



# **CITY OF EDGEWATER, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2019**





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# CITY OF EDGEWATER, FLORIDA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2019

*Prepared by: The Finance Department*



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March 13, 2020

To the Honorable Mayor, and Members of the City Council, and Citizens of the City of Edgewater

City Charter and State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with the generally accepted accounting principles in the United States of America (GAAP) and that they be audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, it is with great pleasure that we present to the City of Edgewater, the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30<sup>th</sup>, 2019.

This report consists of management's representations concerning the finances of the City of Edgewater. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Edgewater 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 Edgewater's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Edgewater'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 misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

James Moore & Co., P.L. a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Edgewater's financial statements for the fiscal year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designated to complement the MD&A and should be read in conjunction with it.

### **Profile of the Government**

The City of Edgewater was incorporated in 1951 and has operated under the Council-Manager form of government since 1981. Primary responsibilities of the City Manager are to implement the policies of the elected officials. The City Manager assumes responsibilities of the day-to-day operations of the City, annual budget preparation, appointing/removing officers and employees. In addition to supervising the daily operations, the City Manager works with elected officials, committees and citizens to plan for the future of the community.

The City of Edgewater is located in southeast Volusia County, primarily east of I-95 south of New Smyrna Beach, two miles west of the Atlantic Ocean and runs along 10.5 miles of the Indian River coastline. The City is within the economic zone of Central Florida, which roughly follows Interstate 4 from Tampa through Orlando to Daytona Beach and the communities along the Atlantic Coast in Volusia County. There are approximately 15,817 acres of land within the City with an estimated population of 23,455.

The City of Edgewater offers a full range of services to its citizens through multiple funds. The City uses funds to separate resources and assure that the City adheres to restrictions placed upon it by legislators, grantors, donors, and other outside parties (e.g. GASB, GAAP). The following is a list of services provided by each fund:

- **General Fund** - provides planning and zoning, economic development, building (e.g. permits, inspections, etc), police, fire, fire rescue, animal control, parks, recreation, streets (new and maintained), code enforcement, and general administrative services.
- **Water and Sewer Fund** - provides water and sewer services.
- **Solid Waste Fund** - uses a combination of City personnel and assets along with private contracted companies to provide solid waste collection.
- **Stormwater Fund** – provides and ensures proper water drainage from all properties.
- **Internal Service Funds** – account for fleet management services, management information systems, general liability insurance, health insurance, and workers compensation insurance.
- **CRA Fund** - account for the ad valorem proceeds for the redevelopment of the City's US1 and Park Avenue Corridor.

Whenever possible the City seeks alternative sources of revenue to provide services, enhance services, and supplement the existing expenses in the budget. The most prominent example of alternative revenue is grants through the federal, state, and local levels.

### **Local Economy**

Long established businesses such as Boston Whaler, Everglades Boats, Edgewater Power Boats, R.J. Dougherty Associates, Inc., Publix and Winn Dixie Supermarkets, as well as new businesses such as Northwest Lineman College provide employment opportunities within the City. NASA and related supporting enterprises at Cape Canaveral as well as the cruise industry located at Port Canaveral provide further employment opportunities.

The County of Volusia currently has a 3.2 percent unemployment rate. During the last year, taxable assessment values of property in Edgewater increased 9.79 percent. The City continues exploring several options to increase economic growth within the City and improve economic development within southeast Volusia County. The Community Redevelopment Agency was created to encourage redevelopment along the City's US. 1 and Park Ave. corridor. The City continues to develop many partnerships between various economic development agencies and local businesses.

The City of Edgewater's outlook for fiscal year 2020 is for modest gains in economic growth as the recovery from Hurricane Mathew, Irma, and Matthew gain traction in the local economy. With the modest gains, the City of Edgewater continues to apply for Federal and State grants to fund sidewalks, reclaimed water line extension, boat ramp replacement, stormwater and other hazard mitigation identified projects. Without these funds, these projects would not have been completed within the foreseeable future.

### **Financial Planning and Budgeting**

The City continued to stress expenditure control in preparing the FY2019 General Fund budget. The City ad valorem millage rate for FY2020 was 6.70, which was 8.62% more than the rolled-back rate. The millage rate of 6.70 will result in an anticipated property tax collections increase of 13.84% due to an increase in property assessments and annexations.

The City adopts a five-year capital improvement plan that identifies future funding needs to maintain, repair and upgrade capital assets and infrastructure including road resurfacing, water line upgrades and vehicle and technology replacement programs within the funding constraints. It should be noted; however, that the CIP is not a fixed document but a flexible, evolutionary document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.



### **Relevant Financial Policies**

The City Council recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergency or unanticipated expenditures or the possibility of revenue shortfalls during any fiscal year. To address these issues, the City Council included in its Charter a requirement to maintain reserves at a minimum of 15 percent to a maximum of 25 percent of the general fund appropriations. The September 30, 2019 unassigned fund balance was 29.52% which was higher than the range of 15%-25% per the charter. The unassigned fund balance included an accrual of \$916,570 related to Hurricane Irma. The unassigned fund balance excluding the Hurricane Irma revenue would have been 24.58%. Fiscal Year 2020 operating expenditures budget shows modest increases to allow for increasing operating costs while still maintaining capital improvements.

### **Budgeting Controls**

The annual budget serves as the foundation for the City of Edgewater's financial planning and control. All departments of the City of Edgewater are required to submit requests for appropriation to the City Manager. The City Manager then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Edgewater's fiscal year. The appropriated budget is prepared by fund (i.e., General Fund), department (i.e., Fire Department) and division (i.e., Fire Operations). The City Manager may make transfers of appropriations within and between divisions and departments; however, any revisions that alter the total appropriations of any funds must be approved by City Council. Original and final amended budget-to-actual comparisons are provided in this report for each individual governmental fund.

### **Certificate of Achievement Award**

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 Edgewater for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the thirty-fifth consecutive year that the City of Edgewater 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.

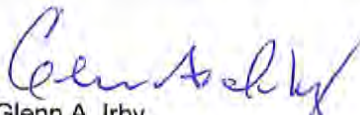
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility of another certificate.

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated commitment of the entire Finance Department. The City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of the accounting information and statistics compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's external auditor whose suggestions and attention to detail enhanced the quality of this report.

In closing, special thanks to the Mayor and City Council for their support and commitment to maintaining the financial integrity and sustainability of the City.

Respectfully submitted,



Glenn A. Irby  
City Manager



Bridgette King  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Edgewater  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

**CITY OF EDGEWATER FLORIDA**

List of Elected and Appointed Officials  
September 30, 2019

**CITY COUNCIL**

**MAYOR**  
Mike Thomas

**DISTRICT 1**  
Christine Power

**DISTRICT 2**  
Kimberly Yaney

**DISTRICT 3**  
Megan O'Keefe

**DISTRICT 4**  
Gary Conroy

**ADMINISTRATION**

**CITY MANAGER**  
Glenn A. Irby

**FINANCE  
DIRECTOR**  
Bridgette King

**FIRE CHIEF**  
Jeff Lariscy

**HUMAN RESOURCES  
DIRECTOR**  
Julie A. Christine

**ENVIRONMENTAL SERVICES  
DIRECTOR**  
Brenda Dewees

**CITY ATTORNEY**  
Aaron R. Wolfe

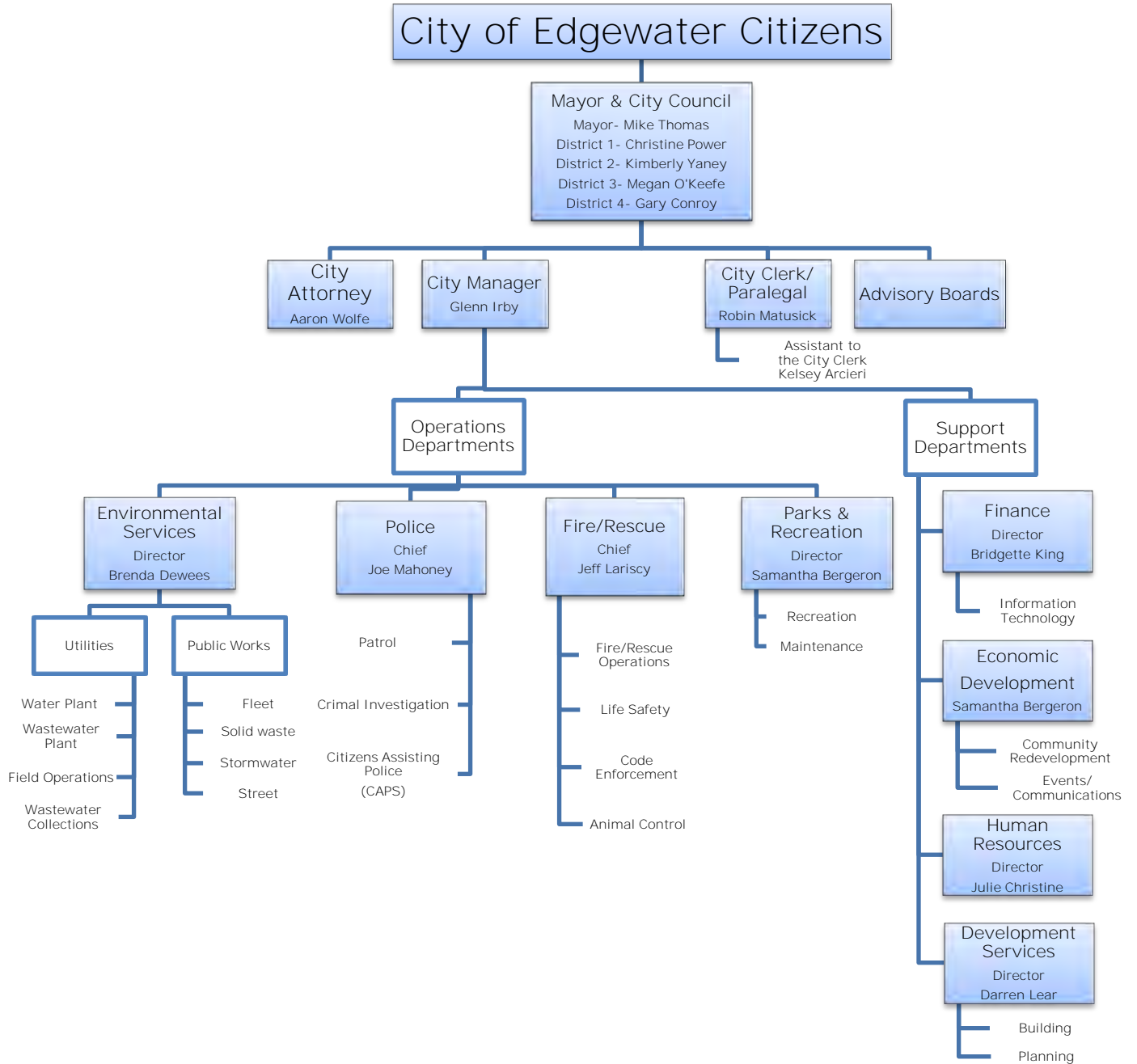
**CITY CLERK /  
PARALEGAL**  
Robin L. Matusick

**POLICE CHIEF**  
Joe Mahoney

**DEVELOPMENT SERVICES  
DIRECTOR**  
Darren Lear

**PARKS & RECREATION  
DIRECTOR**  
Samantha Bergeron





## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council, and City Manager  
City of Edgewater, 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 Edgewater, 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***

The City's 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.

### ***Auditors' 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.

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Telephone: 386-738-3300

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Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***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 comparison for the General Fund and CRA for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, 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 financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, and schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes, *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 13, 2020, on our consideration of the City's internal control over financial reporting and on 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 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.

 James Moore & Co., P.L.

Daytona Beach, Florida  
March 13, 2020

## **Management's Discussion and Analysis**

As management of the City of Edgewater, Florida we offer readers of the City of Edgewater's financial statements this narrative overview and analysis of the financial activities of the City of Edgewater for the fiscal year ended 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.

### **Financial Highlights**

- Net Position - The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of FY 2018-2019 by \$83,726,302, which represents an increase in net position of \$7,585,069 or 9.96% from the prior fiscal year.
- Governmental Activities Net Position increased by \$3,556,128 mainly from budget carryforward for Kennedy Park repairs of \$966,035 as well as carryforward of \$828,105 for road paving and resurfacing. Pension and Other Post-Employment Benefits liabilities decreased by a combined \$656,431. Debt principal payments decreased to \$476,647. Capital Asset Expenditures exceeded depreciation by \$394,433.
- Business Type Activities Net Position increased by \$4,028,941. The Water and Sewer operations had approximately \$3.4 million in program income with approximately \$1.4 million from capital grants. Refuse operations had a budget carryforward for a refuse truck of \$223,627. Business Type activities also had other budget carryforwards in the amount of \$158,435.
- At the end of FY 2018-19, the General Fund unassigned fund balance was \$5,481,191 or 29.52% of the budgeted FY 2020 General Fund expenditures. This represents an increase of \$2,300,272 from the prior fiscal year.
- During the fiscal year, the City's total debt increased by \$1,082,281. Governmental debt decreased by \$486,709 and business-type debt increased by \$1,568,990.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Edgewater's (the City) basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-Wide Financial Statements**

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

The statement of net position presents information on all of the City'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 is improving or deteriorating.

The statement of activities presents information showing 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City of Edgewater that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Edgewater include general administration, public safety, public works, community redevelopment, and culture and recreation. The business-type activities of the City of Edgewater include water and sewer, solid waste, and stormwater management.

The government-wide financial statements include only the City of Edgewater itself (known as the *primary government*). The City of Edgewater has one component unit, the Edgewater Community Redevelopment Agency (CRA). The CRA is reported as if it were part of the primary government as a major special revenue fund.

The government-wide financial statements can be found on pages 17-19 of this report.

## **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 Edgewater, 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 Edgewater can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***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 Edgewater maintains eleven 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, the community redevelopment agency (CRA) and the capital projects fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.



The City of Edgewater adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund and community redevelopment fund to demonstrate compliance with their budgets on pages 24 and 25 respectively. Budgetary comparison schedules have been provided for the non-major, debt service and capital projects funds at pages 82-87. The basic governmental fund financial statements can be found on pages 20-24 of this report.

**Proprietary Funds** - The City of Edgewater maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report functions presented as *business-type activities* in the government-wide financial statements. The City of Edgewater uses enterprise funds to account for water and sewer, solid waste collection and stormwater management. Internal service funds are used to account for management information systems, fleet servicing, and property and casualty, health, dental, life, and workers compensation insurances. Because the services of these funds predominately benefit governmental rather than business-type functions, they have been include within *governmental activities* in the government-wide financial statements.

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 water and sewer, solid waste collection and stormwater management which are all considered to be major funds.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

**Internal Service** funds are used to account for the financing of centralized services to the City departments on a cost-reimbursement basis.

The basic internal services fund financial statements can be found on pages 89-92 of this report.

**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 statements because the resources of those funds are *not* available to support the City of Edgewater's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 93-95 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a more complete understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 31-69 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in its obligation to provide pension and OPEB benefits to its employees which can be found on pages 70-76. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to financial statements and required supplementary

information. Combining and individual fund statements and schedules can be found on pages 77-81 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 Edgewater, assets and deferred outflows exceed liabilities and deferred inflows by \$83,726,302 at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior years. For more detail see the Statement of Net Position on page 17.

### City of Edgewater's Statement of Net Position (in whole dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$13,736,785	\$11,018,202	\$18,850,169	\$14,139,651	\$32,586,954	\$25,157,853
Capital Assets	47,444,624	47,041,442	46,219,405	44,407,602	93,664,029	91,449,044
Total Assets	61,181,409	58,059,644	65,069,574	58,547,253	126,250,983	116,606,897
 Total deferred outflows of resources	 3,026,978	 2,873,560	 539,453	 545,145	 3,566,431	 3,418,705
 <b>Liabilities:</b>						
Long term liabilities	17,677,417	18,381,451	21,533,703	22,008,916	39,211,120	40,390,367
Other liabilities	912,981	1,073,152	4,089,669	1,238,405	5,002,650	2,311,557
Total Liabilities	18,590,398	19,454,603	25,623,372	23,247,321	44,213,770	42,701,924
 Total deferred inflows of resources	 1,644,406	 1,061,146	 232,936	 121,299	 1,877,342	 1,182,445
 <b>Net Position:</b>						
Net investment in capital assets	41,180,772	41,987,558	28,541,299	28,304,107	69,722,071	70,291,665
Restricted	3,474,736	2,077,678	1,863,314	1,641,390	5,338,050	3,719,068
Unrestricted	(681,925)	(3,647,781)	9,348,106	5,778,281	8,666,181	2,130,500
Total Net Position	\$43,973,583	\$40,417,455	\$39,752,719	\$35,723,778	\$83,726,302	\$76,141,233

At the end of the current fiscal year, the Governmental Liabilities decreased by \$864,205. The Governmental Liability for FY2018-2019 changed mainly from Other Post-Employment Benefits decreasing by \$488,712, Notes Payable and Capital Leases decreasing by \$486,709, Compensated Absences decreasing by \$412,003, Accounts Payable and other current liabilities decreasing \$160,841 which was offset by Pension Liability increasing \$282,118 and other Governmental Liabilities having smaller increases or decreases.

Business -Type Liabilities increased by \$2,376,051. The increase was largely from Notes Payable and Capital Leases increasing by \$1,568,990, Accounts Payable and other current liabilities increasing by \$686,241 and Other Post Employment Benefits increasing by \$201,467 which was

offset by Payable Compensated Absences decreasing by \$52,535 and along with other smaller changes in FY2018-2019.

The City's net position reflects eighty-three percent (83%) investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Edgewater'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.

An additional portion of the City of Edgewater's net position (6.38%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of Net Position is unrestricted and 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 Edgewater is able to report positive balances in all categories of net position except for Governmental unrestricted which is due to the City's net pension liability being reflected on the statements.

The government's net position increased \$7,585,069 in the current fiscal year. The government's restricted net position increased by \$1,618,982 in the current fiscal year. This was mainly attributed to an increase in Capital Projects net position increased by \$446,167 and an increase in Public Safety of \$887,823. Further explanations of the increase are detailed below. The following table reflects the condensed Statement of Activities for the current and prior years. For more detail see the Statement of Activities on page 18-19.

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## City of Edgewater's Changes in Revenues, Expenses and Net Position (in whole dollars)

	Governmental Activities		Business-Type Activities		Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues -						
Charges for services	\$ 1,621,884	\$ 1,600,772	\$ 16,748,843	\$ 15,507,691	\$ 18,370,727	\$ 17,108,463
Operating grants and contributions	1,729,846	754,837	140,130	-	1,869,976	754,837
Capital grants and contributions	426,590	1,244,620	1,647,841	306,841	2,074,431	1,551,461
General revenues -						
Property taxes	6,641,903	6,025,937		-	6,641,903	6,025,937
Franchise and utility taxes	3,723,199	3,608,538		-	3,723,199	3,608,538
Intergovernmental	2,480,837	2,327,579		-	2,480,837	2,327,579
Investment income and miscellaneous	135,931	177,217	37,838	166,198	173,769	343,415
Total revenues	16,760,190	15,739,500	18,574,652	15,980,730	35,334,842	31,720,230
<b>Expenses:</b>						
General government	2,661,429	2,445,179	-	-	2,661,429	2,445,179
Public safety	7,503,374	7,583,092	-	-	7,503,374	7,583,092
Transportation/public works	1,958,770	1,863,482	-	-	1,958,770	1,863,482
Parks and recreation	1,778,174	1,325,064	-	-	1,778,174	1,325,064
Community Redevelopment	85,486	60,174	-	-	85,486	60,174
Interest on long-term debt	188,327	227,505	-	-	188,327	227,505
Water and sewer		-	9,086,584	9,218,732	9,086,584	9,218,732
Solid waste		-	2,939,631	2,678,923	2,939,631	2,678,923
Stormwater management		-	1,547,998	1,373,361	1,547,998	1,373,361
Total expenses	14,175,560	13,504,496	13,574,213	13,271,016	27,749,773	26,775,512
<b>Excess (deficiency) before transfers</b>	2,584,630	2,235,004	5,000,439	2,709,714	7,585,069	4,944,718
<b>Transfers in / (out)</b>	971,498	914,544	(971,498)	(914,544)	-	-
<b>Increase (Decrease) in net position</b>	3,556,128	3,149,548	4,028,941	1,795,170	7,585,069	4,944,718
<b>Net Position - Beginning</b>	40,417,455	37,267,907	35,723,778	33,928,608	76,141,233	71,196,515
<b>Net Position - Ending</b>	\$ 43,973,583	\$ 40,417,455	\$ 39,752,719	\$ 35,723,778	\$ 83,726,302	\$ 76,141,233



## **Statement of Activities**

*Governmental Activities* - Governmental activities increased the City of Edgewater's net position by \$3,556,128. Key elements of this increase are as follows:

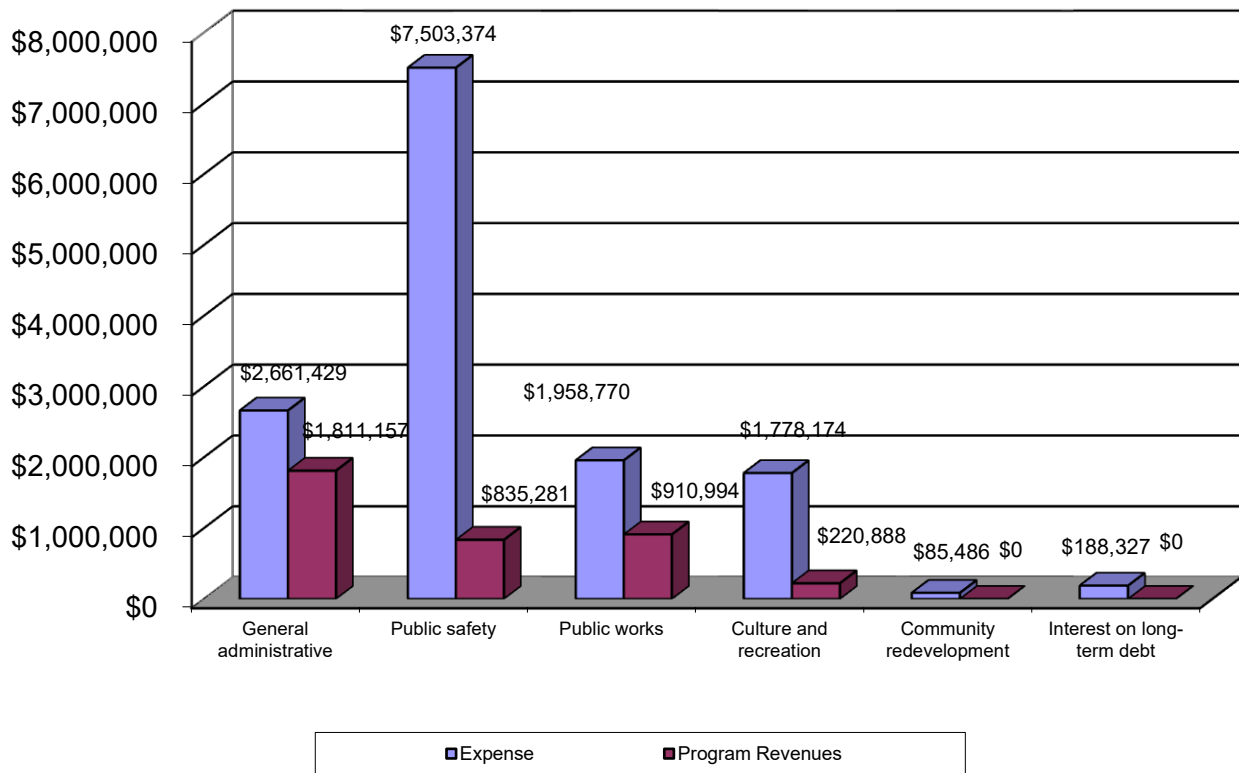
- Governmental Activities Net Position increased mainly from budget carryforward for Kennedy Park repairs of \$966,035 as well as carryforward of \$ 828,105 for road paving and resurfacing. Pension and Other Post-Employment Benefits liabilities decreased by a combined \$656,431. Debt principal payments of \$476,647. Capital Asset Expenditures exceeded depreciation by \$394,433.

*Business-Type Activities* - Business-type activities increased the City of Edgewater's net position by \$4,028,941. Key elements of this increase are as follows:

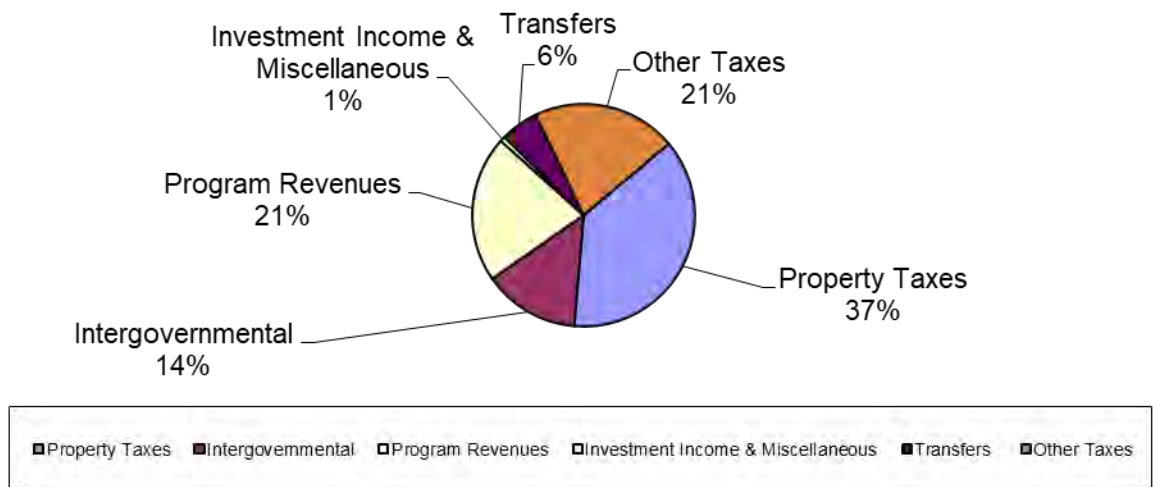
- Charges for services reflect an overall 8.00% increase this year as compared to a 7.16% increase last year. Charge for services increased by \$1,241,152 over the previous year. All of the rates are adjusted per continuing professional rate study analyses.
- The main items affecting the increase were net Capital Assets increasing \$2,214,985, budget carryforward for a refuse truck of \$223,627 and other budget carryforward of \$158,435.

