

City of San Antonio, Florida

General Purpose
Financial Statements

For the Year Ended September 30, 2020



BodinePerry
Certified Public Accountants & Advisors

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Independent Auditor's Report

June 20, 2021

To the Honorable City Commissioners
City of San Antonio, Florida

Report of 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 San Antonio, Florida, as of and for the year ended September 30, 2020, and 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 in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

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 of San Antonio, Florida, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages M1-M6 and 41-45 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2021, on our consideration of the City of San Antonio, Florida'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 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 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 of San Antonio, Florida's internal control over financial reporting and compliance.

Bodine Perry Tampa PLLC

Bodine Perry Tampa PLLC
Zephyrhills, FL

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

Our discussion and analysis of the City of San Antonio, Florida's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2020.

Financial Highlights

- The net position of the City at the close of its most recent fiscal year totaled \$2,893,424. This total consisted of Governmental Activities Net Position of \$2,096,228 and Business-Type Activity Net Position of \$797,196.
- At the close of the current fiscal year, the City reported an ending Fund balance for the general fund of \$1,387,141, an increase of \$301,913 from the prior year.
- The water utility reported a decrease in Net Position for the year of \$18,019.
- At the end of the current fiscal year, the unassigned general fund balance was \$570,076 or 104% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. This report also includes other supplementary information in addition to the financial statements themselves.

The Statement of Net Position (page 1) and the Statement of Activities (page 3) provide information about the activities of the City and present a longer-term view of the City's finances. The statements are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The Fund Financial Statements begin on page 4. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore, you will find the reconciliation on page 5 that converts this data to an economic resource measurement focus and the accrual basis of accounting for use in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

The Statement of Net Position and the Statement of Activities

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. For purposes of these statements, governmental type activities and business type activities are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 12.

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this MD&A and budgetary comparisons.

Government-Wide Financial Analysis

A substantial portion of the City's net position (\$1,324,308) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure). The City uses these capital assets to provide required municipal services to the citizens of the City. The balance of the City's assets consists of demand and other deposit accounts, utility accounts receivable and the amounts currently due from other governments.

City of San Antonio, Florida

Management's Discussion and Analysis
For the Year Ended September 30, 2020

City's Net Position As of September 30, 2020

	Governmental Activity	Business-Type Activity	Total	Prior Year Total
Current and Other Assets	\$ 1,389,531	\$ 295,151	\$ 1,684,682	\$ 1,424,494
Capital Assets	848,325	750,535	1,598,860	1,592,118
Total Assets	2,237,856	1,045,686	3,283,542	3,016,612
Deferred Outflows	67,379	17,269	84,648	54,552
Total Assets and Deferred Outflows	2,305,235	1,062,955	3,368,190	3,071,164
Current Liabilities	2,389	42,029	44,418	46,108
Long-Term Liabilities	187,231	218,761	405,992	347,534
Total Liabilities	189,620	260,790	450,410	393,642
Deferred Inflows	19,387	4,969	24,356	36,630
Total Liabilities and Deferred Outflows	209,007	265,759	474,766	430,272
Net Assets:				
Invested in Capital Assets,				
Net of Related Debt	848,325	488,274	1,336,599	1,324,308
Restricted	817,066	83,262	900,328	669,900
Unrestricted	430,837	225,660	656,497	646,684
Total Net Position	\$ 2,096,228	\$ 797,196	2,893,424	2,640,892
Restricted Net Assets are composed of:				
Funds Restricted for Debt Service	\$ -	\$ 83,262	\$ 83,262	\$ 96,669
Statutory Restrictions	817,066	-	817,066	573,231
Total Restricted Net Assets	\$ 817,066	\$ 83,262	\$ 900,328	\$ 669,900

At the end of the current fiscal year the
City is able to report positive balances
in all categories of net assets.

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

City's Changes in Net Position				
Fiscal Year Ended September 30, 2020				
	Governmental Activity	Business-Type Activity	Total	Prior Year Total
Revenues				
Program Revenues				
Charges for Services	\$ 43,131	\$ 312,629	\$ 355,760	\$ 299,665
General Revenues				
Property Taxes	277,545	-	277,545	258,915
Franchise Fees	63,694	-	63,694	81,713
Utility Taxes	7,202	-	7,202	7,167
Sales, Gas & Other Taxes	444,772	-	444,772	360,504
Interest Income	7,856	3,039	10,895	8,535
Other	1,586		1,586	11,095
Total Revenues	845,786	315,668	1,161,454	1,027,594
Expenditures				
Program Activities				
General Government	303,995	-	303,995	329,535
Public Safety	119,891	-	119,891	113,363
Physical Environment	30,780	-	30,780	33,382
Transportation	120,569	-	120,569	106,105
Business-Type Activity				
Water Utility	-	333,687	333,687	372,050
Total Expenditures	575,235	333,687	908,922	954,435
Increase (Decrease) in				
Net Assets	270,551	(18,019)	252,532	73,159
Net Assets at				
Beginning of the year	1,825,677	815,215	2,640,892	2,567,733
Net Assets at				
End of the year	\$ 2,096,228	\$ 797,196	\$ 2,893,424	\$ 2,640,892

Property and other taxes continue as the primary source of revenue. A slight increase in property values generated additional taxes as compared to the prior year. Water utility revenue increased, mainly from increases in water usage by customers, as well as a significant amount of new residential housing. Intergovernmental revenue increased mainly from increased sales taxes. General and Physical expenditures decreased approximately 8%, from reduced services provided, due to COVID-19. Public safety expenses increased approximately 6%, which was the annual increase in the contract with Pasco County Sheriff's Office. Transportation expenditures increased 14%, due to increased gasoline costs and vehicle repairs. Franchise fees reduced 22% due to a electric company temporary rate decrease. Business-type activity decreased by more than 10%, due to fewer water utility repairs and planned reduction of parts in stock.

Highlights

There were no budget amendments in the current fiscal year.

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

Capital Asset And Debt Administration

Capital Assets

The City's capital assets as of September 30, 2020 reflect an investment of \$1,515,598 net of accumulated depreciation.

The following table provides a summary of net capital assets.

	Capital Assets September 30, 2020			
	Governmental Activity	Business-Type Activity	Total	Prior Year Total
Land	\$ 86,660	\$ 34,918	\$ 121,578	\$ 121,578
Buildings and Improvements	247,104	-	247,104	229,498
Equipment	148,605	1,542,357	1,690,962	1,647,656
Infrastructure	2,323,475	23,967	2,347,442	2,302,412
Less Accumulated Depreciation				
Buildings and Improvements	(178,896)	-	(178,896)	(175,287)
Equipment	(165,322)	(910,002)	(1,075,324)	(1,039,198)
Infrastructure	(1,613,301)	(23,967)	(1,637,268)	(1,572,868)
Totals	<u>848,325</u>	<u>667,273</u>	<u>1,515,598</u>	<u>1,513,791</u>

Debt

Governmental Activities had no outstanding long-term debt at year end.

