

CITY OF BROOKSVILLE, FLORIDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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INTRODUCTORY SECTION

**CITY OF BROOKSVILLE, FLORIDA
GOVERNMENTAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2021**

CITY COUNCIL

MAYOR

PAT BRAYTON

VICE MAYOR

BLAKE BELL

COUNCIL MEMBER

ROBERT A. BATTISTA

COUNCIL MEMBER

BETTY ERHARD

COUNCIL MEMBER

DAVID BAILEY

CITY MANAGER

RON SNOWBERGER

FINANCE DIRECTOR

AUTUMN SULLIVAN

CITY CLERK

JENNIFER BATTISTA

CITY ATTORNEY

VOSE LAW FIRM

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooksville, Florida (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, 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

Required Supplementary Information

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

Other Information

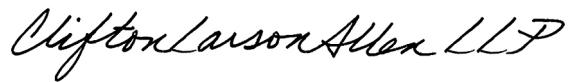
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part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

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

City Council
City of Brooksville, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
April 29, 2022

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The City of Brooksville's (City) management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ending September 30, 2021.

Financial Highlights

- The assets and deferred outflows of resources of the City of Brooksville exceeded its liabilities and deferred inflows of resources at September 30, 2021 by \$51,933,615 (net position), an increase of \$3,245,323.
- As of September 30, 2021, the City of Brooksville's governmental funds reported combining ending fund balances of \$10,166,311 which increased \$1,500,158 from the previous fiscal year.
- General Fund expenditures and transfers out came in under final budget by \$986,931. General Fund reported ending fund balance of \$3,749,065 which increased \$1,013,583 from the previous fiscal year.
- Utility Fund cash and cash equivalents increased from \$7,799,590 at the beginning of the fiscal year to \$8,734,427 at the end of the fiscal year.
- Sanitation Fund cash and cash equivalents increased from \$1,565,091 at the beginning of the fiscal year to \$1,841,755 at the end of the fiscal year.

Using this Annual Report

The financial statements focus is on both the City as a whole (government-wide) and on the major individual funds. In this audit report, the financial statements are presented in compliance with pronouncement 34 of the Governmental Accounting Standards Board (GASB 34). The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to private-sector statements. The focus is on governmental activities and business-type activities.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. The focus of the Statement of Net Position is designed to present the results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Government-Wide Financial Statements (Continued)

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the governmental general taxes and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy from various business-type activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, parks and recreation, and transportation. The business-type activities of the City consist of the water, sewer, and sanitation services. The business-type activities reflect a private sector type of operation where a fee for services covers the cost of operation.

The government-wide financial statements include the City of Brooksville (the primary government) and the blended component unit, City of Brooksville Community Redevelopment Agency.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial transactions of the City are recorded in individual funds and each fund has a self-balancing set of accounts. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The City maintains multiple funds; however certain funds are combined for presentation purposes as presented in these financial statements. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, City of Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund, which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements. Information is also presented separately in the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for the Utility Fund and Sanitation Fund.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplemental information.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Fund Financial Statements (Continued)

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds. The City maintains two types of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and sanitation services. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes internal service funds for its fleet maintenance operations, vehicle replacement, equipment replacement, employee benefits, and health insurance. Services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been allocated between the governmental activities and the business-type activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds. Fiduciary funds are used to account for resources that the City holds as a trustee or agent on behalf of an outside party. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The three fiduciary funds are Butterweck Bond Fund, Police Retirement Fund, and the Fireman's Retirement Fund.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension and other postemployment benefits to its employees. Supplementary information, which consists of combining and individual fund statements, can be found immediately following the required supplementary information.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City's combined net position as of September 30, 2021 was \$51,933,615. Table 1 below reflects the condensed Statement of Net Position for the last two years.

Of the City's total net position, the net investment in capital assets is \$30,540,550 or 59% and represents capital assets such as land, buildings, and machinery and equipment, less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is \$6,093,147 or 12% of total net position and represents the amount of net position for which limitations have been placed by creditors, grantors, contributors, laws, and regulations. The remaining amount, unrestricted net position, is \$15,299,918 or 29% of total net position represents the amount that is not restricted or invested in capital assets, net of related debt.

**City of Brooksville, Florida
Net Position**

Table 1	Governmental Activities		Business-Type Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 15,331,844	\$ 10,806,577	\$ 13,750,759	\$ 12,340,473	\$ 29,082,603	\$ 23,147,050
Capital Assets, Net of Deprec.	12,519,222	12,003,968	27,725,730	29,160,672	40,244,952	41,164,640
Total Assets	27,851,066	22,810,545	41,476,489	41,501,145	69,327,555	64,311,690
Deferred Outflows of Resources	822,797	871,384	293,756	366,106	1,116,553	1,237,490
Current and Other Liabilities	2,867,326	577,375	775,499	775,248	3,642,825	1,352,623
Long-Term Liabilities	3,554,503	4,895,552	8,378,944	9,945,925	11,933,447	14,841,477
Total Liabilities	6,421,829	5,472,927	9,154,443	10,721,173	15,576,272	16,194,100
Deferred Inflows of Resources	2,212,729	464,254	721,492	202,534	2,934,221	666,788
Net Position:						
Net Investment in						
Capital Assets	10,524,890	10,009,625	20,015,660	20,697,911	30,540,550	30,707,536
Restricted	5,683,828	4,617,637	409,319	368,233	6,093,147	4,985,870
Unrestricted	3,830,587	3,117,486	11,469,331	9,877,400	15,299,918	12,994,886
Total Net Position	\$ 20,039,305	\$ 17,744,748	\$ 31,894,310	\$ 30,943,544	\$ 51,933,615	\$ 48,688,292

Changes in Net Position

Table 2 below is the condensed changes in net position for the fiscal year ended September 30, 2021. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows the City's total governmental activities revenues increased \$476,585 over the prior year primarily due to an increase in operating grants and contributions related to funds received from Hernando County for pandemic related expenses and brownfields grant reimbursement for petroleum and hazmat substance. Governmental activities expense increased \$793,547 over the prior year primary due to an increase in general government related to brownfields grant expenditures, establishment of in house building department, and increase in personnel costs.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Continued)

Table 2 shows the Business-type activities revenues decreased \$60,847 primarily due to investment earnings which decreased \$158,179 and capital grants which decreased \$57,470, offset by increases in charges for services. Business-type activities expenses decreased \$364,598 primarily as a result of changes in pension expense.

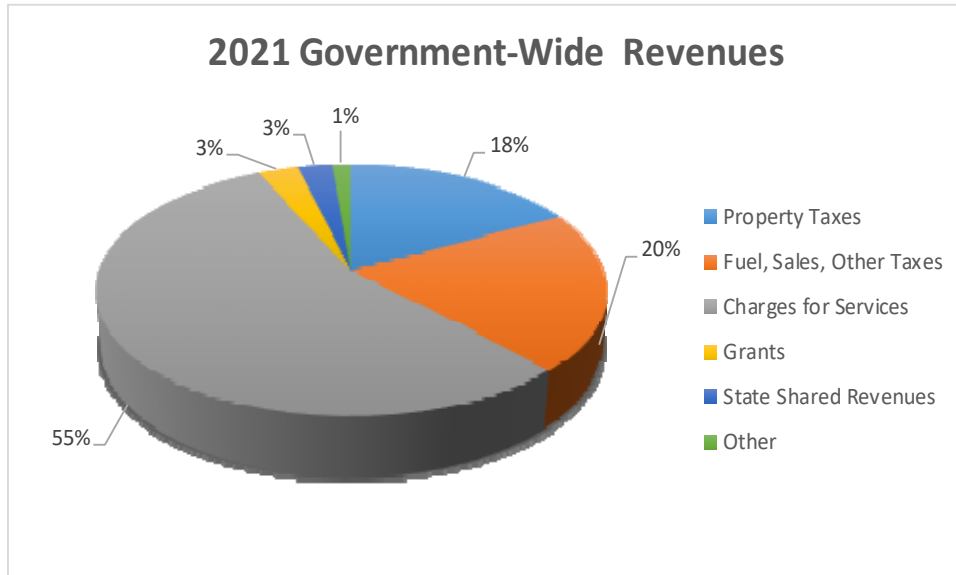
**City of Brooksville, Florida
Changes in Net Position**

Table 2	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Charges for Services	\$ 2,011,580	\$ 2,020,510	\$ 7,152,192	\$ 6,963,194	\$ 9,163,772	\$ 8,983,704
Operating Grants and Contributions	419,902	63,501	1,124	7,772	421,026	71,273
Capital Grants and Contributions	20,000	345,680	73,846	131,316	93,846	476,996
Property Taxes	2,881,783	2,787,186	-	-	2,881,783	2,787,186
Fuel Taxes	418,376	394,376	-	-	418,376	394,376
Sales Taxes	577,015	483,506	-	-	577,015	483,506
Other Taxes	2,365,402	2,138,812	-	-	2,365,402	2,138,812
State Shared Revenues	419,610	411,654	-	-	419,610	411,654
Investment Earning	(3,077)	135,431	11,616	169,795	8,539	305,226
Miscellaneous	212,472	53,479	-	-	212,472	53,479
Sale of Capital Assets	-	12,343	-	27,548	-	39,891
Total Revenues	9,323,063	8,846,478	7,238,778	7,299,625	16,561,841	16,146,103
Expenses:						
General Government	2,929,276	2,252,001	-	-	2,929,276	2,252,001
Public Safety	2,990,714	2,914,839	-	-	2,990,714	2,914,839
Physical Environment	248,874	260,669	-	-	248,874	260,669
Economic Development	46,254	-	-	-	46,254	-
Transportation	1,150,267	1,161,615	-	-	1,150,267	1,161,615
Culture and Recreation	602,176	574,758	-	-	602,176	574,758
Interest on Long-Term Debt	78,798	88,930	-	-	78,798	88,930
Utility Fund	-	-	3,940,566	4,209,528	3,940,566	4,209,528
Sanitation Fund	-	-	1,329,593	1,425,229	1,329,593	1,425,229
Total Expenses	8,046,359	7,252,812	5,270,159	5,634,757	13,316,518	12,887,569
Change in Net Position						
Before Transfers	1,276,704	1,593,666	1,968,619	1,664,868	3,245,323	3,258,534
Transfers	1,017,853	1,094,679	(1,017,853)	(1,094,679)	-	-
Change in Net Position	2,294,557	2,688,345	950,766	570,189	3,245,323	3,258,534
Net Position - Beginning of Year	17,744,748	15,056,403	30,943,544	30,373,355	48,688,292	45,429,758
Net Position - End of Year	\$ 20,039,305	\$ 17,744,748	\$ 31,894,310	\$ 30,943,544	\$ 51,933,615	\$ 48,688,292

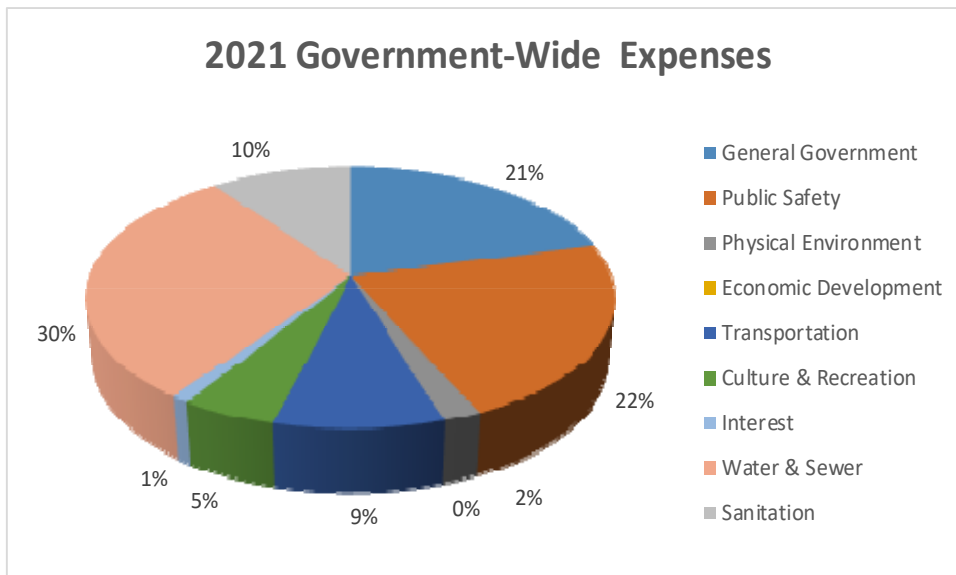
**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The pie chart below shows the 2021 Government-Wide revenues by major category.



The pie chart below shows the 2021 Government-Wide expenses by major category.



**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Governmental Funds

Governmental funds are comprised of the General Fund, special revenue funds, debt service funds, permanent funds and capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on the near-term inflows, outflows and balances of spendable resources.

There are five major governmental funds: General Fund, City of Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund. There are also nonmajor governmental funds which are combined into a single, aggregated presentation. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Total fund balance of all governmental funds was \$10,166,311 as compared to \$8,666,153 in the previous year, an increase of \$1,500,158. General Fund ending fund balance was \$3,749,065, an increase of \$1,013,583 from the prior year. CRA ending fund balance was \$500,341, an increase of \$119,078 over the prior year. Fire Department ending fund balance was \$234,648, a decrease of \$70,008 from the prior year due to revenues and transfers in from other funds not covering operating expenditures. Local Option Gas Tax Fund ending fund balance was \$1,045,925, an increase of \$199,570 over the prior year. Lastly, Road Impact Fees Fund ending fund balance was \$2,552,978, an increase of \$57,557 over the prior year.

Proprietary Funds

The City's proprietary funds are comprised of enterprise funds and internal service funds. Enterprise funds are used to account for activities for which a fee is charged to external users for goods and services. Internal Service Funds provide services to other City departments.

The Utility Fund, which represents the City's water and sewer utility, experienced an increase in net position of \$654,481 leading to an ending net position of \$28,484,994. Of that amount, \$19,789,806 was the net investment in capital assets, \$409,319 was restricted, and \$8,285,869 was unrestricted.

The Sanitation Fund experienced an increase in net position of \$247,862 leading to an ending net position of \$1,634,932. Of that amount, \$225,854 was the net investment in capital assets and \$1,409,078 was unrestricted.

The Internal Service Funds report activities that provide a service to the City's other operations for vehicle maintenance, vehicle replacement, equipment replacement, and insurance. Internal service funds are combined with governmental activities in the government-wide statements since they primarily benefit governmental activities.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2021 amount to \$40,244,952 (net of accumulated depreciation). This investments in capital assets includes land, construction in progress, buildings, improvements other than buildings, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,510,978	\$ 1,510,978	\$ 1,195,932	\$ 1,195,932	\$ 2,706,910	\$ 2,706,910
Construction in Progress	3,047,433	2,775,027	1,092,043	882,456	4,139,476	3,657,483
Buildings	6,809,118	6,742,174	480,702	480,702	7,289,820	7,222,876
Improvements other than Buildings	7,491,422	6,618,454	53,478,459	53,478,459	60,969,881	60,096,913
Equipment	5,063,050	4,941,560	4,017,392	3,995,186	9,080,442	8,936,746
Total Capital Assets	23,922,001	22,588,193	60,264,528	60,032,735	84,186,529	82,620,928
Less: Accumulated Depreciation	(11,402,779)	(10,584,225)	(32,538,798)	(30,872,063)	(43,941,577)	(41,456,288)
Total	<u>\$ 12,519,222</u>	<u>\$ 12,003,968</u>	<u>\$ 27,725,730</u>	<u>\$ 29,160,672</u>	<u>\$ 40,244,952</u>	<u>\$ 41,164,640</u>

Additional information on the City's capital assets can be found in Note 5 of the notes to the basic financial statements.

