

# 2020

City of Dade City

Financial Statements  
and Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**CITY OF DADE CITY  
DADE CITY, FLORIDA**

**SEPTEMBER 30, 2020**

**TABLE OF CONTENTS**

<b>Independent Auditor’s Report</b> .....	1-3
<b>Management’s Discussion and Analysis</b> .....	4-9
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	10
Statement of Activities .....	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	12
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund - Budget and Actual.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Community Redevelopment Agency - Budget and Actual .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Local Government Infrastructure Surtax - Budget and Actual .....	18
Statement of Net Position - Proprietary Funds .....	19-20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	21
Statement of Cash Flows - Proprietary Funds .....	22-23
Statement of Net Position - Fiduciary Funds - Pension Trust Funds .....	24
Statement of Changes in Net Position - Fiduciary Funds – Pension Trust Funds.....	25
<b>Notes to Basic Financial Statements</b> .....	26-59

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**CITY OF DADE CITY  
DADE CITY, FLORIDA**

**SEPTEMBER 30, 2020**

**TABLE OF CONTENTS**

**Required Supplementary Information**

Schedule of Net Changes in the City's Total OPEB Liability and Related Ratios.....	60
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters' Pension Plan.....	61
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers' Pension Plan.....	62
Schedule of Contributions - Firefighters' Pension Plan .....	63
Schedule of Contributions - Police Officers' Pension Plan .....	64
Schedule of Investment Returns - Firefighters' Pension Plan .....	65
Schedule of Investment Returns - Police Officers' Pension Plan.....	66
Schedule of the City's Proportionate Share of the Net Pension Liability - FRS and Schedule of the City's Contributions - FRS .....	67
Schedule of the City's Proportionate Share of the Net Pension Liability - HIS and Schedule of the City's Contributions - HIS.....	68

**Combining and Individual Fund Statements and Schedules**

Combining Balance Sheet – Non-Major Governmental Funds.....	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds .....	70

**Compliance Section**

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 <i>Government Auditing Standards</i> .....	71-72
Independent Auditor's Report on Compliance for Each Major State Financial Assistance Project, and on Internal Control over Compliance Required by Chapter 10,550, <i>Rules of the Auditor General</i> .....	73-74
Schedule of Expenditures of State Financial Assistance.....	75
Schedule of Findings and Questioned Costs State Financial Assistance Projects .....	76
Current Year Financial Statement Findings .....	77
Prior Year Financial Statement Findings.....	78
Corrective Action Plan for Financial Statement Findings .....	79
Management Letter Required by Chapter 10.550, <i>Rules of the Auditor General</i> .....	80-81
Management Letter Comments .....	82-83
Management Response Letter .....	84-85
Independent Accountant's Report .....	86
Impact Fee Affidavit.....	87

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
City of Dade City  
Dade City, 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 Dade City, 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Honorable Mayor and City Commission  
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Dade City, 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, Community Redevelopment Agency, and Local Government Infrastructure Surtax 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 1 to the financial statements as a subsequent event, the City may be operationally and financially impacted by the outbreak of the novel coronavirus (COVID-19) pandemic.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required schedules for the Police Officers' Pension Trust; the Firefighters' Pension Trust Fund; the Florida Retirement System Pension Funds, and the schedule of changes in the City's total OPEB liability and related ratios, 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 combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

Honorable Mayor and City Commission  
City of Dade City  
Dade City, Florida

### INDEPENDENT AUDITOR'S REPORT

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 22, 2021  
Ocala, Florida

**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

This section provides a discussion and analysis of the financial activities for the City of Dade City, Florida (the City) for the period of October 1, 2019 through September 30, 2020. Please read this information in conjunction with the audited financial statements, which follow this discussion.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows, resulting in a net position of \$53.16 million. Of this amount, \$7.41 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- Governmental activities had program revenues of \$3,057,655, general revenues of \$6,537,934, and net transfers of \$244,150. Total expenses were \$6,388,428.
- Business-type activities had program revenues of \$4,132,181, general revenues of \$243,067, and net transfers of (\$244,150). Total expenses were \$3,712,994.
- The County-wide one-cent infrastructure surtax generated revenues of \$1,163,610, an increase of \$32,810 from the previous year.
- Construction of the Hardy Trail, an expansion of the multimodal trail northwards for approximately 1 mile, was completed during fiscal year 2020 at a total cost of \$1,889,314.
- The construction of a stormwater collection system for the downtown area and reconfiguration of the receiving pond (Irvin Pond) to increase hydraulic retention time prior to discharging was completed during fiscal year 2020 at a total cost of \$2,524,671.
- The Morningside Drive extension project from Fort King Highway to US 301, including a route study and pond siting analysis provided by Pasco County, began in the current year, with \$19,974 incurred for the fiscal year ending September 30, 2020.
- During fiscal year 2020, the City acquired the Otto Weitzenkorn family property that was to be developed as a splash park and other uses that would support and promote the central business district. The property's appraised value was \$1,168,000, and the City paid \$800,000 for the property, with the remaining \$368,000 reported as donated capital.

**USING THIS REPORT**

Statement No. 34 of the Governmental Accounting Standards Board (GASB 34) establishes financial reporting requirements for state and local governments throughout the United States. The intent of GASB 34 is to make financial statements more comprehensive and easier to understand and use.

The financial statements consist of four parts:

- Government-wide financial statements – These statements report information about the City as a whole and have a longer-term viewpoint. The Statement of Net Position reports the financial and capital resources of the City by showing the difference between assets and liabilities. The Statement of Activities presents information on the various functions and services of the City and how they are financed.
- Fund financial statements – These statements report information about the City by its different accounting units, called funds. The Balance Sheet for governmental funds provides information about the current financial resources of each fund. The Statement of Revenues, Expenditures, and Changes in Fund Balance shows how the activities of the year impacted the balance of financial resources available in each fund.

**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

- Notes to the financial statements – These notes include additional information needed to provide a fair presentation and more complete understanding of the financial statements. These notes are an integral part of the basic financial statements.
- Required supplementary information (other than management's discussion and analysis) – This information gives additional details about the City's financial condition that is not included in the other statements.

**STATEMENT OF NET POSITION**

The primary government has two parts, governmental activities and business-type activities, which are described in more detail under the fund analysis section.

Net position may serve over time as a useful indicator of a government's financial position and condition. Assets and deferred outflows exceeded liabilities and deferred inflows by \$53,156,457 at September 30, 2020, compared to \$49,287,012 on September 30, 2019, an increase of \$3,869,445. An increase in net investment in capital assets accounts for \$3,177,657, or 82%, of the overall increase.

Net investment in capital assets, such as buildings, equipment, and infrastructure, make up 74%, or \$39.16 million, of total net position. An additional \$6.59 million, or 12%, of net position is legally restricted for certain purposes and uses. The balance of \$7.46 million, or 14%, in net position is unrestricted and available to meet the City's ongoing obligations.

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 8,679,303	\$ 9,756,314	\$ 9,213,184	\$ 8,229,403	\$ 17,892,487	\$ 17,985,717
Capital assets	20,592,860	16,967,472	26,781,379	27,616,357	47,374,239	44,583,829
<b>Total Assets</b>	<b>29,272,163</b>	<b>26,723,786</b>	<b>35,994,563</b>	<b>35,845,760</b>	<b>65,266,726</b>	<b>62,569,546</b>
<b>Deferred Outflow of Resources</b>	<b>642,025</b>	<b>995,008</b>	<b>3,594</b>	<b>4,983</b>	<b>645,619</b>	<b>999,991</b>
<b>Liabilities:</b>						
Current and other liabilities	457,173	678,249	1,117,485	180,166	1,574,658	858,415
Net pension liability and OPEB	1,966,057	3,482,352	23,961	32,042	1,990,018	3,514,394
Long-term liabilities	348,151	573,885	7,918,928	9,118,856	8,267,079	9,692,741
<b>Total Liabilities</b>	<b>2,771,381</b>	<b>4,734,486</b>	<b>9,060,374</b>	<b>9,331,064</b>	<b>11,831,755</b>	<b>14,065,550</b>
<b>Deferred Inflow of Resources</b>	<b>924,133</b>	<b>216,975</b>	<b>-</b>	<b>-</b>	<b>924,133</b>	<b>216,975</b>
<b>Net Position:</b>						
Net investment in capital assets	20,592,860	16,915,509	18,571,170	19,070,864	39,164,030	35,986,373
Restricted	4,861,451	4,857,734	1,725,254	994,964	6,586,705	5,852,698
Unrestricted	764,363	994,090	6,641,359	6,453,851	7,405,722	7,447,941
<b>Total Net Position</b>	<b>\$ 26,218,674</b>	<b>\$ 22,767,333</b>	<b>\$ 26,937,783</b>	<b>\$ 26,519,679</b>	<b>\$ 53,156,457</b>	<b>\$ 49,287,012</b>



**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**CONDENSED STATEMENT OF ACTIVITIES**

The total primary government had an increase of \$3,869,445 in net position as a result of activities during the fiscal year. Governmental activities had an operating surplus of \$3,207,191, while net transfers increased net position by an additional \$244,150. Compared to the previous year, charges for services increased about 34% for the total primary government. Grant revenues decreased from \$2,520,552 to \$1,541,747, or 39%, due to the timing of capital projects. Program expenses for the total primary government decreased by \$395,483, or 3.8%. Business-type activities had an increase in net position of \$418,104, which is net of a \$244,150 transfer out to governmental activities.

Excluding grants, charges for services are the majority of revenues of the business-type activities, while taxes and intergovernmental revenues primarily fund the governmental activities.

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>						
Program Revenue:						
Charges for services	\$ 1,515,908	\$ 675,398	\$ 4,132,181	\$ 3,546,505	\$ 5,648,089	\$ 4,221,903
Operating grants	2,772	150,273	-	-	2,772	150,273
Capital grants	1,538,975	2,370,279	-	-	1,538,975	2,370,279
General Revenue:						
Property taxes	2,061,921	2,118,755	-	-	2,061,921	2,118,755
Other taxes and fees	3,664,582	3,654,423	-	-	3,664,582	3,654,423
Intergovernmental revenues	265,465	319,563	-	-	265,465	319,563
Other revenues	545,996	246,593	243,067	560,902	789,063	807,495
<b>Total Revenues</b>	<b>9,595,619</b>	<b>9,535,284</b>	<b>4,375,248</b>	<b>4,107,407</b>	<b>13,970,867</b>	<b>13,642,691</b>
<b>EXPENSES</b>						
Program Expenses:						
General government	1,819,283	1,706,887	-	-	1,819,283	1,706,887
Public safety	2,775,243	3,634,847	-	-	2,775,243	3,634,847
Physical environment	108,300	129,123	3,712,994	3,403,295	3,821,294	3,532,418
Transportation	1,296,112	1,239,075	-	-	1,296,112	1,239,075
Culture and recreation	389,490	383,678	-	-	389,490	383,678
<b>Total Expenses</b>	<b>6,388,428</b>	<b>7,093,610</b>	<b>3,712,994</b>	<b>3,403,295</b>	<b>10,101,422</b>	<b>10,496,905</b>
Excess deficiency before transfers	3,207,191	2,441,674	662,254	704,112	3,869,445	3,145,786
Net transfers	244,150	666,536	(244,150)	(666,536)	-	-
Gain on sale of fixed assets	-	-	-	-	-	-
<b>Change in net position</b>	<b>3,451,341</b>	<b>3,108,210</b>	<b>418,104</b>	<b>37,576</b>	<b>3,869,445</b>	<b>3,145,786</b>
Net Position - October 1, 2018		19,659,123		26,482,103		46,141,226
<b>Net Position - September 30, 2019</b>		<b>\$ 22,767,333</b>		<b>\$ 26,519,679</b>		<b>\$ 49,287,012</b>
Net Position - October 1, 2019	22,767,333		26,519,679		49,287,012	
<b>Net Position - September 30, 2020</b>	<b>\$ 26,218,674</b>		<b>\$ 26,937,783</b>		<b>\$ 53,156,457</b>	

**FUND ACTIVITY**

Governmental activities include the general fund and the special revenue funds. The general fund is where most of the City's basic services are reported, including public safety, public works, and City administration. Special revenue funds are used to record receipts that are legally restricted in their uses, such as impact fees and certain taxes. Beginning with fiscal year ended September 30, 2020, the special revenue fund for Water and Sewer Impact Fees is being reported as a major fund.

**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Business-type activities are City services that charge fees to pay the costs of those services. In the City, that includes the water and sewer utilities fund as well as the sanitation fund. Also, beginning with fiscal year ended September 30, 2020, the City reported the Building Fund as a major enterprise fund. Previously, the revenues and expenditures associated with issuing building permits and enforcing the Florida Building Code were reported in the General Fund. The Public Utility Fund charges rates and fees that pay the costs of providing the water and sewer service. The City has been awarded a combination of grant and loan funding for some utility improvement projects. The enterprise funds transfer monies to the general fund for overhead allocation charges and other administrative services in support of the enterprise funds. The sanitation fund is responsible for garbage collection through a service agreement with an outside contractor.

**GENERAL FUND BUDGET VARIATIONS**

	Original 2020	Final 2020	Actual 2020	Actual 2019
	Budget	Budget	Results	Results
<b>REVENUE</b>				
Taxes and special assessments	\$ 3,145,780	\$ 3,386,980	\$ 3,426,349	\$ 3,514,610
License and permits	250,000	40,000	34,498	232,398
Intergovernmental revenues	2,029,930	2,217,430	983,973	2,422,443
Charges for services	314,000	80,500	63,448	83,199
Fines and forfeitures	32,400	32,400	33,441	22,969
Miscellaneous revenue	216,675	99,675	126,833	53,756
Pension contributions - State	49,500	49,500	31,092	271,501
Transfers in	992,925	992,925	1,039,735	897,406
<b>Total Revenues and Transfers In</b>	<b>7,031,210</b>	<b>6,899,410</b>	<b>5,739,369</b>	<b>7,498,282</b>
<b>EXPENSES</b>				
Current:				
General government	2,030,530	1,718,575	1,584,052	1,546,350
Public safety	3,172,120	3,172,120	3,159,149	3,514,603
Transportation	531,850	531,850	512,617	544,435
Culture and recreation	345,600	345,600	314,682	313,628
Capital outlay	1,037,400	1,210,600	862,464	1,469,929
Transfers out	82,500	288,900	295,077	81,167
<b>Total Expenses</b>	<b>7,200,000</b>	<b>7,267,645</b>	<b>6,728,041</b>	<b>7,470,112</b>
<b>Increase (Decrease) in Cash Reserves</b>	<b>\$ (168,790)</b>	<b>\$ (368,235)</b>	<b>\$ (988,672)</b>	<b>\$ 28,170</b>

Significant variations between the final budget and the actual results in the general fund are due to:

- Final budgeted intergovernmental revenues exceeded actual by \$1,233,457, as budgeted revenues included anticipated state grant revenues and Pasco County contributions that did not materialize in fiscal year 2020 because the related project activity did not occur. Likewise, budgeted capital outlay was \$348,136 higher than actual due to planned project costs that did not occur in fiscal year 2020.

**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

**CAPITAL ASSETS**

The City lists capital assets totaling \$44.37 million. Most of those assets (\$26.8 million) are in the utility system improvements and infrastructure. Amounts in the following table are shown net of accumulated depreciation, where applicable.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,027,797	\$ 859,797	\$ 117,862	\$ 117,862	\$ 2,145,659	\$ 977,659
Buildings	5,853,542	6,034,646	5,680,750	5,862,620	11,534,292	11,897,266
Improvements	8,501,870	4,291,672	16,079,710	16,575,891	24,581,580	20,867,563
Construction in progress	154,723	1,925,008	279,117	269,117	433,840	2,194,125
Equipment	1,418,147	1,219,568	4,623,940	4,790,867	6,042,087	6,010,435
Infrastructure	2,636,781	2,636,781	-	-	2,636,781	2,636,781
<b>Totals</b>	<b>\$ 20,592,860</b>	<b>\$ 16,967,472</b>	<b>\$ 26,781,379</b>	<b>\$ 27,616,357</b>	<b>\$ 47,374,239</b>	<b>\$ 44,583,829</b>

**LONG-TERM DEBT ACTIVITY**

General government debt consisted of a capital lease for a street sweeper that was fully paid down in fiscal year 2020. There are seven outstanding long-term debt obligations in the Public Utility Fund. Two of the debt obligations are loans from the United States Department of Agriculture, Rural Development, made under a grant/loan program for water and wastewater system improvements. The City has five open loan agreements with the State Revolving Fund for water and wastewater system improvements. The City anticipates acquiring additional funding from Rural Development and the State Revolving Fund in future years.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Notes payable	\$ -	\$ -	\$ 4,206,116	\$ 4,469,111	\$ 4,206,116	\$ 4,469,111
Revenue bonds	-	-	4,004,093	4,076,382	4,004,093	4,076,382
Capital leases	-	51,963	-	-	-	51,963
<b>Totals</b>	<b>\$ -</b>	<b>\$ 51,963</b>	<b>\$ 8,210,209</b>	<b>\$ 8,545,493</b>	<b>\$ 8,210,209</b>	<b>\$ 8,597,456</b>

**POTENTIAL IMPACTS ON FUTURE FINANCIAL CONDITION**

The transfer of fire suppression services to Pasco County has provided an ongoing cost savings for the City. Beginning with fiscal year 2004-2005, Pasco County has been charging a millage amount for fire services inside the City limits. This millage rate is counted against the City's overall millage cap of ten mills, which restricts the millage rate that Dade City will be able to charge for other municipal services.

