



# **CITY OF FLORIDA CITY, FLORIDA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Prepared by the Department of Finance

# CITY OF FLORIDA CITY, FLORIDA

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## **INTRODUCTORY SECTION**

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June 29, 2020

To the Citizens of the City of Florida City  
and Other Interested Parties:

State law requires that all general purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Additionally, the City of Florida City (the City) charter requires an annual independent audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended September 30, 2019.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh the benefits derived, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Marcum LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement preparation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

To the Citizens of the City of Florida City  
and Other Interested Parties:  
June 29, 2020

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 designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

### **Profile of the Government**

The City is the southernmost city on the mainland of Florida before reaching the Florida Keys. It has traditionally been primarily agricultural, but recent new development is bringing far more residential communities and is, therefore, changing the landscape of the City. Through annexation, the City is preparing to triple its size geographically. The City is currently about 3 square miles, but will become much larger if current annexation requests are approved by Miami-Dade County.

The City was incorporated in 1914 and operates under the Strong Mayor/Commission form of government. The City Commission is comprised of the Mayor and four Commissioners elected city-wide. The Mayor's term is for four years and the commissioner's term is for four years. The City Commission is responsible for enacting laws (resolutions, ordinances and regulations) governing the City as well as appointing the members of various advisory boards and the City Attorney. As chief executive officer of the City, the Mayor also serves as the chief administrative officer. The Mayor is responsible for enforcement of laws and appoints and supervises department heads. The Police Chief and the Director of Financial Planning and Administration (CFO) are appointed by the Mayor with the consent of the City Commission.

In addition to providing residents with public safety, general government, leisure and public works type services, the City provides water, sewer, sanitation, a recycling program and recreational facilities and activities.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit proposed budgets to the Mayor, who then makes any necessary revisions. The Mayor then presents to the City Commission, for their review, a budget estimate of the revenues and expenditures of all the City's departments. Two public hearings are then conducted to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the commission quorum is needed to adopt the budget, which is legally enacted prior to October 1<sup>st</sup> by the passage of a Resolution. The City's budget is approved at the department level. The Mayor and Director of Financial Planning and Administration may amend the adopted budget for adjustments within a department administratively, but the City Commission must approve all budget adjustments that exceed or are less than originally budgeted. Supplemental appropriations of revenues and expenditures and budget adjustments are typically approved by the City Commission during the last quarter of the fiscal year. There were budgetary amendments for the 2018-2019 fiscal year. Budget-to-actual comparisons are provided in this report for the general fund and the community redevelopment agency (CRA) for which an appropriated annual budget has been adopted.

To the Citizens of the City of Florida City  
and Other Interested Parties:  
June 29, 2020

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the City’s operations, suppliers or other vendors, and customer base. Any quarantines, labor shortages or other disruptions to the City’s operations, or those of their customers and residents, may adversely impact the City’s revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the City operates, resulting in an economic downturn that could affect demand for goods and services. The extent to which the coronavirus will impact the City’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **Local Economy**

The City’s positioning for progress is undoubtedly ensured for periods that extend far beyond the period of time the City has rebuilt itself from Hurricane Andrew in 1992. Its geographic location, southern end of the Florida Turnpike, U.S. Route #1, Everglades National Park to its west and Biscayne National Park to its east, brings over 3 million visitors every year. The transportation system is excellent including a busway completed in Florida City, the Florida Turnpike and U.S. Route #1 access to the airport and other fine communities north of the City, including the metropolitan Miami area.

Essential to its progress, the City has a pro-business attitude towards developers, builders, contractors and others in the private sector. The City’s comprehensive plan and zoning regulations provide a balanced land use plan for the orderly development of commercial, residential and recreational development.

The City maintained its millage rate, 7.1858, for the 2018-2019 fiscal year. As a financial policy, the City engages in cost cutting measures to reduce the need to spend any fund balance. This policy has allowed the City to have the funds necessary to spend in the event of a natural disaster.

### **Long-Term Financial Planning and Major Initiatives**

The City is working diligently to annex additional land to expand our western boundary. This



To the Citizens of the City of Florida City  
and Other Interested Parties:  
June 29, 2020

will provide space for planned residential and commercial expansion. New parks are being developed to provide additional open space and leisure activities for the anticipated addition to our population. A new gymnasium was recently constructed for our children to enjoy.

During fiscal year 2019, construction of the culvert in the Florida City Canal between US 1 and SW 172 Ave began. The project consists of the widening of SW 344<sup>th</sup> Street between US 1 to SW 172<sup>nd</sup> Avenue to accommodate the addition of eastbound and westbound traffic lanes. In addition to the construction of a fully enclosed culvert for the City's Canal, this project includes roadway reconstruction, widening, repaving, and the building of a new curb and gutters. The project also comprises of improvements to signalization and lighting as well as the creation of new sidewalks and driveways.

### **Cash Management Policies and Practices**

The City attempts to invest operating funds in an effort to earn a reasonable yield on its portfolio. This is consistent with the City's primary objective of safeguarding public assets by minimizing the level of credit and market risks assumed. The investment priority is safety of capital, liquidity of funds and investment income, in that order. To that end, the City's investments are guided by a detailed investment policy which is reviewed annually to determine if any changes may be required. When fiscally responsible, the City also invests in negotiable certificates of deposit.

### **Pension Benefits**

The City maintains a single-employer defined benefit pension plan for its police officers. An independent actuary is engaged by the pension plan to calculate the amount of the annual contribution the City must make to ensure that the plan will be able to fully meet its obligations to retired employees in a timely manner. As a matter of policy, the City fully funds the required annual contribution to the pension plan as determined by the actuary. This is accounted for in the police pension trust fund. For the fiscal year ended September 30, 2019, the City contributed \$30,930 to make the plan actuarially sound. On May 1, 2008, the City and police officers had agreed to enter the Florida Retirement System (FRS) and a replacement plan was adopted to protect the participants' assets.

On February 1, 2009, a new pension plan was adopted with FRS for all authorized general and teamsters' employees. The FRS pension plan is a cost-sharing multiple employer defined benefit plan. The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll along with a required 3% employee contribution. In addition to the defined benefit pension plan for police officers, the City maintains a defined contribution pension plan for its general employees created in accordance with Internal Revenue Code Section 403(b).

The City further maintains a single-employer defined benefit pension plan for its elected officials. An independent actuary is retained by the pension plan to calculate the amount of the

To the Citizens of the City of Florida City  
and Other Interested Parties:  
June 29, 2020

annual contribution the City must make to ensure the plan will be able to fully meet its obligations to retired elected officials in a timely manner.

### **Awards and Acknowledgments**

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 Florida City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. This was the twenty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

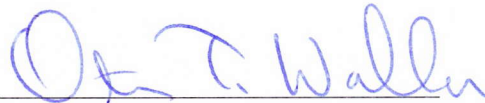
The presentation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. We also wish to recognize the assistance provided by the firm of Marcum LLP.

In closing, without the leadership and support of the Mayor and the City Commissioners, preparation of this report would not have been possible.

Sincerely,



Chad Burkhalter, CPA  
Finance Director



Otis T. Wallace  
Mayor

**CITY OF FLORIDA CITY, FLORIDA**

**LIST OF PRINCIPAL OFFICIALS  
AS OF SEPTEMBER 30, 2019**

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**MAYOR-COMMISSION FORM OF GOVERNMENT**

**CITY COMMISSION**

Otis T. Wallace, Mayor

R.S. Shiver, Vice Mayor

Sharon Butler

Eugene D. Berry

Avis Brown

**CITY CLERK**

Jennifer Evelyn

**CITY ATTORNEY**

Regine Monestime

**FINANCE DIRECTOR**

Chad Burkhalter, CPA

**INDEPENDENT AUDITORS**

Marcum LLP



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Florida City  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

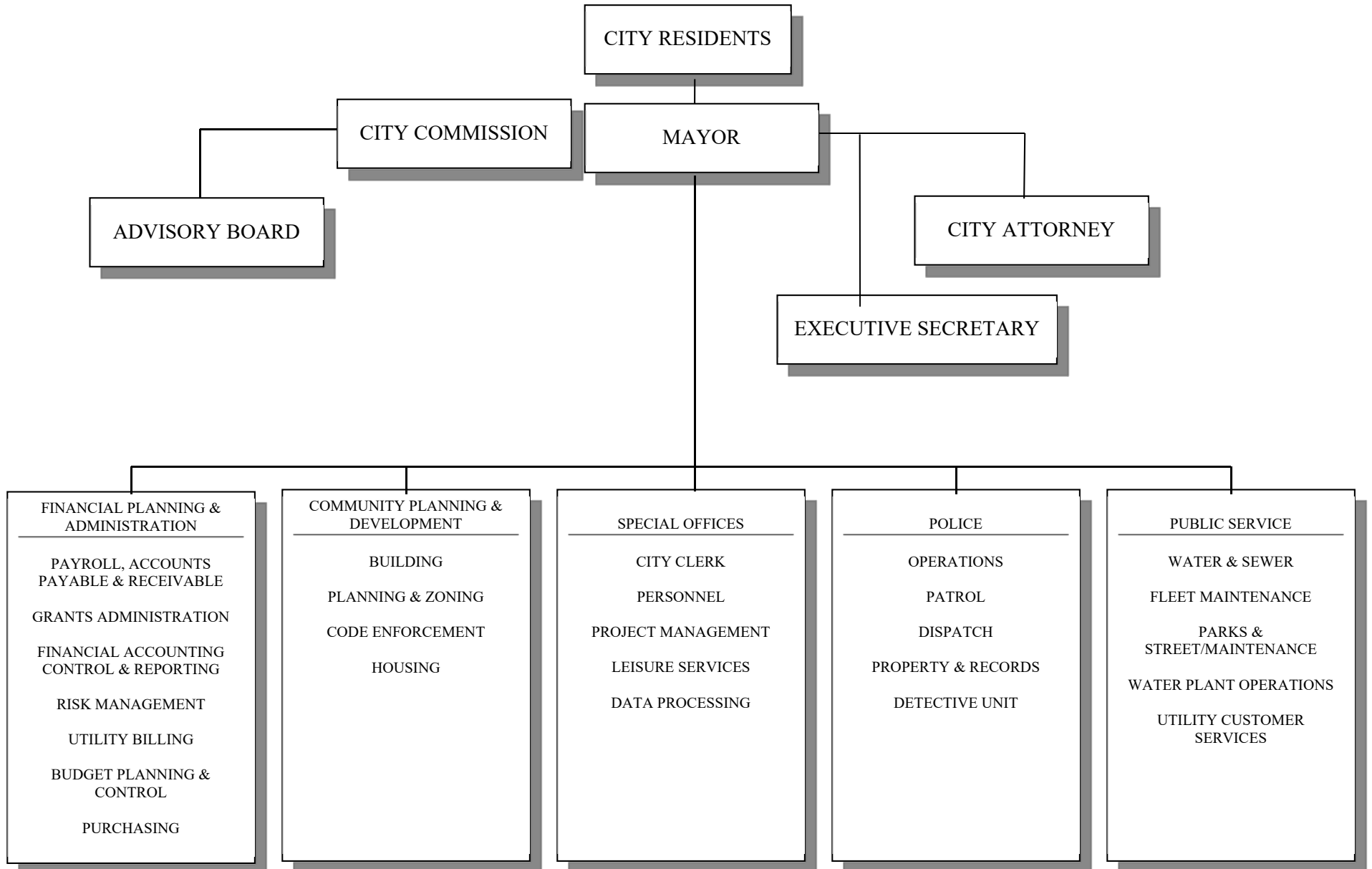
**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF FLORIDA CITY, FLORIDA

## ORGANIZATION CHART



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## **FINANCIAL SECTION**

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# **INDEPENDENT AUDITORS' REPORT**

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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Commission  
**City of Florida City, Florida**

***Report on the Financial Statements***

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

***Management's Responsibility for the Financial Statements***

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

***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 auditors' 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 for the fiscal 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 on pages 4 through 13, the budgetary comparison schedules and related notes on pages 80 to 82, and the information for the pensions and OPEB on pages 83 to 91, 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.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the introductory and statistical sections are presented for additional purposes and are not a required part of the basic financial statements.

The combining fund financial statements and the schedule of expenditures of federal awards 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

combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Marcum LLP*

Miami, FL  
June 29, 2020

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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# CITY OF FLORIDA CITY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Florida City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019.

### FINANCIAL HIGHLIGHTS

The assets plus deferred outflows of the City's exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$61,961,419 (net position). Of this amount, \$10,796,911 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

In the government-wide financial statements, the City's total net position increased by \$3,924,608. This increase is attributable primarily to an increase of commercial and residential development, and the recording of revenue related to Hurricane Irma.

For the fiscal year ended September 30, 2019, the City's governmental funds reported combined ending fund balances of \$19,894,415. This represents an increase of \$1,377,888 from last year. This is primarily due to an increase of commercial and residential development, and the recording of revenue related to of Hurricane Irma.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,555,278 or 88% of total general fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's 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 basic financial statements. This report also contains required and 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's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the City's assets, liabilities and deferred inflows and outflows of resources, 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 on how the City'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 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 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 include general government, public works, public safety and parks and recreation. The business-type activities of the City include a Water and Sewer Utility.

The government-wide financial statements include not only the City itself (known as the primary government,) but also a legally separate community redevelopment agency (CRA) for which the City is financially accountable. Financial information for the CRA is reported as part of the financial information presented for the primary government. Separate disclosure of the CRA activities is presented in the Notes to Basic Financial Statements.

The government-wide financial statements can be found on pages 14 through 15 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The City has three (3) fund categories; governmental funds, a proprietary fund and a fiduciary fund.

## **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, the governmental fund financial statement focuses 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 the 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six (6) governmental funds; the General Fund, CRA and Grants funds are presented as major funds. The three (3) Other Governmental Funds are combined into a single aggregated presentation. The City adopts an annual appropriated budget for its General Fund and for the CRA Fund. Budgetary comparison schedules have been provided for the General Fund and the CRA Fund to demonstrate compliance with this budget. These schedules can be found on pages 80 and 81.

The basic governmental fund financial statements can be found on pages 16 through 19.

## **Proprietary Funds**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer Operation.

The basic proprietary fund financial statements can be found on pages 20 through 22.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains two fiduciary funds, one for the operation of its Police Officers' Substitute Pension Trust Fund and one to report the Elected Officials Retirement Plan.

The basic fiduciary fund financial statements can be found on pages 23 through 24.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 25 through 79.

## **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 funding its obligation to provide pension benefits and other post-employment benefits (OPEB) to its employees, as well as budgetary comparison schedules.

This required supplementary information can be found on pages 80 through 91.

## **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, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$61,961,419 at the close of the most recent fiscal year.

A portion of the City's net position, \$41,464,073 or 67%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt 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's investment in 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.

A summary of the City's net position is presented in Table 1 and a summary of the changes in net position is presented in Table 2.

**Table 1**  
**Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets and other assets	\$ 28,869,712	\$ 21,553,665	\$ 7,424,376	\$ 7,318,492	\$ 36,294,088	\$ 28,872,157
Capital assets, net	24,647,818	21,579,015	17,403,614	17,930,786	42,051,432	39,509,801
<b>Total Assets</b>	<u>53,517,530</u>	<u>43,132,680</u>	<u>24,827,990</u>	<u>25,249,278</u>	<u>78,345,520</u>	<u>68,381,958</u>
Pensions	3,380,456	3,756,077	196,628	219,080	3,577,084	3,975,157
<b>Total Deferred</b>						
<b>Outflows of Resources</b>	<u>3,380,456</u>	<u>3,756,077</u>	<u>196,628</u>	<u>219,080</u>	<u>3,577,084</u>	<u>3,975,157</u>
Current liabilities	6,150,808	1,913,540	1,333,228	1,109,875	7,484,036	3,023,415
Noncurrent liabilities	10,519,355	9,357,030	1,080,349	913,761	11,599,704	10,270,791
<b>Total Liabilities</b>	<u>16,670,163</u>	<u>11,270,570</u>	<u>2,413,577</u>	<u>2,023,636</u>	<u>19,083,740</u>	<u>13,294,206</u>
Pensions	818,515	951,655	58,930	74,443	877,445	1,026,098
<b>Total Deferred</b>						
<b>Inflows of Resources</b>	<u>818,515</u>	<u>951,655</u>	<u>58,930</u>	<u>74,443</u>	<u>877,445</u>	<u>1,026,098</u>
Net Investment in Capital Assets	24,363,823	21,476,661	17,100,250	17,700,366	41,464,073	39,177,027
Restricted	8,967,060	9,572,082	733,375	727,393	9,700,435	10,299,475
Unrestricted	6,078,425	3,617,789	4,718,486	4,942,520	10,796,911	8,560,309
<b>Total Net Position</b>	<u>\$ 39,409,308</u>	<u>\$ 34,666,532</u>	<u>\$ 22,552,111</u>	<u>\$ 23,370,279</u>	<u>\$ 61,961,419</u>	<u>\$ 58,036,811</u>

**Table 2**  
**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,630,389	\$ 6,982,690	\$ 3,942,992	\$ 3,726,660	\$ 14,573,381	\$ 10,709,350
Operating grants and contributions	434,500	128,973	--	--	434,500	128,973
Capital grants and contributions	2,353,013	1,884,902	--	--	2,353,013	1,884,902
General revenues:						
Property taxes	2,363,162	2,175,438	--	--	2,363,162	2,175,438
Utility taxes	934,585	915,021	--	--	934,585	915,021
Communication services tax	172,552	200,855	--	--	172,552	200,855
Franchise fees based on gross receipts	752,446	729,006	--	--	752,446	729,006
Unrestricted intergovernmental revenue	2,008,321	1,936,700	--	--	2,008,321	1,936,700
State Revenue Sharing	420,456	394,226	--	--	420,456	394,226
Unrestricted investment earnings	104,997	85,495	49,592	34,613	154,589	120,108
Sale of Capital Assets	26,382	210	--	--	26,382	210
Total Revenues	<u>20,200,803</u>	<u>15,433,516</u>	<u>3,992,584</u>	<u>3,761,273</u>	<u>24,193,387</u>	<u>19,194,789</u>
<b>Expenses</b>						
General government	5,603,962	6,709,640	--	--	5,603,962	6,709,640
Public works	3,019,567	2,892,554	--	--	3,019,567	2,892,554
Public safety	6,010,158	4,847,497	--	--	6,010,158	4,847,497
Parks and recreation	811,284	779,380	--	--	811,284	779,380
Interest on Long-Term Debt	--	--	--	--	--	--
Water and sewer	--	--	4,823,808	4,498,802	4,823,808	4,498,802
Total Expenses	<u>15,444,971</u>	<u>15,229,071</u>	<u>4,823,808</u>	<u>4,498,802</u>	<u>20,268,779</u>	<u>19,727,873</u>
<b>Excess (Deficiency) Before Transfers</b>	4,755,832	204,445	(831,224)	(737,529)	3,924,608	(533,084)
<b>Transfers</b>	(13,056)	(11,252)	13,056	11,252	--	--
<b>Increase (Decrease) in Net Position</b>	<u>4,742,776</u>	<u>193,193</u>	<u>(818,168)</u>	<u>(726,277)</u>	<u>3,924,608</u>	<u>(533,084)</u>
<b>Net Position - Beginning</b>	<u>34,666,532</u>	<u>34,473,339</u>	<u>23,370,279</u>	<u>24,096,556</u>	<u>58,036,811</u>	<u>58,569,895</u>
<b>Net Position - Ending</b>	<u>\$ 39,409,308</u>	<u>\$ 34,666,532</u>	<u>\$ 22,552,111</u>	<u>\$ 23,370,279</u>	<u>\$ 61,961,419</u>	<u>\$ 58,036,811</u>

The City's net position increased by \$3,924,608 from 2018 due primarily to revenues related to hurricane related reimbursements pertaining to Hurricane Irma and increases in capital grants and contributions. This increase is illustrated in the summary above.