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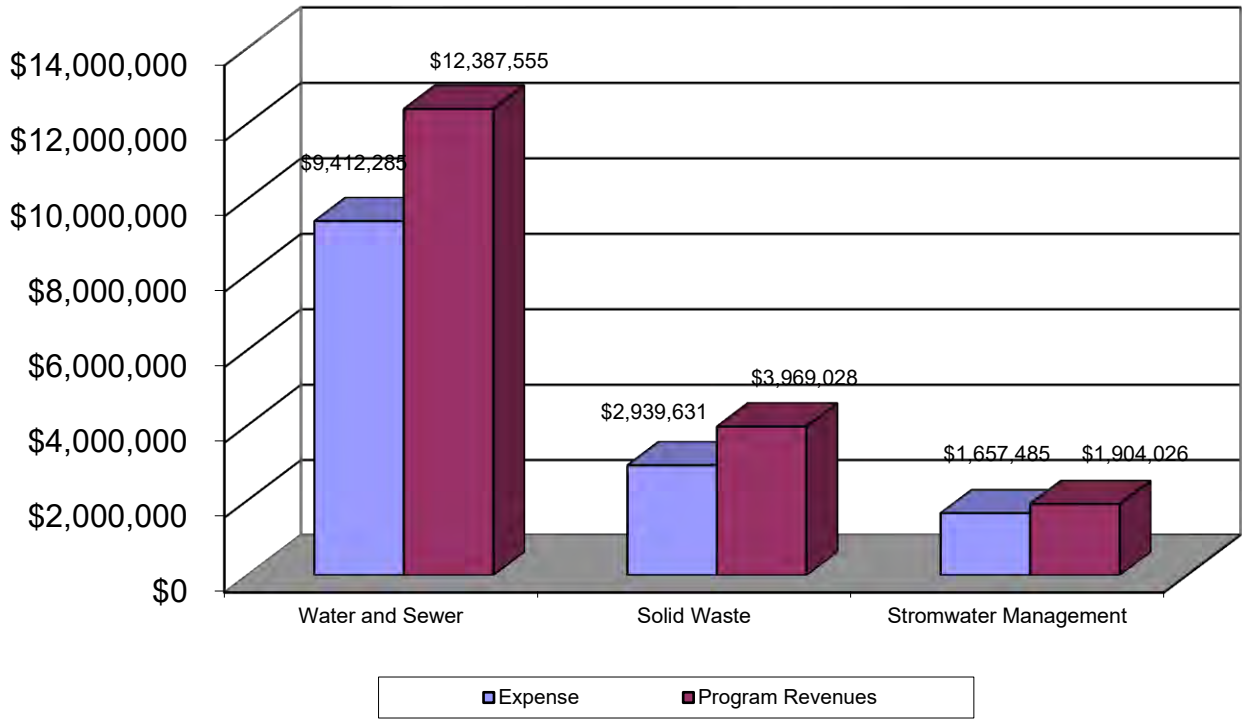
### Expenses and Program Revenues - Governmental Activities



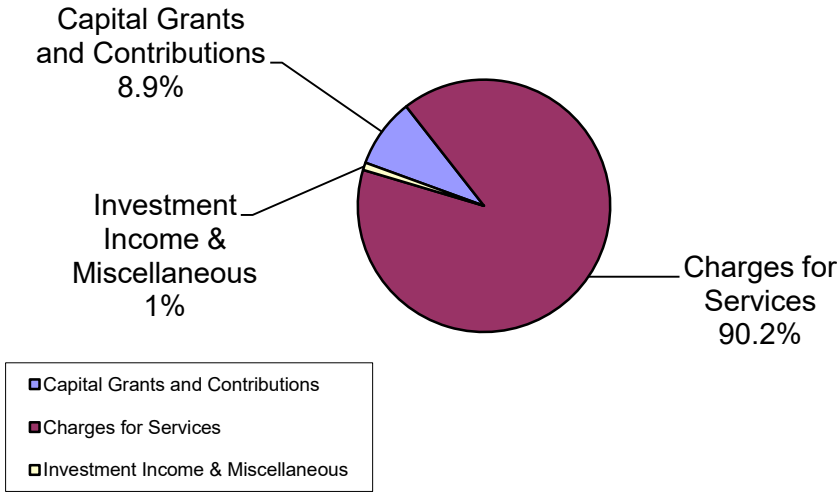
### Revenues by Source – Governmental Activities



**Expenses and Program Revenues - Business-Type Activities**



**Revenues by Source - Business-Type Activities**



## Financial Analysis of the Government's Funds

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

**Governmental Funds** - The focus of the City'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 Edgewater's financing requirements. In particular, unassigned 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 Edgewater's governmental funds reported combined ending fund balances of \$9,967,811, an increase of \$1,591,372 in comparison with the prior year. Approximately 55% of this amount or \$5,481,191 constitutes unassigned fund balance, which is available for spending at the City's discretion. The City has assigned fund balance for the replacement of City Hall in the amount of \$1,007,749 and subsequent year's budget of \$1,539,441. Restricted fund balance of \$1,803,280 is for scholarships, public safety, debt service, community redevelopment, tree mitigation and capital projects. Nonspendable fund balance of \$136,150 is held for inventories and prepaids.

The General Fund is the chief operating fund of the City of Edgewater. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,481,191, while total fund balance was \$8,215,696. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.52% of the total General Fund 2020 expenditures, while total fund balance represents 44.24% of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$2,776,996. A portion of the fund balance increase can be attributed approximately \$916,000 of accounts receivable related to Hurricane IRMA to the timing of various projects including paving projects of approximately \$114,000.

During the current fiscal year, Whistle Stop Park upgrades were completed and paving projects were implemented. The Capital Projects fund balance decreased from \$1,599,235 to \$677,381.

Fiscal Year 2019 is the fourth year of activity for the City's recently established Community Redevelopment Agency Fund (CRA). This agency is established for the purpose of making improvements to core downtown properties to enhance economic activity in the City. Revenues are being collected from the County and City. Future expenditures are budgeted primarily for land acquisitions or qualified community enhancements.

**Proprietary Funds** - The City of Edgewater'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 proprietary funds (including enterprise and internal service funds) at the year-end amounted to \$10,321,623. The total increase in unrestricted net position for these funds was \$3,972,355. Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the City of Edgewater's business-type activities.



## General Fund Budgetary Highlights

The final revenue budget was increased from the original budget by \$850,283 due mainly to increased utility and franchise fees of \$456,683, increased intergovernmental revenue \$218,091 and increased revenues from property tax collections in the amount of \$120,825. Actual revenues were \$928,158 dollars higher than budget due mainly to FEMA Hurricane reimbursement revenue of \$868,329 and State Disaster Relief Hurricane revenue of \$48,242.

Actual expenditures were \$1,065,222 less than budgeted expenditures mostly due to holding positions open in various departments and reduction in operating costs in order to cover the costs of Hurricane damages.

The final expenditure budget was increased from the original budget by \$586,213. Due mainly to the following approximated costs of \$150,000 in City Manager payout and severance costs , \$104,700 for patrol vehicles, approximately \$75,000 eminent domain property costs, \$30,000 special election and \$30,000 for other post-employment benefits.

## Capital Asset and Debt Administration

**Capital Assets** - The City of Edgewater's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$93,664,029 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 2.42%.

### City of Edgewater's Capital Assets (net of depreciation)(in whole dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 25,289,849	\$ 25,211,665	\$ 2,334,086	\$ 2,172,570	\$ 27,623,935	\$ 27,384,235
Buildings	3,634,783	3,899,081	5,057,330	5,508,915	8,692,113	9,407,996
Improvements	10,233,490	7,040,016	31,578,219	33,226,393	41,811,709	40,266,409
Machinery and equipment	1,609,041	1,756,279	2,372,571	2,839,312	3,981,612	4,595,591
Infrastructure	6,502,943	6,087,773	-	-	6,502,943	6,087,773
Construction in progress	174,518	3,046,628	4,877,199	660,412	5,051,717	3,707,040
Total	\$ 47,444,624	\$ 47,041,442	\$ 46,219,405	\$ 44,407,602	\$ 93,664,029	\$ 91,449,044

Additional information on the City of Edgewater's capital assets can be found in the notes to the financial statements on pages 46-47 of this report.

## **Long-Term Debt**

At the end of the current fiscal year, the City of Edgewater had total debt outstanding of \$23,948,518. This debt includes notes payable, state revolving loan and capital leases. In FY 2019, the City borrowed an additional \$3,503,721 in State Revolving Fund loan towards the construction of the reclaimed waterline extension project in the Water & Sewer fund. The City is current on all required debt service obligations.

### **City of Edgewater's Outstanding Debt (in whole dollars)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Notes payable	\$ 5,925,373	\$ 6,291,638	\$ 8,805,627	\$ 10,430,362	\$ 14,731,000	\$ 16,722,000
State revolving loans	-	-	8,840,950	5,635,033	8,840,950	5,635,033
Capital leases	338,479	458,923	38,089	50,281	376,568	509,204
	<b>\$ 6,263,852</b>	<b>\$ 6,750,561</b>	<b>\$ 17,684,666</b>	<b>\$ 16,115,676</b>	<b>\$ 23,948,518</b>	<b>\$ 22,866,237</b>

During the current fiscal year, the City's total debt increased by \$1,082,281 which was (4.73%). Additional information on the City of Edgewater's long-term debt can be found in the notes to the financial statements on pages 47-55 of this report.

## **Reserve Policy**

In November 2016, voter's approved a charter amendment requiring the City to maintain reserves at a minimum of 15 percent of all operating funds (General, Water & Sewer, Solid Waste and Stormwater). The policy addresses that the City is required to maintain reserves at a minimum of 15 percent with a maximum of 25 percent of the respective fund. The reserve range is established based on a percentage of current years' budget. Reserve levels above the top of the range are deemed to be available for capital or other lawful purposes.

The Reserve amount per Charter is currently set at \$2,785,311 (15%) of the FY2019 – 2020 General Fund Budget. The amount available for capital or other lawful purposes less any reserves or set asides is \$2,695,880 at September 30, 2019.

## **Next Year's Budget and Rates**

The City Council adopted a conservative budget for Fiscal Year 2020. The proposed budget contains many ambitious work plan objectives that are intended to address the highest priorities in the community and the goals of the City Council. This budget also sets the financial foundation to establish an accurate and understandable assessment and tracking of the uses and sources of all funds. The 2020 budget presents a number of opportunities and challenges to improve overall service to the community while continuing to deal with the slow recovery as a result of the severe economic downturn and continuing recovery efforts associated with Hurricanes Matthew, Irma and Dorian.

The proposed General Fund budget for Fiscal Year 2020 includes the following assumptions:

- Modest increases in operating expenditures to cover increased health insurance costs, salary increases, and defined benefit pension plan increased costs.

- Slight increase in operating and maintenance cost related for operating costs for Whistle Stop Park reopening.
- Funds set aside future City Hall construction to be used for the design and construction of a Public Works complex.
- Florida East Coast Railway 30<sup>th</sup> street crossing maintenance

**Requests for Information**

This financial report is designed to provide a general overview of the City of Edgewater's finances for those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, City of Edgewater, P.O. Box 100, Edgewater, Florida 32132-0100.

**CITY OF EDGEWATER, FLORIDA**

Statement of Net Position

September 30, 2019

	<b>Governmental - type Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,734,958	\$ 11,725,241	\$ 19,460,199
Investments	2,617,097	1,434,709	4,051,806
Receivables, net	471,708	2,140,727	2,612,435
Special assessment receivable	-	154,670	154,670
Internal balances	(602,084)	602,084	-
Due from other governments	1,605,425	794,071	2,399,496
Inventories and prepaids	187,995	16,871	204,866
Net pension asset	1,721,686	-	1,721,686
Restricted assets:			
Cash and cash equivalents	-	1,981,796	1,981,796
Capital assets			
Nondepreciable assets	25,464,367	7,211,285	32,675,652
Depreciable assets, net	21,980,257	39,008,120	60,988,377
Total assets	<u>\$ 61,181,409</u>	<u>\$ 65,069,574</u>	<u>\$ 126,250,983</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 2,879,861	\$ 441,957	\$ 3,321,818
Deferred outflows related to OPEB	147,117	90,936	238,053
Deferred loss on refunding	-	6,560	6,560
Total deferred outflows of resources	<u>\$ 3,026,978</u>	<u>\$ 539,453</u>	<u>\$ 3,566,431</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 766,379	\$ 979,814	\$ 1,746,193
Accrued interest payable	63,185	119,392	182,577
Unearned revenue	81,512	-	81,512
Due to other governments	1,905	-	1,905
Customer deposits	-	782,635	782,635
Noncurrent liabilities:			
Due within one year:			
Notes and capital leases payable	485,746	1,809,020	2,294,766
Compensated absences	815,506	398,808	1,214,314
Due in more than one year:			
Notes and capital leases payable	5,778,106	15,875,646	21,653,752
Compensated absences	400,272	143,989	544,261
Net pension liability	7,273,128	3,706,307	10,979,435
Total OPEB liability	2,924,659	1,807,761	4,732,420
Total liabilities	<u>\$ 18,590,398</u>	<u>\$ 25,623,372</u>	<u>\$ 44,213,770</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 1,267,555	\$ -	\$ 1,267,555
Deferred inflows related to OPEB	376,851	232,936	609,787
Total deferred inflows of resources	<u>\$ 1,644,406</u>	<u>\$ 232,936</u>	<u>\$ 1,877,342</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 41,180,772	\$ 28,541,299	\$ 69,722,071
Restricted for:			
Debt service	77,870	996,405	1,074,275
Public safety	1,804,926	-	1,804,926
Tree mitigation	100,416	-	100,416
Capital projects	1,175,244	866,909	2,042,153
Community redevelopment	307,317	-	307,317
Scholarships	8,963	-	8,963
Unrestricted	(681,925)	9,348,106	8,666,181
<b>Total net position</b>	<u>\$ 43,973,583</u>	<u>\$ 39,752,719</u>	<u>\$ 83,726,302</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

Statement of Activities

For the Fiscal Year Ended September 30, 2019

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative	\$ 2,661,429	\$ 709,513	\$ 977,723	\$ 123,921
Public works	1,958,770	88,366	708,543	114,085
Public safety	7,503,374	762,914	43,580	28,787
Culture and recreation	1,778,174	61,091	-	159,797
Community redevelopment	85,486	-	-	-
Interest on long-term debt	188,327	-	-	-
Total governmental activities	<u>14,175,560</u>	<u>1,621,884</u>	<u>1,729,846</u>	<u>426,590</u>
Business-type activities:				
Water / Sewer	9,086,584	11,084,416	-	1,454,848
Solid waste	2,939,631	3,767,242	-	191,603
Stormwater	1,547,998	1,897,185	-	1,390
Total business-type activities	<u>13,574,213</u>	<u>16,748,843</u>	<u>-</u>	<u>1,647,841</u>
Total primary government	<u>\$ 27,749,773</u>	<u>\$ 18,370,727</u>	<u>\$ 1,729,846</u>	<u>\$ 2,074,431</u>

General revenues:

Property taxes

Utility and franchise taxes

Intergovernmental shared revenue - non-program

Investment earnings

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The notes to the financial statements are an integral part of this statement.



**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (850,272)	\$ -	\$ (850,272)
(1,047,776)	-	(1,047,776)
(6,668,093)	-	(6,668,093)
(1,557,286)	-	(1,557,286)
(85,486)	-	(85,486)
(188,327)	-	(188,327)
(10,397,240)	-	(10,397,240)
-	3,452,680	3,452,680
-	1,019,214	1,019,214
-	350,577	350,577
-	4,822,471	4,822,471
(10,397,240)	4,822,471	(5,574,769)
6,641,903	-	6,641,903
3,723,199	-	3,723,199
2,480,837	-	2,480,837
106,239	37,838	144,077
29,692	140,130	169,822
971,498	(971,498)	-
13,953,368	(793,530)	13,159,838
3,556,128	4,028,941	7,585,069
40,417,455	35,723,778	76,141,233
\$ 43,973,583	\$ 39,752,719	\$ 83,726,302

**CITY OF EDGEWATER, FLORIDA**

Balance Sheet

Governmental Funds

September 30, 2019

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>CRA Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 4,593,565	\$ 665,879	\$ 307,277	\$ 767,197	\$ 6,333,918
Investments	2,616,756	341	-	-	2,617,097
Receivables--net of allowance for uncollectibles	450,401	-	40	102	450,543
Due from other governments	1,544,369	60,938	-	118	1,605,425
Inventories and prepaids	136,150	-	-	-	136,150
Total assets	<u>\$ 9,341,241</u>	<u>\$ 727,158</u>	<u>\$ 307,317</u>	<u>\$ 767,417</u>	<u>\$ 11,143,133</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 203,121	\$ 49,777	\$ -	\$ -	\$ 252,898
Accrued liabilities	236,923	-	-	-	236,923
Due to other funds	602,084	-	-	-	602,084
Due to other governments	1,905	-	-	-	1,905
Unearned revenues	81,512	-	-	-	81,512
Total liabilities	<u>1,125,545</u>	<u>49,777</u>	<u>-</u>	<u>-</u>	<u>1,175,322</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories and prepaids	136,150	-	-	-	136,150
Restricted for:					
Scholarships	8,963	-	-	-	8,963
Public safety	-	-	-	83,240	83,240
Debt service	42,202	-	-	85,898	128,100
Community redevelopment	-	-	307,317	-	307,317
Tree mitigation	-	-	-	100,416	100,416
Capital projects	-	677,381	-	497,863	1,175,244
Assigned to:					
Subsequent year's budget appropriation of fund balance	1,539,441	-	-	-	1,539,441
City Hall	1,007,749	-	-	-	1,007,749
Unassigned	5,481,191	-	-	-	5,481,191
Total fund balances	<u>8,215,696</u>	<u>677,381</u>	<u>307,317</u>	<u>767,417</u>	<u>9,967,811</u>
Total liabilities and fund balances	<u>\$ 9,341,241</u>	<u>\$ 727,158</u>	<u>\$ 307,317</u>	<u>\$ 767,417</u>	<u>\$ 11,143,133</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

## Reconciliation of the Balance Sheet of Governmental Funds

## To the Statement of Net Position

September 30, 2019

Total governmental funds fund balance	\$ 9,967,811
---------------------------------------	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds - total less accumulated depreciation.

Land and land rights	25,289,849	
Buildings and improvements	32,576,303	
Infrastructure	61,330,749	
Furniture and equipment	5,488,239	
Construction in progress	149,890	
Accumulated depreciation	<u>(77,485,830)</u>	47,349,200

Internal service funds are used by management to charge the costs of fleet, management information systems and insurance activities to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,014,193

On the governmental fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net pension liability/asset of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(7,273,128)	
Net pension asset	1,721,686	
Deferred outflows related to pensions	2,879,861	
Deferred inflows related to pensions	<u>(1,267,555)</u>	(3,939,136)

On the governmental fund statements, an OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(2,786,487)	
Deferred outflows related to OPEB	140,167	
Deferred inflows related to OPEB	<u>(359,047)</u>	(3,005,367)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	1,140,938	
Long-term debt	<u>6,209,104</u>	(7,350,042)

Accrued interest payable on bonds that is not recognized on the fund statements.	(63,076)
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Net position of governmental activities	<u><u>\$ 43,973,583</u></u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

For the Fiscal Year Ended September 30, 2019

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>CRA Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes:					
Property	\$ 6,206,999	\$ -	\$ 154,233	\$ 280,671	\$ 6,641,903
Utility and franchise taxes	3,723,199	-	-	-	3,723,199
Intergovernmental	4,098,330	481,976	-	1,819	4,582,125
Licenses and permits	455,801	-	-	100,344	556,145
Charges for services	2,108,874	-	-	-	2,108,874
Fines and forfeitures	153,345	-	-	1,713	155,058
Investment earnings	85,857	17,665	408	1,190	105,120
Impact fees	-	-	-	151,056	151,056
Miscellaneous revenue	65,978	-	-	-	65,978
Total revenues	<u>16,898,383</u>	<u>499,641</u>	<u>154,641</u>	<u>536,793</u>	<u>18,089,458</u>
<b>EXPENDITURES</b>					
Current:					
Legislative	99,990	-	-	-	99,990
Executive	757,013	-	-	-	757,013
Legal counsel	113,682	-	-	-	113,682
Community development	727,135	-	305	-	727,440
Public works	788,345	156,425	-	-	944,770
Public safety:					
Law enforcement	3,990,383	-	-	-	3,990,383
Fire and emergency services	3,579,140	-	-	-	3,579,140
Code enforcement	168,193	-	-	-	168,193
Animal services	143,551	-	-	-	143,551
Culture and recreation	1,238,162	-	-	-	1,238,162
General administrative services	2,725,148	-	-	-	2,725,148
Debt service:					
Principal	197,647	-	-	279,000	476,647
Interest	30,911	-	-	155,995	186,906
Capital outlay	297,144	1,942,451	-	65,764	2,305,359
Total expenditures	<u>14,856,444</u>	<u>2,098,876</u>	<u>305</u>	<u>500,759</u>	<u>17,456,384</u>
Excess (deficiency) of revenues over expenditures	<u>2,041,939</u>	<u>(1,599,235)</u>	<u>154,336</u>	<u>36,034</u>	<u>633,074</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	960,117	183,312	-	161,757	1,305,186
Transfers out	(225,060)	-	-	(121,828)	(346,888)
Total other financing sources (uses)	<u>735,057</u>	<u>183,312</u>	<u>-</u>	<u>39,929</u>	<u>958,298</u>
Net change in fund balances	<u>2,776,996</u>	<u>(1,415,923)</u>	<u>154,336</u>	<u>75,963</u>	<u>1,591,372</u>
Beginning fund balances	<u>5,438,700</u>	<u>2,093,304</u>	<u>152,981</u>	<u>691,454</u>	<u>8,376,439</u>
Ending fund balances	<u>\$ 8,215,696</u>	<u>\$ 677,381</u>	<u>\$ 307,317</u>	<u>\$ 767,417</u>	<u>\$ 9,967,811</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Fiscal Year Ended September 30, 2019

Net change in fund balances - total governmental funds \$ 1,591,372

Amounts recorded for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditure for capital assets	2,305,359	
Current year depreciation	<u>(1,910,926)</u>	394,433

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

Changes in compensated absences	15,905
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The net revenue of certain activities of internal service funds is reported with governmental activities.

421,340

Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension/OPEB plans decreases (increases) the future net pension/OPEB liability (asset). Also included in pension/OPEB expense in the Statement of Activities are deferred inflow and deferred outflow amounts required to be amortized.

Change in net pension liability/asset and deferred inflows/outflows related to pensions	296,039
Change in Total OPEB liability and deferred inflows/outflows related to OPEB	360,392

The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	476,647
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Change in net position of governmental activities	<u><u>\$ 3,556,128</u></u>
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The notes to the financial statements are an integral part of this statement.



