

City of Bushnell, Florida



Comprehensive Annual Financial Report

Fiscal Year Ended: September 30, 2020

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
CITY OF BUSHNELL, FLORIDA**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
CITY OF BUSHNELL, FLORIDA**

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INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bushnell
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF BUSHNELL, FLORIDA ORGANIZATIONAL CHART

Citizens

Mayor, Vice-Mayor, Council

City Attorney

City Manager
Finance Director,
Jody Young

City Clerk,
Christina
Dixon

Public Works,
Director Mike
Eastburn

Water/WW
Director, Tom
Romaelle

Utility Line
Supervisor,
Jay Fuller

Zoning & Code
Comp. Manager
Vacant

Customer Service
Manager,
Christina
Simmons

Deputy Finance
Director, Shelley
Ragan

Director of HR/
Assn't City
Clerk, Kelly
Marcoux

Public Works
Superintendent,
Chris Hariprashad

Purchasing
Coordinator, Mary
Carson

1st Class
Lineworker,
Isaac Wietan,
Montana
Barnes, Nate
Story, Andrew
Hariston

Permitting Tech,
Kristin Ray

Customer Account
Specialist, Kellie
Mason

Cashier
Receptionist,
Kristy Judy

Accountant I
Vacant

Water
Operator,
Brandon
Wilson

Lift Station
Maintenance
Mechanic,
Sterling
Patrick

Wastewater
Systems
Supervisor,
Adam Vargas

2nd Class
Lineworker
Vacant

AP Specialist,
Courtney
Murphy

Maintenance
Supervisor, Keith
Rafferty

Wastewater
Plant Operator,
Parker Koch

Custodian,
Wanda
Roberts

Sanitation
Maintenance Wkr,
Tyree McCook

Packer Operator,
Fernando
Arredondo, Mike
Zapata

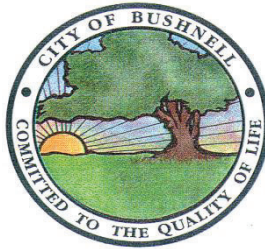
Maintenance
Mechanic,
Kevin Bedgood

Parks Keeper,
John
Blackman

Apprentice
Lineworker,
Kodee Winters

Utility
Groundworker
Vacant

⋮



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

March 26, 2021

TO THE CITIZENS OF THE CITY OF BUSHNELL:

The Comprehensive Annual Financial Report of the City of Bushnell for the fiscal year ended September 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. To provide a reasonable basis for making these representations, management of the City of Bushnell has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bushnell's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bushnell's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Additionally, the Management's Discussion and Analysis section that follows will provide highlights and review the financial performance during the reporting period.

BACKGROUND INFORMATION

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

REPORTING ENTITY AND ITS SERVICES

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

LOCAL ECONOMY

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

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

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

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

CURRENT YEAR PROJECTS

During the Fiscal Year 2020, the City of Bushnell completed several projects to help improve on the services provided to our citizens. The following highlights these projects:

Road Improvements

The following road improvements were completed in Fiscal Year 2020:

- Paving of Walker Avenue from Main Street to West Street.
- Paving of Palm Avenue from Main Street to West Street.
- Paving of Jasper Street from Noble Avenue to Seminole Avenue.
- Various intersection and sidewalk improvements.

Parks and Recreation

The following park improvements were completed in Fiscal Year 2020:

- Downtown Plaza Park: various sculptures, addition of trees and landscaping, and a memorial clock.
- Remodel of the restrooms at the Kenny Dixon Sports Complex.
- Replace roofs on the picnic pavilions at the Kenny Dixon Sports Complex.

Utility Projects

The following Water utility projects were completed in Fiscal Year 2020:

- Replacement of the outdated data flow monitoring system with a new Scada monitoring system.
- Replacement of the roof on water plant building #2.
- Replacement of outdated chlorine system at water plant #2.

The following Electric utility projects were completed in Fiscal Year 2020:

- The Bushnell/SECO Electric Integration Project, whereby the City of Bushnell has taken over the service territory of approximately 620 customers previously being served by SECO Electric.
- Meter replacement project which replaced approximately 1200 old dial meters for customers located within the City's electric distribution area.

- Replaced system neutral along Main Street and replaced insulators and lightning arresters along the same electric distribution line.
- The purchase of additional backup transformers and trip savers for increased electric distribution reliability.

The following Wastewater utility projects were completed in Fiscal Year 2020:

- Upgrade of the Hanson Wastewater Treatment Plant instrumentation and electronics.
- The purchase and installation of backup mixing pumps at the Wastewater Treatment Plant.
- New Lift Station monitoring system for all lift stations within the Wastewater collection system.

Community Events

In past years, the City held the annual Bushnell Fall Festival, the Santa in the Park event, movies in the park, and the annual Summer Day Camp. However, due to the Covid-19 Pandemic that began in March of 2020, the City suspended all of its community events. The City is hopeful to resume its community events in the near future.

MAJOR INITIATIVES/FUTURE PROJECTS

Road Improvements

The City is scheduled to make the following road improvements in Fiscal Year 2021:

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

Parks and Recreation

The following park improvements are scheduled for Fiscal Year 2021:

- Bushnell Downtown Park: Addition of trees, landscaping and additional sculptures.
- FRDAP Grant Project for MLK Park: Renovate playground and soccer field, add new playground equipment, add new picnic equipment, renovate existing exercise trail, add new exercise trail, and add new tether ball court.

Utility Projects

The following Water utility projects are scheduled to be completed in Fiscal Year 2021:

- Modification of Sumterville Water Plant, Phase II.
- Water Plant 2 improvements consisting of addition of a third high service pump, motor and controls.
- Install new monochloramine water treatment system at all water plants.

The following Wastewater utility projects are scheduled to be completed in Fiscal Year 2021:

- Wastewater Treatment Plant improvements: engineering costs for the design of the expansion of the Wastewater Treatment Plant.
- New generator replacement for the Master Lift Station in the Wastewater collection system.
- Major improvements to Lift Station 6 in the Wastewater collection system (to be paid with grant proceeds from a DEO-CDBG grant.)

The following Electric utility projects are scheduled to be completed in Fiscal Year 2021:

- Upgrade and re-conductor the electric distribution line between E. Seminole Ave. and the County Jail property.

- Construct new equipment storage building at the Electric Warehouse for housing and covering new electric bucket vehicles.
- GIS Map upgrade project for electric system.

OTHER INFORMATION

Independent Audit:

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

Awards:

Safety Award: The City has received numerous electric safety awards. The first safety award was presented to the City by the Florida Municipal Electric Agency to the Utility Department for recognition of a perfect safety record without reports of accidents. The City has received this award for 29 years.

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

Certificate of Excellence in Financial Reporting: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bushnell for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the nineteenth consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments:

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

Sincerely,

Jody Young

Jody Young, CGFO
Finance Director



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

City of Bushnell

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – COVID-19

As more fully described in Note 14 to the financial statements, the City may be materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion has not been modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 26, 2021
Ocala, Florida

Management's Discussion and Analysis

As management of the City of Bushnell, we offer readers of the City of Bushnell's financial statements this narrative overview and analysis of September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets and deferred outflows of the City of Bushnell exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$28,439,613. Of this amount, \$5,253,032 may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City of Bushnell's governmental funds reported combined ending fund balances of \$4,334,544, an increase of \$909,830 in comparison with the prior year.

Overview of the Financial Statements

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

1.) Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 11-13.

2.) Fund Financial Statements

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

Management's Discussion and Analysis

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

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

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

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

The basic governmental fund financial statements can be found on pages 14-22.

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

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

The basic proprietary fund financial statements can be found on pages 23-27.

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

The basic fiduciary fund financial statements can be found of pages 28-29 of this report.

Management's Discussion and Analysis

3.) Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bushnell's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 63-68 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bushnell, assets exceeded liabilities by \$28,439,613 at the close of the most recent fiscal year.

By far the largest portion of the City of Bushnell's net position, 78% reflects its investment in capital assets (e.g., land, buildings, utility plant in service, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Bushnell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bushnell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

CITY OF BUSHNELL'S NET POSITION

| | Business-Type | | | | | |
|-----------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|
| | Governmental | | Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and Other Assets | \$ 4,600,487 | \$ 3,542,488 | \$ 5,288,487 | \$ 3,846,631 | \$ 9,888,974 | \$ 7,389,119 |
| Capital Assets | 9,077,116 | 9,143,131 | 26,804,830 | 25,295,306 | 35,881,946 | 34,438,437 |
| Total Assets | 13,677,603 | 12,685,619 | 32,093,317 | 29,141,937 | 45,770,920 | 41,827,556 |
| Deferred Outflows | 84,090 | 152,297 | 82,571 | 132,225 | 166,661 | 284,522 |
| Long-Term Liabilities Outstanding | 2,516,478 | 2,398,146 | 12,897,266 | 12,519,516 | 15,413,744 | 14,917,662 |
| Other Liabilities | 123,065 | 284,968 | 1,467,338 | 1,538,305 | 1,590,403 | 1,823,273 |
| Total Liabilities | 2,639,543 | 2,683,114 | 14,364,604 | 14,057,821 | 17,004,147 | 16,740,935 |
| Deferred Inflows | 313,670 | 197,576 | 180,151 | 158,962 | 493,821 | 356,538 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 7,612,432 | 7,541,557 | 14,695,872 | 12,636,092 | 22,308,304 | 20,177,649 |
| Restricted | 434,795 | 437,917 | 555,982 | 78,295 | 990,777 | 516,212 |
| Unrestricted | 2,761,253 | 1,977,752 | 2,379,279 | 2,342,992 | 5,140,532 | 4,320,744 |
| Total Net Position | \$ 10,808,480 | \$ 9,957,226 | \$ 17,631,133 | \$ 15,057,379 | \$ 28,439,613 | \$ 25,014,605 |

CITY OF BUSHNELL'S CHANGES IN NET POSITION

| | Business-Type | | | | | |
|--|---------------|--------------|---------------|---------------|---------------|---------------|
| | Governmental | | Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 1,970,053 | \$ 1,632,154 | \$ 8,076,202 | \$ 5,406,967 | \$ 10,046,255 | \$ 7,039,121 |
| Capital Grants and Contributions | 9,971 | 563 | 1,107,611 | 68,603 | 1,117,582 | 69,166 |
| Operating Grants and Contributions | 31,650 | 38,941 | 2,772 | 1,716 | 34,422 | 40,657 |
| General Revenues: | | | | | | |
| Property Taxes | 613,637 | 593,883 | - | - | 613,637 | 593,883 |
| Other Taxes | 966,086 | 1,033,322 | - | - | 966,086 | 1,033,322 |
| Other Revenues | 480,864 | 475,793 | 16,832 | 22,776 | 497,696 | 498,569 |
| Total Revenues | 4,072,261 | 3,774,656 | 9,203,417 | 5,500,062 | 13,275,678 | 9,274,718 |
| Program Expenses: | | | | | | |
| General Government | 765,491 | 801,554 | - | - | 765,491 | 801,554 |
| Public Safety | 988,082 | 880,557 | - | - | 988,082 | 880,557 |
| Physical Environment | 39,620 | 21,503 | - | - | 39,620 | 21,503 |
| Transportation | 643,400 | 677,913 | - | - | 643,400 | 677,913 |
| Culture and Recreation | 367,305 | 427,464 | - | - | 367,305 | 427,464 |
| Interest on Long-Term Debt | 92,109 | 98,612 | - | - | 92,109 | 98,612 |
| Electric Utility | - | - | 4,623,824 | 3,140,714 | 4,623,824 | 3,140,714 |
| Water Utility | - | - | 654,814 | 749,251 | 654,814 | 749,251 |
| Sanitation | - | - | 582,218 | 605,606 | 582,218 | 605,606 |
| Wastewater Utility | - | - | 1,093,807 | 1,170,205 | 1,093,807 | 1,170,205 |
| Total Expenses | 2,896,007 | 2,907,603 | 6,954,663 | 5,665,776 | 9,850,670 | 8,573,379 |
| Excess (Deficiency) Before Transfers and Capital Contributions | 1,176,254 | 867,053 | 2,248,754 | (165,714) | 3,425,008 | 701,339 |
| Transfers | (325,000) | 50,000 | 325,000 | (50,000) | - | - |
| Total Transfers and Capital Contributions | (325,000) | 50,000 | 325,000 | (50,000) | - | - |
| Increase (Decrease) in Net Position | 851,254 | 917,053 | 2,573,754 | (215,714) | 3,425,008 | 701,339 |
| Net Position, Beginning, | 9,957,226 | 9,040,173 | 15,057,379 | 15,273,093 | 25,014,605 | 24,313,266 |
| Net Position, Ending | \$ 10,808,480 | \$ 9,957,226 | \$ 17,631,133 | \$ 15,057,379 | \$ 28,439,613 | \$ 25,014,605 |

Management's Discussion and Analysis

An additional portion of the City of Bushnell's net position, 2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,253,032 may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net position increased by \$3,425,008 during the current fiscal year.

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

Governmental Activities: Both the general fund and the special revenue - cemetery fund are considered major governmental funds. Governmental activities increased the City of Bushnell's net position by \$851,254. This increase is attributed to the following:

- Increase in general government charges for services due to additional Heart of Florida landfill tipping fees.
- Decrease in park improvement projects not covered by grant funding.

Business-Type Activities: The City of Bushnell considered all four of the business-type activities - electric, water, wastewater, and sanitation major funds. Business-type activities increased the City of Bushnell's net position by \$2,573,754. One key element of this increase was the electric utility fund. The increase in net position this year is due to the increase of electric charges for services when the City of Bushnell acquired additional electric customers during an electric expansion project. Another key element was the increase of the water utility fund. This increase in net position is due to an increase in water charges for services due to an internal audit which lead to new meters being installed for several large commercial water customers. The water utility fund also had a decrease in water expenses which added to the increase in net position.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Bushnell's governmental funds reported combined ending fund balances of \$4,334,544, an increase of \$909,830 in comparison with the prior year. 10% of the fund balance is restricted for perpetual care for the cemetery. Approximately 40% is assigned for the Community Trust Fund related to the landfill revenues. The remaining 72% is considered unassigned and available to meet the City of Bushnell's obligations.

Management's Discussion and Analysis

The general fund is the chief operating fund of the City of Bushnell. At the end of the current fiscal year, fund balance of the general fund reached \$3,899,749. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures.

The fund balance of the City of Bushnell's general fund increased by \$912,952 during the current fiscal year. The key factor in this increase is as follows:

- Additional revenues received from the ACMS landfill surcharge.

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

Unrestricted net position of the electric, water, wastewater, and sanitation funds at the end of the year amount to \$2,491,779. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bushnell's business-type activities.

Governmental Funds Budgetary Information

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

- The City of Bushnell received additional electric utility tax revenues due to an increase in customers.
- The City of Bushnell did not receive the FRDAP Grant from FDEP in FY2019-2020.
- The City of Bushnell received additional revenues from the ACMS landfill surcharge.

Capital Asset and Debt Administration

Capital Assets: The City of Bushnell's investment in capital assets for its governmental and business type activities as of September 30, 2020, amount to \$14,695,872 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

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

- The paving project for Palm Avenue from Main Street to West Street.
- The addition of improvements to the Downtown Plaza Park.
- The paving project for Jasper Street from Noble Avenue to Seminole Avenue.
- The paving project for Walker Avenue from Main Street to West Street.
- The completion of the Electric Integration project.

Additional information on capital assets can be located on page 41, within the notes to the financial statements.

Long-Term Debt: The City of Bushnell's total debt decreased by a net of \$550,952 during the current fiscal year. The only new debt incurred during the year was a Capital Lease financing transaction to purchase a Sanitation truck. Additional information on long-term debt can be located on page 42, within the notes of the financial statements.

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

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

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

Next Fiscal Year Budget and Rates: For fiscal year 2020-2021 the Council of the City of Bushnell adopted the roll back rate. Council is considering using revenues from the tipping fees provided by the Heart of Florida Landfill operations to defray the need for rate increases in the water and wastewater utilities. The City of Bushnell intends to continue to monitor all the revenue streams to ensure sufficiency in meeting expenditures and for establishment and funding of capital reserve accounts.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

| | <u>Governmental Activities</u> | <u>Business- Type Activities</u> | <u>Total</u> |
|---|------------------------------------|--|----------------------|
| Assets | | | |
| Cash and Cash Equivalents - Unrestricted | \$ 3,903,129 | \$ 2,143,677 | \$ 6,046,806 |
| Cash and Cash Equivalents - Restricted | - | 840,578 | 840,578 |
| Cash with Fiscal Agent | - | 152,987 | 152,987 |
| Accounts Receivables, Net | 493,871 | 1,005,817 | 1,499,688 |
| Due from Other Governments | 60,609 | 354,720 | 415,329 |
| Inventory | - | 494,796 | 494,796 |
| Prepaid Items | - | 9,073 | 9,073 |
| Unbilled Power Cost Adjustment | - | 119,851 | 119,851 |
| Net Pension Asset | 142,878 | 166,988 | 309,866 |
| Capital Assets Not Being Depreciated: | | | |
| Land | 1,141,034 | 708,188 | 1,849,222 |
| Construction in Process | 18,348 | 708,051 | 726,399 |
| Capital Assets - Depreciated, Net | 7,917,734 | 25,388,591 | 33,306,325 |
| Total Assets | <u>13,677,603</u> | <u>32,093,317</u> | <u>45,770,920</u> |
| Deferred Outflows of Resources | | | |
| Deferred Outflows - OPEB | 17,501 | 14,324 | 31,825 |
| Deferred Outflows - Pension | 66,589 | 68,247 | 134,836 |
| Total Deferred Outflows of Resources | <u>84,090</u> | <u>82,571</u> | <u>166,661</u> |
| Liabilities | | | |
| Accounts Payable | 62,063 | 536,092 | 598,155 |
| Accrued Liabilities | 39,487 | 92,269 | 131,756 |
| Accrued Interest Payable | - | 77,516 | 77,516 |
| Deposits | 21,515 | 761,461 | 782,976 |
| Non-Current Liabilities: | | | |
| Due Within One Year | 176,593 | 765,089 | 941,682 |
| Due in More Than One Year | 2,339,885 | 12,132,177 | 14,472,062 |
| Total Liabilities | <u>2,639,543</u> | <u>14,364,604</u> | <u>17,004,147</u> |
| Deferred Inflows of Resources | | | |
| Deferred Inflows - Pension | 313,670 | 180,151 | 493,821 |
| Total Deferred Inflows of Resources | <u>313,670</u> | <u>180,151</u> | <u>493,821</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 7,612,432 | 14,695,872 | 22,308,304 |
| Restricted for: | | | |
| Capital Improvements | - | 477,687 | 477,687 |
| Perpetual Care | 434,795 | - | 434,795 |
| Debt Service | - | 78,295 | 78,295 |
| Unrestricted | 2,761,253 | 2,379,279 | 5,140,532 |
| Total Net Position | <u>\$ 10,808,480</u> | <u>\$ 17,631,133</u> | <u>\$ 28,439,613</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Functions/Programs | Expenses | Program Revenues | | |
|--|---------------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| General Government | \$ 765,491 | \$ 1,909,055 | \$ - | \$ 9,971 |
| Public Safety | 988,082 | 52,325 | - | - |
| Physical Environment | 39,620 | - | 28,263 | - |
| Transportation | 643,400 | - | - | - |
| Culture and Recreation | 367,305 | 8,673 | 3,387 | - |
| Interest on Long-Term Debt | 92,109 | - | - | - |
| Total Governmental Activities | <u>2,896,007</u> | <u>1,970,053</u> | <u>31,650</u> | <u>9,971</u> |
| Business-Type Activities | | | | |
| Electric Utility | 4,623,824 | 5,664,385 | 327 | 8,198 |
| Water Utility | 654,814 | 759,554 | 1,273 | 781,488 |
| Sanitation | 582,218 | 655,497 | - | - |
| Wastewater Utility | 1,093,807 | 996,766 | 1,172 | 317,925 |
| Total Business-Type Activities | <u>6,954,663</u> | <u>8,076,202</u> | <u>2,772</u> | <u>1,107,611</u> |
| Total Business-Type and Governmental Activities | <u>\$ 9,850,670</u> | <u>\$ 10,046,255</u> | <u>\$ 34,422</u> | <u>\$ 1,117,582</u> |

General Revenues

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

Total General Revenues

Transfers

Transfers

Total Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

See accompanying notes.