Business-type activities (Water Utility) have outstanding debt at September 30, 2020 of \$179,000. Annual repayments of approximately \$6,000 each year will amortize the debt through the year 2039. Water system revenues are pledged as collateral for this debt.

In addition, a purchase money debt was issued for water system additions and requires level payments of \$1,850 per year for sixteen annual payments plus a final payment in the seventeenth year of \$1,089. This debt is discounted on these financial statements at the rate of 4.19% to represent the time cost factor associated with payment of this debt. The unpaid principal balance, as discounted, as of September 30, 2020 is \$0.

City of San Antonio, Florida

Management's Discussion and Analysis For the Year Ended September 30, 2020

Economic Factors and Next Year's Budget and Rates

The City's economic environment is stable, and indicators point to continued stability.

The City relies mainly on revenues from Sales, Gas and Other taxes and Property taxes for its budget for the general fund. General fund revenues were higher than the prior year mainly from higher Sales, Gas, and Property taxes. Employee compensation is expected to be higher in the fiscal year 2021 due to increased wages for staff.

The City's Water Utility relies on water usage revenues for its budget. Water usage increased when compared to the prior year, however, the utility had a loss in the fiscal year 2020, due to repairs to the water system.

When these factors were considered in preparing the City's budget for the 2020 fiscal year, the City lowered its millage rate to 4.020 mills.

Request for Information

The City's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the City Clerk at P.O. Box 75, San Antonio, Florida 33576.

City of San Antonio, Florida

Statement of Net Position For the Year Ended September 30, 2020

	Governmental	Business-Type	
	Activity	Activity	Total
Assets			
Current Assets			
Cash	\$ 702,451	\$ 90,820	\$ 793,271
Bank Certificates of Deposit	603,726	206,234	809,960
Restricted Assets			-
Cash-Customer Deposits	-	24,518	24,518
Accounts Receivable	-	12,799	12,799
Due from Other Governments	44,134	-	44,134
Prepaid Expenses	-	-	-
Internal Amounts	39,220	(39,220)	-
Total Current Assets	1,389,531	295,151	1,684,682
Non-Current Assets			
Restricted Assets			
Cash on Deposit for			
Sinking Fund	-	51,969	51,969
Reserve Account	-	31,293	31,293
Land and Improvements	86,660	34,918	121,578
Buildings and Improvements	247,104	-	247,104
Equipment	148,605	1,542,357	1,690,962
Infrastructure	2,323,475	23,967	2,347,442
Accumulated Depreciation	(1,957,519)	(933,969)	(2,891,488)
Total Non-Current Assets	848,325	750,535	1,598,860
Deferred Outflows	67,379	17,269	84,648
Total Assets and Deferred Outflows	\$ 2,305,235	\$ 1,062,955	\$ 3,368,190

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Net Position (continued)
For the Year Ended September 30, 2020

	Governmental Activity	Business-Type Activity	Total
Liabilities			
Current Liabilities			
Accounts Payable	\$ 386	\$ 172	\$ 558
Accrued Liabilities	2,003	11,339	13,342
Customer Deposits	-	24,518	24,518
Current Portion			
Revenue Bonds Payable	-	6,000	6,000
Other Debt Payable	-	-	-
Total Current Liabilities	2,389	42,029	44,418
Non-Current Liabilities			
Net Pension Liability	178,558	45,761	224,319
Revenue Bonds Payable	-	173,000	173,000
Other Long-Term Debt Payable	-	-	-
Compensated Absences	8,673	-	8,673
Total Non-Current Liabilities	187,231	218,761	405,992
Total Liabilities	189,620	260,790	450,410
Deferred Inflows	19,387	4,969	24,356
Total Liabilities and Deferred Inflows	209,007	265,759	474,766
Net Position			
Investment in Capital Assets, Net of Related Debt	848,325	488,274	1,336,599
Restricted			
Transportation	19,882	-	19,882
Debt Service	-	83,262	83,262
Impact Fee Usage	153,056	-	153,056
Infrastructure	644,128	-	644,128
Non-Restricted	430,837	225,660	656,497
Total Net Position	2,096,228	797,196	2,893,424
Total Liabilities, Deferred Inflows and Net Position	\$ 2,305,235	\$ 1,062,955	\$ 3,368,190

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Activities For the Year Ended September 30, 2020

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Functions/Programs							
Governmental Activities							
General Government	\$ (303,995)	\$ 12,441	\$ -	\$ -	\$ (291,554)	\$ -	\$ (291,554)
Public Safety	(119,891)	11,090	-	-	(108,801)	-	(108,801)
Physical Environments	(30,780)	-	-	-	(30,780)	-	(30,780)
Transportation	(120,569)	19,600	-	-	(100,969)	-	(100,969)
Total Governmental Activities	<u>(575,235)</u>	<u>43,131</u>	<u>-</u>	<u>-</u>	<u>(532,104)</u>	<u>-</u>	<u>(532,104)</u>
Business-Type Activities							
Water	(333,687)	312,629	-	-	-	(21,058)	(21,058)
Total Business-Type Activities	<u>(333,687)</u>	<u>312,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,058)</u>	<u>(21,058)</u>
Total	<u>\$ (908,922)</u>	<u>\$ 355,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (532,104)</u>	<u>\$ (21,058)</u>	<u>\$ (553,162)</u>
General Revenues			Taxes				
			Ad Valorem		277,545	-	277,545
			Franchise Fees		63,694	-	63,694
			Communication Service		7,202	-	7,202
			Business Tax		3,910	-	3,910
			State Revenue Sharing		46,297	-	46,297
			Half-Cent Sales Tax		95,308	-	95,308
			Local Option Sales Tax		231,167	-	231,167
			Local Option Gas Tax		64,831	-	64,831
			Other Taxes		3,259	-	3,259
			Investment Income		7,856	3,039	10,895
			Miscellaneous		1,586	-	1,586
			Total General Revenues		<u>802,655</u>	<u>3,039</u>	<u>805,694</u>
			Change in Net Position		<u>270,551</u>	<u>(18,019)</u>	<u>252,532</u>
			Net Position at Beginning of Year		<u>1,825,677</u>	<u>815,215</u>	<u>2,640,892</u>
			Net Position at End of Year		<u>\$ 2,096,228</u>	<u>\$ 797,196</u>	<u>\$ 2,893,424</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Balance Sheet Governmental Fund - General Fund For the Year Ended September 30, 2020