**CITY OF EDGEWATER, FLORIDA**

Statement of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
General Fund  
For the Fiscal Year Ended September 30, 2019

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ 6,086,174	\$ 6,206,999	\$ 6,206,999	\$ -
Utility and franchise taxes	3,256,735	3,713,418	3,723,199	9,781
Intergovernmental	2,973,568	3,191,659	4,098,330	906,671
Licenses and permits	529,100	458,043	455,801	(2,242)
Charges for services	2,034,325	2,108,717	2,108,874	157
Fines and forfeitures	187,304	154,397	153,345	(1,052)
Investment earnings	22,536	85,565	85,857	292
Miscellaneous revenue	30,200	51,427	65,978	14,551
Total revenues	15,119,942	15,970,225	16,898,383	928,158
<b>EXPENDITURES</b>				
Current:				
Legislative	131,000	116,000	99,990	16,010
Executive	604,245	809,099	757,013	52,086
Legal counsel	100,500	113,812	113,682	130
Community development	793,782	833,000	727,135	105,865
Public works	980,249	907,805	788,345	119,460
Public safety:				
Law enforcement	4,346,049	4,232,201	3,990,383	241,818
Fire and emergency services	3,654,248	3,677,594	3,579,140	98,454
Code enforcement	181,023	183,124	168,193	14,931
Animal services	151,822	151,822	143,551	8,271
Culture and recreation	1,378,714	1,388,426	1,238,162	150,264
General administrative services	2,630,591	2,852,058	2,725,148	126,910
Debt service:				
Principal	197,647	197,649	197,647	2
Interest	34,121	34,122	30,911	3,211
Capital outlay	151,462	424,954	297,144	127,810
Total expenditures	15,335,453	15,921,666	14,856,444	1,065,222
Excess (deficiency) of revenues over expenditures	(215,511)	48,559	2,041,939	1,993,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	951,338	951,338	960,117	8,779
Transfers out	(1,080,753)	(1,563,223)	(225,060)	1,338,163
Total other financing sources (uses)	(129,415)	(611,885)	735,057	1,346,942
Net change in fund balances	(344,926)	(563,326)	2,776,996	3,340,322
Beginning fund balances	5,438,700	5,438,700	5,438,700	-
Ending fund balances	\$ 5,093,774	\$ 4,875,374	\$ 8,215,696	\$ 3,340,322

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

Statement of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
CRA Fund  
For the Fiscal Year Ended September 30, 2019

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final Budget- Positive (Negative)</b>
<b>REVENUES</b>				
Property tax	\$ 158,270	\$154,234	\$ 154,233	\$ (1)
Investment earnings	66	66	408	342
Total revenues	158,336	154,300	154,641	341
<b>EXPENDITURES</b>				
Capital outlay	303,161	299,125	-	299,125
Other Services & Charges	10,175	10,175	305	9,870
Total expenditures	313,336	309,300	305	308,995
Excess (deficiency) of revenues over expenditures	(155,000)	(155,000)	154,336	309,336
Net change in fund balance	(155,000)	(155,000)	154,336	309,336
Beginning fund balances	152,981	152,981	152,981	-
Ending fund balances	\$ (2,019)	\$ (2,019)	\$ 307,317	\$ 309,336

**CITY OF EDGEWATER, FLORIDA**

Statement of Net Position

Proprietary Funds

September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,849,255	\$ 2,134,234	\$ 1,741,752	\$ 11,725,241	\$ 1,401,040
Investments	781,886	375,609	277,214	1,434,709	-
Receivables, net	1,426,189	477,306	237,232	2,140,727	21,165
Due from other governments	568,030	222,368	3,673	794,071	-
Due from other funds	602,084	-	-	602,084	-
Inventories	-	-	-	-	29,865
Prepaid items	11,871	2,500	2,500	16,871	21,980
Total current assets	11,239,315	3,212,017	2,262,371	16,713,703	1,474,050
Noncurrent assets:					
Restricted cash and cash equivalents:					
Debt service	1,114,887	-	-	1,114,887	-
Capital projects	866,909	-	-	866,909	-
Total restricted cash and cash equivalents	1,981,796	-	-	1,981,796	-
Capital assets:					
Land and land rights	1,079,759	936,903	317,424	2,334,086	-
Buildings and improvements	73,891,763	69,075	9,856,202	83,817,040	60,684
Machinery and equipment	8,831,989	2,218,768	1,618,935	12,669,692	375,531
Construction in progress	4,680,438	150,730	46,031	4,877,199	24,628
Less accumulated depreciation	(49,931,762)	(1,815,110)	(5,731,740)	(57,478,612)	(365,419)
Total capital assets (net of accumulated depreciation)	38,552,187	1,560,366	6,106,852	46,219,405	95,424
Special assessment receivable	154,670	-	-	154,670	-
Total noncurrent assets	40,688,653	1,560,366	6,106,852	48,355,871	95,424
Total assets	\$ 51,927,968	\$ 4,772,383	\$ 8,369,223	\$ 65,069,574	\$ 1,569,474
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	\$ 316,031	\$ 101,553	\$ 24,373	\$ 441,957	\$ -
Deferred outflows related to OPEB	48,654	30,119	12,163	90,936	6,950
Deferred loss on refunding	6,560	-	-	6,560	-
Total deferred outflows of resources	\$ 371,245	\$ 131,672	\$ 36,536	\$ 539,453	\$ 6,950
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 737,444	\$ 99,737	\$ 4,347	\$ 841,528	\$ 265,848
Accrued liabilities	100,126	25,417	12,743	138,286	10,710
Compensated absences	272,344	67,814	58,650	398,808	43,612
Customer deposits	782,635	-	-	782,635	-
Accrued interest payable from restricted cash	118,482	-	910	119,392	109
Capital leases payable - current	4,873	-	7,569	12,442	-
Notes payable - current	1,458,375	-	44,677	1,503,052	10,458
Revenue bonds payable - current	293,526	-	-	293,526	-
Total current liabilities	3,767,805	192,968	128,896	4,089,669	330,737
Noncurrent liabilities:					
Compensated absences	120,003	9,898	14,088	143,989	31,228
Bonds, notes, and capital leases payable	15,670,844	-	204,802	15,875,646	44,290
Net pension liability	2,650,282	851,633	204,392	3,706,307	-
Total OPEB liability	967,210	598,749	241,802	1,807,761	138,172
Total noncurrent liabilities	19,408,339	1,460,280	665,084	21,533,703	213,690
Total liabilities	\$ 23,176,144	\$ 1,653,248	\$ 793,980	\$ 25,623,372	\$ 544,427
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	\$ 124,628	\$ 77,151	\$ 31,157	\$ 232,936	\$ 17,804
Total deferred inflows of resources	\$ 124,628	\$ 77,151	\$ 31,157	\$ 232,936	\$ 17,804
NET POSITION					
Net investment in capital assets	\$ 21,131,129	\$ 1,560,366	\$ 5,849,804	\$ 28,541,299	\$ 40,676
Restricted:					
Capital projects	866,909	-	-	866,909	-
Debt service	996,405	-	-	996,405	-
Unrestricted	6,003,998	1,613,290	1,730,818	9,348,106	973,517
Total net position	\$ 28,998,441	\$ 3,173,656	\$ 7,580,622	\$ 39,752,719	\$ 1,014,193

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

Statement of Revenues, Expense and

Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended September 30, 2019

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Major Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>	<b>Total</b>	
Operating revenues:					
Charges for sales and services	\$ 11,084,416	\$ 3,767,242	\$ 1,897,185	\$ 16,748,843	\$ 5,173,298
Total operating revenues	11,084,416	3,767,242	1,897,185	16,748,843	5,173,298
Operating expenses:					
Salaries and employee benefits	3,063,683	1,396,999	705,279	5,165,961	3,168,146
Supplies and materials	702,485	115,083	41,286	858,854	529,856
Contract services	372,613	807,472	10,411	1,190,496	267,213
Other services and charges	2,190,909	502,215	334,915	3,028,039	772,664
Depreciation and amortization	2,449,399	117,862	449,559	3,016,820	26,977
Total operating expenses	8,779,089	2,939,631	1,541,450	13,260,170	4,764,856
Operating income (loss)	2,305,327	827,611	355,735	3,488,673	408,442
Nonoperating revenues (expenses):					
Investment earnings	21,322	7,521	8,995	37,838	1,119
Miscellaneous revenues	134,464	2,662	3,004	140,130	-
Interest expense	(307,495)	-	(6,548)	(314,043)	(1,421)
Total nonoperating revenues (expenses)	(151,709)	10,183	5,451	(136,075)	(302)
Income (loss) before capital contributions and transfers	2,153,618	837,794	361,186	3,352,598	408,140
Transfers in	-	-	-	-	13,200
Transfers out	(633,196)	(222,267)	(116,035)	(971,498)	-
Capital grants	1,182,932	191,603	1,390	1,375,925	-
Capital contributions	271,916	-	-	271,916	-
Change in net position	2,975,270	807,130	246,541	4,028,941	421,340
Total net position - beginning	26,023,171	2,366,526	7,334,081	35,723,778	592,853
Total net position - ending	\$ 28,998,441	\$ 3,173,656	\$ 7,580,622	\$ 39,752,719	\$ 1,014,193

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

## Statement of Cash Flows

## Proprietary Funds

For the Fiscal Year Ended September 30, 2019

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major Funds</b>				
	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>	<b>Total</b>	
Cash flows from operating activities:					
Receipts-customers and users	\$ 11,213,402	\$ 3,760,189	\$ 1,892,637	\$ 16,866,228	\$ 5,179,334
Payments-suppliers	(2,609,586)	(1,377,981)	(391,190)	(4,378,757)	(4,256,618)
Payments-employees	(3,117,294)	(1,121,205)	(646,508)	(4,885,007)	(467,335)
Net cash provided (used) by operating activities	5,486,522	1,261,003	854,939	7,602,464	455,381
Cash flows from noncapital financing activities:					
Cash paid to other funds	(675,551)	(222,267)	(116,035)	(1,013,853)	-
Cash received from other funds (net)	-	-	-	-	13,200
Net cash provided (used) by noncapital financing activities	(675,551)	(222,267)	(116,035)	(1,013,853)	13,200
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(4,581,336)	(82,572)	(164,716)	(4,828,624)	(35,725)
Grant revenue	899,964	-	-	899,964	-
Interest payments on debt	(320,078)	-	(6,776)	(326,854)	(1,441)
Capital contributions and fees	271,916	-	-	271,916	-
Proceeds from issuance of debt	3,503,721	-	-	3,503,721	-
Principal paid on debt	(1,884,328)	-	(50,403)	(1,934,731)	(10,062)
Net cash provided (used) by capital and related financing activities	(2,110,141)	(82,572)	(221,895)	(2,414,608)	(47,228)
Cash flows from investing activities:					
Interest on investments	21,322	7,521	8,995	37,838	1,119
Purchase of investment securities	(395,634)	(187,964)	(12,740)	(596,338)	-
Net cash provided (used) by investing activities	(374,312)	(180,443)	(3,745)	(558,500)	1,119
Net increase (decrease) in cash and cash equivalents	2,326,518	775,721	513,264	3,615,503	422,472
Beginning cash and cash equivalents	7,507,203	1,358,513	1,228,488	10,094,204	978,568
Ending cash and cash equivalents	\$ 9,833,721	\$ 2,134,234	\$ 1,741,752	\$ 13,709,707	\$ 1,401,040
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income	\$ 2,305,327	\$ 827,611	\$ 355,735	\$ 3,488,673	\$ 408,442
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,449,399	117,862	449,559	3,016,820	26,977
Miscellaneous revenues	134,464	2,662	3,004	140,130	-
(Increase) decrease in assets:					
Accounts receivable	(5,478)	(9,715)	(7,552)	(22,745)	6,036
Inventories	-	-	-	-	(5,658)
Prepaid items	(6,871)	-	4,231	(2,640)	(10,399)
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	693,286	46,789	(8,809)	731,266	31,127
Compensated absences	(40,114)	(15,585)	3,164	(52,535)	5,173
Net pension liability	30,718	8,064	1,935	40,717	-
Total OPEB liability	(44,215)	283,315	53,672	292,772	(6,317)
Customer deposits	(29,994)	-	-	(29,994)	-
Total adjustments	3,181,195	433,392	499,204	4,113,791	46,939
Net cash provided (used) by operating activities	\$ 5,486,522	\$ 1,261,003	\$ 854,939	\$ 7,602,464	\$ 455,381
Classified As:					
Cash and cash equivalents	\$ 7,849,255	\$ 2,134,234	\$ 1,741,752	\$ 11,725,241	\$ 1,401,040
Restricted cash and cash equivalents	1,981,796	-	-	1,981,796	-
Total	\$ 9,831,051	\$ 2,134,234	\$ 1,741,752	\$ 13,707,037	\$ 1,401,040

The notes to the financial statements are an integral part of this statement.



**CITY OF EDGEWATER, FLORIDA**

## Statement of Fiduciary Net Position

## Fiduciary Funds

September 30, 2019

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ -
Accrued interest	95,339
Investments, at fair value:	
Money market funds	2,329,349
Bonds:	
US Treasury notes	1,384,487
GNMA/FMNA	2,670,467
Municipal bonds	74,504
Corporate bonds	7,289,160
Equities	11,437,080
Mutual fund - equities	12,245,996
Commingled real estate fund	1,076,553
Total assets	<u><u>\$38,602,935</u></u>
<b>LIABILITIES</b>	
Unearned contributions	<u>\$ 41,720</u>
Total liabilities	<u><u>\$ 41,720</u></u>
<b>NET POSITION</b>	
Restricted for pensions	<u><u>\$38,561,215</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**

## Statement of Changes in Fiduciary Net Position

## Pension Trust Funds

For the Fiscal Year Ended September 30, 2019

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,940,186
Employee	216,448
State of Florida	331,432
Total contributions	<u>2,488,066</u>
Investment earnings:	
Interest and dividends	1,406,347
Net increase in the fair value of investments	416,950
Total investment earnings	<u>1,823,297</u>
Less investment expenses	<u>(164,122)</u>
Net investment earnings	<u>1,659,175</u>
Total additions	<u>4,147,241</u>
<b>DEDUCTIONS</b>	
Pension benefits	2,990,828
Administrative expenses	161,342
Total deductions	<u>3,152,170</u>
Change in net position	995,071
Net position - beginning of year	<u>37,566,144</u>
Net position - end of year	<u><u>\$ 38,561,215</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The accompanying financial statements present the financial position, changes in financial position and cash flows of the applicable fund types governed by the City Council of the City of Edgewater, Florida (“the City”) and have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The most significant of the City's accounting policies are described below.

(a) **Reporting entity**—The City of Edgewater was originally incorporated under general law on October 20, 1924. The City became the City of Edgewater and incorporated in 1951 as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. The registered voters of the City of Edgewater elect the Mayor and Council. The Council appoints the City Manager, who in turn performs as the administrator of the everyday operations of the City. The City provides a full range of municipal services as directed by the City Charter including general government, public safety, public improvements, planning and zoning, water and sewer service, solid waste collection, a recycling program, a stormwater management utility program, and related general and administrative services to 23,455 residents.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations’ resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined there is one component unit to be included within the reporting entity.

The City of Edgewater, Florida, Edgewater Community Redevelopment Agency (CRA) was created by Ordinance No. 2015-O-04 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. The CRA's focus is mitigation or correction of infrastructure and utilities deficiencies, revitalization of the Ridgewood Avenue (US-1) corridor, various transportation and urban design improvements, and pedestrian safety issues. Although legally separate the City Council declared itself to be the CRA Board, and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Activity began in the CRA Fund during the fiscal year ended September 30, 2016.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **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 City. 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 support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect expenses are included in the program expense reported for individual functions and segments. *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.

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

(c) **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**—The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the proprietary fund 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 revenues 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.

Grant funds received prior to the incurrence of eligible expenditures are reported as deferred revenues in the fund financial statements and are included in accounts payable and other current liabilities on the government-wide 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When grant terms provide that an expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, franchise taxes, certain other tax revenues, intergovernmental revenues, 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 the City receives cash.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Capital Projects Fund*** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

The ***Community Redevelopment Agency (CRA) Fund*** is used to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area.

The City reports the following major proprietary funds:

The ***Water and Sewer Utility Fund*** is used to account for the activities of the City's water and wastewater systems, which are financed similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.

The ***Solid Waste Utility Fund*** accounts for the activities of the City's solid waste collection and recycling services.

The ***Stormwater Management Utility Fund*** accounts for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for specific revenue resources that are restricted by law or administrative action to expenditures for specific purposes.

The ***Pension Trust Funds*** account for the activities of the Police Officers Pension Fund, the Firefighters Pension Fund and the General Employees' Pension Fund, which accumulate resources for pension benefit payments to qualified employees.

The ***Internal Services Funds*** account for fleet management services, management information systems, general liability insurance, health insurance, and workers' compensation insurance.

As a rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to the rule are payments-in-lieu of taxes and other charges between the government's water, sewer, and stormwater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

Amounts reported as *program revenues include* 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internal, dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Water and Sewer Utility Fund, the Solid Waste Utility Fund, and the Stormwater Management Utility Fund are charges to customers for sales and services. The Water and Sewer Utility fund also recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise and internal service 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.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

(d) **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

(1) **Deposits and investments**—The City's cash consists of cash on hand, demand deposits, and equity in pooled cash. The equity in pooled cash represents a fund's share of a cash pool maintained by the City for the use of all funds except the pension trust funds and funds that require separate bank accounts. For the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Florida Statutes and/or the City's investment policy authorize the City to invest in the Local Government Surplus Funds Trust Fund Investment Pool, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, High Grade Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pools.

Florida Statutes and/or the pension plans' investment policies allow the City's retirement plans' trustees to invest in time deposits, savings and money market deposit accounts of a national bank, a state bank insured by the Bank Insurance Fund, a savings/building and loan association insured

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

by the Savings Association Insurance Fund, a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund; obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; stocks, bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia; foreign stocks, bonds or other evidences of indebtedness; and real estate investments made through participation in diversified commingled funds of real properties.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (generally based on quoted market prices). Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. FLCLASS securities are valued at the amortized cost of investments, which approximates fair value. Real estate assets are reported at fair value utilizing an income approach to valuation. Changes in the fair value during the year are included in investment income. The Local Governmental Surplus Funds Trust Fund (LGSF) is governed by Chapter 19-7 of the Florida Administrative Code which identifies the Rules of the State Board of Administration (SBA). These rules provide guidance and establish the general operating procedures for the administration of the LGSF. The LGSF is not a registrant with the Securities and Exchange Commission. The LGSF Pool's investments are recorded at amortized cost. The fair value of the City's position in the pool is the same as the value of the pool shares.

(2) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/due from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/due from other funds”. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Accounts receivable balances are shown net of the allowance for uncollectibles. The allowances are determined based on management estimates of uncollectible amounts.

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

(3) **Inventories and prepaid items**—Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. Costs are recorded as expenditures when consumed rather than when purchased.

(4) **Restricted assets**—Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net position and their use is limited by applicable bond covenants. Restricted cash and investments in the enterprise funds represent debt issuance proceeds that are restricted assets for purchase of

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

assets, construction and repayment of bonded debt respectively. In the enterprise fund statement of net position, bond issuance proceeds as well as other assets are set aside for their repayment and itemized in the restricted cash and investments.

(5) **Capital assets**—In the Government Wide and Proprietary Fund financial statements, capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

The City has implemented the provisions of GASB Statement No. 34. In this process, infrastructure assets are being accounted for using different methods. For governmental activities, the cost or estimated cost of roads and sidewalks are presented. The City compiled this information and recorded all roads and sidewalks acquired after June 30, 1980 during the fiscal year ending September 30, 2007. For business type activities, infrastructure assets have been capitalized at cost. Water and sewer utility improvements are being depreciated over their useful lives. The City has recorded all drainage infrastructure acquired including pre-GASB 34 assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. In Governmental funds capital outlay (capital assets) are reported as expenditures and no depreciation expense is reported.

Buildings and improvements, improvements other than buildings, and machinery and equipment (including assets amortized under lease purchase contracts) are amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20 – 30 Years
Buildings and improvements	10 – 50 Years
Improvements other than buildings	5 – 65 Years
Machinery and equipment	5 – 35 Years

(6) **Deferred outflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three items that qualify for reporting as deferred outflows of resources, reported in both the government-wide statement of financial position and the proprietary funds statement of financial position. The first item is a deferred loss on refunding of debt which will be amortized and recognized as interest expense through the year ended September 30, 2021. The other two items are the deferred outflows related to pensions and other post-employment benefits (OPEB) which are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The deferred outflows related to pensions and OPEB will be recognized as either pension/OPEB expense or a reduction in the net pension/total



**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

OPEB liability, respectively, in future reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

(7) **Compensated absences**—The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's unused hours and rate of pay, including the City's share of Social Security and Medicare taxes and pension costs. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences in the proprietary fund types is liquidated in the proprietary fund in which the liability originally incurred.

(8) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when paid.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The compensated absences, net pension liabilities, and OPEB liabilities are liquidated by the reporting units of the underlying employees, including the general fund, governmental funds, and all proprietary funds where the respective liability is reported.

(9) **Deferred inflows of resources**—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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Currently, the City has two items that qualify for reporting as deferred inflows of resources, in both the government-wide statement of financial position and the proprietary funds statement of financial position. The first item is the deferred inflows related to pensions. The two items are the deferred inflows related to pensions and other post-employment benefits (OPEB) which are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The deferred inflows related to pensions and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred inflows related to pensions and OPEB are reported in subsequent notes.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(10) **Fund balance**—Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* – amounts that are not in spendable form (such as prepaid expenses and advances due from other funds) or are required to be maintained intact.

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed fund balance* – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

*Assigned fund balance* – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or as delegated to the City Manager. The City Council has by resolution authorized City management to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the general fund or the fund balance for any special revenue, debt service, or capital projects fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Disbursements of fund balances will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, the City will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

(11) **Net position flow assumption**—In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(12) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit retirement plans, as described in Note 11(c), and additions to / deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(2) **Reconciliation of Government-wide and Fund Financial Statements:**

(a) **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**—The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

(b) **Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**—The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities.

(3) **Stewardship, Compliance and Accountability:**

(a) **Budgetary information**—The annual operating budgets are adopted by City Council using the following procedures:

Annual budgets are adopted for all funds of the City except for the Pension Trust funds that are effectively controlled through governing agreements and related City ordinances. The annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget appropriations lapse at the end of each fiscal year, except for unexpended appropriations on open grant programs and capital projects, which are carried forward in subsequent annual budgets.

Encumbrance accounting is employed in governmental funds. Encumbrances represent open purchase orders and other commitments for goods/services that are not yet received and are recorded to reserve that portion of the applicable appropriation. Encumbrances are recognized as expenditures in the period in which the actual goods/services are received and a liability is incurred. Encumbrances outstanding at year-end are canceled and re-appropriated in the succeeding year's budget; such amounts, if material, are disclosed in the notes as commitments.

Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Council. The recommended budget includes proposed expenditures and the source of receipts to finance them.

City Council holds a series of budget workshops in addition to a minimum of two public hearings on the proposed budget and adopts the official annual budget of the City, by ordinance, prior to September 30.

The budget, as adopted, may only be amended through formal approval by City Council. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budget at the fund level. Therefore, the City Manager may transfer budgeted amounts within and between departments of the City without formal approval by City Council.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(3) **Stewardship, Compliance and Accountability:** (Continued)

(b) **Ad Valorem Property Taxes**—Under Florida law, the assessment of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. Florida Statutes regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. For the fiscal year ended September 30, 2019, the millage rate in effect was \$6.7000. Additionally, the Edgewater I&S 2005 voted debt millage was \$.0402 and the Edgewater Parks voted millage rate was \$.2638 for a total millage of \$7.0040.

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

Property taxes are levied in November and attached as a lien on property as of January 1 of each year. All 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% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount. Tax certificates on all property for which taxes are delinquent are sold on or about June 1 of each year.

(c) **Connection Fees and Impact Fees**—Water and sewer connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as non-operating revenue at the time of service. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as non-operating revenue in the period earned in the appropriate Enterprise Fund.

(d) **Reserve Policy**—The City Council has approved a reserve policy, which was adopted within the City Charter. The policy addresses that the City is required to maintain reserves at a minimum of 15 percent for all operating funds. The reserve minimum is established based on a percentage of current years' budgeted operating expenditures and transfers out. Reserve levels above the minimum are deemed to be available for capital or other lawful purposes.

(4) **Detailed Notes on all Funds:**

(a) **Deposits**—At September 30, 2019, the carrying amount of the City's bank deposits was \$21,441,995. The bank balances at September 30, 2019, were \$21,398,882, all of which was held by a bank that qualifies as a public depository, as required by Chapter 280 of the Florida Statutes. All of the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits. Of the bank balance, no amount was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at September 30, 2019.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Detailed Notes on all Funds: (Continued)**

(b) **Investments**—The City Council formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the City's cash and investment assets. The City maintains a cash and investment pool for the use of all funds except the pension trust funds and funds that require separate bank accounts.

The City's investment policy allows for the following investments: Local Government Surplus Funds Trusts (SBA), SEC registered money market funds, interest-bearing time deposits or savings accounts, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities, Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, Intergovernmental Investment Pools (FLCLASS), and Other investments authorized by ordinance.

Investments of the defined benefit pension plans consist principally of debt and equity mutual funds, all of which are authorized by the plans.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB Statement No. 72. The City has not changed valuation techniques since the prior year. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

As of September 30, 2019, the City had the following investments, effective duration presented in terms of years, and fair value hierarchy level:

Investment Type	Fair Value	Investment Maturities (in Years)				Credit Rating	Fair Value Hierarchy Level
		Less Than 1	1-5	6-10	More Than 10		
Government-wide							
Investments Subject to Rate Risk:							
SBA LGIP	\$ 3,538,937	\$ 3,538,937	\$ -	\$ -	\$ -	AAAm	N/A
FLCLASS	512,869	512,869	-	-	-	AAAm	N/A
Total government-wide investments	<u>\$ 4,051,806</u>	<u>\$ 4,051,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Fiduciary Funds							
Investments Subject to Rate Risk:							
Money market funds	\$ 2,329,349	\$ 2,329,349	\$ -	\$ -	\$ -	N/A	1

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Detailed Notes on all Funds: (Continued)**

Investment Type	Fair Value	Investment Maturities (in Years)				Credit Rating	Fair Value Hierarchy Level
		Less Than 1	1-5	6-10	More Than 10		
Bonds:							
US treasury notes	\$ 1,384,487	\$ -	\$ 376,955	\$ 211,858	\$ 795,674	N/A	1
GNMA	2,670,467	5,065	292,535	152,714	2,220,153	*	2
Municipal obligations	74,504	-	74,504	-	-	**	2
Corporate bonds	7,289,160	424,912	3,865,990	2,320,691	677,567	***	2
	<u>13,747,967</u>	<u>\$ 2,759,326</u>	<u>\$ 4,609,984</u>	<u>\$ 2,685,263</u>	<u>\$ 3,693,394</u>		
Other Investments:							
Corporate equities	11,437,080						1
Mutual funds – equity	12,245,996						1
Commingled real estate	1,076,553						3
Total other investments	<u>24,759,629</u>						
Accrued interest	95,339						
Total fiduciary investments	<u>38,602,935</u>						
Total City Investments	<u>\$ 42,654,741</u>						

\* - The Standard and Poor's credit ratings range from BBB to A+ and Moody's credit ratings range from Baa2 to Aaa for the GNMA securities.

\*\* - The Standard and Poor's credit rating is A+ and Moody's credit rating is A2 for the Municipal obligations.

\*\*\* - The Standard and Poor's credit ratings range from BBB to AAA and Moody's credit ratings range from Baa3 to A1 for the Corporate bonds.

The following is a description of the valuation techniques used for assets measured at fair value:

*US treasury notes, GNMA, and Municipal obligations*—Valued based on a matrix pricing model.

*Corporate Bonds*—Valued based on a matrix pricing model.

*Corporate Equities and Mutual Funds*—Valued at fair value based on quoted market prices at year end.

*Money Market Funds*—Valued at the underlying fund balance.

Units in the American Core Realty Fund (the Core Fund) are offered and sold by means of a private placement offering conducted in compliance with Rule 506 of Regulation D under the Securities Act of 1933, as amended. The Core Fund is an open-end diversified core commingled real estate fund that invests in private real estate and is structured as a Delaware limited partnership. As a result, the City of Edgewater Police Officers' Retirement Plan owns units in the Core Fund, and the Core Fund holds no securities on behalf of the Retirement Plan's account in the Core Fund. As of September 30, 2019, the Retirement Plan held 8.5616 units and the net asset value of the Retirement Plan's units on that date was \$1,076,553. Units are purchased and redeemed through periodic transactions and the value of the units purchased or sold in such transactions is based on the unit value applicable to the valuation date at which each individual transaction occurred.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(4) **Detailed Notes on all Funds:** (Continued)

As of September 30, 2019, all of the Core Fund's investments were categorized as Level 3. Valuation techniques used to determine fair value for the assets in the Core Fund vary based on the asset category and include discounted cash flow, direct capitalization sales approach, and cash equivalency.

Requests for redemptions of units in the American Core Realty Fund may be made at any time, with 10 business day's notification by submitting a Redemption Notice form signed by a representative of the City of Edgewater Police Officers' Retirement Plan, and are effective at the end of the calendar quarter in which the request is received by American Realty Advisors (ARA). The units that are subject to a redemption notice may be redeemed in full or in installments on a pro-rata basis as funds become available for such purpose and the redemption price will be the value per unit based on ARA's estimate of the fair value of the Core Fund's net assets as computed under generally accepted accounting principles at such time that each payment is made. Although ARA is required to use reasonable efforts to cause the Core Fund to pay the redemption price as soon as practicable after the effective date of the request, redemptions are subject to the availability of cash flow arising from investment transactions, sales and other fund operations occurring in the normal course of business. ARA is not required to liquidate or encumber assets or defer investments in order to satisfy redemption requests.

As of September 30, 2019, there were no unfunded commitments.

**Interest Rate Risk**—The City's investment policy does not specifically address interest rate risk; however the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of one year or less, with a special provision allowing up to 20% of the investment portfolio to have a maturity of not more than five years.

**Credit Risk**—The City's investment policy limits credit risk by restricting authorized investments to those described above. Also the policy requires that investments held are to be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issue, instrument, dealer or bank through which financial instruments are bought and sold.

**Custodial Credit Risk**—The City's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Detailed Notes on all Funds:** (Continued)

As of September 30, 2019, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy. The City's investment policy requires that time deposit investments be made only with banking institutions that are members of the State of Florida collateral pool. Florida Statutes authorize, and the state administers, a collateral pool that ensures no loss of public funds.