New development within the City has been on an upward trend. The housing market has shown improvement. In general, as new developments occur, they will initially generate more permit and impact fees; after completion, they will provide increases in tax revenues and charges for services. There will also be increases in expenses to provide City services to those developments.

**CITY OF DADE CITY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

In 2004, the voters of Pasco County approved a local government infrastructure surtax, which adds an additional penny to the County sales tax rate through December 2014. These funds are shared by the County, the School Board, and the municipalities within the County, and may only be used for infrastructure improvements. Voters renewed the tax for another ten years in November 2012. The City realized additional proceeds for these projects due to a revised distribution formula.

The COVID-19 pandemic, increasing pension funding requirements, and potential federal and state legislation could have significant impacts on future budgets, reducing the resources available to maintain the levels of services that the City is providing.

This financial report is designed to provide a general overview of the City of Dade City'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 information should be addressed to the Finance Department.

In December 2019 a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America. The disease was declared a Public Health Emergency of International Concern on January 30, 2020 and named "COVID- 19" on February 11, 2020, each by the World Health Organization. The outbreak of COVID-19 has affected travel, commerce, and financial markets globally and has had a significant impact on economies worldwide. One of the more significant adverse financial impacts on the City was an annual decline in half cent sales tax revenues, by approximately \$50 thousand in the General Fund and as retail and other commerce was restricted for a portion of 2020 due to COVID-19, sales tax collections were curtailed during that period.

Overall, the City's financial position has remained relatively stable amidst the COVID-19 pandemic. Total General Fund revenues decreased by \$1,901,242 compared to the prior year. However, the decrease was mainly due to state local appropriations reimbursing time-specific project costs that were higher in the prior year than in the current year. Overall, the most significant revenue sources of the City remained relatively stable.

The American Rescue Plan Act of 2021 (H.R. 1319) is a \$1.9 trillion economic stimulus package passed by United States Congress and signed into law on March 11, 2021, in order to hasten the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The American Rescue Plan Act establishes two fiscal recovery funds to distribute money to states, local governments, tribal governments, and U.S. territories: 1) \$219.8 billion to the Coronavirus State Fiscal Recovery Fund, and 2) \$130.2 billion to the Coronavirus Local Fiscal Recovery Fund, which will be split among counties, metropolitan cities, and non-entitlement units of local government. Of the total \$130.2 billion appropriation under the Coronavirus Local Fiscal Recovery Fund, cities will receive \$65.1 billion in population-adjusted payments, with additional adjustments for Community Development Block Grant (CDBG) recipients. The City's allocation is estimated to be \$3.08 million.

The City will receive funds in tranches, with the first tranche expected to be paid prior to the end of fiscal year 2021, and the second tranche to be paid no earlier than 12 months after the date on which the City received its first payment. Funds will be available and use completed by December 31, 2024, and must be used to address the pandemic or its negative economic impacts, including replacement of revenue lost, delayed, or decreased as a result of COVID-19, as well as necessary investments in water, sewer, or broadband infrastructure.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 6,398,077	\$ 2,259,083	\$ 8,657,160
Cash with Fiscal Agent	-	519,716	519,716
Restricted Cash	-	1,600,402	1,600,402
Investments	1,915,879	3,739,872	5,655,751
Receivables, Net	310,423	446,819	757,242
Internal Balances	(523,598)	523,598	-
Due from Other Governments	314,151	-	314,151
Prepays	198,279	-	198,279
Inventories	66,092	123,694	189,786
Capital Assets Not Being Depreciated:			
Land	2,027,797	117,862	2,145,659
Infrastructure	2,636,781	-	2,636,781
Construction in Progress	154,723	279,117	433,840
Capital Assets, Net of Accumulated Depreciation:	15,773,559	26,384,400	42,157,959
Total Capital Assets	<u>20,592,860</u>	<u>26,781,379</u>	<u>47,374,239</u>
<b>Total Assets</b>	<u>29,272,163</u>	<u>35,994,563</u>	<u>65,266,726</u>
<b>Deferred Outflows of Resources</b>			
OPEB Related Items	11,777	3,594	15,371
Pension Related Items	630,248	-	630,248
<b>Total Deferred Outflows of Resources</b>	<u>642,025</u>	<u>3,594</u>	<u>645,619</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>29,914,188</u>	<u>35,998,157</u>	<u>65,912,345</u>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	284,352	149,985	434,337
Deposits	66,091	617,388	683,479
Long-Term Liabilities:			
Due Within One Year	106,730	350,112	456,842
Due in More than One Year	348,151	7,918,928	8,267,079
Net Pension Liabilities	1,776,844	-	1,776,844
Net OPEB Liability	189,213	23,961	213,174
<b>Total Liabilities</b>	<u>2,771,381</u>	<u>9,060,374</u>	<u>11,831,755</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Items	924,133	-	924,133
<b>Total Deferred Inflows</b>	<u>924,133</u>	<u>-</u>	<u>924,133</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,695,514</u>	<u>9,060,374</u>	<u>12,755,888</u>
<b>Net Position</b>			
Net Investment in Capital Assets	20,592,860	18,571,170	39,164,030
Restricted for:			
Other Purposes	4,861,451	1,725,254	6,586,705
Unrestricted	764,363	6,641,359	7,405,722
<b>Total Net Position</b>	<u>\$ 26,218,674</u>	<u>\$ 26,937,783</u>	<u>\$ 53,156,457</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
General Government	\$ 1,819,283	\$ 45,383	\$ 2,772	\$ -	\$ (1,771,128)	\$ -	\$ (1,771,128)
Public Safety	2,775,243	43,938	-	6,045	(2,725,260)	-	(2,725,260)
Physical Environment	108,300	1,198,453	-	1,510,025	2,600,178	-	2,600,178
Transportation	1,296,112	213,667	-	22,905	(1,059,540)	-	(1,059,540)
Culture and Recreation	389,490	14,467	-	-	(375,023)	-	(375,023)
<b>Total Governmental Activities</b>	<b>6,388,428</b>	<b>1,515,908</b>	<b>2,772</b>	<b>1,538,975</b>	<b>(3,330,773)</b>	<b>-</b>	<b>(3,330,773)</b>
Business-Type Activities:							
Sanitation	226,113	282,476	-	-	-	56,363	56,363
Building	240,344	316,624	-	-	-	76,280	76,280
Public Utility	3,246,537	3,533,081	-	-	-	286,544	286,544
<b>Total Business-Type Activities</b>	<b>3,712,994</b>	<b>4,132,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>419,187</b>	<b>419,187</b>
<b>Total Primary Government</b>	<b>\$ 10,101,422</b>	<b>\$ 5,648,089</b>	<b>\$ 2,772</b>	<b>\$ 1,538,975</b>	<b>(3,330,773)</b>	<b>419,187</b>	<b>(2,911,586)</b>
General Revenues							
Taxes:							
					2,061,921	-	2,061,921
					488,402	-	488,402
					540,012	-	540,012
					213,243	-	213,243
					284,670	-	284,670
					319,364	-	319,364
					1,163,610	-	1,163,610
					655,281	-	655,281
					265,465	-	265,465
					417,684	-	417,684
					128,312	243,067	371,379
					244,150	(244,150)	-
					6,782,114	(1,083)	6,781,031
					3,451,341	418,104	3,869,445
					22,767,333	26,519,679	49,287,012
					<b>\$ 26,218,674</b>	<b>\$ 26,937,783</b>	<b>\$ 53,156,457</b>

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

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

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash						
Equivalents	\$ 1,511,219	\$ 140,373	\$ 952,857	\$ 2,807,123	\$ 986,505	\$ 6,398,077
Investments	1,915,879	-	-	-	-	1,915,879
Accounts Receivable	109,679	-	-	-	200,744	310,423
Due from Other Funds	597	-	-	-	-	597
Due from Other						
Governments	234,796	-	79,355	-	-	314,151
Prepays	198,279	-	-	-	-	198,279
Inventory	66,092	-	-	-	-	66,092
<b>Total Assets</b>	<b>4,036,541</b>	<b>140,373</b>	<b>1,032,212</b>	<b>2,807,123</b>	<b>1,187,249</b>	<b>9,203,498</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable and						
Accrued Expenses	263,149	5,601	9,691	-	5,911	284,352
Due to Other Funds	-	-	-	-	524,195	524,195
Deposits	66,091	-	-	-	-	66,091
<b>Total Liabilities</b>	<b>329,240</b>	<b>5,601</b>	<b>9,691</b>	<b>-</b>	<b>530,106</b>	<b>874,638</b>
<b>Fund Balances</b>						
Non-Spendable	264,371	-	-	-	-	264,371
Restricted for:						
Police Education	9,271	-	-	-	-	9,271
Forfeiture Fund	17,655	-	-	-	-	17,655
Special Revenue	1,790	134,772	1,022,521	2,807,123	868,319	4,834,525
Committed to:						
Reserve Policy	1,520,025	-	-	-	-	1,520,025
Tree Fund	11,360	-	-	-	-	11,360
Park and Recreation	13,899	-	-	-	-	13,899
Mausoleum Care	14,140	-	-	-	-	14,140
Market Place	1,160	-	-	-	-	1,160
Assigned to:						
Dog Park	4,963	-	-	-	-	4,963
Retirement Reserve	85,000	-	-	-	-	85,000
Wellness Reserve	740	-	-	-	-	740
Unassigned	1,762,927	-	-	-	(211,176)	1,551,751
<b>Total Fund Balances</b>	<b>3,707,301</b>	<b>134,772</b>	<b>1,022,521</b>	<b>2,807,123</b>	<b>657,143</b>	<b>8,328,860</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,036,541</b>	<b>\$ 140,373</b>	<b>\$ 1,032,212</b>	<b>\$ 2,807,123</b>	<b>\$ 1,187,249</b>	<b>\$ 9,203,498</b>

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



**CITY OF DADE CITY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**Total Fund Balance for Governmental Funds** \$ 8,328,860

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The costs of the assets are \$27,881,462, and the accumulated depreciation is \$7,288,602. 20,592,860

Deferred inflows and outflows of resources related to pensions and OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position as follows:

Deferred Inflow of Resources:	
Pension Related	(924,133)
Deferred Outflow of Resources:	
OPEB Related	11,777
Pension Related	630,248

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:

OPEB Liability	(189,213)
Net Pension Liabilities	(1,776,844)
Landfill Post-Closure Costs	(27,960)
Compensated Absences	(426,921)
	(2,420,948)

**Net Position of Governmental Activities** \$ 26,218,674

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

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

	General Fund	Community Redevelopment Agency	Local Government Infrastructure SurTax	Water and Sewer Impact Fee Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes, Impact Fees and Special Assessments	\$ 3,426,349	\$ 93,522	\$ 1,163,610	\$ 874,491	\$ 814,928	\$ 6,372,900
Licenses and Permits	34,498	-	-	-	-	34,498
Intergovernmental Revenue	983,973	-	-	-	1,510,622	2,494,595
Charges for Services	63,448	-	-	-	-	63,448
Fine and Forfeitures	33,441	-	-	-	-	33,441
Pension Contributions - State	31,092	-	-	-	-	31,092
Miscellaneous Revenue	126,833	-	-	12,786	8,342	147,961
<b>Total Revenues</b>	<b>4,699,634</b>	<b>93,522</b>	<b>1,163,610</b>	<b>887,277</b>	<b>2,333,892</b>	<b>9,177,935</b>
<b>Expenditures</b>						
Current:						
General Government	1,584,052	-	-	-	-	1,584,052
Public Safety	3,159,149	-	-	-	-	3,159,149
Physical Environment	-	79,909	16,183	-	-	96,092
Transportation	512,617	-	-	-	324,567	837,184
Culture and Recreation	314,682	-	-	-	-	314,682
Capital Outlay	862,464	159,100	1,212,618	-	1,825,437	4,059,619
Debt Service:						
Principal Payments	-	-	51,963	-	-	51,963
Interest	-	-	1,508	-	-	1,508
<b>(Total Expenditures)</b>	<b>(6,432,964)</b>	<b>(239,009)</b>	<b>(1,282,272)</b>	<b>-</b>	<b>(2,150,004)</b>	<b>(10,104,249)</b>
<b>Excess (Deficiency) of Revenues of Over (Under) Expenditures</b>						
	<b>(1,733,330)</b>	<b>(145,487)</b>	<b>(118,662)</b>	<b>887,277</b>	<b>183,888</b>	<b>(926,314)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,039,735	88,677	-	-	-	1,128,412
Transfers (out)	(295,077)	(75,000)	(200,000)	-	(314,185)	(884,262)
<b>Total Other Financing Sources (Uses)</b>	<b>744,658</b>	<b>13,677</b>	<b>(200,000)</b>	<b>-</b>	<b>(314,185)</b>	<b>244,150</b>
<b>Net Change in Fund Balances</b>	<b>(988,672)</b>	<b>(131,810)</b>	<b>(318,662)</b>	<b>887,277</b>	<b>(130,297)</b>	<b>(682,164)</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,695,973</b>	<b>266,582</b>	<b>1,341,183</b>	<b>1,919,846</b>	<b>787,440</b>	<b>9,011,024</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,707,301</b>	<b>\$ 134,772</b>	<b>\$ 1,022,521</b>	<b>\$ 2,807,123</b>	<b>\$ 657,143</b>	<b>\$ 8,328,860</b>

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

**CITY OF DADE CITY, 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**

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

Net Change in Fund Balances - Total Governmental Funds	\$ (682,164)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital asset additions recorded in the current year.	4,059,619
Donated Capital Assets	417,684
Depreciation expense on capital assets is reported in the government-wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(851,915)
Cash Pension and OPEB contributions and related deferred inflows and outflows changed as follows:	
Change in Deferred Inflows of Resources:	
Pension Related	(707,158)
Change in Outflows of Resources:	
OPEB Related	(4,345)
Pension Related	(348,638)
Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This amount is the payment on the long term debt.	51,963
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The amounts comprising the difference in the treatment of expenses are:	
Increase in Net Pension Liabilities	1,489,816
Increase in OPEB Liabilities	26,479
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 3,451,341</b>

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

**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GENERAL FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and Special Assessments	\$ 3,145,780	\$ 3,386,980	\$ 3,426,349	\$ 39,369
Licenses and Permits	250,000	40,000	34,498	(5,502)
Intergovernmental Revenue	2,029,930	2,217,430	983,973	(1,233,457)
Charges for Services	314,000	80,500	63,448	(17,052)
Fine and Forfeitures	32,400	32,400	33,441	1,041
Pension Contributions - State	49,500	49,500	31,092	(18,408)
Miscellaneous Revenue	216,675	99,675	126,833	27,158
<b>Total Revenues</b>	<u>6,038,285</u>	<u>5,906,485</u>	<u>4,699,634</u>	<u>(1,206,851)</u>
<b>Expenditures</b>				
Current:				
General Government	2,030,530	1,718,575	1,584,052	134,523
Public Safety	3,172,120	3,172,120	3,159,149	12,971
Transportation	531,850	531,850	512,617	19,233
Culture and Recreation	345,600	345,600	314,682	30,918
Capital Outlay	1,037,400	1,210,600	862,464	348,136
<b>(Total Expenditures)</b>	<u>(7,117,500)</u>	<u>(6,978,745)</u>	<u>(6,432,964)</u>	<u>545,781</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,079,215)</u>	<u>(1,072,260)</u>	<u>(1,733,330)</u>	<u>(661,070)</u>
<b>Other Financing Sources</b>				
Transfers in	992,925	992,925	1,039,735	46,810
Transfers (out)	(82,500)	(288,900)	(295,077)	(6,177)
<b>Total Other Financing Sources</b>	<u>910,425</u>	<u>704,025</u>	<u>744,658</u>	<u>40,633</u>
<b>Net Change in Fund Balances</b>	(168,790)	(368,235)	(988,672)	(620,437)
<b>Fund Balances, Beginning of Year</b>	4,695,973	4,695,973	4,695,973	-
<b>Fund Balances, End of Year</b>	<u>\$ 4,527,183</u>	<u>\$ 4,327,738</u>	<u>\$ 3,707,301</u>	<u>\$ (620,437)</u>