Net (Expense) Revenue and Change in Net Assets

Primary Government

| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ 1,153,535 | \$ - | \$ 1,153,535 |
| (935,757) | - | (935,757) |
| (11,357) | - | (11,357) |
| (643,400) | - | (643,400) |
| (355,245) | - | (355,245) |
| (92,109) | - | (92,109) |
| <u>(884,333)</u> | <u>-</u> | <u>(884,333)</u> |
| - | 1,049,086 | 1,049,086 |
| - | 887,501 | 887,501 |
| - | 73,279 | 73,279 |
| - | 222,056 | 222,056 |
| - | <u>2,231,922</u> | <u>2,231,922</u> |
| <u>(884,333)</u> | <u>2,231,922</u> | <u>1,347,589</u> |
| 613,637 | - | 613,637 |
| 443,446 | - | 443,446 |
| 171,743 | - | 171,743 |
| 350,897 | - | 350,897 |
| 402,970 | - | 402,970 |
| 7,549 | 16,832 | 24,381 |
| 70,345 | - | 70,345 |
| <u>2,060,587</u> | <u>16,832</u> | <u>2,077,419</u> |
| <u>(325,000)</u> | <u>325,000</u> | <u>-</u> |
| <u>(325,000)</u> | <u>325,000</u> | <u>-</u> |
| 851,254 | 2,573,754 | 3,425,008 |
| <u>9,957,226</u> | <u>15,057,379</u> | <u>25,014,605</u> |
| <u>\$ 10,808,480</u> | <u>\$ 17,631,133</u> | <u>\$ 28,439,613</u> |

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

| | Major Funds | | |
|--|---------------------|-------------------|--------------------------------|
| | General Fund | Cemetery Fund | Total Governmental Funds |
| Assets | | | |
| Cash and Cash Equivalents | \$ 3,450,759 | \$ 452,370 | \$ 3,903,129 |
| Accounts Receivable | 493,871 | - | 493,871 |
| Due from Other Governments | 60,609 | - | 60,609 |
| Total Assets | <u>4,005,239</u> | <u>452,370</u> | <u>4,457,609</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | 57,563 | 4,500 | 62,063 |
| Other Accrued Liabilities | 39,487 | - | 39,487 |
| Deposits | 8,440 | 13,075 | 21,515 |
| Total Liabilities | <u>105,490</u> | <u>17,575</u> | <u>123,065</u> |
| Fund Balances | | | |
| Restricted | - | 434,795 | 434,795 |
| Assigned - Community Trust Fund | 1,727,392 | - | 1,727,392 |
| Unassigned | 2,172,357 | - | 2,172,357 |
| Total Fund Balances | <u>3,899,749</u> | <u>434,795</u> | <u>4,334,544</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,005,239</u> | <u>\$ 452,370</u> | <u>\$ 4,457,609</u> |

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2020**

| | |
|---|---------------------------------|
| Total Fund Balances of Governmental Funds | \$ 4,334,544 |
| Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because: | |
| Net Pension Asset - Regular Employee Pension Plan | 142,878 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,166,693 and the accumulated depreciation is \$4,023,562. | 9,077,116 |
| Deferred Inflow of Resources: Pension Related | (313,670) |
| Deferred Outflow of Resources: OPEB Related Pension Related | 17,501 66,589 |
| Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of: | |
| Notes Payable | (1,464,684) |
| Compensated Absences | (106,782) |
| OPEB Obligation | (916,412) |
| Net Pension Liability - FRS | <u>(28,600)</u> |
| Total Net Position of Governmental Activities | <u>\$ 10,808,480</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Major Funds | | |
|--|---------------------|-------------------|--------------------------------|
| | General Fund | Cemetery Fund | Total Governmental Funds |
| Revenues | | | |
| Taxes: | | | |
| Property | \$ 613,637 | \$ - | \$ 613,637 |
| Half-Cent Sales | 331,812 | - | 331,812 |
| Fuel | 19,085 | - | 19,085 |
| Franchise | 615,189 | - | 615,189 |
| Licenses and Permits | 33,398 | - | 33,398 |
| Intergovernmental Revenues | 416,328 | - | 416,328 |
| Charges for Service | 36,435 | 12,115 | 48,550 |
| Fines and Forfeitures | 52,325 | - | 52,325 |
| Landfill Surcharge | 1,875,657 | - | 1,875,657 |
| Miscellaneous Revenues | 50,132 | 16,148 | 66,280 |
| Total Revenues | <u>4,043,998</u> | <u>28,263</u> | <u>4,072,261</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 675,320 | - | 675,320 |
| Public Safety | 930,285 | - | 930,285 |
| Physical Environment | - | 31,385 | 31,385 |
| Transportation | 406,107 | - | 406,107 |
| Culture and Recreation | 270,012 | - | 270,012 |
| Capital Outlay | 295,323 | - | 295,323 |
| Debt Service: | | | |
| Principal | 136,890 | - | 136,890 |
| Interest | 92,109 | - | 92,109 |
| (Total Expenditures) | <u>(2,806,046)</u> | <u>(31,385)</u> | <u>(2,837,431)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,237,952</u> | <u>(3,122)</u> | <u>1,234,830</u> |
| Other Financing Sources (Uses) | | | |
| Transfers Out | (325,000) | - | (325,000) |
| Total Other Financing Sources (Uses) | <u>(325,000)</u> | <u>-</u> | <u>(325,000)</u> |
| Net Change in Fund Balances | 912,952 | (3,122) | 909,830 |
| Fund Balance, Beginning | <u>2,986,797</u> | <u>437,917</u> | <u>3,424,714</u> |
| Fund Balance, Ending | <u>\$ 3,899,749</u> | <u>\$ 434,795</u> | <u>\$ 4,334,544</u> |

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 909,830

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which depreciation expense of (\$361,338) and capital additions of \$295,323. (66,015)

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

Principal Repayments:
Note Payable 136,890

Change in deferred inflows and outflows of resources:
Pension Related (185,037)
OPEB Related 736

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

Compensated Absences 4,020
OPEB Obligation (148,024)
Net Pension Asset 140,477
Net Pension Liability 58,377

Change in Net Position of Governmental Activities \$ 851,254

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|----------------------------|-------------------------|------------------|---------------------------------------|
| Revenues | | | | |
| Taxes | | | | |
| Ad Valorem | \$ 610,737 | \$ 610,737 | \$ 613,637 | \$ 2,900 |
| Local Government Infrastructure Surtax | 323,885 | 332,003 | 331,812 | (191) |
| Local Option Gas Tax | 19,802 | 19,802 | 19,085 | (717) |
| Franchise Tax: | | | | |
| Electric | 3,331 | 20,951 | 20,888 | (63) |
| Utility Tax: | | | | |
| Communication | 100,658 | 109,352 | 109,352 | - |
| Gas | 32,357 | 32,357 | 39,610 | 7,253 |
| Electric | 3,500 | 22,781 | 22,781 | - |
| City Utility Tax | 201,327 | 407,827 | 422,558 | 14,731 |
| Total Taxes | <u>1,295,597</u> | <u>1,555,810</u> | <u>1,579,723</u> | <u>23,913</u> |
| Licenses and Permits | | | | |
| City Occupational License | 58,621 | 33,298 | 33,398 | 100 |
| Total Licenses and Permits | <u>58,621</u> | <u>33,298</u> | <u>33,398</u> | <u>100</u> |
| Intergovernmental Revenue | | | | |
| CDBG Grant Proceeds | 500,000 | 3,160 | 3,160 | - |
| FRDAP Grant Proceeds | 50,000 | - | - | - |
| FEMA Proceeds | - | 9,971 | 9,971 | - |
| DOT Highway Lighting and Maintenance | 17,275 | 17,275 | 17,615 | 340 |
| Safety Grant Proceeds | 1,500 | - | 229 | 229 |
| State Revenue Sharing | 91,817 | 91,817 | 89,449 | (2,368) |
| Alcohol Beverage License Distribution | 3,171 | 3,171 | 3,625 | 454 |
| Mobile Home Licenses | 6,795 | 6,795 | 7,993 | 1,198 |
| Sumter County Gas Tax | 122,909 | 110,636 | 110,632 | (4) |
| Half-Cent Sales Tax | 188,191 | 173,701 | 173,654 | (47) |
| Total Intergovernmental Revenue | <u>981,658</u> | <u>416,526</u> | <u>416,328</u> | <u>(198)</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| Revenues (Concluded) | | | | |
| Charges for Services | | | | |
| League Fees | \$ 7,690 | \$ 3,170 | \$ 3,170 | \$ - |
| Fall Festival | 24,287 | 5,553 | 5,353 | (200) |
| Summer Youth Program | 15,000 | 150 | 150 | - |
| Miscellaneous Revenue | - | 27,762 | 27,762 | - |
| Total Charges for Services | <u>46,977</u> | <u>36,635</u> | <u>36,435</u> | <u>(200)</u> |
| Fines and Forfeitures | | | | |
| Fines and Forfeitures | 37,071 | 49,695 | 49,695 | - |
| Police Education | 2,196 | 2,196 | 2,630 | 434 |
| Total Fines and Forfeitures | <u>39,267</u> | <u>51,891</u> | <u>52,325</u> | <u>434</u> |
| Miscellaneous Revenue | | | | |
| Rent - Community Building | 9,420 | 5,305 | 5,305 | - |
| Rent - Tower Space | 31,826 | 31,826 | 35,066 | 3,240 |
| Investment Income | 6,253 | 6,253 | 7,549 | 1,296 |
| Landfill Surcharge | 1,482,647 | 1,482,647 | 1,875,657 | 393,010 |
| Miscellaneous | 4,000 | 3,400 | 2,212 | (1,188) |
| Total Miscellaneous Revenue | <u>1,534,146</u> | <u>1,529,431</u> | <u>1,925,789</u> | <u>396,358</u> |
| Total Revenues | <u>3,956,266</u> | <u>3,623,591</u> | <u>4,043,998</u> | <u>420,407</u> |
| Expenditures | | | | |
| General Government | | | | |
| Legislative: | | | | |
| Personal Services | 18,727 | 19,927 | 19,422 | 505 |
| Operating Expenses | 5,616 | 5,170 | 5,447 | (277) |
| Aid to Private Organization | 11,200 | 7,200 | 7,200 | - |
| Total Legislative | <u>35,543</u> | <u>32,297</u> | <u>32,069</u> | <u>228</u> |
| Finance and Administrative: | | | | |
| Personal Services | 468,256 | 469,421 | 462,437 | 6,984 |
| Operating Expenses | 149,058 | 155,323 | 156,685 | (1,362) |
| Capital Outlay | 6,808 | 6,808 | - | 6,808 |
| Total Finance and Administrative | <u>624,122</u> | <u>631,552</u> | <u>619,122</u> | <u>12,430</u> |
| Legal Counsel: | | | | |
| Operating Expenses | 24,129 | 24,129 | 24,129 | - |
| Total General Government | <u>683,794</u> | <u>687,978</u> | <u>675,320</u> | <u>12,658</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Continued)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|-------------------------------------|----------------------------|-------------------------|----------------|---------------------------------------|
| Expenditures (Continued) | | | | |
| Public Safety | | | | |
| Law Enforcement: | | | | |
| Personal Services | \$ 1,460 | \$ 1,397 | \$ 1,397 | \$ - |
| Operating Expenses | 769,636 | 769,969 | 769,969 | - |
| Total Law Enforcement | <u>771,096</u> | <u>771,366</u> | <u>771,366</u> | <u>-</u> |
| Code Compliance Department: | | | | |
| Personal Services | 99,509 | 86,148 | 85,715 | 433 |
| Operating Expenses | 58,100 | 73,084 | 73,204 | (120) |
| Total Code Compliance Department | <u>157,609</u> | <u>159,232</u> | <u>158,919</u> | <u>313</u> |
| Total Public Safety | <u>928,705</u> | <u>930,598</u> | <u>930,285</u> | <u>313</u> |
| Transportation | | | | |
| Roads and Streets: | | | | |
| Personal Services | 272,577 | 286,651 | 275,340 | 11,311 |
| Operating Expenses | 149,617 | 138,580 | 130,767 | 7,813 |
| Capital Outlay | 802,951 | 234,753 | 239,549 | (4,796) |
| Total Transportation | <u>1,225,145</u> | <u>659,984</u> | <u>645,656</u> | <u>14,328</u> |
| Culture and Recreation | | | | |
| Libraries: | | | | |
| Operating Expenses | 1,575 | 1,683 | 1,683 | - |
| Total Libraries | <u>1,575</u> | <u>1,683</u> | <u>1,683</u> | <u>-</u> |
| Parks and Recreation: | | | | |
| Personal Services | 192,308 | 163,898 | 154,290 | 9,608 |
| Operating Expenses | 114,525 | 91,839 | 84,899 | 6,940 |
| Capital Outlay | 113,500 | 56,168 | 55,774 | 394 |
| Total Parks and Recreation | <u>420,333</u> | <u>311,905</u> | <u>294,963</u> | <u>16,942</u> |
| Special Events: | | | | |
| Operating Expenses | 41,025 | 29,463 | 29,140 | 323 |
| Summer Youth Program: | | | | |
| Personal Services | 3,768 | - | - | - |
| Operating Expenses | 11,200 | - | - | - |
| Total Summer Youth Program | <u>14,968</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Culture and Recreation | <u>477,901</u> | <u>343,051</u> | <u>325,786</u> | <u>17,265</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|----------------------------|-------------------------|---------------------|---------------------------------------|
| Expenditures (Concluded) | | | | |
| Debt Service | | | | |
| Principal Retirement | \$ 130,105 | \$ 130,105 | \$ 136,890 | \$ (6,785) |
| Interest and Fiscal Charges | 92,106 | 92,106 | 92,109 | (3) |
| Total Debt Service | <u>222,211</u> | <u>222,211</u> | <u>228,999</u> | <u>(6,788)</u> |
| (Total Expenditures) | <u>(3,537,756)</u> | <u>(2,843,822)</u> | <u>(2,806,046)</u> | <u>37,776</u> |
| Excess of Revenue Over Expenditures | <u>418,510</u> | <u>779,769</u> | <u>1,237,952</u> | <u>458,183</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out: | | | | |
| Wastewater Fund | (325,000) | (325,000) | (325,000) | - |
| Total Other Financing Sources (Uses) | <u>(325,000)</u> | <u>(325,000)</u> | <u>(325,000)</u> | <u>-</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | 93,510 | 454,769 | 912,952 | 458,183 |
| Fund Balance, Beginning of Year | <u>1,491,648</u> | <u>2,432,360</u> | <u>2,986,797</u> | <u>554,437</u> |
| Fund Balance, End of Year | <u>\$ 1,585,158</u> | <u>\$ 2,887,129</u> | <u>\$ 3,899,749</u> | <u>\$ 1,012,620</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - CEMETERY
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|----------------------------|-------------------------|-------------------|---------------------------------------|
| Revenues | | | | |
| Contributions | \$ 5,195 | \$ 5,315 | \$ 5,315 | \$ - |
| Sale of Cemetery Lots | 6,000 | 6,800 | 6,800 | - |
| Interest | 8,500 | 8,751 | 16,148 | 7,397 |
| Total Revenues | <u>19,695</u> | <u>20,866</u> | <u>28,263</u> | <u>7,397</u> |
| (Expenditures - Physical Environment) | <u>(25,942)</u> | <u>(31,385)</u> | <u>(31,385)</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (6,247) | (10,519) | (3,122) | 7,397 |
| Fund Balance, Beginning of Year | <u>417,134</u> | <u>432,213</u> | <u>437,917</u> | <u>5,704</u> |
| Fund Balance, End of Year | <u>\$ 410,887</u> | <u>\$ 421,694</u> | <u>\$ 434,795</u> | <u>\$ 13,101</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020