Long-Term Debt

The City's outstanding debt for its governmental and business-type activities as of September 30, 2021 amounted to \$7,196,850. Debt balances decreased due to regularly scheduled principal payments.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Direct Placements	\$ 184,457	\$ 198,163	\$ 4,644,486	\$ 5,296,186	\$ 4,828,943	\$ 5,494,349
Direct Borrowings	1,809,875	1,796,180	558,032	610,025	2,367,907	2,406,205
Total	<u>\$ 1,994,332</u>	<u>\$ 1,994,343</u>	<u>\$ 5,202,518</u>	<u>\$ 5,906,211</u>	<u>\$ 7,196,850</u>	<u>\$ 7,900,554</u>

Additional information on the City's long-term debt can be found in Note 6 of the notes to the basic financial statements.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Performance Measured Against Expectations (Budget)

General Fund revenues exceeded budget by \$708,744, excluding transfers in. The major difference was taxes that exceeded budget. General Fund expenditures were under budget by \$986,931, excluding transfers out, primarily due to general government expenditures and capital outlay that came in \$294,760 and \$634,362, respectively, under budget. The total appropriated budget increased \$118,804 from original to final as a result of more transfers in and unanticipated fines and forfeitures.

ECONOMIC FACTORS

The City of Brooksville, the County Seat of Hernando County, has experienced a period of growth over the last decade. The Greater Tampa metropolitan area is expanding northward, due in part to limited available land for development in the southern regions and the completion of the Suncoast Parkway toll road which links Tampa with the northern counties of Pasco, Hernando, and Citrus. As a result, new development is taking interest in Brooksville because of its ideal proximity to Tampa (50 miles), Orlando (55 miles), and Ocala (60 miles).

The annual estimates for the population of Brooksville were identified as being 9,100 which was used in the fiscal year 2020-2021 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 16.8% over the next 10 years. This estimate is based on the 2010 U.S. Census, and the growth rate applied by the Southwest Florida Water Management District to 2011 community data sheet projections and the growth in the last decade within the City.

The current year gross taxable values applicable to FY21 is \$484,859,624 and FY20 is \$442,240,194. This is an increase in taxable values of \$42,619,430 in one year. For Fiscal Year 2008, the final gross taxable values were \$568,431,915 (the highest in the City's history); this is a decline of \$83,572,291 from Fiscal Year 2008 to 2021 and over a 14.7% loss in values in that period. At the 2021 millage rate of 5.9000 mills, the decline of \$83,572,291 represents a decrease in annual Ad Valorem revenues of approximately \$468,422 (at 95%) in the span from the high in Fiscal Year 2008 to 2021.

Approximately ten years ago, the City increased in size from approximately 5 square miles to approximately 10.68 square miles through voluntary annexations. These annexations increased the acreage of taxable property within City boundaries. The City is also helping improve the taxable property base by encouraging high quality development and redevelopment. Both of these measures should increase the City's future revenue streams that will assist economically for decades to come. Nationally franchised retail chains are noticing Brooksville's changing demographics and have moved to the area. To assist in promoting business, the City Council repealed the City Occupational Business License Tax in 2008 and maintained a low millage of 5.9000 mills.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

ECONOMIC FACTORS (CONTINUED)

The list of national retailers who are in the City includes Wal-Mart, Lowe's Home Improvement, Tractor Supply, Applebee's, Burger King, Dunkin Donuts and Baskin Robbins, McDonalds, Wendy's, Popeye's, CVS, Beef O'Brady's, Publix, Winn Dixie, Walgreen's, Big Lots, Wa-Wa, and Zaxby's. Countless other established retailers and small local businesses continue to do business in our City.

2020 Millage Rate

The State of Florida under s. 200.185, F.S, required that the City adopt a tax levy permitted under the law. If the City adopted a tax levy that exceeds the maximum tax levy, s. 200.185, F.S. requires that the municipality will lose their half-cent sales tax distribution. By majority vote, the tax authority could levy a maximum millage equal to their rolled-back rate adjusted for the change in per capita Florida personal income (1.0443% for 2021). The City of Brooksville's maximum rate by majority vote was 14.6200 mills (exceeds the 10 mill cap). A two-thirds vote maximum millage allowed by law exceed was 16.0820 mills which exceeds the maximum millage allowed of 10 mills. The City of Brooksville complied with the requirements and did not lose their half-cent sales tax distribution. In 2021, the City adopted the millage rate of 5.9000. The current year rolled-back rate was 5.7387 which were lower than the adopted rate. The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

Next Year's Budget and Rates

As of September 30, 2021, the known facts that will affect operations revenues and expenses are as follows:

- 1) Reuse water ordinance 875, the collection of reclaimed water revenues will have a positive effect on the operating budget of the City's utilities system.
- 2) Establishment of the Police Pension Substituted Trust could have an impact on expenses in the FY 2022 Budget.
- 3) The City will receive a little over \$4 million in ARPA Funds to be used on city projects.

These are the three items that are known as of September 30, 2021 that will affect the City's future budgets.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is also extended to the Mayor and City Council and the City Manager and Department Heads for their continuous commitment to the highest ethical standards in financial reporting and disclosure.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Pooled Cash and Investments	\$ 15,031,414	\$ 9,577,757	\$ 24,609,171
Accounts Receivable, Net	187,416	1,193,275	1,380,691
Notes Receivable	67,500	-	67,500
Internal Balances	(1,709,690)	1,709,690	-
Due from Other Governments	360,135	81,647	441,782
Inventory - Supplies	20,699	189,965	210,664
Prepaid Items	159,746	-	159,746
Restricted Assets:			
Cash and Investments	328,073	998,425	1,326,498
Net Pension Asset	886,551	-	886,551
Capital Assets not being Depreciated	4,558,411	2,287,975	6,846,386
Capital Assets Net of Accumulated Depreciation	7,960,811	25,437,755	33,398,566
Total Assets	27,851,066	41,476,489	69,327,555
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	757,103	264,241	1,021,344
OPEB Related Items	65,694	29,515	95,209
Total Deferred Outflows of Resources	822,797	293,756	1,116,553
LIABILITIES			
Accounts Payable	346,729	151,079	497,808
Accrued Interest Payable	2,265	71,536	73,801
Accrued Wages Payable	96,808	32,981	129,789
Deposits	117,603	517,570	635,173
Other Current Liabilities	155,977	2,333	158,310
Unearned Revenue	2,147,944	-	2,147,944
Noncurrent Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	83,699	23,457	107,156
Notes Payable	279,894	53,196	333,090
Revenue Bonds Payable	14,842	667,711	682,553
Due in More Than One Year:			
Accrued Compensated Absences	131,794	34,757	166,551
Notes Payable	1,529,981	504,836	2,034,817
Revenue Bonds Payable	169,615	3,976,775	4,146,390
Net Pension Liability	979,110	460,758	1,439,868
Total OPEB Liability	365,568	164,241	529,809
Other Long-Term Liabilities	-	2,493,213	2,493,213
Total Liabilities	6,421,829	9,154,443	15,576,272
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	2,104,325	672,789	2,777,114
OPEB Related Items	108,404	48,703	157,107
Total Deferred Inflows of Resources	2,212,729	721,492	2,934,221
NET POSITION			
Net Investment in Capital Assets	10,524,890	20,015,660	30,540,550
Restricted:			
Transportation	611,542	-	611,542
Public Safety	209,492	-	209,492
Community Redevelopment	451,700	-	451,700
Infrastructure	3,199,124	-	3,199,124
Debt Service	80,131	-	80,131
Capital Projects	80	-	80
Utility Debt Service	-	409,319	409,319
Pension Benefits	886,551	-	886,551
Nonexpendable	245,208	-	245,208
Unrestricted	3,830,587	11,469,331	15,299,918
Total Net Position	\$ 20,039,305	\$ 31,894,310	\$ 51,933,615

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Functional/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Primary Government:							
General Government	\$ 2,929,276	\$ 396,533	\$ 202,750	\$ -	\$ (2,329,993)	\$ -	\$ (2,329,993)
Public Safety	2,990,714	1,373,228	215,084	-	(1,402,402)	-	(1,402,402)
Physical Environment	248,874	-	-	-	(248,874)	-	(248,874)
Economic Development	46,254	-	-	-	(46,254)	-	(46,254)
Transportation	1,150,267	177,263	2,068	-	(970,936)	-	(970,936)
Culture and Recreation	602,176	64,556	-	20,000	(517,620)	-	(517,620)
Debt Service Interest on							
Long-Term Debt	78,798	-	-	-	(78,798)	-	(78,798)
Total Governmental Activities	8,046,359	2,011,580	419,902	20,000	(5,594,877)	-	(5,594,877)
Business-Type Activities:							
Utility	3,940,566	5,411,367	-	-	-	1,470,801	1,470,801
Sanitation	1,329,593	1,740,825	1,124	73,846	-	486,202	486,202
Total Business-Type Activities	5,270,159	7,152,192	1,124	73,846	-	1,957,003	1,957,003
Total Primary Government	\$ 13,316,518	\$ 9,163,772	\$ 421,026	\$ 93,846	(5,594,877)	1,957,003	(3,637,874)
General Revenues:							
Taxes:							
Property Taxes					2,881,783	-	2,881,783
Utility Taxes					1,589,930	-	1,589,930
Fuel Taxes					418,376	-	418,376
Franchise Taxes					766,881	-	766,881
Sales Taxes					577,015	-	577,015
Other Taxes					8,591	-	8,591
State Shared Revenue					419,610	-	419,610
Investment Earnings					(3,077)	11,616	8,539
Miscellaneous					212,472	-	212,472
Transfers, Net					1,017,853	(1,017,853)	-
Total General Revenues and Transfers					7,889,434	(1,006,237)	6,883,197
Change in Net Position					2,294,557	950,766	3,245,323
Net Position - Beginning of Year					17,744,748	30,943,544	48,688,292
Net Position - End of Year					\$ 20,039,305	\$ 31,894,310	\$ 51,933,615

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	\$ 5,609,924	\$ 500,341	\$ 271,233	\$ 1,035,821	\$ 2,663,902	\$ 1,721,532	\$ 11,802,753
Restricted Pooled Cash and Investments	-	-	-	-	-	328,073	328,073
Accounts Receivable	184,365	-	110	-	-	2,941	187,416
Notes Receivable	67,500	-	-	-	-	-	67,500
Due from Other Funds	2,325	-	1,879	-	-	4,661	8,865
Advance to Other Funds	64,694	-	-	-	-	-	64,694
Due from Other Governments	272,329	-	12,722	44,967	-	30,117	360,135
Inventory - Supplies	2,995	-	-	-	-	-	2,995
Prepaid Items	128,364	-	4,670	-	-	2,001	135,035
Total Assets	<u>\$ 6,332,496</u>	<u>\$ 500,341</u>	<u>\$ 290,614</u>	<u>\$ 1,080,788</u>	<u>\$ 2,663,902</u>	<u>\$ 2,089,325</u>	<u>\$ 12,957,466</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 226,261	\$ -	\$ 21,631	\$ 16,714	\$ -	\$ 353	\$ 264,959
Accrued Wages Payable	48,693	-	29,700	15,725	-	-	94,118
Unearned Revenue	2,141,751	-	-	-	4,779	1,414	2,147,944
Due to Other Funds	4,661	-	-	-	-	4,204	8,865
Deposits	117,603	-	-	-	-	-	117,603
Other Liabilities	44,462	-	4,635	2,424	106,145	-	157,666
Total Liabilities	<u>2,583,431</u>	<u>-</u>	<u>55,966</u>	<u>34,863</u>	<u>110,924</u>	<u>5,971</u>	<u>2,791,155</u>
Fund Balances:							
Nonspendable	263,553	-	4,670	-	-	247,209	515,432
Restricted	-	445,341	-	-	2,552,978	1,551,749	4,550,068
Committed	-	-	-	-	-	11,860	11,860
Assigned	-	55,000	229,978	1,045,925	-	273,659	1,604,562
Unassigned (Deficit)	3,485,512	-	-	-	-	(1,123)	3,484,389
Total Fund Balances	<u>3,749,065</u>	<u>500,341</u>	<u>234,648</u>	<u>1,045,925</u>	<u>2,552,978</u>	<u>2,083,354</u>	<u>10,166,311</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,332,496</u>	<u>\$ 500,341</u>	<u>\$ 290,614</u>	<u>\$ 1,080,788</u>	<u>\$ 2,663,902</u>	<u>\$ 2,089,325</u>	<u>\$ 12,957,466</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund Balances - Total Governmental Funds \$ 10,166,311

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

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

Cost of Capital Assets	\$ 21,556,097	
Less: Accumulated Depreciation	<u>(9,819,663)</u>	11,736,434

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Balances at year-end are:

Compensated Absences	(207,131)	
Direct Borrowings	(1,809,875)	
Direct Placements	<u>(184,457)</u>	(2,201,463)

Net pension liability is not due and payable in the current period, therefore the liabilities and the related deferred outflows and inflows of resources are not reported in the funds. Balances at year-end are:

Net Pension Liability	(979,110)	
Net Pension Asset	886,551	
Deferred Outflows of Resources - Pension Related	757,103	
Deferred Inflows of Resources - Pension Related	<u>(2,104,325)</u>	(1,439,781)

Total other postemployment benefits liability is not due and payable in the current period, therefore, the liabilities and the related deferred outflows and inflows of resources are not reported in the funds. Balances at year-end are:

Total OPEB Liability	(365,568)	
Deferred Outflows of Resources - OPEB	65,694	
Deferred Inflows of Resources - OPEB	<u>(108,404)</u>	(408,278)

Internal service funds are used by management to charge the costs of certain activities to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