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

**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT AGENCY**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and Special Assessment	\$ 92,000	\$ 92,000	\$ 93,522	\$ 1,522
<b>Total Revenues</b>	<u>92,000</u>	<u>92,000</u>	<u>93,522</u>	<u>1,522</u>
<b>Expenditures</b>				
Current:				
Physical Environment	90,225	90,225	79,909	10,316
Capital Outlay	130,000	130,000	159,100	(29,100)
<b>(Total Expenditures)</b>	<u>(220,225)</u>	<u>(220,225)</u>	<u>(239,009)</u>	<u>(18,784)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(128,225)</u>	<u>(128,225)</u>	<u>(145,487)</u>	<u>(17,262)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	88,000	88,000	88,677	677
Transfers (out)	(95,000)	(95,000)	(75,000)	20,000
<b>Total Other Financing Sources (Uses)</b>	<u>(7,000)</u>	<u>(7,000)</u>	<u>13,677</u>	<u>20,677</u>
<b>Net Change in Fund Balances</b>	(135,225)	(135,225)	(131,810)	3,415
<b>Fund Balances, Beginning of Year</b>	<u>266,582</u>	<u>266,582</u>	<u>266,582</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 131,357</u>	<u>\$ 131,357</u>	<u>\$ 134,772</u>	<u>\$ 3,415</u>

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

**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - LOCAL GOVERNMENT INFRASTRUCTURE SURTAX**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes and Special Assessment	\$ 2,171,800	\$ 1,188,776	\$ 1,163,610	\$ (25,166)
<b>Total Revenues</b>	<u>2,171,800</u>	<u>1,188,776</u>	<u>1,163,610</u>	<u>(25,166)</u>
<b>Expenditures</b>				
Current:				
Physical Environment	-	-	16,183	(16,183)
Capital Outlay	1,916,800	1,901,000	1,212,618	688,382
Debt Service:				
Principal Payments	50,000	50,000	51,963	(1,963)
Interest	5,000	5,000	1,508	3,492
<b>(Total Expenditures)</b>	<u>(1,971,800)</u>	<u>(1,956,000)</u>	<u>(1,282,272)</u>	<u>673,728</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>200,000</u>	<u>(767,224)</u>	<u>(118,662)</u>	<u>648,562</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(200,000)	(200,000)	(200,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	(967,224)	(318,662)	648,562
<b>Fund Balances, Beginning of Year</b>	<u>1,341,183</u>	<u>1,341,183</u>	<u>1,341,183</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,341,183</u>	<u>\$ 373,959</u>	<u>\$ 1,022,521</u>	<u>\$ 648,562</u>

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

**CITY OF DADE CITY, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020**

	Business-Type Activities Enterprise Funds			Totals
	Public Utility Fund	Sanitation Fund	Building Fund	
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,394,066	\$ 592,264	\$ 272,753	\$ 2,259,083
Cash with Fiscal Agent	519,716	-	-	519,716
Investments	3,739,872	-	-	3,739,872
Accounts Receivable, Net	438,663	8,156	-	446,819
Due from other funds	523,598	-	-	523,598
Inventory	123,694	-	-	123,694
<b>Total Current Assets</b>	<b>6,739,609</b>	<b>600,420</b>	<b>272,753</b>	<b>7,612,782</b>
Restricted Assets:				
Cash and Cash Equivalents	1,600,402	-	-	1,600,402
<b>Total Restricted Assets</b>	<b>1,600,402</b>	<b>-</b>	<b>-</b>	<b>1,600,402</b>
Non-Current Assets:				
Capital Assets:				
Land	117,862	-	-	117,862
Buildings	9,131,773	-	-	9,131,773
Improvements Other than Buildings	23,083,900	-	-	23,083,900
Machinery Equipment and Vehicles	9,616,911	-	5,373	9,622,284
Construction in Process	279,117	-	-	279,117
Less Accumulated Depreciation	(15,450,870)	-	(2,687)	(15,453,557)
<b>Total Non-Current Assets</b>	<b>26,778,693</b>	<b>-</b>	<b>2,686</b>	<b>26,781,379</b>
<b>Total Assets</b>	<b>35,118,704</b>	<b>600,420</b>	<b>275,439</b>	<b>35,994,563</b>
<b>Deferred Outflows of Resources</b>				
Other Postemployment Benefit Related Items	3,594	-	-	3,594
<b>Total Deferred Outflows of Resources</b>	<b>3,594</b>	<b>-</b>	<b>-</b>	<b>3,594</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 35,122,298</b>	<b>\$ 600,420</b>	<b>\$ 275,439</b>	<b>\$ 35,998,157</b>

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

**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2020**

	Business-Type Activities			Totals
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	
<b>Liabilities and Net Position</b>				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 87,482	\$ 17,972	\$ -	\$ 105,454
Accrued Salary Related Expenses	22,061	-	-	22,061
Interest Payable	22,470	-	-	22,470
Compensated Absences, Current Portion	7,768	-	6,940	14,708
Notes Payable, Current Portion	260,379	-	-	260,379
Revenue Bonds Payable, Current Portion	75,025	-	-	75,025
<b>Total Current Liabilities</b>	<b>475,185</b>	<b>17,972</b>	<b>6,940</b>	<b>500,097</b>
Long-Term Liabilities:				
Payable from Restricted Assets - Customer	617,388	-	-	617,388
Compensated Absences	23,304	-	20,819	44,123
Net OPEB Liability	23,961	-	-	23,961
Notes Payable	3,945,737	-	-	3,945,737
Revenue Refunding Bonds	3,929,068	-	-	3,929,068
<b>Total Long-Term Liabilities</b>	<b>8,539,458</b>	<b>-</b>	<b>20,819</b>	<b>8,560,277</b>
<b>Total Liabilities</b>	<b>9,014,643</b>	<b>17,972</b>	<b>27,759</b>	<b>9,060,374</b>
<b>Total Liabilities and Deferred Inflows of</b>	<b>9,014,643</b>	<b>17,972</b>	<b>27,759</b>	<b>9,060,374</b>
<b>Net Position</b>				
Net Investment in Capital Assets	18,568,484	-	2,686	18,571,170
Restricted for:				
Debt Service	1,480,260	-	-	1,480,260
Building Department	-	-	244,994	244,994
Unrestricted	6,058,911	582,448	-	6,641,359
<b>Total Net Position</b>	<b>\$ 26,107,655</b>	<b>\$ 582,448</b>	<b>\$ 247,680</b>	<b>\$ 26,937,783</b>

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



**CITY OF DADE CITY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2020**

	Business-Type Activities			Total
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	
<b>Operating Revenues</b>				
Charges for Services	\$ 3,533,081	\$ 282,476	\$ 316,624	\$ 4,132,181
<b>Total Operating Revenues</b>	<u>3,533,081</u>	<u>282,476</u>	<u>316,624</u>	<u>4,132,181</u>
<b>Operating Expenses</b>				
Personal Services	912,472	-	217,415	1,129,887
Contractual Services	170,309	225,884	-	396,193
General Operating	846,922	229	20,242	867,393
Depreciation	1,096,664	-	2,687	1,099,351
<b>Total Operating Expenses</b>	<u>(3,026,367)</u>	<u>(226,113)</u>	<u>(240,344)</u>	<u>(3,492,824)</u>
<b>Operating Income</b>	<u>506,714</u>	<u>56,363</u>	<u>76,280</u>	<u>639,357</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment Earnings	239,299	-	-	239,299
Miscellaneous Revenue	3,768	-	-	3,768
Interest Expense	(220,170)	-	-	(220,170)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>22,897</u>	<u>-</u>	<u>-</u>	<u>22,897</u>
<b>Income Before Transfers</b>	<u>529,611</u>	<u>56,363</u>	<u>76,280</u>	<u>662,254</u>
Transfers in	-	-	206,400	206,400
Transfers (out)	(382,650)	(32,900)	(35,000)	(450,550)
<b>Total Transfers</b>	<u>(382,650)</u>	<u>(32,900)</u>	<u>171,400</u>	<u>(244,150)</u>
<b>Change in Net Position</b>	146,961	23,463	247,680	418,104
<b>Net Position, Beginning of Year</b>	<u>25,960,694</u>	<u>558,985</u>	<u>-</u>	<u>26,519,679</u>
<b>Net Position, End of Year</b>	<u>\$ 26,107,655</u>	<u>\$ 582,448</u>	<u>\$ 247,680</u>	<u>\$ 26,937,783</u>

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

**CITY OF DADE CITY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020**

	Business-Type Activities			
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 3,651,274	\$ 285,511	\$ 316,624	\$ 4,253,409
Cash Payments to Suppliers and Service Providers	(1,562,615)	(225,869)	(20,242)	(1,808,726)
Cash Payments to Employees for Salaries and Benefits	(914,637)	-	(189,656)	(1,104,293)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,174,022</u>	<u>59,642</u>	<u>106,726</u>	<u>1,340,390</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Transfers in from Other Funds	-	-	206,400	206,400
Transfers to Other Funds	(382,650)	(32,900)	(35,000)	(450,550)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<u>(382,650)</u>	<u>(32,900)</u>	<u>171,400</u>	<u>(244,150)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of Capital Assets	(259,000)	-	(5,373)	(264,373)
Miscellaneous Revenue	3,768	-	-	3,768
Principal Paid on Debt	(335,284)	-	-	(335,284)
Interest Paid on Debt	(228,660)	-	-	(228,660)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<u>(819,176)</u>	<u>-</u>	<u>(5,373)</u>	<u>(824,549)</u>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale (Purchase) of Investments	(36,131)	-	-	(36,131)
Interest on Investments	130,921	-	-	130,921
<b>Net Cash Provided by (Used in) for Investing Activities</b>	<u>94,790</u>	<u>-</u>	<u>-</u>	<u>94,790</u>
<b>Net Increase in Cash and Cash Equivalents</b>	66,986	26,742	272,753	366,481
<b>Cash and Cash Equivalents, Beginning of Year</b>	3,447,198	565,522	-	4,012,720
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,514,184</u>	<u>\$ 592,264</u>	<u>\$ 272,753</u>	<u>\$ 4,379,201</u>
Cash and Cash Equivalents	\$ 1,394,066	\$ 592,264	\$ 272,753	\$ 2,259,083
Restricted Cash and Cash Equivalents	1,600,402	-	-	1,600,402
Cash with Fiscal Agent	519,716	-	-	519,716
<b>Total</b>	<u>\$ 3,514,184</u>	<u>\$ 592,264</u>	<u>\$ 272,753</u>	<u>\$ 4,379,201</u>

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

**CITY OF DADE CITY, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020**

	Business-Type Activities			
	Enterprise Funds			
	Public Utility Fund	Sanitation Fund	Building Fund	Total
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income	\$ 506,714	\$ 56,363	\$ 76,280	\$ 639,357
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation Expense	1,096,664	-	2,687	1,099,351
(Increase) Decrease in Accounts Receivable	47,623	3,035	-	50,658
(Increase) Decrease in Due From Other Funds	(523,598)	-	-	(523,598)
(Increase) Decrease in Deferred Outflows	1,389	-	-	1,389
(Increase) Decrease in Inventory	149	-	-	149
Increase (Decrease) in Customer Deposits	70,570	-	-	70,570
Increase (Decrease) in Accounts Payable and Accrued Expenses	(21,935)	244	-	(21,691)
Increase (Decrease) in Compensated Absences	4,527	-	27,759	32,286
Increase (Decrease) in OPEB Liability	(8,081)	-	-	(8,081)
Total Adjustments	667,308	3,279	30,446	701,033
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 1,174,022</b>	<b>\$ 59,642</b>	<b>\$ 106,726</b>	<b>\$ 1,340,390</b>

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

**CITY OF DADE CITY, FLORIDA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
SEPTEMBER 30, 2020**

	<b>Total</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 541,737
Investments	17,176,322
Interest and Dividends Receivable	305
Due from Other Funds	111
Due from Other Governments	15,708
<b>Total Assets</b>	<b>17,734,183</b>
 <b>Liabilities</b>	
Accounts Payable	213,446
Due to Other Funds	8,052
<b>Total Liabilities</b>	<b>221,498</b>
 <b>Net Position - Held in Trust for Pension Benefits</b>	<b>\$ 17,512,685</b>

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

**CITY OF DADE CITY, FLORIDA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS - PENSION TRUST FUNDS  
SEPTEMBER 30, 2020**

	<b>Total</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 786,947
Insurance Premium Tax - State	147,995
Employee	21,293
Total Contributions	956,235
Net Investment Earnings	1,341,099
<b>Total Additions</b>	2,297,334
 <b>Deductions</b>	
Benefits Paid	1,202,417
Administrative Expenses	168,612
<b>Total Deductions</b>	1,371,029
 <b>Change in Net Position</b>	 926,305
 <b>Net Position - Beginning of Year</b>	  16,586,380
 <b>Net Position - End of Year</b>	  \$ 17,512,685

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

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

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

**Reporting Entity**

The City of Dade City (the City) was incorporated June 5, 1889, under the laws of the State of Florida, Chapter 3957 (No. 111).

The financial statements of the government have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the City and its blended component unit, an entity for which the City is considered financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City's financial statements should allow users to distinguish between the primary government and its component unit. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented.

*Blended Component Unit Governmental Type*—the Dade City Community Redevelopment Agency (the Agency) was created by City Resolution No. 538 as authorized by Part III of Chapter 163 of the Florida State Statutes for the purpose of rehabilitation, conservation, and redevelopment of certain slum and blighted areas in order to serve the interest of public health, safety, morals, and welfare of the community residents. The members of the Agency Board are the City Commission. The Agency is fiscally dependent on the City and the City Commission approves the Agency's annual budget. The Agency is presented as a special revenue fund in the accompanying financial statements.

The City's municipal Firefighters' Pension Trust Fund and the City's municipal Police Officers' Pension Trust Fund were created under Chapters 175 and 185, respectively, of Florida State Statutes. These trust funds are administered by five-member Board who have limited duties. Because these funds are not legally separable from the City, they are reported as part of the primary government.

**Government-Wide 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 and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental Activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *Business-Type Activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

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

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.

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.

**Basis of Presentation**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The following are reported as major governmental funds:

- **General Fund**—This fund is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Community Redevelopment Agency Fund**—Accounts for the governmental community redevelopment activities for the purpose of eliminating and preventing the development of slum and blighted areas.
- **Local Government Infrastructure Surtax**—Accounts for the 1 percent discretionary sales surtax deposited as authorized under Florida Statutes 212.055, and accounted for in accordance with the Florida Statutes.
- **Stormwater Fund** — Accounts for fees collected for operation on various stormwater collection venues.
- **Water and Sewer Impact Fee Fund** — Accounts for impact fees collected for extensions of water and sewer lines.

The following are reported as major enterprise funds:

- **Public Utility Fund**—Accounts for the operation of water and wastewater facilities.
- **Sanitation Fund**—Accounts for the collection of fees for solid waste pickup and disposal activities.



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

- **Building Fund**—Accounts for the collection of building permit revenues and payment of expenditures associated with providing inspection related services.

The City also reports the following funds:

- **Fiduciary Funds**—These are trust funds used to account for assets held by the City in a trustee capacity. The City maintains two Fiduciary Funds: 1) the municipal Firefighters’ Pension Trust Fund; and 2) the municipal Police Officers’ Pension Trust Fund.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resource measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund such as user fees. Non-operating revenues are not related to the operations of the proprietary fund and include interest income and grants.