**Concentration of Credit Risk**—The City's investment policy requires diversification, but does not specify limits on types of investments.

**(c) Receivables:**

Receivables as of year-end including the applicable allowances for uncollectible accounts are as follows:

<b>Governmental Funds</b>	<b>General</b>	<b>Capital Projects</b>	<b>CRA</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Accounts	\$ 455,971	\$ -	\$ 40	\$ 102	\$ 456,113
Intergovernmental	1,544,369	60,938	-	118	1,605,425
Gross receivables	2,000,340	60,938	40	220	2,061,538
Less: allowance for uncollectible	(5,570)	-	-	-	(5,570)
Net total receivables	<u>\$ 1,994,770</u>	<u>\$ 60,938</u>	<u>\$ 40</u>	<u>\$ 220</u>	<u>\$2,055,968</u>

<b>Proprietary Funds</b>	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>	<b>Internal Service</b>	<b>Total</b>
Accounts	\$ 1,781,202	\$ 574,883	\$ 315,579	\$ 21,165	\$2,692,829
Intergovernmental	568,030	222,368	3,673	-	794,071
Special Assessments	154,670	-	-	-	154,670
Gross receivables	2,503,902	797,251	319,252	21,165	3,641,570
Less: allowance for uncollectible	(355,013)	(97,577)	(78,347)	-	(530,937)
Net total receivables	<u>\$ 2,148,889</u>	<u>\$ 699,674</u>	<u>\$ 240,905</u>	<u>\$ 21,165</u>	<u>\$3,110,633</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. No deferred inflows are reported as of September 30, 2019. Governmental funds also defer revenue recognition and report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year, unearned revenue, in the amount of \$81,512, reported in the major and non-major governmental funds was unearned business tax receipts. Such amounts have also been included as current liabilities on the government-wide financial statements.



**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(4) Detailed Notes on all Funds:** (Continued)

Approximately \$300,000 of the intergovernmental receivable amounts relates to Federal and State reimbursements related to Hurricane Matthew, which impacted the City in fiscal year 2017. These amounts reflect management's best estimate of recoveries based on costs incurred and approved project worksheets, and are subject to change pending adjustments made by the respective Federal and/or State agencies.

Approximately \$1,147,000 of the intergovernmental receivable amounts relates to Federal and State reimbursements related to Hurricane Irma, which also impacted the City late in fiscal year 2017. These amounts reflect management's best estimate of recoveries based on costs incurred and approved project worksheets, and are subject to change pending adjustments made by the respective Federal and/or State agencies.

**(d) Interfund Loans, Advances, and Transfers:**

The composition of Interfund balances as of September 30, 2019, is as follows:

Due from / to other funds and advances from / to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Sewer	General Fund	<u>\$ 602,084</u>

Interfund transfers:

Transfers are used to 1) move revenues from the fund with collection authorization to the fund that statute or budget requires expending them and, 2) move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers from the enterprise funds to the general fund are in lieu of franchisee fees.

	<u>Transfers In</u>				
	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Internal Service MIS</u>	<u>Total</u>
Transfers Out:					
General Fund	\$ -	\$ 161,757	\$ 63,303	\$ -	\$ 225,060
Justice Assistant	1,819	-	-	-	1,819
Transportation Impact	-	-	120,009	-	120,009
Enterprise:					
Water Sewer	624,396	-	-	8,800	633,196
Solid Waste	222,267	-	-	-	222,267
Stormwater	111,635	-	-	4,400	116,035
Total	<u>\$ 960,117</u>	<u>\$ 161,757</u>	<u>\$ 183,312</u>	<u>\$ 13,200</u>	<u>\$ 1,318,386</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(e) **Capital Assets:**

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

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 25,211,665	\$ 78,184	\$ -	\$ 25,289,849
Construction in progress	3,046,628	1,967,080	(4,839,190)	174,518
Total capital assets, not being depreciated	<u>28,258,293</u>	<u>2,045,264</u>	<u>(4,839,190)</u>	<u>25,464,367</u>
Capital assets, being depreciated				
Buildings	8,175,201	-	-	8,175,201
Improvements other than buildings	20,552,622	3,909,164	-	24,461,786
Machinery and equipment	5,549,451	314,319	-	5,863,770
Infrastructure	60,419,222	911,527	-	61,330,749
Total capital assets, being depreciated	<u>94,696,496</u>	<u>5,135,010</u>	<u>-</u>	<u>99,831,506</u>
Less accumulated depreciation				
Buildings	(4,276,120)	(264,298)	-	(4,540,418)
Improvements other than buildings	(13,512,606)	(715,690)	-	(14,228,296)
Machinery and equipment	(3,793,172)	(461,557)	-	(4,254,729)
Infrastructure	(54,331,449)	(496,357)	-	(54,827,806)
Total accumulated depreciation	<u>(75,913,347)</u>	<u>(1,937,902)</u>	<u>-</u>	<u>(77,851,249)</u>
Total capital assets, being depreciated, net	<u>18,783,149</u>	<u>3,197,108</u>	<u>-</u>	<u>21,980,257</u>
Governmental activities capital assets, net	<u>\$ 47,041,442</u>	<u>\$ 5,242,372</u>	<u>\$(4,839,190)</u>	<u>\$ 47,444,624</u>
	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 2,172,570	\$ 161,516	\$ -	\$ 2,334,086
Construction in progress	660,412	4,451,000	(234,213)	4,877,199
Total capital assets, not being depreciated	<u>2,832,982</u>	<u>4,612,516</u>	<u>(234,213)</u>	<u>7,211,285</u>
Capital assets, being depreciated				
Buildings	24,025,550	-	-	24,025,550
Improvements other than buildings	59,691,502	99,988	-	59,791,490
Machinery and equipment	12,319,360	350,332	-	12,669,692
Total capital assets, being depreciated	<u>96,036,412</u>	<u>450,320</u>	<u>-</u>	<u>96,486,732</u>
Less accumulated depreciation				
Buildings	(18,516,635)	(451,585)	-	(18,968,220)
Improvements other than buildings	(26,465,109)	(1,748,162)	-	(28,213,271)
Machinery and equipment	(9,480,048)	(817,073)	-	(10,297,121)
Total accumulated depreciation	<u>(54,461,792)</u>	<u>(3,016,820)</u>	<u>-</u>	<u>(57,478,612)</u>
Total capital assets, being depreciated, net	<u>41,574,620</u>	<u>(2,566,500)</u>	<u>-</u>	<u>39,008,120</u>
Business-type activities capital assets, net	<u>\$ 44,407,602</u>	<u>\$ 2,046,016</u>	<u>\$ (234,213)</u>	<u>\$ 46,219,405</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(e) **Capital Assets:** (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 76,793
Public safety	459,517
Transportation / public works	1,058,608
Parks and recreation	316,008
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	26,976
Total depreciation expense – governmental activities	<u>\$ 1,937,902</u>
Business-type activities:	
Water Sewer Utility	\$ 2,449,399
Solid Waste Utility	117,862
Stormwater System	449,559
Total depreciation expense – business-type activities	<u>\$ 3,016,820</u>

(f) **Leases:**

(a) **Operating Leases**—On March 3, 2014, the City entered into an operating lease agreement with the Volusia/Flagler Family Young Men's Christian Association, Inc. (the "YMCA") for the leasing and reimbursement for the expansion of, certain buildings and facilities located at Hawks Park Recreational Complex, which may be renegotiated and renewed at the request of the City Council or the YMCA Board at any time, provided any amendments are in writing and executed by both parties. Based on the terms of the agreement, the initial ten year lease began on April 1, 2014, and is scheduled to expire on March 31, 2024, with an option to renew for two additional ten-year periods provided the parties mutually agree on the terms at the time of renewal. Annual rentals under the lease agreement include minimum monthly payments of \$3,779. During the year ended September 30, 2019, amounts received totaled \$45,350.

(b) **Capital Leases**—The City has lease agreements for financing the acquisition of rescue vehicles, other vehicles, and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Machinery and equipment	\$ 844,191	\$ 62,214
Less: Accumulated depreciation	(435,552)	(41,213)
Total	<u>\$ 408,639</u>	<u>\$ 21,001</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(f) **Leases:** (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2020	\$ 117,741	\$ 13,212
2021	117,741	13,212
2022	117,741	13,212
2023	-	-
2024	-	-
Total minimum lease payments	353,223	39,636
Amounts representing interest	(14,744)	(1,547)
Present value of minimum lease payments	<u>\$ 338,479</u>	<u>\$ 38,089</u>

(g) **Long-term Debt:**

Notes Payable

During the year ended September 30, 2019, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$4,533,200 at an interest rate of 3.2% through the State Revolving Fund loan program, for the purpose of financing the construction of wastewater pollution control facilities. The loan is payable semi-annually with payments beginning on February 15, 2021. The loan will have semi-annual payments of \$123,999 on February 15 and August 15 each year until all amounts due under the agreement have been fully paid. The total amount of funding received during fiscal year 2019 was \$3,503,721. The amount of the loan issued and outstanding at year-end is as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2019</u>
Business-Type activities:				
Clean Water State Revolving	3.2%			
Fund Loan Agreement	(2/15 and 8/15)	8/15/2035	\$ 3,503,721	\$ 3,503,721
Total Outstanding			<u>\$ 3,503,721</u>	<u>\$ 3,503,721</u>

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ -	\$ -
2021	217,878	30,120
2022	237,673	10,325
2023	238,434	9,564
2024	239,198	8,800
2025 – 2029	1,207,530	32,460
2030 – 2034	1,226,990	13,000
2035	136,018	236
	<u>\$ 3,503,721</u>	<u>\$ 104,505</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

The General Obligation Note, Series 2017, was issued on April 5, 2017, in the amount of \$3,436,000 to finance certain acquisitions and capital improvements consisting of the engineering, permitting, construction, expansion, and renovation of city recreational areas, facilities, parks, and related amenities. The loan will have annual payments due on July 1. The interest rate on the note is 3.06% and maturity is on July 1, 2036. The original amount of the note issued and outstanding at year-end is as follows:

	<b><u>Interest Rates and Dates</u></b>	<b><u>Maturity</u></b>	<b><u>Original Amount</u></b>	<b><u>Balance September 30, 2019</u></b>
Governmental activities:				
General Obligation Note	3.06%			
Series 2017	(7/1)	7/1/2036	\$ 3,436,000	\$ 3,123,000
Total Outstanding			<u>\$ 3,436,000</u>	<u>\$ 3,123,000</u>

Annual requirements to amortize the General Obligation Note outstanding as of September 30, 2019, are as follows:

<b><u>Year Ending September 30,</u></b>	<b><u>Governmental Activities</u></b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2020	\$ 143,000	\$ 95,564
2021	147,000	91,188
2022	152,000	86,690
2023	156,000	82,039
2024	161,000	77,265
2025 – 2029	882,000	309,335
2030 – 2034	1,026,000	165,852
2035 – 2036	456,000	21,022
	<u>\$ 3,123,000</u>	<u>\$ 928,955</u>

The Capital Improvement Revenue Note, Series 2017, was issued on June 19, 2017, in the amount of \$2,000,000 to finance the acquisition of approximately 27 acres of land for the construction of a public waterfront park and related amenities. The loan will have semi-annual payments due on June 1 and December 1. The interest rate on the note is 2.47% and maturity is on June 1, 2032. The original amount of the note issued and outstanding at year-end is as follows:

	<b><u>Interest Rates and Dates</u></b>	<b><u>Maturity</u></b>	<b><u>Original Amount</u></b>	<b><u>Balance September 30, 2019</u></b>
Governmental activities:				
Capital Improvement Revenue	2.47%			
Notes Series 2017	(6/1 and 12/1)	6/1/2032	\$ 2,000,000	\$ 1,778,000
Total Outstanding			<u>\$ 2,000,000</u>	<u>\$ 1,778,000</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

The Capital Improvement Revenue Note resolution provides for:

- 1) Establishment of a debt covenant to not issue additional obligations secured by the pledged revenues unless the aggregate amount of the pledged revenues received during the 12 months consecutive designated by the City within 24 months immediately preceding the date of delivery of such additional obligation equals at least 1.35 times the maximum annual debt service on all debt secured or payable from the pledged revenues, including debt service on the proposed additional obligations to be issued.
- 2) Pledged revenues consist of half cent state sales tax.

Annual requirements to amortize the Capital Improvement Revenue Note outstanding as of September 30, 2019, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 118,000	\$ 43,917
2021	121,000	41,002
2022	123,000	38,013
2023	127,000	34,975
2024	130,000	31,838
2025 – 2029	697,000	115,226
2030 – 2032	462,000	17,315
	<u>\$ 1,778,000</u>	<u>\$ 322,286</u>

During the year ended September 30, 2017, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$336,500 at an interest rate of 3.15% through the State Revolving Fund loan program, for the purpose of financing the design of wastewater pollution control facilities. The agreement allowed the City to borrow up to \$336,500 at an interest rate of 3.15%. The loan is payable semi-annually in the amount of Loan payments with payments beginning on September 15, 2018. The loan will have semi-annual payments of \$9,178 on March 15 and September 15 each year until all amounts due under the agreement have been fully paid. The total amount of funding received during fiscal year 2017 was \$305,848 with the remaining amount received in fiscal year 2018. The amount of the loan issued and outstanding at year-end is as follows:

	<b>Interest Rates and Dates</b>	<b>Maturity</b>	<b>Original Amount</b>	<b>Balance September 30, 2019</b>
Business-Type activities:				
Clean Water State Revolving	3.15%			
Fund Loan Agreement	(3/15 and 9/15)	3/15/2038	\$ 336,500	\$ 320,256
Total Outstanding			<u>\$ 336,500</u>	<u>\$ 320,256</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2019, are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 16,375	\$ 996
2021	16,478	944
2022	16,582	892
2023	16,687	840
2024	16,792	787
2025 – 2029	85,563	3,135
2030 – 2034	88,297	1,768
2035 – 2036	63,482	402
	<u>\$ 320,256</u>	<u>\$ 9,764</u>

The City issued the following revenue note in a prior year:

**Water and Sewer Revenue  
Refunding Note, Series 2016**

Original amount issued	\$10,000,000
Issue date	February 29, 2016
Final maturity	October 1, 2026
Interest due	April 1 and Oct 1
Interest rate	Fixed – 2.30%

The Utility System Refunding Revenue Note is secured by a first lien on and pledge of the net revenues of the City's water, wastewater and stormwater utility systems and a first lien on and pledge of allowable impact fees imposed on new users of the systems.

The Utility System Refunding Revenue Note resolution provides for:

- (1) Establishment and maintenance of various funds and accounts
- (2) Restrictions on the use of cash from operations in order of priority
  - (a) Deposits are made to the operations and maintenance fund each month in an amount which will pay the costs of operation and maintenance for the next month;
  - (b) Deposits to the sinking fund are made monthly in an amount equal to one-sixth (1/6) of the interest coming due on the next semi-annual interest payment date and one-twelfth (1/12) of the bond amortization installment coming due during the next year;
  - (c) Deposits to the reserve fund are required to make up any deficiency in its balance as compared to the reserve equipment;
  - (d) Deposits to the Renewal and Replacement Fund are required each month in an amount equal to one-twelfth (1/12) of five per centum (5%) of the gross revenues of the system

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

for the previous fiscal year; provided, however, that so long as there shall be on deposit in the renewal and replacement fund a balance of at least five per centum (5%) of the value of the fixed assets of the system, no additional deposits shall be required;

- (e) Deposits will next be made into the rate stabilization fund for the amount budgeted for the then current period; and
- (f) Thereafter for any lawful purposes.

Annual requirements to amortize the Utility System Refunding Revenue Note outstanding as of September 30, 2019, are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 896,000	\$ 168,429
2021	916,000	147,591
2022	938,000	126,270
2023	959,000	104,455
2024	981,000	82,145
2025 – 2026	3,081,000	107,352
	<u>\$ 7,771,000</u>	<u>\$ 736,242</u>

The City issued the following revenue note in a prior year:

**Guaranteed Entitlement Revenue  
Note, Series 2010**

Original amount issued	\$750,000
Issue date	November 23, 2010
Final maturity	October 1, 2030
Interest due	April 1 and Oct 1
Interest rate	Fixed – 2.77%

The note is pledged by State Revenue Sharing monies received by the City and the proceeds were used to construct fire station number 55. Debt service requirements for this revenue note using interest rate of 2.77% at September 30, 2019 are:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 35,000	\$ 13,957
2021	40,000	12,882
2022	40,000	11,774
2023	40,000	10,666
2024	40,000	9,583
2025 – 2029	225,000	29,451
2030 – 2031	100,000	2,774
	<u>\$ 520,000</u>	<u>\$ 91,087</u>



**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

During the year ended September 30, 2006, the City signed a limited general obligation note payable for \$500,000 to fund the construction of a new animal shelter. The note is secured by a limited pledge of ad valorem taxes. While the note is outstanding, the City will levy ad valorem taxes, not to exceed .06 mills to pay principal and interest on the note. Annual debt service requirements are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 25,000	\$ 8,459
2021	30,000	7,498
2022	30,000	6,344
2023	30,000	5,191
2024	35,000	4,037
2025 – 2026	70,000	4,037
	<u>\$ 220,000</u>	<u>\$ 35,566</u>

During the year ended September 30, 2013, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$6,438,083 at an interest rate of 1.72-1.84% through the State Revolving Fund loan program, for the purpose of wastewater treatment replacement and renewal. Capitalized interest added to the loan was \$89,773. Repayment commenced on December 15, 2014, and is due semiannually thereafter on June 15 and December 15, each year until all amounts due under the agreement have been fully paid. Current debt service requirements are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 293,526	\$ 90,443
2021	298,920	85,049
2022	304,413	79,556
2023	310,007	73,962
2024	315,704	68,265
2025 – 2029	1,667,711	252,135
2030 – 2034	1,826,692	93,154
	<u>\$ 5,016,973</u>	<u>\$ 742,564</u>

During the year ended September 30, 2013, the City executed an agreement with a financial institution to borrow \$4,507,000 at an interest rate of 1.79%, for the purpose of refinancing the capital lease with Johnson Controls, Inc. for water meters. Principal and interest payments are due quarterly on December 1, March 1, June 1 and September 1. The note is secured by non-ad valorem revenues of the City. Debt service requirements are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 513,000	\$ 9,047
2021	115,000	627
Total	<u>\$ 628,000</u>	<u>\$ 9,674</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

During the year ended September 30, 2014, the City executed an agreement with a financial institution to borrow \$1,300,000 at an interest rate of 2.41%, for the purpose of capital improvements. Interest-only payments are due on September 1<sup>st</sup>, while interest and principal payments are due on March 1<sup>st</sup>. Debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 77,677	\$ 8,864	\$ 54,323	\$ 6,199
2021	80,031	6,963	55,969	4,870
2022	81,208	5,020	56,792	3,511
2023	82,973	3,042	58,027	2,127
2024	84,738	1,022	59,262	714
Total	<u>\$ 406,627</u>	<u>\$ 24,911</u>	<u>\$ 284,373</u>	<u>\$ 17,421</u>

**Changes in Long-Term Liabilities,**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental activities:					
Notes payable					
General Obligation Note, 2017	\$ 3,262,000	\$ -	\$ (139,000)	\$ 3,123,000	\$ 143,000
Capital Improvement Revenue Note, 2017	1,893,000	-	(115,000)	1,778,000	118,000
Guaranteed Entitlement Note, Series 2010	555,000	-	(35,000)	520,000	35,000
General Obligation Note, 2007	245,000	-	(25,000)	220,000	25,000
Capital Improvement Note 2014	336,638	-	(52,265)	284,373	54,323
Capital leases:					
Rescue	12,355	-	(12,355)	-	-
AEBI	96,490	-	(23,195)	73,295	23,803
American Capital	350,078	-	(84,894)	265,184	86,621
Compensated absences	1,226,509	815,506	(826,237)	1,215,778	815,506
Total governmental activities long term liabilities	<u>\$ 7,977,070</u>	<u>\$ 815,506</u>	<u>\$ (1,312,946)</u>	<u>\$ 7,479,630</u>	<u>\$ 1,301,252</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(g) **Long-term Debt:** (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Business-type activities:					
Notes payable					
State Revolving loan, 2013	\$ 5,305,203	\$ -	\$ (288,230)	\$ 5,016,973	\$ 293,526
State Revolving loan, 2017	329,830	-	(9,574)	320,256	16,375
State Revolving loan, 2018	-	3,503,721	-	3,503,721	-
Lease refunding note	1,302,000	-	(674,000)	628,000	513,000
Capital Improvement note 2014	481,362	-	(74,735)	406,627	77,677
Refunding Revenue note 2016	8,647,000	-	(876,000)	7,771,000	896,000
Capital leases					
American Capital	50,281	-	(12,192)	38,089	12,442
Compensated absences	595,332	398,808	(451,343)	542,797	398,808
Total business-type activities long term debt	<u>\$ 16,711,008</u>	<u>\$ 3,902,529</u>	<u>\$ (2,386,074)</u>	<u>\$ 18,227,463</u>	<u>\$ 2,207,828</u>

Internal service funds predominately serve the governmental funds. Accordingly, \$74,840 of compensated absences are included in the above governmental activities amounts. Also, for the governmental activities, compensated absences, net pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

(h) **Other Commitments and Contingencies:**

The City has entered into several agreements that are outstanding at September 30, 2019, which will result in future financial obligation as follows:

<u>Description</u>	<u>Amount</u>
General Fund commitments	\$ 1,185,786
Capital Projects Fund commitments	2,264,715
Water and Sewer Utility Fund commitments	1,435,912
Stormwater Utility Fund commitments	4,119
Solid Waste Fund commitments	241,283
MIS Fund commitments	7,936
Fleet Fund commitments	9,844
Total	<u>\$ 5,149,595</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(5) Other Matters:**

**(a) 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 for which the City carries commercial insurance. During 2019, there were no significant reductions in insurance coverage from the previous year or any settlements in excess of insurance coverage in the current year or the prior three years.

**(b) Other Postemployment Benefits (OPEB):**

**Plan Description**—Effective October 1, 2017, the City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City. The City elected to implement the requirements of this statement prospectively. No assets are held in trust for payment of the OPEB liability as the City had no OPEB liability other than as arising from the implicit rate subsidy, as discussed in the following paragraph.

Retirees and their dependents are permitted to remain covered under the City's respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

**Benefits Provided**—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. This is referred to as the "implicit rate subsidy."

**Plan Membership**—At September 30, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Participants	185
Retirees, Beneficiaries, and Disabled Members	17
Covered Spouses	5
	<hr/>
	207
	<hr/>

**Total OPEB Liability**—The City's total OPEB liability of \$4,732,420 was measured as of September 30, 2018, and was determined by an actuarial valuation as of September 30, 2017.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2017 actuarial valuation, updated to September 30, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Varies By Service
Discount rate	4.18%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

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.

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2016 Florida Retirement System (FRS) valuation report.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2018	\$ 5,019,665
Changes for a year:	
Service cost	112,011
Interest	182,927
Differences between expected and actual experience	-
Changes of assumptions	(367,847)
Benefit payments – implicit rate subsidy	(214,336)
Other changes	-
Net changes	<u>(287,245)</u>
Balance at September 30, 2019	<u><u>\$ 4,732,420</u></u>

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 4.18%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.18%) or 1% higher (5.18%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	<u>\$ 5,453,451</u>	<u>\$ 4,732,420</u>	<u>\$ 4,160,229</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.00%-7.50%) or 1% higher (5.00%-9.50%) than the current healthcare cost trend rates (4.00%-8.50%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,102,706	\$ 4,732,420	\$ 5,518,122

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended September 30, 2019; the City recognized OPEB expense of \$164,117. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 609,788
Employer Contributions Subsequent to the Measurement Date	238,055	-
Total	<u>\$ 238,053</u>	<u>\$ 609,787</u>

Amounts reported as deferred outflows of resources (except for contributions made subsequent to the measurement date, which will be recognized in the succeeding fiscal year) and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ (137,121)
2021	(137,121)
2022	(137,118)
2023	(61,307)
Thereafter	-

(c) **Employee Defined Benefit Retirement Pension Plans:**

**Plan Description and Administration**

The City maintains three separate single-employer, defined benefit pension plans for full-time general employees, police officers and firefighters, which are administered by and maintained as the respective Pension Trust Funds and included as part of the City's reporting entity. The General Employees Retirement Trust Fund was established by Chapter 13 of the City's Code of Ordinances. The Police Officers' Retirement Trust Fund was established pursuant with Chapter 185, Florida Statutes. The Firefighters' Pension Fund was established pursuant with Chapter 175, Florida Statutes. The applicable Ordinances or Statutes grant the authority to establish and amend the benefit terms to the Boards of Trustees.

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

Separate boards of trustees independently govern each system. The General Employees' Pension Fund is Board of Trustees is comprised of two legal residents of the City, who are appointed by the City Council; two members of the Plan employed by the City and elected by the plan members; one member as a union representative, as appointed by the union. Both the Police Officers' Retirement Trust Fund and the Firefighters' Pension Fund are comprised of two Council appointees; two members of the department elected by the membership; one member elected by the other four members and appointed by the Council. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, the respective board of trustees and the City Council.

**Benefits Provided**

Each system provides retirement, disability and death benefits. All employees vest for full benefits after five years of service. Retirement benefits for general employees are based on the three consecutive years which give the highest average out of the last ten years. General employees will receive a benefit amount equal to 2% of that average multiplied by years of accrued service. Retirement benefits for police officers are based on the three years which give the highest average out of the last five years. Police officers will receive a benefit amount equal to 2% of that average multiplied by years of accrued service up to October 1, 1987, and 3% of that average multiplied by years of accrued service after October 1, 1987. Retirement benefits for firefighters are based on the five years, which give the highest average out of the last ten years. Firefighters will receive a benefit amount equal to 3% of that average multiplied by years of accrued service. All employees with 5 years of accrued service are eligible to retire at age 55. General employees may retire at any age after 25 years of service. Police officers and Firefighters may retire at any age after 20 years of service. All employees are eligible for non-service disability benefits after 5 years of service and for service-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits for vested general employees prior to retirement and with a 50% qualified joint survivor annuity will be paid monthly. Death benefits are paid for vested police officers, prior to retirement and with a 100% qualified joint survivor annuity. Death benefits for firefighters are paid for 10 years. All nonvested employees do not receive a death benefit and the Plan refunds accumulated contributions without interest. An employee that leaves the City prior to reaching 5 years of service may withdraw his or her contributions without interest. After 5 years, the employee may elect to receive the accrued benefit payable at retirement age. There are no annual cost of living adjustments.