Assets

Cash	\$	702,451
Bank Certificates of Deposit		603,726
Due from Other Governments		44,134
Due from Other Fund		39,220
Prepaid Expenses		<u>-</u>
Total Assets	\$	<u><u>1,389,531</u></u>

Liabilities and Fund Balances

Liabilities		
Accounts Payable		386
Accrued Liabilities		<u>2,003</u>
Total Liabilities		<u>2,389</u>
Fund Balances		
Restricted for:		
Transportation		19,882
Impact Fee Program		153,056
Infrastructure		644,128
Nonspendable		
Prepaid Items		-
Unassigned		<u>570,076</u>
Total Fund Balance		<u>1,387,142</u>
Total Liabilities and Fund Balance	\$	<u><u>1,389,531</u></u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Fund September 30, 2020

Fund Balances - Governmental Fund	\$	1,387,142
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	2,805,844	
Less accumulated depreciation	<u>(1,957,519)</u>	848,325

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

Net Pension Liability and Related Deferred Inflows and Outflows	(130,566)	
Compensated Absences	<u>(8,673)</u>	<u>(139,239)</u>

Net Assets - Governmental Activities	\$	<u>2,096,228</u>
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The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - General Fund For the Year Ended September 30, 2020

	<u>2020</u>
Revenues	
Taxes	\$ 284,747
Licenses and Permits	78,596
Intergovernmental	440,862
Fines and Forfeits	17
Interest	7,855
Rentals	1,500
Impact Fees	19,600
Utility Management Fee	12,441
Miscellaneous	2,128
Contributions	-
	<u>847,746</u>
Total Revenues	
Expenditures	
Current Expenditures	
General Government	275,657
Public Safety	119,891
Transportation - Streets	56,169
Parks and Recreation	30,780
	<u>482,497</u>
Total Current Expenditures	
Capital Outlay	<u>65,729</u>
	<u>548,226</u>
Total Expenditures	
Excess of Revenues Over Expenditures	<u>299,520</u>
Net Change in Fund Balance	
Fund Balance October 1, 2019	<u>1,087,621</u>
Fund Balance September 30, 2020	<u>\$ 1,387,141</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities September 30, 2020

Net change in fund balances - governmental funds	\$	299,520
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as
expenditures. However, in the statement of activities,
the cost of those assets is depreciated over their
estimated useful lives.

Expenditures for Capital Assets	65,729	
Less Current year Depreciation	<u>(72,554)</u>	(6,825)

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
governmental funds.

Loss on disposal of assets	(1,960)
Change in compensated absences	(1,744)
Net pension liability and related	<u>(18,440)</u>

Change in Net Assets of governmental activities	\$	<u>270,551</u>
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The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Net Position Proprietary Fund - Water Utility For the Year Ended September 30, 2020

Assets	2020	Liabilities	2020
Current Assets		Current Liabilities	
Cash	\$ 90,820	Accrued Expenses	\$ 11,339
Bank Certificates of Deposit	206,234	Due to Other Fund	39,220
		Accounts Payable	172
Receivables		Customer Deposits	24,518
Accounts Receivable	12,799	Revenue Bonds Payable, Current Portion	6,000
		Other Debt - Current Portion	-
Total Current Assets	\$ 309,853	Total Current Liabilities	\$ 81,249
Non-Current Assets		Non-Current Liabilities	
Restricted Assets		Net Pension Liability	45,761
Invested for Customer Deposit	24,518	Revenue Bond Payable - Long-Term Portion	173,000
Deposited for Debt Repayment	83,262	Other Debt - Long-Term Portion	-
Total Restricted Assets	\$ 107,780	Total Non-Current Liabilities	218,761
		Total Liabilities	300,010
Capital Assets		Deferred Inflows	4,969
Property and Equipment	1,601,242	Total Liabilities and Deferred Inflows	\$ 304,979
Less: Accumulated Depreciation	(933,969)	Net Position	
Net Property and Equipment	667,273	Invested in Capital Assets Net of Related Debt	488,274
		Restricted - Debt Service	83,262
Total Non-Current Assets	\$ 775,053	Unrestricted	225,660
Deferred Outflows	17,269	Total Net Position	\$ 797,196
Total Assets And Deferred Outflows	\$ 1,102,175	Total Liabilities And Net Position	\$ 1,102,175

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Fund - Water Utility For the Year Ended September 30, 2020

	<u>2020</u>
Operating Revenues	
Charges for Services	\$ 303,605
Operating Expenses	
Water Operations	286,668
Depreciation - Acquired Assets	<u>37,350</u>
Total Operating Expenses	<u>324,018</u>
Operating Income	(20,413)
Non - Operating Revenues	
Interest	3,039
Tap-in Fees	8,624
Backflow Device Installations	<u>400</u>
Total Non-Operating Revenues	<u>12,063</u>
Other Non-Operating Expenses	
Interest	<u>9,669</u>
Total Other Non-Operating Expenses	<u>9,669</u>
Net Income	(18,019)
Net Assets October 1, 2019	<u>815,215</u>
Net Assets September 30, 2020	<u>\$ 797,196</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Cash Flows - Water Utility For the Year Ended September 30, 2020

	<u>2020</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 307,585
Cash Paid to General Fund for Services Provided	(12,441)
Cash Paid for Employees and Related Cost	(154,687)
Cash Paid to Suppliers	<u>(140,977)</u>
Net Cash Provided by Operating Activities	<u>(520)</u>
Cash Flows from Capital and Related Financing Activities:	
Principal Payments on Debt	(10,483)
Interest Paid on Debt	(9,669)
Payments for Capital Acquisitions	<u>(47,942)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(68,094)</u>
Cash Flows from Investing Activities:	
Purchase of Investments CD's	(2,814)
Investment Interest Received	3,039
Cash Transferred to Restricted Accounts	(11,111)
Rentals and Other Fees	<u>9,024</u>
Net Cash Provided (Used) by Investing Activities	(1,862)
Net Increase (Decrease) in Cash	(70,476)
Cash Unrestricted, October 1, 2019	<u>161,296</u>
Cash Unrestricted, September 30, 2020	<u><u>\$ 90,820</u></u>
Other Activity	
Interest Paid During the Year	<u><u>\$ 9,669</u></u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Statement of Cash Flows Proprietary Fund - Water Utility For the Year Ended September 30, 2020

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities

	<u>2020</u>
Operating Income (Loss)	\$ (18,019)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	37,350
Other Non-Cash Operating Expense	
(Increase) Decrease in:	
Accounts Receivable	3,980
Deferred Outflows	(6,140)
(Decrease) Increase in:	
Accounts Payable	6,176
Accrued Expenses	14,327
Deferred Inflows	(2,504)
Due to Other Fund	(35,690)
Total Adjustments	<u>17,499</u>
Net Cash Provided by Operating Activities	<u>\$ (520)</u>

The accompanying notes are an integral part of these financial statements

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies

The City of San Antonio, Florida, was originally incorporated August 7, 1891, under the laws of Florida, Chapter 3957 (No. 111). Subsequent amendments to the charter have been made with the most recent being by April 10, 1990 ballot.