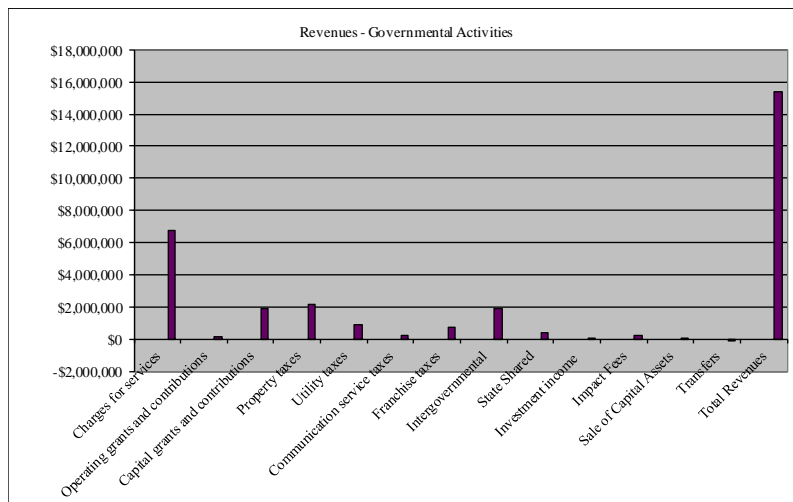
### Governmental Activities

Net position of the City's governmental activities increased by \$4,742,776 or 13.68% from \$34,666,532 in the last fiscal year to \$39,409,308 in the current fiscal year. This is primarily due to an increase of commercial and residential development, and the recording of revenue related to Hurricane Irma.

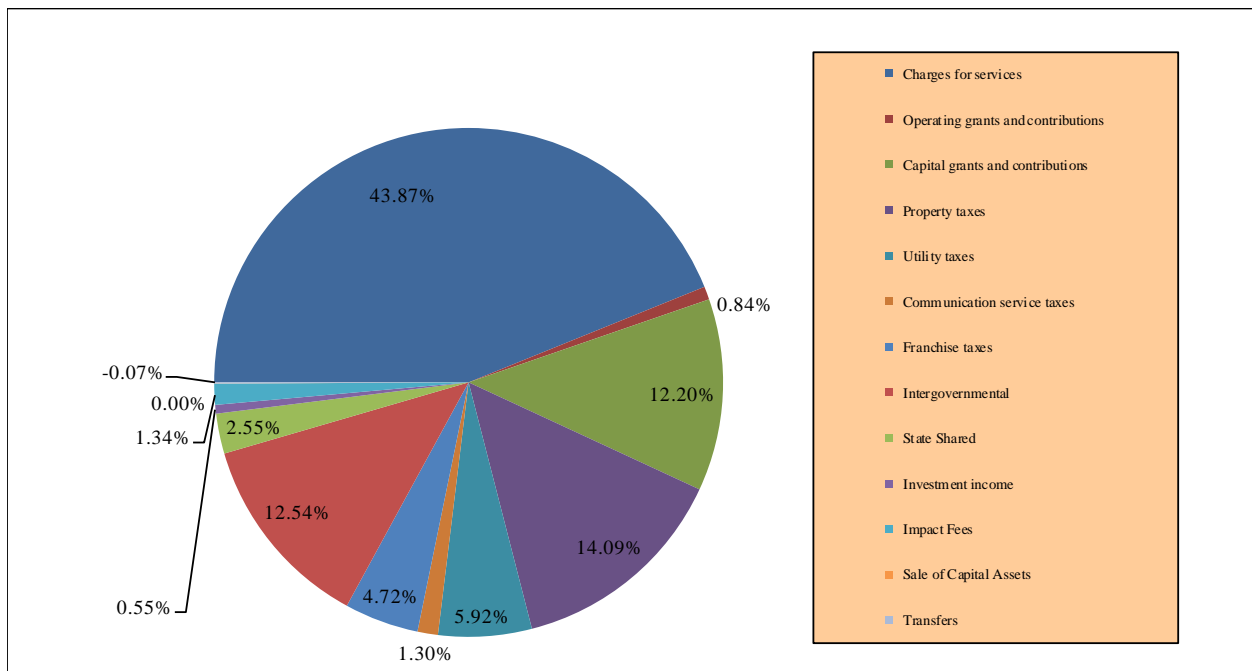
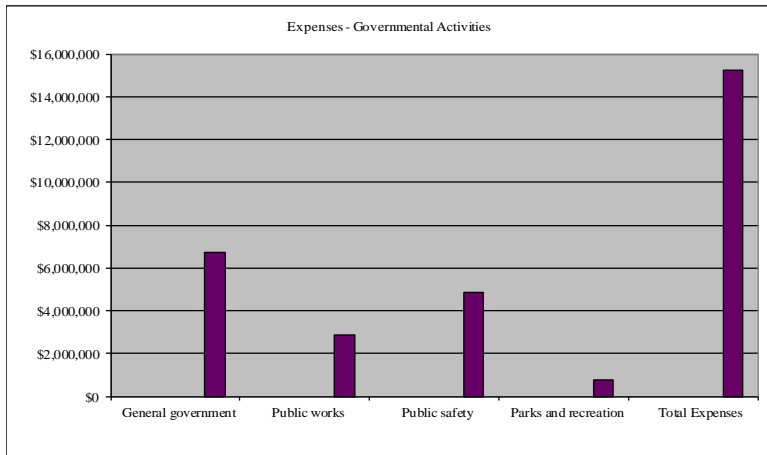
General government, public works and public safety comprise approximately 95% of the City's total governmental activities. General government program revenues fund over 131% of its activities. Public works program revenues fund over 87% of its activities while public safety program revenues fund just a bit more than 40%. General revenues, primarily property taxes, fund the balance of these activities.

Parks and recreation's program revenues fund more than 100% of expenses. This is due primarily to the success of the City owned RV and Camp Site.

Program revenues, comprised of charges for services, and operating and capital grants and contributions amounts total \$13,417,902; the governmental activities general revenues and transfers total \$6,769,845. Due to a small property tax base, reliance on grant funds is critical to meeting citizens' demand for services. Property taxes, which represent about 12% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. Property Tax Revenue increased by \$187,724 between 2018 and 2019 due to the improvement of the general economy. The tax rate remained the same from 2018 to 2019.







The above three graphs represent governmental activities; revenues, expenses and revenues by source.

### Business-type Activities

Business-type activities decreased the City’s net position by \$818,168 since 2018.

The City maintains a water & sewer fund that accounts for this change to net position. Operating expenses exceeded charges for services by 876,202. \$49,592 was realized as a result of unrestricted investment earnings. Revenues increased between 2018 and 2019 by \$216,332. Expenses, however, also increased by \$325,006.

The increase of expenses, between fiscal year 2018 and 2019, came primarily as a result of the Palm Drive Canal Culverting Project. This project allows for the widening of a major thoroughfare within the City, to accompany the development of commercial and residential infrastructure. The funding for this project emanates from a variety of sources, one of which is the Water & Sewer

Fund. As a result, Stormwater expenses which are included in the water & sewer fund, increased approximately \$160,000 from fiscal year 2018 to 2019.

### 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's financing requirements.

At the end of the current fiscal year, fund balance of the General Fund was \$18,227,116, an increase of \$3,978,573 in comparison with the prior year. This is primarily due to an increase of commercial and residential development and recording of revenue related to Hurricane Irma.

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity it may be useful to compare total fund balance to total fund expenditures. Total unassigned fund balance represents 88% of total general fund expenditures.

A summary of the General Fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balance is presented in Table 3 and 4 for September 30, 2019 and 2018, as follows:

**Table 3**  
**Condensed Balance Sheet**

<b>General Fund</b>	2019	2018
<b>Total Assets</b>	<u>\$ 22,039,412</u>	<u>\$ 16,194,014</u>
Total liabilities	\$ 2,655,142	\$ 1,856,105
Total deferred inflows of resources	1,157,154	89,366
Fund balance	<u>18,227,116</u>	<u>14,248,543</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 22,039,412</u>	<u>\$ 16,194,014</u>

**Table 4**  
**Condensed Statement of Revenues,  
Expenditures and Changes in Fund Balance**

<b>General Fund</b>	2019	2018
Total revenues	\$ 16,586,617	\$ 13,307,775
Total expenditures	12,605,715	14,127,063
Other Financing Sources (Uses)	<u>(2,329)</u>	<u>55,930</u>
<b>Net Change in Fund Balance</b>	<u>\$ 3,978,573</u>	<u>\$ (763,358)</u>

## General Fund Budgetary Highlights

There was a difference via budget amendments between the original and final budgeted amounts for expenditures in the General Fund of \$1,323,553 less than originally budgeted. There is an annual decrease of budgeted expenditures due to Tax Increment Financing. These are funds (\$1,222,832 in fiscal year 2019) which belong to CRA, which the City initially includes in the General Fund budget in order to properly track. Actual expenditures were \$236,955 more than the final budgeted amount. Budgeted revenues between original and final were increased by approximately \$2,045,216, and actual revenues were more than the final budgeted amount by \$303,117. The increase in the revenues, both budgeted and actual, was primarily due to an increase of commercial and residential development.

General Fund	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Revenues	\$ 14,238,284	\$ 16,283,500	\$ 16,586,617	\$ 303,117
Expenditures	<u>13,692,313</u>	<u>12,368,760</u>	<u>12,605,715</u>	<u>(236,955)</u>
Excess of revenues over expenditures	545,971	3,914,740	3,980,902	66,162
Other financing uses	<u>(545,971)</u>	<u>(3,914,740)</u>	<u>(2,329)</u>	<u>(3,912,411)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,978,573</u>	<u>\$ (3,846,249)</u>

## Community Redevelopment Agency (CRA)

The CRA incurred the following expenditures during the fiscal year ended September 30, 2019 and September 30, 2018 respectively:

CRA	2019	2018
Expenditures, general government	\$ 1,182,720	\$ 892,898
Expenditures, capital outlay	<u>910,656</u>	<u>873,972</u>
	<u>\$2,093,376</u>	<u>\$1,766,870</u>

In 2019, the following projects were funded by CRA's Infrastructure Fund:

- \$910,656- Streetscape Project for beautification.
- \$288,884- Consulting and Engineering expenditures.
- \$300,000 - Community Policing.
- \$98,604 - Administrative Functions.

In 2018, the following projects were funded by CRA's Infrastructure Fund:

- \$639,898- Streetscape Project for beautification.
- \$191,463- Consulting and Engineering expenditures.
- \$300,000 - Community Policing.
- \$104,987 - Administrative Functions.

## **Capital Assets**

As of September 30, 2019, the City's net investment in capital assets for both governmental activities and business-type activities amounted to \$41,464,073 (\$24,363,823 in governmental activities and \$17,100,250 in business-type activities). The total increase in the net investment in capital assets for the fiscal year was \$2,287,046. Further information regarding capital asset activity may be found at Note 7, within the Notes to Basic Financial Statements.

## **Non-Current Liabilities**

At September 30, 2019, the City's non-current liabilities total \$11,599,704 (\$10,519,355 for governmental activities and \$1,080,349 for business-type activities). Regarding the non-current liabilities of governmental activities, its' comprised of a capital lease for a Parks and Recreation Van (\$21,450), as well as compensated absences (\$906,836), Net Pension Liability (\$9,126,023), and Total OPEB Liability (\$456,046).

In reference to non-current liabilities for business-type activities, \$58,900 represents total revenue bonds payable secured solely by specified revenue sources (water revenue). Additionally, in June 2018, the City entered into a State Revolving Fund (SRF) Loan agreement to improve its' wastewater system. As of the end of the fiscal year, the City owed \$226,664, on the SRF Loan. The remainder is comprised of compensated absences of \$63,262, \$624,642 of Net Pension Liability, and \$82,052 Total OPEB Liability in business-type activities. See Note 8 for a more detailed explanation on Pages 40 through 43 of the Notes to Basic Financial Statements.

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

The unemployment rate for the City dropped with the State of Florida rate and the National rate. The City's rate is expected to increase next year as well due primarily to this nation's general economy, specifically related to COVID-19.

The occupancy rate of the City's hospitality service industry has remained stable for the past several years. However, due to COVID-19, a significant decrease is anticipated for fiscal year 2019-2020.

Inflationary trends in the region compare similarly to national indices.

The City's rates for water and sewer fees are being reviewed with an eye towards increasing the rates to improve the debt service coverage ratio and provide additional funds for renewal and replacement of infrastructure.

There were funds budgeted or appropriated from unrestricted net position (unassigned fund balance) for the fiscal year September 30, 2020 budget for the general fund, in anticipation for an increase in commercial and residential development.

The millage rate for FY 2020 remained the same as FY 2019 at 7.1858.

All of these factors were considered in preparing the City's budget for the 2019-2020 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances to the citizens of the City and other interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chad Burkhalter, Finance Director, Finance Department, 404 West Palm Drive, P.O. Box 343570, Florida City, FL 33034-0570.

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# **BASIC FINANCIAL STATEMENTS**

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**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2019**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 8,660,229	\$ 6,031,247	\$ 14,691,476
Investment	8,416,426	--	8,416,426
Receivables, net	5,522,810	216,158	5,738,968
Internal balances	146,563	(146,563)	--
Restricted cash	3,788,893	1,323,534	5,112,427
Prepaid items	64,815	--	64,815
Other assets	53,922	--	53,922
Net pension asset	1,667,335	--	1,667,335
Assets held for resale	548,719	--	548,719
Capital assets not being depreciated	8,690,423	2,333,831	11,024,254
Capital assets being depreciated, net	<u>15,957,395</u>	<u>15,069,783</u>	<u>31,027,178</u>
<b>Total Assets</b>	<u>53,517,530</u>	<u>24,827,990</u>	<u>78,345,520</u>
<b>Deferred Outflows of Resources</b>			
Pensions	<u>3,380,456</u>	<u>196,628</u>	<u>3,577,084</u>
<b>Liabilities</b>			
Accounts payable	1,363,035	707,498	2,070,533
Accrued liabilities	973,209	35,571	1,008,780
Customer deposits	159,263	590,159	749,422
Unearned revenue	3,655,301	--	3,655,301
Noncurrent liabilities:			
Due within one year	101,699	24,829	126,528
Due in more than one year	826,587	348,826	1,175,413
Total OPEB liability	465,046	82,052	547,098
Net pension liability	<u>9,126,023</u>	<u>624,642</u>	<u>9,750,665</u>
<b>Total Liabilities</b>	<u>16,670,163</u>	<u>2,413,577</u>	<u>19,083,740</u>
<b>Deferred Inflows of Resources</b>			
Pensions	<u>818,515</u>	<u>58,930</u>	<u>877,445</u>
<b>Net Position</b>			
Net investment in capital assets	24,363,823	17,100,250	41,464,073
Restricted:			
Transportation projects	5,896,802	--	5,896,802
Assets held for resale	548,719	--	548,719
Capital projects	2,148,163	--	2,148,163
Impact fees - public safety	277,264	--	277,264
Impact fees - parks and recreation	96,112	--	96,112
Sewer system capital improvements	--	667,462	667,462
Reserve fund	--	65,913	65,913
Unrestricted	<u>6,078,425</u>	<u>4,718,486</u>	<u>10,796,911</u>
<b>Total Net Position</b>	<u>\$ 39,409,308</u>	<u>\$ 22,552,111</u>	<u>\$ 61,961,419</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF ACTIVITIES**

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 5,603,962	\$ 4,605,152	\$ 434,500	\$ 2,353,013	\$ 1,788,703	\$ --	\$ 1,788,703
Public works	3,019,567	2,647,749	--	--	(371,818)	--	(371,818)
Public safety	6,010,158	2,440,943	--	--	(3,569,215)	--	(3,569,215)
Parks and recreation	811,284	936,545	--	--	125,261	--	125,261
<b>Total Government Activities</b>	<u>15,444,971</u>	<u>10,630,389</u>	<u>434,500</u>	<u>2,353,013</u>	<u>(2,027,069)</u>	<u>--</u>	<u>(2,027,069)</u>
<b>Business-type Activities</b>							
Water and sewer	4,823,808	3,942,992	--	--	--	(880,816)	(880,816)
<b>Total Business-type Activities</b>	<u>4,823,808</u>	<u>3,942,992</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(880,816)</u>	<u>(880,816)</u>
<b>Total</b>	<u>\$ 20,268,779</u>	<u>\$ 14,573,381</u>	<u>\$ 434,500</u>	<u>\$ 2,353,013</u>	<u>(2,027,069)</u>	<u>(880,816)</u>	<u>(2,907,885)</u>
<b>General Revenues</b>							
Property taxes					2,363,162	--	2,363,162
Utility taxes					934,585	--	934,585
Communication services tax					172,552	--	172,552
Franchise fees based on gross receipts					752,446	--	752,446
Unrestricted intergovernmental revenue					2,008,321	--	2,008,321
Unrestricted state revenue sharing					420,456	--	420,456
Unrestricted investment earnings					104,997	49,592	154,589
Sale of capital assets					26,382	--	26,382
<b>Transfers</b>					(13,056)	13,056	--
<b>Total General Revenues and Transfers</b>					<u>6,769,845</u>	<u>62,648</u>	<u>6,832,493</u>
<b>Change in Net Position</b>					<u>4,742,776</u>	<u>(818,168)</u>	<u>3,924,608</u>
<b>Net Position - Beginning</b>					<u>34,666,532</u>	<u>23,370,279</u>	<u>58,036,811</u>
<b>Net Position - Ending</b>					<u>\$ 39,409,308</u>	<u>\$ 22,552,111</u>	<u>\$ 61,961,419</u>

*The accompanying notes are an integral part of these financial statements.*



**CITY OF FLORIDA CITY, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 6,530,646	\$ 1,477,264	\$ 276,314	\$ 376,005	\$ 8,660,229
Investment	6,416,426	1,000,000	1,000,000	--	8,416,426
Receivables, net:					
Billed and other	1,713,609	2,033	--	51,887	1,767,529
Unbilled	101,204	--	--	--	101,204
Taxes	979,188	--	--	--	979,188
Intergovernmental	--	--	2,674,889	--	2,674,889
Due from other funds	2,659,731	--	--	--	2,659,731
Restricted cash	3,550,233	--	--	238,660	3,788,893
Prepaid items	64,815	--	--	--	64,815
Assets held for resale	--	548,719	--	--	548,719
Other assets	23,560	30,362	--	--	53,922
<b>Total Assets</b>	<b>\$ 22,039,412</b>	<b>\$ 3,058,378</b>	<b>\$ 3,951,203</b>	<b>\$ 666,552</b>	<b>\$ 29,715,545</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 619,405	\$ --	\$ 743,630	\$ --	\$ 1,363,035
Accrued liabilities	953,167	--	20,042	--	973,209
Due to other funds	--	361,496	2,071,813	79,859	2,513,168
Customer deposits	159,263	--	--	--	159,263
Unearned revenue	923,307	--	2,668,733	63,261	3,655,301
<b>Total Liabilities</b>	<b>2,655,142</b>	<b>361,496</b>	<b>5,504,218</b>	<b>143,120</b>	<b>8,663,976</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	1,157,154	--	--	--	1,157,154
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,812,296</b>	<b>361,496</b>	<b>5,504,218</b>	<b>143,120</b>	<b>9,821,130</b>
<b>Fund Balances</b>					
Non-spendable:					
Prepaid items	64,815	--	--	--	64,815
Restricted:					
Transportation projects	5,896,802	--	--	--	5,896,802
Grants and contributions	--	--	--	523,432	523,432
Impact fees	277,264	--	--	--	277,264
Impact fees - parks and recreation	96,112	--	--	--	96,112
Assets held for resale	--	548,719	--	--	548,719
Capital projects	--	2,148,163	--	--	2,148,163
Committed:					
Stormwater	736,845	--	--	--	736,845
Unassigned:					
General fund	11,155,278	--	(1,553,015)	--	9,602,263
<b>Total Fund Balances</b>	<b>18,227,116</b>	<b>2,696,882</b>	<b>(1,553,015)</b>	<b>523,432</b>	<b>19,894,415</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 22,039,412</b>	<b>\$ 3,058,378</b>	<b>\$ 3,951,203</b>	<b>\$ 666,552</b>	<b>\$ 29,715,545</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**RECONCILIATION OF THE BALANCE SHEET TO THE  
STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2019**