**Employees Covered by Benefit Terms**

As of the latest actuarial valuation report, the following employees were covered by the benefit terms:

<b>Group</b>	<b>General Employees</b>	<b>Police Officers</b>	<b>Fire Fighters'</b>
Inactive plan members and beneficiaries currently receiving benefits	94	28	10
Inactive plan members entitled to but not receiving benefits	24	10	1
Active plan members	3	28	30
<b>Total</b>	<b>121</b>	<b>66</b>	<b>41</b>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

The General Employees' Pension Fund was amended in October 1996, which closed off the plan to any new employees hired by the City after October 1, 1996. Employees hired after October 1, 1996, however, are eligible for the City's 401(a) Defined Contribution Plan. Employees hired prior to October 1, 1996, and not vested in the General Employees' Pension Fund as of September 30, 1997, may elect to participate in the 401(a) Defined Contribution Plan.

With the October 1, 2013, valuation, the General Employees Board of Trustees adopted changes to years of service, and the benefit limitation. Starting for the year ending September 30, 2014, funding requirements are now based on a dollar funding methodology as compared to the percentage of payroll methodology.

**Contributions**

Legislature grants the authority to establish and amend the contribution requirements of the City and active employees to the respective Boards of Trustees. The Boards establish rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the year ended September 30, 2019, the average active employee contribution was 2.5% of annual pay for general employees and 6% of annual pay for both police officers and firefighters. The general employee pension fund requires a contribution from City based on a dollar funding methodology. For the year ended September 30, 2019, the total required contribution from the City was \$791,287 for the general employees' pension fund. The City's average contribution rate was 51.70% and 24.70% of annual payroll for the police officers and firefighters pension funds, respectively.

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the respective Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except the liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2019:

<b>Asset Class</b>	<b>General Employees Target Allocation</b>	<b>Police Officers Target Allocation</b>	<b>Firefighters' Target Allocation</b>
Domestic equity	40%	45%	50%
International equity	10%	15%	15%
Domestic fixed income	50%	25%	35%
Global fixed income	-	5%	-
Real estate	-	10%	-
Total	100%	100%	100%

**Concentrations**

The plans did not hold investments in any one organization that represent 5% or more of the



**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

Pension Plan's fiduciary net position.

**Reserves**

As of September 30, 2019, there are no amounts legally required to be reserved for the general, police and firefighter pension funds, respectively.

**Financial Statements**

The financial statements of the Employee Retirement plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. These plans do not issue stand-alone financial reports.

**Individual Fiduciary Fund Statements**

Individual statements of net position for the three plans included in the City of Edgewater fiduciary funds are as follows:

**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**September 30, 2019**

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
<b>ASSETS</b>			
Accrued income	\$ 39,102	\$ 24,247	\$ 31,990
Money market funds	1,449,355	279,859	600,135
Bonds			
US Treasury notes	753,566	534,701	96,220
GNMA	1,498,444	929,448	242,575
Municipal bonds	-	-	74,504
Corporate bonds	2,666,719	1,667,159	2,955,282
Equities	-	-	11,437,080
Mutual fund - equities	6,009,390	6,236,606	-
Commingled real estate fund	-	1,076,553	-
Total assets	12,416,576	10,748,573	15,437,786
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Unearned contributions	-	-	41,720
<b>NET POSITION</b>			
Restricted for pensions	<u>\$ 12,416,576</u>	<u>\$ 10,748,573</u>	<u>\$ 15,396,066</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the fiscal year ended September 30, 2019**

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 791,287	\$ 781,147	\$ 367,752
Employee	2,615	90,656	123,177
State of Florida		177,174	154,258
Total contributions	<u>793,902</u>	<u>1,048,977</u>	<u>645,187</u>
Investment earnings:			
Interest and dividends	781,229	346,344	278,774
Net increase (decrease) in fair value of investments	(81,055)	161,116	336,889
Less: investment expense	(32,953)	(44,046)	(87,123)
Net investment earnings	<u>667,221</u>	<u>463,414</u>	<u>528,540</u>
Total additions	<u>1,461,123</u>	<u>1,512,391</u>	<u>1,173,727</u>
	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
<b>DEDUCTIONS</b>			
Pension benefits	\$ 1,530,253	\$ 1,026,216	\$ 434,359
Administrative expenses	51,392	61,180	48,770
Total deductions	<u>1,581,645</u>	<u>1,087,396</u>	<u>483,129</u>
Change in net position	(120,522)	424,995	690,598
Net position, beginning of year	<u>12,537,098</u>	<u>10,323,578</u>	<u>14,705,468</u>
Net position, end of year	<u>\$ 12,416,576</u>	<u>\$ 10,748,573</u>	<u>\$ 15,396,066</u>

**Net Pension Liability**

*Actuarial Assumptions:*

The total pension liability was determined with a measurement date of September 30, 2018 and an actuarial valuation as of October 1, 2017 updated to September 30, 2018, using the following actuarial assumptions to all measurement periods.

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
Inflation	2.50%	2.50%	2.50%
Salary increases	4.00%	4.20% - 7.50%	5.00% - 6.50%
Investment rate of return/discount rate	6.75%	7.50%	7.50%

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

Mortality rates for the General Employee's Pension for healthy lives were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. The significant assumptions are based upon the most recent actuarial experience study dated June 13, 2013.

Mortality rates for the Police Officers were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. This assumption sufficiently accommodates future mortality improvements. The actuarial assumptions are based upon the most recent actuarial experience study dated September 13, 2013.

Mortality rates for the Firefighters were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. This sufficiently accounts for future mortality improvements. The actuarial assumptions are based upon the most recent actuarial experience study dated June 11, 2013.

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. 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 class as of September 30, 2019, are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return		
	General Employees	Police Officers	Firefighters
Domestic equity	8.10%	7.50%	7.50%
International equity	3.40%	8.50%	8.50%
Domestic fixed income	3.60%	2.50%	2.50%
International equity	-	3.50%	-
Domestic Fixed income	-	4.50%	-

*Discount rate:*

The discount rate used to measure the total pension liability for the General Pension Plan was 6.75% and 7.5% for Police and Fire Pension Plans. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made as 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 active and inactive employees. 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.

The components of the net pension liability of the pension plans at September 30, 2019, were as follows:

	General Employees	Police Officers	Firefighters
Total pension liability	\$ 19,346,842	\$ 14,479,950	\$ 12,959,553
Plan fiduciary net position	(12,533,777)	(10,313,580)	(14,681,238)

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

Net pension liability (asset)	<u>\$ 6,813,065</u>	<u>\$ 4,166,370</u>	<u>\$ (1,721,685)</u>
Plan fiduciary net position as percentage of total pension liability	64.78%	71.23%	113.29%

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

**Changes in the Net Pension Liability**

	<b>General Employee's Retirement Trust Fund</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a – b)</b>
Beginning Balance	\$ 19,283,937	\$ 12,497,882	\$ 6,786,055
Changes for year:			
Service cost	29,715	-	29,715
Interest	1,254,084	-	1,254,084
Differences between expected and actual experience	248,369	-	248,369
Changes of assumptions	-	-	-
Contributions – employer	-	744,629	(744,629)
Contributions – employee	-	4,662	(4,662)
Contributions – buy back	-	-	-
Net investment income	-	803,070	(803,070)
Benefit payments, including refunds	(1,469,263)	(1,469,263)	-
Administrative expenses	-	(47,203)	47,203
Net changes	62,905	35,895	27,010
Ending Balance	<u>\$ 19,346,842</u>	<u>\$ 12,533,777</u>	<u>\$ 6,813,065</u>

	<b>Police Officer's Retirement Trust Fund</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a – b)</b>
Beginning Balance	\$ 13,364,601	\$ 9,468,032	\$ 3,896,569
Changes for year:			
Service cost	264,098	-	264,098
Interest	989,631	-	989,631
Share plan allocation	163,282	-	163,282
Differences between expected and actual experience	565,564	-	565,564
Changes in assumptions	-	-	-
Contributions – employer	-	777,360	(777,360)
Contributions – State	-	163,282	(163,282)
Contributions – employee	-	86,174	(86,174)
Net investment income	-	736,836	(736,836)
Benefit payments, including refunds	(867,226)	(867,226)	-
Administrative expenses	-	(50,878)	50,878
Net changes	1,115,349	845,548	269,801
Ending Balance	<u>\$ 14,479,950</u>	<u>\$ 10,313,580</u>	<u>\$ 4,166,370</u>

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

	<b>Firefighter's Retirement Trust Fund</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a – b)</b>
Beginning Balance	\$ 12,224,888	\$ 13,060,578	\$ (835,690)
Changes for year:			
Service cost	354,548	-	354,548
Interest	922,206	-	922,206
Share Plan Allocation	96,388	-	96,388
Differences between expected and actual experience	(89,479)	-	(89,479)
Changes of assumptions	-	-	-
Contributions – employer	-	358,424	(358,424)
Contributions – State	-	151,680	(151,680)
Contributions – employee	-	91,166	(91,166)
Contributions – buy back	17,703	17,703	-
Net investment income	-	1,618,036	(1,618,036)
Benefit payments, including refunds	(566,702)	(566,702)	-
Administrative expenses	-	(49,647)	49,647
Net changes	734,664	1,620,660	(885,996)
Ending Balance	\$ 12,959,552	\$ 14,681,238	\$ (1,721,686)

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the net pension liability of the City calculated using the discount rate of 6.75% for the General Employee's Pension and the discount rate of 7.50% for Police and Firefighters, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<b>City's Net Pension Liability</b>	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
General Employees Retirement Trust Fund	\$ 8,794,362	\$ 6,813,065	\$ 5,141,032

<b>City's Net Pension Liability (Asset)</b>	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Police Officers Retirement Trust Fund	\$ 5,886,603	\$ 4,166,370	\$ 2,744,634
Firefighters Retirement Trust Fund	(150,011)	(1,721,685)	(3,016,676)

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

For the year ended September 30, 2019, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	<b>General Employees Retirement Trust Fund</b>	<b>Police Officers Retirement Trust Fund</b>	<b>Firefighters Retirement Trust Fund</b>
Annual money-weighted rate of return	6.63%	7.78%	12.44%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2019, the City recognized pension expense of \$852,911, \$984,162, and \$138,534 in the General Employees, Police Officers, and Firefighters pension plans, respectively.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>General Employees' Retirement Trust Fund</b>		<b>Police Officers' Retirement Trust Fund</b>		<b>Firefighters' Retirement Trust Fund</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -	\$ 555,996	\$ -	\$ 338,210	\$ 255,060
Changes of assumptions	-	-	61,235	-	73,626	-
Net difference between projected and actual investment earnings	21,132	-	-	64,714	-	947,781
Contributions made subsequent to measurement date	791,287	-	958,321	-	522,010	-
	<u>\$ 812,419</u>	<u>\$ -</u>	<u>\$ 1,575,552</u>	<u>\$ 64,714</u>	<u>\$ 933,846</u>	<u>\$ 1,202,841</u>

Amounts reported as deferred outflows of resources (except for contributions made subsequent to the measurement date, which will be recognized in the succeeding fiscal year) and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30:</b>	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
2020	\$ 131,421	\$ 363,028	\$ (110,349)
2021	(65,048)	119,203	(369,454)
2022	(48,170)	74,817	(288,981)
2023	2,929	(4,531)	(74,950)
2024	-	-	52,729
Thereafter	-	-	-

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Other Matters:** (Continued)

(d) **Employee Defined Contribution Retirement Pension Plans:**

**General Employees**—The City adopted a defined contribution plan effective October 1, 1996. The plan is a money purchase plan administered for the City by the ICMA. Eligible employees are employees hired effective October 1, 1996, or thereafter that would otherwise qualify for the General Employees' Pension Plan. Employees hired prior to October 1, 1996, and not vested in the General Employees' Pension Plan may also elect, instead, to participate in the defined contribution plan. Employee participation is immediate upon hiring and are 100% vested after five years of employment. Employees direct the investment of funds contributed to the plan on their behalf. Employer contributions made during the year amounted to \$658,861. The City Council has the authority to amend the Plan's provisions including amending contribution requirements.

(e) **Deferred Compensation Plans**—The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457; i.e., International City/County Management Association (ICMA). The plan is available to all City employees and permit employees to defer a portion of their salary until future years. Participation in the plan is optional. Deferred compensation withdrawals are not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with current professional pronouncements, the City has not included such funds in its financial statements.

(f) **Tax Abatement**—The City entered into an agreement with a local organization to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 2017-O-22, granting the organization an ad valorem tax exemption for a term of ten years expiring in 2026. There were no taxes abated during the year ended September 30, 2019, due to a delay in reporting.

(g) **Contingencies**—The City has been involved in miscellaneous collections, lot cleaning, stormwater, and other liens. In addition, the City has numerous pending/threatened claims against it. In the opinion of City management the loss if any, resulting from these actions will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

(h) **Subsequent Events**—On December 4, 2019, the City entered into a Branch Banking And Trust Company ("BB&T") loan in the amount of \$620,000 to enable the City to acquire one fire truck and two patrol Vehicles.



**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(i) **Recently Issued Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

- (a) GASB issued Statement No. 84, Fiduciary Activities, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.
- (b) GASB issued Statement No. 87, Leases, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.
- (c) GASB issued Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61, in August 2018. GASB 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2019.

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

General Employees' Retirement Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending</b>	<b>9/30/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>
<b>Measurement Date</b>	<b>9/30/2018</b>	<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>
Total pension liability						
Service cost	\$ 29,715	\$ 53,793	\$ 34,222	\$ 60,573	\$ 91,269	\$ 84,901
Interest	1,254,084	1,254,173	1,250,244	1,238,859	1,241,107	1,237,145
Change in Funding Standard Account	-	-	-	-	-	-
Share Plan Allocation	-	-	-	-	-	-
Differences between Expected and Actual Experience	248,369	176,321	(50,657)	259,399	-	-
Changes of assumptions	-	-	1,777,486	-	-	-
Contributions – buy back	-	-	299,746	-	-	-
Benefit payments, including refunds of employee contributions	(1,469,263)	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
<b>Net change in total pension liability</b>	<b>62,905</b>	<b>30,504</b>	<b>1,924,417</b>	<b>184,109</b>	<b>43,790</b>	<b>59,449</b>
<b>Total pension liability, beginning</b>	<b>19,283,937</b>	<b>19,253,433</b>	<b>17,329,016</b>	<b>17,144,907</b>	<b>17,101,117</b>	<b>17,041,668</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 19,346,842</b>	<b>\$ 19,283,937</b>	<b>\$ 19,253,433</b>	<b>\$ 17,329,016</b>	<b>\$ 17,144,907</b>	<b>\$ 17,101,117</b>
<b>Plan Fiduciary net position</b>						
Contributions – employer	\$ 744,629	\$ 667,440	\$ 661,699	\$ 713,396	\$ 772,605	\$ 475,794
Contributions – state	-	-	-	-	-	-
Contributions – employee	4,662	6,091	5,851	8,535	13,178	15,348
Contributions – buy back	-	-	299,746	-	-	-
Net investment income	803,070	1,055,669	950,355	(67,754)	1,059,400	1,563,721
Benefit payments, including refunds of employee contributions	(1,469,263)	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
Administrative expense	(47,203)	(44,217)	(40,442)	(48,589)	(42,302)	(76,889)
<b>Net change in plan fiduciary net position</b>	<b>35,895</b>	<b>231,200</b>	<b>490,585</b>	<b>(769,134)</b>	<b>514,295</b>	<b>715,377</b>
<b>Plan fiduciary net position, beginning</b>	<b>12,497,882</b>	<b>12,266,682</b>	<b>11,776,097</b>	<b>12,545,231</b>	<b>12,030,936</b>	<b>11,315,559</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 12,533,777</b>	<b>\$ 12,497,882</b>	<b>\$ 12,266,682</b>	<b>\$ 11,776,097</b>	<b>\$ 12,545,231</b>	<b>\$ 12,030,936</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ 6,813,065</b>	<b>\$ 6,786,055</b>	<b>\$ 6,986,751</b>	<b>\$ 5,552,919</b>	<b>\$ 4,599,676</b>	<b>\$ 5,070,181</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>64.78%</b>	<b>64.81%</b>	<b>63.71%</b>	<b>67.96%</b>	<b>73.17%</b>	<b>70.35%</b>
<b>Covered payroll</b>	<b>\$ 193,713</b>	<b>\$ 236,414</b>	<b>\$ 349,034</b>	<b>\$ 341,408</b>	<b>\$ 567,030</b>	<b>\$ 613,927</b>
<b>Net pension liability as a percentage of payroll</b>	<b>3517.09%</b>	<b>2870.41%</b>	<b>2001.74%</b>	<b>1626.48%</b>	<b>811.19%</b>	<b>825.86%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>6.63%</b>	<b>8.92%</b>	<b>8.40%</b>	<b>-0.56%</b>	<b>8.94%</b>	<b>13.50%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

## Schedules of General Employees' Contributions

Reporting Period Ending	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Measurement Date	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Actuarially Determined Contribution (ADC)	\$ 744,629	\$ 667,440	\$ 657,825	\$ 719,822	\$ 766,179	\$ 475,794
Contributions in Relation to ADC	744,629	667,440	661,699	713,396	772,605	475,794
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,874)</u>	<u>\$ 6,426</u>	<u>\$ (6,426)</u>	<u>\$ -</u>
Covered Payroll	\$ 193,713	\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
Contributions as a Percentage of Covered Payroll	384.40%	282.32%	189.58%	208.96%	136.25%	77.50%

**Notes to Schedule:**

Valuation Date: 10/01/2016

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.

Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method:

Entry Age Normal Actuarial Cost Method

Interest - A half year, based on the current 6.75% assumption.

Salary - A full year, based on the current average assumption of 4.0%.

Mortality:

RP2000 Combined Healthy

Interest Rate:

6.75% per year compounded annually, net of investment related expenses.

Normal Retirement:

Age	Retirement Probability
55	50%
56-59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

Salary Increases:

4% per year.

Termination Rates:

None assumed.

Early Retirement:

None assumed.

Actuarial Asset Method:

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Disability Rates:

0.30% - 1.55%

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Police Officers' Pension Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending</b>	<b>9/30/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>
<b>Measurement Date</b>	<b>9/30/2018</b>	<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>
Total pension liability						
Service cost	\$ 264,098	\$ 241,471	\$ 248,453	\$ 209,572	\$ 206,976	\$ 192,536
Interest	989,631	939,389	874,946	855,433	859,397	836,080
Change in Funding Standard Account	-	-	-	-	(386,259)	-
Share Plan Allocation	163,282	147,327	138,245	-	-	-
Differences between Expected and Actual Experience	565,564	148,378	230,533	(19,907)	-	-
Changes of assumptions	-	-	244,939	-	-	-
Contributions – buy back	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(867,226)	(791,362)	(950,417)	(697,208)	(773,904)	(690,444)
<b>Net change in total pension liability</b>	<b>1,115,349</b>	<b>685,203</b>	<b>786,699</b>	<b>347,890</b>	<b>(93,790)</b>	<b>338,172</b>
<b>Total pension liability, beginning</b>	<b>13,364,601</b>	<b>12,679,398</b>	<b>11,892,699</b>	<b>11,544,809</b>	<b>11,638,599</b>	<b>11,300,427</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 14,479,950</b>	<b>\$ 13,364,601</b>	<b>\$ 12,679,398</b>	<b>\$ 11,892,699</b>	<b>\$ 11,544,809</b>	<b>\$ 11,638,599</b>
<b>Plan Fiduciary net position</b>						
Contributions – employer	\$ 777,360	\$ 578,155	\$ 621,470	\$ 618,054	\$ 534,795	\$ 768,448
Contributions – state	163,282	147,327	138,245	127,668	125,387	121,375
Contributions – employee	86,174	96,436	84,939	79,610	76,054	70,431
Contributions – buy back	-	-	-	-	-	-
Net investment income	736,836	950,106	568,335	(15,324)	759,444	769,004
Benefit payments, including refunds of employee contributions	(867,226)	(791,362)	(950,417)	(697,208)	(773,904)	(690,444)
Administrative expense	(50,878)	(58,416)	(67,029)	(49,324)	(36,403)	(82,988)
<b>Net change in plan fiduciary net position</b>	<b>845,548</b>	<b>922,246</b>	<b>395,543</b>	<b>63,476</b>	<b>685,373</b>	<b>955,826</b>
<b>Plan fiduciary net position, beginning</b>	<b>9,468,032</b>	<b>8,545,786</b>	<b>8,150,243</b>	<b>8,086,767</b>	<b>7,401,394</b>	<b>6,445,568</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 10,313,580</b>	<b>\$ 9,468,032</b>	<b>\$ 8,545,786</b>	<b>\$ 8,150,243</b>	<b>\$ 8,086,767</b>	<b>\$ 7,401,394</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ 4,166,370</b>	<b>\$ 3,896,569</b>	<b>\$ 4,133,612</b>	<b>\$ 3,742,456</b>	<b>\$ 3,458,042</b>	<b>\$ 4,237,205</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>71.23%</b>	<b>70.84%</b>	<b>67.40%</b>	<b>68.53%</b>	<b>70.05%</b>	<b>63.59%</b>
<b>Covered payroll</b>	<b>\$ 1,503,600</b>	<b>\$ 1,539,919</b>	<b>\$ 1,415,650</b>	<b>\$ 1,396,624</b>	<b>\$ 1,267,568</b>	<b>\$ 1,173,844</b>
<b>Net pension liability as a percentage of payroll</b>	<b>277.09%</b>	<b>253.04%</b>	<b>291.99%</b>	<b>267.96%</b>	<b>272.81%</b>	<b>360.97%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>7.78%</b>	<b>11.26%</b>	<b>7.05%</b>	<b>-0.19%</b>	<b>10.40%</b>	<b>10.40%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

## Schedules of Police Officers' Contributions

Reporting Period Ending	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Measurement Date	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Actuarially Determined Contribution (ADC)	\$ 777,361	\$ 742,241	\$ 746,047	\$ 768,235	\$ 766,878	\$ 874,513
Contributions in Relation to ADC	777,360	578,155	621,470	745,722	660,182	768,448
Contribution Deficiency (Excess)	<u>\$ 1</u>	<u>\$ 164,086</u>	<u>\$ 124,577</u>	<u>\$ 22,513</u>	<u>\$ 106,696</u>	<u>\$ 106,065</u>
Covered Payroll	\$ 1,503,600	\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,173,844
Contributions as a Percentage of Covered Payroll	51.70%	37.54%	43.90%	53.39%	52.08%	65.46%

**Notes to Schedule:**

Valuation Date: 10/01/2016

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.

Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method: Entry Age Normal Actuarial Cost Method.

Amortization Method: Level dollar.

Mortality: RP-2000 Combined Healthy.

Interest Rate: 7.5% per year compounded annually, net of investment related expenses.

Retirement Age:	<u>Years Eligible for Normal Retirement</u>	<u>Retirement Probability</u>
		50%
		0%
		33%
	3-5	60%
	6 and greater	100%

In addition to the above, 100% Retirement is assumed upon the attainment of age 58 if eligible to retire.

Early Retirement: None assumed.

Salary Increases: 7.5% for less than 10 years credited service.

4.2% for 10 years or greater of credited service.

Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Termination Rates: 18% for less than 5 years credited service.

14% for 5-9 years credited service.

0% for 10 years or greater of credited service.

Disability Rates: 0.33% - 1.69%

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Firefighters' Pension Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending Measurement Date</b>	<b>9/30/2019 9/30/2018</b>	<b>9/30/2018 9/30/2017</b>	<b>9/30/2017 9/30/2016</b>	<b>9/30/2016 9/30/2015</b>	<b>9/30/2015 9/30/2014</b>	<b>9/30/2014 9/30/2013</b>
Total pension liability						
Service cost	\$ 354,548	\$ 358,456	\$ 322,776	\$ 317,342	\$ 323,511	\$ 300,940
Interest	922,206	825,460	752,753	715,242	652,070	601,821
Change in Funding Standard Account	-	-	-	-	-	-
Share Plan Allocation	96,388	92,260	84,235	90,777	88,962	-
Differences between Expected and Actual Experience	(89,479)	473,491	(45,934)	(367,566)	-	-
Changes of assumptions	-	-	147,249	-	-	-
Contributions – buy back	17,703	8,544	9,721	-	-	-
Benefit payments, including refunds of employee contributions	(566,702)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
<b>Net change in total pension liability</b>	<b>734,664</b>	<b>1,396,208</b>	<b>958,693</b>	<b>545,743</b>	<b>842,447</b>	<b>614,150</b>
<b>Total pension liability, beginning</b>	<b>12,224,888</b>	<b>10,828,680</b>	<b>9,869,987</b>	<b>9,324,244</b>	<b>8,481,797</b>	<b>7,867,647</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 12,959,552</b>	<b>\$ 12,224,888</b>	<b>\$ 10,828,680</b>	<b>\$ 9,869,987</b>	<b>\$ 9,324,244</b>	<b>\$ 8,481,797</b>
<b>Plan Fiduciary net position</b>						
Contributions – employer	\$ 358,424	\$ 317,000	\$ 358,086	\$ 354,899	\$ 392,863	\$ 469,302
Contributions – state	151,680	147,551	139,527	150,763	155,382	129,103
Contributions – employee	91,166	117,483	107,966	93,950	88,869	87,309
Contributions – buy back	17,703	8,544	9,721	-	-	-
Net investment income	1,618,036	1,734,571	1,143,088	(536,507)	1,160,776	766,338
Benefit payments, including refunds of employee contributions	(566,702)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
Administrative expense	(49,647)	(44,046)	(58,960)	(48,746)	(44,645)	(18,869)
<b>Net change in plan fiduciary net position</b>	<b>1,620,660</b>	<b>1,919,100</b>	<b>1,387,321</b>	<b>(195,693)</b>	<b>1,531,149</b>	<b>1,144,572</b>
<b>Plan fiduciary net position, beginning</b>	<b>13,060,578</b>	<b>11,141,478</b>	<b>9,754,157</b>	<b>9,949,850</b>	<b>8,418,701</b>	<b>7,274,129</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 14,681,238</b>	<b>\$ 13,060,578</b>	<b>\$ 11,141,478</b>	<b>\$ 9,754,157</b>	<b>\$ 9,949,850</b>	<b>\$ 8,418,701</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ (1,721,686)</b>	<b>\$ (835,690)</b>	<b>\$ (312,798)</b>	<b>\$ 115,830</b>	<b>\$ (625,606)</b>	<b>\$ 63,096</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>113.29%</b>	<b>106.84%</b>	<b>102.89%</b>	<b>98.83%</b>	<b>106.71%</b>	<b>99.26%</b>
<b>Covered payroll</b>	<b>\$ 1,674,877</b>	<b>\$ 1,802,605</b>	<b>\$ 1,799,429</b>	<b>\$ 1,579,650</b>	<b>\$ 1,467,330</b>	<b>\$ 1,455,154</b>
<b>Net pension liability as a percentage of payroll</b>	<b>-102.79%</b>	<b>-46.36%</b>	<b>-17.38%</b>	<b>7.33%</b>	<b>-42.64%</b>	<b>4.34%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>12.44%</b>	<b>15.51%</b>	<b>11.64%</b>	<b>-5.33%</b>	<b>13.59%</b>	<b>10.25%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

**Schedules of Firefighters' Contributions**

Reporting Period Ending	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Measurement Date	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Actuarially Determined Contribution (ADC)	\$ 413,695	\$ 389,363	\$ 430,063	\$ 407,550	\$ 432,862	\$ 534,041
Contributions in Relation to ADC	413,716	372,292	413,378	414,885	459,283	534,041
Contribution Deficiency (Excess)	<u>\$ (21)</u>	<u>\$ 17,071</u>	<u>\$ 16,685</u>	<u>\$ (7,335)</u>	<u>\$ (26,421)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,674,877	\$ 1,802,600	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
Contributions as a Percentage of Covered Payroll	24.70%	20.65%	22.97%	26.26%	31.30%	36.70%

**Notes to Schedule:**

Valuation Date: 10/01/2016

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. Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method: Entry Age Normal Actuarial Cost Method.  
Amortization Method: Level Percentage of Pay, Closed.  
Mortality: RP2000 Combined Healthy.  
Interest Rate: 7.5% per year compounded annually, net of investment related expenses.  
Normal Retirement: 

<u>Years Eligible for Normal Retirement</u>	<u>Retirement Probability</u>
0	60%
1-4	0%
5 and greater	100%

In addition to the above, 100% Retirement is assumed upon the attainment of age 55 with 5 years of Credited Service.