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

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. The most significant manifestation of this is financial benefit or burden. Other manifestations of financial accountability include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and dependency for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. The general purpose financial statements include all the government's operations such as police and fire protection, parks and recreation, health and welfare, water systems and general administration. Based upon the application of the previously outlined criteria, there are no districts, agencies or other entities which qualified for inclusion in these financial statements.

Governmental Accounting Standards Board Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments

The City implemented the provisions of Statement Number 34 for the fiscal year ending September 30, 2006, which established new financial reporting requirements for state and local governments. The Statement established specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information. As part of this Statement, the basic financial statements must report infrastructure (roads, bridges, traffic signals, etc.) on the Statement of Net Position (see page 1).

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

All major general assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980, are required to be retroactively reported and all newly acquired or improved infrastructure assets must be prospectively reported effective as of the date of implementation of this statement.

The basic financial statements include both government-wide and fund financial statements. The government-wide statements are presented using a full accrual, economic resource basis, which incorporates long-term assets and receivables and long-term liabilities. Governmental activities include the General Fund. Business-type activities include the water utility.

The government-wide Statement of Activities reports the gross and net cost for the various functional categories of the City that are otherwise supported by general government revenue. The expenses for each functional category are reduced by program revenues to ascertain the net costs for that function. Program revenues are defined as charges for services, operating grants and capital grants that specifically relate to a specific program function. Charges for services include revenues arising from charges to customers or applicants who purchase, use, or directly benefit from the goods, services or privileges provided. Operating grants and capital grants consist of revenues received from other governments, organizations, or individuals that are specifically attributable to a program and are restricted for either operating expenditures/expenses or capital expenditures/expenses associated with a specific program.

The fund financial statements are very similar to the financial statements presented in the previous model. The emphasis in the new model is on major funds in both the governmental activities and business-type activities. All funds maintained by the City are considered major funds in accordance with the new reporting model requirements.

Measurement Focus:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The measurement focus is the determination of financial position and sources and uses of resources, rather than net income determination.

All proprietary fund and fiduciary fund statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net position. The measurement focus of proprietary funds is determination of net income, financial position, and cash flows.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Accounting

The City organizes its accounting system on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. The various funds are grouped in the financial statements as General Fund, Proprietary Fund, and Water Fund.

General Fund

This fund is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund.

Proprietary Funds

Proprietary funds apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Water Fund

The Water Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water service to the general public on a continuing basis, are financed through user charges.

The Water Fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing water services in connection with its ongoing operations. The principal operating revenues of the Water Fund are charges for water services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they become measurable and available (susceptible to accrual). Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. Revenues that are susceptible to accrual include franchise fees, special assessments, interest revenue, state revenue sharing entitlements, and intergovernmental grants. Expenditures are recorded at the time the related fund liabilities are incurred. Debt service expenditures are recorded only when payment is due. The City has adopted a period of 60 days following year end for purposes of revenue recognition.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

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

- a. The Mayor submits to the City Council a proposed operating budget for the ensuing fiscal year. It contains proposed expenditures and the means to finance them, including a proposed property tax millage.
- b. Public hearings are conducted to obtain taxpayer comments on the proposed budget and property tax millage rate.
- c. The budget and property tax millage are approved by the Council in September.
- d. Annual budgets are adopted for the General Fund.
- e. The Council must approve budget amendments that affect revenue accounts or appropriations. Expenditures may not exceed legal appropriations. Appropriations lapse at year-end. No formal budget adjustments were made during the year.
- f. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
- g. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.
- h. The government has not employed 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 as an extension of formal budgetary integration for the general fund.
- i. Budget procedures are utilized for planning and cost control purposes by the water utility. Its budget is not included as part of the resolution for the annual appropriations and legally adopted budget resolution. The current year's budget was not amended during the year.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Investments

The City maintains separate demand deposit accounts for use by the individual funds in their operations. Cash includes these accounts only; Florida statutes authorize the government to invest in the Local Government Surplus Trust Fund, direct obligations of the U.S. Treasury and Agencies, and interest bearing time deposits held in Federal or State Chartered banks and savings and loan associations doing business in Florida, provided that such deposits are secured by collateral as may be prescribed.

All demand deposits and certificate of deposit investments are covered by collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss.

Revenue from investments owned by the individual funds is recorded in the respective fund as it is earned. Amounts equal to customer deposits in the Water Utility Fund are reported as restricted to their use related to that specific liability. In addition, specific accounts are restricted under terms of the bond covenant and are also shown as restricted amounts.

Property Taxes

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the Pasco County Property Appraiser and Pasco County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. Florida Statutes permit Cities to levy property taxes at a rate of up to 10 mills. The millage rate in effect for the fiscal year ended September 30, 2018 was 3.850 mills.

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

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

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Pasco County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by Pasco County.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets acquired or constructed in excess of \$750 are capitalized at historical cost. Donated assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable assets are as follows:

Assets	Years
Buildings and Improvements	50
Equipment	7 - 10
Infrastructure/Streets	20
Water System/Improvements	30 - 50

Compensated Absences

Paid time off (PTO) accruals vary based on years of service. The maximum number of PTO hours that an employee may accrue is 200 hours.

Payment for unused PTO hours will be made at termination of employment for employees resigning voluntarily and who give a 14-calendar day notice. Employees dismissed for misconduct and employees who resign without sufficient notice will not receive the earned PTO payout, unless specifically approved by the City Commission. A provision for accumulated PTO, related payroll taxes and retirement has been made in the financial statements as of September 30, 2020.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is presented in three components: invested capital assets (net of related debt), restricted and unrestricted.

- Invested Capital Assets (net of related debt) - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowing attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.
- Restricted - This component consists of net assets that have constraints placed on them either externally by third parties (creditors, grantors, and contributors) or by law through constitutional provisions of enabling legislation. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of these funds.
- Unrestricted - This component consists of net assets that do not meet the definition of invested in capital assets, net of related debt and restricted. Designations of net assets made by the City's management are included in this component because these types of constraints are internal, and management can remove or modify them.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balances

In the fund financial statements, fund balance for governmental funds (general fund) is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Under GASB 54 requirements, fund balance is reported in five possible components - nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This component includes amounts reported as restricted when constraints placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This component includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Such amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - This component is used to report the government's intent to use the amount for a specific purpose but is neither restricted nor committed.