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Fund Balances - Total Governmental Funds		\$ 19,894,415
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	\$ 37,492,021	
Less accumulated depreciation	<u>(12,844,203)</u>	24,647,818
Net pension asset resulting from over funding in pension plan		1,667,335
Revenues that do not meet the availability criteria are reported as unavailable revenue in the fund financial statements; these amounts are reported as revenue in the government-wide financial statements.		1,157,154
Deferred outflows of resources related to pensions	3,380,456	
Deferred inflows of resources related to pensions	<u>(818,515)</u>	2,561,941
Long-term liabilities, including notes payable, are not due and payable in current period and, therefore, not reported in the funds		
Compensated absences	(906,836)	
Capital lease	(21,450)	
Net pension liability	(9,126,023)	
Total OPEB liability	<u>(465,046)</u>	<u>(10,519,355)</u>
Net Position of Governmental Activities		\$ <u>39,409,308</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

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

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 4,222,745	\$ 1,222,832	\$ --	\$ --	\$ 5,445,577
Intergovernmental	2,823,442	794,181	--	--	3,617,623
Charges for services	3,822,690	--	--	--	3,822,690
Investment earnings	69,655	23,409	9,615	2,318	104,997
Impact fees	1,621,751	--	--	--	1,621,751
Licenses and permits	861,256	--	--	--	861,256
Fines and forfeitures	2,204,118	--	--	85,570	2,289,688
Grants	--	--	336,000	--	336,000
Miscellaneous	960,960	--	--	46,091	1,007,051
<b>Total Revenues</b>	<u>16,586,617</u>	<u>2,040,422</u>	<u>345,615</u>	<u>133,979</u>	<u>19,106,633</u>
<b>Expenditures</b>					
Current:					
General government	3,830,392	1,182,720	105,147	24,378	5,142,637
Public safety	4,806,840	--	--	148,960	4,955,800
Public works	2,885,218	--	--	--	2,885,218
Parks and recreation	618,698	--	--	--	618,698
Capital outlay	464,567	910,656	2,888,656	--	4,263,879
<b>Total Expenditures</b>	<u>12,605,715</u>	<u>2,093,376</u>	<u>2,993,803</u>	<u>173,338</u>	<u>17,866,232</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	3,980,902	(52,954)	(2,648,188)	(39,359)	1,240,401
<b>Other Financing Sources (Uses)</b>					
Proceeds on sale of capital assets	--	137,487	--	--	137,487
Transfers out	(2,329)	--	--	--	(2,329)
Transfers in	--	--	2,329	--	2,329
<b>Total Other Financing Sources (Uses)</b>	<u>(2,329)</u>	<u>137,487</u>	<u>2,329</u>	<u>--</u>	<u>137,487</u>
<b>Net Change in Fund Balances</b>	3,978,573	84,533	(2,645,859)	(39,359)	1,377,888
<b>Fund Balances - Beginning</b>	<u>14,248,543</u>	<u>2,612,349</u>	<u>1,092,844</u>	<u>562,791</u>	<u>18,516,527</u>
<b>Fund Balances - Ending</b>	<u>\$ 18,227,116</u>	<u>\$ 2,696,882</u>	<u>\$ (1,553,015)</u>	<u>\$ 523,432</u>	<u>\$ 19,894,415</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, 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**

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

Net change in fund balances - total governmental funds \$ 1,377,888

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 outlay exceeded depreciation in the current period.

The details of the difference are as follows:

Capital outlay	\$ 4,153,600	
Depreciation expense	<u>(960,636)</u>	3,192,964

Transfers of capital assets to business-type activities from governmental  
activities decreases net position of governmental activities in the statement  
of activities, but are not reported in the governmental funds because they  
are not financial resources. (13,056)

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

The details of the difference are as follows:

Net cost of capital assets dispositions	(111,105)	
Net pension asset	633,103	
Compensated absences	(58,837)	
Total OPEB liability	(34,109)	
Capital lease	11,015	
Net pension liability	<u>(1,080,394)</u>	(640,327)

Deferred outflow of resources and deferred inflows of  
resources related to the pensions are not recognized  
in the governmental funds (242,481)

Under the modified accrual basis of accounting used in the governmental funds,  
revenues are not recognized until funds are measurable and available to  
finance current expenditures. In the statement of activities, however, which is  
presented on the accrual basis, revenues are reported when earned. 1,067,788

Change in net position of governmental activities \$ 4,742,776

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

**SEPTEMBER 30, 2019**

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 6,031,247
Receivables, net	216,158
Restricted cash	<u>1,323,534</u>
<b>Total Current Assets</b>	<u>7,570,939</u>
<b>Noncurrent Assets</b>	
Capital assets:	
Land	1,578,818
Construction in progress	755,013
Machinery and equipment	1,381,532
Plant distribution system	36,680,315
Less accumulated depreciation	<u>(22,992,064)</u>
Total capital assets, net	<u>17,403,614</u>
<b>Total Assets</b>	<u>24,974,553</u>
<b>Deferred Outflows of Resources</b>	
Pensions	<u>196,628</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	707,498
Accrued liabilities	35,571
Due to other funds	146,563
Customer deposits	590,159
Current portion of revenue bonds payable	17,800
Current portion of compensated absences	<u>7,029</u>
<b>Total Current Liabilities</b>	<u>1,504,620</u>
<b>Noncurrent Liabilities</b>	
Revenue bonds payable	285,564
Total OPEB liability	82,052
Net pension liability	624,642
Compensated absences	<u>63,262</u>
<b>Total Noncurrent Liabilities</b>	<u>1,055,520</u>
<b>Total Liabilities</b>	<u>2,560,140</u>
<b>Deferred Inflows of Resources</b>	
Pensions	<u>58,930</u>
<b>Net Position</b>	
Net Investment in capital assets	17,100,250
Restricted for sewer system capital improvements	667,462
Restricted for reserve fund	65,913
Unrestricted	<u>4,718,486</u>
<b>Total Net Position</b>	<u>\$ 22,552,111</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND**

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

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	<u>Enterprise Fund</u> Water and Sewer
<b>Operating Revenues</b>	
Charges for services	<u>\$ 3,942,992</u>
<b>Operating Expenses</b>	
General and administrative	3,675,559
Depreciation	<u>1,143,635</u>
<b>Total Operating Expenses</b>	<u>4,819,194</u>
<b>Operating Loss</b>	<u>(876,202)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	49,592
Interest expense	<u>(4,614)</u>
<b>Total Non-Operating Revenues</b>	<u>44,978</u>
<b>Loss before Capital Contribution</b>	(831,224)
<b>Contribution of Capital Assets</b>	<u>13,056</u>
<b>Change in Net Position</b>	(818,168)
<b>Net Position - Beginning</b>	<u>23,370,279</u>
<b>Net Position - Ending</b>	<u><u>\$ 22,552,111</u></u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

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

	<u>Enterprise Fund</u> <u>Water and Sewer</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 4,012,069
Payments to suppliers	(2,173,090)
Payments to employees	(1,211,452)
Receipts from other funds	<u>164,707</u>
<b>Net Cash Provided by Operating Activities</b>	<u>792,234</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Issuance of new debt	89,944
Principal paid on debt	(17,000)
Interest paid on debt	(4,614)
Acquisition of capital assets	<u>(603,407)</u>
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(535,077)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>49,592</u>
<b>Net Cash Provided by Investing Activities</b>	<u>49,592</u>
<b>Net Increase in Cash</b>	306,749
<b>Cash - Beginning (Including Restricted)</b>	<u>7,048,032</u>
<b>Cash - Ending (Including Restricted)</b>	<u>\$ 7,354,781</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>	
Operating loss	\$ <u>(876,202)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,143,635
Changes in operating assets, liabilities and deferred inflows/outflows:	
(Increase) decrease in:	
Receivables	36,158
Deferred outflows - pensions	22,452
Increase (decrease) in:	
Accounts payable and accrued liabilities	190,434
Customer deposits	32,919
Compensated absences	12,299
Total OPEB Liability	6,302
Net pension liability	75,043
Deferred inflows - pensions	(15,513)
Due to other funds	<u>164,707</u>
Total adjustments	<u>1,668,436</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 792,234</u>
<b>Noncash Investing, Capital and Related Financing Activities</b>	
Contribution of capital assets from grants fund	<u>\$ 13,056</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**SEPTEMBER 30, 2019**

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	<u>Pension Trusts</u>
<b>Assets</b>	
<b>Investments</b>	
Money market mutual funds	\$ 295,926
Common stock	4,447,463
Corporate bonds	1,281,599
Government securities	<u>1,461,432</u>
<b>Total Investments</b>	7,486,420
<b>Receivables</b>	
Accrued interest	<u>18,453</u>
<b>Total Assets</b>	<u>7,504,873</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 7,504,873</u>

*The accompanying notes are an integral part of these financial statements.*



**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

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

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	<u>Pension Trusts</u>
<b>Additions</b>	
<b>Contributions</b>	
City	<u>\$ 130,930</u>
<b>Investment Income</b>	
Net appreciation in fair value of investments	213,527
Interest and dividends	<u>153,564</u>
Investment Income	367,091
Less: investment expenses	<u>66,727</u>
<b>Net Investments Income</b>	<u>300,364</u>
<b>Total Additions</b>	<u>431,294</u>
<b>Deductions</b>	
Benefits paid	187,729
Administrative expenses	<u>9,033</u>
<b>Total Deductions</b>	<u>196,762</u>
<b>Change in Net Position</b>	234,532
<b>Net Position Restricted for Pension Benefits- Beginning</b>	<u>7,270,341</u>
<b>Net Position Restricted for Pension Benefits - Ending</b>	<u>\$7,504,873</u>

*The accompanying notes are an integral part of these financial statements.*

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Florida City (the City), located in Miami-Dade County, Florida (the County) is a political subdivision of the State of Florida. The City, which was created by the Florida Legislature, was incorporated in 1915. The City operates under a Strong-Mayor form of government and provides the following services as authorized by its charter; public safety, water and sewer, sanitation, culture recreation, public works and improvements, planning and zoning, highways and streets, and general administrative services. The City does not provide any educational facilities or fire services; those services are provided by the Miami-Dade County School Board and the County, respectively.

The financial statements of the City 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 more significant of the City's accounting policies are described below:

***A. FINANCIAL REPORTING ENTITY***

Under governmental accounting and financial reporting standards, the City's reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is considered financially accountable if it appoints a voting majority of an organization's governing body and is either able to impose its will on that organization, or has a financial benefit/burden relationship with the organization. The City may also be financially accountable if an organization is fiscally dependent on the primary government and the two also have a financial benefit or burden relationship.

Component units are included in the reporting entity either as blended or as discretely presented. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Accordingly, data from these component units are combined with data of the primary government. The City has met the criteria as having the operational and financial responsibilities as noted above for the blended component units listed below and these entities have been included in the City's financial reporting entity.

- (i) The Community Redevelopment Agency (the CRA) was created under the Community Redevelopment Act of 1969, enacted by Florida Legislature. The CRA's board of directors is the City Commission. The CRA's executive director is the City's Mayor. The City has operational responsibility for the CRA. The CRA has a September 30th year end and is presented as a major fund.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***A. FINANCIAL REPORTING ENTITY (CONTINUED)***

- (ii) The Florida City Foundation, Inc. (the Foundation) is a nonprofit (501(c)(3)) organization. The Foundation accepts charitable contributions which are used to pay for activities and other items to benefit the citizens of the City. The City Commission serves as the board of the Foundation. The City has operational responsibility for the Foundation. The Foundation, which is presented as a nonmajor fund, has a December 31st year end and therefore the amounts presented for the Foundation are as of and for the year ended December 31, 2018.

***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 interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated.

*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. *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 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 the major enterprise fund are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor governmental funds.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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 *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.

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. Expenditures 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 only when payment is due.

Property taxes, franchise fees and other taxes, licenses, rent, 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 *Community Redevelopment Agency (CRA)* was created to promote economic development for local businesses and for new businesses. This fund is used to account for monies received from Tax Increment Financing (TIF) from the City of Florida City and Miami-Dade County for use in the area designated as the CRA.

The *Grants Fund* accounts for all grant monies and the related program income from federal, state, and local grants received.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

The City reports the following major proprietary fund in the basic financial statements:

The *Water and Sewer Fund* accounts for activities of providing water and sewer services to the public.

Additionally, the City reports the following fund type:

The *Fiduciary Funds* are used to account for the City's single-employer defined benefit pension plans covering substantially all of its police officers and elected officials.

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

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. Internally 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 City's water and sewer fund are charges to customers for services. Operating expenses for the enterprise fund includes the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION***

***1. Deposits and Investments***

The City's cash represents cash deposits. The City's investment in Florida PRIME (external investment pool) is recorded at amortized cost. All other investments are reported at fair value.

The nature of investments of the City are governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or resolution/ordinance.

Investments in the Police Officers' Substitute Pension Trust Fund and the Elected Officials Retirement Plan are governed by their respective investment policy and Florida Statutes Section 112.661.

***2. Receivables and Payables***

Activity between funds that are representative of current lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

***3. Prepaids***

Prepaids represent goods and services which are paid for in one period, but benefit a future period. Prepaids are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Prepaids for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, intangibles and certain infrastructure assets (e.g., streets, alleys, sidewalks, drainage, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City did not retroactively report infrastructure assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)***

***4. Capital Assets (continued)***

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	10-50
Equipment and Machinery	3-5
Plant Distribution System	25-50

***5. Compensated Absences***

City employees are granted vacation and sick pay leave in varying amounts based on length of service and the department in which the employee provides service. It is the City’s policy to permit full-time employees to accumulate limited amounts of earned vacation leave and a limited amount of earned sick pay. Upon separation from service, employees receive payment for all unused vacation leave and 50% of unused sick leave for general employees and 75% of unused sick leave for police officers. In the governmental funds, a liability is recorded only for vacation and sick leave payouts for employees that resigned or terminated prior to fiscal year end and were subsequently paid with current available financial resources from the general fund.

***6. 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 straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Issuance costs are expensed in the year incurred. Bonds payable are reported net of the applicable bond premium or discount.



**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)***

***6. Long-Term Obligations (continued)***

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 in the year incurred.

***7. Net Position***

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by accumulated depreciation, deferred outflows or inflows related to debt, retainage payable and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

***8. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net 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 a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports within its government-wide statement of net position as deferred outflows of resources, amounts contributed during fiscal year 2019 for the City's various pension plans and cost-sharing multiple employer pension plans (cost-sharing plans). The net pension liabilities/assets associated with the City's single-employer pension plans were measured as of September 30, 2018 and as of June 30, 2019 for the cost-sharing plans. The amounts paid to the pension plans during fiscal year 2019, subsequent to the measurement dates, will be reflected within the City's pension expense and related liability/asset when the net pension liability/asset is measured for the next fiscal year.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)***

***8. Deferred Outflows/Inflows of Resources (continued)***

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Within the government-wide statement of net position, the City reports deferred inflows related to pensions that qualify for reporting in this category. The governmental funds report deferred inflows for unavailable revenue until the criteria for revenue recognition has been met.

Also, within the government-wide statement of net position, the City reports as deferred inflows or outflows, amounts representing the net difference between or differences between expected and actual results, changes in assumptions and projected and actual earnings of its pension plan. Differences between projected and actual earnings will be amortized over a five year closed period beginning in the year in which the difference occurred and are presented as a net deferred inflow or outflow at the measurement date. All other amounts are presented as either a deferred inflow or outflow established at their respective measurement date when the difference occurred and is amortized over the remaining service lives of employees.

***9. Net Position Flow Assumption***

Sometimes the City 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 City's policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

***10. Fund Balance Flow Assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)***

***11. Fund Balance Policies***

The City’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The City reports the following classifications:

*Non-spendable fund balance.* Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance.* Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for the specific purposes pursuant to constraints imposed by a formal action of the government’s highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution or an ordinance (equally binding), commit fund balance. Once adopted, the limitation remains in place until the City Commission removes or revises the limitation by taking the same type of action (the adoption of another resolution or ordinance). This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance.* This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City’s policy is that the City Commission and the Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

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

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCE/NET POSITION (CONTINUED)***

***12. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

***13. Unearned/Unavailable Revenue***

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In addition, inflows that do not yet meet the criteria for revenue recognition are recorded as unearned revenue or a deferred inflow in the government-wide and the fund financial statements. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue or a deferred inflow is removed and revenue is recognized. In the governmental funds, unavailable revenue may also arise if the funds are not received in the availability period; the funds are then not considered a current available resource. As of September 30, 2019, the City reported unavailable revenues related to transportation surtax, rent revenue, and expenditure reimbursements from the Federal Emergency Management Agency (FEMA) relating to Hurricane Irma.

***14. New Accounting Pronouncements Adopted***

The City has not adopted any new accounting pronouncements that had an impact on the financial statements for the fiscal year 2019 as the City has elected to defer implementation of certain pronouncements affecting the year under audit as allowed by the extensions made by the GASB due the COVID-19 pandemic.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

***DEPOSITS***

In addition to insurance provided by the Federal Depository Insurance Corporation (FDIC), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***DEPOSITS (CONTINUED)***

with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits including certificate of deposits, are insured or collateralized.

***INVESTMENTS***

The City has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The City is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, the State Board of Administration investment pool, any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and securities of any interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to obligations of the U.S. government, its agencies and instrumentalities and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The State Board of Administration (SBA) administers the Florida PRIME which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. The City, therefore, has no investments reported at fair value.

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

As of September 30, 2019, the City had the following investments subject to interest rate risk:

Investment		Weighted Average Maturity
Certificate of Deposits	\$ 8,000,000	247 days
SBA - Florida PRIME	<u>416,426</u>	37 days
<b>Total Investments</b>	<b><u>\$ 8,416,426</u></b>	

#### *Interest Rate Risk*

The City has an investment policy of structuring the investment portfolio so that the investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments on the open market prior to maturity and investing operating funds primarily in cash, short-term securities, certificates of deposit, or similar investment pools.

#### *Credit Risk*

The City's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAM by Standard and Poor's.

### NOTE 3 - RECEIVABLES

Receivables as of September 30, 2019 for the City's individual major funds and non-major funds, including the allowances for uncollectible accounts, are as follows:

	General	CRA	Grants	Water and Sewer	Florida City Foundation	Total
Customers billed	\$ 908,170	\$ --	\$ --	\$ 493,737	\$ --	\$ 1,401,907
Customers unbilled	101,204	--	--	120,089	--	221,293
Taxes	979,188	--	--	--	--	979,188
Intergovernmental	--	--	2,723,909	--	--	2,723,909
Other receivables	<u>1,106,798</u>	<u>2,033</u>	<u>--</u>	<u>--</u>	<u>51,887</u>	<u>1,160,718</u>
Gross receivables	3,095,360	2,033	2,723,909	613,826	51,887	6,487,015
Less: allowance	<u>(301,359)</u>	<u>--</u>	<u>(49,020)</u>	<u>(397,668)</u>	<u>--</u>	<u>(748,047)</u>
<b>Total Receivables, Net</b>	<b><u>\$ 2,794,001</u></b>	<b><u>\$ 2,033</u></b>	<b><u>\$ 2,674,889</u></b>	<b><u>\$ 216,158</u></b>	<b><u>\$ 51,887</u></b>	<b><u>\$ 5,738,968</u></b>

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 4 – PROPERTY TAXES**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Miami-Dade County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to ensure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for fiscal year ended September 30, 2019 is 7.1858 per \$1,000.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes. Property taxes are centrally billed and collected by the County and remitted to the City for their proportionate share of collected taxes. Current year property values are assessed as of January 1st, the lien date, of each year for the fiscal year beginning October 1st and are billed on November 1st, subject to a 1% per month discount for the period November through February, and are due no later than March 31st. On April 1st, unpaid amounts become delinquent and are subject to interest and penalties. Beginning June 1st, tax certificates representing delinquent taxes with interest and penalties are sold by the County, with remittance to the City for its share of those receipts. Generally, the City collects more than 95% of the current year’s property taxes during the year in which they are due. There were no material delinquent property taxes as of September 30, 2019.