Disability Rates: 0.06% - .36%

Payroll Growth: 1.9% per year.

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Salary Increases: 6.5% for less than 10 years credited service.

6.0% for 10-15 years credited service.

5.0% for 15 years or greater of credited service.

Final Salary Load: No load for 0 years of credited service.

10.0% for less than 10 years of credited service.

20.0% for 10 or more years of credited service.

Termination Rates: 7.5% for less than 5 years credited service.

4.0% for 5 years or greater of credited service.

Commencing at eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 5% per year.

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

## Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Reporting Period Ending Measurement Date	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017
<b>Total OPEB Liability</b>		
Service cost	\$ 112,011	\$ 118,498
Interest	182,927	165,495
Changes of assumptions	(367,847)	(454,875)
Benefit payments – implicit rate subsidy	(214,336)	(197,091)
Net change in total OPEB liability	(287,245)	(367,973)
Total OPEB liability – beginning	5,019,665	5,387,638
Total OPEB liability – ending	<u>\$ 4,732,420</u>	<u>\$ 5,019,665</u>
 Covered employee payroll (projected)	 9,596,433	 9,163,898
 Total OPEB liability as a percentage of covered employee payroll	 49.31%	 54.78%

Covered Employee Payroll was projected two years forward from the valuation date for the reporting period ending September 30, 2019.

**Notes to Schedule:**

Valuation Date: 9/30/2017

*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:

FY 2019	4.18%
FY 2018	3.64%
FY 2017	3.06%

\*10 years of data will be presented as it becomes available.



## **CITY OF EDGEWATER, FLORIDA**

Nonmajor Governmental Funds

September 30, 2019

**SPECIAL REVENUE FUNDS** are used to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

**Justice Assistance Grant Fund** – This fund was established to receive revenues derived from money received from the Department of Justice for various grants such as JAG.

**Special Law Enforcement Trust Fund** – This fund was established to receive revenues derived from confiscated property obtained during the enforcement purposes, exclusive of salaries and vehicles. Such purposes may include drug education programs such as DARE.

**Transportation Impact Fees Fund** – This fund was established to account for road impact fees collected from new developments constructed in the City.

**Police Impact fees Fund** – This fund was established to account for police impact fees collected from new developments constructed in the City.

**Fire Impact Fees Fund** – This fund was established to account for fire impact fees collected from new developments constructed in the City.

**Recreation Impact Fees Fund** – This fund was established to account for recreation impact fees collected from new developments constructed in the City.

**Tree Mitigation Fund** – This fund was established to account for revenues and associated expenditures of tree mitigation restricted to replace trees extinguished by development activities.

**DEBT SERVICE FUNDS** are established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Service Fund** – This fund was established to account for the payment of general long-term debt principal and interest for the Animal Shelter.

**CAPITAL PROJECTS FUNDS** are established to account for resources used for the acquisition and construction of capital facilities by the City, except for those financed by proprietary funds.

**Capital Projects Fund** – This fund was established to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

**CITY OF EDGEWATER, FLORIDA**

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2019

	<b>Special Revenue</b>			
	<b>Justice Assistance Grants</b>	<b>SLETF</b>	<b>Transportation Impact</b>	<b>Police Impact</b>
<b>ASSETS</b>				
Cash	\$ -	\$ 83,229	\$ 269,136	\$ 24,867
Receivables	-	11	37	3
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 83,240</u>	<u>\$ 269,173</u>	<u>\$ 24,870</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Spendable:				
Restricted for:				
Public safety	\$ -	\$ 83,240	\$ -	\$ -
Debt service	-	-	-	-
Tree mitigation	-	-	-	-
Capital projects	-	-	269,173	24,870
Total fund balances	<u>-</u>	<u>83,240</u>	<u>269,173</u>	<u>24,870</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 83,240</u>	<u>\$ 269,173</u>	<u>\$ 24,870</u>

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<b>Fire Impact</b>	<b>Recreation Impact</b>	<b>Tree Mitigation</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 70,062	\$ 133,731	\$ 100,403	\$ 85,769	\$ 767,197
9	18	13	11	102
-	-	-	118	118
<u>\$ 70,071</u>	<u>\$ 133,749</u>	<u>\$ 100,416</u>	<u>\$ 85,898</u>	<u>\$ 767,417</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 83,240
-	-	-	85,898	85,898
-	-	100,416	-	100,416
70,071	133,749	-	-	497,863
<u>70,071</u>	<u>133,749</u>	<u>100,416</u>	<u>85,898</u>	<u>767,417</u>
<u>\$ 70,071</u>	<u>\$ 133,749</u>	<u>\$ 100,416</u>	<u>\$ 85,898</u>	<u>\$ 767,417</u>

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Revenues, Expenditures, and

Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended September 30, 2019

	<b>Special Revenue</b>			
	<b>Justice Assistance Grants</b>	<b>SLETF</b>	<b>Transportation Impact</b>	<b>Police Impact</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,819	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	1,713	-	-
Investment earnings	-	114	412	40
Impact fees	-	-	96,655	13,204
Total revenues	<u>1,819</u>	<u>1,827</u>	<u>97,067</u>	<u>13,244</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	65,764
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,764</u>
Excess (deficiency) of revenues over	<u>1,819</u>	<u>1,827</u>	<u>97,067</u>	<u>(52,520)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,819)	-	(120,009)	-
Total other financing uses	<u>(1,819)</u>	<u>-</u>	<u>(120,009)</u>	<u>-</u>
Net change in fund balances	-	1,827	(22,942)	(52,520)
Beginning fund balances	-	81,413	292,115	77,390
Ending fund balances	<u>\$ -</u>	<u>\$ 83,240</u>	<u>\$ 269,173</u>	<u>\$ 24,870</u>

<b>Fire Impact</b>	<b>Recreation Impact</b>	<b>Tree Mitigation</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 280,671	\$ 280,671
-	-	-	-	1,819
-	-	100,344	-	100,344
-	-	-	-	1,713
90	172	72	290	1,190
13,764	27,433	-	-	151,056
13,854	27,605	100,416	280,961	536,793
-	-	-	279,000	279,000
-	-	-	155,995	155,995
-	-	-	-	65,764
-	-	-	434,995	500,759
13,854	27,605	100,416	(154,034)	36,034
-	-	-	161,757	161,757
-	-	-	-	(121,828)
-	-	-	161,757	39,929
13,854	27,605	100,416	7,723	75,963
56,217	106,144	-	78,175	691,454
\$ 70,071	\$ 133,749	\$ 100,416	\$ 85,898	\$ 767,417

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
Annually - Budgeted Nonmajor Special Revenue Funds  
For the Fiscal Year Ended September 30, 2019

	Special Revenue							
	Justice Assistance Grants				SLETF			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Intergovernmental	\$ 3,200	\$ 3,200	\$ 1,819	\$ (1,381)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	1,713	1,713
Investment earnings	-	-	-	-	-	-	114	114
Impact fees	-	-	-	-	-	-	-	-
Total revenues	3,200	3,200	1,819	(1,381)	-	-	1,827	1,827
<b>EXPENDITURES</b>								
Current:								
Public Safety	3,200	3,200	-	3,200	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,200	3,200	-	3,200	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,819	1,819	-	-	1,827	1,827
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	(1,819)	(1,819)	-	-	-	-
Total other financing sources (uses)	-	-	(1,819)	(1,819)	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	1,827	1,827
Beginning fund balances	-	-	-	-	81,413	81,413	81,413	-
Ending fund balances (deficit)	\$ -	\$ -	\$ -	\$ -	\$ 81,413	\$ 81,413	\$ 83,240	\$ 1,827

**CITY OF EDGEWATER, FLORIDA**

Schedule of Revenues, Expenditures, and

Changes in Fund Balances--Budget and Actual--

Annually-Budgeted Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended September 30, 2019

	Special Revenue							
	Transportation Impact				Police Impact			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	412	412	-	-	40	40
Impact fees	92,000	92,000	96,655	4,655	9,000	9,000	13,204	4,204
Total revenues	92,000	92,000	97,067	5,067	9,000	9,000	13,244	4,244
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	60,534	65,764	65,764	-
Total expenditures	-	-	-	-	60,534	65,764	65,764	-
Excess (deficiency) of revenues over expenditures	92,000	92,000	97,067	5,067	(51,534)	(56,764)	(52,520)	4,244
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	(180,000)	(180,000)	(120,009)	59,991	-	-	-	-
Total other financing sources (uses)	(180,000)	(180,000)	(120,009)	59,991	-	-	-	-
Net change in fund balances	(88,000)	(88,000)	(22,942)	65,058	(51,534)	(56,764)	(52,520)	4,244
Beginning fund balances	292,115	292,115	292,115	-	77,390	77,390	77,390	-
Ending fund balances (deficit)	\$ 204,115	\$ 204,115	\$ 269,173	\$ 65,058	\$ 25,856	\$ 20,626	\$ 24,870	\$ 4,244

**CITY OF EDGEWATER, FLORIDA**

Schedule of Revenues, Expenditures, and

Changes in Fund Balances--Budget and Actual--

Annually-Budgeted Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended September 30, 2019

	Special Revenue							
	Fire Impact				Recreation Impact			
	Budgeted Amounts			Variance with Final Budget- Positive	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts		Original	Final	Actual Amounts	
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	90	90	-	-	172	172
Impact fees	10,000	10,000	13,764	3,764	25,000	25,000	27,433	2,433
Total revenues	10,000	10,000	13,854	3,854	25,000	25,000	27,605	2,605
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	10,000	10,000	13,854	3,854	25,000	25,000	27,605	2,605
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	10,000	10,000	13,854	3,854	25,000	25,000	27,605	2,605
Beginning fund balances	56,217	56,217	56,217	-	106,144	106,144	106,144	-
Ending fund balances (deficit)	\$ 66,217	\$ 66,217	\$ 70,071	\$ 3,854	\$ 131,144	\$ 131,144	\$ 133,749	\$ 2,605



**CITY OF EDGEWATER, FLORIDA**

Schedule of Revenues, Expenditures, and

Changes in Fund Balances--Budget and Actual--

Annually-Budgeted Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended September 30, 2019

	Special Revenue							
	Tree Mitigation				Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,200	\$ 3,200	\$ 1,819	\$ (1,381)
Licenses and permits	-	-	100,344	100,344	-	-	100,344	100,344
Fines and forfeitures	-	-	-	-	-	-	1,713	1,713
Investment earnings	-	-	72	72	-	-	900	900
Impact fees	-	-	-	-	136,000	136,000	151,056	15,056
Total revenues	-	-	100,416	100,416	139,200	139,200	255,832	116,632
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	3,200	3,200	-	3,200
Capital outlay	-	-	-	-	60,534	65,764	65,764	-
Total expenditures	-	-	-	-	63,734	68,964	65,764	3,200
Excess (deficiency) of revenues over expenditures	-	-	100,416	100,416	75,466	70,236	190,068	119,832
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	(180,000)	(180,000)	(121,828)	58,172
Total other financing sources (uses)	-	-	-	-	(180,000)	(180,000)	(121,828)	58,172
Net change in fund balances	-	-	100,416	100,416	(104,534)	(109,764)	68,240	178,004
Beginning fund balances	-	-	-	-	613,279	613,279	613,279	-
Ending fund balances (deficit)	\$ -	\$ -	\$ 100,416	\$ 100,416	\$ 508,745	\$ 503,515	\$ 681,519	\$ 178,004

**CITY OF EDGEWATER, FLORIDA**

Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances--Budget and Actual  
 Annually - Budgeted Nonmajor Debt Service Fund  
 For the Fiscal Year Ended September 30, 2019

	<b>Budgeted Amounts</b>		<b>Variance with Final Budget-</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 275,097	\$ 275,097	\$ 280,671
Investment earnings	100	100	290
Total revenues	<u>275,197</u>	<u>275,197</u>	<u>280,961</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	279,000	279,000	279,000
Interest	158,008	158,008	155,995
Total expenditures	<u>437,008</u>	<u>437,008</u>	<u>434,995</u>
Excess (deficiency) of revenues over expenditures	<u>(161,811)</u>	<u>(161,811)</u>	<u>(154,034)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	161,757	161,757	161,757
Net change in fund balances	<u>(54)</u>	<u>(54)</u>	<u>7,723</u>
Beginning fund balances	78,175	78,175	78,175
Ending fund balances	<u>\$ 78,121</u>	<u>\$ 78,121</u>	<u>\$ 85,898</u>

**CITY OF EDGEWATER, FLORIDA**

Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances--Budget and Actual  
 Annually - Budgeted Major Capital Projects Fund  
 For the Fiscal Year Ended September 30, 2019

	<b>General Construction</b>		
	<b>Budgeted Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Intergovernmental	\$ 620,744	\$ 988,237	\$ 481,976
Investment earnings	-	12,000	17,665
Total revenues	620,744	1,000,237	499,641
<b>EXPENDITURES</b>			
Capital outlay	1,450,858	3,637,364	1,942,451
Other Services & Charges	441,382	1,022,428	156,425
Total expenditures	1,892,240	4,659,792	2,098,876
Excess (deficiency) of revenues over expenditure	(1,271,496)	(3,659,555)	(1,599,235)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,098,996	1,581,466	183,312
Total other financing sources (uses)	1,098,996	1,581,466	183,312
Net change in fund balance	(172,500)	(2,078,089)	(1,415,923)
Beginning fund balances	2,093,304	2,093,304	2,093,304
Ending fund balances	\$1,920,804	\$ 15,215	\$ 677,381



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## **CITY OF EDGEWATER, FLORIDA**

Internal Service Funds

September 30, 2019

**INTERNAL SERVICE FUNDS** are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation).

**Management Information Systems (MIS)** – To account for data processing operations and the cost of computer services used by other City departments.

**Fleet** – To account for the cost of operating a maintenance facility for automotive equipment used by other City departments / divisions.

**Loss Fund** – To account for the general liability and property insurances of the City.

**Fully Insured** – To account for the health, dental and life insurance of the City's employees and retirees.

**Workers Comp** – To account for the workers compensation insurance of the City.

**CITY OF EDGEWATER, FLORIDA**

## Combining Statement of Net Position

## Internal Service Funds

September 30, 2019

	<b>MIS</b>	<b>FLEET</b>	<b>Loss Fund</b>	<b>Fully Insured</b>	<b>Workers Comp</b>	<b>Total</b>
<b>ASSETS</b>						
Current assets:						
Cash	\$ 128,427	\$ 498,201	\$ 7,316	\$ 754,705	\$ 12,391	\$ 1,401,040
Receivables--net	-	61	-	38	21,066	21,165
Inventories	-	29,865	-	-	-	29,865
Prepaid items	14,406	7,574	-	-	-	21,980
Total current assets	142,833	535,701	7,316	754,743	33,457	1,474,050
Noncurrent assets:						
Capital assets:						
Buildings and improvements	60,684	-	-	-	-	60,684
Machinery and equipment	265,626	109,905	-	-	-	375,531
Construction in progress	24,628	-	-	-	-	24,628
Less accumulated depreciation	(273,998)	(91,421)	-	-	-	(365,419)
Total capital assets (net of accumulated depreciation)	76,940	18,484	-	-	-	95,424
Total noncurrent assets	76,940	18,484	-	-	-	95,424
Total assets	\$ 219,773	\$ 554,185	\$ 7,316	\$ 754,743	\$ 33,457	\$ 1,569,474
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to OPEB	\$ 3,475	\$ 3,475	\$ -	\$ -	\$ -	\$ 6,950
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 30,958	\$ 17,083	\$ -	\$ 217,807	\$ -	\$ 265,848
Accrued liabilities	6,147	4,563	-	-	-	10,710
Compensated absences	25,140	18,472	-	-	-	43,612
Accrued interest payable	109	-	-	-	-	109
Notes payable - current	10,458	-	-	-	-	10,458
Total current liabilities	72,812	40,118	-	217,807	-	330,737
Noncurrent liabilities:						
Compensated absences	8,654	22,574	-	-	-	31,228
Long-term debt payable after one year	44,290	-	-	-	-	44,290
OPEB liability	69,086	69,086	-	-	-	138,172
Total noncurrent liabilities	122,030	91,660	-	-	-	213,690
Total liabilities	\$ 194,842	\$ 131,778	\$ -	\$ 217,807	\$ -	\$ 544,427
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to OPEB	\$ 8,902	\$ 8,902	\$ -	\$ -	\$ -	\$ 17,804
<b>NET POSITION</b>						
Net investment in capital assets	\$ 22,192	\$ 18,484	\$ -	\$ -	\$ -	\$ 40,676
Unrestricted	(2,688)	398,496	7,316	536,936	33,457	973,517
Total net position	\$ 19,504	\$ 416,980	\$ 7,316	\$ 536,936	\$ 33,457	\$ 1,014,193

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Revenues, Expenses, and

Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended September 30, 2019

	<b>MIS</b>	<b>FLEET</b>	<b>Loss Fund</b>	<b>Fully Insured</b>	<b>Workers Comp</b>	<b>Total</b>
Operating revenues:						
Billings to City departments	\$ 679,921	\$1,116,329	\$330,743	\$2,787,742	\$258,563	\$ 5,173,298
Operating expenses:						
Salaries and employee benefits	240,604	225,587	-	2,447,790	254,165	3,168,146
Supplies and materials	149,244	380,612	-	-	-	529,856
Contract services	198,502	786	-	67,925	-	267,213
Other services and charges	90,420	351,501	330,743	-	-	772,664
Depreciation	22,016	4,961	-	-	-	26,977
Total operating expenses	700,786	963,447	330,743	2,515,715	254,165	4,764,856
Operating income (loss)	(20,865)	152,882	-	272,027	4,398	408,442
Nonoperating revenues (expenses)						
Investment earnings	116	521	9	473	-	1,119
Interest expense	(1,421)	-	-	-	-	(1,421)
Total nonoperating revenues	(1,305)	521	9	473	-	(302)
Income (loss) before contributions and transfers	(22,170)	153,403	9	272,500	4,398	408,140
Transfers in	13,200	-	-	-	-	13,200
Change in net position	(8,970)	153,403	9	272,500	4,398	421,340
Total net position - beginning	28,474	263,577	7,307	264,436	29,059	592,853
Total net position - ending	\$ 19,504	\$ 416,980	\$ 7,316	\$ 536,936	\$ 33,457	\$ 1,014,193

**CITY OF EDGEWATER, FLORIDA**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2019

	<b>MIS</b>	<b>FLEET</b>	<b>Loss Fund</b>	<b>Fully Insured</b>	<b>Workers Comp</b>	<b>Total</b>
Cash flows from operating activities:						
Receipts-customers and users	\$ 679,921	\$ 1,116,306	\$ 330,743	\$ 2,787,726	\$ 264,638	\$ 5,179,334
Payments-suppliers	(434,979)	(733,672)	(330,743)	(2,503,059)	(254,165)	(4,256,618)
Payments-employees	(269,404)	(197,931)	-	-	-	(467,335)
Net cash provided (used) by operating activities	<u>(24,462)</u>	<u>184,703</u>	<u>-</u>	<u>284,667</u>	<u>10,473</u>	<u>455,381</u>
Cash flows from noncapital financing activities:						
Cash received from (paid to) other funds	<u>13,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,200</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(24,628)	(11,097)	-	-	-	(35,725)
Interest payments on debt	(1,441)	-	-	-	-	(1,441)
Principal paid on debt	(10,062)	-	-	-	-	(10,062)
Net cash used in capital and related financing activities	<u>(36,131)</u>	<u>(11,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,228)</u>
Cash flows from investing activities:						
Interest on investments	116	521	9	473	-	1,119
Net increase (decrease) in cash and cash equivalents	<u>(47,277)</u>	<u>174,127</u>	<u>9</u>	<u>285,140</u>	<u>10,473</u>	<u>422,472</u>
Beginning cash and cash equivalents	175,704	324,074	7,307	469,565	1,918	978,568
Ending cash and cash equivalents	<u>\$ 128,427</u>	<u>\$ 498,201</u>	<u>\$ 7,316</u>	<u>\$ 754,705</u>	<u>\$ 12,391</u>	<u>\$ 1,401,040</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (20,865)	\$ 152,882	\$ -	\$ 272,027	\$ 4,398	\$ 408,442
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	22,016	4,961	-	-	-	26,977
(Increase) decrease in assets:						
Receivables - net	-	(23)	-	(16)	6,075	6,036
Inventories	-	(5,658)	-	-	-	(5,658)
Prepaid Items	(2,825)	(7,574)	-	-	-	(10,399)
Increase (decrease) in liabilities:						
Accounts payable	4,627	11,207	-	12,656	-	28,490
Accrued liabilities	1,385	1,252	-	-	-	2,637
OPEB liability	(29,048)	22,731	-	-	-	(6,317)
Compensated absences	248	4,925	-	-	-	5,173
Total adjustments	<u>(3,597)</u>	<u>31,821</u>	<u>-</u>	<u>12,640</u>	<u>6,075</u>	<u>46,939</u>
Net cash provided (used) by operating activities	<u>\$ (24,462)</u>	<u>\$ 184,703</u>	<u>\$ -</u>	<u>\$ 284,667</u>	<u>\$ 10,473</u>	<u>\$ 455,381</u>
Classified As:						
Cash and Cash equivalents	\$ 128,427	\$ 498,201	\$ 7,316	\$ 754,705	\$ 12,391	\$ 1,401,040
Restricted cash and cash equivalents	-	-	-	-	-	-
Total	<u>\$ 128,427</u>	<u>\$ 498,201</u>	<u>\$ 7,316</u>	<u>\$ 754,705</u>	<u>\$ 12,391</u>	<u>\$ 1,401,040</u>



## **CITY OF EDGEWATER, FLORIDA**

Other Supplemental Schedules

September 30, 2019

### **Fiduciary Funds – Pension Trust Funds**

Police, Firefighter and General Employees' Pension Funds – These funds are used to account for the accumulation of resources to be used for retirement annuity payments at the appropriate amounts and times in the future. Resources are contributed by employees at a rate fixed by law and by the City and the State at amounts determined by an annual actuarial study.

**CITY OF EDGEWATER, FLORIDA**

## Combining Statement of Fiduciary Net Position

## Pension Trust Funds

September 30, 2019

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accrued income	39,102	24,247	31,990	95,339
Investments, at fair value:				
Money market funds	1,449,355	279,859	600,135	2,329,349
Bonds:				
US Treasury notes	753,566	534,701	96,220	1,384,487
GNMA	1,498,444	929,448	242,575	2,670,467
Municipal bonds	-	-	74,504	74,504
Corporate bonds	2,666,719	1,667,159	2,955,282	7,289,160
Equities	-	-	11,437,080	11,437,080
Mutual fund - equities	6,009,390	6,236,606	-	12,245,996
Commingled real estate fund	-	1,076,553	-	1,076,553
Total assets	<u>\$ 12,416,576</u>	<u>\$ 10,748,573</u>	<u>\$ 15,437,786</u>	<u>\$ 38,602,935</u>
<b>LIABILITIES</b>				
Unearned contributions	\$ -	\$ -	\$ 41,720	\$ 41,720
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,720</u>	<u>\$ 41,720</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 12,416,576</u>	<u>\$ 10,748,573</u>	<u>\$ 15,396,066</u>	<u>\$ 38,561,215</u>

**CITY OF EDGEWATER, FLORIDA**

## Combining Statement of Changes in Fiduciary Net Position

## Pension Trust Funds

For the Fiscal Year Ended September 30, 2019

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 791,287	\$ 781,147	\$ 367,752	\$ 1,940,186
Employee	2,615	90,656	123,177	216,448
State of Florida	-	177,174	154,258	331,432
Total contributions	<u>793,902</u>	<u>1,048,977</u>	<u>645,187</u>	<u>2,488,066</u>
Investment earnings:				
Interest and dividends	781,229	346,344	278,774	1,406,347
Net increase in the fair value of investments	<u>(81,055)</u>	<u>161,116</u>	<u>336,889</u>	<u>416,950</u>
Total investment earnings	700,174	507,460	615,663	1,823,297
Less investment expenses	<u>(32,953)</u>	<u>(44,046)</u>	<u>(87,123)</u>	<u>(164,122)</u>
Net investment earnings	<u>667,221</u>	<u>463,414</u>	<u>528,540</u>	<u>1,659,175</u>
Total additions	<u>1,461,123</u>	<u>1,512,391</u>	<u>1,173,727</u>	<u>4,147,241</u>
<b>DEDUCTIONS</b>				
Pension benefits	1,530,253	1,026,216	434,359	2,990,828
Administrative expenses	<u>51,392</u>	<u>61,180</u>	<u>48,770</u>	<u>161,342</u>
Total deductions	<u>1,581,645</u>	<u>1,087,396</u>	<u>483,129</u>	<u>3,152,170</u>
Change in net position	<u>(120,522)</u>	<u>424,995</u>	<u>690,598</u>	<u>995,071</u>
Net position - beginning	<u>12,537,098</u>	<u>10,323,578</u>	<u>14,705,468</u>	<u>37,566,144</u>
Net position - ending	<u><u>\$ 12,416,576</u></u>	<u><u>\$ 10,748,573</u></u>	<u><u>\$ 15,396,066</u></u>	<u><u>\$ 38,561,215</u></u>



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**CITY OF EDGEWATER, FLORIDA**  
**Statistical Section**

This part of the City of Edgewater, Florida's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health and is unaudited.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>98-107</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal sales tax.	<b>108-112</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>113-119</b>
<b>Demographic and Economic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>120-121</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>122-124</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant fiscal year.