| | Business-Type Activities | | | | Total |
|---|-----------------------------|--------------------------|------------------------|-------------------------------|---------------------------|
| | Electric Utility Fund | Water Utility Fund | Sanitation Fund | Wastewater Utility Fund | |
| Assets | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$ 1,032,695 | \$ 609,881 | \$ 495,845 | \$ 5,256 | \$ 2,143,677 |
| Cash with Fiscal Agent | 152,987 | - | - | - | 152,987 |
| Restricted Cash | 762,283 | - | - | - | 762,283 |
| Receivables: | | | | | |
| Customers (Net of Allowance for Uncollectible Accounts) | 734,960 | 78,096 | 65,688 | 127,073 | 1,005,817 |
| Unbilled Power Cost Adjustment | 119,851 | - | - | - | 119,851 |
| Inventories, at Cost | 416,485 | 42,117 | - | 36,194 | 494,796 |
| Prepaid Items | 9,073 | - | - | - | 9,073 |
| Due from Other Governments | 5,708 | 349,012 | - | - | 354,720 |
| Due from Other Funds for Cash Overdrafts | 93,456 | - | - | - | 93,456 |
| Total Current Assets | 3,327,498 | 1,079,106 | 561,533 | 168,523 | 5,136,660 |
| Non-Current Assets | | | | | |
| Restricted Cash | | | | | |
| Debt Service - Sinking Fund | - | 29,571 | - | 46,088 | 75,659 |
| Debt Service - Reserves | - | 2,636 | - | - | 2,636 |
| Total Restricted Cash | - | 32,207 | - | 46,088 | 78,295 |
| Capital Assets | | | | | |
| Land | 2,300 | 43,340 | - | 662,548 | 708,188 |
| Construction in Process | 6,270 | 678,028 | - | 23,753 | 708,051 |
| Utility Plant-In-Service and Buildings | 12,345,951 | 7,405,448 | - | 12,533,600 | 32,284,999 |
| Machinery and Equipment (Accumulated Depreciation and Amortization) | 1,578,183 (3,241,486) | 1,351,197 (2,976,907) | 1,463,559 (826,376) | 416,252 (4,660,830) | 4,809,191 (11,705,599) |
| Total Capital Assets - Cost Less Depreciation | 10,691,218 | 6,501,106 | 637,183 | 8,975,323 | 26,804,830 |
| Other Assets | | | | | |
| Net Pension Asset | 101,723 | 20,638 | 17,750 | 26,877 | 166,988 |
| Advances to Other Funds | 885,100 | 377,948 | - | - | 1,263,048 |
| Total Other Assets | 986,823 | 398,586 | 17,750 | 26,877 | 1,430,036 |
| Total Non-Current Assets | 11,678,041 | 6,931,899 | 654,933 | 9,048,288 | 28,313,161 |
| Total Assets | 15,005,539 | 8,011,005 | 1,216,466 | 9,216,811 | 33,449,821 |
| Deferred Outflow of Resources | | | | | |
| OPEB Related | 6,598 | 2,054 | 2,984 | 2,688 | 14,324 |
| Pension Related | 41,574 | 8,435 | 7,254 | 10,984 | 68,247 |
| Total Deferred Outflow of Resources | 48,172 | 10,489 | 10,238 | 13,672 | 82,571 |
| Total Assets and Deferred Outflow of Resources | 15,053,711 | 8,021,494 | 1,226,704 | 9,230,483 | 33,532,392 |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020
(Concluded)

| | Business-Type Activities | | | | Total |
|---|-----------------------------|--------------------------|--------------------|-------------------------------|----------------------|
| | Electric Utility Fund | Water Utility Fund | Sanitation Fund | Wastewater Utility Fund | |
| Liabilities and Net Assets | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 453,660 | \$ 41,848 | \$ 17,939 | \$ 22,645 | \$ 536,092 |
| Accrued Expenses | 56,005 | 12,142 | 8,945 | 15,177 | 92,269 |
| Compensated Absences | 10,568 | 9,936 | 4,830 | 3,638 | 28,972 |
| Current Portion of Capital Leases, Revenues Bonds, and Notes Payable | 427,210 | 79,286 | 63,934 | 151,363 | 721,793 |
| Interest Payable | 33,166 | 13,341 | 186 | 30,823 | 77,516 |
| Due to Other Funds for Cash Overdrafts | - | - | - | 93,456 | 93,456 |
| Customer Deposits | 761,461 | - | - | - | 761,461 |
| Total Current Liabilities | 1,742,070 | 156,553 | 95,834 | 317,102 | 2,311,559 |
| Non-Current Liabilities | | | | | |
| Revenue Bonds Payable | 7,273,317 | 1,265,987 | - | 2,041,200 | 10,580,504 |
| Notes Payable | - | - | - | 418,737 | 418,737 |
| Capital Lease Payable | 145,787 | 2,238 | 237,659 | 2,238 | 387,922 |
| Compensated Absences | 42,273 | 39,745 | 19,319 | 14,552 | 115,889 |
| OPEB Liability | 272,166 | 106,984 | 125,129 | 139,170 | 643,449 |
| Advances from Other Funds | - | 20,100 | - | 1,242,948 | 1,263,048 |
| Total Non-Current Liabilities | 7,733,543 | 1,435,054 | 382,107 | 3,858,845 | 13,409,549 |
| Total Liabilities | 9,475,613 | 1,591,607 | 477,941 | 4,175,947 | 15,721,108 |
| Deferred Inflow of Resources | | | | | |
| Pension Related | 109,741 | 22,265 | 19,149 | 28,996 | 180,151 |
| Total Deferred Inflow of Resources | 109,741 | 22,265 | 19,149 | 28,996 | 180,151 |
| Total Liabilities and Deferred Inflow of Resources | 9,585,354 | 1,613,872 | 497,090 | 4,204,943 | 15,901,259 |
| Net Position | | | | | |
| Net Investment in Capital Assets | 2,844,904 | 5,153,594 | 335,590 | 6,361,784 | 14,695,872 |
| Restricted for Debt Service | - | 32,207 | - | 46,088 | 78,295 |
| Restricted for Capital Improvements | - | 112,500 | - | 365,187 | 477,687 |
| Unrestricted | 2,623,453 | 1,109,321 | 394,024 | (1,747,519) | 2,379,279 |
| Total Net Position | \$ 5,468,357 | \$ 6,407,622 | \$ 729,614 | \$ 5,025,540 | \$ 17,631,133 |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

| | Business-Type Activities | | | | Total |
|---|--------------------------------------|-----------------------------------|----------------------------|--|----------------------|
| | Electric Utility Fund | Water Utility Fund | Sanitation Fund | Wastewater Utility Fund | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 5,664,385 | \$ 759,554 | \$ 655,497 | \$ 996,766 | \$ 8,076,202 |
| Operating Expenses | | | | | |
| Purchased Power | 3,375,987 | - | - | - | 3,375,987 |
| Salaries and Benefits | 624,290 | 241,666 | 217,617 | 297,890 | 1,381,463 |
| Other Costs of Sales and Services | 220,818 | 212,934 | 280,018 | 412,135 | 1,125,905 |
| Depreciation | 202,074 | 171,345 | 80,219 | 312,955 | 766,593 |
| (Total Operating Expenses) | (4,423,169) | (625,945) | (577,854) | (1,022,980) | (6,649,948) |
| Operating Income (Loss) | 1,241,216 | 133,609 | 77,643 | (26,214) | 1,426,254 |
| Non-Operating Revenues (Expenses) | | | | | |
| Safety Grant Proceeds | 327 | 1,273 | - | 1,172 | 2,772 |
| Capital Grant Proceeds | - | 665,301 | - | 11,819 | 677,120 |
| Investment Income | 13,896 | 1,831 | 1,105 | - | 16,832 |
| Debt Service Costs | (13,621) | - | - | - | (13,621) |
| Interest Expense | (187,034) | (28,869) | (4,364) | (70,827) | (291,094) |
| Total Non-Operating Revenues (Expenses) | (186,432) | 639,536 | (3,259) | (57,836) | 392,009 |
| Income (Loss) Before Capital Contributions and Transfers | 1,054,784 | 773,145 | 74,384 | (84,050) | 1,818,263 |
| Capital Contributions and Transfers | | | | | |
| Capital Contributions (Cost Assistance) | 8,198 | 3,687 | - | 6,106 | 17,991 |
| Capacity Reservation Charge | - | 112,500 | - | 300,000 | 412,500 |
| Transfers In | - | - | - | 325,000 | 325,000 |
| Total Capital Contributions and Transfers | 8,198 | 116,187 | - | 631,106 | 755,491 |
| Change in Net Position | 1,062,982 | 889,332 | 74,384 | 547,056 | 2,573,754 |
| Net Position, Beginning of Year | 4,405,375 | 5,518,290 | 655,230 | 4,478,484 | 15,057,379 |
| Net Position, End of Year | \$ 5,468,357 | \$ 6,407,622 | \$ 729,614 | \$ 5,025,540 | \$ 17,631,133 |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

| | Business-Type Activities | | | | Total |
|--|-----------------------------|--------------------------|--------------------|-------------------------------|---------------------|
| | Electric Utility Fund | Water Utility Fund | Sanitation Fund | Wastewater Utility Fund | |
| Cash Flows from Operating Activities | | | | | |
| Receipts from Customers | \$ 5,755,605 | \$ 525,622 | \$ 541,743 | \$ 954,651 | \$ 7,777,621 |
| Payments to Employees for Services | (594,288) | (309,778) | (208,723) | (281,985) | (1,394,774) |
| Payments to Suppliers | (3,243,421) | (225,597) | (280,354) | (443,677) | (4,193,049) |
| Net Cash Provided by (Used in) | | | | | |
| Operating Activities | <u>1,917,896</u> | <u>(9,753)</u> | <u>52,666</u> | <u>228,989</u> | <u>2,189,798</u> |
| Cash Flows from Non-Capital | | | | | |
| Financing Activities | | | | | |
| Due to Other Funds | - | - | - | (565,702) | (565,702) |
| Due from Other Funds | 332,124 | 233,578 | - | - | 565,702 |
| Transfers from Other Funds | - | - | - | 325,000 | 325,000 |
| Grant Proceeds | 327 | 1,273 | - | 1,172 | 2,772 |
| Net Cash Provided by (Used in) | | | | | |
| Non-Capital and Related Financing Activities | <u>332,451</u> | <u>234,851</u> | <u>-</u> | <u>(239,530)</u> | <u>327,772</u> |
| Cash Flows from Capital and | | | | | |
| Related Financing Activities | | | | | |
| Acquisition and Construction of Capital Assets | (1,008,322) | (776,360) | (345,670) | (145,765) | (2,276,117) |
| Capital Contributions (Costs Assistance) | 8,198 | 3,687 | - | 6,106 | 17,991 |
| Capacity Reservation Charge | - | - | 112,500 | 300,000 | 412,500 |
| Grant Proceeds | - | 665,301 | - | 11,819 | 677,120 |
| Loan Proceeds | - | - | 332,927 | - | 332,927 |
| Debt Service Costs | (13,621) | - | - | - | (13,621) |
| Principal Paid on Capital Debt | (456,183) | (77,594) | (65,702) | (147,511) | (746,990) |
| Interest Paid on Capital Debt | (187,034) | (32,147) | (5,447) | (74,039) | (298,667) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(1,656,962)</u> | <u>(217,113)</u> | <u>28,608</u> | <u>(49,390)</u> | <u>(1,894,857)</u> |
| Cash Flows from Investing Activities | | | | | |
| Investment Income | <u>13,896</u> | <u>1,831</u> | <u>1,105</u> | <u>-</u> | <u>16,832</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 607,281 | 9,816 | 82,379 | (59,931) | 639,545 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,340,684</u> | <u>632,272</u> | <u>413,466</u> | <u>111,275</u> | <u>2,497,697</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,947,965</u> | <u>\$ 642,088</u> | <u>\$ 495,845</u> | <u>\$ 51,344</u> | <u>\$ 3,137,242</u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Concluded)

| | Business-Type Activities | | | | Total |
|---|--------------------------------------|-----------------------------------|----------------------------|--|---------------------|
| | Electric Utility Fund | Water Utility Fund | Sanitation Fund | Wastewater Utility Fund | |
| <u>Shown in the Financial Statements as</u> | | | | | |
| Cash and Cash Equivalents | \$ 1,032,695 | \$ 609,881 | \$ 495,845 | \$ 5,256 | \$ 2,143,677 |
| Cash with Fiscal Agent | 152,987 | - | - | - | 152,987 |
| Restricted Cash - Debt Reserves | - | 32,207 | - | 46,088 | 78,295 |
| Restricted Cash | 762,283 | - | - | - | 762,283 |
| Total | \$ 1,947,965 | \$ 642,088 | \$ 495,845 | \$ 51,344 | \$ 3,137,242 |
| <u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u> | | | | | |
| Operating Income (Loss) | \$ 1,241,216 | \$ 133,609 | \$ 77,643 | \$ (26,214) | \$ 1,426,254 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities: | | | | | |
| Depreciation | 202,074 | 171,345 | 80,219 | 312,955 | 766,593 |
| Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease): | | | | | |
| Accounts Receivable, Net | (337,312) | 2,580 | (1,254) | (42,115) | (378,101) |
| Due from Other Governments | - | (349,012) | - | - | (349,012) |
| Inventory | 155,324 | (238) | - | (9,775) | 145,311 |
| Customer Deposits | 484,287 | - | - | - | 484,287 |
| Accounts Payable | 198,060 | (12,425) | (2,548) | (21,767) | 161,320 |
| Accrued Expenses | 16,590 | 943 | 2,212 | 2,682 | 22,427 |
| Power Cost Adjustment | (55,755) | - | - | - | (55,755) |
| Compensated Absences | 10,398 | 5,869 | (587) | 6,749 | 22,429 |
| OPEB Liability | 38,954 | 23,372 | 15,582 | 15,582 | 93,490 |
| Net Pension Items and Related Deferred Inflows and Outflows | (35,940) | (98,296) | (6,101) | (9,108) | (149,445) |
| Total Adjustments | 676,680 | (255,862) | 87,523 | 255,203 | 763,544 |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,917,896 | \$ (122,253) | \$ 165,166 | \$ 228,989 | \$ 2,189,798 |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2020

Assets

| | |
|---|----------------------------|
| Cash and Cash Equivalents | \$ 98,678 |
| Investments: | |
| Corporate and Foreign Bonds | 463,454 |
| U.S. Government Securities | 599,868 |
| Common Stock | 3,001,583 |
| Foreign Stock | 5,269 |
| Total Cash, Cash Equivalents, and Investments | <u>4,168,852</u> |
| Accounts Receivable | <u>9,641</u> |
| Total Assets | <u><u>4,178,493</u></u> |
| Total Liabilities | <u>-</u> |
| Net Position | |
| Net Position Restricted for Pensions | <u><u>\$ 4,178,493</u></u> |

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | |
|--|---------------------|
| Additions | |
| Contributions: | |
| Employer | \$ 127,509 |
| Net Investment Income | 505,170 |
| Total Additions | <u>632,679</u> |
| Deductions | |
| Benefits Paid to Plan Members | 37,557 |
| Administrative Expenses | 47,002 |
| Total Deductions | <u>(84,559)</u> |
| Change in Net Position | 548,120 |
| Net Position Restricted for Pensions, Beginning of Year | <u>3,630,373</u> |
| Net Position Restricted for Pensions, End of Year | <u>\$ 4,178,493</u> |

See accompanying notes.

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

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

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

The City operates the following major governmental funds:

■ **Governmental Funds**

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

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

■ **Proprietary Funds**

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

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

The City reports the following major proprietary funds:

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

Summary of Significant Accounting Policies

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

Proprietary Funds

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

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

Budgets and Budgetary Accounting

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

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

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

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

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds.

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

Cash and Cash Equivalents

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

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

Transfers

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

Capital Grants

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

Investments

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

Receivables

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

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

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

Inventories and Prepaid Items

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

Cost Reimbursements

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

Capital Assets

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

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

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

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

Bond Discounts

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

Compensated Absences

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

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

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

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

Encumbrances

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

Unearned Revenues

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

Water Line Extension Charges

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

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2020, was 3.7220%.

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

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

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

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

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

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

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

Fund Balance Reporting

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

Note 2 - Cash and Cash Equivalents and Investments

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

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

The City's cash and cash equivalents, investments, and required disclosures for the year ended September 30, 2020, are as follows:

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

| <u>Type</u> | <u>Fair Value</u> | <u>WAM</u> | <u>Level</u> | <u>Credit Ratings</u> |
|--|----------------------|------------|--------------|-----------------------------|
| Cash and Cash Equivalents | | | | |
| Cash Deposits | \$ 6,181,857 | N/A | N/A | N/A |
| Petty Cash | 1,050 | N/A | N/A | N/A |
| Certificates of Deposit | 426,218 | 3 Yrs | 1 | N/A |
| SBA* | 431,246 | 85 days | N/A | AAAm |
| Money Market Funds - Pension | <u>98,678</u> | N/A | 2 | N/A |
| Total Cash and Cash Equivalents | <u>\$ 7,139,049</u> | | | |
| Investments | | | | |
| Regular Employee Pension: | | | | |
| Corporate/Foreign Bonds | \$ 463,454 | 4.95 Yrs | 2 | AAA/A+/AA-/ A-/BBB+/BBB/ |
| U.S. Treasury Notes/Bonds | 480,623 | 3.68 Yrs | 2 | AAA |
| U.S. Government Agency Bonds | 119,245 | 3.10 Yrs | 2 | AA+ |
| Common Stock | 3,001,583 | N/A | 1 | N/A |
| Foreign Stock | <u>5,269</u> | 1.43 Yrs | 1 | A/A+/A- |
| Total Investments | 4,070,174 | | | |
| Total Cash and Cash Equivalents | <u>7,139,049</u> | | | |
| | <u>\$ 11,209,223</u> | | | |
| Reconciliation with the Statement of Net Position | | | | |
| Cash and Cash Equivalents - Unrestricted | \$ 6,046,806 | | | |
| Cash and Cash Equivalents - Restricted | 840,578 | | | |
| Cash with Fiscal Agent | 152,987 | | | |
| Pension Cash and Investments | <u>4,168,852</u> | | | |
| Total | <u>\$ 11,209,223</u> | | | |

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

Fair Value Hierarchy

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

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

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

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

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

Other Investment Disclosures

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

- Florida Local Government Investment Pool (Florida Prime™)

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

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

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

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

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Investments

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

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

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

Interest Rate Risk

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

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Credit Risk

The City's pension plan policy states that all securities must hold a rating in one of the three highest classifications by a major rating service. All of the fixed income investments in the pensions' funds hold a rating of AAA by Standard & Poor's and Moody's. As of September 30, 2020, there were no investments that had greater than 5% concentration by any one issuer other than those explicitly guaranteed by the U.S. Government.

Foreign Currency Risk

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

Rate Stabilization

The rate stabilization fund was created pursuant to an agreement with the City's wholesale power provider, Florida Municipal Power Agency (FMPA). These funds are held in trust by FMPA in a money market fund and can be utilized by the City to stabilize the City's bulk electric rates. As of September 30, 2020, the balance in this account was \$152,987 shown as cash with fiscal agent in the statement of net position.