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES**

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

Receivable Fund	Payable Fund	Amount
General	Grants	\$ 2,378,767
General	CRA	361,497
Grants	General	306,955
General	Stormwater	81,034
General	Water and Sewer	78,804
General	Law Enforcement Trust Fund State	70,572
Water and Sewer	General	13,275
General	Law Enforcement Trust Fund Federal	<u>9,287</u>
<b>Total Interfund Balances</b>		<b><u>\$ 3,300,191</u></b>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 6 – RESTRICTED CASH**

<b>General Fund</b>	
Transportation	\$ 3,390,970
Customer deposits	<u>159,263</u>
<b>Total General Fund</b>	<u><u>\$ 3,550,233</u></u>
 <b>Other Governmental Funds</b>	
Law enforcement trust funds	<u><u>\$ 238,660</u></u>
 <b>Water and Sewer</b>	
Customer deposits	\$ 590,159
Sewer system capital improvements	667,462
Reserve fund	<u>65,913</u>
<b>Total Water and Sewer</b>	<u><u>\$ 1,323,534</u></u>

The water revenue bond resolutions require that certain monies held by the water fund be restricted for the following purposes:

**A. RESERVE FUND**

The reserve fund is required to accumulate \$22,247; as of September 30, 2019, the balance is \$65,913. This fund is used in order to meet unforeseen operating expenses of an emergency nature or for renewals and replacement of assets, paying principal and interest in the event of a deficiency or unavailable funds.

**B. SEWER SYSTEM CAPITAL IMPROVEMENTS**

The City is required under a 1988 State grant to reserve \$32,453 a year in a sewer system capital improvement account to accumulate the equivalent value of the sewer system grant received by the City, as adjusted for inflationary cost increases. Annual deposits of \$32,453 were required to be made until the sum of all deposits exceeds \$649,060. As of September 30, 2019 the balance is \$667,462.

**C. CUSTOMER DEPOSITS**

This amount is restricted based on deposits paid to the City by its water and sewer customers.



# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

### NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 5,820,920	\$ 257	\$ (104,735)	\$ 5,716,442
Construction in progress (1)	181,430	2,822,352	(29,801)	2,973,981
<b>Total Capital Assets Not Being Depreciated</b>	<u>6,002,350</u>	<u>2,822,609</u>	<u>(134,536)</u>	<u>8,690,423</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	23,282,001	1,000,225	--	24,282,226
Equipment and machinery	4,224,041	347,511	(52,180)	4,519,372
<b>Total Capital Assets Being Depreciated</b>	<u>27,506,042</u>	<u>1,347,736</u>	<u>(52,180)</u>	<u>28,801,598</u>
Less accumulated depreciation for:				
Buildings	(9,045,800)	(746,785)	--	(9,792,585)
Equipment and machinery	(2,883,577)	(213,851)	45,810	(3,051,618)
<b>Total Accumulated Depreciation</b>	<u>(11,929,377)</u>	<u>(960,636)</u>	<u>45,810</u>	<u>(12,844,203)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>15,576,665</u>	<u>387,100</u>	<u>(6,370)</u>	<u>15,957,395</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 21,579,015</u>	<u>\$ 3,209,709</u>	<u>\$ (140,906)</u>	<u>\$ 24,647,818</u>

(1) Increases and decreases include assets acquired and constructed by governmental activities of \$13,056 contributed to the water and sewer fund.

<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,578,818	\$ --	\$ --	\$ 1,578,818
Construction in progress (1)	222,147	532,866	--	755,013
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,800,965</u>	<u>532,866</u>	<u>--</u>	<u>2,333,831</u>
<b>Capital Assets Being Depreciated</b>				
Machinery and equipment	1,359,162	22,370	--	1,381,532
Plant distribution system	36,619,088	61,227	--	36,680,315
<b>Total Capital Assets Being Depreciated</b>	<u>37,978,250</u>	<u>83,597</u>	<u>--</u>	<u>38,061,847</u>
Less accumulated depreciation for:				
Machinery and equipment	(795,723)	(91,265)	--	(886,988)
Plant distribution system	(21,052,706)	(1,052,370)	--	(22,105,076)
<b>Total Accumulated Depreciation</b>	<u>(21,848,429)</u>	<u>(1,143,635)</u>	<u>--</u>	<u>(22,992,064)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>16,129,821</u>	<u>(1,060,038)</u>	<u>--</u>	<u>15,069,783</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 17,930,786</u>	<u>\$ (527,172)</u>	<u>\$ --</u>	<u>\$ 17,403,614</u>

(1) Increases include assets contributed from governmental activities to business-type activities of \$13,056.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

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

<b>Governmental Activities</b>	
General government	\$ 594,680
Public safety	147,467
Public works	42,586
Parks and recreation	<u>175,903</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<u>\$ 960,636</u>
<b>Business-type Activities</b>	
Water and sewer	<u>\$ 1,143,635</u>

**NOTE 8 – LONG-TERM DEBT**

The following is a summary of changes in long-term liabilities of the City for governmental activities for the fiscal year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Capital lease	\$ 32,465	\$ --	\$ (11,015)	\$ 21,450	\$ 11,015
Compensated absences	<u>847,999</u>	<u>584,073</u>	<u>(525,236)</u>	<u>906,836</u>	<u>90,684</u>
<b>Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 880,464</u>	<u>\$ 584,073</u>	<u>\$ (536,251)</u>	<u>\$ 928,286</u>	<u>\$ 101,699</u>

All governmental activities obligations, including Net Pension Liability and Total OPEB Liability, are generally liquidated by the general fund. The government portion of these liabilities are reflected in the Statement of Net Position.

***CAPITAL LEASE***

The City entered into a lease agreement totaling \$32,465 at an annual interest rate of 17% for the purpose of financing the acquisition of vehicles for the Parks and Recreation Department. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The lease agreement was entered into on April 12, 2018 with monthly payments of \$1,058 beginning October 1, 2018.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***CAPITAL LEASE (CONTINUED)***

<b>Asset Acquired Under the Capital Lease</b>	
Machinery and equipment	\$ 32,465
Accumulated depreciation	<u>(11,015)</u>
<b>Total Assets Acquired Under the Capital Lease</b>	<b><u>\$ 21,450</u></b>

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

Fiscal Year Ending September 30,	Amount
2020	\$ 12,692
2021	<u>12,692</u>
Total minimum lease payments	25,384
Less: interest portion	<u>(3,934)</u>
<b>Present Value of Future Minimum Lease Payments</b>	<b><u>\$ 21,450</u></b>

The following is a summary of changes in long-term liabilities of the City for business-type activities for the fiscal year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
Water revenue bonds, series 1981	\$ 93,700	\$ --	\$ (17,000)	\$ 76,700	\$ 17,800
State revolving loan	136,720	89,944	--	226,664	--
Compensated absences	<u>57,992</u>	<u>78,166</u>	<u>(65,867)</u>	<u>70,291</u>	<u>7,029</u>
<b>Business-type Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 288,412</u>	<u>\$ 168,110</u>	<u>\$ (82,867)</u>	<u>\$ 373,655</u>	<u>\$ 24,829</u>

***WATER REVENUE BONDS – SERIES 1981***

On September 16, 1983, the City issued bonds in the amount of \$365,000 as an addition to 1977 Water Revenue Bonds for the purpose of completing the construction of additions, extensions, and improvements to the water system. Payments are due in annual principal installments on September 1st, matures September 2023; interest at 5%. As of September 30, 2019, the principal balance is \$76,700.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***WATER REVENUE BONDS – SERIES 1981 (CONTINUED)***

The City pledges its water system revenues which consist of the charges for services to the customers of the water utility system. For the fiscal year ended September 30, 2019, debt service of approximately \$21,685 is only 0.6% of the approximate \$3,700,000 of the pledged revenues. Over the life of the debt which matures in 2023, it is estimated that debt service will be less than 4% of the total pledged revenues.

Debt service requirements to maturity for the bonds at September 30, 2019 are as follows:

Fiscal Year Ending September 30	Water Revenue Bonds		
	Principal	Interest	Total
2020	\$ 17,800	\$ 3,835	\$ 21,635
2021	18,700	2,945	21,645
2022	19,600	2,010	21,610
2023	<u>20,600</u>	<u>1,030</u>	<u>21,630</u>
<b>Total Debt Service Requirements</b>	<u>\$ 76,700</u>	<u>\$ 9,820</u>	<u>\$ 86,520</u>

***STATE REVOLVING FUND LOANS***

In June 2018, the City entered into a loan agreement in the amount of \$780,953 for the financing of the planning and engineering of the proposed wastewater treatment facility construction project under a State Revolving Fund Loan. The loan is secured by the state revenue sharing funds. Debt service for fiscal year 2019 was \$0 and state revenue sharing was \$546,046. The loan payment schedule was revised to be payable in semi-annual payments of principal and interest of \$20,063 beginning on December 15, 2021 at an interest rate of .05% per annum. Semiannual loan payments are due June 15 and December 15 until all amounts have been fully paid.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***STATE REVOLVING FUND LOANS (CONTINUED)***

Debt service requirements to maturity as follows:

Fiscal Year Ending September 30	State Revolving Fund Loan		
	Principal	Interest	Total
2020	\$ --	\$ --	\$ --
2021	--	--	--
2022	40,017	109	40,126
2023	40,037	89	40,126
2024	40,057	69	40,126
Thereafter	<u>106,553</u>	<u>82</u>	<u>106,635</u>
<b>Total</b>	<u>\$ 226,664</u>	<u>\$ 349</u>	<u>\$ 227,013</u>

In April 2019, the City entered into a second loan agreement in the amount of \$2,774,027 for the financing of the construction and demolition phase of the proposed wastewater treatment facility construction project mentioned above. The loan is payable in semi-annual payments of principal and interest of \$70,738 beginning on January 15, 2021 at an interest rate of 0% per annum. Semiannual loan payments are due January 15 and July 15 until all amounts have been fully paid. As of September 30, 2019, there has been no draw downs on this loan.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

**A. LITIGATION**

The City is involved in several lawsuits incidental to its operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the City.

**B. GRANTS CONTINGENCY**

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

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***C. 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. There were no reductions in coverage from the prior year. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

**NOTE 10 – DEFINED CONTRIBUTION PLAN**

Effective October 1, 1998, the City adopted the City of Florida City Defined Contribution Plan, created in accordance with Internal Revenue Code Section 401(a) for all of its general employees. Employees are eligible to participate in this Plan after completing one year of service. Contributions to this Plan began on January 1, 1999 after the General Employees Retirement Plan was frozen on December 31, 1998. The Plan is administered by VALIC. Amendments to the Plan are authorized by the City Commission. Employees contribute 2% of their compensation and the City contributes 4% of participants' compensation. The participants are 100% vested in their contributions and vest over a three year period in the City's contributions. There were no employee or City contributions into this Plan for the fiscal year ended September 30, 2019.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND**

**A. PLAN DESCRIPTION**

The City is the sponsor of a single-employer Public Employee Retirement System (PERS) which provides pension benefits for its police officers. The PERS is considered to be part of the City’s financial reporting entity and is included in the City’s basic financial statements as a pension trust fund. The retirement plan does not issue a separate financial report. Included below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2019.

**Police Officers' Substitute Pension Trust Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2019**

<b>Assets</b>	
<b>Investments</b>	
Money market mutual funds	\$ 97,026
Common stock	2,094,515
Corporate bonds	443,657
Government securities	<u>753,096</u>
<b>Total Investments</b>	3,388,294
<b>Receivables</b>	
Accrued interest	<u>7,306</u>
<b>Total Assets</b>	<u>3,395,600</u>
<b>Net Position Restricted for Pension Benefits</b>	<u><u>\$ 3,395,600</u></u>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

**A. PLAN DESCRIPTION (CONTINUED)**

**Police Officers' Substitute Pension Trust Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended September 30, 2019**

<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ <u>30,930</u>
<b>Investment Income</b>	
Net appreciation in fair value of investments	97,941
Interest and dividends	<u>67,720</u>
Investment Income	165,661
Less: investment expenses	<u>31,907</u>
<b>Net Investments Income</b>	<u>133,754</u>
<b>Total Additions</b>	<u>164,684</u>
<b>Deductions</b>	
Benefits paid	187,729
Administrative expenses	<u>8,556</u>
<b>Total Deductions</b>	<u>196,285</u>
<b>Change in Net Position</b>	(31,601)
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Beginning</b>	<u>3,427,201</u>
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Ending</b>	<u>\$ 3,395,600</u>



**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

**A. PLAN DESCRIPTION (CONTINUED)**

At October 1, 2018, the date of the most recent actuarial valuation, membership in the police officers’ substitute pension trust fund consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	<u>--</u>
	<u>46</u>

Effective May 1, 2008, a new replacement plan was established under Ordinance 07-03 (local plan). The local plan is called the “Police Substitute Pension Trust Fund”. The Board of Trustees serve as the trustees of the new plan. Simultaneous with the creation of the local plan and effective May 1, 2008, under Ordinance 08-03, the old Chapter 185 Plan which had originally been created under Ordinance 69-25, was terminated (the old plan). Essentially, the new plan was a continuation of the old plan with the exception that this plan is not a Chapter 185 Plan.

On May 1, 2008, the City of Florida City also joined the Florida Retirement System (FRS) for its police officers. A referendum was held to allow the police officers to: stay in the local plan, join the FRS without being eligible for an employer benefit under the local Plan or join the FRS and keep their deferred vested benefit under the plan. At the time of the conversion, two officers stayed in the City’s local plan, twenty-two officers joined FRS while being ineligible to receive an employer benefit under the local plan, and six officers joined FRS while retaining their accrued benefit under the local plan. Additionally, all new officers are enrolled into the FRS upon employment.

All full-time permanent police employees were eligible to participate in the Plan from the date of employment. Police employees who retire at or after age 60 are entitled to a normal retirement benefit of 2.5% of Average Compensation multiplied by credited service years of service to a maximum of 30 years. Benefits vest at a rate of 10% per year.

Vested employees may retire at or after age 50 with at least ten years of credited service and receive reduced retirement benefits. Benefits, upon early retirement, are reduced by 3% for each year early retirement precedes normal retirement date. Active participants are allowed to purchase service credit for military service or prior service rendered as a police officer. Pension benefits are established and may be amended only by the City Commission.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND***

As of September 30, 2019, the City’s Police Officers’ Substitute Pension Trust Fund had the following fixed income investments with its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	\$ 443,657	\$ 40,313	\$ 351,354	\$ 51,990
U.S. Treasuries	713,058	213,620	294,295	205,143
U.S. Agencies	40,038	--	40,038	--
<b>Total Fixed Income Investments</b>	<b>\$ 1,196,753</b>	<b>\$ 253,933</b>	<b>\$ 685,687</b>	<b>\$ 257,133</b>

***Target Asset Mix***

The Policy establishes the following Target Asset Mix for the plan for the year ended September 30, 2019 and 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Large cap value equity	20 %
Large cap growth equity	20
Small/mid cap value equity	5
Mid cap growth equity	5
International value equity	5
International growth equity	5
Core fixed income	40
<b>Total</b>	<b>100 %</b>

***Interest Rate Risk***

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)***

***Credit Risk***

The Plan’s investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's corporate bonds were all rated "A" or better under Standard & Poor's ratings. The Plan’s government securities were all rated AAA by Standard & Poor’s.

***Concentration of Credit Risk***

The Plan's investment policy prohibits equity securities concentrations greater than 7.5% in the securities of any one company at cost and fixed income securities concentrations greater than 10% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2019, the value of each position held in the Plan’s portfolio comprised less than 5% of fiduciary net position.

***Rate of Return***

For the fiscal year ended September 30, 2019 and 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.00% and 9.26% respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

***Fair Value Hierarchy***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City’s pension plan categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)***

***Fair Value Hierarchy (continued)***

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The Plan also holds money market funds, which are reported at amortized cost.

Common stock, classified in Level 1, are valued using prices quoted in active markets for those securities,

U.S. Treasuries and Agency securities, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

The Plan does not value any of its investments using level 3 inputs.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)***

***Fair Value Hierarchy (continued)***

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2019:

	Fair Value Measurements Using		
	9/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
Debt securities			
Corporate Bonds	\$ 443,657	\$ --	\$ 443,657
U.S. Treasuries	713,058	--	713,058
U.S. Agencies	40,038	--	40,038
Total debt securities	<u>1,196,753</u>	--	<u>1,196,753</u>
Equity securities			
Common stock	2,094,515	2,094,515	--
Total investments at fair value	<u>3,291,268</u>	<u>\$ 2,094,515</u>	<u>\$ 1,196,753</u>
Money market mutual funds (exempt)	97,026		
Total investments	<u>\$ 3,388,294</u>		

***Risks and Uncertainties***

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan’s investments and the risks associated therewith on a regular basis which the Plan believes minimizes these risks.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***C. CONTRIBUTIONS AND FUNDING POLICY***

Active members, if any, are required to contribute 7% of their salaries to the PERS. If an employee leaves covered employment or dies before ten years of service, accumulated employee contributions with credited interest are refunded. The City is required to make contributions at actuarially determined amounts; there was \$30,930 minimum contribution requirement for the fiscal year ended September 30, 2019. The minimum contribution consists of the normal cost plus the amortization of the components of the unfunded actuarial accrued liability, which should provide sufficient resources to pay employee pension benefits when due.

The actuarially determined contribution for the Plan for the current year was determined as part of the October 1, 2018 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities and therefore, information about funding status and funding progress is presented using the entry age normal cost method for the Plan.

***D. ACCOUNTING POLICIES***

The Plan follows the accrual basis of accounting. Contributions are recorded when paid or when the City has made the commitment to contribute to the Plan. Purchases and sales are recorded on the trade-date basis. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded through investment earnings.

***E. NET PENSION LIABILITY (ASSET) OF THE CITY***

As of September 30, 2019, the City reported the following net pension asset (NPA) which was measured as of September 30, 2018 (measurement date in accordance with GASB Statement No. 68). In addition, in accordance with GASB Statement No. 67, information as of September 30, 2019 has been disclosed:

	September 30,	
	2019	2018
Total pension liability	\$ 2,981,824	\$ 2,920,182
Plan fiduciary net position	* (3,426,510)	(3,427,201)
<b>Net Pension Asset</b>	<b>\$ (444,686)</b>	<b>\$ (507,019)</b>
Plan fiduciary net position as a percentage of the total pension liability	114.91%	117.36%

\*Difference in the Plan’s fiduciary net position for fiscal year 2019 is the result of an adjustment made to correct the year-end investment balance of the Plan after the completion of the GASB 67 report.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)***

***Changes in the Net Pension Liability (Asset)***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balances at September 30, 2017</b>	\$ 2,917,378	\$ (3,170,408)	\$ (253,030)
Changes for the year:			
Expected interest growth	174,660	(190,806)	(16,146)
Unexpected investment income	--	(131,259)	(131,259)
Contributions - employer	--	(141,876)	(141,876)
Benefit payments, including refunds of employee contributions	(171,856)	171,856	--
Administrative expenses	--	35,292	35,292
Net changes	<u>2,804</u>	<u>(256,793)</u>	<u>(253,989)</u>
<b>Balances at September 30, 2018</b>	<u>\$ 2,920,182</u>	<u>\$ (3,427,201)</u>	<u>\$ (507,019)</u>

***Significant Actuarial Assumptions***

The total pension liability of the City was determined by an actuarial valuation using the following actuarial assumptions as of September 30, 2019 and 2018:

Actuarial valuation	October 1, 2018	October 1, 2016
Interest rates:		
Single discount rate:	6.08%	6.08%
Inflation rate:	2.00%	2.00%

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

*E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)*

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 and 2018 are summarized in the following table:

<u>Asset Class</u>	Long-Term Expected Real Rate of Return	
	2019	2018
Large cap value equity	6.0%	6.1%
Large cap growth equity	5.7%	6.1%
Small/mid cap value equity	6.8%	6.7%
Mid cap growth equity	6.8%	6.7%
International value equity	5.7%	5.7%
International growth equity	5.7%	5.7%
Core fixed income	1.1%	1.8%

*Discount Rate*

The discount rate used to measure the total pension liability as of September 30, 2019 and 2018 was 6.08%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, there was no need to adjust the long-term expected rate of return on Plan investments to determine the total pension liability.