# CITY OF EDGEWATER, FLORIDA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2019	2018	2017	2016
Governmental Activities				
Net Investment in Capital Assets	\$ 41,180,772	\$ 41,987,558	\$ 41,696,283	\$ 41,225,542
Restricted	3,474,736	2,077,678	1,438,666	783,398
Unrestricted	(681,925)	(3,647,781)	(3,049,568)	(2,675,115)
<i>Total Governmental Activities Net Position</i>	<u>\$ 43,973,583</u>	<u>\$ 40,417,455</u>	<u>\$ 40,085,381</u>	<u>\$ 39,333,825</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 28,541,299	\$ 28,304,107	\$ 29,261,065	\$ 29,634,955
Restricted	1,863,314	1,641,390	1,386,492	1,302,217
Unrestricted	9,348,106	5,778,281	4,590,333	4,060,782
<i>Total Business-Type Activities Net Position</i>	<u>\$ 39,752,719</u>	<u>\$ 35,723,778</u>	<u>\$ 35,237,890</u>	<u>\$ 34,997,954</u>
Total				
Net Investment in Capital Assets	\$ 69,722,071	\$ 70,291,665	\$ 70,957,348	\$ 70,860,497
Restricted	5,338,050	3,719,068	2,825,158	2,085,615
Unrestricted	8,666,181	2,130,500	1,540,765	1,385,667
<i>Total Net Position</i>	<u>\$ 83,726,302</u>	<u>\$ 76,141,233</u>	<u>\$ 75,323,271</u>	<u>\$ 74,331,779</u>

2015	2014	2013	2012	2011	2010
\$ 41,696,833	\$ 40,480,601	\$ 43,278,270	\$ 45,488,481	\$ 45,286,948	\$ 47,510,167
1,325,008	1,255,664	1,000,424	1,063,323	1,867,693	1,568,645
(3,555,109)	2,163,549	1,511,496	2,939,453	4,696,621	5,310,937
<u>\$ 39,466,732</u>	<u>\$ 43,899,814</u>	<u>\$ 45,790,190</u>	<u>\$ 49,491,257</u>	<u>\$ 51,851,262</u>	<u>\$ 54,389,749</u>
\$ 29,142,964	\$ 27,962,252	\$ 30,199,966	\$ 29,330,978	\$ 29,408,827	\$ 28,325,668
1,900,301	1,694,339	1,860,458	2,250,279	1,879,888	892,784
2,703,234	7,006,277	5,239,348	5,314,263	5,586,070	6,303,962
<u>\$ 33,746,499</u>	<u>\$ 36,662,868</u>	<u>\$ 37,299,772</u>	<u>\$ 36,895,520</u>	<u>\$ 36,874,785</u>	<u>\$ 35,522,414</u>
\$ 70,839,797	\$ 68,442,853	\$ 73,478,236	\$ 74,819,459	\$ 74,695,775	\$ 75,835,835
3,225,309	2,950,003	2,860,882	3,313,602	3,747,581	2,461,429
(851,875)	9,169,826	6,750,844	8,253,716	10,282,691	11,614,899
<u>\$ 73,213,231</u>	<u>\$ 80,562,682</u>	<u>\$ 83,089,962</u>	<u>\$ 86,386,777</u>	<u>\$ 88,726,047</u>	<u>\$ 89,912,163</u>

# CITY OF EDGEWATER, FLORIDA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2019	2018	2017	2016
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Administrative	\$ 709,513	\$ 197,951	\$ 204,378	\$ 193,140
Public Safety	762,914	825,894	785,462	773,067
Public Works	88,366	507,365	455,431	382,989
Culture and recreation	61,091	69,562	62,967	51,991
Operating Grants and Contributions	1,729,846	754,837	3,899,222	832,376
Capital Grants and Contributions	426,590	1,244,620	1,550,007	702,644
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 3,778,320</b>	<b>\$ 3,600,229</b>	<b>\$ 6,957,467</b>	<b>\$ 2,936,207</b>
Business-Type Activities:				
Charges for Services:				
Water / Sewer Utility	\$ 11,084,416	\$ 10,216,833	\$ 9,742,911	\$ 9,284,327
Solid Waste Utility	3,767,242	3,570,233	3,248,848	2,962,543
Stormwater Utility	1,897,185	1,720,625	1,479,727	1,466,495
Operating Grants and Contributions			-	-
Capital Grants and Contributions	1,647,841	306,841	1,085,533	334,843
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 18,396,684</b>	<b>\$ 15,814,532</b>	<b>\$ 15,557,019</b>	<b>\$ 14,048,208</b>
<b>Total Government Program Revenues</b>	<b>\$ 22,175,004</b>	<b>\$ 19,414,761</b>	<b>\$ 22,514,486</b>	<b>\$ 16,984,415</b>
<b>Expenses</b>				
Governmental Activities:				
General administrative	\$2,661,429	\$ 2,445,179	\$ 6,430,834	\$ 3,112,845
Culture and recreation	1,778,174	1,325,064	1,393,064	1,534,765
Public Works	1,958,770	1,863,482	1,696,747	1,914,982
Public Safety	7,503,374	7,583,092	8,109,942	7,164,944
Community Redevelopment	85,486	60,174	22,063	4,955
Interest on long-term debt	188,327	227,505	190,935	56,794
<b>Total Governmental Activities Expenses</b>	<b>\$ 14,175,560</b>	<b>\$ 13,504,496</b>	<b>\$ 17,843,585</b>	<b>\$ 13,789,285</b>
Business-Type Activities:				
Water / Sewer Utility	\$ 9,086,584	\$ 9,218,732	\$ 10,090,938	\$ 8,697,283
Solid Waste Utility	2,939,631	2,678,923	3,313,117	2,427,299
Stormwater Utility	1,547,998	1,373,361	1,430,987	1,336,821
<b>Total Business-Type Activities Expenses</b>	<b>\$ 13,574,213</b>	<b>\$ 13,271,016</b>	<b>\$ 14,835,042</b>	<b>\$ 12,461,403</b>
<b>Total Government Expenses</b>	<b>\$ 27,749,773</b>	<b>\$ 26,775,512</b>	<b>\$ 32,678,627</b>	<b>\$ 26,250,688</b>



Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 208,769	\$ 178,890	\$ 165,479	\$ 141,724	\$ 185,511	\$ 326,863
591,642	507,279	439,680	277,806	502,893	478,001
306,981	248,531	169,864	147,040	156,857	173,895
-	14,896	13,162	12,520	-	6,245
643,363	442,201	586,345	591,002	594,849	634,000
1,689,173	333,284	515,775	1,466,668	1,187,088	266,779
<u>\$ 3,439,928</u>	<u>\$ 1,725,081</u>	<u>\$ 1,890,305</u>	<u>\$ 2,636,760</u>	<u>\$ 2,627,198</u>	<u>\$ 1,885,783</u>
\$ 8,651,318	\$ 8,383,806	\$ 8,238,099	\$ 7,634,056	\$ 7,474,168	\$ 7,085,984
2,732,961	2,693,938	2,673,005	2,638,024	2,661,778	2,670,316
1,313,221	1,300,575	1,287,833	1,271,620	1,291,687	1,288,132
-	-	-	-	-	-
281,527	111,295	83,417	86,937	1,300,823	2,222,112
<u>\$ 12,979,027</u>	<u>\$ 12,489,614</u>	<u>\$ 12,282,354</u>	<u>\$ 11,630,637</u>	<u>\$ 12,728,456</u>	<u>\$ 13,266,544</u>
<u>\$ 16,418,955</u>	<u>\$ 14,214,695</u>	<u>\$ 14,172,659</u>	<u>\$ 14,267,397</u>	<u>\$ 15,355,654</u>	<u>\$ 15,152,327</u>
\$ 2,345,704	\$ 2,060,966	\$ 2,098,288	\$ 1,869,872	\$ 2,030,426	\$ 2,120,727
1,552,489	1,464,164	1,490,505	1,388,241	1,415,197	1,392,047
2,022,008	3,514,532	3,719,716	3,542,650	3,847,458	3,315,340
6,636,406	6,767,861	7,094,211	6,587,921	7,141,391	6,676,065
-	-	-	-	-	-
49,891	60,282	45,094	36,397	61,554	77,845
<u>\$ 12,606,498</u>	<u>\$ 13,867,805</u>	<u>\$ 14,447,814</u>	<u>\$ 13,425,081</u>	<u>\$ 14,496,026</u>	<u>\$ 13,582,024</u>
\$ 8,816,554	\$ 8,459,432	\$ 8,086,388	\$ 8,020,597	\$ 7,931,996	\$ 8,246,448
2,588,581	2,697,843	2,558,753	2,604,683	2,628,227	2,497,362
1,239,072	1,266,675	1,157,256	1,025,943	1,027,605	808,413
<u>\$ 12,644,207</u>	<u>\$ 12,423,950</u>	<u>\$ 11,802,397</u>	<u>\$ 11,651,223</u>	<u>\$ 11,587,828</u>	<u>\$ 11,552,223</u>
<u>\$ 25,250,705</u>	<u>\$ 26,291,755</u>	<u>\$ 26,250,211</u>	<u>\$ 25,076,304</u>	<u>\$ 26,083,854</u>	<u>\$ 25,134,247</u>

## City of Edgewater, Florida

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2019	2018	2017	2016
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (10,397,240)	\$ (9,904,267)	\$ (10,886,118)	\$ (10,853,078)
Business-Type Activities	4,822,471	2,543,516	721,977	1,586,805
<i>Total Government Net Expense</i>	<u>\$ (5,574,769)</u>	<u>\$ (7,360,751)</u>	<u>\$ (10,164,141)</u>	<u>\$ (9,266,273)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes	\$ 6,641,903	\$ 6,025,937	\$ 5,095,759	\$ 4,572,959
Utility and franchise taxes	3,723,199	3,608,538	3,303,147	3,222,232
Intergovernmental shared revenue	2,480,837	2,327,579	2,144,426	2,028,373
Investment earnings	106,239	111,156	61,213	38,006
Gain on sale of assets	-	-	-	-
Miscellaneous revenue	29,692	66,061	75,659	106,099
Transfers	971,498	914,544	957,470	752,502
<i>Total Governmental Activities</i>	<u>\$ 13,953,368</u>	<u>\$ 13,053,815</u>	<u>\$ 11,637,674</u>	<u>\$ 10,720,171</u>
Business-Type Activities:				
Investment earnings	\$ 37,838	\$ 39,732	\$ 13,067	\$ 5,704
Miscellaneous revenue	140,130	126,466	462,362	411,448
Transfers	(971,498)	(914,544)	(957,470)	(752,502)
<i>Total Business-Type Activities</i>	<u>\$ (793,530)</u>	<u>\$ (748,346)</u>	<u>\$ (482,041)</u>	<u>\$ (335,350)</u>
<i>Total Government</i>	<u>\$ 13,159,838</u>	<u>\$ 12,305,469</u>	<u>\$ 11,155,633</u>	<u>\$ 10,384,821</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 3,556,128	\$ 3,149,548	\$ 751,556	\$ (132,907)
Business-Type Activities	4,028,941	1,795,170	239,936	1,251,455
<i>Total Government Change in Net Position</i>	<u>\$ 7,585,069</u>	<u>\$ 4,944,718</u>	<u>\$ 991,492</u>	<u>\$ 1,118,548</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ (9,166,570)	\$ (12,142,724)	\$ (12,557,509)	\$ (10,788,321)	\$ (11,868,828)	\$ (11,696,241)
334,820	65,664	479,957	(20,586)	1,140,628	1,714,321
<u>\$ (8,831,750)</u>	<u>\$ (12,077,060)</u>	<u>\$ (12,077,552)</u>	<u>\$ (10,808,907)</u>	<u>\$ (10,728,200)</u>	<u>\$ (9,981,920)</u>
\$ 4,282,331	\$ 4,120,260	\$ 3,763,456	\$ 3,669,228	\$ 4,459,591	\$ 5,083,616
3,249,749	3,182,716	3,051,649	2,947,266	3,047,731	3,051,595
1,967,348	2,030,522	1,814,689	1,680,896	1,618,530	1,574,091
48,705	52,399	25,339	36,148	32,274	79,230
-	14,500	11,855	11,029	8,008	7,308
140,093	134,304	38,888	43,699	42,117	64,279
727,491	717,647	150,566	40,050	122,090	-
<u>\$ 10,415,717</u>	<u>\$ 10,252,348</u>	<u>\$ 8,856,442</u>	<u>\$ 8,428,316</u>	<u>\$ 9,330,341</u>	<u>\$ 9,860,119</u>
\$ 6,796	\$ 6,517	\$ 3,879	\$ 37,510	\$ 92,243	\$ 161,505
132,423	99,023	70,982	43,861	241,590	107,940
(727,491)	(717,647)	(150,566)	(40,050)	(122,090)	-
<u>\$ (588,272)</u>	<u>\$ (612,107)</u>	<u>\$ (75,705)</u>	<u>\$ 41,321</u>	<u>\$ 211,743</u>	<u>\$ 269,445</u>
<u>\$ 9,827,445</u>	<u>\$ 9,640,241</u>	<u>\$ 8,780,737</u>	<u>\$ 8,469,637</u>	<u>\$ 9,542,084</u>	<u>\$ 10,129,564</u>
\$ 1,249,147	\$ (1,890,376)	\$ (3,701,067)	\$ (2,360,005)	\$ (2,538,487)	\$ (1,836,122)
(253,452)	(546,443)	404,252	20,735	1,352,371	1,983,766
<u>\$ 995,695</u>	<u>\$ (2,436,819)</u>	<u>\$ (3,296,815)</u>	<u>\$ (2,339,270)</u>	<u>\$ (1,186,116)</u>	<u>\$ 147,644</u>

# **CITY OF EDGEWATER, FLORIDA**

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2019	2018	2017	2016
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved			-	-
Nonspendable	136,150	14,485	28,664	30,041
Restricted	51,165	50,278	46,073	45,538
Assigned	2,547,190	2,193,018	807,749	1,083,984
Unassigned	5,481,191	3,180,919	3,018,746	2,376,555
<i>Total General Fund</i>	<u>\$ 8,215,696</u>	<u>\$ 5,438,700</u>	<u>\$ 3,901,232</u>	<u>\$ 3,536,118</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Debt service funds			-	-
Special revenue funds			-	-
Capital projects funds			-	-
Restricted	1,752,115	2,937,739	4,441,391	746,891
Committed			-	-
Unassigned			-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 1,752,115</u>	<u>\$ 2,937,739</u>	<u>\$ 4,441,391</u>	<u>\$ 746,891</u>
<i>Total Governmental Funds</i>	<u>\$ 9,967,811</u>	<u>\$ 8,376,439</u>	<u>\$ 8,342,623</u>	<u>\$ 4,283,009</u>

Note: In 2011 GASB 54 was implemented changing the classification of Governmental Fund Balances. Prior years were not restated.

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,131
-	-	-	-	-	5,974,500
1,198	422,120	22,170	436	138,459	-
456,809	2,990	4,028	3,408	448	-
780,323	750,749	500,000	1,872,129	1,565,639	-
2,808,975	2,770,632	2,744,608	2,452,923	3,702,417	-
<u>\$ 4,047,305</u>	<u>\$ 3,946,491</u>	<u>\$ 3,270,806</u>	<u>\$ 4,328,896</u>	<u>\$ 5,406,963</u>	<u>\$ 6,219,631</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	(176,200)
-	-	-	-	-	908,339
-	-	-	-	-	422,132
666,096	898,969	649,231	712,080	1,221,758	-
-	-	-	-	542,510	-
-	-	-	-	(2,119)	-
<u>\$ 666,096</u>	<u>\$ 898,969</u>	<u>\$ 649,231</u>	<u>\$ 712,080</u>	<u>\$ 1,762,149</u>	<u>\$ 1,154,271</u>
<u>\$ 4,713,401</u>	<u>\$ 4,845,460</u>	<u>\$ 3,920,037</u>	<u>\$ 5,040,976</u>	<u>\$ 7,169,112</u>	<u>\$ 7,373,902</u>

# CITY OF EDGEWATER, FLORIDA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2019	2018	2017	2016
<b>Revenues</b>				
Taxes	\$ 10,365,102	\$ 9,634,475	\$ 8,398,906	\$ 7,795,191
Intergovernmental	4,582,125	4,233,086	7,513,956	3,506,532
Licenses and permits	556,145	499,510	455,435	398,346
Charges for services	2,108,874	2,011,630	1,860,657	1,736,070
Fines and forfeitures	155,058	151,461	194,901	266,864
Investment Earnings	105,120	110,204	60,436	37,833
Impact fees	151,056	185,507	151,151	160,103
Miscellaneous	65,978	108,149	166,841	265,625
Total Revenues	\$ 18,089,458	\$ 16,934,022	\$ 18,802,283	\$ 14,166,564
<b>Expenditures</b>				
Current:				
General administrative services	\$ 2,725,148	\$ 2,813,463	\$ 5,697,152	\$ 2,234,076
Legislative	99,990	103,794	109,377	99,820
Executive	757,013	521,481	560,939	619,910
Legal Counsel	113,682	113,286	89,708	158,443
Community Development	727,440	610,462	618,871	983,354
Cultural and recreation	1,238,162	1,066,734	1,154,810	1,265,641
Public works	944,770	876,198	739,971	1,051,075
Public safety				
Law enforcement	3,990,383	3,928,928	3,725,582	3,524,244
Fire and emergency services	3,579,140	3,398,597	3,656,321	3,460,655
Code enforcement	168,193	142,907	113,069	125,334
Animal services	143,551	129,980	113,304	109,865
Debt service:				
Principal	476,647	520,000	231,586	375,675
Interest and Fiscal Charges	186,906	225,844	140,369	49,848
Capital outlay	2,305,359	3,335,123	4,583,159	1,249,938
Total Expenditures	\$ 17,456,384	\$ 17,786,797	\$ 21,534,218	\$ 15,307,878
Excess of Revenues Over (Under) Expenditures	633,074	(852,775)	(2,731,935)	(1,141,314)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 1,305,186	\$ 1,127,109	\$ 3,401,828	\$ 1,018,996
Transfers Out	(346,888)	(240,518)	(2,479,558)	(314,584)
Capital lease		-	433,279	-
Debt Issued		-	5,436,000	-
General obligation note			-	-
Sale of capital assets			-	6,510
Total Other Financing Sources (Uses)	958,298	886,591	6,791,549	710,922
Net Change in Fund Balances	\$ 1,591,372	\$ 33,816	\$ 4,059,614	\$ (430,392)
Debt Service as a Percentage of				
Noncapital Expenditures	4.38%	5.16%	2.19%	3.03%

2015	2014	2013	2012	2011	2010
\$ 7,532,080	\$ 7,302,976	\$ 6,815,105	\$ 6,616,494	\$ 7,507,322	\$ 8,159,811
4,244,105	2,812,565	2,933,095	3,758,487	3,400,644	2,436,438
320,954	263,641	236,820	217,715	227,703	237,714
1,560,007	1,319,396	1,132,520	1,038,741	1,024,644	1,156,279
171,998	240,149	195,851	166,133	150,569	164,897
48,612	52,399	25,338	36,148	37,379	79,230
183,385	102,105	44,136	34,067	68,405	97,734
137,921	134,461	38,539	50,669	56,869	102,790
\$ 14,199,062	\$ 12,227,692	\$ 11,421,404	\$ 11,918,454	\$ 12,473,535	\$ 12,434,893
\$ 2,198,362	\$ 1,680,375	\$ 1,590,455	\$ 1,439,252	\$ 1,478,452	\$ 1,409,242
91,954	96,597	93,377	92,592	100,154	85,046
614,357	567,755	558,357	534,199	454,905	463,127
89,589	101,398	89,195	87,075	120,685	211,232
774,022	459,651	419,476	473,381	529,275	567,519
1,289,790	1,198,951	1,237,586	1,151,797	1,159,916	1,153,785
1,127,990	588,415	562,286	469,592	356,739	325,752
3,285,144	3,262,859	3,232,114	2,827,511	3,507,483	3,197,903
3,103,765	2,942,624	2,942,859	2,765,756	2,826,861	2,745,411
103,301	75,725	144,716	95,488	166,253	212,418
107,507	110,809	132,794	269,712	227,600	230,974
151,007	418,092	445,714	892,559	810,871	1,903,462
47,542	47,644	52,715	38,876	57,789	155,287
2,501,416	889,268	1,320,804	2,984,879	1,745,612	728,503
\$ 15,485,746	\$ 12,440,163	\$ 12,822,448	\$ 14,122,669	\$ 13,542,595	\$ 13,389,661
(1,286,684)	(212,471)	(1,401,044)	(2,204,215)	(1,069,060)	(954,768)
\$ 1,342,491	\$ 1,078,168	\$ 676,660	\$ 626,332	\$ 846,702	\$ 757,345
(615,000)	(379,271)	(568,994)	(561,282)	(740,440)	(757,345)
410,894	-	-	-	-	-
-	432,000	160,583	-	750,000	210,000
-	-	-	-	-	-
16,240	6,997	11,856	11,029	8,008	7,308
1,154,625	1,137,894	280,105	76,079	864,270	217,308
\$ (132,059)	\$ 925,423	\$ (1,120,939)	\$ (2,128,136)	\$ (204,790)	\$ (737,460)
1.53%	4.03%	4.33%	8.25%	7.20%	16.26%

**CITY OF EDGEWATER, FLORIDA**

Tax Revenues by Source of Governmental Funds

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

Fiscal Year Ended September 30	Property Taxes	Utility and franchise taxes	Intergovernmental Revenue	Total
2010	\$ 5,083,616	\$ 3,076,195	\$ 2,436,438	\$ 10,596,249
2011	4,459,591	3,047,731	3,400,644	10,907,966
2012	3,669,228	2,947,266	3,758,487	10,374,981
2013	3,763,456	3,051,649	2,933,095	9,748,200
2014	4,120,260	3,182,716	2,812,565	10,115,541
2015	4,282,331	3,249,749	4,244,105	11,776,185
2016	4,572,959	3,222,232	3,506,532	11,301,723
2017	5,095,759	3,303,147	7,513,956	15,912,862
2018	6,025,937	3,608,538	4,233,086	13,867,561
2019	6,641,903	3,723,199	4,582,125	14,947,227



**CITY OF EDGEWATER, FLORIDA**

Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30, 2018	Real Property	Personal Property	Centrally Assessed Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 1,239,413,071	\$ 47,937,851	\$ 2,789,838	\$ 1,290,140,760	\$ 467,797,506	\$ 822,343,254	6.3982
2011	1,014,902,147	46,368,404	2,452,717	1,063,723,268	374,884,311	688,838,957	6.6385
2012	859,937,271	44,818,406	2,847,810	907,603,487	327,571,414	580,032,073	6.5304
2013	869,698,616	44,709,946	2,419,118	916,827,680	326,361,580	590,466,100	6.5612
2014	893,847,254	46,863,494	2,615,633	943,326,381	330,091,016	613,235,365	6.9340
2015	934,739,055	49,197,000	3,085,203	987,021,258	334,889,928	652,131,330	6.7530
2016	985,904,666	53,797,067	3,590,304	1,043,292,037	343,753,169	699,538,868	6.7486
2017	1,152,173,102	82,395,064	4,403,969	1,238,972,135	374,040,287	864,931,848	6.7445
2018	1,245,616,754	92,091,785	4,487,968	1,342,196,507	394,071,253	948,125,254	7.0040
2019	1,344,364,414	100,155,114	4,497,383	1,449,016,911	408,076,606	1,040,940,305	6.9737

Source: Volusia County Property Appraiser's Office & City of Edgewater CAFRs.

# **CITY OF EDGEWATER, FLORIDA**

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	City of Edgewater <sup>(1)</sup> Operating Millage	Debt Service Millage	Total Direct Rate	Volusia County <sup>(1)</sup> Millage	School District Millage	Other <sup>(2)</sup>	Grand Total
2010	6.3600	0.0382	6.3982	6.4233	8.2370	3.7932	24.8517
2011	6.5910	0.0475	6.6385	6.3025	8.2370	4.0012	25.1792
2012	6.4700	0.0604	6.5304	6.7791	8.0630	3.9682	25.3407
2013	6.5000	0.0612	6.5612	6.8809	7.8880	3.6967	25.0268
2014	6.8760	0.0580	6.9340	7.2709	7.3580	3.6028	25.1657
2015	6.7000	0.0530	6.7530	7.2709	7.3360	3.4160	24.7759
2016	6.7000	0.0486	6.7486	7.2709	7.1970	3.2492	24.4657
2017	6.7000	0.0445	6.7445	7.0520	6.5200	1.8643	22.1808
2018	6.7000	0.3040	7.0040	6.6464	6.2810	1.7675	21.6989
2019	6.7000	0.2737	6.9737	6.5420	6.0810	1.6756	21.2723

(1) Millage includes General Fund and Voter Approved Debt service

(2) Inlet and Port Authority, Florida Inland Navigation District and St. Johns River Water Management District, Mosquito Control, and Hospital Operating

# **CITY OF EDGEWATER, FLORIDA**

Principal Taxpayers

Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brunswick Corporation	\$ 31,524,199	1	2.34%			
Florida Power & Light Company	\$ 24,744,597	2	1.84%	\$ 14,051,610	1	1.71%
Sun Hacienda Del Rio LLC	\$ 20,662,741	3	1.54%			
New BW Inc	\$ 11,924,355	4	0.89%			
RJ Dougherty Associates Inc.	\$ 10,967,884	5	0.82%	\$ 4,643,003	4	0.56%
3050 Holdings, LLC	\$ 4,870,414	6	0.36%	\$ 4,234,427	7	0.51%
Revenue Properties Florida Shores LLC	\$ 4,544,488	7	0.34%	\$ 4,311,005	6	0.52%
Edgewater Power Boats LLC	\$ 4,129,519	8	0.31%			
Florida East Coast Railway Co	\$ 4,051,897	9	0.30%			
Belaire Investments INC	\$ 3,466,632	10	0.26%			
Carder James C & Rosemary TR				\$ 5,834,226	2	0.71%
Edgewater Habor LLC				\$ 4,787,273	3	0.58%
308 Realty Reality LLC				\$ 4,364,345	5	0.53%
AT&T				\$ 4,048,782	8	0.49%
Bright House Networks LLC				\$ 3,577,499	9	0.44%
Holly Investments LTD				\$ 3,535,254	10	0.43%
	<u>\$ 120,886,726</u>		<u>8.99%</u>	<u>\$ 53,387,424</u>		<u>6.49%</u>
Total Assessed Valuation	<u>\$ 1,344,364,414</u>			<u>\$ 822,343,254</u>		

Source: Volusia County Property Appraiser's Office & 2010 City of Edgewater CAFR.