Note 3 - Restricted Assets

Customer Deposits

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

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

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

| | Beginning Balance | Increases/ Transfers | Decreases/ Transfers | Ending Balance |
|--|----------------------|-------------------------|-------------------------|----------------------|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 1,141,034 | \$ - | \$ - | \$ 1,141,034 |
| Construction in Progress | 15,189 | 3,159 | - | 18,348 |
| Total Capital Assets Not Being Depreciated | <u>1,156,223</u> | <u>3,159</u> | <u>-</u> | <u>1,159,382</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 4,021,573 | - | - | 4,021,573 |
| Improvements Other Than Buildings | 7,011,654 | 239,584 | - | 7,251,238 |
| Equipment and Furniture | 977,243 | 52,580 | - | 1,029,823 |
| Total Capital Assets Being Depreciated | <u>12,010,470</u> | <u>292,164</u> | <u>-</u> | <u>12,302,634</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | (1,131,293) | (238,522) | - | (1,369,815) |
| Improvements Other Than Buildings | (2,147,468) | (79,171) | - | (2,226,639) |
| Equipment and Furniture | (744,801) | (43,645) | - | (788,446) |
| Total Accumulated Depreciation | <u>(4,023,562)</u> | <u>(361,338)</u> | <u>-</u> | <u>(4,384,900)</u> |
| Total Capital Assets Being Depreciated, Net | <u>7,986,908</u> | <u>(69,174)</u> | <u>-</u> | <u>7,917,734</u> |
| Governmental Activities Capital Depreciated, Net | <u>\$ 9,143,131</u> | <u>\$ (66,015)</u> | <u>\$ -</u> | <u>\$ 9,077,116</u> |
| Business-Type Activities | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 708,188 | \$ - | \$ - | \$ 708,188 |
| Construction in Progress | 8,757,504 | 1,249,675 | (9,299,128) | 708,051 |
| Total Capital Assets Not Being Depreciated | <u>9,465,692</u> | <u>1,249,675</u> | <u>(9,299,128)</u> | <u>1,416,239</u> |
| Capital Assets Being Depreciated: | | | | |
| Utility Plant in Service | 22,329,786 | 9,535,283 | - | 31,865,069 |
| Buildings | 419,930 | - | - | 419,930 |
| Machinery and Equipment | 4,018,907 | 790,284 | - | 4,809,191 |
| Total Capital Assets Being Depreciated | <u>26,768,623</u> | <u>10,325,567</u> | <u>-</u> | <u>37,094,190</u> |
| Less Accumulated Depreciation: | | | | |
| Utility Plant-In-Service | (7,879,546) | (536,489) | - | (8,416,035) |
| Buildings | (300,836) | (11,243) | - | (312,079) |
| Machinery and Equipment | (2,758,624) | (218,861) | - | (2,977,485) |
| Total Accumulated Depreciation | <u>(10,939,006)</u> | <u>(766,593)</u> | <u>-</u> | <u>(11,705,599)</u> |
| Total Capital Assets Being Depreciated, Net | <u>15,829,617</u> | <u>9,558,974</u> | <u>-</u> | <u>25,388,591</u> |
| Total Business-Type Activities Capital Assets, Net | <u>\$ 25,295,309</u> | <u>\$ 10,808,649</u> | <u>\$ (9,299,128)</u> | <u>\$ 26,804,830</u> |
| Depreciation Expense - | | | | |
| Governmental Activities | | | | |
| General Government | | | | \$ 57,273 |
| Public Safety | | | | 200 |
| Physical Environment | | | | 2,474 |
| Transportation | | | | 207,976 |
| Culture and Recreation | | | | 93,415 |
| Total Depreciation Expense - Governmental Activities | | | | <u>\$ 361,338</u> |
| Depreciation Expense - Business-Type Activities | | | | |
| Electric Utility | | | | \$ 202,074 |
| Water Utility | | | | 171,345 |
| Wastewater Utility | | | | 312,955 |
| Sanitation Utility | | | | 80,219 |
| Total Depreciation Expense - Business-Type Activities | | | | <u>\$ 766,593</u> |

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA

Note 5 - Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

| | Beginning Balance | Increases | Decreases/ Transfers | Ending Balance | Amounts Due Within One Year |
|--|----------------------|-------------------|-------------------------|----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Notes Payable: | | | | | |
| Note Payable - SunTrust Bank - Direct Borrowings | \$ 1,594,766 | \$ - | \$ (130,082) | \$ 1,464,684 | \$ 137,736 |
| Other Liabilities: | | | | | |
| Installment Contract Payable - Direct Borrowings | 6,808 | - | (6,808) | - | - |
| Net Pension Liability - FRS | 59,552 | - | (39,116) | 20,436 | - |
| Net Pension Liability - HIS | 27,425 | - | (19,261) | 8,164 | - |
| Other Postemployment Benefits | 768,388 | 148,024 | - | 916,412 | 17,501 |
| Compensated Absences | 110,802 | 18,140 | (22,160) | 106,782 | 21,356 |
| Total Other Liabilities | 972,975 | 166,164 | (87,345) | 1,051,794 | 38,857 |
| Total Government Activities | \$ 2,567,741 | \$ 166,164 | \$ (217,427) | \$ 2,516,478 | \$ 176,593 |
| Business-Type Activities | | | | | |
| Revenue Bond and Notes Payable: | | | | | |
| Electric Fund: | | | | | |
| FMPA - Direct Borrowings | \$ 7,935,000 | \$ - | \$ (342,432) | \$ 7,592,568 | \$ 319,251 |
| Water and Sewer Funds: | | | | | |
| Wastewater - Hanson Plant SRF - | | | | | |
| Direct Borrowings | 535,922 | - | (58,006) | 477,916 | 59,179 |
| State Revolving Loan, Drinking Water - | | | | | |
| Direct Borrowings | 122,516 | - | (17,482) | 105,034 | 18,456 |
| State Revolving Loan, SR48 Widening - | | | | | |
| Direct Borrowings | 432,662 | - | (23,407) | 409,255 | 23,645 |
| Revenue Refunding Bond, Series 2017 - | | | | | |
| Direct Placement | 3,080,000 | - | (120,000) | 2,960,000 | 125,000 |
| Total Revenue Bond and Notes Payable | 12,106,100 | - | (561,327) | 11,544,773 | 545,531 |
| Other Liabilities: | | | | | |
| Capital Lease Obligation - Direct Borrowings | 32,423 | - | (32,423) | - | - |
| Capital Lease Obligation - Direct Borrowings | 125,844 | - | (40,930) | 84,914 | 41,940 |
| Capital Lease Obligation - Direct Borrowings | 13,108 | - | (4,264) | 8,844 | 4,369 |
| Capital Lease Obligation - Direct Borrowings | 232,901 | - | (64,069) | 168,832 | 66,019 |
| Capital Lease Obligation - Direct Borrowings | - | 332,927 | (31,334) | 301,593 | 63,934 |
| Installment Contract Payable - Direct Borrowings | 12,642 | - | (12,642) | - | - |
| Net Pension Liability - FRS | 38,023 | - | (38,023) | - | - |
| Net Pension Liability - HIS | 17,510 | - | (17,510) | - | - |
| Other Postemployment Benefits | 549,959 | 93,490 | - | 643,449 | 14,324 |
| Compensated Absences | 122,432 | 46,915 | (24,486) | 144,861 | 28,972 |
| Total Other Liabilities | 1,144,842 | 473,332 | (265,681) | 1,352,493 | 219,558 |
| Total Business-Type Activities | \$ 13,250,942 | \$ 473,332 | \$ (827,008) | \$ 12,897,266 | \$ 765,089 |

The total amount of interest charged to expense in the business-type activities was \$291,094, and the governmental activities was \$92,109**.

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

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

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

The following is a schedule of long-term liabilities at September 30, 2020:

Governmental Activities

| Type | Purpose of Loan | Amount | Amount | Interest |
|--|------------------------|--------------|--------------|----------|
| | | Issued | Outstanding | Rate |
| Note Payable - Direct Borrowings | City Hall Construction | \$ 2,650,000 | \$ 1,464,684 | 5.797% |
| Installment Contract Payable - Direct Borrowings | Software Purchase | 20,424 | - | 0.00% |

Business-Type Activities

| Type | Purpose of Loan | Amount | Amount | Interest |
|--|-----------------------------|--------------|--------------|----------|
| | | Issued | Outstanding | Rate |
| Revenue Bond - Direct Placement | Refunding Bond, Series 2017 | \$ 3,315,000 | \$ 2,960,000 | 2.85% |
| State Revolving Loan - Direct Borrowings | Wastewater Plant | | | |
| | (State Revolving Loan Fund) | 1,100,779 | 477,916 | 2.17% |
| State Revolving Loan - Direct Borrowings | Elevated Water Tank | | | |
| | (State Revolving Loan Fund) | 254,708 | 105,034 | 2.71% |
| State Revolving Loan - Direct Borrowings | SR48 Widening | | | |
| | (State Revolving Loan Fund) | 489,496 | 409,255 | 3.10% |
| FMPA - Direct Borrowings | Electric System Expansion | 7,935,000 | 7,592,568 | 2.56% |
| Capital Lease - Direct Borrowings | Peterbilt | 332,927 | 301,593 | 2.68% |
| Capital Lease - Direct Borrowings | Aerial and Digger Trucks | 325,475 | 168,832 | 3.02% |
| Capital Lease - Direct Borrowings | Bucket Truck | 204,774 | 84,914 | 2.45% |
| Capital Lease - Direct Borrowings | Truck | 21,332 | 8,844 | 2.45% |
| Installment Contract Payable - Direct Borrowings | Software Purchase | 37,926 | - | 0.00% |

Revenue Bond and Notes Payable

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

| Year Ending | Direct Borrowings | | Direct Placement and Direct Borrowings | | Total Primary Government Debt | |
|----------------|-------------------------|-------------------|---|---------------------|----------------------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | | Principal | Interest |
| | Principal | Interest | Principal | Interest | | |
| 2021 | \$ 137,736 | \$ 84,103 | \$ 545,532 | \$ 292,829 | \$ 683,268 | \$ 376,932 |
| 2022 | 145,837 | 75,890 | 560,799 | 278,999 | 706,636 | 354,889 |
| 2023 | 154,414 | 67,194 | 576,324 | 264,627 | 730,738 | 331,821 |
| 2024 | 163,496 | 58,138 | 587,112 | 250,062 | 750,608 | 308,200 |
| 2025 | 173,112 | 48,237 | 603,171 | 235,084 | 776,283 | 283,321 |
| 2026-2030 | 690,089 | 83,507 | 7,070,308 | 833,381 | 7,760,397 | 916,888 |
| 2031-2035 | - | - | 1,133,887 | 147,931 | 1,133,887 | 147,931 |
| 2036-2040 | - | - | 467,640 | 16,040 | 467,640 | 16,040 |
| Total | \$ 1,464,684 | \$ 417,069 | \$ 11,544,773 | \$ 2,318,953 | \$ 13,009,457 | \$ 2,736,022 |

Defeased Debt

There are no outstanding defeased bonds.

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

Note 6 - Pledged Revenues

The City has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2020. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and noted at September 30, 2020:

| Type | Revenue Pledged | Revenues (Net) (1) | Principal and Interest Paid | Estimated Revenue Percentage Pledged | Outstanding Principal and Interest | Pledged Through |
|---|--|--------------------|-----------------------------|--------------------------------------|------------------------------------|-----------------|
| Governmental Activities | | | | | | |
| Note Payable - SunTrust (City Hall) | General Fund Non-Ad Valorem Revenues | \$ 3,290,446 | \$ 222,191 | 7% | \$ 1,881,753 | 2029 |
| Business-Type Activities | | | | | | |
| Revenue Bonds - CenterState - Water/Wastewater System | Waste Water System Revenues and Available Non-Ad Valorem | 967,426 | 206,925 | 21% | 3,773,390 | 2037 |
| Loan Payable (State Revolving Loan Program) - Elevated Water Tank | Net Water System Revenue | 272,438 | 49,032 | 18% | 115,926 | 2026 |
| Loan Payable (State Revolving Loan Program) - SR48 | Net Water System Revenue | 223,406 | 27,864 | 12% | 445,819 | 2036 |
| Loan Payable (State Revolving Loan Program) - Hanson Plant | Waste Water System Revenues and Available Non-Ad Valorem | 488,063 | 69,214 | 14% | 519,576 | 2028 |
| Florida Municipal Power Agency Utility Expansion | Electric Revenues | 1,502,287 | 520,080 | 35% | 9,009,013 | 2029 |

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

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

Note 7 - Lease Obligations

Capital Lease

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

| Assets | Business-Type Activities |
|----------------------------------|-------------------------------------|
| F-150 Truck | \$ 21,332 |
| Bucket Truck | 204,774 |
| Aerial Service and Digger Trucks | 325,475 |
| Peterbilt | 332,927 |
| (Accumulated Depreciation) | <u>(220,021)</u> |
| Total | <u>\$ 664,487</u> |

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

| Year Ending | Direct Borrowings Business-Type Activities |
|--|---|
| 2021 | \$ 190,537 |
| 2022 | 190,537 |
| 2023 | 106,902 |
| 2024 | 71,591 |
| 2025 | <u>35,795</u> |
| Total Minimum Lease Payments | 595,362 |
| (Less Amount Representing Interest) | <u>(31,179)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 564,183</u> |

Note 8 - Electric Power Agreements

FMPA

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

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

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

The City has elected to participate in the “All Requirements Project”, which supplies all of the City’s power requirements. The agreement will remain in effect until October 1, 2035, with optional successive five-year renewal periods. The contract provides for optional withdrawal by the City, but would require the

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

City to make all remaining project members whole, which is generally understood as a paying off of its share of the project’s debt. The cost to the City withdrawing from the contract has not been calculated, but is generally understood to require payoff of the City’s portion of project debt.

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

Note 9 - Employee Retirement Systems

Florida State Retirement System—Pension Plan

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

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

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 8.26% of the compensation for regular members, 14.03% for Deferred Retirement Option Program (DROP), 26.06% for senior management, and 48.70% for elected officials as of September 30, 2020. In addition, employees that are not participating in DROP are required to contribute 3% of their gross salary.

The City contributed 100% of the required contributions to the System [cumulative total for both state plans – Florida Retirement System (FRS) and Health Insurance Subsidy (HIS)] for the years ended September 30, 2020, 2019, and 2018, as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2020 | \$ 1,009 |
| 2019 | 9,930 |
| 2018 | 12,063 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2020, the City reported a net pension liability of \$20,436 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30,

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

2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City's proportionate share was .000047152134%, which was a decrease of .00023618221 from its proportionate share measured as of June 30, 2019.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—For the year ended September 30, 2020, the Sponsor will recognize a pension expense of \$1,009. On September 30, 2020, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflow Funds | Deferred Outflow Funds |
|---|----------------------------------|-----------------------------------|
| Differences Between Expected and Actual Experience | \$ - | \$ 782 |
| Change in Assumptions | - | 3,700 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 1,217 |
| Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions | 101,355 | - |
| Total | \$ 101,355 | \$ 5,699 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year | Total Inflows/Outflows |
|-------------|-----------------------------------|
| 2021 | \$ (95,656) |

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.60% |
| Salary Increases | 3.25%, Including Inflation |
| Investment Rate of Return | 6.80%, Net Pension Plan Investment Expense, Including Inflation |

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

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

The actuarial assumptions used in the July 1, 2019. As a result of the 2018 actuarial experience study, the real payroll growth assumption was 3.25% and the long-term expected rate of return was 6.80%.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|-----------------------|--------------------------|---------------------------------|---|---------------------------|
| Cash | 1.0% | 3.3% | 3.3% | 1.2% |
| Fixed Income | 19.0% | 4.1% | 4.1% | 3.5% |
| Global Equity | 54.2% | 8.0% | 6.8% | 16.5% |
| Real Estate | 10.3% | 6.7% | 6.1% | 11.7% |
| Private Equity | 11.1% | 11.2% | 8.4% | 25.8% |
| Strategic Investments | 4.4% | 5.9% | 5.7% | 6.7% |
| Total | <u>100%</u> | | | |

Discount Rate—The discount rate used to measure the total pension liability was 6.90%. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. The discount rate used in the 2019 valuation was updated from 6.90% to 6.80%. The rate of return assumption is a prescribed assumption as defined by ASOPs.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

| | <u>1% Decrease 5.80%</u> | <u>Current Discount Rate – 6.80%</u> | <u>1% Increase 7.80%</u> |
|---|------------------------------|--|------------------------------|
| City's Proportionate Share of the Net Pension Liability | \$ 32,634 | \$ 20,436 | \$ 10,249 |

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

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

Florida State Retirement System—HIS

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

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

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

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

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66% of payroll. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS—At September 30, 2020, the City reported a net pension liability of \$8,164 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City's proportionate share was .00006686583%, which was a decrease of .00033474623 from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense as listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflow Funds | Deferred Outflow Funds |
|--|--------------------------------------|---------------------------------------|
| Differences Between Expected and Actual Experience | \$ 6 | \$ 334 |
| Change in Assumptions | 475 | 878 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 7 |
| Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions | 57,693 | 1,278 |
| Total | \$ 58,174 | \$ 2,497 |

The deferred outflows of resources related to pensions totaling \$0 resulting from City contributions subsequent to the measurement date, but before the end of the employer's reporting period, will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| September 30, | Inflows/Outflows |
|----------------------|-------------------------|
| 2021 | \$ (55,677) |

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

Actuarial Assumptions—The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|------------------------------------|
| Inflation | 2.60% |
| Salary Increase | 3.25% Average, Including Inflation |
| Bond Buyer General Obligation 20-Bond Municipal Bond | 2.21% |

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2020.

Discount Rate—The discount rate used to measure the total pension liability was 2.21 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan Sponsor. The discount rate used in the 2020 valuation was updated from 3.50 percent to 2.21 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2020.

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

| | <u>1% Decrease</u> <u>2.87%</u> | <u>Current Discount</u> <u>Rate – 3.87%</u> | <u>1% Increase</u> <u>4.87%</u> |
|--|------------------------------------|--|------------------------------------|
| City’s Proportionate Share of the Net Pension Liability | \$ 9,437 | \$ 8,164 | \$ 7,122 |

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

Florida State Retirement System Opt-Out

In December 1995, the City Council approved opting out of the System effective with all new employees hired after January 1, 1996. City employees covered under the System at December 31, 1995, will continue to participate in the state System and the City will continue to make contributions on their behalf. As of fiscal year-end September 30, 2020, the City has no remaining employees participating in FRS.

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

Deferred Compensation Plan

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2020 | \$ 3,461 |
| 2019 | 4,512 |
| 2018 | 6,797 |

General Employees' Defined Contribution Plan

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

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

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

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

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

| | |
|---|------|
| Greater Than 6 Months but Less Than 2 Years | 0% |
| 2 Years | 20% |
| 3 Years | 40% |
| 4 Years | 60% |
| 5 Years | 80% |
| 6 or More Years | 100% |

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

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA

At September 30, 2020, there were twenty active members of the plan. For the years ended September 30, 2020, 2019, and 2018, the City contributed \$77,633, \$57,843, and \$51,185, respectively, to the plan. There were no forfeitures during the fiscal year.

Defined-Benefit Plan

Pension Trust Fund

■ **Plan Description**

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

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

Plan Administration

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

Benefits Provided

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

Normal Retirement:

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

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

Early Retirement:

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

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

Vesting:

Schedule: 100% after 6 Years of Credited Service.

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

Disability:

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

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

Benefit:

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

Pre-Retirement Death Benefits:

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

Non-Vested:

Refund of any Member contributions.

