equity Developed	15.0%
US Corps Bonds - Core	30.0%
Total	100.0%

Concentrations

The Plan did not hold investments in any one organization that represents 5 percent or more of the pension plan’s fiduciary net position.

Rate of Return

For the year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

■ **Membership**

Membership of the Plan consisted of the following as of October 1, 2019:

	General Employees
Active Plan Members	14
Inactive Employees Currently Receiving Benefits	2
Inactive Employees Entitled but Not Yet Receiving Benefits	11
Total	27

■ **Net Pension Liability (Asset)**

The components of the net pension liability (asset) of the sponsor on September 30, 2019, were as follows:

Total Pension Liability	\$ 3,635,093
Plan Fiduciary Net Position	(3,639,728)
Sponsor’s Net Pension Liability (Asset)	\$ (4,635)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.13%

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

The differences between the actuarial financial statements and the pension financial statement were due to the recording of investment expense as a direct reduction of investment income and timing differences related to broker sold investments.

■ **Actuarial Assumptions**

The total pension liability (asset) was determined by an actuarial valuation as of October 1, 2018, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.3%
Salary Increases	6.0%
Investment Rate of Return	7.75%
Discount Rate	7.75%

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2018 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

The date of the most recent experience study for which significant assumptions are based upon is not available.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019, the inflation rate assumption of the investment advisor was 1.90%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage' and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans target asset allocation as of September 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap US Equity	5.70%
Small/Mid Cap US Equity	5.93%
Non-US Equity Developed	5.20%
US Corps Bonds-Core	1.80%

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the net pension liability (asset) to changes in the discount rate:

	1% Decrease	Current Discount	1% Increase
	6.75%	Rate - 7.75%	8.75%
Sponsor’s Net Pension Liability (Asset)	\$ 654,613	\$ (4,635)	\$ (530,855)

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of (\$119,373). On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Inflow	Deferred Outflow
	Funds	Funds
Differences between Expected and Actual Experience	\$ 136,671	\$ 24,212
Changes in Assumptions	-	39,248
Net Difference between Projected and Actual Earnings on Pension Plan Investments	80,464	147,176
Total	\$ 217,135	\$ 210,636

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ended	Amount
September 30,	
2020	\$ 1,300
2021	1,300
2022	1,300
2023	1,300
2024	1,299
Thereafter	-
Total	\$ 6,499

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY (ASSET)

General Employees Pension Plan:	2019
Total Pension Liability	
Service Cost	\$ 86,902
Interest on the Total Pension Liability	265,901
Differences between Expected and Actual Returns	(44,314)
Change in Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(34,939)
Net Change in Total Pension Liability	273,550
Total Pension Liability, Beginning of Year	3,361,545
Total Pension Liability, End of Year (a)	\$ 3,635,095
Plan Fiduciary Net Position	
Contributions - Employer	\$ 150,737
Net Investment Income	80,816
Benefit Payments	(34,939)
Administrative Expense	(10,662)
Net Change in Plan Fiduciary Net Position	185,952
Plan Fiduciary Net Position, Beginning of Year	3,453,778
Plan Fiduciary Net Position, End of Year (b)	\$ 3,639,730
Net Pension (Asset) - Ending (a) - (b)	\$ (4,635)
Plan Fiduciary Net Position as a Percentage of Total Pension Asset	100.13%
Covered Payroll	\$ 837,429
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-0.55%

Aggregate Totals for Pension Related Items:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Pension Expense</u>
FRS	\$ 97,575	\$ -	\$ 96,459	\$ 35,343	\$ 21,079
HIS	44,935	-	42,944	7,918	5,302
General	-	4,635	217,135	210,636	119,373
	\$ 142,510	\$ 4,635	\$ 356,538	\$ 253,897	\$ 145,754

Note 10 - Other Postemployment Benefits (OPEB)

The Other Postemployment Benefit Plan is a single employer benefit plan administered by the City. Pursuant to the provision of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for health and life insurance. The City subsidizes the premium rate paid by retirees by allowing them to participate in the Plan at a blended group (implicit subsidized) premium rate for both active and retired Employees. In addition, the City provides 50% of their health and life premiums (explicit subsidy). The remaining 50% of the premiums are paid for by the employee, less their FRS subsidy (as applicable). The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

For the OPEB Plan, contributions requirements of the City are established and may be amended through action from the City’s Council. Currently, the City’s OPEB benefits are unfunded. The actual contributions are based on a pay-as-you-go financing requirement. There is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension fund. The City funds the liquidation of the obligation through operating revenues for each of the respective funds.

The actuarial valuation, dated September 30, 2018, involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

Funding Policy—The numbers shown above reflect a decision not to fund the program. Therefore, the contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Plan Membership as of September 30, 2018

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Covered Spouses	1
Active Plan Members	<u>22</u>
Total	<u><u>30</u></u>

For the actuarial valuation, dated October 1, 2016, the Entry Age (level % of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

Inflation:	2.50%
Salary Increases:	2.50%
Discount Rate:	4.18%
Initial Trend Rate:	8.00%
Ultimate Trend Rate:	4.00%
Years to Ultimate:	54

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projects to the valuation date using Projection Scale AA.

Discount Rate:

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.18%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

OPEB Expense:

For the year ended September 30, 2019, the Sponsor will recognize OPEB Expense of \$139,524.

Deferred Outflows

For the year ended September 30, 2019, deferred outflows related to OPEB consist of \$30,625 for benefits paid subsequent to the measurement date.

Changes in Total OPEB Liability

	Increases and Decreases in Total OPEB Liability
Reporting Period Ending September 30, 2018	\$ 1,199,703
Changes for a Year:	
Service Cost	94,194
Interest	46,721
Difference Between Expected and Actual Experience	(140,193)
Changes in Assumptions	138,802
Changes of Benefit Terms	-
Benefit Payments	(20,880)
Net Changes	118,644
Reporting Period Ending September 30, 2019	\$ 1,318,347

Changes of assumptions reflect a change in the discount rate from 3.64% for the reporting period ended September 30, 2018, to 4.18% for the reporting period ended September 30, 2019.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3.18%	Current Discount Rate - 4.18%	1% Increase 5.18%
Net OPEB Liability	\$ 1,594,657	\$ 1,318,347	\$ 1,103,484

Sensitivity of the Net Pension Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00 - 7.00%	Healthcare Cost Trend Rates 4.00% - 8.00%	1% Increase 5.00% - 9.00%
Total OPEB Liability	\$ 1,119,774	\$ 1,318,347	\$ 1,573,701

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 11 - Inter-Fund Transfers, Advances, and Due to/Due from

Inter-Fund Transfers

Inter-fund transfers at September 30, 2019, are as follows:

	<u>Inter-Fund Transfers In</u>	<u>Inter-Fund Transfers (Out)</u>
Major Funds		
General Fund	\$ 50,000	\$ -
Sanitation Fund	-	50,000
Total Inter-Fund Transfers	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Transfers are made, in accordance with the budget, to supplement the revenues needed to cover the expenditures of providing general governmental and business-type services.

Advances

Advances to and from other funds at September 30, 2019, are as follows:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
Major Funds		
Water Utility Fund	\$ 377,948	\$ 20,100
Wastewater Utility Fund	-	1,242,948
Electric Utility Fund	885,100	-
Total Advances	<u>\$ 1,263,048</u>	<u>\$ 1,263,048</u>

Advances to other funds were made to supplement capital costs for their respective utility distribution systems. These amounts are not expected to be repaid in full within one year.

Due from/Due to Other Funds

Due from and due to other funds at September 30, 2019, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds		
Wastewater Utility Fund	\$ -	\$ 659,158
Water Utility Fund	233,578	-
Electric Utility Fund	425,580	-
Total Due from/Due to Other Funds	<u>\$ 659,158</u>	<u>\$ 659,158</u>

Due from/Due to other funds were made to supplement the cash deficit in the wastewater utility fund.

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Note 12 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2019, are as follows:

Electric Utility Fund	\$	5,000
Water Utility Fund		2,500
Wastewater Fund		2,000
Sanitation Fund		1,500
Total Allowances for Doubtful Accounts	\$	<u>11,000</u>

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City transfers risk of loss through the purchase of commercial insurance from the Florida League of Cities, Inc., and independent agencies. Insurance against losses are provided for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage
- Public Officials' Liability
- Accidental Death and Disability

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the City's experience for this type of risk. There have been no significant reductions in insurance coverage during fiscal year 2019. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

Note 14 - Contingencies and Commitments

Wastewater Treatment Facility

In connection with the USDA loan issued in 1999 for the construction of the Wastewater Treatment Plant that was later refunded with the Refunding Bond, Series 2017 debt, the City and Sumter County, Florida entered into an inter-local agreement whereby Sumter County will contribute approximately \$1,000,000 for the capital costs of the system at an annual rate of \$56,000 per year.