**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

***E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)***

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.08% as of September 30, 2019 and 2018, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2019:

	1% Decrease (5.08%)	Current Discount Rate (6.08%)	1% Increase (7.08%)
<b>Net Pension Asset</b>	<u>\$ (64,630)</u>	<u>\$ (444,686)</u>	<u>\$ (754,415)</u>

As of September 30, 2018:

	1% Decrease (5.08%)	Current Discount Rate (6.08%)	1% Increase (7.08%)
<b>Net Pension Asset</b>	<u>\$ (147,351)</u>	<u>\$ (507,019)</u>	<u>\$ (803,178)</u>

***Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to the Pension***

For the year ended September 30, 2019, based on a September 30, 2018 measurement date, the City recognized pension income of \$52,850 relating to the Plan. In addition, the City reported a deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 177,243
Employer contributions subsequent to the measurement date	<u>30,930</u>	<u>--</u>
<b>Total</b>	<u><u>\$ 30,930</u></u>	<u><u>\$ 177,243</u></u>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)**

*E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)*

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to the Pension (continued)*

The deferred outflows of resources related to pensions totaling \$30,930, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred inflows of resources above related to the pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2020	\$ (22,304)
2021	(70,443)
2022	(58,245)
2023	<u>(26,251)</u>
<b>Total</b>	<b><u>\$ (177,243)</u></b>

**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN**

The following is a brief description of the Plan:

**A. PLAN DESCRIPTION**

The City is the sponsor of a single-employer defined benefit retirement plan for elected officials. The Plan is considered to be part of the City’s financial reporting entity and is included in the City’s basic financial statements as a pension trust fund. The elected officials’ retirement plan does not issue a separate financial report. Included on the following pages are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2019.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

**A. PLAN DESCRIPTION (CONTINUED)**

**Elected Officials Retirement Plan**  
**Statement of Fiduciary Net Position**  
**September 30, 2019**

**Assets**

**Investments**

Money market mutual funds	\$ 198,900
Common stock	2,352,948
Corporate bonds	837,942
Government securities	<u>708,336</u>

**Total Investments** 4,098,126

**Receivables**

Accrued interest	<u>11,147</u>
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**Total Assets** 4,109,273

**Net Position Restricted for**

<b>Pension Benefits</b>	<u><u>\$ 4,109,273</u></u>
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**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

*A. PLAN DESCRIPTION (CONTINUED)*

<b>Elected Officials Retirement Plan</b>	
<b>Statement of Changes in Fiduciary Net Position</b>	
<b>For the Fiscal Year Ended September 30, 2019</b>	
<b>Additions</b>	
<b>Contributions</b>	
Employer	<u>\$ 100,000</u>
<b>Investment Income</b>	
Net appreciation in fair value of investments	115,586
Interest and dividends	<u>85,844</u>
Investment Income	201,430
Less: investment expenses	<u>34,820</u>
<b>Net Investments Income</b>	<u>166,610</u>
<b>Total Additions</b>	<u>266,610</u>
<b>Deductions</b>	
Administrative expenses	<u>477</u>
<b>Change in Net Position</b>	266,133
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Beginning</b>	<u>3,843,140</u>
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Ending</b>	<u><u>\$ 4,109,273</u></u>

At October 1, 2018, the date of the most recent actuarial valuation, membership in the elected officials' retirement plan consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	-
Active plan members	<u>5</u>
	<u><u>5</u></u>

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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#### NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

##### *A. PLAN DESCRIPTION (CONTINUED)*

Effective October 1, 2009, the Elected Officials Retirement Plan was established under Ordinance 05-09. The Board of Trustees serve as the trustees of the plan. Any person who was elected in a general or special election to serve as Mayor or as a City Commissioner is eligible to participate in the Plan.

##### *City Commissioner Benefits*

City Commissioners who retire at or after age 55 are entitled to a normal retirement benefit of 48% of the average annual compensation paid during the highest three years of service. For any service beyond 12 years, the pension benefit is increased by 4% of the average annual compensation for each and every year up to a maximum of 20 years of service and pension benefit equal to 80% of the average annual compensation. Benefits vest after 12 consecutive years of service.

##### *Mayor Benefits*

Mayors who retire at or after age 55 are entitled to a normal retirement benefit of 40% of the average annual compensation paid during the highest three years of service. For any service beyond 10 years, the pension benefit is increased by 4% of the average annual compensation for each and every year up to a maximum of 20 years of service and pension benefit equal to 80% of the average annual compensation. Benefits vest after 10 consecutive years of service.

##### *B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN*

As of September 30, 2019, the Elected Officials Retirement Plan had the following fixed income investments with its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	\$ 837,942	\$ 124,112	\$ 611,762	\$ 102,068
U.S. Treasuries	587,034	170,493	233,398	183,143
U.S. Agencies	121,302	--	76,624	44,678
<b>Total Fixed Income Investments</b>	<b>\$ 1,546,278</b>	<b>\$ 294,605</b>	<b>\$ 921,784</b>	<b>\$ 329,889</b>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)***

***Target Asset Mix***

The Policy establishes the following Target Asset Mix for the plan for the fiscal years ended September 30, 2019 and 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Large cap value equity	20 %
Large cap growth equity	20
Small/mid cap value equity	5
Small/mid cap growth equity	5
International value equity	5
International growth equity	5
Core fixed income	<u>40</u>
<b>Total</b>	<u><u>100 %</u></u>

***Interest Rate Risk***

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

***Credit Risk***

The Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's corporate bonds were all rated "A" or better under Standard & Poor's ratings. The Plan's government securities were all rated AAA by Standard & Poor's.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)***

***Concentration of Credit Risk***

The Plan's investment policy prohibits equity securities concentrations greater than 7.5% in the securities of any one company at cost and fixed income securities concentrations greater than 10% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2019, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

***Rate of Return***

For the fiscal year ended September 30, 2019 and 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.99% and 4.53% respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

***Fair Value Hierarchy***

The following is a description of the fair value techniques for the Elected Officials Retirement Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank:

The Plan also holds money market funds, which are reported at amortized cost.

Common stock, classified in Level 1, are valued using prices quoted in active markets for those securities,

U.S. Treasuries and Agency securities, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)***

***Fair Value Hierarchy (continued)***

The Plan does not value any of its investments using level 3 inputs.

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2019:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs
	9/30/2019	(Level 1)	(Level 2)
<b>Investments by Fair Value Level</b>			
Debt securities			
Corporate Bonds	\$ 837,942	\$ --	\$ 837,942
U.S. Treasuries	587,034	--	587,034
U.S. Agencies	<u>121,302</u>	<u>--</u>	<u>121,302</u>
Total debt securities	<u>1,546,278</u>	<u>--</u>	<u>1,546,278</u>
Equity securities			
Common stock	<u>2,352,948</u>	<u>2,352,948</u>	<u>--</u>
Total investments at fair value	<u>3,899,226</u>	<u>\$ 2,352,948</u>	<u>\$ 1,546,278</u>
Money market mutual funds (exempt)	<u>198,900</u>		
Total investments	<u>\$ 4,098,126</u>		

***Risks and Uncertainties***

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan’s investments and the risks associated therewith on a regular basis which the Plan believes minimizes these risks.



**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***C. CONTRIBUTIONS AND FUNDING POLICY***

Active members are not required to contribute into the Plan. The City is required to make contributions at actuarially determined amounts; during the fiscal year ending September 30, 2019, the City contributed \$100,000 which represents an average contribution rate of 39.68%. The minimum contribution consists of the normal cost plus the amortization of the components of the unfunded actuarial accrued liability, which should provide sufficient resources to pay pension benefits when due. The actuarially determined contribution for the Plan for the current year was determined as part of the October 1, 2016 actuarial valuation using the individual entry-age actuarial cost method.

***D. ACCOUNTING POLICIES***

The Plan follows the accrual basis of accounting. Contributions are recorded when paid or when the City has made the commitment to contribute to the Plan. Purchases and sales are recorded on the trade-date basis. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Currently, pension benefits and administrative costs are being paid out of the City's general fund.

***E. NET PENSION LIABILITY (ASSET) OF THE CITY***

As of September 30, 2019, the City reported the following net pension liability which was measured as of September 30, 2018 (measurement date in accordance with GASB Statement No. 68). In addition, in accordance with GASB Statement No. 67, information as of September 30, 2019 has been disclosed:

	September 30,	
	2019	2018
Total pension liability	\$ 2,901,967	\$ 2,682,824
Plan fiduciary net position	* (4,086,978)	(3,843,140)
<b>Net Pension Asset</b>	<b><u>\$ (1,185,011)</u></b>	<b><u>\$ (1,160,316)</u></b>
Plan fiduciary net position as a percentage of the total pension liability	140.83%	143.25%

\*Difference in the Plan's fiduciary net position for fiscal year 2019 is the result of an adjustment made to correct the year-end investment balance of the Plan after the completion of the GASB 67 report.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)***

***Changes in the Net Pension Liability***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balances at September 30, 2017</b>	<u>\$ 2,845,469</u>	<u>\$ (3,626,671)</u>	<u>\$ (781,202)</u>
Changes for the year:			
Service cost	32,498	--	32,498
Expected interest growth	194,263	--	194,263
Demographic experience	(389,406)	--	(389,406)
Contributions - employer	--	(71,535)	(71,535)
Investment income	--	(144,934)	(144,934)
Net changes	<u>(162,645)</u>	<u>(216,469)</u>	<u>(379,114)</u>
<b>Balances at September 30, 2018</b>	<u>\$ 2,682,824</u>	<u>\$ (3,843,140)</u>	<u>\$ (1,160,316)</u>

***Significant Actuarial Assumptions***

The total pension liability of the City was determined by an actuarial valuation using the following actuarial assumptions as of September 30, 2019 and 2018:

	September 30,	
	2019	2018
	October 1, 2018	October 1, 2016
Actuarial valuation		
Interest rates:		
Single discount rate:	6.75%	6.75%
Inflation rate:	2.50%	2.50%

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)***

***Discount Rate and Long-Term Expected Rate of Return***

A single discount rate of 6.75% was used to measure the total pension liability as of September 30, 2019 and 2018 measurement dates, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 6.75% as of September 30, 2019 and 2018 measurement dates, respectively. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made equal to the total actuarially determined contribution rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability as of September 30, 2019 and 2018 measurement dates, respectively .

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75% as of September 30, 2019 and 2018, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2019:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<b>Net Pension Asset</b>	<u>\$ (923,806)</u>	<u>\$ (1,185,011)</u>	<u>\$ (1,408,954)</u>

As of September 30, 2018:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<b>Net Pension Asset</b>	<u>\$ (901,496)</u>	<u>\$ (1,160,316)</u>	<u>\$ (1,383,872)</u>

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

***E. NET PENSION LIABILITY (ASSET) OF THE CITY (CONTINUED)***

***Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to the Pension***

For the year ended September 30, 2019, based on a September 30, 2018 measurement date, the City recognized pension income of \$437,671 relating to the Plan. In addition, the City reported deferred outflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources
Net Difference between projected and actual earnings on pension plan investments	\$ 191,055
Employer contributions subsequent to the measurement date	100,000
<b>Total</b>	<u><u>\$ 291,055</u></u>

The deferred outflows of resources related to pensions, totaling \$100,000, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension asset in the subsequent fiscal year. The other amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2020	\$ 72,188
2021	57,761
2022	40,649
2023	20,457
<b>Total</b>	<u><u>\$ 191,055</u></u>

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

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

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS**

Effective May 1, 2008, the City of Florida City commenced participation in the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employee Retirement System (PERS). There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees. An additional plan is also available to provide a defined contribution plan alternative to the defined benefit plan for FRS members. This integrated defined contribution pension plan is the FRS Investment Plan. The Retiree Health Insurance Subsidy Program (“HIS”) is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida.

Essentially all regular employees of the City are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services’ website:

[\(\[http://www.dms.myflorida.com/workforce\\\_operations/retirement/publications\]\(http://www.dms.myflorida.com/workforce\_operations/retirement/publications\)\)](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**A. PLAN DESCRIPTION**

***FRS Pension Plan***

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

*Regular Class* – Members of the FRS who do not qualify for membership in the other classes.

*Elected County Officers Class* – Members who hold specified elective offices in local government.

*Senior Management Service Class (SMSC)* – Members in senior management level positions.

*Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)**

**A. PLAN DESCRIPTION (CONTINUED)**

***FRS Pension Plan (continued)***

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

***HIS Plan***

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)**

***B. BENEFITS PROVIDED***

***FRS Pension Plan***

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011:

Retirement up to age 62 or up to 30 years of service 1.60%  
Retirement at age 63 or with 31 years of service 1.63%  
Retirement at age 64 or with 32 years of service 1.65%  
Retirement at age 65 or with 33 or more years of service 1.68%

Regular Class members initially enrolled on or after July 1, 2011:

Retirement up to age 65 or up to 33 years of service 1.60%  
Retirement at age 66 or with 34 years of service 1.63%  
Retirement at age 67 or with 35 years of service 1.65%  
Retirement at age 68 or with 36 or more years of service 1.68%

Elected County Officers: 3.00%

Senior Management Service Class: 2.00%

Special Risk Regular Class: 3.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-October 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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#### NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

##### *B. BENEFITS PROVIDED (CONTINUED)*

###### *HIS Plan*

For the fiscal year ended September 30, 2019 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

##### *C. CONTRIBUTIONS*

###### *FRS Pension Plan*

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. The contribution rate for FRS Regular, Special Risk (Police Officers) and DROP was 6.54%, 22.78% and 12.37% respectively, for the period from October 1, 2018 through June 30, 2019 and was 6.75%, 23.76% and 12.94% respectively, from July 1, 2019 through September 30, 2019.

The City's contributions to FRS totaled \$670,721 and employee contributions totaled \$128,916 for the fiscal year ended September 30, 2019.

###### *HIS Plan*

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

The City's contributions to the HIS Plan totaled \$92,581 for the fiscal year ended September 30, 2019.



# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

#### NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

##### *D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*

At September 30, 2019, the City reported liabilities of \$7,918,116 for its proportionate share of the FRS net pension liability and \$1,832,849 for the HIS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's fiscal year 2019 contributions relative to the fiscal year 2019 contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.0230% for the FRS plan and 0.0164% for the HIS plan, which was an increase of 0.0002% for both plans, from the proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of for the FRS plan and the HIS plan in the amount of \$1,203,995 and \$58,281, respectively. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 469,647	\$ 22,257	\$ 491,904
Assumption changes	2,033,713	212,191	2,245,904
Net difference between projected and actual earnings on pension plan investments	--	1,184	1,184
Changes in proportion and differences between City contributions and proportionate share of contributions	247,517	67,783	315,300
Employer contributions subsequent to the measurement date	179,316	21,491	200,807
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,930,193</b>	<b>\$ 324,906</b>	<b>\$ 3,255,099</b>
	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 4,914	\$ 2,244	\$ 7,158
Assumption Changes	--	149,778	149,778
Net difference between projected and actual earnings on pension plan investments	438,072	--	438,072
Changes in proportion and differences between City contributions and proportionate share of contributions	90,842	14,352	105,194
<b>Total Deferred Inflows of Resources</b>	<b>\$ 533,828</b>	<b>\$ 166,374</b>	<b>\$ 700,202</b>

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)**

***D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

The deferred outflows of resources related to pensions, totaling \$200,807, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Employer Share of Deferred Outflows / (Inflows)		
	FRS	HIS	Total
2020	\$ 804,839	45,971	\$ 850,810
2021	290,558	41,219	331,777
2022	577,771	28,839	606,610
2023	410,974	845	411,819
2024	104,626	4,650	109,276
Thereafter	28,281	15,517	43,798
<b>Total</b>	<b>\$ 2,217,049</b>	<b>\$ 137,041</b>	<b>\$ 2,354,090</b>

***E. ACTUARIAL ASSUMPTIONS***

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Mortality Table	PUB2010 Base Table	Generational RP-2000 with Projection Scale BB
Experience Study	07/01/13-6/30/18	
Actuarial Cost Method	Individual Entry Age Normal	
Investment rate of return	6.90%	3.50%
Projected salary increases	3.25%	3.25%
Inflation	2.60%	2.60%

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

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

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#### NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

##### *F. LONG-TERM EXPECTED RATE OF RETURN*

###### *FRS Pension Plan*

The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation <sup>(1)</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.3%	3.3%	1.2%
Fixed income	18%	4.1%	4.1%	3.5%
Global equity	54%	8.0%	6.8%	16.5%
Real estate (property)	11%	6.7%	6.1%	11.7%
Private equity	10%	11.2%	8.4%	25.8%
Strategic investments	6%	5.9%	5.7%	6.7%
Total	<u>100%</u>			
Assumed inflation-Mean			2.6%	1.7%

(1) As outlined in the Plan's investment policy

##### *G. DISCOUNT RATE*

The discount rate used to measure the total pension liability was 6.90% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.50% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)**

***H. SENSITIVITY OF THE CITY’S PROPORTIONATE SHARE OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE.***

The following table presents the sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2019.

Pension Plan	City's Proportionate Share of the Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
FRS	\$ 13,687,786	\$ 7,918,116	\$ 3,099,466
HIS	\$ 2,091,949	\$ 1,832,549	\$ 1,616,499

***I. PENSION PLAN FIDUCIARY NET POSITION***

Detailed information about the fiduciary net position of both benefit plans are available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

***J. FRS – INVESTMENT PLAN***

The City contributes to the FRS defined contribution Investment Plan (Investment Plan). The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)**

***J. FRS – INVESTMENT PLAN (CONTINUED)***

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City’s Investment Plan pension contributions totaled \$135,245 and employee contributions totaled \$36,856 for the fiscal year ended September 30, 2019.

**NOTE 14 – PENSION SUMMARY**

The following summarizes the total net pension liability, net pension asset and other amounts related to pensions for the City as of the indicated measurement date:

	Measurement Date	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
Police Officers' Substitute Pension Trust Fund	9/30/2018	\$ --	\$ 507,019	\$ 30,930	\$ 177,243	\$ (52,850)
Elected Officials Retirement Plan	9/30/2018	--	1,160,316	291,055	--	(437,671)
FRS (cost-sharing PERS)	6/30/2019	7,918,116	--	2,930,193	533,828	1,203,995
HIS (cost-sharing PERS)	6/30/2019	<u>1,832,549</u>	<u>--</u>	<u>324,906</u>	<u>166,374</u>	<u>58,281</u>
		<u>\$ 9,750,665</u>	<u>\$ 1,667,335</u>	<u>\$ 3,577,084</u>	<u>\$ 877,445</u>	<u>\$ 771,755</u>

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

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**NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS**

*PLAN DESCRIPTION*

The City provides health insurance benefits to its retired employees through an optional single-employer plan administered by the City. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under the plan are provided for a retiree’s lifetime (or until such time at which retiree discontinues coverage under the City sponsored plans, if earlier). The plan has no assets and does not issue a separate financial report.

*FUNDING POLICY*

Currently, the City follows a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. For the fiscal year ended September 30, 2019 there were no retirees receiving other postemployment benefits. Current and future retirees are required to pay 100% of the blended premium to continue coverage under the City’s group health insurance program.

*EMPLOYEES COVERED BY BENEFIT TERMS*

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	--
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>88</u>
<b>Total</b>	<u><u>88</u></u>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***TOTAL OPEB LIABILITY***

The City utilizes the alternative measurement method (AMM) in place of an actuarial valuation for purposes of determining their total OPEB liability as permitted by GASB Statement No. 75. The AMM approach allows the City to use simplifications of certain assumptions in measuring the costs and liabilities relating to OPEB. The City’s total OPEB liability of \$547,098 was measured as of September 30, 2018, and was determined by the AMM report as of September 30, 2017.