2,186,082

Net Position of Governmental Activities

\$ 20,039,305

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 4,361,439	\$ 110,274	\$ 922,133	\$ 248,301	\$ -	\$ 170,075	\$ 5,812,222
Licenses and Permits	1,132,538	-	-	-	58,751	95,897	1,287,186
Intergovernmental Revenue	1,021,035	-	45,036	2,068	-	399,016	1,467,155
Charges for Services	335,822	-	30,519	-	-	-	366,341
Fines and Forfeitures	71,027	-	98	-	-	7,350	78,475
Net Investment Earnings	(1,003)	58	-	-	(1,194)	223	(1,916)
Miscellaneous Revenues	217,196	55,000	10,457	127,609	-	10,856	421,118
Total Revenues	<u>7,138,054</u>	<u>165,332</u>	<u>1,008,243</u>	<u>377,978</u>	<u>57,557</u>	<u>683,417</u>	<u>9,430,581</u>
EXPENDITURES							
Current:							
General Government	2,660,895	-	-	-	-	193,548	2,854,443
Culture and Recreation	417,753	-	-	-	-	19,377	437,130
Public Safety	1,027,739	-	1,871,064	-	-	155,568	3,054,371
Physical Environment	156,853	-	-	-	-	-	156,853
Economic Development	-	46,254	-	-	-	-	46,254
Transportation	-	-	-	961,912	-	24,700	986,612
Capital Outlay	370,945	-	339,677	573,282	-	49,900	1,333,804
Debt Service:							
Principal	-	-	45,776	12,845	-	252,267	310,888
Interest	-	-	3,794	2,978	-	72,026	78,798
Total Expenditures	<u>4,634,185</u>	<u>46,254</u>	<u>2,260,311</u>	<u>1,551,017</u>	<u>-</u>	<u>767,386</u>	<u>9,259,153</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,503,869	119,078	(1,252,068)	(1,173,039)	57,557	(83,969)	171,428
OTHER FINANCING SOURCES (USES)							
Issuance of Debt	-	-	310,877	-	-	-	310,877
Transfers In	587,164	-	879,502	1,384,504	-	654,890	3,506,060
Transfers Out	(2,077,450)	-	(8,319)	(11,895)	-	(390,543)	(2,488,207)
Total Other Financing Sources (Uses)	<u>(1,490,286)</u>	<u>-</u>	<u>1,182,060</u>	<u>1,372,609</u>	<u>-</u>	<u>264,347</u>	<u>1,328,730</u>
NET CHANGE IN FUND BALANCES	1,013,583	119,078	(70,008)	199,570	57,557	180,378	1,500,158
Fund Balances - Beginning of Year	2,735,482	381,263	304,656	846,355	2,495,421	1,902,976	8,666,153
FUND BALANCES - END OF YEAR	<u>\$ 3,749,065</u>	<u>\$ 500,341</u>	<u>\$ 234,648</u>	<u>\$ 1,045,925</u>	<u>\$ 2,552,978</u>	<u>\$ 2,083,354</u>	<u>\$ 10,166,311</u>

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ 1,500,158

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

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

Capital Outlay	\$ 1,333,804	
Less: Current Year Depreciation	<u>(644,850)</u>	688,954

In the statement of activities, only the gain on the loss of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

(70,919)

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. This is the effect of these differences in the treatment of long-term debt and related items.

Debt Issued	(310,877)	
Principal Repayments - Direct Borrowings	297,182	
Principal Repayments - Direct Placements	<u>13,706</u>	11

Governmental funds report revenues from deferred inflows of resources in prior periods that are available in the current period. However, these inflows are not reported as revenues in the statement of activities.

Intergovernmental Revenue		(35,995)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. The amounts below represent the change in these accounts

Change in Compensated Absences		(60,717)
--------------------------------	--	----------

Changes in net pension liability and related pension amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

366,923

Changes in total other postemployment benefits (OPEB) liability and related OPEB amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(29,527)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities.

(64,331)

Change in Net Position of Governmental Activities **\$ 2,294,557**

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities		Total	Governmental
	Utility	Sanitation		Activities -
	Fund	Fund		Internal Service Fund
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 7,736,002	\$ 1,841,755	\$ 9,577,757	\$ 3,228,661
Accounts Receivable, Net	1,193,275	-	1,193,275	-
Due from Other Governments	72,744	8,903	81,647	-
Inventory - Supplies	189,965	-	189,965	17,704
Prepaid Items	-	-	-	24,711
Total Current Assets	<u>9,191,986</u>	<u>1,850,658</u>	<u>11,042,644</u>	<u>3,271,076</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	998,425	-	998,425	-
Capital Assets, Net:				
Land	1,148,912	47,020	1,195,932	-
Construction In Progress	1,092,043	-	1,092,043	-
Building	163,414	317,288	480,702	-
Improvement Other than Building	53,421,419	57,040	53,478,459	-
Machinery and Equipment	<u>2,346,630</u>	<u>1,670,762</u>	<u>4,017,392</u>	<u>2,365,904</u>
	58,172,418	2,092,110	60,264,528	2,365,904
Less: Accumulated Depreciation	<u>30,672,542</u>	<u>1,866,256</u>	<u>32,538,798</u>	<u>1,583,116</u>
Net Capital Assets	<u>27,499,876</u>	<u>225,854</u>	<u>27,725,730</u>	<u>782,788</u>
Total Noncurrent Assets	<u>28,498,301</u>	<u>225,854</u>	<u>28,724,155</u>	<u>782,788</u>
Total Assets	37,690,287	2,076,512	39,766,799	4,053,864
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	175,255	88,986	264,241	-
OPEB Related Items	<u>19,042</u>	<u>10,473</u>	<u>29,515</u>	<u>-</u>
Total Deferred Outflows of Resources	194,297	99,459	293,756	-

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities		Total	Governmental
	Utility	Sanitation		Activities -
	Fund	Fund		Internal Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 114,228	\$ 36,851	\$ 151,079	\$ 81,770
Accrued Interest Payable	71,536	-	71,536	-
Accrued Wages Payable	21,294	11,687	32,981	2,690
Deposits	517,570	-	517,570	-
Accrued Compensated Absences - Current	15,283	8,174	23,457	1,658
Note Payable - Due within One Year	53,196	-	53,196	-
Bond Payable - Due within One Year	667,711	-	667,711	-
Other Current Liabilities	-	2,333	2,333	576
Total Current Liabilities	<u>1,460,818</u>	<u>59,045</u>	<u>1,519,863</u>	<u>86,694</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	7,308	27,449	34,757	6,704
Advance from Other Funds	64,694	-	64,694	-
Notes Payable	504,836	-	504,836	-
Bond Payable	3,976,775	-	3,976,775	-
Net Pension Liability	311,946	148,812	460,758	-
Total OPEB Liability	105,962	58,279	164,241	-
Other Long-Term Liabilities	2,493,213	-	2,493,213	-
Total Noncurrent Liabilities	<u>7,464,734</u>	<u>234,540</u>	<u>7,699,274</u>	<u>6,704</u>
Total Liabilities	8,925,552	293,585	9,219,137	93,398
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	442,617	230,172	672,789	-
OPEB Related Items	31,421	17,282	48,703	-
Total Deferred Inflows of Resources	<u>474,038</u>	<u>247,454</u>	<u>721,492</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	19,789,806	225,854	20,015,660	782,788
Restricted for Debt Service	409,319	-	409,319	-
Unrestricted	8,285,869	1,409,078	9,694,947	3,177,678
Total Net Position	<u>\$ 28,484,994</u>	<u>\$ 1,634,932</u>	30,119,926	<u>\$ 3,960,466</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>1,774,384</u>	
Net Position of Business-Type Activities			<u>\$ 31,894,310</u>	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities		Total	Governmental
	Utility	Sanitation		Activities -
	Fund	Fund		Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 5,374,772	\$ 1,735,037	\$ 7,109,809	\$ 1,116,895
Miscellaneous Revenues	36,595	5,788	42,383	68,547
Total Operating Revenues	<u>5,411,367</u>	<u>1,740,825</u>	<u>7,152,192</u>	<u>1,185,442</u>
OPERATING EXPENSES				
Personal Services	727,724	445,415	1,173,139	991,682
Other Services and Charges	1,444,907	853,434	2,298,341	35,364
Depreciation	1,592,975	73,760	1,666,735	173,700
Total Operating Expenses	<u>3,765,606</u>	<u>1,372,609</u>	<u>5,138,215</u>	<u>1,200,746</u>
OPERATING INCOME (LOSS)	1,645,761	368,216	2,013,977	(15,304)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue	-	1,124	1,124	557
Net Investment Earnings	11,610	6	11,616	(1,161)
Interest Expense	(180,367)	-	(180,367)	-
Total Nonoperating Revenues (Expenses)	<u>(168,757)</u>	<u>1,130</u>	<u>(167,627)</u>	<u>(604)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,477,004	369,346	1,846,350	(15,908)
CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	73,846	-	73,846	-
Transfers In	-	7,057	7,057	-
Transfers Out	(896,369)	(128,541)	(1,024,910)	-
Total Contributions and Transfers	<u>(822,523)</u>	<u>(121,484)</u>	<u>(944,007)</u>	<u>-</u>
CHANGE IN NET POSITION	654,481	247,862	902,343	(15,908)
Net Position - Beginning of Year	<u>27,830,513</u>	<u>1,387,070</u>		<u>3,976,374</u>
NET POSITION - END OF YEAR	<u>\$ 28,484,994</u>	<u>\$ 1,634,932</u>		<u>\$ 3,960,466</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds.			<u>48,423</u>	
CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 950,766</u>	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,327,566	\$ 1,731,922	\$ 7,059,488	\$ 1,185,442
Payments to Employees	(903,153)	(481,750)	(1,384,903)	(934,788)
Payments to Suppliers	(1,483,764)	(853,154)	(2,336,918)	(46,479)
Net Cash Provided by Operating Activities	2,940,649	397,018	3,337,667	204,175
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants & Contributions	-	1,124	1,124	557
Transfers from Other Funds	-	7,057	7,057	-
Transfers to Other Funds	(896,369)	(128,541)	(1,024,910)	-
Repayment of advance	(3,405)	-	(3,405)	-
Net Cash Used by Noncapital Financing Activities	(899,774)	(120,360)	(1,020,134)	557
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	8,159	-	8,159	-
Acquisition and Construction of Capital Assets	(231,793)	-	(231,793)	-
Principal Paid on Long-Term Debt	(703,693)	-	(703,693)	-
Interest Paid	(190,321)	-	(190,321)	-
Net Cash Used by Capital and Related Financing Activities	(1,117,648)	-	(1,117,648)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends	11,610	6	11,616	(1,161)
NET INCREASE IN POOLED CASH AND INVESTMENTS				
	934,837	276,664	1,211,501	203,571
Pooled Cash and Investments - Beginning of Year	7,799,590	1,565,091	9,364,681	3,025,090
POOLED CASH AND INVESTMENTS - END OF YEAR	\$ 8,734,427	\$ 1,841,755	\$ 10,576,182	\$ 3,228,661
CLASSIFIED AS:				
Unrestricted	\$ 7,736,002	\$ 1,841,755	\$ 9,577,757	\$ 3,228,661
Restricted	998,425	-	998,425	-
Total Pooled Cash and Investments	\$ 8,734,427	\$ 1,841,755	\$ 10,576,182	\$ 3,228,661

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activities		Total	Governmental
	Utility Fund	Sanitation Fund		Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 1,645,761	\$ 368,216	\$ 2,013,977	\$ (15,304)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,592,975	73,760	1,666,735	173,700
(Increase) Decrease in Assets:				
Accounts Receivable	(47,236)	(8,903)	(56,139)	-
Inventories	(27,583)	-	(27,583)	(8,013)
Prepaid Items	2,452	-	2,452	-
Deferred Outflows of Pension Related Items	51,833	16,040	67,873	-
Deferred Outflows of OPEB Related Items	3,924	553	4,477	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(13,726)	(692)	(14,418)	50,865
Accrued Wages Payable	7,545	4,336	11,881	974
Other Current Liabilities	-	972	972	243
Deposits	11,770	-	11,770	-
Accrued Compensated Absences	(3,524)	14,403	10,879	1,710
Net Pension Liability	(533,102)	(243,991)	(777,093)	-
Total OPEB Liability	(37,933)	(10,806)	(48,739)	-
Other Long-Term Liabilities	(48,335)	-	(48,335)	-
Deferred Inflows of Pension Related Items	308,040	167,592	475,632	-
Deferred Inflows of OPEB Related Items	27,788	15,538	43,326	-
Net Cash Provided by Operating Activities	<u>\$ 2,940,649</u>	<u>\$ 397,018</u>	<u>\$ 3,337,667</u>	<u>\$ 204,175</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	Private Purpose Trust Funds	Pension Trust Funds
ASSETS		
Cash and Pooled Cash	\$ 1,365	\$ 104,900
Investments:		
Debt Securities	-	2,482,911
Marketable Equity Securities	-	5,670,565
Real Estate Fund	-	735,453
Accounts Receivable	-	71,732
	1,365	9,065,561
Total Assets	1,365	9,065,561
LIABILITIES		
Total Liabilities	-	-
NET POSITION		
Held in Trust for Retirement and Other Purposes	1,365	9,065,561
Total Net Position	\$ 1,365	\$ 9,065,561

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	Private Purpose Trust Funds	Pension Trust Funds
ADDITIONS:		
CONTRIBUTIONS		
Employer	\$ -	\$ 244,189
Plan Members	-	32,297
State of Florida	-	59,955
Total Contributions	-	336,441
INVESTMENT EARNINGS		
Net Increase in Fair Value	-	1,317,535
Interest and Dividends	4	157,535
Total Investment Earnings	4	1,475,070
MISCELLANEOUS REVENUES	-	1,138
Total Additions	4	1,812,649
DEDUCTIONS:		
BENEFIT PAYMENTS	-	456,869
ADMINISTRATIVE EXPENSES	-	139,190
Total Deductions	-	596,059
CHANGE IN NET POSITION	4	1,216,590
Net Position - Beginning of Year	1,361	7,848,971
NET POSITION - END OF YEAR	\$ 1,365	\$ 9,065,561

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 REPORTING ENTITY

The City of Brooksville (City) is an incorporated municipality, established in 1880, when the officers of the Town of Brooksville adopted ordinances declaring administrative and criminal laws. In 1931 the legislature of the State of Florida approved the Proposed Home Rule Charter for the City of Brooksville as contained in Chapter 15103 of the 1931 Acts of Florida. This chapter legalized and validated the charter election, which was held in the City on April 21, 1931. The City operates under a City Council-Manager form of government and provides the following municipal services: general administrative, public safety, permitting and zoning, development, public improvements, recreation, water and sewer, and sanitation and cemetery services.

The accompanying financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

As required by the Governmental Accounting Standards Board (GASB), these financial statements include the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. The City is financially accountable if (a) it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City; (b) the organization is fiscally dependent upon the City; or (c) it would cause the financial statements to be misleading by excluding the organization.

The reporting entity's financial statements should allow users to distinguish between the primary government and its component units. However, some component units, because of the closeness of their relationships with the City should be blended as though they were part of the City. Otherwise, component units should be discretely presented. To accomplish this goal, the City's financial statements present the fund types of the City, including component units that have been blended.