Cost-of-Living Adjustments:

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

Contributions:

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

■ **Investments**

Investment Policy

The following was the Board's adopted asset allocation policy as of September 30, 2020:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|----------------------|--------------------------|
| Domestic Equity | 55% |
| International Equity | 15% |
| Fixed Income | 30% |
| Total | 100.0% |

Concentrations

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

Rate of Return

For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

■ **Membership**

Membership of the plan consisted of the following as of October 1, 2020:

| | General Employees |
|---|------------------------------|
| Active Plan Members | 12 |
| Inactive Members Currently Receiving Benefits | 3 |
| Inactive Members or Beneficiaries Entitled But Not Yet Receiving Benefits | 12 |
| Total | 27 |

■ **Net Pension Liability (Asset)**

The components of the net pension liability (asset) of the Sponsor on September 30, 2020, were as follows:

| | |
|--|--------------|
| Total Pension Liability | \$ 3,880,669 |
| Plan Fiduciary Net Position | (4,190,535) |
| Sponsor's Net Pension Liability (Asset) | \$ (309,866) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 107.98% |

■ **Actuarial Assumptions**

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

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

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years

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

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the FRS. The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020, the inflation rate assumption of the investment advisor was 1.80%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans target asset allocation as of September 30, 2020, are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---|
| Domestic Equity | 5.62% |
| International Equity | 4.60% |
| Fixed Income | 1.47% |

Discount Rate

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

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

| | <u>1% Decrease 6.75%</u> | <u>Current Discount Rate - 7.75%</u> | <u>1% Increase 8.75%</u> |
|---|------------------------------|--|------------------------------|
| Sponsor’s Net Pension Liability (Asset) | \$ 361,344 | \$ (309,866) | \$ (849,704) |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2020, the Sponsor will recognize a pension expense of \$23,384. On September 30, 2020, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

| | <u>Deferred Inflow Funds</u> | <u>Deferred Outflow Funds</u> |
|---|----------------------------------|-----------------------------------|
| Differences Between Expected and Actual Experience | \$ 269,607 | \$ - |
| Changes in Assumptions | - | 126,640 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | <u>64,685</u> | <u>-</u> |
| Total | <u>\$ 334,292</u> | <u>\$ 126,640</u> |

Other amounts reported as net deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended September 30,</u> | <u>Amount</u> |
|-------------------------------------|---------------------|
| 2021 | \$ (41,530) |
| 2022 | (41,530) |
| 2023 | (41,530) |
| 2024 | (41,530) |
| 2025 | (41,532) |
| Thereafter | - |
| Total | <u>\$ (207,652)</u> |

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

| General Employees Pension Plan: | <u>2020</u> |
|---|---------------------|
| Total Pension Liability | |
| Service Cost | \$ 84,305 |
| Interest on the Total Pension Liability | 286,802 |
| Differences Between Expected and Actual Returns | 18,698 |
| Change in Assumptions | (106,766) |
| Benefit Payments, Including Refunds of Employee Contributions | <u>(37,465)</u> |
| Net Change in Total Pension Liability | 245,574 |
| Total Pension Liability, Beginning of Year | <u>3,635,095</u> |
| Total Pension Liability, End of Year (a) | <u>3,880,669</u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | 127,464 |
| Net Investment Income | 471,704 |
| Benefit Payments | (37,465) |
| Administrative Expense | <u>(10,898)</u> |
| Net Change in Plan Fiduciary Net Position | 550,805 |
| Plan Fiduciary Net Position, Beginning of Year | <u>3,639,730</u> |
| Plan Fiduciary Net Position, End of Year (b) | <u>4,190,535</u> |
| Net Pension (Asset) - Ending (a) - (b) | <u>\$ (309,866)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Asset | 107.98% |
| Covered Payroll | <u>\$ 855,465</u> |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | -36.22% |

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

Aggregate Totals for Pension Related Items:

| <u>Pension Plan</u> | <u>Net Pension Liability</u> | <u>Net Pension Asset</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Pension Expense</u> |
|---------------------|------------------------------|--------------------------|--------------------------------------|---------------------------------------|------------------------|
| FRS | \$ 20,436 | \$ - | \$ 101,355 | \$ 5,699 | \$ 42,599 |
| HIS | 8,164 | - | 58,174 | 2,497 | 16,120 |
| General | - | 309,866 | 334,292 | 126,640 | 23,384 |
| | <u>\$ 28,600</u> | <u>\$ 309,866</u> | <u>\$ 493,821</u> | <u>\$ 134,836</u> | <u>\$ 82,103</u> |

Note 10 - Other Postemployment Benefits (OPEB)

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

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

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

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

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

Plan Membership as of September 30, 2020

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

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

For the actuarial valuation, dated October 1, 2018, the Entry Age (level % of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

| | |
|-----------------------------|-------|
| Inflation: | 2.50% |
| Salary Increases: | 2.50% |
| Discount Rate: | 3.58% |
| Initial Trend Rate: | 8.00% |
| Ultimate Trend Rate: | 4.00% |
| Years to Ultimate: | 54 |

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

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense:

For the year ended September 30, 2020, the Sponsor will recognize OPEB expense of \$272,140.

Deferred Outflows

For the year ended September 30, 2020, deferred outflows related to OPEB consist of \$31,825 for benefits paid subsequent to the measurement date.

Changes in Total OPEB Liability

| | Increases and Decreases in Total OPEB Liability |
|---|--|
| Reporting Period Ended September 30, 2019 | \$ 1,318,347 |
| Changes for a Year: | |
| Service Cost | 50,203 |
| Interest | 56,629 |
| Difference Between Expected and Actual Experience | - |
| Changes in Assumptions | 162,507 |
| Changes of Benefit Terms | - |
| Benefit Payments | (27,825) |
| Net Changes | 241,515 |
| Reporting Period Ended September 30, 2020 | \$ 1,559,861 |

Changes of assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2019, to 3.58% for the reporting period ended September 30, 2020.

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

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

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

| | 1% Decrease 2.58% | Current Discount Rate – 3.58% | 1% Increase 4.58% |
|---------------------------|----------------------|----------------------------------|----------------------|
| Net OPEB Liability | \$ 1,892,332 | \$ 1,559,861 | \$ 1,301,584 |

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

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

| | 1% Decrease 3.00% - 7.00% | Healthcare Cost Trend Rates 4.00% - 8.00% | 1% Increase 5.00% - 9.00% |
|-----------------------------|------------------------------|---|------------------------------|
| Total OPEB Liability | \$ 1,309,745 | \$ 1,559,861 | \$ 1,884,146 |

Note 11 - Interfund Transfers, Advances, and Due To/Due From

Interfund Transfers

Interfund transfers at September 30, 2020, are as follows:

| | Interfund Transfers In | Interfund Transfers (Out) |
|----------------------------------|---------------------------|------------------------------|
| Major Funds | | |
| General Fund | \$ - | \$ (325,000) |
| Wastewater Fund | 325,000 | - |
| Total Interfund Transfers | \$ 325,000 | \$ (325,000) |

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

Advances

Advances to and from other funds at September 30, 2020, are as follows:

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

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

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

Due From/Due To Other Funds

Due from and due to other funds at September 30, 2020, are as follows:

| | Due From Other Funds | Due To Other Funds |
|--|-------------------------------------|-----------------------------------|
| Major Funds | | |
| Wastewater Utility Fund | \$ - | \$ 93,456 |
| Electric Utility Fund | 93,456 | - |
| Total Due from/Due to Other Funds | \$ 93,456 | \$ 93,456 |

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

Note 12 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2020, are as follows:

| | |
|---|------------------|
| Electric Utility Fund | \$ 5,000 |
| Water Utility Fund | 2,500 |
| Wastewater Fund | 2,000 |
| Sanitation Fund | 1,500 |
| Total Allowances for Doubtful Accounts | \$ 11,000 |

Note 13 - Risk Management

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

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

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the City's experience for this type of risk. There have been no significant reductions in insurance coverage during fiscal year 2020. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

Note 14 - Contingencies and Commitments

Wastewater Treatment Facility

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

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

Construction Commitments

The City has a construction commitment for the Sumterville Water plant for a total commitment of \$460,292. As of September 30, 2020, the amount paid is \$418,292 with a remaining balance of approximately \$42,000 to be paid on the contract. The total amount of the grant awarded to the City for the Sumterville Water plant is \$838,860, which will pay for the construction contracts as needed for further contracts.

Operating Leases

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2021 | \$ 5,043 |
| 2022 | 199 |

City of Webster Wastewater Billing Dispute

The City of Webster utilizes the City's Wastewater System and the City bills them for their pumpage. There was a prior year billing dispute between the two cities that was settled through mediation during the current year. Beginning in fiscal year 2021, the City will have to repay the City of Webster approximately \$78,000 through monthly billing credits.

COVID-19

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

Note 15 - Federal Awards and State Financial Assistance

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

| Reporting Period Ending | September 30, 2020 | September 30, 2019 | September 30, 2018 |
|--|---------------------|---------------------|---------------------|
| Measurement Date | September 30, 2019 | September 30, 2018 | September 30, 2017 |
| Total OPEB Liability | | | |
| Service Costs | \$ 50,203 | \$ 94,194 | \$ 91,897 |
| Interest | 56,629 | 46,721 | 39,404 |
| Changes in Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience | - | (140,193) | - |
| Changes in Assumptions | 162,507 | 138,802 | (117,758) |
| Benefit Payments | (27,825) | (20,880) | (19,200) |
| Net Change in Total OPEB Liability | <u>241,514</u> | <u>118,644</u> | <u>(5,657)</u> |
| Total OPEB Liability - Beginning | <u>1,318,347</u> | <u>1,199,703</u> | <u>1,205,360</u> |
| Total OPEB Liability - Ending | <u>\$ 1,559,861</u> | <u>\$ 1,318,347</u> | <u>\$ 1,199,703</u> |
| Covered Payroll (Projected) | <u>\$ 1,225,842</u> | <u>\$ 1,195,944</u> | <u>\$ 1,430,899</u> |
| Total OPEB Liability as a percentage of Covered Payroll | 127.25% | 110.23% | 83.84% |

Notes to Schedule:

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

| | |
|---------------------------------------|-------|
| Fiscal Year Ended September 30, 2020: | 3.58% |
| Fiscal Year Ended September 30, 2019: | 4.18% |
| Fiscal Year Ended September 30, 2018: | 3.64% |

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

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

GENERAL EMPLOYEES' PENSION PLAN

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | |
| Service Cost | \$ 84,305 | \$ 86,902 | \$ 108,021 | \$ 117,318 | \$ 113,579 | \$ 117,691 | \$ 123,708 |
| Interest on the Total Pension Liability | 286,802 | 265,901 | 252,003 | 224,678 | 192,514 | 173,476 | 152,883 |
| Differences Between Expected and Actual Returns | 18,698 | (44,314) | (130,843) | 36,318 | (3,405) | (35,779) | - |
| Change in Assumptions | (106,766) | - | - | - | 117,742 | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (37,465) | (34,939) | (22,540) | (10,312) | (7,992) | (3,261) | (6,460) |
| Net Change in Total Pension Liability | 245,574 | 273,550 | 206,641 | 368,002 | 412,438 | 252,127 | 270,131 |
| Total Pension Liability, Beginning of Year | 3,635,095 | 3,361,545 | 3,154,904 | 2,786,902 | 2,374,464 | 2,122,337 | 1,852,206 |
| Total Pension Liability, End of Year (a) | \$ 3,880,669 | \$ 3,635,095 | \$ 3,361,545 | \$ 3,154,904 | \$ 2,786,902 | \$ 2,374,464 | \$ 2,122,337 |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions - Employer | \$ 127,464 | \$ 150,737 | \$ 163,419 | \$ 164,850 | \$ 172,625 | \$ 171,231 | \$ 176,075 |
| Net Investment Income | 471,704 | 80,816 | 319,154 | 311,038 | 175,725 | (39,743) | 173,326 |
| Benefit Payments | (37,465) | (34,939) | (22,540) | (10,312) | (7,992) | (3,260) | (6,460) |
| Administrative Expense | (10,898) | (10,662) | (11,815) | (12,332) | (9,442) | (13,316) | (5,524) |
| Net Change in Plan Fiduciary Net Position | 550,805 | 185,952 | 448,218 | 453,244 | 330,916 | 114,912 | 337,417 |
| Plan Fiduciary Net Position, Beginning of Year | 3,639,730 | 3,453,778 | 3,005,560 | 2,552,316 | 2,221,400 | 2,106,488 | 1,769,071 |
| Plan Fiduciary Net Position, End of Year (b) | \$ 4,190,535 | \$ 3,639,730 | \$ 3,453,778 | \$ 3,005,560 | \$ 2,552,316 | \$ 2,221,400 | \$ 2,106,488 |
| Net Pension Liability (Asset) - Ending (a) - (b) | \$ (309,866) | \$ (4,635) | \$ (92,233) | \$ 149,344 | \$ 234,586 | \$ 153,064 | \$ 15,849 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) | 107.98% | 100.13% | 95.27% | 95.27% | 91.58% | 93.55% | 99.25% |
| Covered Payroll** | \$ 855,462 | \$ 837,429 | \$ 878,597 | \$ 1,012,672 | \$ 984,220 | \$ 968,164 | \$ 989,185 |
| Net Pension Liability as a Percentage of Covered Payroll | -36.22% | 0.55% | -10.50% | 14.75% | 23.83% | 15.81% | 1.60% |

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

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

Changes of Assumptions:

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

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

For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019, FRS valuation report for non-special-risk employees.

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

| | <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|-------------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution | \$ 127,464 | \$ 150,737 | \$ 163,419 | \$ 171,142 | \$ 166,333 | \$ 171,231 | \$ 176,075 |
| Contributions in Relation to the | | | | | | | |
| Actuarially Determined Contribution | 127,464 | 150,737 | 163,419 | 164,850 | 172,625 | 171,231 | 176,075 |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,292</u> | <u>\$ (6,292)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll ¹ | <u>\$ 855,462</u> | <u>\$ 837,429</u> | <u>\$ 878,597</u> | <u>\$ 1,012,672</u> | <u>\$ 984,220</u> | <u>\$ 968,164</u> | <u>\$ 989,185</u> |
| Contributions as a Percentage | | | | | | | |
| of Covered Payroll | 14.90% | 18.00% | 18.60% | 16.28% | 17.54% | 17.69% | 17.80% |

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

Notes to Schedule

Valuation Date:

October 1, 2018

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

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method:

Entry Age Normal Actuarial Cost Method

Asset Valuation Method:

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

Salary Increases:

6.0% per year until the assumed retirement age.

Interest Rate:

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

Payroll Growth:

None for amortizing UAAL.

Retirement Age:

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

Early Retirement:

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

Termination Rates:

See table below.

Disability Rates:

Female: 100% RP2000 Disables Female set forward two years.
Male: 100% RP2000 Disabled Male set back four years.

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

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

Termination and Disability Rate Table:

| Age | % | % | % |
|-----|-----------------------------------|-----------------------------------|----------------------------------|
| | Terminating During the Year | Terminating During the Year | Becoming Disabled the Year |
| 20 | 17.2% | 17.2% | 0.05% |
| 30 | 15.0% | 15.0% | 0.06% |
| 40 | 8.2% | 8.2% | 0.12% |
| 50 | 1.7% | 1.7% | 0.43% |
| 60 | 0.5% | 0.5% | 1.61% |

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

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

| | September 30, 2020 | September 30, 2019 | September 30, 2018 | September 30, 2017 | September 30, 2016 | September 30, 2015 | September 30, 2014 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Annual Money - Weighted Rate of Return Net of Investment Expense | 12.87% | 2.32% | 10.44% | 11.96% | 7.71% | -1.84% | 9.50% |

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

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability | 0.0000471521% | 0.0002833332% | 0.0003394895% | 0.0006704237% | 0.0007137119% | 0.0007742490% |
| City's Proportionate Share of the Net Pension Liability | \$ 20,436 | \$ 97,575 | \$ 102,256 | \$ 198,307 | \$ 180,213 | \$ 100,005 |
| City's Covered Payroll | 23,207 | 134,313 | 154,061 | 240,063 | 230,984 | 215,271 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 88.06% | 72.65% | 66.37% | 82.61% | 78.02% | 46.46% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.85% | 82.61% | 86.87% | 83.89% | 84.88% | 92.00% |

SCHEDULE OF CITY CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$ 1,009 | \$ 9,930 | \$ 12,062 | \$ 20,179 | \$ 19,159 | \$ 16,959 |
| Contributions in Relation to the Contractually Required Contribution | 1,009 | 9,930 | 12,062 | 20,179 | 19,159 | 16,959 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's Covered Payroll | \$ 6,260 | \$ 115,305 | \$ 151,661 | \$ 224,822 | \$ 230,984 | \$ 215,271 |
| Contributions as a Percentage of Covered Payroll | 16.12% | 8.61% | 7.95% | 8.98% | 8.29% | 7.88% |

Notes:

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

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability | 0.0000668658% | 0.0004016087% | 0.0004716881% | 0.0007231044% | 0.0007645644% | 0.0007200370% |
| City's Proportionate Share of the Net Pension Liability | \$ 8,164 | \$ 44,935 | \$ 49,924 | \$ 77,318 | \$ 89,107 | \$ 73,432 |
| City's Covered Payroll | 23,207 | 134,313 | 154,061 | 240,063 | 230,984 | 215,271 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 35.18% | 33.46% | 32.41% | 32.21% | 38.58% | 34.11% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% |

SCHEDULE OF CITY CONTRIBUTIONS - FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$ 1,009 | \$ 9,930 | \$ 12,062 | \$ 20,179 | \$ 19,159 | \$ 20,854 |
| Contributions in Relation to the Contractually Required Contribution | 1,009 | 9,930 | 12,062 | 20,179 | 19,159 | 20,854 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's Covered Payroll | \$ 6,260 | \$ 115,305 | \$ 151,661 | \$ 224,822 | \$ 230,984 | \$ 215,271 |
| Contributions as a Percentage of Covered Payroll | 16.12% | 8.61% | 7.95% | 8.98% | 8.29% | 9.69% |

Notes:

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

STATISTICAL SECTION

STATISTICAL SECTION

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

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 4,011,420 | \$ 6,810,893 | \$ 7,256,656 | \$ 7,278,421 |
| Restricted | 547,046 | 475,273 | 455,912 | 437,513 |
| Unrestricted | (153,357) | 115,394 | 152,700 | 612,756 |
| Total Governmental Activities, Net Assets | <u>\$ 4,405,109</u> | <u>\$ 7,401,560</u> | <u>\$ 7,865,268</u> | <u>\$ 8,328,690</u> |
| Business-Type Activities | | | | |
| Net Investment in Capital Assets | \$ 12,248,789 | \$ 12,136,614 | \$ 11,730,474 | \$ 11,937,502 |
| Restricted | 190,435 | 200,550 | 211,556 | 202,764 |
| Unrestricted | 1,296,145 | 1,297,541 | 1,441,948 | 1,976,872 |
| Total Business-Type Activities, Net Assets | <u>\$ 13,735,369</u> | <u>\$ 13,634,705</u> | <u>\$ 13,383,978</u> | <u>\$ 14,117,138</u> |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$ 16,260,209 | \$ 18,947,507 | \$ 18,987,130 | \$ 19,215,923 |
| Restricted | 737,481 | 675,823 | 667,468 | 640,277 |
| Unrestricted | 1,142,788 | 1,412,935 | 1,594,648 | 2,589,628 |
| Total Primary Government, Net Assets | <u>\$ 18,140,478</u> | <u>\$ 21,036,265</u> | <u>\$ 21,249,246</u> | <u>\$ 22,445,828</u> |