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

Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budgetary Information**

The annual budget formally adopted by the City Commission serves as the legal authorization for expenditures. Legal budgetary authority and control is established on a fund basis in accordance with Florida Statutes 129.03; however, operational control for management purposes is maintained during the year at the lower of the fund level. The adopted budget can only be changed by a budget amendment or a budget supplement. Management can transfer appropriations within a department without the City Commission approval unless the transfer affects a budgeted reserve. Pursuant to Florida Statutes 129.06, budget amendments require the approval of the City Commission whenever the effect of the amendment is to increase the total appropriations of the fund, to transfer monies between the lower of the department or fund level, or to transfer budgeted reserve funds.

The City's annual budgetary process is governed by Florida Statutes, Chapters 129 and 200. The total of the estimated receipts, including balances brought forward, must equal the total of the appropriations and reserves, therefore, enabling a balanced budget. During the budgeting process, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized executive changes applicable to the fiscal year, whenever legally authorized.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general and special revenue funds. Encumbrances outstanding at year-end are reported in the fund financial statements as assigned fund balances since they do not constitute expenditures of liabilities.

**Cash and Cash Equivalents**

The City considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased.

**Investments**

Investments, including pension funds, are stated at fair value-quoted market price or the best available estimate thereof.

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

**Inventories and Prepaid Items**

Inventories are determined by physical count and are valued at cost using the first-in, first-out method. The cost is recorded as an expenditure using the consumption method at the time the individual inventory items are used.

Certain payments to vendors represent costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

The City has established the following thresholds for additions to capital assets and estimated useful lives for depreciation purposes:

Assets	Threshold	Years
Land	\$ 5,000	N/A
Buildings	5,000	10-50
Infrastructure	50,000	10-50
Equipment	5,000	5-20

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation is charged as an expense against the operations of the governmental and business-type activities in the government-wide financial statements. Depreciation of assets in the proprietary funds is also charged as an expense at the fund level. Since the purpose of the governmental fund level statements is to show the sources and uses of current assets, capital assets, and depreciation are not shown.

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation were reported in the financial statements prior to the implementation of GASB Statement No. 34. The retroactive reporting of infrastructure is not required for the City. The City has elected to implement the general provisions of GASB Statement No. 34 prospectively and has elected not to implement any infrastructure retroactively.

**Net Position Flow Assumption**

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

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

It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**Fund Balance Flow Assumptions**

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

**Governmental Fund Balances**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either: (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The City has the following minimum reserve requirements:

- Minimum balances for restricted reserve funds will be 100% of the unexpended balance of the restricted reserve funds.
- Minimum balances for limited reserve funds will be 25% of the original budget of a fund for the current fiscal year. If an authorized use causes limited reserve funds to fall below the minimum balance, the amount below the minimum should be repaid, within one calendar year of its use, unless specific funding for that use has not been received within that time.
- Minimum balances for assigned reserve funds will be the amount currently assigned for each specific purpose.
- The cost basis will be used to determine minimum balance requirements for reserve funds that have been invested.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- *Restricted Fund Balance*—This classification reflects the constraints imposed on resources either: (a) externally by creditors, grantors, contributors, by laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*—These amounts can be used only for specific purposes determined by a formal action of City Commissioners, the City's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Commissioners.

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

- *Assigned Fund Balance*—This classification reflects the amounts constrained by the City’s "intent" to be used for specific purposes. Under the City’s adopted policy, only City Commissioners may assign amounts for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
  
- *Unassigned Fund Balance*—This fund balance is the residual classification for the general fund.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Commissioners have provided otherwise in their commitment or assignment actions.

The Stormwater fund (a non-major governmental fund) has negative fund balance of \$211,176 as of September 30, 2020.

**Compensated Absences**

The City incurs liability for employees’ rights to receive compensation for future absences when certain conditions are met. Both the current and long-term portion of compensated absences are accrued and reported in the government-wide and proprietary fund financial statements.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, material discount, premium, and bond issuance costs related to long-term debt are deferred and amortized over the life of the bonds using the straight-line method of accounting. Discount, premium, and issuance costs related to debt in the governmental fund financial statements are recorded as expenditures when paid and, therefore, are not accounted for in subsequent periods.

State and federal laws and regulations require the Sanitary Landfill to place a final cover on the landfill cells when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the landfill reports an estimated portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

**Property Taxes**

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due and payable on November 1, or as soon as the assessment rolls are available to the county tax collector. Discounts, ranging from 4% to 1%, are given for payments prior to March 1 of the following calendar year. Taxes become delinquent April 1. Taxes are collected by the Pasco County Tax Collector and remitted to the City. The tax collector sells tax certificates on all delinquent property on or before June 1 of each year and such proceeds are remitted to the City. Under this system, there remain no uncollectible delinquent taxes at year-end.

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

**Due from Other Governments**

Receivables from other governments include amounts due for entitlements for state revenue sharing, gas taxes, sales taxes, and other amounts collected by the state on behalf of the City and various grants.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 for reporting in this category. In the statement of net position, the deferred outflow for pensions is an aggregate of items related to pensions and the deferred outflow for OPEB is an aggregate of items related to OPEB. The deferred outflows related to pensions and OPEB will be recognized as either expense or a reduction in the related liability in future reporting years. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in the notes. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, the deferred inflow for pensions is an aggregate of items related to pensions. The composition of the deferred inflows related to pensions are further discussed in the notes.

**Government-Wide and Proprietary Fund Net Position**

As of September 30, 2020, net position is classified as follows:

*Net Investment in Capital Assets*—Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

*Restricted Net Position*—Consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

*Unrestricted*—All other net position is reported in this category.

**On-Behalf Payments for Fringe Benefits**

The City receives on-behalf payments from the State of Florida to be used for Police Officers' and Firefighters' Retirement Plan Contributions. On-behalf payments to the City totaled \$147,995 for the year ended September 30, 2020.

**Subsequent Event - COVID-19**

The COVID-19 pandemic has created economic disruptions throughout the country 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.

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

**Note 2 - Deposits and Investments**

<u>Type</u>	<u>Fair Value</u>	<u>Interest Risk WAM</u>	<u>Level</u>	<u>Credit Ratings</u>
<b>Cash and Cash Equivalents - Non-Pension:</b>				
Cash Deposit	\$ 10,776,233	N/A	N/A	N/A
Petty Cash	1,045	N/A	N/A	N/A
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 10,777,278</u></b>			
<b>Investments - Non-Pension:</b>				
Corporate Backed Securities	\$ 26,711	14.41 Years	1	NR
Government Backed Securities	5,629,040	22.20 Years	1	NR
<b>Total Investments</b>	<b><u>\$ 5,655,751</u></b>			
<b>Pension Cash and Investments:</b>				
Cash Deposits	\$ 541,737	N/A	N/A	N/A
<b>Investments:</b>				
Cash and Cash Equivalents	210,257	N/A	N/A	N/A
U.S. Agencies	336	0.1-6.0 Years	1	Aaa/Aa/A/Baa
U.S. Treasuries	838,492	0.1-6.0 Years	1	Aaa/Aa/A/Baa
Corporate Bonds	998,625	0.1-6.0 Years	1	Aaa/Aa/A/Baa
Mortgage Backed Securities	183,978	0.1-6.0 Years	1	Aaa/Aa/A/Baa
Asset Backed Securities	121,826		1	Aaa/Aa/A/Baa
Money Market Mutual Funds	3,782,294	0.1-6.0 Years	1	Aaa/Aa/A/Baa
Common and Preferred Stock	3,431,231	0.1-6.0 Years	1	N/A
Equity Mutual Funds and ETF's	7,609,212	0.1-6.0 Years	1	Aaa/Aa/A/Baa
<b>Total Investments</b>	<b><u>17,176,251</u></b>			
<b>Total Pension Cash and Investments</b>	<b><u>17,717,988</u></b>			
<b>Total</b>	<b><u>\$ 34,151,017</u></b>			
Entity-Wide Cash Deposits	\$ 8,657,160			
Entity-Wide Non-Pension Investments	5,655,751			
Entity-Wide Restricted Cash	1,600,402			
Cash with Fiscal Agent	519,716			
Pension Cash	541,737			
Pension Investments	17,176,251			
<b>Total</b>	<b><u>\$ 34,151,017</u></b>			

**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.

**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 DADE CITY, FLORIDA**

**Custodial Credit Risk—Cash Deposits**

At September 30, 2020, the City's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Authorized investments per the City's policy are: local government surplus trust fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, SEC registered money market funds with highest credit quality ratings from a national recognized rating agency, interest bearing time deposits or savings accounts in qualified public depositories, direction obligations of the United States Treasury, Federal agencies and instrumentalities, securities of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the *Investment Company Act of 1940*, as amended, and overnight repurchase agreements that are collateralized by approved investments - maintaining liquidity.

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is structured so that securities mature to meet anticipated cash requirements for ongoing operations.

**Credit Risk**

Statute 218.415 of the State of Florida allows municipalities to invest in the following:

- The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the *Florida Inter-Local Cooperation Act*, as provided in the Florida Statute 163.01.
- Securities and Exchange Commission-registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Savings accounts in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Certificates of deposit in state-certified qualified public depositories, as defined in Florida Statute 280.02.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.
- Other investments authorized by a written policy adopted under Florida Statute 218.415.

Statutes 175 and 185 of the State of Florida permit investments by the Police and Firefighter Pension funds as follows:

- Time or savings accounts of a national bank, a state bank insured by the Bank Insurance fund, or a savings, building, and loan association insured by the Savings Association Insurance fund, which is administered by the Federal Deposit Insurance Corporation (FDIC), or state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance fund.



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

- Obligations of the United States or obligations guaranteed as to principal and interest by the government of the United States.
- Bonds issued by the State of Israel.
- Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
  - The Corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service.
  - The Board of Trustees shall not invest more than 5% of its assets in the common stock or capital stock of any one issuing corporation, nor shall the aggregate investment in any one issuing corporation exceed 5% of the outstanding capital stock of that corporation, or the aggregate of its investments under this subparagraph at cost 50% of the assets of the fund.

**Foreign Currency Risk**

The City does not have a formal investment policy that limits its investment in foreign currency. The City has no investments which are exposed to foreign currency risk at September 30, 2020.

**Note 3 - Interfund Transactions and Due to Due Froms**

**Interfund Transfers**

Individual interfund transfers were as follows:

	<u>Transfers in</u>	<u>Transfers (out)</u>
General Fund	\$ 1,039,735	\$ 295,077
Non-Major Governmental Funds	-	314,185
Community Redevelopment District	88,677	75,000
Local Government Infrastructure Surtax	-	200,000
Business-Type Activities:		
Public Utility	-	382,650
Sanitation	-	32,900
Building	206,400	35,000
<b>Total Transfers in/(out)</b>	<u>\$ 1,334,812</u>	<u>\$ 1,334,812</u>

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Due to Due Froms**

Individual due to due froms were as follows:

	<u>Due To</u>	<u>Due From</u>
Non-Major Governmental Funds	\$ 524,195	\$ 597
Business-Type Activities:		
Public Utility	-	523,598
<b>Total Transfers in/(out)</b>	<u>\$ 524,195</u>	<u>\$ 524,195</u>

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

Due to due froms between funds are primarily to provide short-term liquidity for funds in a near cash deficit position.

**Note 4 - Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Ending Balance</u>
<b>Governmental-Type Activities</b>					
Capital Assets					
Not Being Depreciated:					
Land	\$ 859,797	\$ 1,168,000	\$ -	\$ -	\$ 2,027,797
Construction in Process	1,925,008	77,481	-	(1,847,766)	154,723
Infrastructure	2,636,781	-	-	-	2,636,781
<b>Total Capital Assets, Not Depreciated</b>	<b>5,421,586</b>	<b>1,245,481</b>	<b>-</b>	<b>(1,847,766)</b>	<b>4,819,301</b>
Capital Assets					
Being Depreciated:					
Buildings	7,897,288	58,505	-	-	7,955,793
Infrastructure	5,811,933	2,814,711	-	1,847,766	10,474,410
Machinery and Equipment	4,273,352	358,606	-	-	4,631,958
<b>Total Capital Assets, Depreciated</b>	<b>17,982,573</b>	<b>3,231,822</b>	<b>-</b>	<b>1,847,766</b>	<b>23,062,161</b>
Less Accumulated Depreciation for:					
Buildings	(1,862,642)	(239,609)	-	-	(2,102,251)
Infrastructure	(1,520,261)	(452,279)	-	-	(1,972,540)
Machinery and Equipment	(3,053,784)	(160,027)	-	-	(3,213,811)
<b>Total Accumulated Depreciation</b>	<b>(6,436,687)</b>	<b>(851,915)</b>	<b>-</b>	<b>-</b>	<b>(7,288,602)</b>
<b>Total Capital Assets, Depreciated</b>	<b>11,545,886</b>	<b>2,379,907</b>	<b>-</b>	<b>1,847,766</b>	<b>15,773,559</b>
<b>Total Governmental-Type Activities, Capital Assets, Net</b>	<b>\$ 16,967,472</b>	<b>\$ 3,625,388</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,592,860</b>
<b>Business-Type Activities</b>					
Capital Assets					
Not Being Depreciated:					
Land	\$ 117,862	\$ -	\$ -	\$ -	\$ 117,862
Construction in Process	269,117	10,000	-	-	279,117
<b>Total Capital Assets, Not Depreciated</b>	<b>386,979</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>396,979</b>
Capital Assets					
Being Depreciated:					
Buildings	9,131,773	-	-	-	9,131,773
Infrastructure	22,922,090	161,810	-	-	23,083,900
Machinery and Equipment	9,529,721	92,563	-	-	9,622,284
<b>Total Capital Assets, Depreciated</b>	<b>41,583,584</b>	<b>254,373</b>	<b>-</b>	<b>-</b>	<b>41,837,957</b>
Less Accumulated Depreciation for:					
Buildings	(3,269,153)	(181,870)	-	-	(3,451,023)
Infrastructure	(6,346,199)	(657,991)	-	-	(7,004,190)
Machinery and Equipment	(4,738,854)	(259,490)	-	-	(4,998,344)
<b>Total Accumulated Depreciation</b>	<b>(14,354,206)</b>	<b>(1,099,351)</b>	<b>-</b>	<b>-</b>	<b>(15,453,557)</b>
<b>Total Capital Assets, Depreciated</b>	<b>27,229,378</b>	<b>(844,978)</b>	<b>-</b>	<b>-</b>	<b>26,384,400</b>
<b>Total Business-Type Activities, Capital Assets</b>	<b>\$ 27,616,357</b>	<b>\$ (834,978)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,781,379</b>

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

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>		
General Government		\$ 239,872
Public Safety		61,269
Transportation		462,020
Culture and Recreation		76,191
Community Redevelopment Agency - Physical Environment		12,563
<b>Total Depreciation Expense</b>		
<b>Governmental Activities</b>		\$ 851,915
<b>Business-Type Activities</b>		
Physical Environment		\$ 1,099,351
<b>Total Depreciation Expense</b>		
<b>Business-Type Activities</b>		\$ 1,099,351

**Note 5 - Pledged Revenues**

The City has pledged certain revenues to repay certain bond, notes, and capital leases 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 notes at September 30, 2020:

<u>Type</u>	<u>Revenue Pledged</u>	<u>Revenues (Net)</u>	<u>Principal and Interest Paid</u>	<u>Estimated Revenue Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
<b>Business-Type Activities</b>						
Net Utility System	Revenues - plus					
Revenue Bonds - 2003 - Utility System	Franchise Fees (1)	\$ 2,769,107	\$ 70,883	3%	\$ 1,618,094	2042
State Revolving Funds - DW510400 - Utility System	Net Utility System Revenues (2)	1,775,561	14,359	1%	165,131	2031
State Revolving Funds - WW67005P - Utility System	Net Utility System Revenues (2)	1,761,202	40,715	2%	407,149	2029
State Revolving Funds - WW67006P - Utility System	Net Utility System Revenues (2)	1,720,487	18,341	1%	201,745	2030
Revenue Bonds - 2013 - Utility System	Net Utility System Revenues - plus Franchise Fees (2)	2,084,797	161,751	8%	5,491,520	2052
State Revolving Funds - DW510420 - Utility System	Net Utility System Revenues (2)	1,540,396	243,774	16%	4,145,540	2030
State Revolving Funds - DW510411 - Utility System	Net Utility System Revenues (2)	1,296,622	12,990	1%	119,654	2030
<b>Governmental Activities</b>						
Capital Lease	General Fund					
Street Sweeper	Revenues	2,983,475	53,470	1.79%	-	2020

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

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

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

**Note 6 - Long-Term Liabilities**

The following is a summary of changes in long-term liabilities:

Type	Balance Beginning	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental-Type Activities</b>					
Landfill Closure/Post-Closure	\$ 27,960	\$ -	\$ -	\$ 27,960	\$ -
Capital Lease - Street Sweeper - Direct Borrowing	51,963	-	51,963	-	-
Compensated Absences	426,921	-	-	426,921	106,730
<b>Total</b>	<u>\$ 506,844</u>	<u>\$ -</u>	<u>\$ 51,963</u>	<u>\$ 454,881</u>	<u>\$ 106,730</u>
<b>Business-Type Activities</b>					
Notes Payable - Direct Placement	\$ 4,469,111	\$ -	\$ 262,995	\$ 4,206,116	\$ 260,379
Bonds Payable - Direct Placement	4,076,382	-	72,289	4,004,093	75,025
Compensated Absences	26,545	32,286	-	58,831	14,708
<b>Total</b>	<u>\$ 8,572,038</u>	<u>\$ 32,286</u>	<u>\$ 335,284</u>	<u>\$ 8,269,040</u>	<u>\$ 350,112</u>

**Business-Type Activities**

The following is a schedule of debt outstanding at September 30, 2020:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rates
State Revolving Funds - Direct Placement	Utility System	\$ 7,117,609	\$ 4,206,116	2.24/3.75/2.31/ 2.43/1.32/1.48
Series 2003 - Direct Placement	Utility System	1,275,400	971,400	3.59%
Series 2013 - Direct Placement	Utility System	3,248,000	3,032,693	3.75%
<b>Total Business-Type Activities</b>			<u>\$ 8,210,209</u>	

Year Ending September 30,	Business-Type Activities		
	Direct Placements		
	Principal	Interest	Total Debt Service
2021	\$ 335,404	\$ 220,552	\$ 555,956
2022	342,376	213,365	555,741
2023	349,487	205,995	555,482
2024	357,741	198,435	556,176
2025-2029	1,908,812	870,939	2,779,751
2030-2034	1,790,150	664,150	2,454,300
2035-2039	1,204,033	464,983	1,669,016
2040-2044	707,321	304,491	1,011,812
2045-2049	626,197	182,554	808,751
2050-2054	588,688	50,318	639,006
<b>Totals*</b>	<u>\$ 8,210,209</u>	<u>\$ 3,375,782</u>	<u>\$ 11,585,991</u>

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

The City's business-type activities incurred interest costs of \$220,170, all of which were charged to operations.