**CITY OF EDGEWATER, FLORIDA**

Property Tax Levies And Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	
2010	\$ 5,230,103	\$ 5,035,560	96.28	%	\$ 17,704	\$ 5,053,264	96.62	%
2011	4,515,489	4,343,936	96.20	%	83,812	4,427,748	98.06	%
2012	3,752,808	3,625,224	96.60	%	10,100	3,635,324	96.87	%
2013	3,836,165	3,558,179	92.75	%	170,189	3,728,368	97.19	%
2014	4,216,606	4,072,002	96.57	%	13,726	4,085,728	96.90	%
2015	4,365,036	4,219,641	96.67	%	29,065	4,248,706	97.33	%
2016	4,686,910	4,387,633	93.61	%	143,061	4,530,694	96.67	%
2017	5,024,786	4,848,641	96.49	%	23,795	4,872,436	96.97	%
2018	5,791,342	5,589,817	96.52	%	35,559	5,625,376	97.13	%
2019	6,352,439	6,206,999	97.71	%	41,382	6,248,381	98.36	%

Source: Volusia County Property Appraiser and Tax Collector.

## CITY OF EDGEWATER, FLORIDA

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				
	Population (1)	Estimated Actual Taxable Value	General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2010	21,017	\$ 822,343,254	\$ 410,000	0.050%	19.51
2011	20,885	688,838,957	395,000	0.057%	18.91
2012	20,775	580,032,073	375,000	0.065%	18.05
2013	20,737	590,466,100	355,000	0.060%	17.12
2014	20,748	613,235,365	335,000	0.055%	16.15
2015	20,958	652,131,330	315,000	0.048%	15.03
2016	21,280	699,538,868	295,000	0.042%	13.86
2017	21,509	864,931,848	3,667,000	0.424%	170.49
2018	23,319	948,125,254	3,507,000	0.370%	150.39
2019	23,455	1,040,940,305	3,343,000	0.321%	142.53

Source: Volusia County Property Appraiser and Tax Collector.

(1) See Demographic and Economic Statistics information for references

# **CITY OF EDGEWATER, FLORIDA**

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	Notes Payable	Special Assessment Notes	General Obligation Note	Capital Leases	Line of Credit	Notes Payable	Capital Leases
2010	\$ 2,110,073	\$ -	\$ 410,000	\$ 388,424	\$ -	\$ 1,542,000	\$ 5,258,430
2011	2,269,055	-	395,000	183,569	-	1,028,000	4,881,594
2012	1,424,037	-	375,000	156,029	-	-	4,527,471
2013	1,027,019	-	355,000	287,916	-	4,142,717	-
2014	1,225,000	-	335,000	226,843	-	4,455,000	-
2015	1,147,674	-	315,000	574,947	-	4,454,327	-
2016	1,063,288	-	295,000	294,150	-	13,692,712	-
2017	2,903,034	-	3,667,000	635,717	-	12,090,966	62,220
2018	2,784,638	-	3,507,000	458,923	-	10,430,362	50,282
2019	2,582,373	-	3,343,000	338,479	-	8,805,627	38,088

Note-1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note-2: Net of deferred amount refunding for FY2013 and prior years.

(1) See Demographic and Economic Statistics for personal income and population data.

Business Type Activities							
State Revolving Loan	Revenue Bonds	Line of Credit	Total	Percentage of Personal Income (1)	Per Capita (1)	Personal Income	Population
\$ 8,388,828	\$ 7,814,973	\$ -	\$ 25,912,728	4.72%	\$ 1,233	\$ 549,153,193	21,017
8,582,920	7,331,611	-	24,671,749	5.70%	1,181	432,528,350	20,885
-	15,077,524	-	21,560,061	5.10%	1,038	423,020,550	20,775
4,403,042	13,946,595	-	24,162,289	5.45%	1,165	443,418,346	20,737
6,290,915	12,753,000	-	25,285,758	5.53%	1,219	457,057,692	20,748
6,139,058	11,439,000	-	24,070,006	4.69%	1,148	513,471,000	20,958
5,866,152	-	-	21,211,302	4.25%	997	499,079,840	21,280
5,894,079	-	-	25,253,016	4.91%	1,174	514,323,208	21,509
5,635,032	-	-	22,866,237	4.06%	981	562,990,617	23,319
8,840,950	-	-	23,948,517	4.23%	1,021	566,274,065	23,455

# **CITY OF EDGEWATER, FLORIDA**

## Legal Debt Margin Information

Last Ten Fiscal Years

Assessed Valuation	Legal Debt Margin Calculation for Fiscal Years			
	2019	2018	2017	2016
Assessed taxable real property value	\$ 860,690,466	\$ 787,008,907	\$ 696,387,893	\$ 649,384,830
Add back: exempt real property	384,926,288	365,113,414	348,289,949	336,519,836
Total assessed value of real property	<u>\$ 1,245,616,754</u>	<u>\$ 1,152,122,321</u>	<u>\$ 1,044,677,842</u>	<u>\$ 985,904,666</u>
Legal debt margin:				
Debt limit	\$ 9,342,126	\$ 8,640,917	\$ 7,835,084	\$ 7,394,285
Total net debt applicable to limit	<u>6,263,852</u>	<u>6,291,638</u>	<u>6,570,034</u>	<u>1,357,438</u>
Legal debt margin	<u>\$ 3,078,274</u>	<u>\$ 2,349,279</u>	<u>\$ 1,265,050</u>	<u>\$ 6,036,847</u>
Total net debt applicable to the limit as a percentage of debt limit	67.05%	72.81%	83.85%	18.36%

Note 1: Per *City of Edgewater City Charter*, the City's outstanding legal debt should not exceed .75 % of total assessed property value.

Note 2: Total net debt applicable to limit includes governmental activities notes payable, and capital leases.



2015	2014	2013	2012	2011	2010
\$ 607,562,754	\$ 571,414,914	\$ 550,695,413	\$ 540,185,717	\$ 640,017,836	\$ 771,615,565
327,176,301	322,432,340	319,003,203	319,751,554	374,884,311	467,797,506
<u>\$ 934,739,055</u>	<u>\$ 893,847,254</u>	<u>\$ 869,698,616</u>	<u>\$ 859,937,271</u>	<u>\$ 1,014,902,147</u>	<u>\$ 1,239,413,071</u>
\$ 7,010,543	\$ 6,703,854	\$ 6,522,740	\$ 6,449,530	\$ 7,611,766	\$ 9,295,598
1,722,621	1,451,843	1,314,935	1,580,066	2,452,624	2,498,497
<u>\$ 5,287,922</u>	<u>\$ 5,252,011</u>	<u>\$ 5,207,805</u>	<u>\$ 4,869,464</u>	<u>\$ 5,159,142</u>	<u>\$ 6,797,101</u>
24.57%	21.66%	20.16%	24.50%	32.22%	26.88%

## CITY OF EDGEWATER, FLORIDA

### Direct and Overlapping Debt

Governmental Unit	Net General Obligation Debt Outstanding	Percentage Applicable to the City of Edgewater	City of Edgewater Share of Debt
Volusia County	\$ 6,380,000	2.81%	\$ 179,217
Volusia County School District	-	0.00%	-
Subtotal Overlapping Debt	6,380,000	2.81%	179,217
City Direct Debt	6,263,852	100.00%	6,263,852
Total Direct and Overlapping Debt	<u>\$ 12,643,852</u>		<u>\$ 6,443,069</u>

Note: The county-wide debt amount is comprised of \$6,380,000 of the County of Volusia's Limited Tax general obligation bonds.

The County's debt is overlapping to the City's in relation to its taxable property value compared to the County's as a whole. The City's general obligation debt is listed above and is direct debt to the City and underlapping to the County.

Source: Volusia County.

# **CITY OF EDGEWATER, FLORIDA**

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Water and Wastewater Refunding Revenue Bond, Series 2016 <sup>(1)</sup>								
Fiscal Year <sup>(2)</sup>	Gross Revenues <sup>(3)</sup>	Less:	Impact Fees	Available Net	Debt Service			Coverage
		Operating Expenses <sup>(4)</sup>		Revenue & Impact Fees	Principal	Interest	Total	
2010	\$ 7,085,984	\$ 4,863,198	\$ 226,897	\$ 2,449,683	\$ -	\$ 95,296	\$ 95,296	25.71
2011	7,474,168	4,372,447	70,550	3,172,271	505,000	261,545	766,545	4.14
2012	7,634,056	4,849,002	42,979	2,828,033	570,000	243,378	813,378	3.48
2013	8,238,099	5,140,343	61,907	3,159,663	1,154,000	378,526	1,532,526	2.06
2014	8,383,806	5,348,671	80,102	3,115,237	1,273,000	368,499	1,641,499	1.90
2015	8,651,318	5,288,285	220,056	3,583,089	1,314,000	325,392	1,639,392	2.19
2016	9,284,327	5,457,041	102,899	3,930,185	1,473,500	260,024	1,733,524	2.27
2017	9,742,911	6,826,218	100,988	3,017,681	497,000	218,569	715,569	4.22
2018	10,216,833	6,019,564	231,688	4,428,957	856,000	198,881	1,054,881	4.20
2019	11,084,416	6,329,690	216,890	4,971,616	876,000	178,733	1,054,733	4.71

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

- (1) The two Water and Wastewater Refunding Revenue Bond Series (2009 and 2012) have been retroactively combined as of 9/30/2015 through a refinancing that occurred on 2/25/2016.
- (2) The Water and Wastewater Refunding Revenue Bond has not been active for ten years.
- (3) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund.
- (4) Total direct operating expenses excludes depreciation, amortization and overhead charges.

**CITY OF EDGEWATER, FLORIDA**

Demographic and Economic Statistics

Last Ten Fiscal Years

Calendar Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	Median Age (3)	County Unemployment Rate (4)	School Enrollment (5)
2010	21,017	\$ 549,153,193	\$ 26,129	46.1	12.6%	2,144
2011	20,885	432,528,350	20,710	46.4	10.3%	1,900
2012	20,775	423,020,550	20,362	47.5	8.8%	1,895
2013	20,737	443,418,346	21,765	47.9	6.8%	1,933
2014	20,748	457,057,692	22,029	46.6	5.9%	1,388
2015	20,958	513,471,000	24,500	49.1	5.8%	1,361
2016	21,280	499,079,840	23,453	49.8	5.1%	1,369
2017	21,509	514,323,208	23,912	51.0	4.2%	1,332
2018	23,319	562,990,617	24,143	50.9	3.1%	1,321
2019	23,455	566,274,065	25,914	49.9	3.2%	1,276

**2019 Sources:**

(1) Source: University of Florida, Bureau of Economic and Business Research, 2019 Estimate.

(2) US Census Bureau, 2014 - 2018 American Community Survey 5-Year Estimates.

(3) US Census Bureau, 2014- 2018 American Community Survey 5-Year Estimates.

(4) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, Civilian Labor Force, not seasonally adjusted, September 2019.

(5) Received from Schools Directly as of 9-30-19 (Includes Discovery Academy, Indian River Elementary, and Edgewater Public Elementary)

## CITY OF EDGEWATER, FLORIDA

Principal Employers

Current Year and Nine Years Ago

Employer (1)	2019		2010	
	Number of Employees	Percentage of Total County Employment	Number of Employees (2)	Percentage of Total County Employment (2)
Boston Whaler	1100.0	0.44%	275.0	0.12%
Everglades Boats	260.0	0.10%	65.0	0.03%
City of Edgewater	203.5	0.10%	187.0	0.08%
Publix Supermarkets	152.0	0.06%	138.0	0.06%
EdgeWater Power Boats	160.0	0.06%	60.0	0.03%
Dougherty Manufacturing	147.0	0.06%		
Winn Dixie Supermarkets	100.0	0.04%	115.0	0.05%
Edgewater Elementary	95.0	0.04%	110.0	0.05%
Indian River Elementary	81.0	0.03%	90.0	0.04%
Southeast Volusia YMCA	74.0	0.03%		
Dustins			35.0	0.02%
Total	<u>2,372.5</u>	<u>0.97%</u>	<u>1,075.0</u>	<u>0.48%</u>
Total County Employment (3)		250,531		224,428

### Sources:

(1) Information provided by each company.

(2) City of Edgewater CAFR 2010.

(3) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, labor force data, not seasonally adjusted, September 2019. 2010 Data provided by Labor Market Statistics, Florida Research and Economic Database.

## CITY OF EDGEWATER, FLORIDA

Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Mayor and Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager	2.0	2.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Departments										
Finance	11.5	12.5	9.0	10.0	11.0	10.5	9.5	9.5	6.5	6.5
IT/MIS/GIS	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Economic Development	0.0	0.0	0.0	1.0	1.0	1.0				
Human Resources	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Planning and Zoning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Building	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5
Public Safety:										
Police Department	33.0	35.0	34.0	33.5	34.0	34.5	35.0	33.5	33.0	34.0
Fire Department	33.0	32.0	31.0	33.5	30.5	29.5	29.5	29.0	30.0	30.0
Animal Control/Shelter	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	5.0	4.0
Code Enforcement	3.0	3.0	2.0	1.0	2.0	2.0	2.0	2.0	1.0	3.0
Water Resources										
Water Utility	10.5	9.0	10.0	15.0	14.0	11.0	11.0	9.0	10.0	10.0
Wastewater Utility	14.0	14.0	15.0	15.0	15.0	16.0	15.0	14.0	15.0	15.0
Field Operations	10.0	12.0	10.0	11.0	11.0	11.0	11.0	10.0	9.0	10.0
Stormwater	9.0	10.0	9.0	11.0	10.0	9.5	9.5	9.0	8.0	7.0
Solid Waste Utility	22.5	19.5	25.0	24.0	23.5	26.0	26.0	24.0	23.0	23.0
Parks and Recreation	22.0	17.5	17.0	15.0	15.0	15.0	15.0	15.0	15.0	16.0
Fleet	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Public Works	9.0	8.0	7.0	9.0	7.0	8.5	9.0	7.0	7.0	7.0
Totals:	<u>203.5</u>	<u>197.5</u>	<u>195.0</u>	<u>204.0</u>	<u>198.0</u>	<u>198.5</u>	<u>196.0</u>	<u>185.5</u>	<u>185.0</u>	<u>187.0</u>

Source: Provided by the City of Edgewater Finance Department.

# CITY OF EDGEWATER, FLORIDA

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
Employment Applications Received	1,401	922	428	471	638	665	541	543	401	339
Personnel Actions Processed	196	205	156	211	125	113	138	136	81	90
Accidents & Injuries Reviewed	56	53	61	49	54	51	60	52	29	40
Business Tax Receipts Issued	1,866	1,075	837	970	1,032	763	1,269	1,544	982	1,401
Checks Issued	1,430	1,413	1,810	2,369	2,316	2,279	2,414	1,727	1,727	983
Competitive Procurements (ITB,RFP,) issued	18	8	16	13	11	23	*	*	*	*
Purchase Orders Issued	850	618	690	815	686	718	757	734	408	449
<b>Public Safety</b>										
<b>Police Department</b>										
Accidents	470	454	489	471	408	367	239	246	328	259
Traffic citations issued	2,001	3,215	4,677	3,100	3,017	3,450	3,188	5,245	5,958	4,780
Evidence Processed	2,592	2,824	2,799	2,654	2,178	2,153	1,803	1,800	2,130	2,027
Physical arrests	1,332	1,282	861	1,311	1,236	1,151	1,128	1,393	1,327	1,227
Calls for service	25,493	27,663	34,179	32,426	31,991	31,503	34,395	29,752	34,228	31,168
<b>Fire Department</b>										
Emergency responses	3,601	3,509	3,605	3,333	3,024	2,565	2,738	2,679	2,825	2,873
Average response time - minutes	5.31	5.50	4.48	5.08	4.28	4.32	4.19	4.18	4.25	4.56
Public Education Programs	80	72	68	62	71	67	64	63	62	60
Fire inspections	379	525	1,288	1,203	1,182	1,123	1,015	1,002	920	810
<b>Public Works</b>										
Miles of street Resurfaced	0	0	0	2	2	3	1	2	-	-
Miles of unpaved streets	8	8	8	14	4	4	*	*	*	*
Sidewalks - new construction - miles	0	1	0	4	-	1	1	1	-	-
<b>Parks and Recreation</b>										
Ball games, practices & field rentals	635	823	536	372	720	786	1,226	1,598	1,726	1,887
Events/Programs	24	24	33	23	15	8	17	19	14	19
<b>Water Resources</b>										
Water main breaks	73	109	90	103	74	100	84	80	88	88
Average daily consumption - mgd	1.97	1.99	1.92	1.746	1.718	1.846	1.900	1.929	1.931	1.931
Number of water customers	10,861	10,864	10,757	10,879	10,724	10,632	10,603	10,580	10,542	10,542
New Connections	46	64	27	24	67	29	23	18	38	38
<b>Sewer Resources</b>										
New Connections	46	57	19	20	63	27	19	11	26	26
Average daily consumption - mgd	1.730	1.710	1.493	1.719	1.541	1.422	1.264	1.179	1.179	1.179
Number of customers	10,224	10,185	10,008	10,416	10,016	9,896	9,869	9,850	9,823	9,823
<b>Solid Waste Utility</b>										
Number of Customers	9,502	9,707	9,920	9,631	9,591	9,463	9,451	9,403	9,378	9,378

Sources: Provided by the respective departments of the City of Edgewater

\* Information not available.

# CITY OF EDGEWATER, FLORIDA

## Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Police</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	34	33	34	30	30	29	27	28	30	30
Patrol Zones	2	2	2	2	2	2	2	2	2	2
<b>Fire</b>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Vehicles	17	19	17	19	18	17	17	17	18	15
<b>Public Works</b>										
Streets (miles)	126	126	126	126	124	124	124	124	124	124
Number of street lights	1,437	1,230	1,230	1,057	1,080	1,071	1,068	1,068	1,068	1,068
Number of traffic signals	7	3	3	4	3	3	3	3	3	3
Vehicles	10	10	10	11	8	8	9	8	5	5
<b>Parks and Recreation</b>										
Vehicles	10	13	15	15	15	11	12	12	12	12
Parks Acreage	151	151	151	151	151	151	151	151	151	151
Parks	12	12	12	12	12	12	12	12	12	12
Baseball Fields	5	4	5	5	5	7	7	7	7	7
Tennis Courts	2	-	4	4	4	4	4	4	4	4
Basketball Courts	2	1	3	3	3	3	2	2	2	2
Racquetball Courts	2	-	4	4	4	4	4	4	4	4
Shuffleboard Courts	-	-	-	-	-	2	2	2	2	2
Boat Ramps	3	3	5	5	5	5	5	5	5	5
Paddling Trails	6	6	6	6	6	Awaiting Designation		-	-	-
Gymnasiums (YMCA)	1	1	1	1	1	1	1	1	1	1
<b>Water Resources</b>										
Water mains (miles)	166	165	165	165	275	275	275	275	274	274
Fire hydrants	860	719	719	720	720	718	701	700	700	700
Vehicles	26	26	26	26	26	26	24	24	23	23
Sewer mains (miles)	221	220	220	189	189	189	189	189	189	189
Reclaim Water (miles)	79	79	79	79	72	72	72	71	71	71
<b>Stormwater Utility</b>										
Storm Sewers (miles)	36	36	36	36	36	36	36	36	35	35
Vehicles	21	19	18	18	17	17	16	15	7	7
<b>Solid Waste Utility</b>										
Garbage Trucks	8	9	8	9	10	10	10	9	7	7
Other Vehicles	10	10	10	11	13	13	13	13	12	12

Sources: Provided by the respective departments of the City of Edgewater



**CITY OF EDGEWATER, FLORIDA**

Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended September 30, 2019

<b>Federal/State Agency Pass Through Entity Federal Program/State Project</b>	<b>CFDA/ CFSA Number</b>	<b>Contract/Grant Number</b>	<b>Grant Amount</b>	<b>Expenditures</b>
<b>Federal Awards</b>				
<u>U.S. Department of Housing and Urban Development</u>				
Direct				
Community Development Block Grants	14.218	B-17-UC-12-0008	\$ 81,760	\$ 50,169
Community Development Block Grants	14.218	B-18-UC-12-0008	93,232	87,737
Total U.S. Department of Housing and Urban Development and CDBG - Entitlement Grants Cluster				137,906
<u>U.S. Department of Justice</u>				
Passed Through Florida Department of Law Enforcement				
Mandatory Bulletproof Vest Initiative	16.607	NIJ #BA-2AOOS-MN01	4,482	2,668
Mandatory Bulletproof Vest Initiative	16.607	NIJ #BA-2AOOS-MN01	1,366	1,366
				4,034
Edward Byrne Mem. Justice Assist. (JAG)	16.738	2019-JAGD-VOLU-3-N3-036	1,819	1,819
Passed Through Florida Office of Attorney General				
Victim of Crime Act Grant	16.575	VO18-00164	49,514	37,154
Total U.S. Department of Justice				43,007
<u>U.S. Department of Transportation</u>				
Passed-through Florida Department of Transportation				
Highway Planning and Construction - Flagler Ave. Sidewalk	20.205	GOR65	373,500	17,430
Total Department of Transportation and Highway Planning and Construction Cluster				17,430
<u>U.S. Department of Homeland Security</u>				
Passed through State of Florida, Division of Emergency Management				
Disaster Grants - Public Assistance	97.036	19-PA-00-06-74-01-481	1,086,282	1,086,282
Disaster Grants - Public Assistance	97.036	N/A	36,344	36,344
Total U.S. Department of Homeland Security				1,122,626
<b>Total Expenditures of Federal Awards</b>				<b>\$ 1,320,969</b>
<b>State Agency</b>				
<u>Department of Environmental Protection</u>				
Direct				
Statewide Surface Water Restoration and Wastewater Projects	37.077	WW6405301	\$ 4,558,000	\$ 3,503,721
Total Department of Environmental Protection				3,503,721
<b>Total State Financial Assistance</b>				<b>\$ 3,503,721</b>

**CITY OF EGDEWATER, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30,**

**(1) Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include federal award and state financial assistance activity of City of Edgewater, Florida. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**(2) Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

No amounts were passed through to subrecipients during the fiscal year ended September 30, 2019.

**(3) De Minimis Indirect Cost Rate Election:**

City of Edgewater, Florida did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**(4) Deferred FEMA Expenditures:**

During the fiscal years ended September 30, 2017 and September 30, 2018, the City incurred substantial costs related to Hurricane Matthew and Hurricane Irma. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under CFDA 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved.

At September 30, 2019, all federal amounts of \$3,395,351 of the City of Edgewater, Florida's PWs from Hurricane Matthew had been approved by FEMA and were recognized on the Schedule of Expenditures of Federal Awards in previous years. State match amounts of \$387,513 were also approved and recorded for financial statement purposes.

At September 30, 2019, all federal amounts of \$1,086,282 of the City of Edgewater, Florida's PWs from Hurricane Irma had been approved by FEMA and are recognized on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2019. State match amounts of \$60,356 have also been approved and recorded for financial statement purposes.

**CITY OF EDGEWATER, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**SEPTEMBER 30, 2019**

**I. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? \_\_\_\_\_ yes      X   none reported

Identification of major Federal programs:

CFDA Number	Program Name
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between type A and type B Federal programs: <span style="float: right;"><u>\$750,000</u></span>	
Auditee qualified as low-risk auditee? <span style="float: right;">_____ yes    <u>  X  </u> no</span>	

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified? \_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major State projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550? \_\_\_\_\_ yes      X   none reported

**CITY OF EDGEWATER, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2019**

Dollar threshold used to distinguish between Type A  
and Type B State projects: \$750,000

Identification of major State projects:

<b>CSFA Number</b>	<b>Program Name</b>
37.077	Wastewater Treatment Facility Construction

**II. Financial Statement Findings:**

No financial statement findings were noted.

**III. Federal Programs Findings and Questioned Costs:**

No findings and questioned costs were noted.

**IV. Summary Schedule of Prior Audit Findings:**

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.

**V. Corrective Action Plan:**

Not applicable since no findings were reported.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the City of Edgewater, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and State projects for the year ended September 30, 2019. The City's major federal programs and State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program and State Project***

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and State projects. In planning and performing our audit, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



Daytona Beach, Florida  
March 13, 2020

**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Edgewater, 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 13, 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
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Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

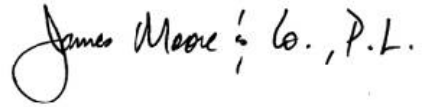
2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

### ***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, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida  
March 13, 2020



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,  
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

**Report on the Financial Statements**

We have audited the financial statements of City of Edgewater, Florida (the City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 13, 2020.

**Auditors' 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 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 annual financial audit report. No findings and recommendations existed in the preceding annual financial audit report.

**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 and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the primary government are discussed in Note 1 to the financial statements.

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Tallahassee, FL 32308-4386  
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## **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 report 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 identification of 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

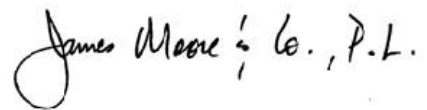
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance 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, we did not note any such findings.

## **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, Honorable Mayor, City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore, Jr., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
March 13, 2020

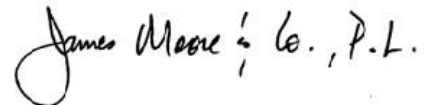
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

We have examined the City of Edgewater, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. The City's 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the City of Edgewater, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Daytona Beach, Florida  
March 13, 2020




AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Bridgette A. King, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the City of Edgewater which is a local governmental entity of the State of Florida;
2. City of Edgewater adopted Resolution No.2019-R-09 implementing an impact fee; and
3. City of Edgewater has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

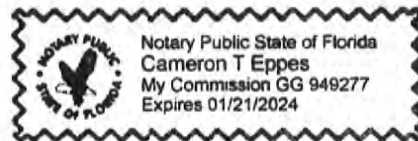
FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Bridgette King  
Finance Director City of Edgewater

STATE OF FLORIDA - COUNTY OF Volusia

Sworn to (or affirmed) and subscribed before me by means of ☒ physical presence or ☐ online notarization, this 11<sup>th</sup> day of March, 20 20,  
by Bridgette A. King, Personally Known OR Produced  
Identification





(Signature of Notary Public - State of Florida) (Print, Type, or Stamp Commissioned Name of Notary Public)