Operating Leases

The City entered into two operating leases for copiers with Xerox. The total monthly expenses are \$555 per month for a 36-month time frame. The leases include maintenance (the City does pay a per copy fee in addition to the monthly payment). The following is lease payment schedule for the year ended September 30:

<u>Year</u>	<u>Amount</u>
2020	\$ 5,575
2021	5,043
2022	199
2023	-

**NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA**

Utility Integration/Expansion

During the fiscal year, the City purchased the annexed electric customers from Sumter Electric Cooperative (SECO) for \$4,878,580. This amount included the purchase price of \$4,140,000, adjustment to stipulated assets \$73,261, interim true up adjustment \$579,843, and reimbursement for preparation expenses \$85,475. In addition, the City issued final financing with Florida Municipal Power Agency as the conduit debt holder to repay the interim financing obtained in the prior year. The official cut over of the purchased customers was October 2019, subsequent to year-end to complete the integration of the existing SECO customers to the Bushnell Electric Utility System. In February 2020, SECO also billed the City for cut over and subsequent costs in the amount of \$127,721.

City of Webster Wastewater Billing Dispute

The City of Webster utilizes the City's Wastewater System and the City bills them for their pumpage. The City of Webster currently is in dispute with the City for a period when the City of Webster's meter was not operating and the City was required to estimate the billings. Both cities initiated the conflict resolutions as detailed in their agreement. The process did not yield a resolution but a recommendation for an updated service agreement, which both cities are currently addressing.

Note 15 - Federal Awards and State Financial Assistance

During the fiscal year, the City did not expend greater than \$750,000 in federal awards or state financial assistance; therefore, an audit in accordance with Title 2 (Uniform Guidance) U.S. *Code of Federal Regulation* Part 200 and the *Florida Single Audit Act* was not required.

Note 16 - COVID-19 Subsequent Event

The COVID-19 pandemic has created economic disruptions throughout the City as of the date of our report causing significant declines in the financial markets and economic activity overall. The ultimate effect of these items is expected to be significant but is not quantifiable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present trend information regarding the retirement plans for the City's General Employees and participants in the Florida Retirement System and other postemployment benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF NET CHANGES IN OTHER POSTEMPLOYMENT
BENEFITS (OPEB) PLAN LIABILITY
LAST 10 FISCAL YEARS*
(UNAUDITED)

Reporting Period Ending	September 30, 2019	September 30, 2018
Measurement Date	September 30, 2018	September 30, 2017
Total OPEB Liability		
Service Costs	\$ 94,194	\$ 91,897
Interest	46,721	39,404
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience	(140,193)	-
Changes in Assumptions	138,802	(117,758)
Benefit Payments	(20,880)	(19,200)
Net Change in Total OPEB Liability	<u>118,644</u>	<u>(5,657)</u>
Total OPEB Liability - Beginning	1,199,703	1,205,360
Total OPEB Liability - Ending	<u>\$ 1,318,347</u>	<u>\$ 1,199,703</u>
Covered Payroll	<u>\$ 1,195,944</u>	<u>\$ 1,430,899</u>
Total OPEB Liability as a percentage of Covered Payroll	110.23%	83.84%

Notes to Schedule:

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ended September 30, 2019:	4.18%
Fiscal Year Ended September 30, 2018:	3.64%
Fiscal Year Ended September 30, 2017:	3.06%

* GASB Statement No. 75 was adopted for the 2018 Fiscal Year and the 10-year trend information will be developed from that date forward.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

GENERAL EMPLOYEES' PENSION PLAN

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 86,902	\$ 108,021	\$ 117,318	\$ 113,579	\$ 117,691	\$ 123,708
Interest on the Total Pension Liability	265,901	252,003	224,678	192,514	173,476	152,883
Differences between Expected and Actual Returns	(44,314)	(130,843)	36,318	(3,405)	(35,779)	-
Change in Assumptions	-	-	-	117,742	-	-
Benefit Payments, Including Refunds of Employee Contributions	(34,939)	(22,540)	(10,312)	(7,992)	(3,261)	(6,460)
Net Change in Total Pension Liability	273,550	206,641	368,002	412,438	252,127	270,131
Total Pension Liability, Beginning of Year	3,361,545	3,154,904	2,786,902	2,374,464	2,122,337	1,852,206
Total Pension Liability, End of Year (a)	\$ 3,635,095	\$ 3,361,545	\$ 3,154,904	\$ 2,786,902	\$ 2,374,464	\$ 2,122,337
Plan Fiduciary Net Position						
Contributions - Employer	\$ 150,737	\$ 163,419	\$ 164,850	\$ 172,625	\$ 171,231	\$ 176,075
Net Investment Income	80,816	319,154	311,038	175,725	(39,743)	173,326
Benefit Payments	(34,939)	(22,540)	(10,312)	(7,992)	(3,260)	(6,460)
Administrative Expense	(10,662)	(11,815)	(12,332)	(9,442)	(13,316)	(5,524)
Net Change in Plan Fiduciary Net Position	185,952	448,218	453,244	330,916	114,912	337,417
Plan Fiduciary Net Position, Beginning of Year	3,453,778	3,005,560	2,552,316	2,221,400	2,106,488	1,769,071
Plan Fiduciary Net Position, End of Year (b)	\$ 3,639,730	\$ 3,453,778	\$ 3,005,560	\$ 2,552,316	\$ 2,221,400	\$ 2,106,488
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (4,635)	\$ (92,233)	\$ 149,344	\$ 234,586	\$ 153,064	\$ 15,849
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	100.13%	95.27%	95.27%	91.58%	93.55%	99.25%
Covered Payroll**	\$ 837,429	\$ 878,597	\$ 1,012,672	\$ 984,220	\$ 968,164	\$ 989,185
Net Pension Liability as a Percentage of Covered Payroll	0.55%	-10.50%	14.75%	23.83%	15.81%	1.60%

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

** The Covered Payroll numbers shown are in compliance with GASB Statement No. 82.

Changes of Assumptions:

For measurement date September 30, 2018, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**CITY OF BUSHNELL, FLORIDA
GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 150,737	\$ 163,419	\$ 171,142	\$ 166,333	\$ 171,231	\$ 176,075
Contributions in Relation to the Actuarially Determined Contribution	150,737	163,419	164,850	172,625	171,231	176,075
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 6,292	\$ (6,292)	\$ -	\$ -
Covered Payroll ¹	\$ 837,429	\$ 878,597	\$ 1,012,672	\$ 984,220	\$ 968,164	\$ 989,185
Contributions as a Percentage of Covered Payroll	18.00%	18.60%	16.28%	17.54%	17.69%	17.80%

¹ - The Covered Payroll numbers shows are in compliance with GASB Statement No. 82.

Notes to Schedule

Valuation Date: October 1, 2017
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Salary Increases: 6.0% per year until the assumed retirement age.

Interest Rate: 7.75% per year compounded annually, net of investment related expenses.

Payroll Growth: None for amortizing UAAL.

Retirement Age: Earlier of age 62 or 30 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Beginning at 10 years of service, Members are assumed to retire with an immediate subsidized benefit at the rate of 3.0% per year.

Termination Rates: See table below.

Disability Rates: Female: 100% RP2000 Disables Female Set forward 2 years
Male: 100% RP2000 Disabled Male set back four years.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2015 FRS valuation report for other than special-risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

This assumption was developed from those used by other plans containing Florida Municipal General Employees. It is assumed that 25% of disablements that occur are service related.

Termination and Disability Rate Table:	%	%
	Terminating During the Year	Becoming Disabled the Year
Age		
20	17.2%	0.05%
30	15.0%	0.06%
40	8.2%	0.12%
50	1.7%	0.43%
60	0.5%	1.61%

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will develop from that date forward.

**CITY OF BUSHNELL, FLORIDA
GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS**

	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Annual Money - Weighted Rate of Return Net of Investment Expense	2.32%	10.44%	11.96%	7.71%	-1.84%	9.50%

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.0002833332%	0.0003394895%	0.0006704237%	0.0007137119%	0.0007742490%
City's Proportionate Share of the Net Pension Liability	\$ 97,575	\$ 102,256	\$ 198,307	\$ 180,213	\$ 100,005
City's Covered Payroll	134,313	154,061	240,063	230,984	215,271
City's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	72.65%	66.37%	82.61%	78.02%	46.46%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	96.82%	86.87%	83.89%	84.88%	92.00%

Schedule of City Contributions - Florida Retirement System Pension Plan (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 9,930	\$ 12,062	\$ 20,179	\$ 19,159	\$ 16,959
Contributions in Relation to the Contractually Required Contribution	9,930	12,062	20,179	19,159	16,959
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 115,305	\$ 151,661	\$ 224,822	\$ 230,984	\$ 215,271
Contributions as a Percentage of Covered Payroll	8.61%	7.95%	8.98%	8.29%	7.88%

Notes:

1) The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014, Information for prior years is not available.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.0004016087%	0.0004716881%	0.0007231044%	0.0007645644%	0.0007200370%
City's Proportionate Share of the Net Pension Liability	\$ 44,935	\$ 49,924	\$ 77,318	\$ 89,107	\$ 73,432
City's Covered Payroll	134,313	154,061	240,063	230,984	215,271
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	33.46%	32.41%	32.21%	38.58%	34.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

Schedule of City Contributions - Florida Health Insurance Subsidy Pension Plan (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 9,930	\$ 12,062	\$ 20,179	\$ 19,159	\$ 20,854
Contributions in Relation to the Contractually Required Contribution	9,930	12,062	20,179	19,159	20,854
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 115,305	\$ 151,661	\$ 224,822	\$ 230,984	\$ 215,271
Contributions as a Percentage of Covered Payroll	8.61%	7.95%	8.98%	8.29%	9.69%

Notes:

1) The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014, information for prior years is not available.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Bushnell’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the government’s overall financial health.