The City's governmental activities incurred interest costs of \$1,508, all of which were charged to operations.

**Note 7 - State of Florida Retirement System**

City employees hired prior to January 1, 1996, except for participants in the separate firefighters' and police officers' pension funds (see Note 9), participate in the State of Florida Retirement System (the System), a multiple-employer public employee retirement system. However, as discussed in Note 10, the City has elected to opt out of the System beginning with employees hired after January 1, 1996. The payroll for employees covered by the System for the year ended September 30, 2020, was \$244,731; the City's total payroll was \$3,714,973.

All City employees, other than those described above, participate in the System. Employees who retire at or after age 62 with 10 years of credited service, or 30 years of credited service regardless of age, are entitled to a retirement benefit equal to 1.60% to 1.68% (dependent upon age and years of service) of their average final compensation. The average final compensation is the average of the five highest fiscal years of earnings. Benefits are adjusted annually for a cost of living increase in the Consumer Price Index up to a maximum of 3%.

Benefits are payable monthly under one of four options elected by the participant upon retirement. The options range from a full benefit during life of the member to reduced benefits paid to survivors upon the death of the member. Benefits fully vest on reaching 6 years of service. Vested employees may retire at any time after vesting and receive a 5% benefit reduction for each year prior to normal retirement age or date. The System also provides death and disability benefits.

Contribution rates are established statewide for all participating governmental units by acts of the state legislature. These acts provide that if the accumulated funds are insufficient to pay the benefits due, future contributions to the plan will be adjusted upward accordingly. From October 1, 2019 to June 30, 2020, the City contributed 8.47% and from July 1, 2020 to September 30, 2020, the City contributed 10.00% of covered salaries. Employees are required to contribute 3% of their salary. The total contribution for the year ended September 30, 2020, and the preceding two years is as follows:

<u>Years Ending September 30,</u>	<u>Total Contribution</u>
2018	\$ 17,930
2019	19,829
2020	21,212

The System's comprehensive annual financial report may be obtained from the State of Florida, Department of Management Services, and Division of Retirement.

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

*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 \$214,353 for its proportionate share of the net pension liability. 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 .00049456776%, which was a decrease of .00000300719 from its proportionate share.

*Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources*—On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 8,204	\$ -
Change in Assumptions	38,805	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	12,763	-
Changes in Proportion and Differences Between		
City Contributions and Proportionate Share of		
Contributions	633	35,298
City Contributions Subsequent to Measurement Date	<u>5,415</u>	<u>-</u>
<b>Total</b>	<u>\$ 65,820</u>	<u>\$ 35,298</u>

The Deferred Outflows of Resources related to pensions totaling \$5,415 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>Total Inflows/Outflows</u>
2021	\$ (5,832)
2022	9,930
2023	11,562
2024	7,447
2025	2,000
Thereafter	<u>-</u>
<b>Total</b>	<u>\$ 25,107</u>

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

**Actuarial Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%	
Salary Increases	3.25%	Including Inflation
Investment Rate of Return	6.80%	Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report.

The actuarial assumptions are used in the June 30, 2020 measurement date and as a result of the 2020 actuarial experience study, the inflation rate assumption was 2.40%; the real payroll growth assumption was .65%, and the overall payroll growth rate assumption 3.25%. The discount rate was changed in the current year from 6.90% to 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	1.00%	220.00%	2.20%	1.20%
Fixed Income	19.00%	3.00%	2.90%	6.50%
Global Equity	54.20%	8.00%	6.70%	17.10%
Real Estate	10.30%	6.40%	5.80%	11.70%
Private Equity	11.10%	10.80%	8.10%	25.70%
Strategic Investments	4.40%	5.50%	5.30%	6.90%
<b>Total</b>	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.70%

*Discount Rate*—The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

*Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate—* The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, 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:

	<b>1% Decrease 5.80%</b>	<b>Current Discount Rate – 6.80%</b>	<b>1% Increase 7.80%</b>
City’s Proportionate Share of the Net Pension Liability	\$ 342,286	\$ 214,353	\$ 107,503

*Florida Retirement System (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.

**Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**

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



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

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 1.60% of payroll pursuant to Section 112.363, Florida Statutes. The state contributed 100% of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*—At September 30, 2020, the City reported a net pension liability of \$85,631 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, 2019. The City’s proportionate share of the net pension liability was based on projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City’s proportionate share was .00070132403%, which was a decrease of .00000455644 from its proportionate share measured as of June 30, 2020.

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

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 3,503	\$ 66
Change in Assumptions	9,208	4,979
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	68	-
Changes in Proportion and Differences Between		
City Contributions and Proportionate Share of		
Contributions	437	20,541
City Contributions Subsequent to Measurement Date	<u>1,086</u>	<u>-</u>
<b>Total</b>	<u>\$ 14,302</u>	<u>\$ 25,586</u>

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

The deferred outflows of resources related to pensions totaling \$1,086, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>June 30,</b>	<b>Inflows/Outflow</b>
2021	\$ (6,910)
2022	(5,024)
2023	(2,045)
2024	(584)
2025	957
Thereafter	1,236
<b>Total</b>	<b>\$ (12,370)</b>

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

Inflation	2.40%	
Salary Increases	3.25%	Average, Including Inflation
Investment Rate of Return	N/A	Net Pension Plan Investment Expense, Including Inflation

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period June 30, 2018 through June 30, 2019. The discount rate changed from 3.50% to 2.21%.

*Discount Rate*—The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability 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 HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*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 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	<b>1% Decrease 1.21%</b>	<b>Current Discount Rate – 2.21%</b>	<b>1% Increase 3.21%</b>
City's Proportionate Share of the Net Pension Liability	\$ 98,985	\$ 85,631	\$ 74,700

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

*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.

**Note 8 - Firefighters’ and Police Officers’ Pension Funds**

**Plan Descriptions**

The City contributes to two pension trust funds, which are single-employer, defined benefit pension plans administered by the plans’ Board of Trustees.

The pension plans do not issue stand-alone financial statements.

All of the City’s full-time certified police and fire employees are eligible to participate in the plans. The current membership in the plans as of October 1, 2019, is comprised of the following:

<u>Group</u>	<u>Firefighters</u>	<u>Police Officers</u>
Inactive Plan Members or Beneficiaries		
Currently Receiving Benefits	19	11
Inactive Plan Members Entitled to but		
Not Yet Receiving Benefits	1	11
Active Plan Members	4	22
<b>Total Participants</b>	<u>24</u>	<u>44</u>

**Summary of Plan Provisions - Firefighters and Police Officers**

Eligibility	Full-time or part-time employees who are classified as Firefighters or full-time sworn Police Officers shall participate in the System as a condition of employment.
Board of Trustees	a. Two Commission Appointees. b. Two Members of the Department elected by the membership, and Fifth Member elected by other four and appointed by Commission.
Credited Service	Total years and fractional parts of years of employment with the City as a Firefighter or Police Officer (Credited Service is calculated separately for periods of full-time and part-time service).
Salary - Firefighters	Fixed compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax exempt items.
Salary - Police Officers	Total W-2 earnings plus all tax deferred, tax sheltered, or tax exempt items of income. For Service after October 1, 2011, salary shall only include up to 300 hours of overtime per year and include lump sum sick and vacation time.
Average Final Compensation	Average salary for the highest 5 years during the 10 years immediately preceding retirement or termination (Average is determined separately for full-time and part-time service).
Member Contributions	1.5% of salary.
City and State Contributions	Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII of Chapter 112, Florida Statutes.

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

Normal Retirement

Date	Earlier of age 55 and 10 years of Credited Service, or age 52 and 25 years of Credited Service.
Benefit-Firefighters	3.25% of Average Final Compensation times Credited Service.
Benefit-Police Officers	3.50% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3.0% per year.
Cost of Living Adjustment - Police Officers	Normal Retirees after June 24, 2003, receive 2% annual benefit increases each October 1, beginning on the October 1st following 1 full year of retirement.

Vesting

Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his (her) accrued benefit payable at the otherwise normal retirement date.

Death Benefits

Pre-Retirement:	
Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Non-Vested	Refund of accumulated contributions without interest.
Post-Retirement	Benefits payable to beneficiary in accordance with option selected at retirement.

Disability

Eligibility	Service incurred: Covered from date of employment. Non-service incurred: 10 years of credited service. Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).
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Contributions

Police Officers	Member Contributions: 1.5% of Salary.
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Deferred Retirement Option Plan (Police Officers)

Eligibility	Satisfaction of normal retirement requirements.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2020, is \$0.
Form of Distribution	Cash lump sum (options available) at termination of employment.

Deferred Retirement Option Plan (Firefighters)

Eligibility	Satisfaction of normal retirement requirements. Earlier of: 1) Age 55 and 10 years of credited service, or 2) Age 52 and 25 years of credited service.
Participation	Not to exceed 60 months.
Rate of Returns	Participants' Election: a. Interest at 6.5% per year, or b. Actual net rate of investment return (total return net of fees) credited each fiscal quarter. Members may change option once during the DROP period. The DROP balance at September 30, 2020, is \$407,619.

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

**Summary of Significant Accounting Policies**

*Basis of Accounting*—The pension fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

*Method Used to Value Investments*—Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

*Investment Policy*—The following was the Board’s adopted asset allocation policy as of September 30, 2020:

	<b>FIREFIGHTERS</b>	<b>POLICE OFFICERS</b>
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Target Allocation</b>
Cash/Cash Alternatives	3%	3%
Short-Term Taxable - Fixed Income	2%	2%
Intermediate Taxable - Fixed Income	16%	16%
Long-Term Taxable - Fixed Income	4%	4%
High Yield	7%	7%
Emerging Market - Fixed Income	6%	6%
US Large Cap Equities	25%	25%
US Mid Cap Equities	14%	14%
US Small Cap Equities	8%	8%
Dev Market Ex - US Equities	7%	7%
Emerging Market Equity	8%	8%
<b>Totals</b>	<b>100%</b>	<b>100%</b>

*Concentrations*—The Plans did not hold investments in any one organization that represent 5% or more of the Pension Plans’ fiduciary net position.

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

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

Asset Class	FIREFIGHTERS	POLICE OFFICERS
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Cash/Cash Alternatives	-0.29%	-0.29%
Short-Term Taxable - Fixed Income	0.29%	0.29%
Intermediate Taxable - Fixed Income	1.08%	1.08%
Long-Term Taxable - Fixed Income	1.47%	1.47%
High Yield	2.25%	2.25%
Emerging Market - Fixed Income	3.92%	3.92%
Large Cap Equities	5.00%	5.00%
Mid Cap Equities	5.69%	5.69%
Small Cap Equities	5.88%	5.88%
Dev Market Ex - US Equities	4.31%	4.31%
Emerging Market Equity	5.59%	5.59%

*Discount Rate*—The discount rate used to measure the total pension liability was 7.30% for the Firefighters Pension and 7.00% for the Police Officers Pension.

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 Plans' fiduciary net positions were 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.

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

	<b>1% Decrease</b>	<b>Current Discount Rate – 7.30%</b>	<b>1% Increase</b>
	<b>6.30%</b>		<b>8.30%</b>
Sponsor's Net Pension Liability - Firefighters	\$ 1,493,959	\$ 790,833	\$ 196,837
	<b>1% Decrease</b>	<b>Current Discount Rate – 7.00%</b>	<b>1% Increase</b>
	<b>6.00%</b>		<b>8.00%</b>
Sponsor's Net Pension Liability - Police Officers	\$ 2,182,700	\$ 686,028	\$ (550,748)

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

**Actuarial Assumptions and Methods**

The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions:

Mortality Rate:	<p><i>Mortality Rate Healthy Active Lives:</i>            Female: PubS.H-2010 (Below Median) for Employees, set forward one year.            Male: PubS.H-2010 (Below Median) for Employees, set forward one year.  <i>Mortality Rate Healthy Retiree Lives:</i>            Female: PubS.H-2010 for Healthy Retirees, set forward one year.            Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.  <i>Mortality Rate Beneficiary Lives:</i>            Female: PubG.H-2010 (Below Median) for Healthy Retirees.            Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.  <i>Mortality Rate Disabled Lives:</i>            80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.</p>
Interest Rate:	7.4% per year compounded annually, net of investment related expenses.
Inflation Rate:	2.50% per year for Fire.
Retirement Age:	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. For Firefighters, the accrued benefit is reduced by 3.0% per year.
Discount Rate:	Firefighter's Pension Plan - 7.30% Police Pension Plan - 7.00%
Investment Rate of Return:	Firefighter's Pension Plan - 7.30% Police Pension Plan - 7.00%
Termination Rate:	See Table in Required Supplementary Information.
Salary Increases:	
Firefighters	5.75% per year until the assumed retirement age.
Police Officers	Included in the Required Supplementary Information.
Payroll Growth:	N/A
Amortization Method:	
Firefighters	Level Dollar
Funding Method:	
Firefighters	Entry Age Normal Actuarial Cost Method.
Police Officers	Aggregate Actuarial Cost Method.
Actuarial Asset 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.

**Contributions and Reserves**

The Plans are established and operate under Florida State Statutes and City Ordinances. Chapter 175 of the Florida Statutes provides for a system of retirement plans for firefighters. Each incorporated municipality with fire-fighting equipment with a value exceeding \$5,000 is permitted to establish a firefighters' pension fund. Chapter 175 sets forth benefits and administrative arrangements. It also provides that a tax of 1.85% of fire and windstorm premiums written in the various cities is to be collected by the state and remitted to the pension funds to partially finance the benefits. Firefighters contribute 1% of their earnings to the fund, and the City, authorized by City ordinance, has made contributions from general revenues at the rate of 24.12% of covered earnings (noting that the County contributed an additional 19.82% as per the inter-local agreement). The City contributed \$226,549 for the year ended September 30, 2020.