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 7,019,909 | \$ 7,291,967 | \$ 7,414,870 | \$ 7,457,263 | \$ 7,541,557 | \$ 7,612,432 |
| 434,307 | 433,160 | 430,564 | 422,366 | 437,917 | 434,795 |
| 961,245 | 572,523 | 769,903 | 1,160,544 | 1,977,752 | 2,761,253 |
| <u>\$ 8,415,461</u> | <u>\$ 8,297,650</u> | <u>\$ 8,615,337</u> | <u>\$ 9,040,173</u> | <u>\$ 9,957,226</u> | <u>\$ 10,808,480</u> |
| \$ 12,029,468 | \$ 12,560,955 | \$ 12,791,519 | \$ 11,535,696 | \$ 12,674,912 | \$ 14,695,872 |
| 174,313 | 175,567 | 78,797 | 250,322 | 78,295 | 555,982 |
| 1,611,442 | 1,577,201 | 1,874,111 | 3,487,075 | 2,304,172 | 2,379,279 |
| <u>\$ 13,815,223</u> | <u>\$ 14,313,723</u> | <u>\$ 14,744,427</u> | <u>\$ 15,273,093</u> | <u>\$ 15,057,379</u> | <u>\$ 17,631,133</u> |
| \$ 19,049,377 | \$ 19,852,922 | \$ 20,206,389 | \$ 18,992,959 | \$ 20,216,469 | \$ 22,308,304 |
| 608,620 | 608,727 | 509,361 | 748,368 | 516,212 | 990,777 |
| 2,572,687 | 2,149,724 | 2,644,014 | 4,571,939 | 4,281,924 | 5,140,532 |
| <u>\$ 22,230,684</u> | <u>\$ 22,611,373</u> | <u>\$ 23,359,764</u> | <u>\$ 24,313,266</u> | <u>\$ 25,014,605</u> | <u>\$ 28,439,613</u> |

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|------------------------------|----------------------------|------------------------------|------------------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 637,936 | \$ 626,833 | \$ 625,775 | \$ 596,643 |
| Public Safety | 1,042,521 | 842,064 | 886,165 | 739,120 |
| Physical Environment | 29,810 | 24,997 | 37,283 | 30,421 |
| Transportation | 401,073 | 368,019 | 482,516 | 522,138 |
| Culture and Recreation | 393,077 | 333,731 | 408,835 | 377,783 |
| Interest on Long-Term Debt | 130,022 | 123,016 | 114,496 | 108,808 |
| Total Governmental Activities Expenses | <u>2,634,439</u> | <u>2,318,660</u> | <u>2,555,070</u> | <u>2,374,913</u> |
| Business-Type Activities: | | | | |
| Electric Utility | 2,928,605 | 2,724,475 | 2,946,587 | 2,899,397 |
| Water Utility | 672,482 | 685,636 | 688,819 | 659,828 |
| Sanitation | 497,042 | 457,176 | 472,388 | 449,371 |
| Wastewater Utility | 1,091,613 | 993,806 | 1,005,812 | 1,083,920 |
| Total Business-Type Activities Expenses | <u>5,189,742</u> | <u>4,861,093</u> | <u>5,113,606</u> | <u>5,092,516</u> |
| Total Primary Government Expenses | <u><u>\$ 7,824,181</u></u> | <u><u>\$ 7,179,753</u></u> | <u><u>\$ 7,668,676</u></u> | <u><u>\$ 7,467,429</u></u> |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | \$ 37,984 | \$ 39,401 | \$ 38,536 | \$ 58,593 |
| Culture and Recreation | 40,986 | 55,653 | 49,882 | 54,245 |
| Other Activities | 13,137 | 22,570 | 14,876 | 15,389 |
| Operating Grants and Contributions | 39,590 | 61,192 | - | 2,610 |
| Capital Grants and Contributions | 90,402 | 2,801,653 | 459,765 | 118,640 |
| Total Governmental Activities | <u>222,099</u> | <u>2,980,469</u> | <u>563,059</u> | <u>249,477</u> |
| Business-Type Activities: | | | | |
| Electric Utility | 3,280,159 | 3,038,143 | 3,127,344 | 3,255,251 |
| Water Utility | 643,472 | 642,095 | 677,901 | 635,787 |
| Sanitation | 536,236 | 563,169 | 550,704 | 546,704 |
| Wastewater Utility | 802,895 | 735,343 | 737,985 | 721,295 |
| Operating Grants and Contributions | - | - | 56,000 | 3,390 |
| Capital Grants and Contributions | 837,276 | 256,032 | - | 912,789 |
| Total Business-Type Activities | <u>6,100,038</u> | <u>5,234,782</u> | <u>5,149,934</u> | <u>6,075,216</u> |
| Total Primary Government Program Revenues | <u><u>\$ 6,322,137</u></u> | <u><u>\$ 8,215,251</u></u> | <u><u>\$ 5,712,993</u></u> | <u><u>\$ 6,324,693</u></u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (2,412,340) | \$ 661,809 | \$ (1,992,011) | \$ (2,125,436) |
| Business-Type Activities | 910,296 | 373,689 | 36,328 | 982,700 |
| Total Primary Government | <u><u>\$ (1,502,044)</u></u> | <u><u>\$ 1,035,498</u></u> | <u><u>\$ (1,955,683)</u></u> | <u><u>\$ (1,142,736)</u></u> |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|--------------------|-----------------------|-----------------------|---------------------|-----------------------|----------------------|
| \$ | 560,069 | \$ 859,520 | \$ 617,735 | \$ 630,896 | \$ 801,554 | \$ 765,491 |
| | 771,866 | 812,193 | 866,108 | 787,138 | 880,557 | 988,082 |
| | 22,125 | 21,948 | 22,404 | 21,783 | 21,503 | 39,620 |
| | 553,182 | 579,179 | 479,653 | 514,543 | 677,913 | 643,400 |
| | 402,812 | 431,025 | 425,202 | 387,853 | 427,464 | 367,305 |
| | 103,113 | 98,012 | 90,515 | 91,186 | 98,612 | 92,109 |
| | <u>2,413,167</u> | <u>2,801,877</u> | <u>2,501,617</u> | <u>2,433,399</u> | <u>2,907,603</u> | <u>2,896,007</u> |
| | 2,839,723 | 3,004,092 | 2,923,862 | 2,843,389 | 3,140,714 | 4,623,824 |
| | 723,042 | 876,480 | 700,485 | 607,011 | 749,251 | 654,814 |
| | 451,514 | 449,422 | 462,545 | 528,276 | 605,606 | 582,218 |
| | 1,056,120 | 1,086,919 | 1,081,733 | 1,201,125 | 1,170,205 | 1,093,807 |
| | <u>5,070,399</u> | <u>5,416,913</u> | <u>5,168,625</u> | <u>5,179,801</u> | <u>5,665,776</u> | <u>6,954,663</u> |
| \$ | <u>7,483,566</u> | <u>\$ 8,218,790</u> | <u>\$ 7,670,242</u> | <u>\$ 7,613,200</u> | <u>\$ 8,573,379</u> | <u>\$ 9,850,670</u> |
| \$ | 63,388 | \$ 441,334 | \$ 639,199 | \$ 813,480 | \$ 1,547,087 | \$ 1,909,055 |
| | 55,265 | 55,055 | 45,797 | 41,710 | 41,161 | 8,673 |
| | 35,555 | 28,664 | 45,170 | 54,489 | 43,906 | 52,325 |
| | - | - | 140,488 | 67,624 | 38,941 | 31,650 |
| | - | 164,518 | - | - | 563 | 9,971 |
| | <u>154,208</u> | <u>689,571</u> | <u>870,654</u> | <u>977,303</u> | <u>1,671,658</u> | <u>2,011,674</u> |
| | 3,066,573 | 3,088,518 | 3,166,300 | 3,128,696 | 3,089,209 | 5,664,385 |
| | 676,249 | 778,311 | 816,780 | 1,201,662 | 788,701 | 759,554 |
| | 546,656 | 555,800 | 587,253 | 601,529 | 628,489 | 655,497 |
| | 789,946 | 896,701 | 893,205 | 899,314 | 900,568 | 996,766 |
| | 1,942 | 4,510 | 2,042 | 2,683 | 1,716 | 2,772 |
| | 84,743 | - | 79,374 | 25,680 | 68,603 | 1,107,611 |
| | <u>5,166,109</u> | <u>5,323,840</u> | <u>5,544,954</u> | <u>5,859,564</u> | <u>5,477,286</u> | <u>9,186,585</u> |
| \$ | <u>5,320,317</u> | <u>\$ 6,013,411</u> | <u>\$ 6,415,608</u> | <u>\$ 6,836,867</u> | <u>\$ 7,148,944</u> | <u>\$ 11,198,259</u> |
| \$ | (2,258,959) | \$ (2,112,306) | \$ (1,630,963) | \$ (1,456,096) | \$ (1,235,945) | \$ (884,333) |
| | 95,710 | (93,073) | 376,329 | 679,763 | (188,490) | 2,231,922 |
| \$ | <u>(2,163,249)</u> | <u>\$ (2,205,379)</u> | <u>\$ (1,254,634)</u> | <u>\$ (776,333)</u> | <u>\$ (1,424,435)</u> | <u>\$ 1,347,589</u> |

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| General Revenues and Other Changes | | | | |
| in Net Position | | | | |
| Governmental Activities: | | | | |
| Taxes | | | | |
| Property Taxes | \$ 569,537 | \$ 569,537 | \$ 559,409 | \$ 559,415 |
| Franchise Taxes | 329,485 | 329,485 | 345,211 | 352,356 |
| Public Service Taxes | 317,432 | 317,432 | 324,799 | 297,504 |
| Other Taxes | 283,619 | 283,619 | 300,338 | 310,889 |
| State-Shared Revenues (Unrestricted) | 357,616 | 357,616 | 363,100 | 371,816 |
| Investment Earnings | 84 | 84 | 296 | 449 |
| Landfill Surcharge | - | - | 289,673 | 406,726 |
| Gain (Loss) on Disposition of Capital Assets | - | - | - | 89,715 |
| Miscellaneous | 214,187 | 214,187 | 48,836 | 40,114 |
| Transfers | 383,759 | 383,759 | 357,196 | 181,499 |
| Total Governmental Activities | <u>2,455,719</u> | <u>2,455,719</u> | <u>2,588,858</u> | <u>2,610,483</u> |
| Business-Type Activities: | | | | |
| Investment Earnings | 2,391 | 2,391 | 873 | 3,326 |
| CR3 Settlement Proceeds | - | - | 380,312 | 2,556 |
| Gain (Loss) on Disposition of Capital Assets | - | - | (260,355) | 1,580 |
| Miscellaneous | 94,313 | 94,313 | 8,773 | - |
| Contribution from Other Government | - | - | - | - |
| Transfers | (383,759) | (383,759) | (357,196) | (181,499) |
| Total Business-Type Activities | <u>(287,055)</u> | <u>(287,055)</u> | <u>(227,593)</u> | <u>(174,037)</u> |
| Total Primary Government | <u>\$ 2,168,664</u> | <u>\$ 2,168,664</u> | <u>\$ 2,361,265</u> | <u>\$ 2,436,446</u> |
| Change in Net Position | | | | |
| Governmental Activities | \$ 43,379 | \$ 3,117,528 | \$ 596,847 | \$ 485,047 |
| Business-Type Activities | 623,241 | 86,634 | (191,265) | 808,663 |
| Total Primary Government | <u>\$ 666,620</u> | <u>\$ 3,204,162</u> | <u>\$ 405,582</u> | <u>\$ 1,293,710</u> |

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|----|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ | 561,900 | \$ 580,866 | \$ 580,866 | \$ 575,954 | \$ 593,883 | \$ 613,637 |
| | 348,432 | 354,499 | 354,499 | 374,512 | 350,994 | 443,446 |
| | 286,865 | 296,447 | 296,447 | 320,819 | 328,640 | 171,743 |
| | 319,106 | 316,607 | 316,607 | 341,771 | 353,688 | 350,897 |
| | 379,010 | 396,224 | 396,224 | 408,374 | 418,920 | 402,970 |
| | 51 | 8 | 8 | 68 | 7,551 | 7,549 |
| | - | - | - | - | - | - |
| | 1,020 | 5,356 | 5,356 | 598 | - | - |
| | 106,186 | 48,643 | 48,643 | 55,338 | 49,322 | 70,345 |
| | (8,075) | (50,000) | (50,000) | - | 50,000 | (325,000) |
| | <u>1,994,495</u> | <u>1,948,650</u> | <u>1,948,650</u> | <u>2,077,434</u> | <u>2,152,998</u> | <u>1,735,587</u> |
| | 2,197 | 4,375 | 4,375 | 10,720 | 22,776 | 16,832 |
| | - | - | - | - | - | - |
| | 2,105 | - | - | - | - | - |
| | 843 | - | - | - | - | - |
| | 578,353 | - | - | - | - | - |
| | 8,075 | 50,000 | 50,000 | - | (50,000) | 325,000 |
| | <u>591,573</u> | <u>54,375</u> | <u>54,375</u> | <u>10,720</u> | <u>(27,224)</u> | <u>341,832</u> |
| \$ | <u>2,586,068</u> | <u>2,003,025</u> | <u>2,003,025</u> | <u>2,088,154</u> | <u>2,125,774</u> | <u>2,077,419</u> |
| \$ | (264,464) | \$ (163,656) | \$ 317,687 | \$ 621,338 | \$ 917,053 | \$ 851,254 |
| | 687,283 | (38,698) | 430,704 | 690,483 | (215,714) | 2,573,754 |
| \$ | <u>422,819</u> | <u>(202,354)</u> | <u>748,391</u> | <u>1,311,821</u> | <u>701,339</u> | <u>3,425,008</u> |

**CITY OF BUSHNELL, FLORIDA
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 ACCRUAL BASIS OF ACCOUNTING
 LAST 10 FISCAL YEARS**

75

| <u>Fiscal Year</u> | <u>Property Taxes</u> | <u>Franchise Fees</u> | <u>Utility Taxes</u> | <u>Sale Use and Gas Tax</u> | <u>Total Taxes</u> |
|--------------------|-----------------------|-----------------------|----------------------|-----------------------------|--------------------|
| 2011 | \$ 563,718 | \$ 162,545 | \$ 459,845 | \$ 248,084 | \$ 1,434,192 |
| 2012 | 561,544 | 153,767 | 467,123 | 271,863 | 1,454,297 |
| 2013 | 569,537 | 149,969 | 496,948 | 283,619 | 1,500,073 |
| 2014 | 559,415 | 154,507 | 462,456 | 353,386 | 1,529,764 |
| 2015 | 559,415 | 154,170 | 456,556 | 350,023 | 1,520,164 |
| 2016 | 561,900 | 152,814 | 482,483 | 319,106 | 1,516,303 |
| 2017 | 580,866 | 354,499 | 296,447 | 316,607 | 1,548,419 |
| 2018 | 575,954 | 374,512 | 320,819 | 341,771 | 1,613,056 |
| 2019 | 593,883 | 350,994 | 328,640 | 353,688 | 1,627,205 |
| 2020 | 613,637 | 443,446 | 171,743 | 350,897 | 1,579,723 |

Information Source:
 Audited Financial Reports

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ 867 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Committed | - | - | - | - | 233,075 | - | - | - | - | - |
| Assigned | - | - | - | 309,934 | 513,432 | 513,432 | 513,432 | 513,432 | 513,432 | 1,727,392 |
| Unassigned | 95,659 | 330,368 | 444,752 | 606,222 | 813,292 | 710,526 | 908,970 | 1,407,631 | 2,473,365 | 2,172,357 |
| Total General Fund | <u>\$ 96,526</u> | <u>\$ 330,368</u> | <u>\$ 444,752</u> | <u>\$ 916,156</u> | <u>\$ 1,559,799</u> | <u>\$ 1,223,958</u> | <u>\$ 1,422,402</u> | <u>\$ 1,921,063</u> | <u>\$ 2,986,797</u> | <u>\$ 3,899,749</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 546,179 | \$ 475,273 | \$ 455,912 | \$ 437,513 | \$ 434,307 | \$ 433,160 | \$ 430,564 | \$ 422,366 | \$ 437,917 | \$ 434,795 |
| Unassigned | (44,627) | - | - | - | - | - | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 501,552</u> | <u>\$ 475,273</u> | <u>\$ 455,912</u> | <u>\$ 437,513</u> | <u>\$ 434,307</u> | <u>\$ 433,160</u> | <u>\$ 430,564</u> | <u>\$ 422,366</u> | <u>\$ 437,917</u> | <u>\$ 434,795</u> |