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CITY OF BUSHNELL, FLORIDA
NET POSITION BY COMPONENT
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 3,980,188	\$ 4,011,420	\$ 6,810,893	\$ 7,256,656
Restricted	501,928	547,046	475,273	455,912
Unrestricted	1,584	(153,357)	115,394	152,700
Total Governmental Activities, Net Assets	<u>\$ 4,483,700</u>	<u>\$ 4,405,109</u>	<u>\$ 7,401,560</u>	<u>\$ 7,865,268</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 11,703,966	\$ 12,248,789	\$ 12,136,614	\$ 11,730,474
Restricted	185,909	190,435	200,550	211,556
Unrestricted	1,372,437	1,296,145	1,297,541	1,441,948
Total Business-Type Activities, Net Assets	<u>\$ 13,262,312</u>	<u>\$ 13,735,369</u>	<u>\$ 13,634,705</u>	<u>\$ 13,383,978</u>
Primary Government				
Net Investment in Capital Assets	\$ 15,684,154	\$ 16,260,209	\$ 18,947,507	\$ 18,987,130
Restricted	687,837	737,481	675,823	667,468
Unrestricted	1,374,021	1,142,788	1,412,935	1,594,648
Total Primary Government, Net Assets	<u>\$ 17,746,012</u>	<u>\$ 18,140,478</u>	<u>\$ 21,036,265</u>	<u>\$ 21,249,246</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 7,278,421	\$ 7,019,909	\$ 7,291,967	\$ 7,414,870	\$ 7,457,263	\$ 7,541,557
437,513	434,307	433,160	430,564	422,366	437,917
<u>612,756</u>	<u>961,245</u>	<u>572,523</u>	<u>769,903</u>	<u>1,160,544</u>	<u>1,977,752</u>
<u>\$ 8,328,690</u>	<u>\$ 8,415,461</u>	<u>\$ 8,297,650</u>	<u>\$ 8,615,337</u>	<u>\$ 9,040,173</u>	<u>\$ 9,957,226</u>
\$ 11,937,502	\$ 12,029,468	\$ 12,560,955	\$ 12,791,519	\$ 11,535,696	\$ 12,674,912
202,764	174,313	175,567	78,797	250,322	78,295
<u>1,976,872</u>	<u>1,611,442</u>	<u>1,577,201</u>	<u>1,874,111</u>	<u>3,487,075</u>	<u>2,304,172</u>
<u>\$ 14,117,138</u>	<u>\$ 13,815,223</u>	<u>\$ 14,313,723</u>	<u>\$ 14,744,427</u>	<u>\$ 15,273,093</u>	<u>\$ 15,057,379</u>
\$ 19,215,923	\$ 19,049,377	\$ 19,852,922	\$ 20,206,389	\$ 18,992,959	\$ 20,216,469
640,277	608,620	608,727	509,361	748,368	516,212
<u>2,589,628</u>	<u>2,572,687</u>	<u>2,149,724</u>	<u>2,644,014</u>	<u>4,571,939</u>	<u>4,281,924</u>
<u>\$ 22,445,828</u>	<u>\$ 22,230,684</u>	<u>\$ 22,611,373</u>	<u>\$ 23,359,764</u>	<u>\$ 24,313,266</u>	<u>\$ 25,014,605</u>

**CITY OF BUSHNELL, FLORIDA
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses				
Governmental Activities:				
General Government	\$ 722,959	\$ 637,936	\$ 626,833	\$ 625,775
Public Safety	1,023,710	1,042,521	842,064	886,165
Physical Environment	9,289	29,810	24,997	37,283
Transportation	450,750	401,073	368,019	482,516
Culture and Recreation	375,167	393,077	333,731	408,835
Interest on Long-Term Debt	137,390	130,022	123,016	114,496
Total Governmental Activities Expenses	<u>2,719,265</u>	<u>2,634,439</u>	<u>2,318,660</u>	<u>2,555,070</u>
Business-Type Activities:				
Electric Utility	3,318,312	2,928,605	2,724,475	2,946,587
Water Utility	711,306	672,482	685,636	688,819
Sanitation	503,854	497,042	457,176	472,388
Wastewater Utility	1,094,871	1,091,613	993,806	1,005,812
Total Business-Type Activities Expenses	<u>5,628,343</u>	<u>5,189,742</u>	<u>4,861,093</u>	<u>5,113,606</u>
Total Primary Government Expenses	<u>\$ 8,347,608</u>	<u>\$ 7,824,181</u>	<u>\$ 7,179,753</u>	<u>\$ 7,668,676</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 55,187	\$ 37,984	\$ 39,401	\$ 38,536
Culture and Recreation	73,849	40,986	55,653	49,882
Other Activities	25,130	13,137	22,570	14,876
Operating Grants and Contributions	1,000	39,590	61,192	-
Capital Grants and Contributions	382,957	90,402	2,801,653	459,765
Total Governmental Activities	<u>538,123</u>	<u>222,099</u>	<u>2,980,469</u>	<u>563,059</u>
Business-Type Activities:				
Electric Utility	3,785,508	3,280,159	3,038,143	3,127,344
Water Utility	632,721	643,472	642,095	677,901
Sanitation	522,324	536,236	563,169	550,704
Wastewater Utility	659,214	802,895	735,343	737,985
Operating Grants and Contributions	-	-	-	56,000
Capital Grants and Contributions	577,101	837,276	256,032	-
Total Business-Type Activities	<u>6,176,868</u>	<u>6,100,038</u>	<u>5,234,782</u>	<u>5,149,934</u>
Total Primary Government Program Revenues	<u>\$ 6,714,991</u>	<u>\$ 6,322,137</u>	<u>\$ 8,215,251</u>	<u>\$ 5,712,993</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (2,181,142)	\$ (2,412,340)	\$ 661,809	\$ (1,992,011)
Business-Type Activities	548,525	910,296	373,689	36,328
Total Primary Government	<u>\$ (1,632,617)</u>	<u>\$ (1,502,044)</u>	<u>\$ 1,035,498</u>	<u>\$ (1,955,683)</u>

2014	2015	2016	2017	2018	2019
\$ 596,643	\$ 560,069	\$ 859,520	\$ 617,735	\$ 630,896	\$ 801,554
739,120	771,866	812,193	866,108	787,138	880,557
30,421	22,125	21,948	22,404	21,783	21,503
522,138	553,182	579,179	479,653	514,543	677,913
377,783	402,812	431,025	425,202	387,853	427,464
108,808	103,113	98,012	90,515	91,186	98,612
<u>2,374,913</u>	<u>2,413,167</u>	<u>2,801,877</u>	<u>2,501,617</u>	<u>2,433,399</u>	<u>2,907,603</u>
2,899,397	2,839,723	3,004,092	2,923,862	2,843,389	3,140,714
659,828	723,042	876,480	700,485	607,011	749,251
449,371	451,514	449,422	462,545	528,276	605,606
1,083,920	1,056,120	1,086,919	1,081,733	1,201,125	1,170,205
5,092,516	5,070,399	5,416,913	5,168,625	5,179,801	5,665,776
<u>\$ 7,467,429</u>	<u>\$ 7,483,566</u>	<u>\$ 8,218,790</u>	<u>\$ 7,670,242</u>	<u>\$ 7,613,200</u>	<u>\$ 8,573,379</u>
\$ 58,593	\$ 63,388	\$ 441,334	\$ 639,199	\$ 813,480	\$ 1,547,087
54,245	55,265	55,055	45,797	41,710	41,161
15,389	35,555	28,664	45,170	54,489	43,906
2,610	-	-	140,488	67,624	38,941
118,640	-	164,518	-	-	563
<u>249,477</u>	<u>154,208</u>	<u>689,571</u>	<u>870,654</u>	<u>977,303</u>	<u>1,671,658</u>
3,255,251	3,066,573	3,088,518	3,166,300	3,128,696	3,089,209
635,787	676,249	778,311	816,780	1,201,662	788,701
546,704	546,656	555,800	587,253	601,529	628,489
721,295	789,946	896,701	893,205	899,314	900,568
3,390	1,942	4,510	2,042	2,683	1,716
912,789	84,743	-	79,374	25,680	68,603
6,075,216	5,166,109	5,323,840	5,544,954	5,859,564	5,477,286
<u>\$ 6,324,693</u>	<u>\$ 5,320,317</u>	<u>\$ 6,013,411</u>	<u>\$ 6,415,608</u>	<u>\$ 6,836,867</u>	<u>\$ 7,148,944</u>
\$ (2,125,436)	\$ (2,258,959)	\$ (2,112,306)	\$ (1,630,963)	\$ (1,456,096)	\$ (1,235,945)
982,700	95,710	(93,073)	376,329	679,763	(188,490)
<u>\$ (1,142,736)</u>	<u>\$ (2,163,249)</u>	<u>\$ (2,205,379)</u>	<u>\$ (1,254,634)</u>	<u>\$ (776,333)</u>	<u>\$ (1,424,435)</u>