***Actuarial Assumptions and Other Inputs***

The Total OPEB Liability was rolled forward twelve months from the September 30, 2017 valuation date to the measurement date of September 30, 2018 which results are applicable to the fiscal year ending September 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	5.00%
Discount rate	3.83%
Healthcare cost trend rates	7.00% for fiscal year beginning 2018, 6.50% for fiscal year beginning 2019 and then gradually decreasing to an ultimate trend rate of 4.25%
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

Changes in assumptions and other inputs include the change in the discount rate from 3.50% as of the previous measurement date to 3.83% as of September 30, 2018. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*TOTAL OPEB LIABILITY (CONTINUED)*

*Changes in the Total OPEB Liability*

	Total OPEB Liability
<b>Balance at September 30, 2017</b>	<u>\$ 506,687</u>
<b>Changes for the Year:</b>	
Service cost	37,362
Interest	19,042
Changes in assumptions or other inputs	<u>(15,993)</u>
<b>Net Change</b>	<u>40,411</u>
<b>Balance at September 30, 2018</b>	<u><u>\$ 547,098</u></u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount 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 a discount rate that is 1-percentage-point lower (2.83%) or 1-percentage-point higher (4.83%) than the current discount rate:

	1% Decrease 2.83%	Discount Rate 3.83%	1% Increase 4.83%
<b>Total OPEB Liability</b>	\$ 596,586	\$ 547,098	\$ 499,812

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

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-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
<b>Total OPEB Liability</b>	\$ 479,005	\$ 547,098	\$ 628,847



**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*TOTAL OPEB LIABILITY (CONTINUED)*

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

For fiscal year ended September 30, 2019, the City recognized OPEB expense of \$40,411. There were no payables, deferred outflows of resources and deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2019.

**NOTE 16 – COMMUNITY REDEVELOPMENT COMMUNITY AGENCY (CRA)**

The CRA incurred the following expenditures during the fiscal year ended September 30, 2019:

In 2019, the major project funded by CRA's Infrastructure Fund was expenditures of \$910,656 for the Streetscape Project.

In addition, expenditures were incurred for consulting and engineering of approximately \$288,884, administrative functions for approximately \$98,604, and Community Policing for approximately \$300,000.

**NOTE 17 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City had excess of expenditures over appropriations in general government of \$291,843 and capital outlay of \$11,617. These overexpenditures were funded through use of prior years fund balance.

**NOTE 18 – SUBSEQUENT EVENT**

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China and has spread around the world resulting in business and social disruption. On January 30, 2020 the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the City's operations, suppliers or other vendors and customer base. Any business or social disruptions to the City's operations, or those of its customers and residents may adversely impact the City's revenues, ability to provide services and operating results. The duration of full impacts of the challenges responding to these disruptions are yet unknown and may have a negative impact on the local, national, and global economy. It could result in an economic downturn that could affect demand for goods and services. The extent to which COVID-19 may impact the City's financial condition or results of operations in highly uncertain and cannot be predicted.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF FLORIDA CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 5,550,867	\$ 4,488,000	\$ 4,222,745	\$ (265,255)
Intergovernmental	2,378,465	2,476,750	2,823,442	346,692
Charges for services	3,542,000	3,851,000	3,822,690	(28,310)
Investment earnings	55,000	71,500	69,655	(1,845)
Impact fees	132,750	1,615,000	1,621,751	6,751
Licenses and permits	307,000	859,600	861,256	1,656
Fines and forfeitures	1,560,000	2,202,000	2,204,118	2,118
Miscellaneous	712,202	719,650	960,960	241,310
<b>Total Revenues</b>	<u>14,238,284</u>	<u>16,283,500</u>	<u>16,586,617</u>	<u>303,117</u>
<b>Expenditures</b>				
Current:				
General government:				
Mayor and commissioners	177,582	162,035	161,806	229
Administration	642,436	603,425	599,159	4,266
Finance department	618,947	466,650	463,517	3,133
Legal	65,035	60,200	58,991	1,209
Building and zoning	534,196	803,200	801,156	2,044
General government	2,233,682	1,290,750	1,582,593	(291,843)
Vehicle maintenance	162,898	164,175	163,170	1,005
<b>Total General Government</b>	<u>4,434,776</u>	<u>3,550,435</u>	<u>3,830,392</u>	<u>(279,957)</u>
Public safety	4,644,456	4,848,400	4,806,840	41,560
Public works	2,879,803	2,894,100	2,885,218	8,882
Parks and recreation	337,926	287,250	285,109	2,141
Campersite	319,891	335,625	333,589	2,036
Capital outlay	1,075,461	452,950	464,567	(11,617)
<b>Total Expenditures</b>	<u>13,692,313</u>	<u>12,368,760</u>	<u>12,605,715</u>	<u>(236,955)</u>
<b>Excess of Revenues over Expenditures</b>	<u>545,971</u>	<u>3,914,740</u>	<u>3,980,902</u>	<u>66,162</u>
<b>Other Financing Sources (Uses)</b>				
Prior year carryover	676,861	(3,914,740)	--	(3,914,740)
Transfers out	(1,222,832)	--	(2,329)	2,329
<b>Total Other Financing Sources (Uses)</b>	<u>(545,971)</u>	<u>(3,914,740)</u>	<u>(2,329)</u>	<u>(3,912,411)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,978,573</u>	<u>\$ 3,978,573</u>

*See notes to budgetary comparison schedule.*

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE  
CRA FUND**

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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 2,017,013	\$ 2,017,013	\$ 2,017,013	\$ --
Investment earnings	20,000	18,000	23,409	5,409
Other	<u>400,000</u>	<u>10,000</u>	<u>--</u>	<u>(10,000)</u>
<b>Total Revenues</b>	<u>2,437,013</u>	<u>2,045,013</u>	<u>2,040,422</u>	<u>(4,591)</u>
<b>Expenditures</b>				
Current:				
General government	2,767,496	1,397,134	1,182,720	214,414
Capital outlay	<u>3,074,000</u>	<u>1,337,441</u>	<u>910,656</u>	<u>426,785</u>
<b>Total Expenditures</b>	<u>5,841,496</u>	<u>2,734,575</u>	<u>2,093,376</u>	<u>641,199</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(3,404,483)</u>	<u>(689,562)</u>	<u>(52,954)</u>	<u>(645,790)</u>
<b>Other Financing Sources</b>				
Prior year carryover	3,404,483	3,618,395	--	3,618,395
Sale of capital assets	<u>--</u>	<u>250,000</u>	<u>137,487</u>	<u>112,513</u>
<b>Total Other Financing Sources</b>	<u>3,404,483</u>	<u>3,868,395</u>	<u>--</u>	<u>3,730,908</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ 3,178,833</u>	<u>\$ 84,533</u>	<u>\$ 3,085,118</u>

*See notes to budgetary comparison schedule.*

**CITY OF FLORIDA CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTE TO BUDGETARY COMPARISON SCHEDULES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

An annual appropriated budget is adopted on a basis consistent with accounting principles generally accepted in the United States for the general fund and CRA, except for hurricane related expenditures.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- a. Management submits to the City Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution;
- d. The City Commission, by motion, may make supplemental appropriations for the year up to the amount of revenue in excess of those estimated appropriations. There were no supplemental appropriations in the General Fund or in the CRA for the fiscal year ended September 30, 2019.
- e. Formal budgetary integration is employed as a management control device during the year for all funds;
- f. Amendments to the budget within a department can be authorized by the Mayor as the City's Chief administrator. Any amendments outside of a department must be approved by the City Commission. Therefore, the legal level of control is at the department level.
- g. Unencumbered appropriations lapse at year end.

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND  
RELATED RATIOS  
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND  
LAST TEN FISCAL YEARS <sup>(2)</sup>**

<b>September 30,</b>	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Interest	\$ 171,743	\$ --	\$ 173,768	\$ 172,476	\$ 173,844	\$ 165,349
Changes in benefit terms	--	--	--	--	--	--
Differences between expected and actual experience	77,628	174,660	(165,811)	--	(10,934)	--
Changes of assumptions	--	--	85,463	--	(75,483)	--
Benefit payments, including refunds of member contributions	<u>(187,729)</u>	<u>(171,856)</u>	<u>(110,091)</u>	<u>(148,230)</u>	<u>(101,502)</u>	<u>(124,493)</u>
<b>Net Change in Total Pension Liability</b>	61,642	2,804	(16,671)	24,246	(14,075)	40,856
<b>Total Pension Liability - Beginning</b>	<u>2,920,182</u>	<u>2,917,378</u>	<u>2,934,049</u>	<u>2,909,803</u>	<u>2,923,878</u>	<u>2,883,022</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$2,981,824</u>	<u>\$2,920,182</u>	<u>\$2,917,378</u>	<u>\$2,934,049</u>	<u>\$2,909,803</u>	<u>\$2,923,878</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 30,930	\$ 141,876	\$ --	\$ --	\$ --	\$ 12,172
Net Investment income	196,571	322,065	336,736	237,609	(47,169)	272,251
Benefit payments, including refunds of member contributions	(187,729)	(171,856)	(110,091)	(284,400)	(101,502)	(99,584)
Administrative expense	<u>(40,463)</u>	<u>(35,292)</u>	<u>(35,525)</u>	<u>(36,760)</u>	<u>(42,938)</u>	<u>(36,091)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(691)	256,793	191,120	(83,551)	(191,609)	148,748
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,427,201</u>	<u>3,170,408</u>	<u>2,979,288</u>	<u>3,062,839</u>	<u>3,254,448</u>	<u>3,105,700</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	(1) <u>\$3,426,510</u>	<u>\$3,427,201</u>	<u>\$3,170,408</u>	<u>\$2,979,288</u>	<u>\$3,062,839</u>	<u>\$3,254,448</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ (444,686)</u>	<u>\$ (507,019)</u>	<u>\$ (253,030)</u>	<u>\$ (45,239)</u>	<u>\$ (153,036)</u>	<u>\$ (330,570)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</b>	114.91%	117.36%	108.67%	101.54%	105.26%	111.31%
<b>Covered Payroll*</b>	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A

\* There are no active employees in this plan.

(1) Difference in the Plan's fiduciary net position for fiscal year 2019 is the result of an adjustment made to correct the year-end investment balance subsequent to preparation of the GASB 67 report.

(2) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS  
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

<b>September 30,</b>	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 30,930	\$ 70,938	\$ 70,938	\$ --	\$ --	\$ 12,172
Contributions in relation to the actuarially determined contribution	<u>30,930</u>	<u>141,876</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,172</u>
Contribution deficiency (excess)	\$ --	\$ (70,938)	\$ 70,938	\$ --	\$ --	\$ --
Covered payroll	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage or covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule**

Valuation date: October 1, 2018

Actuarially determined contribution rates are calculated as of October 1, which provides the actuarially determined contribution for the fiscal years ending September 30, 2019 and 2020.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age, normal cost method
Amortization method	Closed 8-year period with level-dollar payments
Asset valuation method	Market value
Inflation	2.00%
Salary increases	N/A
Investment rate of return	6.08%
Retirement age	Age 55 with at least 10 years of service, or any age with at least 25 years of service.

(1) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

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<b>September 30,</b>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	4.00%	9.26%	9.29%	7.08%	-2.48%	7.92%

*(1) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*



**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND  
RELATED RATIOS  
ELECTED OFFICIALS RETIREMENT PLAN  
LAST TEN FISCAL YEARS <sup>(2)</sup>**

<b>September 30,</b>	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service cost	\$ 35,646	\$ 32,498	\$ 154,166	\$ 150,661	\$ 143,487
Interest	209,782	194,264	132,966	124,603	116,585
Differences between expected and actual experience	(415,691)	--	(661,206)	--	--
Changes of assumptions	--	--	(1,058,484)	--	--
<b>Net Change in Total Pension Liability</b>	(170,263)	226,762	(1,432,558)	275,264	260,072
<b>Total Pension Liability - Beginning</b>	<u>3,072,231</u>	<u>2,845,469</u>	<u>4,278,027</u>	<u>4,002,763</u>	<u>3,742,691</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 2,901,968</u>	<u>\$ 3,072,231</u>	<u>\$ 2,845,469</u>	<u>\$ 4,278,027</u>	<u>\$ 4,002,763</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 100,000	\$ 71,535	\$ 521,832	\$ 500,000	\$ 382,791
Net Investment income	143,839	144,934	--	--	59
Other	--	--	6,633	--	--
<b>Net Change in Plan Fiduciary Net Position</b>	243,839	216,469	528,465	500,000	382,850
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,843,140</u>	<u>3,626,671</u>	<u>3,098,206</u>	<u>2,598,206</u>	<u>2,215,356</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	(1) <u>\$ 4,086,979</u>	<u>\$ 3,843,140</u>	<u>\$ 3,626,671</u>	<u>\$ 3,098,206</u>	<u>\$ 2,598,206</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ (1,185,011)</u>	<u>\$ (770,909)</u>	<u>\$ (781,202)</u>	<u>\$ 1,179,821</u>	<u>\$ 1,404,557</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	140.83%	125.09%	127.45%	72.42%	64.91%
<b>Covered Payroll</b>	\$ 251,994	\$ 251,396	\$ 224,288	\$ 226,381	\$ 215,601
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	-470.25%	-306.65%	-348.30%	521.17%	651.46%

(1) Difference in the Plan's fiduciary net position for fiscal year 2019 is the result of an adjustment made to correct the year-end investment balance subsequent to preparation of the GASB 67 report.

(2) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

# CITY OF FLORIDA CITY, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CITY CONTRIBUTIONS ELECTED OFFICIALS RETIREMENT PLAN LAST TEN FISCAL YEARS <sup>(1)</sup>

September 30,	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 73,028	\$ 68,410	\$ 521,832	\$ 506,633	\$ 382,791
Contributions in relation to the actuarially determined contribution	<u>100,000</u>	<u>71,535</u>	<u>521,832</u>	<u>500,000</u>	<u>382,791</u>
Contribution deficiency (excess)	\$ (26,972)	\$ (3,125)	\$ --	\$ 6,633	\$ --
Covered payroll	\$ 251,994	\$ 251,396	\$ 224,288	\$ 226,381	\$ 215,601
Contributions as a percentage or covered payroll	39.68%	28.46%	232.66%	220.87%	177.55%

#### Notes to Schedule

Valuation date: October 1, 2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	10 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	3.0%
Investment rate of return	6.75%
Retirement age	100% when first eligible for Normal Retirement

(1) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

**CITY OF FLORIDA CITY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**ELECTED OFFICIALS RETIREMENT PLAN**  
**LAST TEN FISCAL YEARS <sup>(1)</sup>**

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<b>September 30,</b>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return	3.99%	4.53%	0.00%	0.00%	0.00%

*(1) This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.0230%	0.0228%	0.0234%	0.0223%	0.0204%
City's proportionate share of the FRS net pension liability	\$ 7,918,116	\$ 6,878,915	\$ 6,919,227	\$ 5,626,880	\$ 2,629,988
City's covered payroll	\$ 5,482,025	\$ 5,296,408	\$ 5,218,816	\$ 4,788,287	\$ 4,690,842
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	144.4%	129.9%	132.6%	117.5%	56.1%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.6%	84.3%	83.9%	84.9%	92%

*Note: The amounts presented above were determined as of **June 30th**.*

**SCHEDULE OF THE CITY'S CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 670,721	\$ 650,864	\$ 608,954	\$ 543,466	\$ 496,436
FRS contribution in relation to the contractually required contribution	<u>670,721</u>	<u>650,864</u>	<u>608,954</u>	<u>543,466</u>	<u>496,436</u>
FRS contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
City's covered payroll	\$ 5,577,187	\$ 5,241,507	\$ 5,158,346	\$ 4,827,426	\$ 4,690,842
FRS contribution as a percentage of covered payroll	12.03%	12.42%	11.81%	11.26%	10.58%

*Note: The amounts presented above were determined as of **September 30th**.*

*The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2015 and forward are available.*

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

	2019	2018	2017	2016	2015
City's proportionate share of the net pension liability	0.0164%	0.0162%	0.0164%	0.0155%	0.0154%
City's proportionate share of the HIS net pension liability	\$ 1,832,549	\$ 1,716,313	\$ 1,749,679	\$ 1,807,716	\$ 1,571,765
City's covered payroll	\$ 5,482,025	\$ 5,296,408	\$ 5,218,816	\$ 4,788,287	\$ 4,690,842
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.4%	32.4%	33.5%	37.8%	33.5%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.5%

*Note: The amounts presented above were determined as of **June 30th**.*

**SCHEDULE OF THE CITY'S CONTRIBUTIONS  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 92,581	\$ 87,939	\$ 86,601	\$ 79,503	\$ 58,914
HIS contribution in relation to the contractually required contribution	<u>92,581</u>	<u>87,939</u>	<u>86,601</u>	<u>79,503</u>	<u>58,914</u>
HIS contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
City's covered payroll	\$ 5,577,187	\$ 5,241,507	\$ 5,158,346	\$ 4,827,426	\$ 4,690,842
HIS contribution as a percentage of covered payroll	1.66%	1.68%	1.68%	1.65%	1.26%

*Note: The amounts presented above were determined as of **September 30th**.*

*The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2015 and forward are available.*

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB  
LIABILITY AND RELATED RATIOS**

**LAST TEN FISCAL YEARS<sup>(1)</sup>**

September 30, (Measurement Date)	2018	2017
<b>Total OPEB Liability</b>		
Service cost	\$ 37,362	\$ 39,266
Interest	19,042	16,102
Changes of assumptions or other inputs	(15,993)	(19,064)
Benefit payments	<u>    --</u>	<u>(19,571)</u>
<b>Net Change in Total OPEB Liability</b>	40,411	16,733
<b>Total OPEB Liability - Beginning</b>	<u>506,687</u>	<u>489,954</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 547,098</u>	<u>\$ 506,687</u>
<b>Covered-Employee Payroll</b>	\$5,322,527	\$ 4,657,971
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	10.28%	10.88%

(1) *This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

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# **COMBINING FUND FINANCIAL STATEMENTS**

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# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for revenues derived from specific sources that are legally restricted to expenditures for particular purposes.

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**Law Enforcement Forfeiture – Federal.** This fund accounts for assets received from the Federal Government (Department of Justice and Treasury Department) from federally forfeited cash, property, proceeds and any interest earned thereon, which are equitably shared with the participating agency and restricted to expenditure for law enforcement purposes under their Federal Equitable Sharing Agreement.

**Law Enforcement Forfeiture – State.** This fund accounts for assets acquired pursuant to Florida Statute 921.701, *Florida Contraband Forfeiture Act*. Proceeds from the sale of such forfeited property are restricted for expenditure for law enforcement purposes, which are those other than the normal law enforcement operating expenditures.

**Florida City Foundation** – This fund is a component unit of the City reflecting the activity of a non-profit organization, which provides activities to benefit the citizens of the City. This component unit has a December 31st year end and is reported as of and for the year ended December 31, 2018.



**CITY OF FLORIDA CITY, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2019**

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash	\$ --	\$ --	\$ 376,005	\$ 376,005
Accounts receivable	--	--	51,887	51,887
Restricted cash	<u>9,287</u>	<u>229,373</u>	<u>--</u>	<u>238,660</u>
<b>Total Assets</b>	<u>\$ 9,287</u>	<u>\$ 229,373</u>	<u>\$ 427,892</u>	<u>\$ 666,552</u>
<b>Liabilities and Fund Balances</b>				
Due to other funds	\$ 9,287	\$ 70,572	\$ --	\$ 79,859
Unearned revenue	<u>--</u>	<u>63,261</u>	<u>--</u>	<u>63,261</u>
<b>Total Liabilities</b>	<u>9,287</u>	<u>133,833</u>	<u>--</u>	<u>143,120</u>
<b>Fund Balance</b>				
Restricted	<u>--</u>	<u>95,540</u>	<u>427,892</u>	<u>523,432</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 9,287</u>	<u>\$ 229,373</u>	<u>\$ 427,892</u>	<u>\$ 666,552</u>

**CITY OF FLORIDA CITY, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

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

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Investment earnings	\$ 232	\$ 1,680	\$ 406	\$ 2,318
Forfeitures	66,078	19,492	--	85,570
Other	<u>--</u>	<u>6,256</u>	<u>39,835</u>	<u>46,091</u>
<b>Total Revenues</b>	<u>66,310</u>	<u>27,428</u>	<u>40,241</u>	<u>133,979</u>
<b>Expenditures</b>				
Current:				
General government	--	--	24,378	24,378
Public safety	<u>66,310</u>	<u>82,650</u>	<u>--</u>	<u>148,960</u>
<b>Total Expenditures</b>	<u>66,310</u>	<u>82,650</u>	<u>24,378</u>	<u>173,338</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	--	(55,222)	15,863	(39,359)
<b>Fund Balances - Beginning</b>	<u>--</u>	<u>150,762</u>	<u>412,029</u>	<u>562,791</u>
<b>Fund Balances - Ending</b>	<u><u>\$ --</u></u>	<u><u>\$ 95,540</u></u>	<u><u>\$ 427,892</u></u>	<u><u>\$ 523,432</u></u>

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## **FIDUCIARY FUNDS**

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## **FIDUCIARY FUNDS**

**Police Officers' Substitute Pension Trust Fund** – This fund accounts for the accumulation of resources and for contributions and benefits of certain police officers.