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Taxes | \$ 1,434,192 | \$ 1,454,296 | \$ 1,500,073 | \$ 1,529,758 | \$ 1,520,164 |
| Licenses and Permits | 31,984 | 39,401 | 38,536 | 58,593 | 63,388 |
| Intergovernmental | 452,697 | 3,214,911 | 817,382 | 365,710 | 372,651 |
| Charges for Services | 48,494 | 69,322 | 63,228 | 60,898 | 67,989 |
| Fines and Forfeitures | 11,630 | 8,901 | 1,530 | 5,486 | 22,832 |
| Landfill Fees | - | - | 40,521 | 289,673 | 406,726 |
| Miscellaneous | 66,830 | 49,153 | 78,739 | 52,381 | 39,727 |
| Total Revenues | <u>2,045,827</u> | <u>4,835,984</u> | <u>2,540,009</u> | <u>2,362,499</u> | <u>2,493,477</u> |
| Expenditures | | | | | |
| General Government | 498,983 | 502,122 | 534,076 | 532,925 | 503,710 |
| Public Safety | 976,512 | 826,420 | 880,259 | 728,957 | 754,066 |
| Physical Environment | 24,181 | 24,115 | 34,580 | 27,485 | 17,882 |
| Transportation | 335,059 | 327,007 | 351,816 | 368,088 | 388,924 |
| Culture and Recreation | 293,163 | 234,374 | 294,157 | 265,754 | 290,625 |
| Capital Outlay | 142,587 | 2,893,088 | 648,397 | 114,848 | 95,210 |
| Debt Service: | | | | | |
| Principal | 163,398 | 177,406 | 133,526 | 119,825 | 115,559 |
| Interest | 130,022 | 123,016 | 114,496 | 108,808 | 103,113 |
| Total Expenditures | <u>(2,563,905)</u> | <u>(5,107,548)</u> | <u>(2,991,307)</u> | <u>(2,266,690)</u> | <u>(2,269,089)</u> |
| (Deficiency) Excess of Revenues (Under) Over Expenditures | <u>(518,078)</u> | <u>(271,564)</u> | <u>(451,298)</u> | <u>95,809</u> | <u>224,388</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers (out) | (6,000) | - | - | - | (43,501) |
| Transfers in | 516,021 | 479,127 | 383,759 | 357,196 | 225,000 |
| Note Payable | - | - | - | - | - |
| Sale of Capital Assets | - | - | 162,562 | - | 234,550 |
| Capital Lease | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>510,021</u> | <u>479,127</u> | <u>546,321</u> | <u>357,196</u> | <u>416,049</u> |
| Net Change in Fund Balances | <u>\$ (8,057)</u> | <u>\$ 207,563</u> | <u>\$ 95,023</u> | <u>\$ 453,005</u> | <u>\$ 640,437</u> |
| Debt Service as a Percentage of Non-Capital Expenditures | 12.12% | 13.57% | 10.59% | 10.62% | 10.06% |

| 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------|------------------|------------------|------------------|------------------|
| \$ 1,516,303 | \$ 1,548,420 | \$ 1,613,056 | \$ 1,627,003 | \$ 1,579,723 |
| 78,676 | 78,108 | 66,948 | 45,492 | 33,398 |
| 543,527 | 536,713 | 475,998 | 427,094 | 416,328 |
| 67,827 | 55,184 | 45,736 | 66,221 | 48,550 |
| 15,892 | 35,783 | 50,464 | 43,904 | 52,325 |
| 362,659 | 561,091 | 746,533 | 1,501,594 | 1,875,657 |
| 94,451 | 54,005 | 56,002 | 63,348 | 66,280 |
| <u>2,679,335</u> | <u>2,869,304</u> | <u>3,054,737</u> | <u>3,774,656</u> | <u>4,072,261</u> |

| | | | | |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| 787,625 | 578,991 | 622,558 | 636,439 | 675,320 |
| 795,356 | 837,311 | 780,868 | 847,866 | 930,285 |
| 17,800 | 17,069 | 18,702 | 15,779 | 31,385 |
| 404,605 | 321,401 | 364,405 | 403,556 | 406,107 |
| 324,052 | 329,576 | 293,815 | 295,127 | 270,012 |
| 470,375 | 351,097 | 268,681 | 329,360 | 295,323 |
| 110,423 | 116,093 | 124,059 | 116,632 | 136,890 |
| 98,012 | 92,343 | 91,186 | 98,612 | 92,109 |
| <u>(3,008,248)</u> | <u>(2,643,881)</u> | <u>(2,564,274)</u> | <u>(2,743,371)</u> | <u>(2,837,431)</u> |

| | | | | |
|------------------|----------------|----------------|------------------|------------------|
| <u>(328,913)</u> | <u>225,423</u> | <u>490,463</u> | <u>1,031,285</u> | <u>1,234,830</u> |
|------------------|----------------|----------------|------------------|------------------|

| | | | | |
|-----------|-----------|----------|--------|-----------|
| (233,075) | (100,000) | (50,000) | - | (325,000) |
| 225,000 | 50,000 | 50,000 | 50,000 | - |
| - | - | - | - | - |
| - | 20,425 | - | - | - |
| - | - | - | - | - |

| | | | | |
|----------------|-----------------|----------|---------------|------------------|
| <u>(8,075)</u> | <u>(29,575)</u> | <u>-</u> | <u>50,000</u> | <u>(325,000)</u> |
|----------------|-----------------|----------|---------------|------------------|

| | | | | |
|---------------------|-------------------|-------------------|---------------------|-------------------|
| <u>\$ (336,988)</u> | <u>\$ 195,848</u> | <u>\$ 490,463</u> | <u>\$ 1,081,285</u> | <u>\$ 909,830</u> |
|---------------------|-------------------|-------------------|---------------------|-------------------|

| | | | | |
|-------|-------|-------|-------|-------|
| 8.21% | 9.09% | 9.38% | 8.92% | 9.01% |
|-------|-------|-------|-------|-------|

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

| <u>Fiscal Year</u> | <u>Real Property Assessed Value</u> | <u>Personal Property Assessed Value</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Taxable Value</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|--------------------|-------------------------------------|---|-------------------------------------|------------------------------|---------------------------------------|---|
| 2011 | \$ 127,715,746 | \$ 22,844,384 | \$ 150,560,130 | 5.000 | \$ 179,532,919 | 84% |
| 2012 | 125,639,528 | 22,614,241 | 148,253,769 | 4.992 | 174,192,959 | 85% |
| 2013 | 130,215,867 | 22,014,403 | 152,230,270 | 4.969 | 177,209,940 | 86% |
| 2014 | 126,836,381 | 21,966,315 | 148,802,696 | 4.944 | 172,355,396 | 86% |
| 2015 | 137,745,867 | 22,420,496 | 160,166,363 | 4.823 | 184,197,453 | 87% |
| 2016 | 141,976,239 | 25,427,658 | 167,403,897 | 4.566 | 194,814,518 | 86% |
| 2017 | 149,238,239 | 21,580,018 | 170,818,657 | 4.511 | 205,343,372 | 83% |
| 2018 | 160,619,551 | 26,736,079 | 187,355,630 | 4.230 | 227,307,190 | 82% |
| 2019 | 179,435,359 | 25,884,197 | 205,319,556 | 3.869 | 257,093,198 | 80% |
| 2020 | 191,519,161 | 23,552,197 | 215,071,358 | 3.722 | 258,584,720 | 83% |

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Information Source:
 Sumter County Property Appraiser

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

| Fiscal Year | City of Bushnell | | Overlapping Rates | | | Total Direct and Overlapping |
|--------------------|--------------------------|--------------------------|--------------------------|---------------------|-----------------------|-------------------------------------|
| | Operating Millage | Total Direct Rate | County | | School Millage | |
| | | | County Millage | Total County | | |
| 2011 | 5.000 | 5.000 | 6.713 | 6.713 | 6.497 | 19.345 |
| 2012 | 4.992 | 4.992 | 6.743 | 6.743 | 6.482 | 18.210 |
| 2013 | 4.969 | 4.969 | 6.602 | 6.602 | 6.357 | 18.217 |
| 2014 | 4.944 | 4.944 | 6.266 | 6.266 | 6.026 | 17.928 |
| 2015 | 4.823 | 4.823 | 6.049 | 6.049 | 5.867 | 17.236 |
| 2016 | 4.566 | 4.566 | 5.922 | 5.922 | 5.780 | 16.267 |
| 2017 | 4.511 | 4.511 | 5.833 | 5.833 | 5.692 | 16.036 |
| 2018 | 4.230 | 4.230 | 5.337 | 5.337 | 5.507 | 15.073 |
| 2019 | 3.869 | 3.869 | 7.010 | 7.010 | 5.420 | 16.299 |
| 2020 | 3.722 | 3.722 | 6.698 | 6.698 | 5.352 | 15.772 |

Information Source:

City Millage Records

Sumter County Property Appraiser

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

| Owner | 2011 | | 2020 | |
|---------------------------------------|------------------------|---|------------------------|---|
| | Taxable Assessed Value | Percent of Total Taxable Assessed Value | Taxable Assessed Value | Percent of Total Taxable Assessed Value |
| 1. WAL-MART | \$ 9,483,632 | 6.3% | \$ 9,677,910 | 4.5% |
| 2. NHC-FL124, LLC | 2,888,610 | 1.9% | 5,154,640 | 2.4% |
| 3. BELLOTTO PROPERTIES, INC. | 3,933,506 | 2.6% | 4,380,550 | 2.0% |
| 4. NHC-FL123, LLC | 3,359,978 | 2.2% | 3,913,230 | 1.8% |
| 5. LEXANN PROPERTIES LLC | | | 3,758,340 | 1.7% |
| 6. WAYNE WETZEL MOBLIE HOME, INC. | | | 3,372,000 | 1.6% |
| 7. METAL INDUSTRIES | 2,815,554 | 1.9% | 3,321,470 | 1.5% |
| 8. LOVES TRAVEL STOPS & COUNTRY STORE | | | 2,686,150 | 1.2% |
| 9. OSPREY REALTY, LLC | 1,964,201 | 1.3% | 2,264,640 | 1.1% |
| 10. SUN BLUEBERRY HILL. LLC | 2,193,285 | 1.5% | 2,067,850 | 1.0% |
| SWAMI SHREEJI, LLC | 1,547,536 | 1.0% | | |
| ACV BUSHNOK, LLC | 1,535,512 | 1.0% | | |
| BUSHNELL EQUITIES LLC | 1,860,738 | 1.2% | | |
| Total Assessed Value | <u>\$ 31,582,552</u> | 21.0% | <u>\$ 40,596,780</u> | 18.9% |
| Total Assessed Property Value | <u>\$ 150,560,130</u> | | <u>\$ 215,071,358</u> | |

Information Source:
Sumter County Tax Collector

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

| Fiscal Year | Total Tax Levy | Current Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Tax Levy |
|--------------------|-----------------------|----------------------------|----------------------------------|-----------------------------------|------------------------------|---|
| 2011 | \$ 586,223 | \$ 461,314 | 79% | \$ 1,298 | \$ 462,612 | 79% |
| 2012 | 575,464 | 427,702 | 74% | 525 | 428,227 | 74% |
| 2013 | 578,362 | 453,001 | 78% | 60 | 453,061 | 78% |
| 2014 | 574,812 | 444,027 | 77% | 130 | 444,157 | 77% |
| 2015 | 586,646 | 445,792 | 76% | 2,209 | 448,001 | 76% |
| 2016 | 587,689 | 449,004 | 76% | 3,312 | 452,317 | 77% |
| 2017 | 594,672 | 480,364 | 81% | 646 | 481,010 | 81% |
| 2018 | 614,578 | 517,097 | 84% | 1,550 | 518,647 | 84% |
| 2019 | 624,379 | 521,189 | 83% | 334 | 521,523 | 84% |
| 2020 | 632,061 | 527,602 | 83% | 21 | 527,623 | 83% |

Information Source:
Sumter County Tax Collector

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

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | | Total Government | Percentage of Personal | | | |
|-------------|-------------------------|-------------------|----------------|--------------------------|---------------|-----------------------|-------------------|------------------|------------------------|--------|------------|------------|
| | Notes Payable | Other Liabilities | Capital Leases | Sewer/Water Bonds | Notes Payable | State Revolving Funds | Other Liabilities | | Capital Lease | Income | Population | Per Capita |
| 2011 | \$ 2,572,370 | \$ - | \$ 22,429 | \$ 3,558,000 | \$ 1,281,991 | * | \$ - | \$ 264,471 | \$ 7,699,261 | 20.06% | 2,543 | \$ 3,028 |
| 2012 | 2,414,134 | - | 3,133 | 3,507,000 | - | \$ 1,148,347 | - | 237,688 | 7,310,302 | 24.36% | 2,445 | 2,990 |
| 2013 | 2,283,740 | - | - | 3,453,000 | - | 1,076,937 | - | 348,384 | 7,162,061 | 21.16% | 2,462 | 2,929 |
| 2014 | 2,163,973 | - | - | 3,397,000 | - | 1,028,000 | - | 289,026 | 6,877,999 | 20.54% | 2,756 | 2,496 |
| 2015 | 2,048,356 | - | - | 3,338,000 | - | 1,003,054 | - | 228,007 | 6,617,417 | 21.47% | 2,864 | 2,311 |
| 2016 | 1,937,933 | - | - | 3,277,000 | - | 1,364,338 | - | 167,723 | 6,746,994 | 21.92% | 2,995 | 2,253 |
| 2017 | 1,821,840 | 20,425 | - | 3,315,000 | - | 1,283,161 | 37,926 | 333,093 | 6,811,445 | 22.56% | 3,047 | 2,235 |
| 2018 | 1,704,590 | 13,616 | - | 3,200,000 | 3,000,000 | 1,188,058 | 25,284 | 541,712 | 9,673,260 | 26.15% | 3,016 | 3,207 |
| 2019 | 1,594,766 | 6,808 | - | 3,080,000 | 7,935,000 | 1,091,100 | 12,642 | 404,276 | 14,124,592 | 40.63% | 3,027 | 4,666 |
| 2020 | 1,464,684 | - | - | 2,960,000 | 7,592,568 | 992,205 | - | 564,183 | 13,573,640 | 39.05% | 3,183 | 4,264 |

Information Source:

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

*Information on breakout unavailable for prior years.

**CITY OF BUSHNELL, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020 AND NINE YEARS AGO**

| | Fiscal Year 2011 | | | Fiscal Year 2020 | | |
|--|---------------------|-----------------------|--|---------------------|-----------------------|--|
| | Debt Outstanding | Percent Applicable | Estimated Share of Overlapping Debt | Debt Outstanding | Percent Applicable | Estimated Share of Overlapping Debt |
| Governmental Unit | | | | | | |
| Sumter County | \$ 36,145,000 | 1.75% | \$ 633,189 | \$ 128,535,389 | 1.74% | \$ 2,237,127 |
| Sumter County School Board | 3,190,000 | 1.75% | <u>55,882</u> | 3,078,000 | 1.74% | <u>53,572</u> |
| Total Overlapping Debt | | | 689,071 | | | 2,290,699 |
| Total Direct Debt | | | 2,594,799 | | | 1,464,684 |
| Total Direct and Overlapping Debt | | | <u><u>\$ 3,283,870</u></u> | | | <u><u>\$ 3,755,383</u></u> |

Information Source:
Sumter County Finance Department
Sumter County School Board

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

**CITY OF BUSHNELL, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2020**

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

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

| Fiscal Year | Sewer Charges and Other** | Less: Operating Expenses*** | Net Available Revenue | Debt Service Requirements | | | Debt Coverage Ratio |
|----------------------------------|---------------------------|-----------------------------|-----------------------|---------------------------|------------|------------|---------------------|
| | | | | Principal | Interest | Total | |
| Revenue Bonds | | | | | | | |
| 2011 | \$ 934,684 | \$ 675,204 | \$ 259,480 | \$ 37,000 | \$ 120,666 | \$ 157,666 | 61% |
| 2012 | 852,339 | 576,038 | 276,301 | 39,000 | 118,955 | 157,955 | 57% |
| 2013 | 813,286 | 540,782 | 272,504 | 41,000 | 117,151 | 158,151 | 58% |
| 2014 | 809,759 | 622,788 | 186,971 | 43,000 | 115,255 | 158,255 | 85% |
| 2015 | 872,489 | 596,874 | 275,615 | 45,000 | 113,266 | 158,266 | 57% |
| 2016 | 870,677 | 605,798 | 264,879 | 47,000 | 109,185 | 156,185 | 59% |
| 2017 | 907,305 | 618,597 | 288,708 | - | 54,010 | 54,010 | 19% |
| 2018 | 1,047,314 | 817,818 | 229,496 | 82,800 | 66,896 | 149,696 | 65% |
| 2019 | 1,110,568 | 773,221 | 337,347 | 86,400 | 65,100 | 151,500 | 45% |
| 2020 | 1,321,766 | 710,025 | 611,741 | 86,400 | 62,486 | 148,886 | 24% |
| State Revolving Loan Fund | | | | | | | |
| 2011 | \$ 934,684 | \$ 675,204 | \$ 259,480 | \$ 46,997 | \$ 22,312 | \$ 69,309 | 27% |
| 2012 | 852,339 | 576,038 | 276,301 | 48,808 | 20,623 | 69,431 | 25% |
| 2013 | 813,286 | 540,782 | 272,504 | 49,873 | 19,438 | 69,311 | 25% |
| 2014 | 809,759 | 622,788 | 186,971 | 50,961 | 18,350 | 69,311 | 37% |
| 2015 | 872,489 | 596,874 | 275,615 | 52,072 | 17,238 | 69,310 | 25% |
| 2016 | 870,677 | 605,798 | 264,879 | 53,209 | 14,853 | 68,062 | 26% |
| 2017 | 907,305 | 618,597 | 288,708 | 54,370 | 14,941 | 69,311 | 24% |
| 2018 | 1,047,314 | 817,818 | 229,496 | 55,556 | 13,755 | 69,311 | 30% |
| 2019 | 1,110,568 | 773,221 | 337,347 | 56,768 | 12,543 | 69,311 | 21% |
| 2020 | 1,321,766 | 710,025 | 611,741 | 57,910 | 11,304 | 69,214 | 11% |

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Information Source:

Audited Financial Reports
 General Ledger

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

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

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

| Fiscal Year | Water Charges**** | Less: Operating Expenses***** | Net Available Expenses | Debt Service Requirements | | | Debt Coverage Ratio |
|----------------------------------|----------------------|----------------------------------|------------------------------|---------------------------|-----------|-----------|---------------------------|
| | | | | Principal | Interest | Total | |
| Revenue Bond | | | | | | | |
| 2011 | \$ 668,214 | \$ 581,004 | \$ 87,210 | \$ 12,000 | \$ 42,415 | \$ 54,415 | 62.40% |
| 2012 | 667,367 | 564,135 | 103,232 | 12,000 | 41,905 | 53,905 | 52.22% |
| 2013 | 677,900 | 515,555 | 162,345 | 13,000 | 41,395 | 54,395 | 33.51% |
| 2014 | 634,696 | 492,791 | 141,905 | 13,000 | 40,843 | 53,843 | 37.94% |
| 2015 | 666,718 | 542,250 | 124,468 | 14,000 | 40,290 | 54,290 | 43.62% |
| 2016 | 998,352 | 363,881 | 634,471 | 14,000 | 39,695 | 53,695 | 8.46% |
| 2017 | 907,305 | 473,703 | 433,602 | - | 23,032 | 23,032 | 5.31% |
| 2018 | 1,201,662 | 409,500 | 792,162 | 32,200 | 26,015 | 58,215 | 7.35% |
| 2019 | 788,701 | 525,451 | 263,250 | 33,600 | 25,317 | 58,917 | 22.38% |
| 2020 | 872,054 | 454,600 | 417,454 | 33,600 | 24,339 | 57,939 | 13.88% |
| State Revolving Funds *** | | | | | | | |
| 2011 | \$ 668,214 | \$ 581,004 | \$ 87,210 | \$ 12,286 | \$ 3,026 | \$ 15,312 | 17.56% |
| 2012 | 667,367 | 564,135 | 103,232 | 32,502 | 7,143 | 39,645 | 38.40% |
| 2013 | 677,900 | 515,555 | 162,345 | 21,537 | 6,250 | 27,787 | 17.12% |
| 2014 | 634,696 | 492,791 | 141,905 | 14,874 | 5,810 | 20,684 | 14.58% |
| 2015 | 666,718 | 542,250 | 124,468 | 15,281 | 5,404 | 20,685 | 16.62% |
| 2016 | 998,352 | 363,881 | 634,471 | 15,698 | 4,987 | 20,685 | 3.26% |
| 2017 | 907,305 | 473,703 | 433,602 | 26,847 | 9,396 | 36,243 | 8.36% |
| 2018 | 1,201,662 | 409,500 | 792,162 | 39,506 | 9,042 | 48,548 | 6.13% |
| 2019 | 788,701 | 525,451 | 263,250 | 40,190 | 8,358 | 48,548 | 18.44% |
| 2020 | 872,054 | 454,600 | 417,454 | 41,373 | 7,659 | 49,032 | 11.75% |