Unassigned - This component is the residual classification for the general fund. This amount represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, the unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Use of Estimates

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

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 2 - Fair Value Disclosures

The City measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1 Fair Value Measurements

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Fair Value Measurements

Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Fair Value Measurements

Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Generally Accepted Accounting Principles (GAAP) require disclosure of an estimate of fair value of certain financial instruments. The City's significant financial instruments are cash, accounts receivable, accounts payable, short-term borrowings and other short-term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

Note 3 - Cash on Deposit and Bank Certificates of Deposit

The City maintains demand deposit and time deposit relationships with local area banks.

These deposits are covered by FDIC insurance or collateral pledged with the State Treasurer by the applicable banks. This is done in compliance with Section 280, Florida Statutes, which provides that in the event of a default by any such bank or savings and loan association, all participating banks and savings and loan associations throughout the State would be obligated to reimburse the government for any loss.

Florida statutes authorize the government to invest in the Local Government Surplus Trust Fund, obligations of the U. S. Treasury, direct interest-bearing time deposits held in Federal or State Chartered banks and savings and loan associations doing business in Florida, provided that such deposits are secured by collateral as may be prescribed, and Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 3 - Cash on Deposit and Bank Certificates of Deposit (continued)

A summary of Bank Certificates of Deposit as of September 30, 2020 follows:

<u>General Fund</u>	<u>Rate</u>	<u>Deposit Amount</u>
Certificate of Deposit	1.50%	\$110,224
Certificate of Deposit	1.50%	55,238
Certificate of Deposit	1.40%	133,265
Certificate of Deposit	1.40%	120,616
Certificate of Deposit	0.30%	75,769
Certificate of Deposit	0.50%	108,614
		<u>\$603,726</u>

<u>Water Fund</u>	<u>Rate</u>	<u>Deposit Amount</u>
Certificate of Deposit	1.50%	54,624
Certificate of Deposit	0.65%	70,573
Certificate of Deposit	1.50%	27,012
Certificate of Deposit	1.50%	54,025
		<u>\$206,234</u>

Note 4 - Accounts Receivable - Water Utility

No allowance for uncollectible accounts has been provided in the balance sheet. The receivable balance includes amounts for billed service as of the year end.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 5 - Changes in Capital Assets

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

	Oct. 1, 2019 Beginning Balance	Increases	Decreases	Sept. 30, 2020 Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land & Improvements	\$ 86,660	\$ -	\$ -	\$ 86,660
Total assets not being depreciated	<u>86,660</u>	<u>-</u>	<u>-</u>	<u>86,660</u>
Other capital assets:				
Buildings & Improvements	229,498	17,606	-	247,104
Equipment	150,495	3,093	(4,983)	148,605
Infrastructure	<u>2,278,445</u>	<u>45,030</u>	<u>-</u>	<u>2,323,475</u>
Total other capital assets at historical cost	<u>2,745,098</u>	<u>65,729</u>	<u>(4,983)</u>	<u>2,805,844</u>
Less accumulated depreciation for:				
Buildings & Improvements	(175,287)	(3,609)	-	(178,896)
Equipment	(163,800)	(4,545)	3,023	(165,322)
Infrastructure	<u>(1,548,901)</u>	<u>(64,400)</u>	<u>-</u>	<u>(1,613,301)</u>
Total accumulated depreciation	<u>(1,887,988)</u>	<u>(72,554)</u>	<u>3,023</u>	<u>(1,957,519)</u>
Governmental activities Capital assets, net	<u>\$ 857,110</u>	<u>\$ (6,825)</u>	<u>\$ (1,960)</u>	<u>\$ 848,325</u>

Depreciation expense was charged to functions as follows:

Governmental activities

General Government	\$ 8,154
Public Works (Transportation)	\$ <u>64,400</u>
Total	<u>\$ 72,554</u>

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 5 - Changes in Capital Assets (continued)

	Oct. 1, 2019 Beginning Balance	Increases	Decreases	Sept. 30, 2020 Ending Balance
Business Type Activities:				
Non-Depreciable Assets:				
Land	\$ 34,918	\$ -	\$ -	\$ 34,918
Depreciable Assets:				
Water Systems & Improvements	1,497,161	47,942	2,746	1,542,357
Other	23,967	-	-	23,967
Total at historical cost	<u>1,556,046</u>	<u>47,942</u>	<u>2,746</u>	<u>1,601,242</u>
Less Accumulated Depreciation for:				
Water Systems & Improvements	(875,398)	(37,350)	(2,746)	(910,002)
Other	(23,967)	-	-	(23,967)
Total Accumulated Depreciation	<u>(899,365)</u>	<u>(37,350)</u>	<u>(2,746)</u>	<u>(933,969)</u>
Capital Assets - Net	<u>\$ 656,681</u>	<u>\$ 10,592</u>	<u>\$ -</u>	<u>\$ 667,273</u>

Note 6: Long-Term Debt

Governmental Activities

	Oct. 1, 2019 Beginning Balance	Additions	Reductions	Sept. 30, 2020 Ending Balance
Compensated Absences	<u>\$ 6,929</u>	<u>\$ 3,545</u>	<u>\$ (1,801)</u>	<u>\$ 8,673</u>

The City governmental activities had \$ 8,673 of PTO accumulated by employees as of September 30, 2020.

The City does not provide, at the City's expense, health and life insurance coverage for former employees.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

Business-Type Activities

	Oct. 1, 2019			Sept. 30, 2020	
	Beginning			Ending	
	Balance	Additions	Reductions	Balance	
Pasco County- Purchase					
Money Note Payable	\$ 4,483	\$ -	\$ 4,483	\$ -	
Bonds Payable, Series 2000,					
Water Utility Revenue	\$ 185,000	\$ -	\$ 6,000	\$ 179,000	
Total Bonds and Notes Payable	<u>\$ 185,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 179,000</u>	

The net revenues of the system are pledged as collateral for the debt. The US Department of Agriculture has purchased the debt which bears interest at 5.125%. The bonds are scheduled to mature as shown by the following schedule.

Year	Principal	Interest	Total Debt Service
2021	6,000	9,174	15,174
2022	6,000	8,866	14,866
2023	7,000	8,559	15,559
2024	7,000	8,200	15,200
2025	7,000	7,841	14,841
2026	8,000	7,483	15,483
2027	8,000	7,073	15,073
2028	8,000	6,663	14,663
2029	9,000	6,253	15,253
2030	9,000	5,791	14,791
2031	10,000	5,330	15,330
2032	10,000	4,818	14,818
2033	11,000	4,305	15,305
2034	11,000	3,741	14,741
2035	12,000	3,178	15,178
2036	12,000	2,563	14,563
2037	13,000	1,948	14,948
2038	14,000	1,281	15,281
2039	11,000	564	11,564
Totals	<u>\$ 179,000</u>	<u>\$ 103,631</u>	<u>\$ 282,631</u>

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 6: Long-Term Debt (continued)

In connection with the acquisition of a water treatment facility from the Pasco County Schools, a purchase money note was issued requiring annual payments by the City in the amount of \$1,850 starting November 1, 2006 through the final annual payment due November 1, 2022. The City paid \$4,483 principal and \$188 interest in the current year to pay this note off early. The balance due on this note at September 30, 2020 is \$0.