City of Brooksville Community Redevelopment Agency

The City of Brooksville Community Redevelopment Agency (CRA), a public body corporate and politic created pursuant to Florida Statutes, Section 163.356 was created to oversee and implement the City's redevelopment plan and to supervise and control the expenditures of tax increment financing funds placed in the Community Redevelopment Area Trust Fund. The members of the City Council serve as the members of the CRA Board and approve the annual budget. The CRA satisfies the criteria for blending and is reported as a major Special Revenue Fund of the City. The CRA is designated as a major fund for public interest reasons. The CRA issues separate financial statements and they may be obtained by writing to Finance Director, City of Brooksville, 201 Howell Avenue, Brooksville, Florida 34601.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 REPORTING ENTITY (CONTINUED)

Brooksville Housing Authority

The Brooksville Housing Authority has not been included as part of the City for financial statement purposes. The governing board is appointed by the Mayor of the City with approval of City Council, as set forth in Florida Statute 421.05, but then the governing board is responsible for the hiring and firing of management; the budget, which is then approved by the federal government; and all fiscal matters. The City has no responsibility for any surplus or deficits of the Brooksville Housing Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements - Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (i.e. the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements categorize primary activities as either governmental or business type. The City's fire protection, parks, public works, cemetery, and general administrative services are classified as governmental activities. The City's water, sewer, and sanitation services are classified as business-type activities.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported using the economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenue. The "Expenses" column reports direct expenses that are clearly identifiable with a specific function or program. "Program Revenues" are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

As a general rule, the effect of interfund balances and transfers have been removed from the government-wide financial statements, except for the residual amounts between governmental and business-type activities reported as "internal balances", which are eliminated in the total column. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Government-Wide Financial Statements (Continued)

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures (or expenses), as appropriate, and other financing sources and uses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the City are divided into three categories: governmental, proprietary, and fiduciary.

The emphasis in fund financial statements is on the major funds, as defined by GASB, in either the governmental or business-type activities categories. The nonmajor funds are combined in a column in the fund financial statements.

The City operates the following major governmental funds:

Governmental Funds

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

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **City of Brooksville Community Redevelopment Agency**, a major special revenue fund, accounts for expenditures associated with oversight and implementation of the City's redevelopment plan and control of the expenditures of restricted tax increment financing funds placed in the City of Brooksville Community Redevelopment Agency.
- The **Fire Department Fund**, a major special revenue fund, accounts for funding restricted to fire protection and related essential services within the City.
- The **Local Option Gas Tax Fund**, a major special revenue fund, accounts for the gas tax restricted by Section 336.025, Florida Statutes, for use specific transportation expenditures.
- The **Road Impact Fees Fund**, a major special revenue fund, accounts for impact fees restricted by Section 163.31801, Florida Statutes, to acquire, construct, or improve capital facilities to benefit new users.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Fund Financial Statements (Continued)

Proprietary Funds

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

The City reports the following major proprietary funds:

- The **Utility Fund** accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers.
- The **Sanitation Fund** accounts for the fiscal activity of providing collection and disposal of solid waste to residential and commercial customers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service 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 nonoperating revenues and expenses.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal service (vehicle maintenance, vehicle replacement, equipment replacement, employee benefits, and health insurance) are the City's governmental activities, the financial statements of the internal service funds are allocated largely into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Fiduciary Funds

Fiduciary funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used for to support the government's own programs. As a result, they are excluded from the government-wide financial statements.

The City reports the following fiduciary funds:

- The **Butterweck Bond Fund**, a private-purpose trust fund, accounts for the fiscal activity to maintain Butterweck Crypt at Brooksville Cemetery.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements
(Continued)**

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

- The **Fireman's Retirement Fund**, a pension trust fund, accounts for the firefighter's pension benefits, contractual services, and investment services.

- The **Police Retirement Fund**, a pension trust fund, accounts for the police pension benefits, contractual services, and investment services.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability has been incurred except for (1) principal and interest on long-term debt, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave.

Property taxes, sales taxes, and franchise taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

All proprietary funds are accounted for on the accrual basis of accounting and presented using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into three components: net investment in capital assets; restricted net position; and unrestricted net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The fiduciary funds consist of pension trust funds and private-purpose trust fund, which are prepared on the accrual basis of accounting and presented using the economic resources measurement focus.

Budgets and Budgetary Accounting

The City follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

1. All funds have legally adopted annual budgets. Prior to the inception of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. City policy permits amendments to the budget during the fiscal year and subsequent to year-end. Per Section 166.241, Florida Statutes, those subsequent to year-end must occur within 60 days.
5. Budgets for the General Fund, special revenue funds, and capital projects funds are principally prepared on the modified accrual basis of accounting.

Upon legislative approval, the expenditure requests in the budget become binding appropriations, which may not legally be exceeded unless subsequently amended by the legislative body.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental. Encumbrances are not the equivalent of expenditures; but rather represent a future commitment to purchase goods or services. Although encumbrances lapse at fiscal year-end, it is the City's intention to honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding as of September 30, 2021 totaled \$892,503, all of which are in the General Fund.

Pooled Cash and Investments

All of the City's cash and investments, except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for Uncollectibles

The City calculates its allowances for uncollectibles using historical collection data, specific account analysis, and management's judgment.

Investments

All investments, except non-participating investments, (i.e., certificates of deposits, and repurchase agreements), and investments in the external investments pools that meet the requirements of GASB 79 are reported at fair value.

Inventory of Supplies

Supplies inventory is valued at cost on a first-in, first-out basis. Supplies inventory consists of supplies held for consumption that are expensed at the time of consumption, rather than at the time a liability is incurred.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are expensed during the periods benefited.

Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements other than buildings, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost if purchased or constructed. Contributed assets are reported at estimated acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of the asset or materially extend the asset life are not capitalized.

Depreciation on all assets is provided using the straight-line method. The estimated useful lives are as follows:

Buildings	40 Years
Utility Plant in Service	20 to 40 Years
Equipment	5 to 10 Years
Infrastructure	10 to 50 Years

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. As infrastructure is added, the assets are capitalized and depreciated appropriately.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

City employees accumulate PTO, vacation and sick leave pay in varying amounts as services are provided. All outstanding vacation time is payable upon termination of employment. In governmental funds, these costs are recognized when payments are made to employees or when the costs mature as a result of employee resignation or retirement. The related liability is recognized in the government-wide financial statements. In proprietary funds, these costs are recognized in salary expense when earned and reported as a liability.

Governmental Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent:

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

Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision making authority. Commitments may only be removed or changed by the City Council taking the same formal action that imposed the constraint. The commitment action should occur by the end of the fiscal year.

Assigned fund balance – amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegated the City Manager the authority to assign amounts to be used for specific purposes.

Unassigned fund balance – the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City has formally adopted a fund balance and spending policy to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred which restricted, committed, assigned, or unassigned amounts are available to be used, the City will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Fund Balance Policy

The City Council established a minimum fund balance by formally requiring, in accordance with its Fund Balance Policy, that the City will maintain a minimum unassigned fund balance in its General Fund of 3% of the current year's budgeted expenditures and outgoing transfers. If fund balance falls below the minimum 3%, the City will replenish shortages/deficiencies over a period not to exceed one year using one or the combination of the following:

- The City will reduce recurring expenditures to eliminate any structural deficit
- The City will increase revenues or pursue other funding sources

The City's Fund Balance Policy also states an unassigned fund balance in its General Fund over 20% of the subsequent year's budgeted expenditures and outgoing transfers will be considered a surplus. If fund balance rises above 20%, the City will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expenditure outlays for maintenance, additional staffing, or other recurring expenditures.

Net Position

Net position represents the difference between assets and liabilities. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All net position not reported as net investment in capital assets or restricted net position, is reported as unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds consider pooled cash and investments to be cash equivalents, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

Single Employer: for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Firefighters' Retirement Trust Fund Chapter 175 and the Retired Police Officers' Substituted Trust Fund and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cost Sharing Employer: In the government-wide and proprietary funds statements of net position, liabilities are recognized for the City's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has multiple items that can qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference in projected versus actual earnings on pension plan investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, related to the multiple pension and OPEB valuations. The other amounts will be recognized as increases in pension expense and OPEB expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has multiple items that can qualify for reporting in this category including differences between expected and actual experience, changes in actuarial assumptions, net difference in projected versus actual earnings on pension plan investments, and changes in the proportion and differences between the City's contributions and proportionate share of contributions, related to the multiple pension and OPEB valuations.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to the above pension related deferred inflows, the City also has one other type of deferred inflows of resources, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain transactions and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Impact of Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, Fiduciary Activities, effective for the September 30, 2021 fiscal year-end. The objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. There is no cumulative effect of the accounting change in any of the statements.

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

As of September 30, 2021, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2021, the carrying amount of the City's deposits was \$14,086,849 and the bank balances were \$14,292,929. The City also had \$1,900 cash on hand at September 30, 2021.

Custodial Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits and securities that are in the possession of an outside party. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. To mitigate custodial risk, broker/dealers must meet established capital requirements as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify understanding of the City's investment policy, and provide a copy of most recent audit report.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The City's investment policy allows the City to invest surplus money in instruments provided by Florida Statutes Chapter 218.40 - 218.415. Among them are:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act, as provided in Section 163.01, Florida Statutes;
- b. Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- c. Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- d. Direct obligations of the U.S. Treasury;
- e. Federal Agencies and instrumentalities;
- f. Repurchase Contracts secured by U.S. Treasury or U.S. Government Agency Securities when market value shall be not less than 5% more than the amount of the contract. The 5% margin shall be maintained for the term of the contract. If the market value falls below the 5% margin, the issuer of the contract shall pledge additional collateral to restore the margin.

City ordinance authorizes investments for the pension trust funds, as follows:

- a. Annuity and life insurance contracts;
- b. Time and savings accounts of National Bank and a State of Florida bank insured by FDIC;
- c. Obligations of the United States;
- d. State and local government bonds (as restricted); and
- e. Corporate stocks and bonds (as restricted).

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2021, pension trust fund investments totaled \$8,888,929.

Investments in Local Government Investment Pools (LGIP)

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2021, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 4.4% of Florida PRIME's portfolio at September 30, 2021.

Florida PRIME meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost, as a cash equivalent.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments in Local Government Investment Pools (LGIP) (Continued)

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

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

The City also participates in the Florida Municipal Investment Trust (FMIvT), administered by the Florida League of Cities, Inc. FMIvT is an authorized investment under Section 163.01, Florida Statutes and is considered an external investment pool for reporting purposes. The City owns share in one or more FMIvT portfolios, not the individual securities held within each portfolio.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s investment policy limits investments to specified credit ratings for authorized investments. To mitigate credit risk, the City primarily invests in U.S. government securities and the State of Florida local government surplus trust fund pool. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s. On September 30, 2021, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
LGIP - SBA Florida PRIME	AAAm	\$ 1,605,698	13.43%
LGIP - FMIvT: 0-2 Year High Quality Bond	AAAf/S1	8,001,105	66.94%
LGIP - FMIvT: 1-3 Year High Quality Bond	AAAf/S2	1,592,680	13.32%
LGIP - FMIvT: Intermediate High Quality Bond Fund	AAAf/S3	753,702	6.31%
Total		<u>\$ 11,953,185</u>	<u>100.00%</u>

The Police Pension Fund and Fire Pension Fund limits credit risk by diversifying the investment portfolios so that potential losses on individual securities will be minimized.

The following illustrates the credit quality distribution with credit exposure as a percentage of the Fire Pension Fund investment securities.

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Fixed Income:			
U.S. Government Obligations	AA+	\$ 291,220	3.45%
Mortgage/Asset Backed Securities	No Rating	134,383	1.59%
Mortgage/Asset Backed Securities	AA+	530,728	6.29%
Mutual Funds (Bond Funds)	No Rating	408,059	4.84%
Corporate Bonds	AAA	6,208	0.07%
Corporate Bonds	AA	24,386	0.29%
Corporate Bonds	A	311,617	3.70%
Corporate Bonds	BBB	395,659	4.69%
Corporate Bonds	No Rating	53,381	0.63%
Foreign Bonds NTS	AA	16,661	0.20%
Foreign Bonds NTS	A	18,363	0.22%
Foreign Bonds NTS	BBB	113,259	1.34%
Domestic Equities	No Rating	4,182,726	49.60%
International Equities	No Rating	1,211,182	14.36%
Real Estate Fund	No Rating	735,453	8.72%
Total		<u>\$ 8,433,285</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The following illustrates the credit quality distribution with credit exposure as a percentage of the Police Pension Fund investment securities.

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Fixed Income:			
Mutual Funds (Bond Funds)	No Rating	\$ 178,987	39.28%
Domestic Equities	No Rating	276,657	60.72%
Total		<u>\$ 455,644</u>	<u>100.00%</u>

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy, not including pensions, requires that investments be diversified by security type and institution. Approximately 87% of the City's investments are in Florida Municipal Investment Trust. Approximately 13% of the City's Investments are in the Local Government Surplus Trust Fund investment pool.

The Fire Pension Fund requires that not more than 65% of the Plan's assets may be invested in corporate common stock and convertible bonds. Foreign securities shall not exceed 25% of the market value of the Plans' assets. Investment in real estate must not exceed 10% of the cost value of the fund. Not more than 5% of the Plan's assets, at time of purchase, shall be invested in the common stock, capital stock, or convertible stock of any on issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. The value of bonds issued by any single corporation shall not exceed 3% of the total fund.

The Police Pension Fund may not exceed 70% of the net asset value of the plan in fund equities. At September 30, 2021 holdings were all in cash equivalents.

The City does not have any investments in any one issuer that represent 5% or more of total investments.

Interest Rate Risk

To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. The City's policy requires that investments have maturities no greater than five years.

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2021 was 49 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2021 was 64 days.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Investment Type	Average Duration
LGIP - SBA Florida PRIME	0.18
LGIP - FMIvT: 0-2 Year High Quality Bond	0.70
LGIP - FMIvT: 1-3 Year High Quality Bond	1.42
LGIP - FMIvT: Intermediate High Quality Bond Fund	3.60

The City's pension trust funds do not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the Police Pension Fund and Fire Pension Fund are measured against various nationally recognized benchmarks depending on the category.