**Elected Officials Retirement Plan** – This fund accounts for the accumulation of resources and for contributions and benefits for elected officials.

**CITY OF FLORIDA CITY, FLORIDA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**SEPTEMBER 30, 2019**

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
<b>Assets</b>			
<b>Investments</b>			
Money market mutual funds	\$ 97,026	\$ 198,900	\$ 295,926
Common stock	2,094,515	2,352,948	4,447,463
Corporate bonds	443,657	837,942	1,281,599
Government securities	<u>753,096</u>	<u>708,336</u>	<u>1,461,432</u>
<b>Total Investments</b>	3,388,294	4,098,126	7,486,420
<b>Receivables</b>			
Accrued interest	<u>7,306</u>	<u>11,147</u>	<u>18,453</u>
<b>Total Assets</b>	<u>3,395,600</u>	<u>4,109,273</u>	<u>7,504,873</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 3,395,600</u>	<u>\$ 4,109,273</u>	<u>\$ 7,504,873</u>

**CITY OF FLORIDA CITY, FLORIDA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

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

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
<b>Additions</b>			
<b>Contributions</b>			
City	\$ 30,930	\$ 100,000	\$ 130,930
<b>Investment Income</b>			
Net appreciation in fair value of investments	97,941	115,586	213,527
Interest and dividends	67,720	85,844	153,564
Investment Income	165,661	201,430	367,091
Less: investment expenses	31,907	34,820	66,727
<b>Net Investments Income</b>	133,754	166,610	300,364
<b>Total Additions</b>	164,684	266,610	431,294
<b>Deductions</b>			
Benefits paid	187,729	--	187,729
Administrative expenses	8,556	477	9,033
<b>Total Deductions</b>	196,285	477	196,762
<b>Change in Net Position</b>	(31,601)	266,133	234,532
<b>Net Position Restricted for Pension Benefits - Beginning</b>	3,427,201	3,843,140	7,270,341
<b>Net Position Restricted for Pension Benefits - Ending</b>	\$ 3,395,600	\$ 4,109,273	\$ 7,504,873

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## **STATISTICAL SECTION**

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## Statistical Section

This part of the City of Florida City's comprehensive annual financial report represents 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.

<u>Contents</u>	<u>Page</u>
<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>96-99</b>
<b>Revenue Capacity</b>	
These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the property tax.	<b>100-103</b>
<b>Debt Capacity</b>	
These schedules represent 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>104-106</b>
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>107-109</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 reports relates to the services the City provides and the activities it performs.	<b>110-111</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.



**CITY OF FLORIDA CITY, FLORIDA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 24,363,823	\$ 21,476,661	\$ 21,188,465	\$ 21,277,007	\$ 21,568,418	\$ 21,097,350	\$ 20,600,344	\$ 18,618,782	\$ 15,445,091	\$ 13,265,395
Restricted	8,967,060	9,572,082	8,761,516	7,664,448	6,667,253	5,950,637	5,384,144	6,338,849	7,534,643	2,697,968
Unrestricted	<u>6,078,425</u>	<u>3,617,789</u>	<u>4,227,545</u>	<u>6,304,336</u>	<u>7,612,827</u>	<u>11,987,073</u>	<u>11,772,235</u>	<u>12,635,960</u>	<u>12,408,125</u>	<u>18,368,238</u>
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 39,409,308</u></b>	<b><u>\$ 34,666,532</u></b>	<b><u>\$ 34,177,526</u></b>	<b><u>\$ 35,245,791</u></b>	<b><u>\$ 35,848,498</u></b>	<b><u>\$ 39,035,060</u></b>	<b><u>\$ 37,756,723</u></b>	<b><u>\$ 37,593,591</u></b>	<b><u>\$ 35,387,859</u></b>	<b><u>\$ 34,331,601</u></b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 17,100,250	\$ 17,700,366	\$ 18,244,837	\$ 18,333,017	\$ 18,845,943	\$ 18,841,730	\$ 18,893,662	\$ 18,768,900	\$ 17,693,353	\$ 17,569,157
Restricted	733,375	727,393	723,059	779,698	775,428	770,866	446,818	442,669	436,975	432,135
Unrestricted	<u>4,718,486</u>	<u>4,942,520</u>	<u>5,074,807</u>	<u>5,680,522</u>	<u>5,303,590</u>	<u>5,640,832</u>	<u>5,890,234</u>	<u>6,057,692</u>	<u>6,121,328</u>	<u>6,000,444</u>
<b>Total Business-type Activities Net Position</b>	<b><u>\$ 22,552,111</u></b>	<b><u>\$ 23,370,279</u></b>	<b><u>\$ 24,042,703</u></b>	<b><u>\$ 24,793,237</u></b>	<b><u>\$ 24,924,961</u></b>	<b><u>\$ 25,253,428</u></b>	<b><u>\$ 25,230,714</u></b>	<b><u>\$ 25,269,261</u></b>	<b><u>\$ 24,251,656</u></b>	<b><u>\$ 24,001,736</u></b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 41,464,073	\$ 39,177,027	\$ 39,433,302	\$ 39,610,024	\$ 40,414,361	\$ 39,939,080	\$ 39,494,006	\$ 37,387,682	\$ 33,138,444	\$ 30,834,552
Restricted	9,700,435	10,299,475	9,484,575	8,444,146	7,442,681	6,721,503	5,830,962	6,781,518	7,971,618	3,130,103
Unrestricted	<u>10,796,911</u>	<u>8,560,309</u>	<u>9,302,352</u>	<u>11,984,858</u>	<u>12,916,417</u>	<u>17,627,905</u>	<u>17,662,469</u>	<u>18,693,652</u>	<u>18,529,453</u>	<u>24,368,682</u>
<b>Total Primary Government Net Position</b>	<b><u>\$ 61,961,419</u></b>	<b><u>\$ 58,036,811</u></b>	<b><u>\$ 58,220,229</u></b>	<b><u>\$ 60,039,028</u></b>	<b><u>\$ 60,773,459</u></b>	<b><u>\$ 64,288,488</u></b>	<b><u>\$ 62,987,437</u></b>	<b><u>\$ 62,862,852</u></b>	<b><u>\$ 59,639,515</u></b>	<b><u>\$ 58,333,337</u></b>

Note: The City implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

CITY OF FLORIDA CITY, FLORIDA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,603,962	\$ 6,709,640	\$ 7,479,011	\$ 5,142,885	\$ 5,504,388	\$ 4,639,915	\$ 5,185,940	\$ 4,842,342	\$ 5,051,175	\$ 5,020,179
Public works	3,019,567	2,892,554	2,811,150	2,781,545	2,498,493	2,584,261	2,586,344	2,516,237	2,471,340	2,751,993
Public safety	6,010,158	4,847,497	5,161,959	4,536,937	3,800,750	3,589,591	3,543,627	3,219,661	3,335,702	3,103,892
Parks and recreation	811,284	779,380	755,546	808,091	773,483	670,491	651,931	556,506	563,291	576,549
Interest on long-term debt	--	--	--	2,901	5,566	--	--	--	--	--
<b>Total Governmental Activities Expenses</b>	<b>15,444,971</b>	<b>15,229,071</b>	<b>16,207,666</b>	<b>13,272,359</b>	<b>12,582,680</b>	<b>11,484,258</b>	<b>11,967,842</b>	<b>11,134,746</b>	<b>11,421,508</b>	<b>11,452,613</b>
<b>Business-type Activities</b>										
Water and sewer	4,823,808	4,498,802	4,640,964	4,313,692	3,514,528	3,218,483	3,456,755	3,305,656	3,037,330	3,012,668
<b>Total Business-type Activities Expenses</b>	<b>4,823,808</b>	<b>4,498,802</b>	<b>4,640,964</b>	<b>4,313,692</b>	<b>3,514,528</b>	<b>3,218,483</b>	<b>3,456,755</b>	<b>3,305,656</b>	<b>3,037,330</b>	<b>3,012,668</b>
<b>Total Primary Government Expenses</b>	<b>\$ 20,268,779</b>	<b>\$ 19,727,873</b>	<b>\$ 20,848,630</b>	<b>\$ 17,586,051</b>	<b>\$ 16,097,208</b>	<b>\$ 14,702,741</b>	<b>\$ 15,424,597</b>	<b>\$ 14,440,402</b>	<b>\$ 14,458,838</b>	<b>\$ 14,465,281</b>
<b>Program Revenue</b>										
Governmental activities:										
Charge for services:										
Refuse collection	\$ 2,608,866	\$ 2,582,366	\$ 2,432,871	\$ 2,412,091	\$ 2,265,470	\$ 2,194,985	\$ 2,208,676	\$ 2,171,831	\$ 2,164,331	\$ 2,118,146
Recycling fees	38,883	57,158	69,607	82,166	74,239	60,751	50,358	64,933	66,197	63,324
Public safety	2,440,943	1,788,726	1,658,883	1,547,654	1,369,746	1,416,465	1,089,815	1,574,803	393,234	529,790
Parks and recreation	936,545	877,827	873,859	873,889	769,811	655,729	777,801	767,224	662,055	634,142
Other activities	4,605,152	1,470,257	1,176,091	1,087,410	637,226	719,881	624,835	447,734	488,028	510,199
Operating grants and contributions	434,500	128,973	33,379	33,050	90,551	38,011	174,183	357,988	568,881	390,603
Capital grants and contributions	2,353,013	1,884,902	2,049,186	1,756,154	1,986,078	2,055,216	2,440,842	3,959,800	2,800,895	2,009,897
<b>Total Governmental Activities Programs Revenues</b>	<b>13,417,902</b>	<b>8,790,209</b>	<b>8,293,876</b>	<b>7,792,414</b>	<b>7,193,121</b>	<b>7,141,038</b>	<b>7,366,510</b>	<b>9,344,313</b>	<b>7,143,621</b>	<b>6,256,101</b>
<b>Business-type Activities</b>										
Charge for services:										
Water and sewer	3,942,992	3,726,660	3,722,481	3,679,482	3,066,695	2,851,205	2,712,231	2,651,685	2,580,149	2,519,473
Operating grants and contributions	--	--	--	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--	--	--	--
<b>Total Business-type Activities Programs Revenues</b>	<b>3,942,992</b>	<b>3,726,660</b>	<b>3,722,481</b>	<b>3,679,482</b>	<b>3,066,695</b>	<b>2,851,205</b>	<b>2,712,231</b>	<b>2,651,685</b>	<b>2,580,149</b>	<b>2,519,473</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 17,360,894</b>	<b>\$ 12,516,869</b>	<b>\$ 12,016,357</b>	<b>\$ 11,471,896</b>	<b>\$ 10,259,816</b>	<b>\$ 9,992,243</b>	<b>\$ 10,078,741</b>	<b>\$ 11,995,998</b>	<b>\$ 9,723,770</b>	<b>\$ 8,775,574</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	(2,027,069)	(6,438,862)	(7,913,790)	(5,479,945)	(5,389,559)	(4,343,220)	(4,601,332)	(1,790,433)	(4,277,887)	(5,196,512)
Business-type activities	(880,816)	(772,142)	(918,483)	(634,210)	(447,833)	(367,278)	(744,524)	(653,971)	(457,181)	(493,195)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (2,907,885)</b>	<b>\$ (7,211,004)</b>	<b>\$ (8,832,273)</b>	<b>\$ (6,114,155)</b>	<b>\$ (5,837,392)</b>	<b>\$ (4,710,498)</b>	<b>\$ (5,345,856)</b>	<b>\$ (2,444,404)</b>	<b>\$ (4,735,068)</b>	<b>\$ (5,689,707)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,363,162	\$ 2,175,438	\$ 1,943,089	\$ 1,863,171	\$ 1,981,186	\$ 1,945,005	\$ 1,930,823	\$ 2,218,407	\$ 2,513,413	\$ 4,390,868
Utility Taxes	934,585	915,021	879,706	840,030	820,057	808,197	737,749	698,784	650,087	629,105
Communication services tax	172,552	200,855	201,457	219,444	232,298	230,135	257,366	265,274	275,703	320,014
Franchise fees based on gross receipts	752,446	729,006	736,789	708,833	712,573	702,210	650,210	659,738	601,814	637,019
Unrestricted intergovernmental revenue	2,008,321	1,936,700	1,844,120	1,730,376	1,751,141	1,630,558	1,546,817	1,412,896	1,254,721	1,195,745
Unrestricted state shared revenues	420,456	394,226	372,226	336,926	314,056	262,786	224,173	177,259	157,197	145,554
Unrestricted investment earnings	104,997	85,495	74,838	50,103	58,642	29,723	70,800	136,182	401,293	706,281
Miscellaneous <sup>(1)</sup>	--	206,356	481,405	175,222	141,494	366,025	--	71,972	35,700	98,969
Sale of Capital Assets	26,382	210	435,884	--	--	--	--	--	--	--
Settlement Proceeds	--	--	--	411,015	--	--	--	--	--	--
Transfers	(13,056)	(11,252)	(123,989)	(456,313)	(406,023)	(353,082)	(653,474)	(1,644,347)	(555,783)	(793,747)
Extraordinary Item										
Claims Proceeds	--	--	--	--	746,881	--	--	--	--	--
<b>Total Governmental Activities</b>	<b>6,769,845</b>	<b>6,632,055</b>	<b>6,845,525</b>	<b>5,878,807</b>	<b>6,352,305</b>	<b>5,621,557</b>	<b>4,764,464</b>	<b>3,996,165</b>	<b>5,334,145</b>	<b>7,329,808</b>
<b>Business-type Activities</b>										
Unrestricted Investment earnings	49,592	34,613	43,960	46,173	35,355	36,910	52,503	27,229	151,318	144,008
Transfers	13,056	11,252	123,989	456,313	406,023	353,082	653,474	1,644,347	555,783	793,747
<b>Total Business-type Activities</b>	<b>62,648</b>	<b>45,865</b>	<b>167,949</b>	<b>502,486</b>	<b>441,378</b>	<b>389,992</b>	<b>705,977</b>	<b>1,671,576</b>	<b>707,101</b>	<b>937,755</b>
<b>Total Primary Government</b>	<b>\$ 6,832,493</b>	<b>\$ 6,677,920</b>	<b>\$ 7,013,474</b>	<b>\$ 6,381,293</b>	<b>\$ 6,793,683</b>	<b>\$ 6,011,549</b>	<b>\$ 5,470,441</b>	<b>\$ 5,667,741</b>	<b>\$ 6,041,246</b>	<b>\$ 8,267,563</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 4,742,776	\$ 193,193	\$ (1,068,265)	\$ 398,862	\$ 962,746	\$ 1,278,337	\$ 163,132	\$ 2,205,732	\$ 1,056,258	\$ 2,133,296
Business-type activities	(818,168)	(726,277)	(750,534)	(131,724)	(6,455)	22,714	(38,547)	1,017,605	249,920	444,560
<b>Total Primary Government</b>	<b>\$ 3,924,608</b>	<b>\$ (533,084)</b>	<b>\$ (1,818,799)</b>	<b>\$ 267,138</b>	<b>\$ 956,291</b>	<b>\$ 1,301,051</b>	<b>\$ 124,585</b>	<b>\$ 3,223,337</b>	<b>\$ 1,306,178</b>	<b>\$ 2,577,856</b>

Note: The City implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

(1) Amount has been reclassified to program revenue under governmental activities commencing fiscal year 2019

**CITY OF FLORIDA CITY, FLORIDA**

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$ 1,606,214	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	13,214,399	--	--	--	--	--	--	--	--	--
Non-Spendable	--	252	54,202	56,605	4,182	2,182	134,407	137,657	69,284	64,815
Restricted	--	1,554,119	1,400,862	1,941,151	2,700,205	3,508,603	4,243,607	4,549,830	5,214,732	6,270,178
Committed	--	218,692	358,373	392,394	717,806	880,994	761,565	586,854	758,333	736,845
Unassigned	--	13,114,469	13,299,783	12,677,903	12,408,676	11,964,363	11,800,144	9,737,560	8,206,194	11,155,278
<b>Total General Fund</b>	<u>\$ 14,820,613</u>	<u>\$ 14,887,532</u>	<u>\$ 15,113,220</u>	<u>\$ 15,068,053</u>	<u>\$ 15,830,869</u>	<u>\$ 16,356,142</u>	<u>\$ 16,939,723</u>	<u>\$ 15,011,901</u>	<u>\$ 14,248,543</u>	<u>\$ 18,227,116</u>
<b>All Other Governmental Funds</b>										
Unreserved, reported in:										
Special revenue funds	\$ 6,983,660	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted	--	5,980,524	4,937,981	3,442,993	3,250,432	3,158,653	3,338,068	4,130,607	4,267,984	1,667,299
Unassigned	--	--	--	(17,579)	(2,977)	--	--	--	--	--
<b>Total All Other Governmental Funds</b>	<u>\$ 6,983,660</u>	<u>\$ 5,980,524</u>	<u>\$ 4,937,981</u>	<u>\$ 3,425,414</u>	<u>\$ 3,247,455</u>	<u>\$ 3,158,653</u>	<u>\$ 3,338,068</u>	<u>\$ 4,130,607</u>	<u>\$ 4,267,984</u>	<u>\$ 1,667,299</u>

Note: The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 2011.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$5,977,006	\$4,041,017	\$3,842,203	\$ 3,576,149	\$ 3,685,547	\$ 3,746,114	\$ 4,643,481	\$4,903,113	\$5,129,221	\$5,445,577
Intergovernmental	2,457,943	3,730,546	3,301,572	3,517,619	3,584,423	3,630,545	2,730,126	2,958,092	3,051,114	3,617,623
Charges for services	2,980,585	3,067,264	3,100,203	3,069,658	2,927,599	3,168,385	3,482,795	3,617,649	3,733,708	3,822,690
Interest/Investment Earnings	706,281	401,293	136,182	70,800	29,723	58,642	50,103	74,838	85,495	104,997
Impact fees	88,865	35,700	71,972	--	366,025	141,494	175,222	481,405	206,356	1,621,751
Licenses and permits	355,720	386,001	278,495	277,841	349,120	345,898	474,597	368,639	442,937	861,256
Fines and forfeitures	263,003	157,679	1,405,419	1,089,815	1,416,465	1,325,006	1,525,604	1,658,883	1,788,726	2,289,688
Grants	945,725	632,528	2,553,273	718,773	387,648	444,241	56,449	159,207	52,392	336,000
Settlement Proceeds	--	--	--	--	-	-	411,015	-	78,400	-
Other revenues	604,528	581,521	295,506	463,793	369,127	313,546	484,182	649,258	762,331	1,007,051
<b>Total Revenues</b>	<b>14,379,656</b>	<b>13,033,549</b>	<b>14,984,825</b>	<b>12,784,448</b>	<b>13,115,677</b>	<b>13,173,871</b>	<b>14,033,574</b>	<b>14,871,084</b>	<b>15,330,680</b>	<b>19,106,633</b>
<b>Expenditures</b>										
General government	4,589,607	4,554,946	4,298,963	4,714,663	4,046,725	4,872,313	4,584,942	7,517,787	6,980,513	5,142,637
Public safety	2,908,019	3,136,898	3,060,753	3,382,184	3,466,200	3,865,141	4,048,097	4,390,317	4,556,689	4,955,800
Public works	2,440,690	2,407,302	2,461,659	2,566,960	2,573,820	2,499,820	2,737,680	2,767,732	2,845,111	2,885,218
Parks and recreation	451,007	441,081	434,114	471,430	506,526	606,996	628,338	577,058	596,984	618,698
Capital outlay	3,186,728	3,429,539	5,546,185	3,506,951	1,937,549	1,604,449	1,133,617	1,093,433	1,118,998	4,263,879
Debt service:										
Principal	--	--	--	--	--	30,000	135,000	135,000	-	-
Interest	--	--	--	--	--	5,566	2,901	-	-	-
<b>Total Expenditures</b>	<b>13,576,051</b>	<b>13,969,766</b>	<b>15,801,674</b>	<b>14,642,188</b>	<b>12,530,820</b>	<b>13,484,285</b>	<b>13,270,575</b>	<b>16,481,327</b>	<b>16,098,295</b>	<b>17,866,232</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>803,605</b>	<b>(936,217)</b>	<b>(816,849)</b>	<b>(1,857,740)</b>	<b>584,857</b>	<b>(310,414)</b>	<b>762,999</b>	<b>(1,610,243)</b>	<b>(767,615)</b>	<b>1,240,401</b>
<b>Extraordinary Item</b>										
Claims Proceeds	--	--	--	--	--	746,881	-	-	-	-
<b>Other Financing Sources (Uses)</b>										
Transfer in	1,998,075	37,816	109,573	--	--	--	--	--	--	2,329
Transfer out	(1,998,075)	(37,816)	(109,573)	--	--	--	--	--	--	(2,329)
Other financing source	--	--	--	300,000	--	--	--	474,960	217,300	137,487
<b>Total Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>300,000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>474,960</b>	<b>217,300</b>	<b>137,487</b>
<b>Net Change in Fund Balances</b>	<b>\$ 803,605</b>	<b>\$ (936,217)</b>	<b>\$ (816,849)</b>	<b>\$ (1,557,740)</b>	<b>584,857</b>	<b>436,467</b>	<b>762,999</b>	<b>(1,135,283)</b>	<b>(550,315)</b>	<b>1,377,888</b>
Debt service as a percentage of noncapital expenditures*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\*See pg 17 for capital expenditures