Information Source:

Audited Financial Reports
General Ledger

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

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

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

| Fiscal Year | Electric Charges | Less: Operating Expenses | Net Available Revenue | Debt Service Requirements | | | Debt Coverage Ratio |
|----------------------|------------------|--------------------------|-----------------------|---------------------------|-----------|-----------|---------------------|
| | | | | Principal | Interest | Total | |
| Notes Payable | | | | | | | |
| 2011 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2012 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2013 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2014 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2015 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2016 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2017 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2018 | \$ 3,097,903 | \$ 3,042,278 | \$ 55,625 | \$ - | \$ 29,627 | \$ 29,627 | 53.26% |
| 2019 | *** | *** | *** | *** | *** | *** | 0.00% |
| 2020 | *** | *** | *** | *** | *** | *** | 0.00% |

Information Source:
 Audited Financial Reports
 General Ledger

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

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

| Fiscal Year | Sanitation Charges | Less: Operating Expenses | Net Available Revenue | Debt Service Requirements | | | Debt Coverage Ratio |
|-------------|--------------------|--------------------------|-----------------------|---------------------------|----------|-------|---------------------|
| | | | | Principal | Interest | Total | |
| 2011 | *** | *** | *** | *** | *** | *** | *** |
| 2012 | *** | *** | *** | *** | *** | *** | *** |
| 2013 | *** | *** | *** | *** | *** | *** | *** |
| 2013 | *** | *** | *** | *** | *** | *** | *** |
| 2014 | *** | *** | *** | *** | *** | *** | *** |
| 2015 | *** | *** | *** | *** | *** | *** | *** |
| 2016 | *** | *** | *** | *** | *** | *** | *** |
| 2017 | *** | *** | *** | *** | *** | *** | *** |
| 2018 | *** | *** | *** | *** | *** | *** | *** |
| 2019 | *** | *** | *** | *** | *** | *** | *** |
| 2020 | *** | *** | *** | *** | *** | *** | *** |

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Information Source:
 Audited Financial Reports
 General Ledger

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

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

| Fiscal Year | Population | Personal Income (Amounts Expressed In Thousands) | Per Capita Personal Income | Median Age | Education Level In Years of Formal Interest | School Enrollment | Unemployment Rate/Percent |
|--------------------|-------------------|---|---|-----------------------|--|------------------------------|--------------------------------------|
| 2011 | 2,543 | \$ 38,378 | \$ 19,614 | 34.8 | 15.0 | 1,867 | 8.10% |
| 2012 | 2,445 | 30,005 | 16,180 | 46.0 | 14.4 | 1,863 | 7.80% |
| 2013 | 2,462 | 32,582 | 20,431 | 43.1 | 14.4 | 1,825 | 5.50% |
| 2014 | 2,756 | 33,844 | 21,693 | 46.1 | 15.2 | 2,142 | 4.40% |
| 2015 | 2,864 | 33,479 | 20,009 | 46.6 | 15.0 | 2,120 | 4.40% |
| 2016 | 2,995 | 30,820 | 21,053 | 46.6 | 15.0 | 2,157 | 6.60% |
| 2017 | 3,047 | 30,784 | 14,885 | 56.4 | 15.0 | 1,813 | 5.90% |
| 2018 | 3,016 | 30,192 | 15,318 | 55.3 | 15.0 | 1,687 | 4.40% |
| 2019 | 3,027 | 36,985 | 27,774 | 55.9 | 15.0 | 1,866 | 2.80% |
| 2020 | 3,183 | 34,760 | 21,708 | 57.6 | 15.0 | 1,842 | 4.80% |

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Information Source:

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

**CITY OF BUSHNELL, FLORIDA
PRINCIPAL EMPLOYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
CURRENT YEAR AND NINE YEARS AGO**

| Employer | Fiscal Year 2011 | | | Fiscal Year 2020 | | |
|--------------------------------|-------------------------|---|-------------|-------------------------|---|---------------|
| | Employees | Percentage of Total City* Employment | Rank | Employees | Percentage of Total City* Employment | Rank** |
| Sumter County District Schools | 813 | 2.32% | 1 | 906 | 2.27% | 1 |
| Sumter County Government | 325 | 0.93% | 2 | 346 | 0.87% | 2 |
| Sumter County Sheriff's Office | 264 | 0.75% | 4 | 329 | 0.82% | 3 |
| Wal-Mart | 289 | 0.82% | 3 | 260 | 0.65% | 4 |
| Metal Industries | 146 | 0.42% | 5 | 147 | 0.37% | 5 |
| City of Bushnell | 38 | 0.11% | 6 | 31 | 0.08% | 6 |
| Total | 1,875 | 5.35% | | 2,019 | 5.06% | |

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

**Only top 6 employer information is available.

Information Source:

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

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

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 11 | 12 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Officers | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civilians | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fire: | | | | | | | | | | |
| Firefighters and Officers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Civilians | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highways and Streets: | | | | | | | | | | |
| Maintenance | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 |
| Sanitation | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 2 |
| Culture and Recreation | 3 | 4 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Water | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Sewer | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Electric | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 8 | 5 |
| Total | 38 | 30 | 28 | 28 | 29 | 29 | 31 | 31 | 33 | 31 |

Information Source:
City Records

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

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | | |
| Physical Arrests | 123 | 89 | 343 | 267 | 231 | 727 | 319 | 691 | 646 | 683 |
| Traffic Violations | 402 | 144 | 291 | 239 | 714 | 823 | 1139 | 1853 | 646 | 554 |
| DUI Citations | 7 | 4 | 10 | 16 | 9 | 14 | 13 | 16 | 4 | 10 |
| Fire: | | | | | | | | | | |
| Inspections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highways and Streets: | | | | | | | | | | |
| Street Resurfacing (Miles) | 0 | 0 | 0 | 1 | 3.1 | 0.01 | 0.46 | 0.765 | 1.344 | 1.6 |
| Potholes Repaired | 404 | 566 | 430 | 406 | 562 | 567 | 385 | 337 | 460 | 315 |
| Sanitation: | | | | | | | | | | |
| Refuse Collected (Tons/Day) | 6.51 | 7.92 | 8.78 | 9.01 | 8.58 | 9.06 | 9.56 | 10.14 | 10.09 | 8.82 |
| Culture and Recreation: | | | | | | | | | | |
| Community Center Admissions | 39 | 29 | 26 | 27 | 19 | 19 | 31 | 27 | 34 | 13 |
| Water: | | | | | | | | | | |
| Average Daily Consumption (Thousands of Gallons) | 442,000 | 443,000 | 363,000 | 373,000 | 388,000 | 442,000 | 459,000 | 484,000 | 478,000 | 434,000 |
| Wastewater: | | | | | | | | | | |
| Average Daily Sewage Treatment (Thousands of Gallons) | 278,000 | 225,000 | 219,000 | 224,000 | 208,000 | 269,000 | 252,000 | 323,000 | 326,000 | 281,000 |

*Information above is an estimate.

Information Source:

City Records

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|-----------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Function | | | | | | | | | | |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patrol Units | 10 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fire Stations | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Sanitation: | | | | | | | | | | |
| Collection Trucks | 2 Side-Loaders (automatic) | 2 Side-Loaders (automatic) | 2 Side-Loaders (automatic) | 1 Side-Loader (automatic) | 1 Side-Loader | 1 Side-Loader (automatic) | 1 Side-Loader (automatic) | 1 Side-Loader (automatic) | 1 Side-Loader (automatic) | 1 Side-Loader (automatic) |
| | 3 Rear-Loaders | 1 Rear-Loader | 1 Rear-Loader | 1 Grapple Truck | 1 Grapple Truck | 1 Grapple Truck | 1 Grapple Truck | 1 Grapple Truck | 1 Grapple Truck | 1 Grapple Truck |
| | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader | 1 Front-Loader |
| | | | | | | 1 Front/Side-Loader | 1 Front/Side-Loader | 1 Front/Side-Loader | 1 Front/Side-Loader | 2 Front/Side-Loader |
| Highways and Streets: | | | | | | | | | | |
| Streets (Miles) | 18.1 | 18.1 | 18.1 | 18.1 | 20.45 | 20.7 | 20.7 | 20.7 | 20.7 | 21.94 |
| Traffic Signals | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 |
| Culture and Recreation: | | | | | | | | | | |
| Parks Acreage | 39 | 40.68 | 40.68 | 40.68 | 40.68 | 40.68 | 40.68 | 40.68 | 40.68 | 40.68 |
| Tennis Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Basketball Courts | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Playgrounds | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Ball Fields | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted | 9 lighted |
| Multi-Purpose Fields | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Picnic Pavilions | 4 Large/1 Small | 4 Large/1 Small | 4 Large/1 Small | 4 Large/1 Small | 4 Large/1 Small | 5 Large/1 Small | 5 Large/1 Small | 5 Large/1 Small | 5 Large/1 Small | 5 Large/1 Small |
| Community Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shuffleboard Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water: | | | | | | | | | | |
| Water Mains (Miles) | 23.95 | 24.24 | 24.24 | 27.55 | 28.35 | 29.15 | 29.15 | 29.15 | 29.44 | 29.44 |
| Wastewater: | | | | | | | | | | |
| Sewer Mains (Miles) | 26 | 27.29 | 27.35 | 27.35 | 27.35 | 27.47 | 27.47 | 27.47 | 27.47 | 27.47 |
| Electric: | | | | | | | | | | |
| Miles of Service Lines | 18.86 | 18.95 | 19.31 | 19.57 | 19.57 | 19.57 | 19.57 | 19.57 | 19.57 | 35.57 |
| Information Source: | | | | | | | | | | |
| City Records | | | | | | | | | | |
| City of Bushnell Fixed Asset Detail | | | | | | | | | | |

COMPLIANCE SECTION

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

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

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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Bushnell, Florida

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

2008-2—Segregation of Duties

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

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

Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the City in a separate letter dated March 26, 2021.

City's Response to Findings

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

Purpose of this Report

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



March 26, 2021
Ocala, Florida

MANAGEMENT LETTER

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bushnell, Florida (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 26, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 26, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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Bushnell, Florida

MANAGEMENT LETTER

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management (see management letter comments).

Additional Matters

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

Purpose of this Letter

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

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



March 26, 2021
Ocala, Florida

MANAGEMENT LETTER COMMENTS

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

Prior Year Comments and Recommendations (Updated for 2020)

Corrective actions have been taken to address findings and recommendations made in the preceding audit report as follows:

Findings 2018-1 and 2019-1 have been resolved.

The following have been included in the previous 2 fiscal year financial audit reports:

2018-2—Abuse Investigation

During the 2018 fiscal year, it was brought to our attention that there were allegations of abuse committed by the Mayor of the City of Bushnell, Florida (the City) and a subsequent Florida Department of Law Enforcement investigation. The investigation was concluded and a report was issued to the Mayor by the State.

As of the date of issuance of our report for the 2020 fiscal year, we are unaware of the planned response to this report by the Mayor.

2011-1—Financial Condition Assessment—Wastewater Fund

As required by the *Rules of the Auditor General*, we have applied financial condition assessment procedures to the City's financial statements as of September 30, 2020, and noted that the Wastewater Fund continues to show a net operating loss, and is operating with borrowed funds from both outside sources and through interfund borrowings from the electric and water funds.

It is noted that the fund has shown a substantial improvement in net financial position during the year as the fund received Capacity Reservation Charges of \$300,000 and received a transfer in from the General Fund of \$325,000.

We recommend that management continue to monitor the results of the Wastewater Fund to ensure the fund continues to improve its financial position to ensure operating revenues are sufficient to cover operating expenses.

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City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER COMMENTS

2014-1—Interfund Borrowings with the Wastewater Fund

As of September 30, 2020, the Wastewater Fund substantially improved its financial position. Amounts owed to the Electric Fund for operating cash shortages have decreased substantially and, as of year-end, there is an outstanding short-term interfund borrowing to the Electric Fund due of \$93,456. The other interfund borrowings consist of advances from both the Water and Electric Funds of \$1,242,948. These interfund borrowings primarily occurred in prior years.

Authoritative accounting standards indicate that “if repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan”. We recommend that management consider this issue and determine the appropriate measures to address the interfund borrowings.

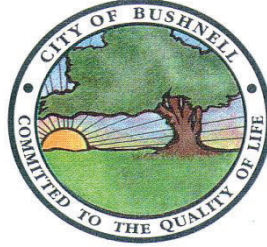
Pursuant to Chapter 119, Florida Statutes, these management letter comments are a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management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

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



March 26, 2021
Ocala, Florida

CITY OF BUSHNELL



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

March 26, 2021

RESPONSE TO THE MANAGEMENT LETTER

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

Honorable Council Members:

This letter of explanation is being offered in accordance with the “Rules of the Auditor General” in particular, Chapter 10.500 thereof. Specifically, this letter responds to Purvis, Gray and Company’s “Management Letter” comments dated March 26, 2021. In their report Purvis, Gray and Company, LLP (PG&C) made several recommendations for improvement with regard to the City’s fiscal management. The specific areas identified in their comments and recommendations are as follows:

PRIOR YEAR RECOMMENDATIONS:

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

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

PRIOR YEAR RECOMMENDATIONS:

2008-2 – Segregation of Duties

Management continually reviews current segregation of duties and continues to reassign job duties for more effective internal controls as permitted. As stated in the prior fiscal year Management Response, the Deputy Finance Director has taken over the majority of the duties

within the Finance Department and will be promoted to the Finance Director position in FY2021-2022. Additional tasks have continued to be assigned to the Accounts Payable Specialist and the Purchasing Coordinator in an effort to achieve an even greater improvement in segregation of duties within the Finance Department. Because of the additional employees relocated to the Finance Department, as well as the payroll and miscellaneous revenue collection duties being performed by the City Clerk, and the City Manager still having oversight relating to all duties of the Finance Department, management feels that we have satisfied complete segregation of duties in FY2020-2021.

2018-2 – Abuse Investigation

Management is aware of the allegations of abuse by the Mayor of the City of Bushnell, and the subsequent Florida Department of Law Enforcement (FDLE) investigation. As of the issuance of this FY2020 Comprehensive Annual Financial Report, this investigation has been completed, and the Florida Commission on Ethics has also conducted and completed their own investigation. The Florida Commission on Ethics ruled that there was probable cause that the Mayor committed 12 of the 18 alleged ethics violations contained within the FDLE Investigative Report.

Staff has received no further update on the matter as of the issuance of this FY2020 Financial Report, and the Mayor's decision to either pursue a settlement of the ethics case, or allow it to proceed to a public hearing. Staff has fully cooperated with both the FDLE and the Florida Commission on Ethics investigations, and will be addressing any findings presented in the report as they relate to improvements that may need to be made with current City policies and procedures. It appears that the findings in this report do not have a material financial impact to the City.

2011-1 – Financial Condition Assessment – Wastewater Fund

Management acknowledges that the Wastewater Fund continued to show a net operating loss after depreciation. However, the fund has shown substantial improvement in net financial position during the year, and the Wastewater Fund continues to produce enough revenue to meet cash obligations, but is not fully funding depreciation.

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

As stated previously, the Bushnell City Council agreed to a 22% recommended rate increase at the October 7, 2019 Regular Bushnell City Council Meeting. Ordinance 2019-38 amending Chapter 27 Utilities, and increasing the sewer rates was approved by council on its first reading on November 4, 2019, and its second reading on December 2, 2019.

City staff has also completed a water meter/account audit, and determined that several large old commercial water meters were not operating properly, and were not capturing all of the water usage at several large commercial customer locations. New meters were purchased and installed, and the City has quickly realized a return on the investment for both the Water and the Sewer Fund's revenues.

Also during this audit, it was determined that there were several commercial customers that had not been charged sewer for at least 10 years. One of these accounts belongs to the Sumter County Board of County Commissioners and was at their Detention Center location. This account was updated to add sewer to its utility billing, and Sumter County also agreed to pay the City for 3 years of back billing for lost revenues.

City staff has also been looking at ways to make necessary upgrades and repairs to aging infrastructure as cost effectively as possible. Staff has expanded its search to find vendors who can supply materials to the City at a cheaper rate than what the City had been paying for these same items previously. Also, the ongoing repairs and upgrades to wastewater infrastructure will enable the City to keep repair and maintenance costs at a more manageable level instead of putting off improvements and reacting when a major issue occurs. This will continue to save the City a substantial amount of money in repair and maintenance costs in the future over time.

While none of these measures will completely resolve this audit issue quickly, the City's corrective actions will enable the Wastewater Fund to show continued improvement in overall revenues and cash flows in order to increase liquidity, provide for debt repayment, and help to improve the overall financial position of the fund, thereby building a reserve for repair and replacement of plant. It is anticipated that the combination of all of these measures will allow the City to finally operate its Wastewater Fund with a positive cash balance, instead of the current, negative cash balance it has experienced over the past ten years.

2014-1 – Interfund Borrowings with the Wastewater Fund

In FY2019-2020, the Wastewater Fund substantially improved its financial position, primarily due to actions taken by Council and staff that are described in the Management Response for Comment 2011-1 above. It is anticipated that the Wastewater Fund will continue to substantially improve its financial position over the current and future fiscal years.

The City also has the ability through the budget process, to make transfers from the General Fund to the Wastewater Fund to help supplement the Wastewater Fund Revenues. The revenue for the transfer will come from a portion of the collection of landfill tipping fees which are projected to be approximately \$2,000,000.00 in this current fiscal year (FY2020-2021).

The City has also been setting aside revenues each year in a Governmental Fund Council restricted account that is being funded by any actual revenues collected from the landfill tipping fees over what was budgeted for each fiscal year. This account will have approximately \$1.2 million dollars in it at the close of FY2019-2020, and Council has already indicated that they could utilize the funds in this account to help offset future expansion costs to the Wastewater Treatment Plant in an effort to keep future Wastewater debt service levels manageable.

Respectfully submitted,

Jody Young

Jody Young, CGFO, Finance Director

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have examined the City of Bushnell, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor and Council Members of the City, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties



March 26, 2021
Ocala, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland

purvisgray.com

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