The Police Pension Fund maturities are as follows:

	Fixed Income Investments
One to Five Years	\$ 178,987
Total Fair Value	\$ 178,987

The Fire Pension Fund maturities are as follows:

	Fixed Income Investments
Less than One Year	\$ 60,777
One to Five Years	714,191
Five to Ten Years	467,628
More than Ten Years	1,061,328
Total Fair Value	\$ 2,303,924

Foreign Currency Risk

The City is not exposed to any foreign currency risk.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The following illustrates the fair value of investments of the City:

	September 30, 2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
LGIP - FMIvT: 0-2 Year High Quality Bond	\$ 8,001,105	\$ -	\$ 8,001,105	\$ -
LGIP - FMIvT: 1-3 Year High Quality Bond	1,592,680	-	1,592,680	-
LGIP - FMIvT: Intermediate High Quality Bond Fund	753,702	-	753,702	-
	<u>10,347,487</u>	<u>\$ -</u>	<u>\$ 10,347,487</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
LGIP - SBA Florida PRIME	1,605,698			
Total Investments Measured at Amortized Cost	<u>1,605,698</u>			
Total Investments	<u>\$ 11,953,185</u>			

FMIvT 0-2 Year High Quality Bond Fund

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

FMIvT 1-3 Year High Quality Bond Fund

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, IDC. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

FMIvT Intermediate High Quality Bond Fund

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, IDC. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The following illustrates the fair value of investments of the Police Pension Fund:

	September 30, 2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
Mutual Funds (Bond Funds)	\$ 178,987	\$ 178,987	\$ -	\$ -
Marketable Equity Funds:				
Domestic	276,657	276,657	-	-
Total Investments at Fair Value Level	<u>\$ 455,644</u>	<u>\$ 455,644</u>	<u>\$ -</u>	<u>\$ -</u>

The following illustrates the fair value of investments of the Fire Pension Fund:

	September 30, 2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Obligations	\$ 291,220	\$ -	\$ 291,220	\$ -
Mutual Funds (Bond Funds)	408,059	408,059	-	-
Mortgage/Asset Backed Securities	665,111	-	665,111	-
Corporate and Foreign Bonds	939,534	-	939,534	-
Subtotal - Debt Securities	2,303,924	408,059	1,895,865	-
Marketable Equity Funds:				
Domestic	4,182,726	4,182,726	-	-
International	1,211,182	1,211,182	-	-
Subtotal - Marketable Equity Funds	5,393,908	5,393,908	-	-
Total Investments at Fair Value Level	7,697,832	<u>\$ 5,801,967</u>	<u>\$ 1,895,865</u>	<u>\$ -</u>
Investments by Net Asset Value (NAV)				
Real Estate Fund	735,453			
Total Investments Measured at the NAV	735,453			
Total Investments	<u>\$ 8,433,285</u>			

Other information for investments measured at the NAV or its equivalent is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 735,453	\$ 960	Quarterly	Daily

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Real Estate Fund – The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and potential for market appreciation. The American Core Realty Fund invests primarily in core institutional quality industrial, multi-family, office and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

A reconciliation of deposits and investments to amounts shown on the statement of net position and statement of fiduciary net position is as follows:

Deposits	\$ 14,086,849
Cash on Hand	1,900
Investments	20,842,114
Total	<u>\$ 34,930,863</u>
Statement of Net Position:	
Cash and Investments	\$ 24,609,171
Restricted Cash and Investments	1,326,498
Statement of Fiduciary Net Positions:	
Pooled Cash	106,265
Investments	8,888,929
Total Cash and Investments	<u>\$ 34,930,863</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The balances due to/from other funds were as follows at September 30, 2021:

<u>Due To/From Other Funds</u>	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	\$ 2,325	\$ 4,661
Fire Department Fund	1,879	-
Nonmajor Governmental Funds	4,661	4,204
Total	<u>\$ 8,865</u>	<u>\$ 8,865</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Advance To/From Other Funds

The balance advanced to/from other funds was as follows at September 30, 2021:

<u>Advances To/From Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 64,694	\$ -
Utilities Fund	-	64,694
Total	<u>\$ 64,694</u>	<u>\$ 64,694</u>

Interfund receivables and payables represent recurring activities between funds as well as temporary deficit cash balances. All interfund payables are expected to be repaid within one year, with the exception of the advance due between the General Fund and Utility Fund.

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2021:

<u>Transfers In/Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 587,164	\$ 2,077,450
Fire Department Fund	879,502	8,319
Local Option Gas Tax Fund	1,384,504	11,895
Utility Fund	-	896,369
Sanitation Fund	7,057	128,541
Nonmajor Governmental Funds	654,890	390,543
Total Transfers In/Transfers Out	<u>\$ 3,513,117</u>	<u>\$ 3,513,117</u>

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 is as follows:

	Balance September 30, 2020	Additions	Deletions	Balance September 30, 2021
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,510,978	\$ -	\$ -	\$ 1,510,978
Construction in Progress	2,775,027	515,521	243,115	3,047,433
Total Nondepreciable	<u>4,286,005</u>	<u>515,521</u>	<u>243,115</u>	<u>4,558,411</u>
Capital Assets, Being Depreciated:				
Buildings	6,742,174	66,944	-	6,809,118
Improvements Other Than Buildings	6,618,454	872,968	-	7,491,422
Equipment	4,941,560	121,490	-	5,063,050
Total Depreciable	<u>18,302,188</u>	<u>1,061,402</u>	<u>-</u>	<u>19,363,590</u>
Less: Accumulated Depreciation for:				
Buildings	3,139,710	221,400	-	3,361,110
Improvements Other Than Buildings	4,130,185	291,255	-	4,421,440
Equipment	3,314,330	305,899	-	3,620,229
Total Accumulated Depreciation	<u>10,584,225</u>	<u>818,554</u>	<u>-</u>	<u>11,402,779</u>
Total Capital Assets, Being Depreciated, Net	<u>7,717,963</u>	<u>242,848</u>	<u>-</u>	<u>7,960,811</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,003,968</u>	<u>\$ 758,369</u>	<u>\$ 243,115</u>	<u>\$ 12,519,222</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance September 30, 2020	Additions	Deletions	Balance September 30, 2021
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,195,932	\$ -	\$ -	\$ 1,195,932
Construction in Progress	882,456	209,587	-	1,092,043
Total Nondepreciable	<u>2,078,388</u>	<u>209,587</u>	<u>-</u>	<u>2,287,975</u>
Capital Assets, Being Depreciated:				
Buildings	480,702	-	-	480,702
Improvements Other Than Buildings	53,478,459	-	-	53,478,459
Machinery and Equipment	3,995,186	22,206	-	4,017,392
Total Depreciable	<u>57,954,347</u>	<u>22,206</u>	<u>-</u>	<u>57,976,553</u>
Less: Accumulated Depreciation for:				
Buildings	284,258	18,214	-	302,472
Improvements Other Than Buildings	27,364,276	1,480,338	-	28,844,614
Equipment	3,223,529	168,183	-	3,391,712
Total Accumulated Depreciation	<u>30,872,063</u>	<u>1,666,735</u>	<u>-</u>	<u>32,538,798</u>
Total Capital Assets, Being Depreciated, Net	<u>27,082,284</u>	<u>(1,644,529)</u>	<u>-</u>	<u>25,437,755</u>
Business-Type Activities Capital Assets, Net	<u>\$ 29,160,672</u>	<u>\$ (1,434,942)</u>	<u>\$ -</u>	<u>\$ 27,725,730</u>

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

Governmental Activities:

General Government	\$ 286,244
Public Safety	147,160
Physical Environment	88,270
Culture and Recreation	163,602
Transportation	133,278
Total Depreciation for Governmental Activities	<u>\$ 818,554</u>

Business-Type Activities:

Utility Fund	\$ 1,592,975
Sanitation Fund	73,760
Total Depreciation for Business-Type Activities	<u>\$ 1,666,735</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES

Long-term liability activity of the City for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Deductions	Balance September 30, 2021	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Direct Placements:					
2006 Capital Improvement Revenue Bonds	\$ 120,000	\$ -	\$ 8,000	\$ 112,000	\$ 9,000
2016 Capital Improvement Revenue Bond	78,163	-	5,706	72,457	5,842
Total Direct Placements	<u>198,163</u>	<u>-</u>	<u>13,706</u>	<u>184,457</u>	<u>14,842</u>
Direct Borrowings:					
Promissory Note 2011 Capital Improvement Revenue Note	47,243	-	45,776	1,467	1,467
Patch Truck Note	1,664,085	-	238,561	1,425,524	247,281
Mini Pumper Fire Truck Note	84,852	-	12,845	72,007	13,338
Total Direct Borrowings	<u>-</u>	<u>310,877</u>	<u>-</u>	<u>310,877</u>	<u>17,808</u>
Compensated Absences Governmental Activity Long-Term Liabilities	<u>153,066</u>	<u>308,323</u>	<u>245,896</u>	<u>215,493</u>	<u>83,699</u>
	<u>\$ 2,147,409</u>	<u>\$ 619,200</u>	<u>\$ 556,784</u>	<u>\$ 2,209,825</u>	<u>\$ 378,435</u>
BUSINESS-TYPE ACTIVITIES					
Direct Placement:					
2013 Water and Sewer Refunding Revenue Bonds	\$ 5,296,186	\$ -	\$ 651,700	\$ 4,644,486	\$ 667,711
Total Direct Placement	<u>5,296,186</u>	<u>-</u>	<u>651,700</u>	<u>4,644,486</u>	<u>667,711</u>
Direct Borrowings:					
Wastewater /ARRA Loan	367,183	-	31,295	335,888	32,019
Direct State Revolving Fund Loan	242,842	-	20,698	222,144	21,177
Total Direct Borrowings	<u>610,025</u>	<u>-</u>	<u>51,993</u>	<u>558,032</u>	<u>53,196</u>
Compensated Absences Other Long-Term Liabilities Business-Type Activity Long-Term Liabilities	<u>47,335</u>	<u>89,578</u>	<u>78,699</u>	<u>58,214</u>	<u>23,457</u>
	<u>2,541,548</u>	<u>-</u>	<u>48,335</u>	<u>2,493,213</u>	<u>-</u>
	<u>\$ 8,495,094</u>	<u>\$ 89,578</u>	<u>\$ 830,727</u>	<u>\$ 7,753,945</u>	<u>\$ 744,364</u>

The following bonds payable and notes payable were outstanding at September 30, 2021:

Direct Placement – 2006 Capital Improvement Revenue

In November 2006, the City issued \$258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2021 was \$64,694 as disclosed in Note 4.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2006 Capital Improvement Revenue (Continued)

Interest on the 2006 bonds is payable annually on September 1 of each year. The bonds carry an interest rate of 4.125%. Bonds maturing on or before September 1, 2015 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 2016 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 2015 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

5% if redeemed on September 1, 2015 or thereafter, to and including September 1, 2018;
4% if redeemed on September 1, 2019 or thereafter, to and including September 1, 2022;
3% if redeemed on September 1, 2023 or thereafter, to and including September 1, 2026;
2% if redeemed on September 1, 2027 or thereafter, to and including September 1, 2030;
1% if redeemed on September 1, 2031 or thereafter, to and including September 1, 2034.

This debt contains a provision that in the event of default, the entire principal amount plus outstanding and accrued interest may become immediately due and payable.

Direct Placement – 2016 Capital Improvement Revenue

In November 2016, the City issued \$94,500 in Capital Improvement Revenue Bonds, Series 2016 for the purpose of purchasing a fire truck. Interest on the 2016 bonds is payable annually on October 1 of each year. The 2016 Bonds have an interest rate of 2.375% and will mature October 1, 2031. The Bonds are not subject to redemption prior to their respected stated dates of maturity.

This debt contains a provision that in the event of default, the entire principal amount plus outstanding and accrued interest may become immediately due and payable.

Direct Placement – 2013 Water and Sewer Refunding Revenue

During 2013, City Council approved Resolution 2013-03 authorizing the issuance of the Water and Sewer Refunding Revenue Bond, Series 2013 of \$9,510,366. This action refunds the Water and Sewer Systems Bonds Series 1999, Water and Sewer Revenue Refunding Bonds Series 2002, and the Hancock Bank Subordinated Water and Sewer Revenue Note Series 2008. The 2013 Bonds have an interest rate of 2.968% and will mature on October 1, 2027.

This debt contains a provision that in the event of default, any amount will bear interest at the default rate, which is the prime rate plus 3% per annum.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Placement – 2013 Water and Sewer Refunding Revenue (Continued)

The annual requirements to amortize direct placements as of September 30, 2021 are as follows:

Year	Governmental Activities				Business-Type Activities	
	Direct Placements				Direct Placements	
	2006 Capital Improvement Revenue Bonds		2016 Capital Improvement Revenue Bonds		2013 Water and Sewer Refunding Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 9,000	\$ 4,620	\$ 5,842	\$ 1,721	\$ 667,711	\$ 132,928
2023	9,000	4,249	5,981	1,582	684,110	112,990
2024	9,000	3,878	6,123	1,440	700,720	92,802
2025	10,000	3,506	6,268	1,295	718,140	71,638
2026	10,000	3,094	6,417	1,146	735,780	50,193
2027-2031	57,000	8,828	34,444	3,370	1,138,025	33,935
2032-2036	8,000	330	7,382	175	-	-
Total	\$ 112,000	\$ 28,505	\$ 72,457	\$ 10,729	\$ 4,644,486	\$ 494,486

Direct Borrowings - Notes Payable

Notes payable included in long-term liabilities as of September 30, 2021 are as follows:

	<u>Amount</u>
Governmental Activities:	
4.23% note payable to SunTrust Bank; interest only payable for the first two quarters; principal and interest payable quarterly beginning July 26, 2007 until May 10, 2021; used to purchase a 2006 Sutphan Fire Aerial Platform Truck. The note contains a provision that in the event of default, all payments may become due and payable.	\$ 1,467
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects. The note contains a provision that in the event of default, additional interest will be required at the daily equivalent rate of 12% per annum and payments may be accelerated.	1,425,524
3.77% note payable to SunTrust Bank; principal and interest payable monthly beginning October 14, 2018 until September 14, 2026; used to purchase a Patch Truck. The note contains a provision that in the event of default, all payments may become due and payable.	72,007

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowings - Notes Payable (Continued)

	Amount
Governmental Activities:	
2.13% note payable to Truist Bank; principal and interest payable monthly beginning March 8, 2022 until March 8, 2035; used to purchase a Mini Pumper Fire Truck. The note contains a provision that in the event of default, all payments may become due and payable.	\$ 310,877
Total	\$ 1,809,875
Business-Type Activities:	
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031. The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.	\$ 335,888
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031. The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.	222,144
Total	\$ 558,032

The annual requirements to amortize direct borrowings as of September 30, 2021 are as follows:

Year	Governmental Activities		Business-Type Activities	
	Direct Borrowings		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 279,894	\$ 64,303	\$ 53,196	\$ 12,532
2023	291,062	52,971	54,427	11,299
2024	302,862	41,172	55,686	10,041
2025	315,145	28,888	56,974	8,752
2026	327,938	16,099	58,292	7,435
2027-2031	178,410	19,684	279,457	16,313
2032-2036	114,564	7,432	-	-
Total	\$ 1,809,875	\$ 230,549	\$ 558,032	\$ 66,372

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

Compensated absences represent the vested portion of leave credits. See Note 1 for a summary of the City's compensated absences policy. The liability for compensated absences is liquidated with resources of the General Fund, Fire Department Fund, Local Option Gas Tax Fund, Utility Fund, Sanitation Fund, and internal service funds.

Other Long-Term Liabilities

The City has recorded a liability for the water and sewer impact fee credits. As of September 30, 2021 the liability is \$2,493,213.

NOTE 7 DEFINED BENEFIT PENSION PLANS

The City maintains two defined benefit pension plans. The Firefighter's Retirement Trust Fund Chapter 175 Plan (Firefighters' Plan) covers substantially all full-time firefighters employed by the City. The City of Brooksville Retired Police Officers' Substituted Trust Fund (Retired Police Officers' Plan) covers only certain police retirees. There are no separately issued financial statements for either plan.