**CITY OF FLORIDA CITY, FLORIDA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(DOLLARS IN THOUSANDS)**

Fiscal Year	Real Property				Personal Property		Less Tax Exempt Property	Total		Assessed Value as a Percentage of Estimated Value	Total Direct Tax Rate
	Commercial		Residential		Estimated			Total Taxable Assessed Value	Total Estimated Value		
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value			
2010	\$ 499,708	\$ 696,426	\$ 154,640	\$ 244,370	\$ 40,419	\$ 45,551	\$ 88,483	\$ 606,284	\$ 986,347	61.47%	7.7500
2011	409,445	582,038	98,227	144,406	41,215	46,306	86,152	548,887	772,750	71.03%	7.7500
2012	353,890	504,597	69,038	95,980	36,876	42,145	81,867	459,804	642,722	71.54%	7.7500
2013	346,047	500,735	50,139	80,010	39,202	44,887	83,512	435,388	625,632	69.59%	7.5899
2014	362,989	524,167	10,602	46,003	36,492	42,852	87,193	410,083	613,022	66.90%	7.5899
2015	455,702	518,823	37,878	47,362	41,504	41,504	126,927	408,158	607,689	67.17%	7.1858
2016	475,552	542,433	38,383	55,792	46,240	46,240	133,546	426,629	644,465	66.20%	7.1858
2017	503,546	585,944	39,992	72,485	48,246	48,246	137,584	454,199	706,675	64.27%	7.1858
2018	529,233	611,247	40,767	82,886	47,080	47,080	145,674	471,406	741,212	63.60%	7.1858
2019	570,641	676,254	45,231	94,689	59,530	59,530	150,015	527,509	818,352	63.68%	7.1858

(1) Information obtained from Miami-Dade County Department of Property Appraiser, form DR-403V.

**CITY OF FLORIDA CITY, FLORIDA**

**PROPERTY TAX RATES (1)  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City of Florida City		Overlapping Rates				Total Millage
	Direct Rates		School District Millage	State Millage	Miami- Dade County	Special District Millages	
	Operating Millage	Total City Millage					
2010	7.7500	7.7500	8.2490	0.6585	5.8725	3.3793	25.9093
2011	7.7500	7.7500	8.0050	0.4708	5.0900	3.1422	24.4580
2012	7.7500	7.7500	7.9980	0.4634	4.9885	3.1352	24.3351
2013	7.5899	7.5899	7.9770	0.4455	5.1255	3.1348	24.2727
2014	7.5899	7.5899	7.9740	0.4187	5.1169	3.2161	24.3156
2015	7.1858	7.1858	7.6120	0.3871	5.1169	3.2133	23.5151
2016	7.1858	7.1858	7.3220	0.3627	5.0669	3.2122	23.1496
2017	7.1858	7.1858	6.9940	0.3420	5.0669	3.1795	22.7682
2018	7.1858	7.1858	6.7330	0.3256	5.1313	3.1462	22.5219
2019	7.1858	7.1858	7.1480	0.3315	5.1449	3.1727	22.9629

(1) Information Obtained from Miami-Dade County Department of Property Appraiser

**CITY OF FLORIDA CITY, FLORIDA**

**PRINCIPAL PROPERTY TAXPAYERS**

**AS OF SEPTEMBER 30, 2019 AND NINE YEARS AGO  
(DOLLARS IN THOUSANDS)**

Taxpayer	Type of Business	2019		2010		Percentage of Total City Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
		Taxable Assessed Value	Rank	Taxable Assessed Value	Rank		
Wal-Mart Store	Retail Shopping	\$ 22,001	1	3.31%	\$ 21,900	1	3.15%
Grec Homes IX LLC	Real Estate	--		0.00%	20,918	2	3.01%
Florida Keys Factory Shops	Mall	12,821	2	1.93%	12,363	5	1.78%
Largo Motors Co LTD	Car Dealership	12,500	3	1.88%	13,937	4	2.01%
Home Depot USA, Inc.	Retail Shopping	11,748	4	1.77%	16,008	3	2.30%
South Florida Motel Corp.	Motel	6,600	5	0.99%	--		0.00%
RD & RD Corporation	Real Estate	6,400	6	0.96%	--		0.00%
Bonita Pointe Associates	Real Estate	6,393	7	0.96%	--		0.00%
RA & RE Inc.	Motel	6,300	8	0.95%	--		0.00%
Hotel Two LLC	Motel	5,200	9	0.78%	--		0.00%
ATJ Corporation	Real Estate	4,900	10	0.74%	--		0.00%
Strano Brothers	Real Estate	--		0.00%	12,047	6	1.73%
Interra FC I LLC	Real Estate	--		0.00%	11,440	7	1.65%
Florida City Farms LLC		--		0.00%	10,650	8	1.53%
Caja De A Ahorros De Galicia		--		0.00%	10,353	9	1.49%
Grec Homes V LLC	Real Estate	--		0.00%	8,856	10	1.27%
<b>Total</b>		<b>\$ 94,863</b>		<b>14.29%</b>	<b>\$ 138,472</b>		<b>19.93%</b>

(1) The total assessed valuation of taxable property for 2019 is \$663,974

(2) The total assessed valuation of taxable property for 2010 is \$694,769

**CITY OF FLORIDA CITY, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Collection Total Tax to Total Tax Levy	(3) Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2010	\$ 5,579,798	\$ 4,109,922	73.7%	\$ 280,946	\$ 4,390,868	78.7%	N/A	0.0%
2011	2,934,969	2,934,969	100.0%	--	2,934,969	100.0%	\$ 913,986	31.1%
2012	3,189,744	3,040,397	95.3%	149,347	3,189,744	100.0%	92,794	2.9%
2013	3,112,481	2,609,331	83.8%	415,019	3,024,350	97.2%	N/A	0.0%
2014	3,097,876	2,509,987	81.0%	82,616	2,592,603	83.7%	N/A	0.0%
2015	3,065,672	2,372,031	77.4%	205,177	2,577,207	84.1%	N/A	0.0%
2016	3,263,787	2,513,343	77.0%	12,652	2,525,995	77.4%	N/A	0.0%
2017	3,387,426	2,523,410	74.5%	161,425	2,684,835	79.3%	N/A	0.0%
2018	3,790,571	2,693,530	71.1%	202,096	2,895,626	76.4%	N/A	0.0%
2019	4,010,256	2,936,916	73.2%	220,427	3,157,343	78.7%	N/A	0.0%

(1) Information taken from Florida Municipal Ad Valorem Tax Profile.

(2) Information obtained from City of Florida City's financial statements.

(3) Information obtained from Miami-Dade County Tax Collector.

N/A - Not available.



**CITY OF FLORIDA CITY, FLORIDA**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Household Income*	Per Capita Household Income*
	Notes Payable	Notes Payable	Water Bonds	State Revolving Loan			
2010	\$ --	\$ 1,000,000	\$ 462,300	\$ --	\$ 1,462,300	N/A	N/A
2011	--	1,000,000	403,800	--	1,403,800	0.67%	\$ 9,337
2012	--	800,000	342,700	--	1,142,700	0.58%	6,637
2013	300,000	500,000	279,100	--	1,079,100	0.62%	6,637
2014	300,000	100,000	211,800	--	611,800	1.08%	6,637
2015	270,000	--	139,900	--	409,900	2.06%	8,426
2016	135,000	--	125,200	--	260,200	2.55%	6,637
2017	--	--	109,800	115,502	225,302	4.49%	10,122
2018	32,465	--	93,700	136,720	262,885	3.72%	9,778
2019	21,450	--	76,700	226,664	324,814	3.25%	10,562

N/A: Not Available

\*Information obtained from American Fact Finder

**CITY OF FLORIDA CITY, FLORIDA**

**COMPUTATION OF OVERLAPPING BONDED DEBT  
GENERAL OBLIGATIONS BONDS  
(DOLLARS IN THOUSANDS)**

**SEPTEMBER 30, 2019**

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Florida City (2)	Amount Applicable to City of Florida City
School Board of Miami-Dade County	\$ 958,461	0.47%	\$ 4,505
Miami-Dade County (1)	<u>2,070,235</u>	0.47%	<u>9,730</u>
	<u>\$ 3,028,696</u>		<u>\$ 14,235</u>

(1) Information obtained from Miami-Dade County, Finance Department for 2019

(2) Percentage based upon population of Florida City v Miami-Dade County

**CITY OF FLORIDA CITY, FLORIDA**

**WATER REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(DOLLARS IN THOUSANDS)**

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2010	\$ 2,505	\$ 2,944	\$ (439)	\$ 59	\$ 23	\$ 82	(5.37)
2011	2,537	2,992	(455)	61	20	81	(5.60)
2012	2,507	3,277	(770)	64	17	81	(9.54)
2013	2,600	3,511	(911)	67	14	81	(11.25)
2014	2,714	3,242	(528)	72	11	83	(6.36)
2015	2,888	3,526	(637)	15	7	22	(29.38)
2016	3,520	3,833	(313)	15	6	22	(14.44)
2017	3,582	3,354	228	16	5	22	10.57
2018	3,575	3,226	349	17	5	22	16.09
2019	3,811	4,009	(198)	18	4	22	(9.00)

(1) Total revenue (including interest) exclusive of tap fees.

(2) Total operating expenses.

(3) Includes principal and interest of revenue bonds only.

# CITY OF FLORIDA CITY, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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Year	Population	Household Income (Thousands of Dollars)	Per Capita Household Income	Unemployment Rate
2010	10,568	\$ 23,888	N/A	26.2%
2011	11,704	25,132	\$ 9,337	18.2%
2012	11,850	21,635	6,637	20.9%
2013	12,222	21,635	6,637	20.9%
2014	12,430	21,635	6,637	20.9%
2015	12,577	26,539	8,426	28.7%
2016	12,832	26,539	8,426	28.7%
2017	12,993	32,096	10,122	18.8%
2018	13,076	34,545	9,778	18.6%
2019	13,250	35,794	10,562	17.3%

N/A - Information not available for year indicated.

- (1) Population for City of Florida City obtained from Bureau of Economic and Business Research, University of Florida.
- (2) All other information for the City of Florida City obtained from American Fact Finder.

**CITY OF FLORIDA CITY, FLORIDA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2019			2010		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Golden Corral	--	--	0.00%	75	6	2.50%
Applebee's Neighborhood Grill & Bar	--	--	0.00%	85	5	2.83%
Largo Honda	--	--	0.00%	50	10	1.67%
Capri Restaurant	--	--	0.00%	50	9	1.67%
Mutineer Restaurant	--	--	0.00%	55	8	1.83%
Wal-Mart	479	1	11.70%	775	1	25.83%
Home Depot (Home Depot USA)	--	--	0.00%	213	2	7.10%
Cracker Barrel	134	2	3.27%	200	3	6.67%
Texas Roadhouse	130	3	3.18%	--	--	0.00%
Tolbert Produce, Inc.	100	4	2.44%	--	--	0.00%
Green Bean packers	100	5	2.44%	--	--	0.00%
KFC/Taco Bell	66	6	1.61%	--	--	0.00%
Pollo Tropical	65	7	1.59%	--	--	0.00%
Best Buy	64	8	1.56%	100	4	3.33%
McDonald's	60	9	1.47%	60	7	2.00%
City of Florida City *	107	10	2.61%	--	--	0.00%
	<u>1,305</u>		<u>31.87%</u>	<u>1,663</u>		<u>55.43%</u>

(1) Estimated area employment

Note: Obtained from City of Florida City Building and Zoning.

\* Information obtained from City of Florida City Human Resources

**CITY OF FLORIDA CITY, FLORIDA**

**CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration	5	5	5	5	5	5	5	5	5	5
Finance	6	6	6	6	6	6	6	6	6	6
Police	41	39	40	42	42	42	44	44	44	46
Building and zoning	6	6	6	6	6	6	6	6	6	6
Public works	17	16	16	16	16	16	15	15	15	15
Park and recreation	5	6	5	5	5	5	6	6	7	5
Campersite	2	2	1	1	1	1	1	1	1	1
Water	15	14	15	14	14	14	14	14	15	15
Sewer	1	1	1	1	2	2	2	2	2	2
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Housing	--	--	--	--	--	--	--	--	--	--
Grants	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>4</u>
<b>Total Employees</b>	<u>108</u>	<u>105</u>	<u>105</u>	<u>106</u>	<u>105</u>	<u>105</u>	<u>107</u>	<u>107</u>	<u>109</u>	<u>107</u>

Note: Obtained from City of Florida City Human Resources

**CITY OF FLORIDA CITY, FLORIDA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Physical arrest	1,617	1,312	978	994	824	818	821	610	570	711
Juvenile arrest	167	175	186	155	135	100	87	48	35	59
Traffic violations	2,048	1,327	1,047	913	1,087	1,337	1,184	1,153	696	1,187
<b>Water</b>										
Number of service connection:	1,167	1,618	752	612	322	667	1,168	1,115	927	813
Average monthly consumption (thousands of dollar)	\$ 67,550	\$ 72,320	\$ 71,665	\$ 75,039	\$ 80,384	\$ 81,449	\$ 89,419	\$ 95,199	\$ 84,331	\$ 87,940
<b>Sewer</b>										
Number of service connection:	1,498	1,708	844	663	308	904	993	1,115	927	813
Average monthly sewage treatment (thousands of dollar)	\$ 113,672	\$ 120,905	\$ 121,322	\$ 127,715	\$ 137,677	\$ 143,778	\$ 185,119	\$ 196,200	\$ 175,052	\$ 183,517
<b>Electric Distribution System</b>										
Number of customers:	3,196	3,196	3,196	3,196	3,196	3,196	4,678	4,678	4,736	4,775
<b>Facilities and Services not Included in the Primary Government</b>										
Cable television system:										
Number of customers:	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
Miles of service	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57
Education:										
Number of elementary school:	1	1	1	1	1	1	1	1	1	1
Number of instructors	88	88	88	88	88	88	88	88	88	88

N/A - Not Available

Note: Obtained from City of Florida City Record

**CITY OF FLORIDA CITY, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units	21	21	21	22	23	22	25	25	18	18
<b>Other Public Works</b>										
Streets (miles)	42	42	42	42	42	42	42	42	42	40
Streetlights	460	460	460	460	460	466	474	479	479	479
Traffic signals	6	6	6	6	6	10	10	10	10	80
<b>Park and Recreation</b>										
Acreage	40	40	40	40	40	40	40	40	40	40
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis court	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	2	2	2	2	2	2	2
<b>Water</b>										
Water mains (miles)	43	43	43	43	43	58	58	58	58	67
Fire hydrants	662	662	662	662	662	665	667	667	667	685
Store capacity (thousands of gallons)	4,000	4,000	4,000	4,000	4,000	5,800	5,800	5,800	5,800	5,800
<b>Sewer</b>										
Sanitary sewer (miles)	23	23	23	23	23	38	38	38	38	40
Storm sewers (miles)	4	4	4	4	4	5	5.2	5.2	5.2	6

N/A - Not Available

Note: Obtained from City of Florida City Records



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## **REPORTING SECTION**

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**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 and City Commission  
**City of Florida City, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Florida City, Florida (the City) as of and for the fiscal 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 June 29, 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 City'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.

### ***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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Miami, Florida  
June 29, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Commission  
**City of Florida City, Florida**

***Report on Compliance for the Major Federal Program***

We have audited the City of Florida City, Florida (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2019. The City's major federal program is 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 statutes and state statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program 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; and 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). Those standards and, the Uniform Guidance 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 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Program***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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.

### ***Purpose of this Report***

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 the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
June 29, 2020

**CITY OF FLORIDA CITY, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Agency, Pass-through Entity Federal Program Project</u>	<u>Federal CFDA No.</u>	<u>Contract/ Grant No.</u>	<u>Passed through to Subrecipients</u>	<u>Funds Expended</u>
<b><u>FEDERAL</u></b>				
<b><u>United States Department of Justice</u></b>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0617	\$ --	\$ 25,912
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0651	--	16,856
			<u>--</u>	<u>42,768</u>
Indirect Programs:				
Passed through State of Florida - Department of Children and Families STOP Violence Against Women Formula Grant	16.588	19-8058-LE	--	6,988
Passed through Miami-Dade County Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JAGC-DADE-16-N2-148	--	2,592
			<u>--</u>	<u>9,580</u>
<b>Total United States Department of Justice</b>			<u>--</u>	<u>52,348</u>
<b><u>United States Department of Treasury</u></b>				
Direct Program:				
Federal Equitable Sharing	21.016	FL0130300	--	66,310
<b>Total United States Department of Treasury</b>			<u>--</u>	<u>66,310</u>
<b><u>US Department of Homeland Security</u></b>				
Indirect Programs:				
Passed through State of Florida - Division of Emergency Management Disaster Relief Funding, Hurricane Irma	97.036	Z0610	--	1,499,152
<b>Total Department of Homeland Security</b>			<u>--</u>	<u>1,499,152</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ --</u>	<u>\$ 1,617,810</u>

# **CITY OF FLORIDA CITY, FLORIDA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of the City of Florida City, Florida (the City) under programs of the federal government for the fiscal year ended September 30, 2019. 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The expenditures reported as expended on the accompanying Schedule pertaining to the Federal Emergency Management Agency (FEMA) were incurred in fiscal years 2017 and 2018.

### **NOTE 3 – INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF FLORIDA CITY, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No  
Significant deficiency(ies) identified?  Yes  None reported  
Non-compliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No  
Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for major programs:

*Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?  Yes  No

Identification of major program:

CFDA No.  
97.036

Federal Program or Cluster  
Division of Emergency Management –  
Disaster Relief Funding, Hurricane Irma

Dollar threshold used to distinguish between Type A and Type B programs – Federal

\$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

Yes  No



**CITY OF FLORIDA CITY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings reported in the prior fiscal year.

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and City Commission  
**City of Florida City, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the City of Florida City, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 29, 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 Requirements 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 The Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 June 29, 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. There were no audit findings made in the preceding 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 City has made these disclosures in the notes to the financial statements.

### ***Financial Condition and Management***

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our assessment was performed as of the fiscal year end.

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.

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that the special district component unit provided the necessary information for proper reporting in accordance with Section 218,39(3)(b), Florida Statutes.

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

*Marcum LLP*

Miami, Florida  
June 29, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

To The Honorable Mayor and City Commission  
**City of Florida City, Florida**

We have examined the City of Florida City's (the City) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2019.

This report is intended solely to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
June 29, 2019