Total annual debt service requirement for the business-type activities for each of the next five years and in five-year groups through payout are:

Years	Principal	Interest	Total
2021	6,000	9,103	15,103
2022	6,000	8,866	14,866
2023	7,000	8,559	15,559
2024	7,000	8,200	15,200
2025-2029	40,000	35,309	75,309
2030-2034	51,000	23,992	74,992
2035-2039	62,000	9,533	71,533
2040-2043	0	0	0
Total	<u>\$ 179,000</u>	<u>\$ 103,562</u>	<u>\$ 282,562</u>

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7: Retirement Plans

Florida Retirement System - General Information

All of the City's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Website:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited services, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credit service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credit service.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credit service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, government employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2019 through September 30, 2020, respectively, were as follows: Regular - 8.47% and 10.00%; Special Risk Administrative Support - 38.59% and 35.84%; Special Risk - 25.48% and 24.45%; Senior Management Service - 25.41% and 27.29%; Elected Officers' - 42.00% and 39.73%; and DROP participants - 14.60% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020.

The City's contributions, including employee contributions, to the Pension Plan totaled \$11,135 for the fiscal year ended September 30, 2020.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

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 liability of \$145,223 for its proportionate share of the Pension Plan's 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 the City's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was .000003351470 percent, which was an increase (decrease) of .00000054865 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$28,853. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,524	\$ -
Change of assumptions	26,296	-
Net difference between projected and actual earnings on Pension Plan investments	8,649	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	12,077	15,366
Total	\$ 52,546	\$ 15,366

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$3,641 resulting from City's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2021	\$ (1,652)
2022	(1,795)
2023	(1,811)
2024	(1,366)
2025	142
Thereafter	1,541

Actuarial Assumptions

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

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7: Retirement Plans (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.20%	2.20%	1.20%
Fixed Income	19.00%	3.00%	2.90%	3.50%
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%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.70%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. 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 discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents 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 one percentage point lower (5.80%) or one percentage higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability	\$ 231,952	\$ 145,258	\$ 72,850

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

The City reported a payable in the amount of \$1,060 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

HIS Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period of October 1, 2019 through September 30, 2020 was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$3,733 for the fiscal year ended September 30, 2020.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

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 liability of \$79,096 for its proportionate share of the HIS Plan's 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 the actuarial valuation as of July 1, 2020. The City's proportionate share of net pension liability was based on the City's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was .00000647774 percent, which was an increase (decrease) of .00000091341 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$9,179. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,236	\$ 61
Change of assumptions	8,505	4,599
Net difference between projected and actual earnings on HIS Plan investments	63	
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	20,298	4,330
Total	\$ 32,102	\$ 8,990

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

The deferred outflows of resources related to the HIS Plan, totaling \$973 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 2,670
2022	2,389
2023	2,591
2024	2,480
2025	2,993
Thereafter	5,516

Actuarial Assumptions

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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.

City of San Antonio, Florida

Notes to the Financial Statements For the Year Ended September 30, 2020

Note 7 - Retirement Plans (continued)

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents 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 one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's proportionate share of the net pension liability	\$ 91,427	\$ 79,092	\$ 68,996

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

The City reported a payable in the amount of \$172 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

Note 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has chosen to manage these risks through the purchase of commercial insurance and participation in the Public Risk Management (PRM) pool. The pool is a protected self-insurance program which has both specific excess insurance for large losses and aggregate excess insurance or stop loss insurance in the event the loss fund is used up because of frequency of losses. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance for the past three years.

City of San Antonio, Florida

Notes to the Financial Statements
For the Year Ended September 30, 2020

Note 9: Other Commitments

Police Protection

The City has contracted with the Pasco County Sheriff to provide police protection for the City. This contract provides for monthly payments to Pasco County of \$8,636 for the year ended September 30, 2020.

Fire Protection

The City has contracted with the Pasco County Board of Commissioners whereby the City paid the same fire tax millage rate as unincorporated Pasco County for fire protection and emergency response services.

Note 10: Subsequent Events

The City's management has evaluated events and transactions for potential recognition or disclosure through June 20, 2021, the date the financial statements were available to be issued.

City of San Antonio, Florida

General Fund Budgetary Comparison Schedule For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 296,100	\$ 296,100	\$ 284,747	\$ (11,353)
Licenses and Permits	86,400	86,400	78,596	(7,804)
Intergovernmental	350,500	350,500	440,862	90,362
Fine and Forfeits	100	100	17	(83)
Interest	6,800	6,800	7,855	1,055
Rentals	1,500	1,500	1,500	-
Miscellaneous	30,259	30,259	34,169	3,910
Total Revenues	<u>771,659</u>	<u>771,659</u>	<u>847,746</u>	<u>76,087</u>
Expenditures				
Current Expenditures				
General Government				
Finance and Administration	377,098	386,603	238,442	148,161
Legal Counsel	25,000	25,000	16,039	8,961
Comprehensive Planning	22,000	22,000	21,176	824
Total General Government	<u>424,098</u>	<u>433,603</u>	<u>275,657</u>	<u>157,946</u>
Public Safety				
Police	104,000	104,000	105,128	(1,128)
Code Enforcement	8,000	8,000	5,570	2,430
Animal Control	8,684	9,194	9,193	1
Total Public Safety	<u>120,684</u>	<u>121,194</u>	<u>119,891</u>	<u>1,303</u>
Transportation - Streets	69,900	71,900	56,168	15,732
Recreation - Parks	10,000	13,750	30,780	(17,030)
Capital Outlay	266,000	266,000	65,729	200,271
Total Expenditures	<u>890,682</u>	<u>906,447</u>	<u>548,225</u>	<u>358,222</u>
Excess of (Revenues) over Exenditures	(119,023)	(134,788)	299,521	434,309
Other Financing Sources (uses)				
Contingency	(650,752)	(634,987)	-	634,987
Total Other Financing Sources (uses)	<u>(650,752)</u>	<u>(634,987)</u>	<u>-</u>	<u>634,987</u>
Fund Balance - October 1, 2019	<u>769,775</u>	<u>769,775</u>	<u>1,087,621</u>	<u>317,846</u>
Fund Balance - September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,387,142</u>	<u>\$ 1,387,142</u>

City of San Antonio, Florida

Schedule of Proportionate Share of Net Pension Liability Florida Retirement System For the Year Ended September 30, 2020