The statements of fiduciary net position for the two pension plans at September 30, 2021, are as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ASSETS			
Cash and Pooled Cash	\$ 101,568	\$ 3,332	\$ 104,900
Investments:			
Debt Securities	2,303,924	178,987	2,482,911
Marketable Equity Securities	5,393,908	276,657	5,670,565
Real Estate Fund	735,453	-	735,453
Accounts Receivable	71,732	-	71,732
Total Assets	8,606,585	458,976	9,065,561
NET POSITION			
Restricted for Pension Benefits	\$ 8,606,585	\$ 458,976	\$ 9,065,561

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the two pension plans for the year ended September 30, 2021 is as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ADDITIONS			
Contributions:			
Employer	\$ 244,189	\$ -	\$ 244,189
Plan Members	32,297	-	32,297
State	59,955	-	59,955
Total Contributions	<u>336,441</u>	<u>-</u>	<u>336,441</u>
Investment Income:			
Net Increase in Fair Value	1,289,779	27,756	1,317,535
Interest/Dividends	142,525	15,010	157,535
Total Investment Earnings	<u>1,432,304</u>	<u>42,766</u>	<u>1,475,070</u>
Miscellaneous Revenue	1,138	-	1,138
Total Additions	<u>1,769,883</u>	<u>42,766</u>	<u>1,812,649</u>
DEDUCTIONS			
Benefit Payments	429,778	27,091	456,869
Administrative Expenses	87,670	51,520	139,190
Total Deductions	<u>517,448</u>	<u>78,611</u>	<u>596,059</u>
CHANGE IN NET POSITION	1,252,435	(35,845)	1,216,590
Net Position - Beginning of Year	<u>7,354,150</u>	<u>494,821</u>	<u>7,848,971</u>
NET POSITION - END OF YEAR	<u>\$ 8,606,585</u>	<u>\$ 458,976</u>	<u>\$ 9,065,561</u>

Summary of Significant Accounting Policies

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

Method Used to Value Investments – Investments are reported at fair value as described in Note 3.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175

The City provides a Firefighter's Retirement Trust Fund Chapter 175 Plan (Firefighter's Plan) covering substantially all full-time firefighters employed by the City. The plan was amended and restated by Ordinance 754-D, adopted by City Council on January 7, 2011. The plan is a defined benefit plan with actuarial valuations performed annually. Employees under the Firefighters' Plan who are classified as full-time and volunteer firefighters shall participate in the system as a condition of employment. Employees are 100% vested after 10 years of credited service.

Plan Description

Employees who are classified as full-time and volunteer firefighters shall participate in the System as a condition of employment.

Fire employees are required to contribute 3.29% of their annual salary. The City is required to contribute the remaining amounts after employee and state contributions necessary to fund the plans as specified by ordinance.

Plan Administration

The Firefighter's Plan is a single-employer defined benefit pension plan administered by the Firefighter's Plan's Board of Trustees comprised of:

- a. Two Council appointees,
- b. Two Members of the Department elected by the Membership, and
- c. A Fifth Member elected by the other four and appointed by Council.

Firefighter's Plan membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	19
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	19
Active Plan Members	19
Total	<u><u>57</u></u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

The Firefighter's Plan provides retirement, termination, disability, and death benefits.

Normal Retirement

Date	Earlier of age 60, age 55 and 10 years of Credit Service, or 20 years of Credited Service regardless of age.
Benefit	3.1% of Average Final Compensation times Credited Service.

Early Retirement

Eligibility	Age 50 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced 3% per year.

Cost-of-Living Adjustment

3% increase each January 1 from age 55 through age 65.

Vesting

Schedule	100% after 10 years of Credited Service.
Benefit Amount	Member will receive the vested portion of his/her accrued benefit payable at the otherwise Normal Retirement date.

Disability

Eligibility	Service incurred: Covered from date of employment. Non-Service incurred: 10 years of Credited Service.
Benefit	Benefit accrued to date of disability but not less than 42% of Average Final Compensation (Service Incurred).

Pre-Retirement Death Benefits

Vested	Monthly accrued benefit payable to designated beneficiary for 10 years.
Nonvested	Refund of accumulated contributions, without interest.

Post-Retirement Death Benefits

Benefits payable to beneficiary in accordance with option selected at retirement.

Contributions

Member Contributions	3.29% of salary effective 10/01/2010.
City and State Contributions	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any. In no event will the City's contribution be less than 5% of the total salary of the members, as provided in Part VII of Chapter 112, Florida Statutes.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter’s Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Investment Policy

The following is the Firefighter’s Plan’s Board of Trustees adopted asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00 %
International Equity	15.00
Domestic Fixed Income	25.00
Global Fixed Income	5.00
Real Estate	10.00
Total	<u>100.00 %</u>

Concentrations

The Firefighter’s Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan’s Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amount actually invested.

Actuarial Assumptions

The total pension liability was measured as of September 30, 2021 determined by an actuarial valuation as of October 1, 2020, rolled forward to the measurement date of September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.55%
Investment Rate of Return	7.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.55%, which was a .10% decrease from the discount rate used for the prior measurement. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighter’s Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Deferred Retirement Option Program

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed the earlier of 60 months or the completion of 30 years of service with the City as a Firefighter.
Rate of Return	At Member's election, either 6.5% or Net Investment Return.

The DROP balance as of September 30, 2021 is \$133,843.

Net Pension Liability

The table below shows the sensitivity of the net pension liability to the changes in the Discount Rate:

	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Sponsor's Net Pension Liability (Asset)	\$ 115,641	\$ (763,362)	\$ (1,480,112)

The components of the net pension liability of the City on September 30, 2021 were as follows:

Total Pension Liability	\$ 7,843,223
Less: Plan Fiduciary Net Position	8,606,585
Sponsor's Net Pension Asset	<u>\$ (763,362)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.73%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Net Pension Liability (Continued)

The schedule of changes in Net Pension Liability on September 30, 2021 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2020	\$ 7,491,354	\$ 7,354,150	\$ 137,204
Changes for a Year:			
Service Cost	151,372	-	151,372
Interest	572,145	-	572,145
Change in Excess State Money	-	-	-
Difference between Expected and Actual Experience	(19,875)	-	(19,875)
Assumption Changes	78,994	-	78,994
Contributions - Employer	-	244,189	(244,189)
Contributions - State	-	59,955	(59,955)
Contributions - Employee	-	32,297	(32,297)
Net Investment Income	-	1,432,304	(1,432,304)
Benefit Payments, Including Refunds of Employee Contributions	(430,767)	(429,778)	(989)
Administrative Expense	-	(87,670)	87,670
Other Changes	-	1,138	(1,138)
Net Changes	<u>351,869</u>	<u>1,252,435</u>	<u>(900,566)</u>
Balances at September 30, 2021	<u>\$ 7,843,223</u>	<u>\$ 8,606,585</u>	<u>\$ (763,362)</u>

For the year ended September 30, 2021, the City recognized pension expense of (\$67,877). On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 9,938
Changes of Assumptions	39,497	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	664,711
Total	<u>\$ 39,497</u>	<u>\$ 674,649</u>

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (119,222)
2023	(156,447)
2024	(192,298)
2025	(167,185)
Total	<u>\$ (635,152)</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund

Plan Description

On June 1, 2018, the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law enforcement services. The Police Retirement Trust Fund Chapter 185 plan (Prior Plan) termination date was also June 1, 2018. The City had 24 months under Section 185.37, Florida Statutes, to complete the termination. Plan members of the original plan were eligible for several options including: 1) payment in cash, 2) purchase of an insured annuity, or 3) maintenance of a another or substituted trust fund. Those electing the first two options received their payouts early in fiscal year 2020. Those who elected the third option became members of the new plan.

On March 2, 2020, the City passed Ordinance No. 914 establishing the City of Brooksville Retired Police Officers' Substituted Trust Fund (Retired Police Officers' Plan), which is intended to be a governmental plan as provided in Internal Revenue Code Section 414(d). Substantially all remaining assets of the original plan were transferred to the new plan on that date. Therefore, the City is treating it as a continuation of the Prior Plan for financial reporting purposes. The Retired Police Officers' Plan covers only retirees. There are no active plan members or employees of the City that are eligible to participate.

Plan Administration

The Retired Police Officers' Plan is a single-employer defined benefit pension plan administered by the Board of Trustees comprised of:

- a. Two person who are City residents or a retiree of the Retired Police Officers' Plan, elected by a majority of the retired members of this plan.
- b. City Finance Director
- c. One City resident selected by City Council
- d. Fifth Member appointed by City Council

Plan membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	8
Total	10

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

Plan Description (Continued)

The following is a summary of eligibility, contribution methods, and plan provisions:

Benefits Provided

The Plan provides retirement, disability, and death benefits.

Normal Retirement

Date 20 years of Credited Service before May 31, 2018, regardless of age; or attainment of age 55 and completion of 6 years of credited service.

Benefit 4.00% of Average Final Compensation times credited service.

Early Retirement

Eligibility Age 50 and 6 years of credited service.

Benefit Accrued benefit, reduced 3.00% per year.

Cost-of-Living Adjustment

3% increase each January 1 from age 55 through age 65.

Disability

There are no retired members entitled to disability benefits.

Death Benefits

Shall be paid in accordance with the form of benefit chosen at the time of retirement.

Contributions

There are no member contributions to the plan as there are no active members.

Investment Policy

The investment advisor is authorized to invest funds of the plan in equities in an amount not to exceed 70% of the net asset value of the plan.

Concentrations

The Police Officers' Plan does not have any individual issuer or organization concentration limits.

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of Pension Plan investment expense, was 6.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

Actuarial Assumptions

The total pension asset was measured as of September 30, 2021, determined by an actuarial valuation as of October 1, 2020, rolled forward to the measurement date of September 30, 2021, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	N/A
Discount Rate	7.25%
Investment Rate of Return	7.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. There was no discount rate used in the prior year measurement due to the Prior Plan being in the process of termination. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Net Pension Liability

The table below shows the sensitivity of the net pension liability to the changes in the discount rate:

	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Asset	\$ (88,514)	\$ (123,189)	\$ (146,326)

The components of the net pension asset of the City on September 30, 2021 were as follows:

Total Pension Liability	\$ 335,787
Less: Plan Fiduciary Net Position	458,976
Sponsor's Net Pension Asset	\$ (123,189)

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	136.69%
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**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

City of Brooksville Retired Police Officers' Substituted Trust Fund (Continued)

The schedule of changes in Net Pension Asset on September 30, 2021 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balances at September 30, 2020	\$ 339,263	\$ 494,821	\$ (155,558)
Changes for a Year:			
Interest	23,615	-	23,615
Net Investment Income	-	42,766	(42,766)
Benefit Payments, Including Refunds of Employee Contributions	(27,091)	(27,091)	-
Administrative Expense	-	(51,520)	51,520
Net Changes	<u>(3,476)</u>	<u>(35,845)</u>	<u>32,369</u>
Balances at September 30, 2021	<u>\$ 335,787</u>	<u>\$ 458,976</u>	<u>\$ (123,189)</u>

For the year ended September 30, 2021, the City recognized pension expense of \$82,613. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>\$ 156,092</u>	<u>\$ -</u>

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

<u>Year Ending September 30,</u>	Amount
2022	\$ 51,919
2023	51,919
2024	51,919
2025	335
Total	<u>\$ 156,092</u>

Florida Retirement System Pension Plan

Pursuant to Chapter 95-338, Laws of Florida, the City of Brooksville declared as its policy and purpose, a revocation of election to participate in the Florida Retirement System for all employees or officers hired on or after January 1, 1996. Effective January 1, 2002, the City elected to again participate in the Florida Retirement System for general employees and officers.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the City are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected City Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected City Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2020, were applied to employee salaries as follows: regular employees 8.28%, city elected officials 47.46%, senior management 25.57%, and DROP participants 15.32%. The City's contributions to the FRS Plan were \$265,784 for the year ended September 30, 2021.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2021, the City reported a liability of \$482,478 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the City's proportion was 0.006387170%, which was an increase of 0.000542871% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of (\$55,838) for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 82,698	\$ -
Changes in Actuarial Assumptions	330,134	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,683,245
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	143,162	309,272
City Contributions Subsequent to the Measurement Date	84,908	-
Total	<u>\$ 640,902</u>	<u>\$ 1,992,517</u>

\$84,908 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (279,001)
2023	(318,191)
2024	(394,414)
2025	(468,497)
2026	23,580
Total	<u>\$ (1,436,523)</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with scale MP-2018. The actuarial assumptions used in the July 1, 2021, 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, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0 %	2.1%	2.1%	1.1%
Fixed Income	20.0	3.8%	3.7%	3.3%
Global Equity	54.2	8.2%	6.7%	17.8%
Real Estate	10.3	7.1%	6.2%	13.8%
Private Equity	10.8	11.7%	8.5%	26.4%
Strategic Investments	3.7	5.7%	5.4%	8.4%
Total	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4%	1.2%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan, which was no change from the 6.80% rate as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
FRS Plan Discount Rate	5.80%	6.80%	7.80%
City's Proportionate Share of the FRS Plan Net Pension Liability	\$ 2,157,675	\$ 482,478	\$ (917,798)

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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 June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$48,940 for the year ended September 30, 2021.

Pension Costs

At September 30, 2021, the City reported a liability of \$957,390 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, and update procedures were used to determine liabilities as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2021, the City's proportion was 0.007804904%, which was an increase of 0.000611961% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$60,446 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 32,037	\$ 401
Changes in Actuarial Assumptions	75,229	39,447
Net Difference Between Projected and Actual Earnings on HIS Program Investments	998	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	61,878	70,100
City Contributions Subsequent to the Measurement Date	14,711	-
Total	<u>\$ 184,853</u>	<u>\$ 109,948</u>

\$14,711 reported as deferred outflows of resources related to pensions 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 year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 14,747
2023	(542)
2024	6,041
2025	14,600
2026	19,052
Thereafter	6,296
Total	<u>\$ 60,194</u>

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the Generational PUB-2000 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 2.16% for the HIS Plan, which was a 0.05 decrease from the 2.21% rate as of June 30, 2020. 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.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	1.16%	2.16%	3.16%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 1,106,834	\$ 957,390	\$ 834,952

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary

The aggregate amount of net pension liability related deferred inflows of resources and deferred outflows of resources, and pension expense for the City's defined benefit pension plans are summarized below. These liabilities are typically liquidated by the individual funds in which the employee's costs are associated.

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	FRS Plan	HIS Plan	Total
Net Pension Asset	\$ 763,362	\$ 123,189	\$ -	\$ -	\$ 886,551
Net Pension Liability	-	-	482,478	957,390	1,439,868
Deferred Outflows of Resources	39,497	156,092	640,902	184,853	1,021,344
Deferred Inflows of Resources	674,649	-	1,992,517	109,948	2,777,114
Pension Expense	(67,877)	82,613	(55,838)	60,446	19,344

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$68,116 for the year ended September 30, 2021. Employee contributions to the Investment Plan totaled \$20,171 for the year ended September 30, 2021.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City is obligated to make available to qualified retired employees the option to maintain coverage with the group medical (including prescription drug) and life insurance plans sponsored by the City. The City of Brooksville Plan (the Plan) is a single-employer defined benefit OPEB plan. The Plan is currently being funded on a pay as you go basis. No trust fund has been established for the Plan. The Plan does not issue a publicly available report.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

The City provides health insurance benefits and life insurance to its eligible retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue in the City's Plan on the same basis that they were covered immediately before their retirement. Eligible retirees may choose the same medical plan available for active employees of the City. Timely premium contributions of 100% of the premium cost are required for retiree and any dependent coverage. Retirees may also continue the group life insurance coverage offered by the City into retirement. Retirees are limited to \$15,000 face value and are charged a set monthly premium.