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

Chapter 185 of the Florida Statutes provides for a system of retirement plans for police officers. Each incorporated municipality with police equipment with a value exceeding \$500 is permitted to establish a police officers' retirement fund. Chapter 185 sets forth benefits and administrative arrangements. It also provides that certain casualty premium taxes collected by the state will be remitted to these pension funds to partially finance the benefits. Police officers contribute 1% of their earnings to the fund, this was increased to 1.5% for payrolls on and after March 1, 2018, and the City, by City Ordinance, contributes from general revenues at the rate of 22.58% of covered earnings. The City was required to contribute \$554,110 for the year ended September 30, 2020.

The contribution rates for members and the City are established by the state statutes and City Ordinances through actuarial valuations. The costs of administration are paid by the plans from investment earnings. The plans do not have any contracts for contributions. There are no legal or designated reserves other than the entire net position of the plans are available only for retirement benefits. At September 30, 2020, the plans held no investments of a single issuer greater than 5% or more of the plan net positions.

The payroll covered by the two pension trusts for the year ended September 30, 2020, was \$1,630,218.

**Net Pension Liability**

The components of the net pension liability of the sponsor on September 30, 2020, were as follows:

	<u>Police Officers' Pension</u>	<u>Firefighters' Pension</u>
Total Pension Liability	\$ 11,582,222	\$ 7,428,535
Plan Fiduciary Net Position	<u>(10,896,194)</u>	<u>(6,637,702)</u>
Sponsor's Net Pension Liability	<u>\$ 686,028</u>	<u>\$ 790,833</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.08%	89.35%

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

*Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources*—On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Police Officers pensions from the following sources:

	<u>Deferred Outflow Funds</u>	<u>Deferred Inflow Funds</u>
Differences Between Expected and Actual Experience	\$ 29,382	\$ 625,688
Changes of Assumptions	228,854	237,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>218,195</u>	<u>-</u>
<b>Total</b>	<u>\$ 476,431</u>	<u>\$ 863,249</u>



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

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to Fire pensions from the following sources:

	<b>Deferred Outflow Funds</b>	<b>Deferred Inflow Funds</b>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 73,695	\$ -
<b>Total</b>	<b>\$ 73,695</b>	<b>\$ -</b>

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

<b>Year</b>	<b>Police Total Inflows/Outflows</b>	<b>Firefighters' Total Inflows/Outflows</b>
2021	\$ (139,305)	14,843
2022	(63,284)	32,735
2023	(182,820)	41,681
2024	(1,409)	(15,564)
2025	-	-
<b>Total</b>	<b>\$ 386,818</b>	<b>\$ 73,695</b>

<b>Combining Statement of Net Position</b>			
	<b>Police Officers' Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 210,449	\$ 331,288	\$ 541,737
Investments	10,687,545	6,488,777	17,176,322
Interest and Dividends Receivable	305	-	305
Due from Other Funds	-	111	111
Due from Other Governments	15,708	-	15,708
<b>Total Assets</b>	<b>10,914,007</b>	<b>6,820,176</b>	<b>17,734,183</b>
<b>Liabilities</b>			
Accounts Payable	-	213,446	213,446
Due to Other Funds	8,052	-	8,052
<b>Total Liabilities</b>	<b>8,052</b>	<b>213,446</b>	<b>221,498</b>
<b>Net Position - Held in Trust for Pension Benefits</b>	<b>\$ 10,905,955</b>	<b>\$ 6,606,730</b>	<b>\$ 17,512,685</b>

<b>Combining Statement of Changes in Net Position</b>			
	<b>Police Officers' Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
Employer	\$ 560,398	\$ 226,549	\$ 786,947
State	107,783	40,212	147,995
Employee	18,335	2,958	21,293
Total Contributions	<b>686,516</b>	<b>269,719</b>	<b>956,235</b>
Net Investment Earnings	761,647	579,452	1,341,099
<b>Total Additions</b>	<b>1,448,163</b>	<b>849,171</b>	<b>2,297,334</b>
<b>Deductions</b>			
Benefits Paid	274,542	927,875	1,202,417
Administrative Expenses	97,997	70,615	168,612
<b>Total Deductions</b>	<b>372,539</b>	<b>998,490</b>	<b>1,371,029</b>
<b>Change in Net Position</b>	<b>1,075,624</b>	<b>(149,319)</b>	<b>926,305</b>
<b>Net Position, Beginning of Year</b>	<b>9,830,331</b>	<b>6,756,049</b>	<b>16,586,380</b>
<b>Net Position, End of Year</b>	<b>\$ 10,905,955</b>	<b>\$ 6,606,730</b>	<b>\$ 17,512,685</b>

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

**Combining Schedule – Florida Retirement System, Health Insurance Subsidy, Police Officers, and Fire Fighters Pension Plans**

	<b>Deferred Inflows</b>	<b>Deferred Outflows</b>	<b>Net Pension Liability</b>
Florida Retirement System	\$ 35,298	\$ 65,820	\$ 214,353
Health Insurance Subsidy	25,586	14,302	85,630
Police Officers' Pension Plan	863,249	476,431	686,028
Firefighters' Pension Plan	-	73,695	790,833
<b>Total</b>	<b>\$ 924,133</b>	<b>\$ 630,248</b>	<b>\$ 1,776,844</b>

**Schedule of Changes in Employer's Net Pension Liability**

	<b>Firefighters' 2020</b>	<b>Police Officers' 2020</b>
<b>Total Pension Liability</b>		
Service Cost	\$ 56,814	\$ 305,413
Interest on the Total Pension Liability	547,203	836,652
Change in Excess State Money	-	-
Changes in Benefit Terms	-	-
Share Plan Allocation	-	-
Changes of Assumption	(137,261)	(316,749)
Differences Between Expected and Actual Experience	(29,754)	(756,065)
Benefit Payments, Including Refunds of Employee Contributions	(895,170)	(267,562)
<b>Net Change in Total Pension Liability</b>	<b>(458,168)</b>	<b>(198,311)</b>
<b>Total Pension Liability, Beginning of Year</b>	<b>7,886,703</b>	<b>11,780,533</b>
<b>Total Pension Liability, End of Year (a)</b>	<b>\$ 7,428,535</b>	<b>\$ 11,582,222</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 220,041	\$ 481,488
Contributions - State	40,473	107,783
Contributions - Employee	2,739	18,335
Net Investment Income	546,857	709,669
Benefit Payments, Including Refunds of Employee Contributions	(895,170)	(267,562)
Administrative Expense	(36,665)	(41,920)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(121,725)</b>	<b>1,007,793</b>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<b>6,759,427</b>	<b>9,888,401</b>
<b>Plan Fiduciary Net Position, End of Year (b)</b>	<b>\$ 6,637,702</b>	<b>\$ 10,896,194</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 790,833</b>	<b>\$ 686,028</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>89.35%</b>	<b>94.08%</b>
<b>Covered Payroll</b>	<b>\$ 273,867</b>	<b>\$ 1,222,327</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>288.77%</b>	<b>56.12%</b>

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

**Note 9 - Defined Contribution Plan**

During 1995, the Florida Legislature approved a bill allowing local governments the option of withdrawing from the Florida Retirement System. In December 1995, the City passed a resolution to adopt a defined contribution plan under Section 401(a) of the Internal Revenue Code, effective for employees hired after January 1, 1996, except those covered by the Police Officers' or Firefighters' Pension Plans.

The City of Dade City Money Purchase Plan adopted the Nationwide Life Insurance Company Prototype Money Purchase Plan and appointed Public Employees Benefit Services Corporation (PEBSCO) as the Plan administrators. Changes to the Plan can be made via City Commission resolution.

The City adopted Resolution No. 2017-29, which established the City's contribution rate at 8% of all eligible employee wages. The City's contribution was \$152,335 for the fiscal year ended September 30, 2020.

**Note 10 - Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan assets are held in trust for the employees by a third party administrator and investments are directed by the participating employees. Therefore, the assets, liabilities, fund equity, and operations of this plan are not presented on the City's financial statements.

**Note 11 - Other Disclosures**

**Allowances for Doubtful Accounts**

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

Utility Funds	\$	90,793
<b>Total Allowances for Doubtful Accounts</b>	<b>\$</b>	<b>90,793</b>

**Note 12 - Risk Management**

The City has purchased commercial insurance to cover its risk of loss on the following categories:

<b>Type of Coverage</b>	<b>Limits</b>
General/Professional Liability	\$ 2,000,000
Law Enforcement Liability	3,000,000
Automobile Liability	2,000,000
Property Damage	Blanket/Replacement Cost
Worker's Compensation	Statutory
Employee Dishonesty	1,000,000

There have been no significant reductions in insurance coverage for the past three years and the City does not participate in a risk sharing pool. No settlements exceeded insurance over the past three years.

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

**Note 13 - Contract for Solid Waste Collection**

The City has an agreement with a private contractor to collect solid waste. The total expense recorded by the City under this contract for the year ended September 30, 2020, was \$225,884.

**Note 14 - Landfill Post-Closure Costs**

Regulations of the U.S. Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP) required the City to place a final cover on its internally used debris landfill when it was closed in 1991, and perform certain maintenance and monitoring functions at the landfill site for 20 years after its closure. All amounts recognized are based on what it would cost to perform the post-closure functions in current dollars. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations.

The landfill has ceased operations and the required closure work was completed. However, in 2011, the EPA notified the City that continued monitoring and maintenance of the Landfill was required to be fulfilled by the City. The estimated future cost for post-closure maintenance is reported in the Government-wide statement of net position.

**Note 15 - Commitments**

The City has the following commitments outstanding for future projects as of September 30, 2020:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Expended To-Date</u>
S.R. 52 Realignment	\$ 519,716	\$ -*
Morningside Drive Study	5,500,000	-
Bike Hub	250,000	243,793

\*These funds have been placed in escrow with the Florida Department of Transportation.

**Note 16 - Postemployment Benefits Other than Pension (OPEB)**

**Plan Description**

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 administered single-employer defined benefit healthcare plan (the Retiree Health Plan). The Retiree Health Plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the Plan on average than those of active employees. The benefits provided under this defined benefit plan are provided until the retiree's attainment of age 65 or until such time at which the retiree discontinues coverage under the City sponsored plans, whichever is earlier. The Retiree Health Plan does not issue a stand-alone report and is not included in the report of another entity.

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

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City’s Commissioners. Currently, the City’s OPEB benefits are unfunded, no assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The actual contributions are based on a pay-as-you-go financing requirement.

The actuarial valuation, dated September 30, 2019, 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.

Amounts determined regarding the OPEB Plan are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future.

**Employee Contribution Information**

Retirees participating in the group insurance plans offered by the City are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

**Employees Covered by Benefit Terms**

Note that the projected employee contributions for the Dental and Vision benefits are assumed to cover the entire cost of the program.

The following employees were covered by benefit terms as of September 30, 2019, the latest actuarial measurement date:

Retirees and Beneficiaries	2
Inactive, Non-Retired Members	-
Active Members	<u>71</u>
<b>Total</b>	<u><u>73</u></u>

**Actuarial Assumptions**

Calculations are based upon the types of benefits provided under the terms of the substantive OPEB Plan at the time of the valuation and on the pattern of sharing of costs between the employer and OPEB 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. As authorized by GASB Statement No. 75, the City utilizes the Alternative Measurement Method, which allows the employer to use simplifications of certain assumptions in measuring the costs and liabilities.

**Actuarial Assumptions:**

Valuation Measurement Date	September 30, 2019
Measurement Date	September 30, 2019
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Discount Rate	2.75%
Salary Increases	3.00%
Retirement Age	Varies based on several factors, including plan-specific retirement eligibility provisions and experience. If employees had already attained their normal retirement age as of the valuation date, they were assumed to retire one year after the valuation date.

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

Mortality Rate	RP-2000 Generational Combined Healthy Participant Mortality Table projected from year 2000 using Projection Scale AA.
Interest Rate	4.00% per Year Compounded Annually, Net of Investment Related Expenses
Health Care Cost Trend Rates	6.50% for FY beginning 2020, 6.25% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%
Other Information: Notes	<p>Changes in assumptions and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019. This change is reflected in the Schedule of Changes in Total OPEB Liability. Also included changes in premiums for information provided and updated inflation and healthcare cost trend rates as described below.</p> <p>There were no benefit changes during the year.</p>
The following simplifying assumptions were made:	
Retirement Age	Age 62 for general employees and age 60 for police officers; participants who have attained such age as of the valuation date are assumed to retire one year after the valuation date.
Active Member Marital Status	Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 25%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse dates were collected for current retired plan members as of the valuation date and were assumed to remain unchanged until the assumed death of the spouses.
Turnover	Non-group specific age-based turnover rates derived from the withdrawal assumption used in the July 1, 2018, actuarial valuation of the Florida Retirement System for Regular Class members were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to the periods the present value of total benefits to be paid.
Health Insurance Premiums	Health insurance premiums for retirees in effect June 1, 2019, were used as the basis for the calculation of the present value of total benefits to be paid. <i>(Age-adjusted premium for retirees were estimated using the method provided in paragraph 226c GASB Statement No. 75, as appropriate.)</i>

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

**Total OPEB Liability**

The measurement date for the City's total/net OPEB liability is September 30, 2019. The measurement period for OPEB cost was October 1, 2018 to September 30, 2019. The components of the City's net OPEB liability at September 30, 2020, are as follows:

Total OPEB Liability	\$ 213,175
OPEB Plan Fiduciary Net Position	-
City's Net OPEB Liability	<u>\$ 213,175</u>
 OPEB Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	 0.00%

**Changes in the OPEB Liability**

	<b>Fiscal Year 2020</b>
Total OPEB Liability	
Service Cost	\$ 20,954
Interest on the OPEB Liability	9,887
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience Of the Total OPEB Liability	(45,458)
Changes in the Assumptions and Other Inputs	1,164
Benefit Payments	<u>(21,106)</u>
Net Change in OPEB Liability	(34,559)
<b>Total OPEB Liability - Beginning</b>	<u>247,734</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 213,175</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following table presents the total OPEB liability, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.75%) or one percentage-point higher (3.75%) than the current discount rate:

	<b>1% Decrease 1.75%</b>	<b>Current Trend Rate 2.75%</b>	<b>1% Increase 3.75%</b>
Total OPEB Liability	<u>\$ 226,969</u>	<u>\$ 213,175</u>	<u>\$ 199,120</u>

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

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

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase</b>
Total OPEB Liability	<u>\$ 192,596</u>	<u>\$ 213,175</u>	<u>\$ 237,352</u>

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

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

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$15,372. At September 30, 2020, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions after the Measurement Date	<u>\$ 15,372</u>	<u>\$ -</u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

The following supplementary schedules present trend information regarding the retirement plans for the City's Firefighters and Police Officers, Florida Retirement System Pension Funds, and Other Postemployment Benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

**CITY OF DADE CITY, FLORIDA**  
**SCHEDULE OF NET CHANGES IN THE CITY'S TOTAL OTHER POSTEMPLOYMENT**  
**BENEFITS (OPEB) LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS\***  
**(UNAUDITED)**

<b>Reporting Period Ending</b>	September 30, 2020	September 30, 2019	September 30, 2018
<b>Valuation Date</b>	September 30, 2019	September 30, 2017	September 30, 2017
<b>Measurement Date</b>	September 30, 2019	September 30, 2018	September 30, 2017
<b>Total OPEB Liability</b>			
Service Costs	\$ 20,954	\$ 21,355	\$ 21,801
Interest	9,887	8,703	7,640
Changes in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(45,458)	-	-
Changes in Assumptions	1,164	(6,207)	(7,438)
Benefit Payments	<u>(21,106)</u>	<u>(6,831)</u>	<u>(31,860)</u>
<b>Net Change in Total OPEB Liability</b>	<u>(34,559)</u>	<u>17,020</u>	<u>(9,857)</u>
<b>Total OPEB Liability - Beginning</b>	<u>247,734</u>	<u>230,714</u>	<u>240,571</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 213,175</u>	<u>\$ 247,734</u>	<u>\$ 230,714</u>
<b>Covered Payroll</b>	<u>\$ 3,661,784</u>	<u>\$ 3,529,100</u>	<u>\$ 3,421,000</u>
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	5.82%	7.02%	6.74%

**Notes to Schedule:**

**Note 1:** GASB Statement No. 75 requires information for 10 years. However, until a full 10-year trend is compiled, the City is presenting information for only those years for which information is available.