CITY OF BUSHNELL, FLORIDA
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Concluded)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Revenues and Other Changes				
in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	\$ 580,379	\$ 569,537	\$ 569,537	\$ 559,409
Franchise Taxes	340,599	329,485	329,485	345,211
Public Service Taxes	270,318	317,432	317,432	324,799
Other Taxes	234,210	283,619	283,619	300,338
State-Shared Revenues (Unrestricted)	312,514	357,616	357,616	363,100
Investment Earnings	764	84	84	296
Landfill Surcharge	-	-	-	289,673
Gain (Loss) on Disposition of Capital Assets	-	-	-	-
Miscellaneous	27,188	214,187	214,187	48,836
Transfers	465,241	383,759	383,759	357,196
Total Governmental Activities	<u>2,231,213</u>	<u>2,455,719</u>	<u>2,455,719</u>	<u>2,588,858</u>
Business-Type Activities:				
Investment Earnings	9,442	2,391	2,391	873
CR3 Settlement Proceeds	-	-	-	380,312
Gain (Loss) on Disposition of Capital Assets	-	-	-	(260,355)
Miscellaneous	-	94,313	94,313	8,773
Contribution from Other Government	-	-	-	-
Transfers	(465,241)	(383,759)	(383,759)	(357,196)
Total Business-Type Activities	<u>(455,799)</u>	<u>(287,055)</u>	<u>(287,055)</u>	<u>(227,593)</u>
Total Primary Government	<u>\$ 1,775,414</u>	<u>\$ 2,168,664</u>	<u>\$ 2,168,664</u>	<u>\$ 2,361,265</u>
Change in Net Position				
Governmental Activities	\$ 50,071	\$ 43,379	\$ 3,117,528	\$ 596,847
Business-Type Activities	92,726	623,241	86,634	(191,265)
Total Primary Government	<u>\$ 142,797</u>	<u>\$ 666,620</u>	<u>\$ 3,204,162</u>	<u>\$ 405,582</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	559,415	\$ 561,900	\$ 580,866	\$ 580,866	\$ 575,954	\$ 593,883
	352,356	348,432	354,499	354,499	374,512	350,994
	297,504	286,865	296,447	296,447	320,819	328,640
	310,889	319,106	316,607	316,607	341,771	353,688
	371,816	379,010	396,224	396,224	408,374	418,920
	449	51	8	8	68	7,551
	406,726	-	-	-	-	-
	89,715	1,020	5,356	5,356	598	-
	40,114	106,186	48,643	48,643	55,338	49,322
	181,499	(8,075)	(50,000)	(50,000)	-	50,000
	<u>2,610,483</u>	<u>1,994,495</u>	<u>1,948,650</u>	<u>1,948,650</u>	<u>2,077,434</u>	<u>2,152,998</u>
	3,326	2,197	4,375	4,375	10,720	22,776
	2,556	-	-	-	-	-
	1,580	2,105	-	-	-	-
	-	843	-	-	-	-
	-	578,353	-	-	-	-
	(181,499)	8,075	50,000	50,000	-	(50,000)
	<u>(174,037)</u>	<u>591,573</u>	<u>54,375</u>	<u>54,375</u>	<u>10,720</u>	<u>(27,224)</u>
\$	<u>2,436,446</u>	<u>2,586,068</u>	<u>2,003,025</u>	<u>2,003,025</u>	<u>2,088,154</u>	<u>2,125,774</u>
\$	485,047	\$ (264,464)	\$ (163,656)	\$ 317,687	\$ 621,338	\$ 917,053
	808,663	687,283	(38,698)	430,704	690,483	(215,714)
\$	<u>1,293,710</u>	<u>422,819</u>	<u>(202,354)</u>	<u>748,391</u>	<u>1,311,821</u>	<u>701,339</u>

**CITY OF BUSHNELL
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Franchise Fees</u>	<u>Utility Taxes</u>	<u>Sale Use and Gas Tax</u>	<u>Total Taxes</u>
2010	\$ 580,379	\$ 169,044	\$ 441,873	\$ 234,210	\$ 1,425,506
2011	563,718	162,545	459,845	248,084	1,434,192
2012	561,544	153,767	467,123	271,863	1,454,297
2013	569,537	149,969	496,948	283,619	1,500,073
2014	-	154,507	462,456	353,386	970,349
2015	559,415	154,170	456,556	350,023	1,520,164
2016	561,900	152,814	482,483	319,106	1,516,303
2017	580,866	354,499	296,447	316,607	1,548,419
2018	575,954	374,512	320,819	341,771	1,613,056
2019	593,883	350,994	328,640	353,688	1,627,205

Information Source:
Audited Financial Reports

**CITY OF BUSHNELL, FLORIDA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Restricted	\$ -	\$ 867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	233,075	-	-	-	-
Assigned	-	-	-	-	309,934	513,432	513,432	513,432	513,432	513,432
Unassigned	104,207	95,659	330,368	444,752	606,222	813,292	710,526	908,970	1,407,631	2,473,365
Total General Fund	<u>\$ 104,207</u>	<u>\$ 96,526</u>	<u>\$ 330,368</u>	<u>\$ 444,752</u>	<u>\$ 916,156</u>	<u>\$ 1,559,799</u>	<u>\$ 1,223,958</u>	<u>\$ 1,422,402</u>	<u>\$ 1,921,063</u>	<u>\$ 2,986,797</u>
All Other Governmental Funds										
Restricted	\$ 546,393	\$ 546,179	\$ 475,273	\$ 455,912	\$ 437,513	\$ 434,307	\$ 433,160	\$ 430,564	\$ 422,366	\$ 437,917
Unassigned	(44,465)	(44,627)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 501,928</u>	<u>\$ 501,552</u>	<u>\$ 475,273</u>	<u>\$ 455,912</u>	<u>\$ 437,513</u>	<u>\$ 434,307</u>	<u>\$ 433,160</u>	<u>\$ 430,564</u>	<u>\$ 422,366</u>	<u>\$ 437,917</u>

CITY OF BUSHNELL, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 1,425,506	\$ 1,434,192	\$ 1,454,296	\$ 1,500,073	\$ 1,529,758
Licenses and Permits	64,550	31,984	39,401	38,536	58,593
Intergovernmental	417,223	452,697	3,214,911	817,382	365,710
Grant Revenues *	-	-	-	-	-
Charges for Services	32,008	48,494	69,322	63,228	60,898
Fines and Forfeitures	13,127	11,630	8,901	1,530	5,486
Landfill Fees	-	-	-	40,521	289,673
Miscellaneous	106,032	66,830	49,153	78,739	52,381
Total Revenues	2,058,446	2,045,827	4,835,984	2,540,009	2,362,499
Expenditures					
General Government	566,897	498,983	502,122	534,076	532,925
Public Safety	912,324	976,512	826,420	880,259	728,957
Physical Environment	-	24,181	24,115	34,580	27,485
Transportation	358,262	335,059	327,007	351,816	368,088
Culture and Recreation	270,018	293,163	234,374	294,157	265,754
Capital Outlay	212,357	142,587	2,893,088	648,397	114,848
Debt Service:					
Principal	163,178	163,398	177,406	133,526	119,825
Interest	137,588	130,022	123,016	114,496	108,808
Total Expenditures	(2,620,624)	(2,563,905)	(5,107,548)	(2,991,307)	(2,266,690)
(Deficiency) Excess of Revenues					
(Under) Over Expenditures	(562,178)	(518,078)	(271,564)	(451,298)	95,809
Other Financing Sources (Uses)					
Transfers (out)	(6,000)	(6,000)	-	-	-
Transfers in	471,241	516,021	479,127	383,759	357,196
Note Payable	-	-	-	-	-
Sale of Capital Assets	-	-	-	162,562	-
Capital Lease	-	-	-	-	-
Total Other Financing Sources (Uses)	465,241	510,021	479,127	546,321	357,196
Net Change in Fund Balances	\$ (96,937)	\$ (8,057)	\$ 207,563	\$ 95,023	\$ 453,005
Debt Service as a Percentage of Non-Capital Expenditures	12.49%	12.12%	13.57%	10.59%	10.62%

* Grant Revenues included with Intergovernmental Revenues beginning in 2007.