Employees Covered by Benefit Terms

At September 30, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	17
Active Plan Members	92
Total	109

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the City's total OPEB liability for the year ended September 30, 2021.

	Total OPEB Liability
Balance - October 1, 2020	\$ 650,518
Changes for the Year:	
Service Cost	42,643
Interest	18,880
Differences Between Expected and Actual Experience	(144,892)
Changes in Assumptions	(24,145)
Benefit Payments	(13,195)
Net Changes	(120,709)
Balance - September 30, 2021	\$ 529,809

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.41%	2.41%	3.41%
Total OPEB Liability	\$ 623,418	\$ 529,809	\$ 454,922

Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 511,798	\$ 529,809	\$ 552,767

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

For the year ended September 30, 2021, the City recognized an OPEB expense of \$49,070. In addition, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 74,730	\$ 33,523
Difference between Expected and Actual	-	123,584
Contributions Subsequent to the Measurement Date	20,479	-
Total	<u>\$ 95,209</u>	<u>\$ 157,107</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$20,479 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized as an increase in OPEB expense as follows:

<u>Year Ending September 30.</u>	<u>Amount</u>
2022	\$ (12,453)
2023	(12,453)
2024	(12,453)
2025	(11,406)
2026	(13,729)
Thereafter	<u>(19,883)</u>
Total	<u><u>\$ (82,377)</u></u>

Actuarial Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	Employees other than firefighters: Salary increase rates used in the July 1, 2020 actuarial valuation of the Florida Retirement System for Regular Class members; 3.4% - 7.8%, including inflation. Firefighters: Salary increase rates used by the pension actuary in the September 30, 2020 actuarial valuation of the City's Firefighters' Retirement Trust Fund.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 5.00%, followed by 6.00% for 2022, and gradually decreasing to an ultimate trend rate of 3.99%.

The actuarial cost method used was the Entry Age Normal method.

Mortality tables used for non-K-12 Instructional Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2013 through 2018.

The discount rate used to measure the total OPEB liability was 2.41%, based on a daily rate closest to but not later than the measurement date of Fidelity's "20-year Municipal GO AA Index."

The discount rate was 2.75% as of the beginning of the measurement year.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 TRUST FUNDS

Butterweck Bond Fund

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2021, the balance remaining is \$1,365.

NOTE 11 PROPERTY TAXES

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

All property taxes are levied and become due and payable on November 1 of each year and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2%, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate. After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien, superior to all other liens, as of January 1 of the year the taxes are levied.

NOTE 12 RISK MANAGEMENT

The City's risk management activities are spread through several funds including the General, Utility, and Sanitation funds. Significant losses are covered by commercial insurance, workers' compensation, unemployment, and disability insurance. Settlement amounts have not exceeded insurance coverage for the current year or prior three years. The City carries such insurance as is ordinarily carried by private or public corporations owning and operating similar utilities. The City, in addition to general liability and personal liability for auto accidents and property damage of autos, buildings and equipment, carries an umbrella policy for an additional \$1,000,000. The City does not carry insurance against loss or damage to the Utility Fund's water meters, fire hydrants, or water and sewer lines, but self-funds these expenses.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 13 IMPACT FEES

On September 20, 2005 the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011, and impact fees were reinstated for year ending September 30, 2015. As of September 30, 2021, the City had the following in prepaid impact fees: Road Impact Fees \$4,779, Public Building Impact Fees \$525; Police Impact Fees \$341; Fire Impact Fees \$230; and Parks Impact Fees \$318. The amounts are reflected as unearned revenues in the accompanying financial statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 14 GOVERNMENTAL FUND BALANCE CLASSIFICATION

The specific purpose detail for the fund balances of governmental funds as of September 30, 2021 were as follows:

	Major Funds						Total Governmental Funds
	General Fund	City of Brooksville Community Redevelopment Agency	Fire Depart- ment Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Govern- mental Funds	
Nonspendable:							
Inventories	\$ 2,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,995
Prepaid Items	128,364	-	4,670	-	-	2,001	135,035
Note Receivable	67,500	-	-	-	-	-	67,500
Advance to Other Funds	64,694	-	-	-	-	-	64,694
Cemetery:							
Perpetual Care	-	-	-	-	-	245,208	245,208
Total Nonspendable	263,553	-	4,670	-	-	247,209	515,432
Restricted:							
Community Redevelopment	-	445,341	-	-	-	-	445,341
Law Enforcement	-	-	-	-	-	209,492	209,492
Infrastructure Projects	-	-	-	-	2,552,978	646,146	3,199,124
Enrichment Center	-	-	-	-	-	4,358	4,358
Transportation	-	-	-	-	-	611,542	611,542
Capital Projects	-	-	-	-	-	80	80
Debt Service	-	-	-	-	-	80,131	80,131
Total Restricted	-	445,341	-	-	2,552,978	1,551,749	4,550,068
Committed:							
Traffic Camera	-	-	-	-	-	11,860	11,860
Assigned:							
Fire	-	-	229,978	-	-	-	229,978
Transportation	-	-	-	1,045,925	-	-	1,045,925
Capital Projects	-	-	-	-	-	76,765	76,765
Community Redevelopment	-	55,000	-	-	-	-	55,000
Cemetery:							
Perpetual Care	-	-	-	-	-	196,894	196,894
Total Assigned	-	55,000	229,978	1,045,925	-	273,659	1,604,562
Unassigned (Deficit)	3,485,512	-	-	-	-	(1,123)	3,484,389
Total Fund Balance	\$ 3,749,065	\$ 500,341	\$ 234,648	\$ 1,045,925	\$ 2,552,978	\$ 2,083,354	\$ 10,166,311

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 15 COMMITMENTS AND CONTINGENCIES

Commitments

The City routinely enters into various construction commitments. As of September 30, 2021, the City has the following outstanding major construction commitments in process:

<u>Project</u>	Project Authorization	Expended in Prior Years	Expended in September 30, 2021	Commitment
Governmental Activities:				
East Avenue Drainage	\$ 42,470	\$ -	\$ 27,315	\$ 15,155
Jerome Brown Parking Lot Repairs	241,717	1,250	149,742	90,725
Cemetery Expansion	56,289	-	4,298	51,991
TVP Stadium Repairs	20,000	-	15,500	4,500
Total Governmental Activities	\$ 360,476	\$ 1,250	\$ 196,855	\$ 162,371
Business-Type Activities:				
Lakeside Mobile Home Park	\$ 19,570	\$ -	\$ 12,352	\$ 7,218
Lamar Ave. Drinking Water Plant	78,740	18,287	46,861	13,592
Waterline Relocate - GNT	64,438	19,633	33,430	11,375
Cortez Blvd Master Lift Station Project	120,120	15,071	10,746	94,303
Reclaimed Water to Cascades	43,255	1,049	25,883	16,323
Oxidation Ditch	9,335	-	934	8,401
Total Business-Type Activities	\$ 335,458	\$ 54,040	\$ 130,206	\$ 151,212

Contingencies

Various suits and claims, arising in the ordinary course of the City's operations, are pending. These claims consist of suits involving sewer fees, loss of employment and discrimination. Management does not expect the resolution of these matters to have a material effect on the City's financial statements.

At September 30, 2021, the City held approximately \$1.1 million of road impact fees that were collected more than ten years ago. A significant portion of these impact fees have been encumbered.

Grants

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

NOTE 16 FUND BALANCE DEFICIT

The Capital Improvement Revenue Loan- 2016 Fund had a deficit in fund balance of \$1,123. As this balance is primarily the result of a balance due to other funds, management believes this deficit will be recovered through forgiveness of balances due to other funds.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
FIREFIIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST TEN FISCAL YEARS ¹

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability									
Service Cost	\$ 130,102	\$ 140,185	\$ 122,018	\$ 127,478	\$ 125,632	\$ 150,432	\$ 110,943	\$ 143,254	\$ 151,372
Interest	501,977	528,251	554,808	539,879	508,878	543,429	556,749	563,667	572,145
Change in Benefit Terms	-	-	-	-	-	-	(207)	-	-
Change in Excess State Money	-	-	-	-	28,271	-	-	(1,273)	-
Differences Between Expected and Actual Experience	-	-	(277,496)	(103,758)	(221,245)	82,081	(176,362)	(9,804)	(19,875)
Changes of Assumptions	-	-	-	213,065	-	(33,387)	-	(161,047)	78,994
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)	(430,468)	(435,961)	(430,767)
Net Change in Total Pension Liability	327,449	366,793	85,783	(104,631)	(141,667)	298,696	60,655	98,836	351,869
Total Pension Liability - Beginning	6,499,440	6,826,889	7,193,682	7,279,465	7,174,834	7,033,167	7,331,863	7,392,518	7,491,354
Total Pension Liability - Ending	<u>\$ 6,826,889</u>	<u>\$ 7,193,682</u>	<u>\$ 7,279,465</u>	<u>\$ 7,174,834</u>	<u>\$ 7,033,167</u>	<u>\$ 7,331,863</u>	<u>\$ 7,392,518</u>	<u>\$ 7,491,354</u>	<u>\$ 7,843,223</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 213,304	\$ 248,414	\$ 263,827	\$ 315,784	\$ 311,742	\$ 302,731	\$ 316,938	\$ 244,967	\$ 244,189
Contributions - State	103,782	88,212	84,222	71,580	86,827	77,143	74,872	66,751	59,955
Contributions - Employee	20,156	20,225	20,999	24,646	24,914	26,044	30,829	31,753	32,297
Net Investment Income	512,316	543,039	(98,629)	342,409	691,977	474,955	360,409	681,821	1,432,304
Benefit Payments, Including Refunds of Employee Contributions	(304,630)	(301,643)	(313,547)	(881,295)	(583,203)	(443,859)	(430,634)	(435,200)	(429,778)
Administrative Expense	(25,208)	(30,968)	(48,230)	(42,052)	(73,972)	(78,944)	(87,634)	(81,304)	(87,670)
Other Changes	-	-	-	-	-	-	159	168	1,138
Net Change in Plan Fiduciary Net Position	519,720	567,279	(91,358)	(168,928)	458,285	358,070	264,939	508,956	1,252,435
Plan Fiduciary Net Position - Beginning	4,937,187	5,456,907	6,024,186	5,932,828	5,763,900	6,222,185	6,580,255	6,845,194	7,354,150
Plan Fiduciary Net Position - Ending	<u>5,456,907</u>	<u>6,024,186</u>	<u>5,932,828</u>	<u>5,763,900</u>	<u>6,222,185</u>	<u>6,580,255</u>	<u>6,845,194</u>	<u>7,354,150</u>	<u>8,606,585</u>
City's Net Pension (Asset)/Liability - Ending	<u>\$ 1,369,982</u>	<u>\$ 1,169,496</u>	<u>\$ 1,346,637</u>	<u>\$ 1,410,934</u>	<u>\$ 810,982</u>	<u>\$ 751,608</u>	<u>\$ 547,324</u>	<u>\$ 137,204</u>	<u>\$ (763,362)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.93%	83.74%	81.50%	80.33%	88.47%	89.75%	92.60%	98.17%	109.73%
Covered Payroll	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608	\$ 940,588	\$ 939,524	\$ 981,667
City's Net Pension (Asset)/Liability as a Percentage of Covered Payroll	223.62%	190.25%	183.97%	188.35%	103.06%	95.07%	58.19%	14.60%	-77.76%

Notes to Schedule:

Changes of Assumptions:

For measurement date 09/30/2021, the investment rate of return was lowered from 7.65% to 7.55% per year, net of investment related expenses.

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
RETIRED POLICE OFFICERS’ SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS ¹

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability									
Service Cost	\$ 358,727	\$ 385,631	\$ 375,707	\$ 389,348	\$ 412,219	\$ 231,019	\$ -	\$ -	\$ -
Interest	256,068	304,047	339,216	361,055	419,346	321,058	342,688	308,887	23,615
Change in Excess State Money	-	-	-	-	(9,465)	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(433,973)	(91,070)	231,600	-	-	-	-
Plan Termination	-	-	-	-	-	452,250	1,094,223	(83,569)	-
Changes of Assumptions	-	-	-	274,425	-	-	-	(9,455)	-
Other Changes	-	(208,542)	-	(17,723)	22,846	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)	(258,746)	(8,274,230)	(27,091)
Net Change in Total Pension Liability	614,795	477,195	280,288	909,892	1,054,719	817,603	1,178,165	(8,058,367)	(3,476)
Total Pension Liability - Beginning	3,064,973	3,679,768	4,156,963	4,437,251	5,347,143	6,401,862	7,219,465	8,397,630	339,263
Total Pension Liability - Ending	\$ 3,679,768	\$ 4,156,963	\$ 4,437,251	\$ 5,347,143	\$ 6,401,862	\$ 7,219,465	\$ 8,397,630	\$ 339,263	\$ 335,787
Plan Fiduciary Net Position									
Contributions - Employer	\$ 51,183	\$ 88,372	\$ 83,922	\$ 305,679	\$ 396,856	\$ 228,319	\$ -	\$ 1,518,215	\$ -
Contributions - State	101,810	89,298	94,044	99,121	-	114,101	117,524	-	-
Contributions - Employee	11,376	12,704	12,418	13,413	12,149	7,796	-	-	-
Net Investment Income	441,974	371,180	(77,684)	470,503	675,930	569,054	141,140	28,259	42,766
Benefit Payments, Including Refunds of Employee Contributions	-	(3,941)	(662)	(6,143)	(21,827)	(186,724)	(277,107)	(8,274,230)	(27,091)
Administrative Expense	(12,623)	(13,662)	(18,925)	(30,335)	(39,809)	(112,855)	(115,304)	(69,537)	(51,520)
Net Change in Plan Fiduciary Net Position	593,720	543,951	93,113	852,238	1,023,299	619,691	(133,747)	(6,797,293)	(35,845)
Plan Fiduciary Net Position - Beginning	3,699,849	4,293,569	4,837,520	4,930,633	5,782,871	6,806,170	7,425,861	7,292,114	494,821
Plan Fiduciary Net Position - Ending	4,293,569	4,837,520	4,930,633	5,782,871	6,806,170	7,425,861	7,292,114	494,821	458,976
City's Net Pension (Asset)/Liability - Ending	\$ (613,801)	\$ (680,557)	\$ (493,382)	\$ (435,728)	\$ (404,308)	\$ (206,396)	\$ 1,105,516	\$ (155,558)	\$ (123,189)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.68%	116.37%	111.12%	108.15%	106.32%	102.86%	86.84%	145.85%	136.69%
Covered Payroll*	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813	N/A	N/A	N/A
City's Net Pension Liability as a Percentage of Covered Payroll	-53.96%	-53.57%	-39.73%	-32.48%	-33.28%	-27.97%	N/A	N/A	N/A

Notes to Schedule:

Plan Termination:

On May 31, 2018 the City disbanded the police department and entered into an agreement with the Hernando County Sheriff's Office to provide law and enforcement services.