**Note 2:** No assets are accumulated in trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

**Note 3:** Changes in assumptions and other inputs reflected in the schedule of changes in the Total OPEB Liability include:

- discount rate changed to 2.75% (from 3.83%)
- premiums were updated based on information provided
- updated inflation and healthcare cost trend rates as described above

Inflation: 2.25%

Health Cost Trend Rates: 6.50% for FY beginning 2020, 6.25% for FY beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%

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

**FIREFIIGHTERS' PENSION PLAN**

	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>								
Service Cost	\$ 56,814	\$ 53,670	\$ 50,182	\$ 62,305	\$ 57,109	\$ 73,291	\$ 69,178	\$ 64,292
Interest on the Total Pension Liability	547,203	566,394	547,748	521,734	479,195	465,906	444,362	421,333
Change in Excess State Money	-	-	-	-	(236,880)	-	-	-
Share Plan Allocation	-	-	-	-	118,440	-	-	-
Changes in Benefit Terms	-	(127)	-	-	-	-	-	-
Changes of Assumption	(137,261)	-	69,430	-	253,846	-	62,185	-
Differences Between Expected and Actual Experience	(29,754)	(288,677)	(32,479)	45,129	14,274	(96,908)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)	(177,666)
<b>Net Change in Total Pension Liability</b>	<b>(458,168)</b>	<b>31,595</b>	<b>371,687</b>	<b>361,367</b>	<b>420,052</b>	<b>210,374</b>	<b>378,393</b>	<b>307,959</b>
<b>Total Pension Liability, Beginning of Year</b>	<b>7,886,703</b>	<b>7,855,108</b>	<b>7,483,421</b>	<b>7,122,054</b>	<b>6,702,002</b>	<b>6,491,628</b>	<b>6,113,235</b>	<b>5,805,276</b>
<b>Total Pension Liability, End of Year (a)</b>	<b>\$ 7,428,535</b>	<b>\$ 7,886,703</b>	<b>\$ 7,855,108</b>	<b>\$ 7,483,421</b>	<b>\$ 7,122,054</b>	<b>\$ 6,702,002</b>	<b>\$ 6,491,628</b>	<b>\$ 6,113,235</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 220,041	\$ 241,308	\$ 197,648	\$ 186,045	\$ 165,798	\$ 176,552	\$ 173,000	\$ 169,273
Contributions - State	40,473	37,681	38,180	39,355	42,598	46,272	50,496	49,729
Contributions - Employee	2,739	2,868	2,706	2,948	3,215	3,817	3,756	3,675
Net Investment Income	546,857	194,876	499,603	511,409	457,863	(181,834)	503,118	336,055
Benefit Payments, Including Refunds of Employee Contributions	(895,170)	(299,665)	(263,194)	(267,801)	(265,932)	(231,915)	(197,332)	(177,666)
Administrative Expense	(36,665)	(33,948)	(35,748)	(33,164)	(31,008)	(37,380)	(16,578)	(12,125)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(121,725)</b>	<b>143,120</b>	<b>439,195</b>	<b>438,792</b>	<b>372,534</b>	<b>(224,488)</b>	<b>516,460</b>	<b>368,941</b>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<b>6,759,427</b>	<b>6,616,307</b>	<b>6,177,112</b>	<b>5,738,320</b>	<b>5,365,786</b>	<b>5,590,274</b>	<b>5,073,814</b>	<b>4,704,873</b>
<b>Plan Fiduciary Net Position, End of Year (b)</b>	<b>\$ 6,637,702</b>	<b>\$ 6,759,427</b>	<b>\$ 6,616,307</b>	<b>\$ 6,177,112</b>	<b>\$ 5,738,320</b>	<b>\$ 5,365,786</b>	<b>\$ 5,590,274</b>	<b>\$ 5,073,814</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 790,833</b>	<b>\$ 1,127,276</b>	<b>\$ 1,238,801</b>	<b>\$ 1,306,309</b>	<b>\$ 1,383,734</b>	<b>\$ 1,336,216</b>	<b>\$ 901,354</b>	<b>\$ 1,039,421</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	89.35%	85.71%	84.23%	82.54%	80.57%	80.06%	86.12%	93.00%
<b>Covered Payroll**</b>	<b>\$ 273,867</b>	<b>\$ 286,806</b>	<b>\$ 270,632</b>	<b>\$ 294,798</b>	<b>\$ 321,518</b>	<b>\$ 395,515</b>	<b>\$ 375,625</b>	<b>\$ 367,453</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	288.77%	393.04%	457.74%	443.12%	430.38%	337.84%	239.96%	282.87%

\* GASB Statement Nos. 67 and 68 were adopted for the 2013 Fiscal Year and the 10-year trend information will be developed from that date forward.

*Changes of Assumptions:*

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 special risk employees  
For measurement date September 30, 2018, amounts reported as changes of assumptions were related to lowering the investment rates of return from 7.4% to 7.3% per year, net of investment related expenses.  
For measurement date September 30, 2016, 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 for special risk employees.  
Additionally, the investment return assumption was reduced from 7.50% to 7.40% at September 30, 2016, and remained that amount for September 30, 2017 and 2018.  
Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

*Changes in Benefit Terms:*

For measurement date September 30, 2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

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

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

**POLICE OFFICERS' PENSION PLAN**

	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>								
Service Cost	\$ 305,413	\$ 299,081	\$ 275,150	\$ 274,006	\$ 232,694	\$ 231,742	\$ 222,220	\$ 206,524
Interest on the Total Pension Liability	836,652	786,576	750,739	723,973	642,677	614,062	570,466	530,188
Change of Benefit Terms	-	-	55,986	-	-	-	-	-
Differences Between Expected and Actual Experience	(756,065)	58,762	(27,183)	(238,832)	61,548	(238,374)	-	-
Changes of Assumption	(316,749)	348,585	136,407	-	461,939	-	99,655	-
Benefit Payments, Including Refunds of Employee Contributions	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)	(233,668)
<b>Net Change in Total Pension Liability</b>	<b>(198,311)</b>	<b>1,116,183</b>	<b>509,618</b>	<b>531,481</b>	<b>1,174,971</b>	<b>377,629</b>	<b>681,140</b>	<b>503,044</b>
<b>Total Pension Liability, Beginning of Year</b>	<b>11,780,533</b>	<b>10,664,350</b>	<b>10,154,732</b>	<b>9,623,251</b>	<b>8,448,280</b>	<b>8,070,651</b>	<b>7,389,511</b>	<b>6,886,467</b>
<b>Total Pension Liability, End of Year (a)</b>	<b>\$ 11,582,222</b>	<b>\$ 11,780,533</b>	<b>\$ 10,664,350</b>	<b>\$ 10,154,732</b>	<b>\$ 9,623,251</b>	<b>\$ 8,448,280</b>	<b>\$ 8,070,651</b>	<b>\$ 7,389,511</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 481,488	\$ 367,785	\$ 268,685	\$ 206,524	\$ 200,903	\$ 202,014	\$ 180,861	\$ 192,889
Contributions - State	107,783	89,739	86,523	81,333	76,053	71,372	72,789	75,568
Contributions - Employee	18,335	17,463	14,538	10,520	10,303	9,893	9,394	9,906
Net Investment Income	709,669	266,304	690,619	766,558	664,654	(262,685)	736,583	523,467
Benefit Payments, Including Refunds of Employee Contributions	(267,562)	(376,821)	(681,481)	(227,666)	(223,887)	(229,801)	(211,201)	(233,668)
Administrative Expense	(41,920)	(39,225)	(48,459)	(37,908)	(32,953)	(35,483)	(17,925)	(12,968)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,007,793</b>	<b>325,245</b>	<b>330,425</b>	<b>799,361</b>	<b>695,073</b>	<b>(244,690)</b>	<b>770,501</b>	<b>555,194</b>
<b>Plan Fiduciary Net Position, Beginning of Year</b>	<b>9,888,401</b>	<b>9,563,156</b>	<b>9,232,731</b>	<b>8,433,370</b>	<b>7,738,297</b>	<b>7,982,987</b>	<b>7,212,486</b>	<b>6,657,292</b>
<b>Plan Fiduciary Net Position, End of Year (b)</b>	<b>\$ 10,896,194</b>	<b>\$ 9,888,401</b>	<b>\$ 9,563,156</b>	<b>\$ 9,232,731</b>	<b>\$ 8,433,370</b>	<b>\$ 7,738,297</b>	<b>\$ 7,982,987</b>	<b>\$ 7,212,486</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 686,028</b>	<b>\$ 1,892,132</b>	<b>\$ 1,101,194</b>	<b>\$ 922,001</b>	<b>\$ 1,189,881</b>	<b>\$ 709,983</b>	<b>\$ 87,664</b>	<b>\$ 177,025</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	94.08%	83.94%	89.67%	90.92%	87.64%	91.60%	98.91%	97.60%
<b>Covered Payroll**</b>	<b>\$ 1,222,327</b>	<b>\$ 1,164,183</b>	<b>\$ 1,105,629</b>	<b>\$ 1,051,978</b>	<b>\$ 1,030,263</b>	<b>\$ 1,051,778</b>	<b>\$ 939,443</b>	<b>\$ 990,617</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	56.12%	162.53%	99.60%	87.64%	115.49%	67.50%	9.33%	17.87%

\* GASB Statement Nos. 67 and 68 were adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

*Changes in Benefit Terms:*

For measurement date September 30, 2018, amounts reported as changes of benefit terms resulting from the pre-retirement death were amended and the Member Contribution Rate was increased by 0.50% of payroll.

*Changes of Assumptions:*

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 special risk employees, with appropriate adjustments made based on plan demographics

For measurement date September 30, 2019, as a result of an Actuarial Experience Study dated September 5, 2019, the Board approved the following changes:

The Investment Return Assumption was reduced from 7.3% to 7.0% per year, net of investment related expenses.

The assumed rate of individual salary increases was changed from a flat 5.5% per year to 10.0% in the first year of employment and 5.0% for all future years of service.

The assumed rates of pre-retirement withdrawal have been changed from an age-based table to an assumption of 15.0% per year during the first 5 years of employment and 2.5% per year after 5 years of employment.

The assumption that a member eligible for normal retirement on the valuation date will work one more year was eliminated.

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 for special risk employees.

Additionally, the investment return assumption was reduced to 7.30% at September 30, 2017, and remained at that amount for September 30, 2018.

Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant at September 30, 2016, and remained that amount for September 30, 2017.

\*\* The Covered Employee Payroll numbers shown are in compliance with GASB Statement No. 82, except for the September 30, 2015, measurement period, which includes DROP payroll.

**CITY OF DADE CITY, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTERS' PENSION PLAN  
LAST 10 FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 271,870	\$ 285,464	\$ 276,323	\$ 211,370	\$ 173,941	\$ 212,983	\$ 223,496	\$ 219,002
Contributions in Relation to the								
Actuarially Determined Contribution	260,514	278,989	235,828	225,400	208,396	222,824	223,496	219,002
Contribution Deficiency (Excess)	\$ 11,356	\$ 6,475	\$ 40,495	\$ (14,030)	\$ (34,455)	\$ (9,841)	\$ -	\$ -
Covered Payroll	\$ 276,867	\$ 286,806	\$ 270,632	\$ 294,798	\$ 321,518	\$ 395,515	\$ 375,625	\$ 367,453
Contributions as a Percentage of								
Covered Payroll	94.09%	97.27%	87.14%	76.46%	64.82%	56.34%	59.50%	59.60%

**Notes to Schedule**

Valuation Date October 1, 2018 (AIS March 11, 2020)

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

Amortization Method Level Dollar

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.

Inflation 2.5% per Year.

Salary Increases 5.75% per year until the assumed retirement age - see table below. This assumption is based on an experience study issued April 25, 2011.

Interest Rate 7.4% per year compounded annually, net of investment related expenses. This assumption is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Payroll Growth N/A

Retirement Age

Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. These rates are deemed reasonable based on plan provisions.

Early Retirement

Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are deemed reasonable based on plan provisions.

Termination Rates

See Table Below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.

Disability Rates

See Table Below. It is assumed that 75% of disablements and active Member deaths are service related.

Mortality

Mortality Rate Healthy Active Lives:  
 Female: PubS.H-2010 (Below Median) for Employees, set forward one year.  
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.  
 Mortality Rate Healthy Retiree Lives:  
 Female: PubS.H-2010 for Healthy Retirees, set forward one year.  
 Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward 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:  
 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

**CITY OF DADE CITY, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS' PENSION PLAN  
LAST 10 FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	\$ 581,828	\$ 457,524	\$ 379,231	\$ 291,398	\$ 259,626	\$ 263,151	\$ 253,650	268,457
Contribution Deficiency (Excess)	589,271	457,524	355,208	287,857	276,956	273,386	253,650	268,457
	\$ (7,443)	\$ -	\$ 24,023	\$ 3,541	\$ (17,330)	\$ (10,235)	\$ -	\$ -
Covered Payroll	\$ 1,222,327	\$ 1,164,183	\$ 1,105,629	\$ 1,051,978	\$ 1,030,263	\$ 1,051,778	\$ 939,443	\$ 990,617
Contributions as a Percentage of Covered Payroll	48.21%	39.30%	32.13%	27.36%	26.88%	25.99%	27.00%	27.10%

**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	Aggregate Actuarial Cost Method
Asset Valuation Method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation	2.50% per year.
Salary Increases	5.5% per year until the assumed retirement age. Projected Salary at retirement is increased to account for non-regular compensation as follows: 20% if hired before 1/1/2009 10% if hired between 1/1/2009 - 12/31/2010 5% if hired between 1/1/2011 - 6/30/2011 0% if hired on or after 7/01/2011
Interest Rate	7.5% per year compounded annually, net of investment related expenses.
Payroll Growth	N/A
Retirement Age	Earlier of age 55 with 10 years of credited service or age 52 and 25 years of credited services. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Actuarial Asset 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.
Early Retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Termination Rates	See Table Below.
Disability Rates	See Table Below.
Mortality	<i>Mortality Rate Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. <i>Mortality Rate Healthy Retiree Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. <i>Mortality Rate Beneficiary Lives:</i> Female: PubG.H-2010 (Below Median) for Healthy Retirees. Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. <i>Mortality Rate Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

**CITY OF DADE CITY, FLORIDA  
 SCHEDULE OF INVESTMENT RETURNS  
 FIREFIGHTERS' PENSION PLAN  
 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	September 30, 2013
Annual Money-Weighted Rate of Return Net of Investment Expense	8.17%	2.95%	8.14%	9.01%	8.62%	-3.28%	9.98%	7.12%

**CITY OF DADE CITY, FLORIDA  
 SCHEDULE OF INVESTMENT RETURNS  
 POLICE OFFICERS' PENSION PLAN  
 LAST 10 FISCAL YEARS**

	<b>September 30, 2020</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2013</b>
Annual Money-Weighted Rate of Return Net of Investment Expense	7.14%	2.79%	7.66%	9.10%	8.61%	-3.30%	10.24%	7.84%



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.000494568%	0.000491573%	0.000518104%	0.000661177%	0.000666503%	0.0011699814%	0.0014725377%
City's Proportionate Share of the Net Pension Liability	\$ 214,353	\$ 169,291	\$ 156,056	\$ 195,572	\$ 168,293	\$ 151,119	\$ 89,846
City's Covered-Payroll	\$ 243,407	\$ 234,803	\$ 231,851	\$ 259,595	\$ 261,769	\$ 354,060	\$ 344,846
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll	88.06%	72.10%	67.31%	75.34%	64.29%	42.68%	26.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	87.00%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 21,212	\$ 19,829	\$ 17,930	\$ 21,602	\$ 21,094	\$ 28,525	\$ 32,255
Contributions in Relation to the Contractually Required Contribution	<u>21,212</u>	<u>19,829</u>	<u>17,930</u>	<u>21,602</u>	<u>21,094</u>	<u>28,525</u>	<u>32,255</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Payroll	\$ 244,731	\$ 237,766	\$ 231,851	\$ 259,258	\$ 261,769	\$ 354,060	\$ 344,846
Contributions as a Percentage of Covered-Payroll	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

**Note:**

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

**CITY OF DADE CITY, FLORIDA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.000701324%	0.000696765%	0.000709849%	0.000814424%	0.000814007%	0.001155987%	0.0013817262%
City's Proportionate Share of the Net Pension Liability	\$ 85,631	\$ 77,961	\$ 75,131	\$ 87,082	\$ 94,869	\$ 117,892	\$ 129,195
City's Covered-Payroll	\$ 243,407	\$ 234,803	\$ 231,851	\$ 259,595	\$ 261,769	\$ 354,060	\$ 344,846
City's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Payroll	35.18%	33.20%	32.40%	33.55%	36.24%	33.30%	37.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**SCHEDULE OF THE CITY'S CONTRIBUTIONS - FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 21,212	\$ 19,829	\$ 17,930	\$ 21,602	\$ 21,094	\$ 28,525	\$ 32,255
Contributions in Relation to the Contractually Required Contribution	21,212	19,829	17,930	21,602	21,094	28,525	32,255
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Payroll	\$ 244,731	\$ 237,766	\$ 231,851	\$ 259,258	\$ 261,769	\$ 354,060	\$ 344,846
Contributions as a Percentage of Covered-Payroll	8.67%	8.34%	7.73%	8.33%	8.06%	8.06%	9.35%