(With comparative data for the Years Ended September 30, 2019, 2018, 2017, and 2016)

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.000335147%	0.000280282%	0.000327243%	0.000394398%	0.000434252%	0.000419043%
City's proportionate share of the net pension liability	\$ 145,223	\$ 96,525	\$ 98,567	\$116,660	\$109,649	\$54,125
City's covered-employee payroll	\$ 232,294	\$ 207,306	\$ 125,815	\$146,928	\$146,955	\$142,365
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	57.99%	46.56%	78.34%	79.40%	74.61%	38.02%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

*The amounts presented for each fiscal year were determined as of 06/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of San Antonio, Florida

Schedule of Proportionate Share of Net Pension Liability FRS Health Insurance Subsidy Program For the Year Ended September 30, 2020

(With comparative data for the Years Ended September 30, 2019, 2018, 2017, and 2016)

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.000647774%	0.000556433%	0.000405163%	0.000433755%	0.000484746%	0.000467530%
City's proportionate share of the net pension liability	\$ 79,096	\$ 62,259	\$ 42,883	\$ 46,379	\$ 56,495	\$ 47,681
City's covered-employee payroll	\$ 232,294	\$ 207,306	\$ 125,815	\$ 146,928	\$ 146,955	\$ 142,365
City's proportionate share of the net pension liability as a percentage of covered-employee payroll	31.58%	30.03%	34.08%	31.57%	38.44%	33.49%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

*The amounts presented for each fiscal year were determined as of 06/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of San Antonio, Florida

Schedule of Contributions Florida Retirement System For the Year Ended September 30, 2020

(With comparative data for the Years Ended September 30, 2019, 2018, 2017, and 2016)

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 11,135	\$ 8,691	\$ 9,326	\$ 10,267	\$ 12,893	\$ 10,217
Contributions in relation to the contractually required contribution	\$ (11,135)	\$ (8,691)	\$ (9,326)	\$ (10,267)	\$ (12,893)	\$ (10,217)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 232,294	\$ 207,306	\$ 125,815	146,928	146,955	142,365
Contributions as a percentage of covered-employee payroll	4.79%	4.19%	7.41%	6.99%	8.77%	7.18%

*The amounts presented for each fiscal year were determined as of 06/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of San Antonio, Florida

Schedule of Contributions FRS Health Insurance Subsidy Program For the Year Ended September 30, 2020

(With comparative data for the Years Ended September 30, 2019, 2018, 2017, and 2016)

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,733	\$ 3,090	\$ 2,197	\$ 2,296	\$ 2,485	\$ 1,787
Contributions in relation to the contractually required contribution	\$ (3,733)	\$ (3,090)	\$ (2,197)	\$ (2,296)	\$ (2,485)	\$ (1,787)
Contribution deficiency (excess)				\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 232,294	\$ 207,306	\$ 125,815	146,928	146,955	142,365
Contributions as a percentage of covered-employee payroll	1.61%	1.49%	1.75%	1.56%	1.69%	1.26%

*The amounts presented for each fiscal year were determined as of 06/30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of San Antonio, Florida

General Fund Budgetary Comparison Schedule - Resources (Inflows) For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Property Taxes	\$ 288,100	\$ 288,100	\$ 277,545	\$ (10,555)
Local Communications Tax	8,000	8,000	7,202	(798)
Total Taxes	296,100	296,100	284,747	(11,353)
Licenses and Permits				
Franchise Fees - Electric & Gas	80,300	80,300	63,695	(16,605)
City Business Tax	2,300	2,300	3,910	1,610
Building Permits	3,800	3,800	10,991	7,191
Total General Government	86,400	86,400	78,596	(7,804)
Intergovernmental Revenue				
Half Cent Sales Tax	80,000	80,000	95,308	15,308
State Revenue Sharing	37,000	37,000	46,297	9,297
State Motor Fuel	4,000	4,000	-	(4,000)
Mobile Home License	1,500	1,500	1,247	(253)
Alcoholic Beverage License	450	450	857	407
Local Option Gas Tax	43,000	43,000	64,831	21,831
Local Option Sales Tax - Infrastructure	180,000	180,000	231,167	51,167
Shared Business Tax	650	650	1,155	505
CDBG Grant	3,900	3,900	-	(3,900)
Other Grants	-	-	-	-
Total Intergovernmental	350,500	350,500	440,862	90,362
Fines and Forfeits				
Court Fines	100	100	17	(83)
Total Fines and Forfeits	100	100	17	(83)
Miscellaneous Revenues				
Interest	6,800	6,800	7,855	1,055
Rentals	1,500	1,500	1,500	-
Utility Management Fee	-	-	12,441	12,441
Miscellaneous	1,000	1,000	2,128	1,128
Transportation Impact Fees	19,259	19,259	19,600	341
Contribution	3,000	3,000	-	(3,000)
Surplus Property Sale	7,000	7,000	-	(7,000)
Total Miscellaneous	38,559	38,559	43,524	4,965
Other Financing Sources				
From Fund Balance for General Requirements	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total	\$ 771,659	\$ 771,659	\$ 847,746	\$ 76,087

City of San Antonio, Florida

General Fund Budgetary Comparison Schedule -Charges to Appropriations (Outflows) For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
General Government Services				
Finance and Administration				
Personnel Services				
Salaries and Wages	\$ 150,400	\$ 150,400	\$ 118,111	\$ 32,289
Payroll Taxes	11,500	12,000	11,758	242
Employee Benefits	69,500	77,300	50,397	26,903
Operating Expenditures				
General Administrative	103,700	103,700	20,845	82,855
General and Workman's Comp. Ins.	18,948	19,653	25,727	(6,074)
Audit	7,750	8,250	-	8,250
Dues	-	-	1,215	(1,215)
Training and Seminars	5,000	5,000	983	4,017
Advertising	4,500	4,500	3,476	1,024
League of Cities Convention	1,800	1,800	-	1,800
Codification of Ordances	4,000	4,000	2,521	1,479
Elections	-	-	3,409	(3,409)
Total Finance and Administration	<u>377,098</u>	<u>386,603</u>	<u>238,442</u>	<u>148,161</u>
City Attorney				
Operating Expenditure				
Contract Legal Services	25,000	25,000	16,039	8,961
Special Legal Costs	-	-	-	-
Total City Attorney	<u>25,000</u>	<u>25,000</u>	<u>16,039</u>	<u>8,961</u>
Comprehensive Planning				
Operating Expenditures				
Comprehensive Plan	-	-	4,371	(4,371)
City Survey	-	-	4,100	(4,100)
Planning Consultant	6,000	6,000	3,932	2,068
Engineering Consultant	16,000	16,000	8,773	7,227
Total Intergovernmental	<u>22,000</u>	<u>22,000</u>	<u>21,176</u>	<u>824</u>
Total General Government	<u>\$ 424,098</u>	<u>\$ 433,603</u>	<u>\$ 275,657</u>	<u>\$ 157,946</u>