2015	2016	2017	2018	2019
\$ 1,520,164	\$ 1,516,303	\$ 1,548,420	\$ 1,613,056	\$ 1,627,003
63,388	78,676	78,108	66,948	45,492
372,651	543,527	536,713	475,998	427,094
-	-	-	-	-
67,989	67,827	55,184	45,736	66,221
22,832	15,892	35,783	50,464	43,904
406,726	362,659	561,091	746,533	1,501,594
39,727	94,451	54,005	56,002	63,348
<u>2,493,477</u>	<u>2,679,335</u>	<u>2,869,304</u>	<u>3,054,737</u>	<u>3,774,656</u>
503,710	787,625	578,991	622,558	636,439
754,066	795,356	837,311	780,868	847,866
17,882	17,800	17,069	18,702	15,779
388,924	404,605	321,401	364,405	403,556
290,625	324,052	329,576	293,815	295,127
95,210	470,375	351,097	268,681	329,360
115,559	110,423	116,093	124,059	116,632
103,113	98,012	92,343	91,186	98,612
<u>(2,269,089)</u>	<u>(3,008,248)</u>	<u>(2,643,881)</u>	<u>(2,564,274)</u>	<u>(2,743,371)</u>
224,388	(328,913)	225,423	490,463	1,031,285
(43,501)	(233,075)	(100,000)	(50,000)	-
225,000	225,000	50,000	50,000	50,000
-	-	-	-	-
234,550	-	20,425	-	-
-	-	-	-	-
<u>416,049</u>	<u>(8,075)</u>	<u>(29,575)</u>	<u>-</u>	<u>50,000</u>
<u>\$ 640,437</u>	<u>\$ (336,988)</u>	<u>\$ 195,848</u>	<u>\$ 490,463</u>	<u>\$ 1,081,285</u>
10.06%	8.21%	9.09%	9.38%	8.92%

**CITY OF BUSHNELL, FLORIDA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2010	\$ 139,107,117	\$ 18,691,552	\$ 157,798,669	4.710	\$ 182,944,663	86%
2011	128,988,824	23,586,697	152,575,521	4.908	179,127,604	85%
2012	127,715,746	22,844,384	150,560,130	5.000	179,532,919	84%
2013	125,639,528	22,614,241	148,253,769	4.992	174,192,959	85%
2014	130,215,867	22,014,403	152,230,270	4.969	177,209,940	86%
2015	126,836,381	21,966,315	148,802,696	4.944	172,355,396	86%
2016	137,745,867	22,420,496	160,166,363	4.823	184,197,453	87%
2017	141,976,239	25,427,658	167,403,897	4.566	194,814,518	86%
2018	160,619,551	26,736,079	187,355,630	4.230	227,307,190	82%
2019	179,435,359	25,884,197	205,319,556	3.869	257,093,198	80%

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Information Source:
 Sumter County Property Appraiser

**CITY OF BUSHNELL, FLORIDA
PROPERTY TAX RATES DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS**

Fiscal Year	City of Bushnell		Overlapping Rates			Total Direct and Overlapping
	Operating Millage	Total Direct Rate	County		School Millage	
			County Millage	Total County		
2010	4.908	4.908	6.938	6.938	7.499	19.345
2011	5.000	5.000	6.713	6.713	6.497	18.210
2012	4.992	4.992	6.743	6.743	6.482	18.217
2013	4.969	4.969	6.602	6.602	6.357	17.928
2014	4.944	4.944	6.266	6.266	6.026	17.236
2015	4.823	4.823	6.049	6.049	5.867	16.739
2016	4.566	4.566	5.922	5.922	5.780	16.267
2017	4.511	4.511	5.833	5.833	5.692	16.036
2018	4.230	4.230	5.337	5.337	5.507	15.073
2019	3.869	3.869	7.010	7.010	5.420	16.299

Information Source:

City Millage Records

Sumter County Property Appraiser

**CITY OF BUSHNELL, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Owner	2010		2019	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Percent of Total Taxable Assessed Value
1. WAL-MART	\$ 9,483,632	6.2%	\$ 10,950,860	5.33%
2. NHC-FL124, LLC	2,888,610	1.9%	4,686,040	2.28%
3. BELLOTTO PROPERTIES, INC.	4,618,206	3.0%	4,185,040	2.04%
4. LEXANN PROPERTIES, LLC			3,758,340	1.83%
5. NHC-FL123, LLC	3,359,978	2.2%	3,557,490	1.73%
6. WAYNE WETZEL MOBLIE HOME, INC.			3,065,460	1.49%
7. METAL INDUSTRIES	3,343,404	2.2%	2,970,160	1.45%
8. LOVES TRAVEL STOPS & COUNTRY STORE			2,686,150	1.31%
9. OSPREY REALTY, LLC	1,964,201	1.3%	2,200,420	1.07%
10. SUN BLUEBERRY HILL, LLC			<u>1,879,870</u>	0.92%
SUN BLUEBERRY HILL, LLC				
BUSHNELL EQUITIES, LLC	1,860,738	1.2%		
ACV BUSHNOK, LLC	1,535,512	1.0%		
BLUEBERRY HILL R/V PARK	2,873,807	1.9%		
DESAI DEVEN & NEHA	2,001,581	1.3%		
Total Assessed Value	<u>\$ 33,929,669</u>	22.2%	<u>\$ 39,939,830</u>	19.5%
Total Assessed Property Value	<u>\$ 152,575,521</u>		<u>\$ 205,319,556</u>	

Information Source:
Sumter County Tax Collector

**CITY OF BUSHNELL, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Fiscal Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2010	586,314	564,523	96%	15,495	580,018	99%
2011	586,223	557,594	95%	3,555	561,149	96%
2012	575,464	549,054	95%	11,689	560,743	97%
2013	578,362	555,717	96%	1,640	557,357	96%
2014	574,812	554,869	97%	5,585	560,454	98%
2015	586,646	565,557	96%	5,541	571,098	97%
2016	587,689	556,719	95%	5,170	561,889	96%
2017	594,672	480,364	81%	646	481,010	81%
2018	614,578	517,097	84%	1,550	518,647	84%
2019	624,379	521,189	83%	334	521,523	84%

Information Source:
Sumter County Tax Collector

**CITY OF BUSHNELL, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Government	Percentage of Personal Income	Population	Per Capita	
	Notes Payable	Other Liabilities	Capital Leases	Sewer/Water Bonds	Notes Payable	State Revolving Funds	Other Liabilities					Capital Lease
2010	2,725,980	-	32,217	3,607,000	1,296,560	*	-	272,000	7,933,757	22.86%	2,358	3,365
2011	2,572,370	-	22,429	3,558,000	1,281,991	*	-	264,471	7,699,261	20.06%	2,543	3,028
2012	2,414,134	-	3,133	3,507,000	-	\$ 1,148,347	-	237,688	7,310,302	24.36%	2,445	2,990
2013	2,283,740	-	-	3,453,000	-	1,076,937	-	348,384	7,162,061	21.98%	2,462	2,929
2014	2,163,973	-	-	3,397,000	-	1,028,000	-	289,026	6,877,999	20.32%	2,756	2,496
2015	2,048,356	-	-	3,338,000	-	1,003,054	-	228,007	6,617,417	19.77%	2,864	2,311
2016	1,937,933	-	-	3,277,000	-	1,364,338	-	167,723	6,746,994	21.89%	2,995	2,253
2017	1,821,840	20,425	-	3,315,000	-	1,283,161	37,926	333,093	6,811,445	22.13%	3,047	2,235
2018	1,704,590	13,616	-	3,200,000	3,000,000	1,188,058	25,284	541,712	9,673,260	32.04%	3,016	3,207
2019	1,594,766	6,808	-	3,080,000	7,935,000	1,091,100	12,642	404,276	14,124,592	38.19%	3,027	4,666

Information Source:

Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

*Information on breakout unavailable for prior years.