**Note:**

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF DADE CITY, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	<b>Special Revenue</b>					
	<b>Public Safety Impact Fee Fund</b>	<b>Transportation Impact Fee Fund</b>	<b>Local Option Gas Tax Fund</b>	<b>Stormwater Fund</b>	<b>Community Redevelopment Block Grant</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 52,669	\$ 786,321	\$ -	\$ 147,515	\$ -	\$ 986,505
Accounts Receivable	-	-	29,329	170,818	597	200,744
<b>Total Assets</b>	<b>52,669</b>	<b>786,321</b>	<b>29,329</b>	<b>318,333</b>	<b>597</b>	<b>1,187,249</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accrued Liabilities	-	-	-	5,911	-	5,911
Due to Other Funds	-	-	-	523,598	597	524,195
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529,509</b>	<b>597</b>	<b>530,106</b>
Fund Balances:						
Restricted	52,669	786,321	29,329	-	-	868,319
Unassigned	-	-	-	(211,176)	-	(211,176)
<b>Total Fund Balances</b>	<b>52,669</b>	<b>786,321</b>	<b>29,329</b>	<b>(211,176)</b>	<b>-</b>	<b>657,143</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 52,669</b>	<b>\$ 786,321</b>	<b>\$ 29,329</b>	<b>\$ 318,333</b>	<b>\$ 597</b>	<b>\$ 1,187,249</b>

**CITY OF DADE CITY, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	Special Revenue					Total Non-Major Governmental Funds
	Public Safety Impact Fee Fund	Transportation Impact Fee Fund	Local Option Gas Tax Fund	Stormwater Fund	Community Redevelopment Block Grant	
<b>Revenues</b>						
Taxes and Special Assessments	\$ -	\$ -	\$ 319,364	\$ -	\$ -	\$ 319,364
Intergovernmental Revenues	-	-	-	1,510,025	597	1,510,622
Impact Fees	7,977	186,134	-	301,453	-	495,564
Interest Earnings	3,381	4,961	-	-	-	8,342
<b>Total Revenues</b>	<b>11,358</b>	<b>191,095</b>	<b>319,364</b>	<b>1,811,478</b>	<b>597</b>	<b>2,333,892</b>
<b>Expenditures</b>						
Current:						
Transportation	-	-	-	323,970	597	324,567
Capital Outlay	-	-	-	1,825,437	-	1,825,437
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,149,407</b>	<b>597</b>	<b>2,150,004</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>11,358</b>	<b>191,095</b>	<b>319,364</b>	<b>(337,929)</b>	<b>-</b>	<b>183,888</b>
<b>Other Financing Source (Uses)</b>						
Transfer (out)	-	-	(314,185)	-	-	(314,185)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(314,185)</b>	<b>-</b>	<b>-</b>	<b>(314,185)</b>
<b>Net Change in Fund Balances</b>	<b>11,358</b>	<b>191,095</b>	<b>5,179</b>	<b>(337,929)</b>	<b>-</b>	<b>(130,297)</b>
<b>Fund Balances, Beginning</b>	<b>41,311</b>	<b>595,226</b>	<b>24,150</b>	<b>126,753</b>	<b>-</b>	<b>787,440</b>
<b>Fund Balances, Ending</b>	<b>\$ 52,669</b>	<b>\$ 786,321</b>	<b>\$ 29,329</b>	<b>\$ (211,176)</b>	<b>\$ -</b>	<b>\$ 657,143</b>

## **COMPLIANCE SECTION**

**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 City Commissioners  
City of Dade City, Florida  
Dade City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dade City, 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 June 22, 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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency: 2020-01.

CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

Honorable Mayor and City Commissioners  
City of Dade City, Florida  
Dade City, 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***

**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*.

We noted certain matters that we reported to management of the City in a separate letter dated June 22, 2021 titled management letter comments required by Chapter 10.550, *Rules of the Auditor General*.

**The City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and the management response letter. 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.



June 22, 2021  
Ocala, Florida



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE  
FINANCIAL ASSISTANCE PROJECT, AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Commissioners  
City of Dade City  
Dade City, Florida

**Report on Compliance for Each Major State Financial Assistance Project**

We have audited the City of Dade City, Florida's (the City) compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the each of the City's major state financial assistance projects for the year ended September 30, 2020. The City's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major State Financial Assistance Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended September 30, 2020.

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City of Dade City  
Dade City, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE  
FINANCIAL ASSISTANCE PROJECT, AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state financial assistance project and to test and report on internal control over compliance in accordance with the Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



June 22, 2021  
Ocala, Florida

**CITY OF DADE CITY, FLORIDA  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>State/Pass-Through Grantor/Project Title</u>	<u>CSFA#</u>	<u>Grantor's Contract Number</u>	<u>Project Award</u>	<u>Expenditures</u>
<b>State Financial Assistance</b>				
<b>Florida Department of Environmental Protection</b>				
<b>Direct Project</b>				
Statewide Water Quality Restoration Projects	37.039	LP51045	\$ 1,800,000	\$ 1,385,025
<b>Total Florida Department of Environmental Protection</b>			<u>1,800,000</u>	<u>1,385,025</u>
<b>Florida Department of Transportation</b>				
<b>Direct Project</b>				
Local Transportation Projects	55.039	445776 1 54 01	5,000,000	19,974
<b>Total Florida Department of Transportation</b>			<u>5,000,000</u>	<u>19,974</u>
<b>Total State Financial Assistance</b>			<u>\$ 6,800,000</u>	<u>\$ 1,404,999</u>

**Note 1 - Basis of Presentation**

The Schedule of State Financial Assistance includes the federal grant activity of the City of Dade City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550 *Rules of the Auditor General*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**CITY OF DADE CITY, FLORIDA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 STATE FINANCIAL ASSISTANCE PROJECTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of Auditor’s Report Issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted? No

**State Financial Assistance Projects**

Internal Control over Major Programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of Auditor’s Report Issued on Compliance for

Major State Financial Assistance Projects: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Chapter 10.557 for Local Government Entities? Yes

Identification of Major Programs:

**State Financial Assistance Project or Cluster**

Florida Department of Environmental Protection:

Statewide Surface Water Restoration and Wastewater Projects CSFA No. 37.039

Dollar Threshold Used to Distinguish Between Type A and

Type B Programs – State Financial Assistance Projects \$750,000

**CITY OF DADE CITY, FLORIDA  
CURRENT YEAR FINANCIAL STATEMENT FINDINGS**

**Reference Number 2020-01: Period-End Financial Reporting (Significant Deficiency)**

<b><i>Criteria</i></b>	The City of Dade City, Florida (the City) is required by Chapter 10.550, <i>Rules of the Auditor General</i> , to have an annual examination (audit) of financial statements to determine whether they are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
<b><i>Condition</i></b>	During the fiscal year ending September 30, 2020, the financial audit required numerous audit adjustments to correct the financial statements of the City.
<b><i>Cause</i></b>	During the fiscal year, the interim Finance Director resigned and the City hired an outsourced Finance Director. Shortly thereafter, the City's Information Technology systems were affected by a cybersecurity attack that left the City without access to their financial and other records for several weeks and severely limited access afterwards. This caused a significant delay in the year-end closing routine required to prepare for the year-end financial audit.
<b><i>Effect</i></b>	The City's accounting records required multiple adjustments, which caused a significant delay in completing the audit.
<b><i>Recommendation</i></b>	With the change in structure of the Finance Department, we recommend the City redevelop the monthly and year-end closing function to ensure accurate and timely reporting. A functioning closing routine should clearly identify tasks that are necessary for a timely period-end close and preparation of period financial information, as well as year-end financial schedules for the audit.
<b><i>Response</i></b>	See attached management letter response.

**CITY OF DADE CITY, FLORIDA  
PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**Reference Number 2014-2**

<b><i>Criteria</i></b>	Internal control over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles generally accepted in the United States.
<b><i>Condition</i></b>	The City of Dade City, Florida (the City) operates with a small finance and accounting 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. We consider this condition to be a significant deficiency.
<b><i>Cause</i></b>	The review of the key transactional areas of the City noted insufficient separation of duties among personnel to properly receipt, reconcile, and record transactions.
<b><i>Effect</i></b>	The City lacks sound internal control over financial reporting due to a lack of separation of duties among personnel.
<b><i>Recommendation</i></b>	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 and accounting departments continue to develop and expand its current staff to ensure more effective internal control structure over financial reporting.
<b><i>Response</i></b>	This finding has been resolved in the current year.



# CITY OF DADE CITY

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James D. Shive, Mayor Pro-Tem  
Scott Black, Commissioner  
Knut J. Nathe, Commissioner  
Normita L. Woodard, Commissioner

Leslie Porter, City Manager  
Angelia Guy, City Clerk  
Andrew Laflin, Interim Finance Officer  
Thomas Thanas, Interim City Attorney

June 22, 2021

Purvis, Gray & Company  
2347 S.E. 17<sup>th</sup> Street  
Ocala, FL 34471

RE: Corrective Action Plan for Financial Statement Findings  
Audit Period: September 30, 2020

Dear Sir/Madam:

Pursuant to provisions of "Rules of the Auditor General - Local Government Entity Audits," the following Corrective Action Plan is offered in response to the Schedule of Findings and Questioned Costs:

#### Finding 2020-01

#### Recommendation:

- With the change in structure of the Finance Department, we recommend the City redevelop the monthly and year-end closing function to ensure accurate and timely reporting. A functioning closing routine should clearly identify tasks that are necessary for a timely period-end close and preparation of period financial information, as well as year-end financial schedules for the audit.

#### Action Taken:

The Finance Department will undertake a more timely closing process for the upcoming fiscal year 2021 audit. This was not possible for the fiscal year 2020 audit due to a network and accounting system shut down due to a data security incident that began in November 2020. The Finance Department's closing process will include a checklist with task listing containing specific due dates and individuals responsible. In addition, the City will strive to leverage technology improvements to make the year end closing and audit preparation process more efficient.

Sincerely,

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Andrew Laflin  
Interim Finance Officer

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**MANAGEMENT LETTER**  
**REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Commissioners  
City of Dade City  
Dade City, Florida

We have audited the financial statements of the City of Dade City, Florida (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 22, 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*; Independent Auditor’s Report on Compliance for Each Major State Financial Assistance Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with 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 and schedule, which are dated June 22, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except as noted. See Management Letter Comments.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.



Honorable Mayor and City Commissioners  
City of Dade City  
Dade City, Florida

**MANAGEMENT LETTER  
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**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.

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 review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Please see the following 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, we did not have any such findings.

**Purpose of this Letter**

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



June 22, 2021  
Ocala, Florida

## MANAGEMENT LETTER COMMENTS

Honorable Mayor and City Commissioners  
City of Dade City  
Dade City, Florida

**Please note the following comments:**

### Prior Year Comments

#### **2015-2—Information Technology (IT) General Controls and Policies**

During our audit fieldwork, we reviewed the City of Dade City, Florida's (the City) IT general controls and policies. The purpose of the review was to determine the control design for the IT environment, to identify any potential controls deficiencies, and to make recommendations for improvements to strengthen controls where noted. The following issues came to our attention:

- The City's IT policies and procedures documentation is still in process and has not been completed. The IT documentation was limited to the conveyance of computer and internet usage behaviors but does not provide a comprehensive set of policies and procedures addressing key controls for security, backup and retention, system changes, and incident management. We recommend that the City mature their IT policies and procedures to define how critical processes are performed, monitored, and enforced. Policies should be written at a level that is measurable, kept up to date, approved by appropriate management, and disseminated to the appropriate employees.
- The City does not have a disaster recovery plan that describes the process or set of procedures to recover and protect the City's IT infrastructure in the event of a disaster. The plan should include loss impact and restoration strategies for each system maintained to meet the City's objectives. We recommended a disaster recovery plan be developed and tested to determine how critical systems can be restored to resume normal operations based on the established recovery time and point objectives.

#### **2019-1—Wastewater and Water Usage Rates**

This finding has been resolved.

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## MANAGEMENT LETTER COMMENTS

### Current Year Comments

#### **2020-02 Formally Adopted Budget for Water and Sewer Impact Fee Fund (Now Considered Major)**

Florida Statute 166.241(2) requires each municipality to adopt a budget and “at a minimum, the adopted budget must show for each fund, as required by law and sound financial practices, budgeted revenues and expenditures”. During the annual financial audit, we noted significant activity within the Water and Sewer Impact Fee Fund resulting as a Major Fund classification in accordance with Governmental Accounting Standards Board (GASB) Standards. GASB Standards require all Major Special Revenue Funds to report budget to actual statements if they have a legally adopted budget.

Previously, the Water and Sewer Impact Fee fund had minimal activity and, therefore, a legally adopted budget was not prepared. With the increased activity in the fund, and to provide sound financial management, the City adopt a legal budget for this fund and any other funds that have increased financial activity.

We recommend that management receive the City Council approval that the current rates in place are acceptable, although they do not concur with the same fiscal year as the Ordinance, or consult with the City’s attorney to ensure that the proposed rates and timing is not mandatory.

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.



June 22, 2021  
Ocala, Florida



# CITY OF DADE CITY

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Leslie Porter, City Manager  
Angelia Guy, City Clerk  
Andrew Laflin, Interim Finance Officer  
Thomas Thanas, Interim City Attorney

June 22, 2021

To: Honorable Mayor and Commission Members  
Re: Management response to the auditor's management letter

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 "Management Letter" comments, dated June 22, 2021. In their report, Purvis, Gray and Company, LLP (PG&C) made recommendations for improvement in different areas of the City's accounting financial management functions. The specific areas identified in their recommendations are as follows:

PRIOR YEAR COMMENTS (Updated for 2020):

➤ 2015-2 IT General Controls and Policies

The City has formalized the following policies relating to information technology:

- Information Technology User Access Policy: establishes the requirements for creating, monitoring, controlling, and removing user accounts.
- Information Technology Computer Use Policy: defines policies and procedures for accessing the City's Information Technology network and/or accessing the Internet through the City network.

Additional policies are currently being written and reviewed in the following areas:

- Cyber Security Awareness Training
- IT Risk Management
- IT Incident Response

The City has codified its disaster recovery policy as of October 2020. The City's disaster recovery policy includes a listing of contingency plans that must be created as well as the components of policy compliance, consisting of testing, compliance measurement, allowed exceptions, and consequence of non-compliance.

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CURRENT YEAR COMMENTS:

➤ 2020-02 Formally Adopted Budget for Water and Sewer Impact Fee Fund

Previously, when there were no budgeted expenditures for a non-major fund, that fund was not included in the annual adopted budget. Going forward, the City will include all funds in the budget preparation and adoption process, regardless of whether there will be planned expenditure activity within the fund.

Sincerely,



Andrew Laflin, Interim Finance Officer

## INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and City Commissioners  
City of Dade City  
Dade City, Florida

We have examined the City of Dade City'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 of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material 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 year ended September 30, 2020.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Auditor General*, and is intended solely for the information and use of the Florida Auditor General, the City Commissioners, and applicable management, and is not intended to be, and should not be used by anyone other than these specified parties.



June 22, 2021  
Ocala, Florida

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# CITY OF DADE CITY

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Leslie Porter, City Manager  
Angelia Guy, City Clerk  
Andrew Laflin, Interim Finance Officer  
Thomas Thanas, Interim City Attorney

## AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Andrew Laflin, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Dade City which is a municipality of the State of Florida;
2. The City of Dade City adopted Ordinance Numbers 2004-0831, 2004-0851, 2009-02, and 2016-01 implementing impact fees; and
3. The City of Dade City has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Andrew Laflin

STATE OF FLORIDA  
COUNTY OF PASCO

SWORN TO AND SUBSCRIBED before me this 22 day of June, 2021.

NOTARY PUBLIC

Print Name Angelia K Guy

Personally known  or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



Angelia K. Guy  
Notary Public  
State of Florida  
Comm# HH016318  
Expires 7/29/2024

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