City of San Antonio, Florida

General Fund Budgetary Comparison Schedule -Charges to Appropriations (Outflows) For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Safety				
Police Department				
Operating Expenditures				
Contracted Police Services	\$ 104,000	\$ 104,000	\$ 105,128	\$ (1,128)
Code Enforcement	8,000	8,000	5,570	2,430
Contingency	-	-	-	-
Animal Control				
Operating Expenditures				
Contracted Animal Control	8,684	9,194	9,193	1
Fire Station Capital Expenditure	30,000	30,000	-	30,000
Total Public Safety	150,684	151,194	119,891	31,303
Highways and Streets				
Personnel Services				
Salaries and Wages	-	-	18,549	(18,549)
Operating Expenditures				
Street Lights	18,000	18,000	14,290	3,710
Street Marking Signs	10,000	10,000	502	9,498
Vehicle Maintenance and Repair	6,000	8,000	7,681	319
Other Expenses	3,900	3,900	7,124	(3,224)
Street Repairs	32,000	32,000	8,023	23,977
Capital Outlay				
Street Improvements and Equipment	202,500	202,500	22,320	180,180
Total Highways and Streets	\$ 272,400	\$ 274,400	\$ 78,489	\$ 195,911

City of San Antonio, Florida

General Fund Budgetary Comparison Schedule -Charges to Appropriations (Outflows) For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Parks and Recreation				
Personnel Services				
Salaries and Wages	\$ -	\$ -	\$ 18,736	\$ (18,736)
Operating Expenditures				
Maintenance	8,000	11,750	10,347	1,403
Lawn Service	2,000	2,000	1,697	303
Capital Outlay	33,500	33,500	43,409	(9,909)
Total Parks and Recreation	43,500	47,250	74,189	(26,939)
Other Uses				
Contingency Reserves	75,000	59,235	-	59,235
Total Other Uses	75,000	59,235	-	59,235
Total General Fund	\$ 965,682	\$ 965,682	\$ 548,226	\$ 417,456

City of San Antonio, Florida

Water Fund Schedule of Revenues and Expenses For the Year Ended September 30, 2020

(With comparative data for the Year Ended September 30, 2019)

	2020	2019
Revenues		
Water Sales and Service Fees	\$ 290,605	\$ 271,797
Miscellaneous	-	-
Total Operating Revenues	<u>290,605</u>	<u>271,797</u>
Operating Expenses		
Personnel Services		
Salaries and Wages	98,634	113,086
Payroll Taxes	7,014	8,291
Employee Benefits	49,735	26,653
Other Expenses		
Light and Power	10,565	9,407
Insurance	14,490	14,178
Water Plant Maintenance	44,857	76,391
Management Fee	12,612	14,402
Office Supplies and Expenses	1,965	3,919
Computer Supplies and Postage	4,496	3,148
Water Plant Operating Expenses	22,341	27,661
Testing	504	851
Professional Fees	15,221	24,227
Miscellaneous	3,850	595
Dues	336	290
Bad Debts	48	-
Depreciation	37,350	35,845
Total Operating Expenses	<u>324,018</u>	<u>358,944</u>
Operating Income (Loss)	<u>(33,413)</u>	<u>(87,147)</u>
Other Revenues		
Tap in Fees	8,624	1,476
Backflow Meter Installations	400	40
Water Capacity Fees	13,000	-
Interest	3,039	2,681
Total Other Revenues	<u>25,063</u>	<u>4,197</u>
Other Expenses		
Interest	9,669	9,993
Total Other Expenses	<u>9,669</u>	<u>9,993</u>
Net Income	<u><u>\$ (18,019)</u></u>	<u><u>\$ (92,943)</u></u>

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**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***

June 20, 2021

Honorable City Commissioners
City of San Antonio
San Antonio, Florida

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of San Antonio, Florida (the City), as of and for the year ended September 30, 2020, which collectively comprise the City of San Antonio, Florida's basic financial statements and have issued our report thereon dated June 20, 2021. 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.

Internal Control Over Financial Reporting

Management of the City of San Antonio is responsible for establishing and maintaining effective control over financial reporting. In planning and performing our audit, we considered the City of San Antonio's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated June 20, 2021, entitled Management Letter.

This report is intended solely for the information and use of management, City Commission, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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Management Letter

June 20, 2021

Honorable City Commissioners City
of San Antonio
San Antonio, Florida

Report on the Financial Statements

We have audited the financial statements of the City of San Antonio, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 20, 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 the standards applicable to financial audits contained in Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Report on Internal Control over Compliance, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 20, 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 significant findings and recommendations made in the preceding annual financial audit report. Prior year recommendation to improve financial management (2015-1) in regard to periodic fixed asset inventory has not yet been remedied. Management is aware of this outstanding recommendation and is taking under consideration implementation of procedures to address the matter.

Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2020, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2020. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Prior year recommendation to improve financial management (2015-1) in regard to periodic fixed asset inventory has been remedied. Management implemented procedures to address the matter.

We consider this outstanding finding and recommendation closed as of the year ended September 30, 2020.

Prior Year Outstanding Finding and Recommendation

2015-1

Condition: During the audit, we noted in discussion with management that periodic fixed asset inventory was not being performed.

Criteria: Performance of fixed asset inventory facilitates effective internal control by providing information to management regarding the existence of previously purchased assets, and helps to facilitate monitoring, control, and budgeting of capital investment.

Cause of Condition: No formal policy exists to regularly perform fixed asset inventory.

Effect of Condition: The effects of not adequately monitoring the existence of fixed assets include impairment of management's ability to monitor for such concerns as theft, deterioration/failure, replacement budgeting, and may cause inaccuracy of financial records over time.

Recommendation: We recommend management establish an inventory process that provides for inventory of at least 25% of fixed assets per year. Management should formalize the process and ensure proper training of staff on effective implementation.

Management's Response: The City created a formal fixed asset inventory review process and implemented the procedures in the current year 2020. The City Clerk performed the inventory control by reviewing all assets for impairment, theft and obsolescence. The periodic fixed asset inventory monitoring is scheduled to be performed annually at year end by performing an inventory count of at least twenty-five percent of fixed assets.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 and other granting agencies, the Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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**Independent Accountants' Report on Compliance
with Section 218.415, Florida Statutes**

June 20, 2021

Honorable City Commissioners
City of San Antonio, Florida

We have examined the City of San Antonio, Florida's (the City) compliance with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2020 required by 10.556, *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and accordingly, included 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 examination provides 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 for the year ended September 30, 2020.

This report 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, the City, its management, and is not intended to be and should not be used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

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