CITY OF BUSHNELL, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019 AND NINE YEARS AGO

	Fiscal Year 2010			Fiscal Year 2019		
	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt
Governmental Unit						
Sumter County	\$ 36,660,000	2.60%	\$ 953,160	\$ 87,453,800	1.66%	\$ 1,453,096
Sumter County School Board	3,400,000	2.60%	88,400	3,260,000	1.66%	54,167
Total Overlapping Debt			1,041,560			1,507,263
Total Direct Debt			2,921,672			1,601,574
Total Direct and Overlapping Debt			\$ 3,963,232			\$ 3,108,837

Information Source:

Sumter County Finance Department
Sumter County School Board

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Bushnell. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

**COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2019
CITY OF BUSHNELL, FLORIDA**

**The Constitution of the State of Florida,
Florida Statute 200.181, Sets No Legal Debt Margin.**

**CITY OF BUSHNELL, FLORIDA
PLEGGED REVENUE COVERAGE - WASTEWATER BONDS
LAST TEN FISCAL YEARS**

Fiscal Year	Sewer Charges and Other**	Less: Operating Expenses***	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
Revenue Bonds							
2010	\$ 964,865	\$ 726,844	\$ 238,021	\$ 36,000	\$ 122,331	\$ 158,331	67%
2011	934,684	675,204	259,480	37,000	120,666	157,666	61%
2012	852,339	576,038	276,301	39,000	118,955	157,955	57%
2013	813,286	540,782	272,504	41,000	117,151	158,151	58%
2014	809,759	622,788	186,971	43,000	115,255	158,255	85%
2015	872,489	596,874	275,615	45,000	113,266	158,266	57%
2016	870,677	605,798	264,879	47,000	109,185	156,185	59%
2017	907,305	618,597	288,708	0	54,010	54,010	19%
2018	1,047,314	817,818	229,496	82,800	66,896	149,696	65%
2019	1,110,568	773,221	337,347	86,400	65,100	151,500	45%
State Revolving Loan Fund							
2010	\$ 964,865	\$ 726,844	\$ 238,021	\$ 24,664	\$ 25,633	\$ 50,297	21%
2011	934,684	675,204	259,480	46,997	22,312	69,309	27%
2012	852,339	576,038	276,301	48,808	20,623	69,431	25%
2013	813,286	540,782	272,504	49,873	19,438	69,311	25%
2014	809,759	622,788	186,971	50,961	18,350	69,311	37%
2015	872,489	596,874	275,615	52,072	17,238	69,310	25%
2016	870,677	605,798	264,879	53,209	14,853	68,062	26%
2017	907,305	618,597	288,708	54,370	14,941	69,311	24%
2018	1,047,314	817,818	229,496	55,556	13,755	69,311	30%
2019	1,110,568	773,221	337,347	56,768	12,543	69,311	21%

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Information Source:

Audited Financial Reports
General Ledger

** Revenues are defined as Sewer system revenues and other legally available non-ad valorem funds (excluding non-cash items and grant funds).

*** Operating expenses are defined as operating and maintaining the Sewer System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from gross revenues, depreciation, and any other items not requiring the expenditure of cash.

**CITY OF BUSHNELL, FLORIDA
PLEGDED REVENUE COVERAGE - WATER
LAST TEN FISCAL YEARS**

Fiscal Year	Water Charges****	Less: Operating Expenses*****	Net Available Expenses	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
Pooled Loan Note *							
2010	\$ 761,086	\$ 638,918	\$ 122,168	\$ 46,750	\$ 149	\$ 46,899	38.39%
2011	668,214	581,004	87,210	*	*	-	0.00%
2012	667,367	564,135	103,232	*	*	-	0.00%
2013	677,900	515,555	162,345	*	*	-	0.00%
2014	634,696	492,791	141,905	*	*	-	0.00%
2015	666,718	542,250	124,468	*	*	-	0.00%
2016	998,352	363,881	634,471	*	*	-	0.00%
2017	907,305	473,703	433,602	*	*	-	0.00%
2018	1,201,662	409,500	792,162	*	*	-	0.00%
2019	788,701	525,451	263,250	*	*	-	0.00%
Revenue Bond							
2010	\$ 761,086	\$ 638,918	\$ 122,168	\$ 11,000	\$ 42,883	\$ 53,883	44.11%
2011	668,214	581,004	87,210	12,000	42,415	54,415	62.40%
2012	667,367	564,135	103,232	12,000	41,905	53,905	52.22%
2013	677,900	515,555	162,345	13,000	41,395	54,395	33.51%
2014	634,696	492,791	141,905	13,000	40,843	53,843	37.94%
2015	666,718	542,250	124,468	14,000	40,290	54,290	43.62%
2016	998,352	363,881	634,471	14,000	39,695	53,695	8.46%
2017	907,305	473,703	433,602	0	23,032	23,032	5.31%
2018	1,201,662	409,500	792,162	32,200	26,015	58,215	7.35%
2019	788,701	525,451	263,250	33,600	25,317	58,917	22.38%
State Revolving Funds ***							
2010	\$ 761,086	\$ 638,918	\$ 122,168	\$ -	\$ -	\$ -	0.00%
2011	668,214	581,004	87,210	12,286	3,026	15,312	17.56%
2012	667,367	564,135	103,232	32,502	7,143	39,645	38.40%
2013	677,900	515,555	162,345	21,537	6,250	27,787	17.12%
2014	634,696	492,791	141,905	14,874	5,810	20,684	14.58%
2015	666,718	542,250	124,468	15,281	5,404	20,685	16.62%
2016	998,352	363,881	634,471	15,698	4,987	20,685	3.26%
2017	907,305	473,703	433,602	26,847	9,396	36,243	8.36%
2018	1,201,662	409,500	792,162	39,506	9,042	48,548	6.13%
2019	788,701	525,451	263,250	40,190	8,358	48,548	18.44%

Information Source:

Audited Financial Reports
General Ledger

**** Revenues are defined as Sewer System revenues and other legally available non-ad valorem funds (excluding non-cash items and grant funds).

***** Operating expenses are defined as operating and maintaining the Sewer System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from gross revenues, depreciation, and any other items not enquiring the expenditure of cash.

**CITY OF BUSHNELL, FLORIDA
 PLEDGED REVENUE COVERAGE - ELECTRIC
 LAST TEN FISCAL YEARS**

Fiscal Year	Electric Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
Notes Payable							
2010	***	***	***	***	***	***	0.00%
2011	***	***	***	***	***	***	0.00%
2012	***	***	***	***	***	***	0.00%
2013	***	***	***	***	***	***	0.00%
2014	***	***	***	***	***	***	0.00%
2015	***	***	***	***	***	***	0.00%
2016	***	***	***	***	***	***	0.00%
2017	***	***	***	***	***	***	0.00%
2018	\$ 3,097,903	\$ 3,042,278	\$ 55,625	\$ -	\$ 29,627	\$ 29,627	53.26%
2019	***	***	***	***	***	***	0.00%

Information Source:
 Audited Financial Reports
 General Ledger

*** The City did not enter into any debt agreements that required a pledge of electric revenues. Therefore this is reported at zero.

**CITY OF BUSHNELL, FLORIDA
 PLEDGE REVENUE COVERAGE - SANITATION
 LAST TEN FISCAL YEARS**

Fiscal Year	Sanitation Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
2010	***	***	***	***	***	***	***
2011	***	***	***	***	***	***	***
2012	***	***	***	***	***	***	***
2013	***	***	***	***	***	***	***
2013	***	***	***	***	***	***	***
2014	***	***	***	***	***	***	***
2015	***	***	***	***	***	***	***
2016	***	***	***	***	***	***	***
2017	***	***	***	***	***	***	***
2018	***	***	***	***	***	***	***
2019	***	***	***	***	***	***	***

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Information Source:
 Audited Financial Reports
 General Ledger

*** The City did not enter into any debt agreements that required a pledge of sanitation revenues. Therefore this is reported at zero.

**CITY OF BUSHNELL, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (Amounts Expressed In Thousands)	Per Capita Personal Income	Median Age	Education Level In Years of Formal Interest	School Enrollment	Unemployment Rate/Percent
2010	2,358	\$ 34,707	\$ 17,911	36.5	14.9	1,813	9.10%
2011	2,543	38,378	19,614	34.8	15.0	1,867	8.10%
2012	2,445	30,005	16,180	46.0	14.4	1,863	7.80%
2013	2,462	32,582	20,431	43.1	14.4	1,825	5.50%
2014	2,756	33,844	21,693	46.1	15.2	2,142	4.40%
2015	2,864	33,479	20,009	46.6	15.0	2,120	4.40%
2016	2,995	30,820	21,053	46.6	15.0	2,157	6.60%
2017	3,047	30,784	14,885	56.4	15.0	1,813	5.90%
2018	3,016	30,192	15,318	55.3	15.0	1,687	4.40%
2019	3,027	36,985	27,774	55.9	15.0	1,866	2.80%

* Information not available.

Information Source:

U.S. Census Bureau
www.data.dancingengineer.com/labormarket
www.data.dancingengineer.com/unemployment
www.bestplaces.net/economy/city/florida/bushnell

**CITY OF BUSHNELL
PRINCIPAL EMPLOYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2010			Fiscal Year 2019		
	Employees	Percentage of Total City* Employment	Rank	Employees	Percentage of Total City* Employment	Rank**
Sumter County District Schools	850	2.57%	1	885	2.22%	1
Sumter County Government	337	1.02%	2	345	0.86%	2
Sumter County Sheriff's Office	262	0.79%	4	329	0.82%	3
Wal-Mart	300	0.91%	3	235	0.59%	4
Metal Industries	150	0.45%	5	148	0.37%	5
City of Bushnell	39	0.12%	6	33	0.08%	6
Total	1,938	5.86%		1,975	4.95%	

* City data not available. Percentage is calculated based on total county employment.
Prior information is not available.

**Only top 6 employer information is available.

Information Source:

Sumter County Board of County Commissioners
Wal-Mart
Metal Industries
Sumter County Chamber of Commerce
www.data.dancingengineer.com/labormarket

CITY OF BUSHNELL
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	8	9	9	9	9	10	10	10	10	11
Public Safety:										
Police:										
Officers	9	8	0	0	0	0	0	0	0	0
Civilians	1	1	0	0	0	0	0	0	0	0
Fire:										
Firefighters and Officers	0	0	0	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	0	0	0	0	0
Highways and Streets:										
Maintenance	6	5	5	5	5	5	4	4	4	4
Sanitation	3	2	2	2	2	2	2	3	3	3
Culture and Recreation	1	3	4	2	2	2	3	3	3	3
Water	2	2	2	2	2	2	2	2	2	2
Sewer	4	3	3	3	3	3	3	3	3	2
Electric	5	5	5	5	5	5	5	6	6	8
Total	39	38	30	28	28	29	29	31	31	33

Information Source:
City Records

**CITY OF BUSHNELL, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Physical Arrests	127	123	89	343	267	231	727	319	691	646
Traffic Violations	382	402	144	291	239	714	823	1139	1853	646
DUI Citations	5	7	4	10	16	9	14	13	16	4
Fire:										
Inspections	0	0	0	0	0	0	0	0	0	0
Highways and Streets:										
Street Resurfacing (Miles)	0	0	0	0	1	3.1	0.01	0.46	0.765	1.344
Potholes Repaired	194	404	566	430	406	562	567	385	337	460
Sanitation:										
Refuse Collected (Tons/Day)	13	6.51	7.92	8.78	9.01	8.58	9.06	9.56	10.14	10.09
Culture and Recreation:										
Community Center Admissions	50	39	29	26	27	19	19	31	27	34
Water:										
Average Daily Consumption (Thousands of Gallons)	391,000	442,000	443,000	363,000	373,000	388,000	442,000	459,000	484,000	478,000
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	204,000	278,000	225,000	219,000	224,000	208,000	269,000	252,000	323,000	326,000

*Information above is an estimate.

Information Source:

City Records

**CITY OF BUSHNELL, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Public Safety:										
Police:										
Stations	1	1	1	0	0	0	0	0	0	0
Patrol Units	10	10	10	0	0	0	0	0	0	0
Fire Stations	1	1	1	1	1	1	0	0	0	0
Sanitation:										
Collection Trucks	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)
	3 Rear-Loaders	3 Rear-Loaders	1 Rear-Loader	1 Rear-Loader	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck
		1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader
							1 Front/Side-Loader	1 Front/Side-Loader	1 Front/Side-Loader	1 Front/Side-Loader
Highways and Streets:										
Streets (Miles)	18.1	18.1	18.1	18.1	18.1	20.45	20.7	20.7	20.7	20.7
Traffic Signals	7	7	7	7	7	8	8	8	8	8
Culture and Recreation:										
	k7u									
Parks Acreage	39	39	40.68	40.68	40.68	40.68	40.68	40.68	40.68	40.68
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	6	6	6	6	6	6	6	6	6	6
Ball Fields	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted
Multi-Purpose Fields	2	2	2	2	2	2	2	2	2	2
Picnic Pavilions	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	5 Large/1 Small	5 Large/1 Small	5 Large/1 Small	5 Large/1 Small
Community Centers	1	1	1	1	1	1	1	1	1	1
Shuffleboard Courts	2	2	2	2	2	2	2	2	2	2
Water:										
Water Mains (Miles)	23.7	23.95	24.24	24.24	27.55	28.35	29.15	29.15	29.15	29.44
Wastewater:										
Sewer Mains (Miles)	26	26	27.29	27.35	27.35	27.35	27.47	27.47	27.47	27.47
Electric:										
Miles of Service Lines	18.5	18.86	18.95	19.31	19.57	19.57	19.57	19.57	19.57	19.57

Information Source:

City Records

City of Bushnell Fixed Asset Detail

COMPLIANCE SECTION

**ADDITIONAL ELEMENTS OF REPORTING PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES, *RULES OF THE AUDITOR GENERAL***

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency in internal control, as follows:

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando

purvisgray.com

*Members of American and Florida Institutes of Certified Public Accountants
An Independent Member of the BDO Alliance USA.*

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

2008-2—Segregation of Duties

The City operates with a small finance, accounting, and customer service department and does not have the resources to properly segregate duties among employees so that no one employee has sole control over approving, recording, and accounting for transactions.

Because significant deficiencies in internal control over financial reporting exist when there is not sufficient separation of incompatible accounting duties, we recommend that the City's finance, accounting, and customer service departments continue to develop and, if necessary, expand its current staff to ensure more effective internal control structure over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

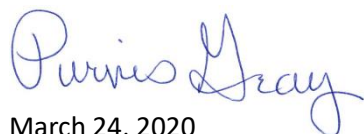
However, we noted certain other matters that we reported to management of the City in a separate letter dated March 24, 2020.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Management Letter Response. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 24, 2020
Ocala, Florida

MANAGEMENT LETTER

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bushnell, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 24, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 24, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. See status of prior audit findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the City is reported in Note 1 to the basic financial statements. There are no component units related to the City.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same (see management letter comments).

Section 10554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management (see management letter comments).

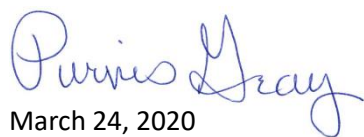
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, there was an allegation of abuse (see management letter comments).

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Council Members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



March 24, 2020
Ocala, Florida

MANAGEMENT LETTER COMMENTS

The Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Current Year Comment and Recommendation

2019-1 Horseman’s Park Treatment Facility

During the year, we noted that the Horseman’s Park Treatment Facility has been non-operational for several years. The City Council and management has been reviewing cost options to either restore the facility to operations, including relicensing with the Florida Department of Environmental Protection, or scrapping the facility and selling the land associated with it.

Because the facility has been non-operational, accounting standards require that the asset be evaluated for impairment and the historical cost associated with the acquisition of the facility be written down. This evaluation would include determining the cost to restore the facility to make it operational or determining its net salvageable value, if it should be scrapped. This evaluation would provide useful information to management for decision making for future plans for the facility and provide an amount to write the current value of the asset down to for proper financial reporting.

We recommend that management continue its efforts to determine the best course of action for this facility by having this evaluation performed.

Prior Year Comments and Recommendations (Updated for 2019)

2018-1—Utility Integration/Expansion

During the fiscal year ended September 30, 2018, the City of Bushnell, Florida (the City) began the integration of the acquired portion of the Sumter Electric Cooperative (SECO) System into the City’s Electric System. Given the size and nature of this project, this continues to be a complex process requiring major staff effort to set up the new physical structure, as well as the information technology/accounting structure, to ensure that data conversions are accurate and that business processes and controls remain effective. As of the date of audit fieldwork during the fiscal year ended September 30, 2019, we noted the continued issues with the following:

- **Inventory Management and Utilization**—Because the purchase, use, and tracking of inventory is integral to the proper recognition of capital assets and tracking of project expenditures, we recommend that control procedures continue to be monitored and maintained on a frequent basis.

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The Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER COMMENTS

- Capital Assets—Due to the integrated nature of capital assets and inventory, it becomes important for these two areas to be monitored together to ensure completeness and accuracy of the costs to purchase the inventory items to the capitalization of the electric system capital assets.

We recommend that the City continue their efforts to monitor the areas listed above to ensure that all expenses and related project costs are properly captured and reflected in the financial records.

2018-2—Abuse Investigation

During the 2018 fiscal year, it was brought to our attention that there were allegations of abuse committed by the Mayor of the City and a subsequent Florida Department of Law Enforcement investigation. The investigation is ongoing and a report is anticipated within the coming months. It was noted that the allegations were not considered to be financially material to the City.

As of the date of fieldwork for the 2019 fiscal year, the investigation was not concluded and no further information has come to our attention regarding the outcome.

2011-1—Financial Condition Assessment—Wastewater Fund

As required by the *Rules of the Auditor General*, we have applied financial condition assessment procedures to the City's financial statements as of September 30, 2019, and noted that the Wastewater Fund continues to show a net operating loss, and is operating with borrowed funds from both outside sources and through inter-fund borrowings from the electric and water funds.

A continued increase in overall revenues and cash flows is necessary to increase liquidity, provide for debt repayment, and to improve the overall financial position of the fund. We recommend that the City review the rates charged to ensure that they become adequate to cover normal operating costs.

2014-1—Inter-Fund Borrowings with the Wastewater Fund

As of September 30, 2019, the Wastewater Fund owes the Electric and Water Fund approximately \$1,902,106, which has built up since the inception of the Wastewater Fund (see prior years management letter comments). This inter-fund borrowing consists of an inter-fund long-term loan from both the Water and Electric Funds of \$1,242,948, and an inter-fund short-term loan of \$659,158 from the Electric and Water Fund due to operating cash shortages. These inter-fund borrowings primarily occurred in prior years and were directly due to the Wastewater Fund not earning enough revenues to cover current operating costs and making the debt service payments.


In the current year, the Wastewater Fund showed further deterioration in operations and needed to borrow further from the Electric and Water Fund approximately \$43,802 on the inter-fund short-term loan, the likelihood of the Wastewater Fund to fully repay both the short-term and long-term loans in the near future is remote. Accordingly, authoritative accounting standards indicate that "if repayment is not expected within a reasonable time, the inter-fund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan". We recommend that management consider this issue and determine the appropriate measures to address the inter-fund borrowings.

The Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER COMMENTS

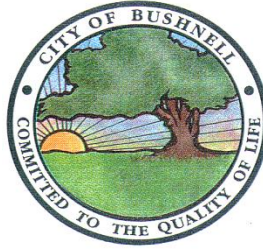
Pursuant to Chapter 119, Florida Statutes, these management letter comments are a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management and the Florida Auditor General, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the courtesies that have been extended to our staff. If you have any questions or comments about the contents of this letter, please do not hesitate to contact us.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

March 24, 2020
Ocala, Florida

CITY OF BUSHNELL



117 E. Joe P Strickland, Jr. Avenue, P.O. Box 115
Bushnell, FL 33513
Phone: 352-793-2591 Fax: 352-793-2711

March 24, 2020

RESPONSE TO THE MANAGEMENT LETTER

To: Honorable Mayor and Council Members
From: Jody Young
Re: Management Response to the Auditor's Management Letter

Honorable Council Members:

This letter of explanation is being offered in accordance with the "Rules of the Auditor General" in particular, Chapter 10.500 thereof. Specifically, this letter responds to Purvis, Gray and Company's "Management Letter" comments dated March 24, 2020. In their report Purvis, Gray and Company, LLP (PG&C) made several recommendations for improvement with regard to the City's fiscal management. The specific areas identified in their comments and recommendations are as follows:

CURRENT YEAR RECOMMENDATIONS:

- ❖ Horseman's Park Treatment Facility

PRIOR YEAR RECOMMENDATIONS:

- ❖ Segregation of Duties
- ❖ Financial Condition Assessment - Wastewater Fund
- ❖ Interfund Borrowings with the Wastewater Fund
- ❖ Utility Integration/Expansion
- ❖ Abuse Investigation

The following discussion addresses each of the above comments and recommendations, providing additional background information, and describing management's plans to address these findings.

CURRENT YEAR RECOMMENDATIONS:

Horseman's Park Treatment Facility

The City Council and management have been reviewing cost options to either restore the Horseman's Park Treatment Facility to full operations, including relicensing with the Florida Department of Environmental Protection, or scrapping the facility and selling the land associated with it. At this time, due to increased development within the City, and the need for wastewater treatment capacity, management feels that further investigation into how the Horseman's Park Treatment Facility can be utilized to serve the City's wastewater treatment needs is warranted. Management and staff will continue to investigate the cost and feasibility of restoring the Horseman's Park Treatment Facility to operational status, and will then perform a cost/benefit analysis to determine if doing so will be more beneficial than selling the remaining assets and land.

PRIOR YEAR RECOMMENDATIONS:

Segregation of Duties

Management continually reviews current segregation of duties and continues to reassign job duties for more effective internal controls as permitted. An additional employee was moved from the Customer Service Department to the Finance Department as an Accounts Payable Specialist in the prior fiscal year. In this current fiscal year, management has also hired a new Purchasing Coordinator, and that employee is located within the Finance Department. The Accountant I was promoted to Deputy Finance Director in the current fiscal year and has taken over the majority of the duties within the Finance Department. Additional tasks have continued to be assigned to the Accounts Payable Specialist and the Purchasing Coordinator in an effort to achieve an even greater improvement in segregation of duties within the Finance Department. Because of the additional employees relocated to the Finance Department, as well as the payroll and miscellaneous revenue collection duties being performed by the City Clerk, and the City Manager still having oversight relating to all duties of the Finance Department, management feels that we have satisfied complete segregation of duties in FY2019-2020.

Utility Integration/Expansion

In the prior fiscal year, management created specific expense accounts within the Electric Fund in order to track all expenses associated with the Electric Integration/Expansion Project. Management also implemented a process to track all inventory removals as assets are being added to the Electric distribution system during the duration of this project. Electric staff keeps written records of all inventory removed and added to the City's Electric distribution system on a daily and weekly basis, as well as by specific areas and locations throughout the City. Finance staff has been working closely with Electric staff to ensure that all inventory installed in the field is being accurately tracked in the Finance Department. Electric staff has also been keeping track of manpower hours utilized during the Electric Integration Project, and the Finance staff tracks these hours through a project specific payroll code for tracking purposes.

Management will continue to review all documentation related to the Electric Integration/Expansion, and multiple Finance staff will closely monitor the purchasing, inventory and capital asset areas in order to ensure that all expenses and related project costs are properly

captured and reflected in the City's financial records, and that all new capital assets relating to the Electric Integration/Expansion project are captured.

Abuse Investigation

Management is aware of the allegations of abuse by the Mayor of the City, and the subsequent Florida Department of Law Enforcement investigation. As of the issuance of this FY2019 Comprehensive Annual Financial Report, this investigation has not yet been completed, and no outcome has been decided. Staff has been fully cooperating with the investigation, and will be addressing any findings presented in the report as they relate to improvements that may need to be made with current City policies and procedures. It is anticipated that the findings in this report will not have a material financial impact to the City.

Financial Condition Assessment – Wastewater Fund

Management acknowledges that the wastewater fund continued to show a net operating loss after depreciation. It should be noted that the Wastewater Fund continues to produce enough revenue to meet cash obligations, but is not fully funding depreciation.

It is expected that the fund will improve during the current and future fiscal years, primarily due to increased customer connections brought about by new development within the City's utility service area. The City currently has several new developments under, or proposed for construction, which will provide approximately \$321,000 to the Wastewater Fund in FY2019-2020, and approximately \$1,590,000 to the Wastewater Fund in FY2020-2021.

Of significant importance, an independent Wastewater Rate Study was conducted in September 2019 by the Florida Rural Water Association (FRWA). The results of this study indicated that the City of Bushnell needed to raise their Wastewater rates by 22% in order to adequately fund not only regular Wastewater expenditures, but also capital needs and contingencies. Staff presented this report by the FRWA to the Bushnell City Council at the October 7, 2019 Regular Bushnell City Council Meeting, and council agreed to the recommended 22% Wastewater rate increase. Ordinance 2019-38 amending Chapter 27 Utilities, and increasing the sewer rates was approved by council on its first reading on November 4, 2019, and its second reading on December 2, 2019.

While none of these measures will completely resolve this audit issue quickly, the City's corrective actions will enable the Wastewater Fund to show continued improvement in overall revenues and cash flows in order to increase liquidity, provide for debt repayment, and help to improve the overall financial position of the fund, thereby building a reserve for repair and replacement of plant.

Interfund Borrowings with the Wastewater Fund

In FY2018-2019, the Wastewater Fund showed no improvement in operations, primarily due to unanticipated increases in repair and maintenance expenses due to aging infrastructure in the Wastewater distribution system and the Wastewater Treatment Plant. It should also be noted, that

the likelihood of the fund to fully repay both the short-term and long-term loans in the near future is remote. Consequently, management is considering reporting these loans in the future as a permanent transfer from the Electric Fund to the Wastewater Fund, with no anticipation of repayment.

The City also has the ability through the budget process, to make transfers from the General Fund to the Wastewater Fund to help supplement the Wastewater Fund Revenues. The revenue for the transfer will come from a portion of the collection of landfill tipping fees which are projected to be approximately \$2,000,000.00 in this current fiscal year (FY2019-2020).

Respectfully submitted,

Jody Young

Jody Young, CGFO
Finance Director

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

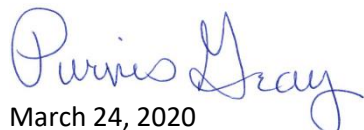
We have examined the City of Bushnell, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2019.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties



March 24, 2020
Ocala, Florida

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