The plan has been terminated and a substituted Trust for the distribution of pension benefits to retired and former police officers became effective as of March 2, 2020.

Changes of Assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019

FRS valuation report for special risk employees.

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
FIREFIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 291,265	\$ 316,975	\$ 336,626	\$ 348,049	\$ 387,364	\$ 397,604	\$ 380,520	\$ 385,265	\$ 327,142	\$ 294,991
Contributions in Relation to the Actuarially Determined Contributions	291,265	316,975	336,626	348,049	387,364	398,569	379,874	391,810	311,718	304,144
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (965)	\$ 646	\$ (6,545)	\$ 15,424	\$ (9,153)
Covered Payroll *	\$ 650,368	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608	\$ 940,588	\$ 939,524	\$ 981,667
Contributions as a Percentage of Covered Payroll	44.78%	51.74%	54.76%	47.55%	51.71%	50.65%	48.05%	41.66%	33.18%	30.98%

* The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

**CITY OF BROOKSVILLE, FLORIDA
 SCHEDULE OF EMPLOYER CONTRIBUTIONS –
 FIREFIGHTERS’ RETIREMENT TRUST FUND CHAPTER 175 PLAN (CONTINUED)
 LAST TEN FISCAL YEARS**

Notes to the Schedule of Contributions

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.65%
Investment Rate of return	7.65%

Mortality Rate:

Mortality Rate Healthy Lives:

Female: PubS.H-2010 (Above Median) for Employees, set forward one year.

Male: PubS.H-2010 (Above Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by

Chapter 2015-157, Laws of Florida. This law mandates the use of the

assumptions used in either of the two most recent valuations of the Florida

Retirement System (FRS). The above rates are those outlined in Milliman’s

July 1, 2019 FRS valuation report for special risk employees, with appropriate

adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant

assumptions was dated September 18, 2018.

Investment Rate of Return:

The Long-Term Expected Rate of Return on Pension Plan investments can be

determined using a building-block method in which best-estimate ranges of

expected future real rates of return (expected returns, net of Pension Plan

investment expenses and inflation) are developed for each major asset class.

Inflation Rate:

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return

by weighting the expected future real rates of return by the target asset allocation

percentage and by adding expected inflation.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
RETIRED POLICE OFFICERS’ SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 394,875	\$ 397,020	\$ 386,212	\$ 378,753	\$ 422,523	\$ 383,475	\$ 279,631	\$ 90,622	\$ 97,133	\$ -
Contributions in Relation to the										
Actuarially Determined Contributions	102,276	152,993	177,670	177,966	404,800	396,856	342,420	117,524	1,518,215	-
Contribution from Excess State Money	-	-	-	-	-	9,465	-	-	-	-
Contribution from Contribution										
Surplus Account	292,599	244,027	208,542	200,787	17,723	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,846)	\$ (62,789)	\$ (26,902)	\$ (1,421,082)	\$ -
Covered Payroll *	\$ 1,081,850	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813	N/A	N/A	N/A
Contributions as a Percentage of										
Covered Payroll	9.45%	13.45%	13.98%	14.33%	30.18%	32.67%	46.41%	N/A	N/A	N/A

* The Covered Payroll figures were not available. Pensionable Salary has been reported instead.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CONTRIBUTIONS –
RETIRED POLICE OFFICERS’ SUBSTITUTED TRUST FUND PLAN (CONTINUED)
LAST TEN FISCAL YEARS**

Notes to the Schedule of Contributions

Valuation Date: 10/1/2020
Actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Inflation	2.50%
Salary Increases	N/A
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality:

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

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

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.
All rates are projected generationally with Mortality Improvement Scale MP-2018.

We feel this assumption sufficiently accommodates future mortality improvements. The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for special risk employees.

The most recent actuarial experience study used to review the other significant assumptions was dated May 14, 2012.

Investment Rate of Return:

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.50%.

Inflation Rate:

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF INVESTMENT RETURNS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN AND
RETIRED POLICE OFFICERS' SUBSTITUTED TRUST FUND PLAN
LAST TEN FISCAL YEARS ¹**

FIREFIGHTERS' RETIREMENT TRUST FUND

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Money-Weighted Rate of Return Net of Investment Expenses	10.35%	9.91%	-1.64%	6.14%	11.82%	7.22%	4.98%	9.58%	19.26%

POLICE OFFICERS' SUBSTITUTED TRUST FUND

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual Money-Weighted Rate of Return Net of Investment Expenses	12.30%	8.58%	-1.60%	9.32%	11.50%	7.74%	1.80%	0.87%	6.78%

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021
City's Proportion of the Net Pension Liability	0.008330218%	0.008047984%	0.008173955%	0.008237147%	0.007693597%	0.007066271%	0.005844299 %	0.006387170%
City's Proportionate Share of the Net Pension Liability	\$ 508,266	\$ 1,039,505	\$ 2,063,930	\$ 2,436,493	\$ 2,317,351	\$ 2,433,524	\$ 2,533,005	\$ 482,478
City's Covered Payroll	\$ 2,491,146	\$ 2,521,077	\$ 2,607,338	\$ 2,665,147	\$ 2,608,363	\$ 2,423,772	\$ 2,496,976	\$ 2,763,106
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	20.40%	41.23%	79.16%	91.42%	88.84%	100.40%	101.44%	17.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%

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

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 212,334	\$ 218,403	\$ 233,891	\$ 212,061	\$ 217,041	\$ 214,705	\$ 203,887	\$ 265,784
Contributions in Relation to the Contractually Required Contribution	(212,334)	(218,403)	(233,891)	(212,061)	(217,041)	(214,705)	(203,887)	(265,784)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,530,934	\$ 2,487,433	\$ 2,745,922	\$ 2,665,371	\$ 2,526,749	\$ 2,171,860	\$ 2,543,266	\$ 2,928,979
Contributions as a Percentage of Covered Payroll	8.39%	8.78%	8.52%	7.96%	8.59%	9.89%	8.02%	9.07%

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

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

	2014	2015	2016	2017	2018	2019	2020	2021
City's Proportion of the Net Pension Liability	0.008384457%	0.008156699%	0.008445996%	0.008358747%	0.000000000%	0.007326592%	0.007192943%	0.007804904%
City's Proportionate Share of the Net Pension Liability	\$ 783,967	\$ 831,855	\$ 984,346	\$ 893,756	\$ 844,595	\$ 819,772	\$ 878,247	\$ 957,390
City's Covered Payroll	\$ 2,491,146	\$ 2,521,077	\$ 2,607,338	\$ 2,665,147	\$ 2,608,363	\$ 2,423,772	\$ 2,496,976	\$ 2,763,106
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	31.47%	33.00%	37.75%	33.53%	32.38%	33.82%	35.17%	34.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%

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

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CITY CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN ¹
LAST TEN FISCAL YEARS**

Retirement System – Defined Benefit Plan (Continued)

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 33,880	\$ 31,765	\$ 45,593	\$ 44,278	\$ 41,920	\$ 41,141	\$ 42,227	\$ 48,940
Contributions in Relation to the Contractually Required Contribution	(33,880)	(31,765)	(45,593)	(44,278)	(41,920)	(41,141)	(42,227)	(48,940)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 2,530,934	\$ 2,487,433	\$ 2,745,922	\$ 2,665,371	\$ 2,526,749	\$ 2,171,860	\$ 2,543,266	\$ 2,928,979
Contributions as a Percentage of Covered Payroll	1.34%	1.28%	1.66%	1.66%	1.66%	1.89%	1.66%	1.67%

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

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS¹
LAST TEN FISCAL YEARS**

Employer Measurement Date	2018	2019	2020
Total OPEB Liability			
Service Cost	\$ 30,056	\$ 29,828	\$ 42,643
Interest	17,786	20,131	18,880
Changes of Benefit Terms	-	3,142	-
Differences Between Expected and Actual Experience	-	-	(144,892)
Changes in Assumptions	(23,411)	106,530	(24,145)
Benefit Payments	(3,778)	(9,779)	(13,195)
Net Change in Total OPEB Liability	20,653	149,852	(120,709)
Total OPEB Liability - Beginning	480,013	500,666	650,518
Total OPEB Liability - Ending	<u>\$ 500,666</u>	<u>\$ 650,518</u>	<u>\$ 529,809</u>
 Covered Employee Payroll**	 \$ 2,710,912	 \$ 2,805,794	 \$ 3,727,538
 Total OPEB Liability as a Percentage of the Covered Employee Payroll	 18.47%	 23.18%	 14.21%

**Covered-Employee Payroll presented above is an estimate based on data submitted for the September 30, 2018 and September 30, 2020 valuations. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period (fiscal year ending September 30, 2020).

Notes to Schedule:

The OPEB plan is not administered through a trust and there are no assets accumulated in trust for payment of benefits.

There were no benefit changes during the year.

The discount rate was changed from 2.75 % as of the beginning of the measurement period to 2.41% as of September 30, 2020.

Per capita costs and premiums were updated based on information provided.

The healthcare cost trend assumption was revised to reflect the removal of the additional trend to model the excise ("Cadillac") tax as a results of the repeal of the excise tax in December 2019.

The mortality for all groups was updated to the tables used by FRS for its July 1, 2020 valuation. For General Employees in FRS, changes in demographic assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2020 valuation. For more information regarding these rates, refer to the July 1, 2020 actuarial valuation report of the Florida Retirement System.

¹ 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 BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 3,967,311	\$ 3,967,311	\$ 4,361,439	\$ 394,128
Licenses and Permits	1,001,500	1,001,500	1,132,538	131,038
Intergovernmental Revenue	942,484	942,484	1,021,035	78,551
Charges for Services	299,114	299,114	335,822	36,708
Fines and Forfeits	2,500	71,851	71,027	(824)
Net Investment Earnings	18,000	18,000	(1,003)	(19,003)
Miscellaneous Revenues	129,050	129,050	217,196	88,146
Total Revenues	<u>6,359,959</u>	<u>6,429,310</u>	<u>7,138,054</u>	<u>708,744</u>
EXPENDITURES				
Current:				
General Government	2,824,588	2,955,655	2,660,895	294,760
Culture and Recreation	466,401	466,401	417,753	48,648
Public Safety	1,028,552	1,028,552	1,027,739	813
Physical Environment	165,201	165,201	156,853	8,348
Capital Outlay	1,017,570	1,005,307	370,945	634,362
Total Expenditures	<u>5,502,312</u>	<u>5,621,116</u>	<u>4,634,185</u>	<u>986,931</u>
Excess (Deficiency) of Revenues Over Expenditures	857,647	808,194	2,503,869	1,695,675
OTHER FINANCING SOURCES (USES)				
Transfers In	532,752	567,964	587,164	19,200
Transfers Out	(2,077,450)	(2,077,450)	(2,077,450)	-
Reserves	(2,159,569)	(2,145,328)	-	2,145,328
Total Other Financing Sources (Uses)	<u>(3,704,267)</u>	<u>(3,654,814)</u>	<u>(1,490,286)</u>	<u>2,164,528</u>
NET CHANGE IN FUND BALANCES	(2,846,620)	(2,846,620)	1,013,583	3,860,203
Fund Balances - Beginning of Year	<u>2,846,620</u>	<u>2,846,620</u>	<u>2,735,482</u>	<u>(111,138)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,749,065</u>	<u>\$ 3,749,065</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 83,500	\$ 83,500	\$ 110,274	\$ 26,774
Net Investment Earnings	100	100	58	(42)
Miscellaneous Revenues	-	-	55,000	55,000
Total Revenues	83,600	83,600	165,332	81,732
EXPENDITURES				
Current:				
Economic Development	78,850	78,850	46,254	32,596
Excess (Deficiency) of Revenues Over Expenditures	4,750	4,750	119,078	114,328
OTHER FINANCING SOURCES (USES)				
Reserves	(377,471)	(377,471)	-	377,471
NET CHANGE IN FUND BALANCE	(372,721)	(372,721)	119,078	491,799
Fund Balances - Beginning of Year	372,721	372,721	381,263	8,542
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 500,341	\$ 500,341

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – FIRE DEPARTMENT FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 989,023	\$ 989,023	\$ 922,133	\$ (66,890)
Intergovernmental Revenue	8,000	8,000	45,036	37,036
Charges for Services	81,027	81,027	30,519	(50,508)
Fines and Forfeitures	196	196	98	(98)
Miscellaneous Revenues	251	251	10,457	10,206
Total Revenues	<u>1,078,497</u>	<u>1,078,497</u>	<u>1,008,243</u>	<u>(70,254)</u>
EXPENDITURES				
Current:				
Public Safety	1,841,428	1,841,428	1,871,064	(29,636)
Debt Service:				
Principal	59,328	59,328	45,776	13,552
Interest	4,224	4,224	3,794	430
Capital Outlay	44,700	355,582	339,677	15,905
Total Expenditures	<u>1,949,680</u>	<u>2,260,562</u>	<u>2,260,311</u>	<u>251</u>
Excess (Deficiency) of Revenues Over Expenditures	(871,183)	(1,182,065)	(1,252,068)	(70,003)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	310,882	310,877	(5)
Transfers In	879,502	879,502	879,502	-
Transfers Out	(8,319)	(8,319)	(8,319)	-
Total Other Financing Sources (Uses)	<u>871,183</u>	<u>1,182,065</u>	<u>1,182,060</u>	<u>(5)</u>
NET CHANGE IN FUND BALANCE	-	-	(70,008)	(70,008)
Fund Balances - Beginning of Year	-	-	304,656	304,656
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,648</u>	<u>\$ 234,648</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – LOCAL OPTION GAS TAX FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 228,133	\$ 228,133	\$ 248,301	\$ 20,168
Intergovernmental Revenue	-	-	2,068	2,068
Miscellaneous Revenues	120,000	120,000	127,609	7,609
Total Revenues	348,133	348,133	377,978	29,845
EXPENDITURES				
Current:				
Transportation	964,970	964,970	961,912	3,058
Capital Outlay	1,436,784	1,436,784	573,282	863,502
Debt Service:				
Principal	12,845	12,845	12,845	-
Interest	2,978	2,978	2,978	-
Total Expenditures	2,417,577	2,417,577	1,551,017	866,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,069,444)	(2,069,444)	(1,173,039)	896,405
OTHER FINANCING SOURCES (USES)				
Transfers In	1,384,504	1,384,504	1,384,504	-
Transfers Out	(101,634)	(101,634)	(11,895)	89,739
Total Other Financing Sources (Uses)	1,282,870	1,282,870	1,372,609	89,739
NET CHANGE IN FUND BALANCES	(786,574)	(786,574)	199,570	986,144
Fund Balances - Beginning of Year	786,574	786,574	846,355	59,781
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 1,045,925	\$ 1,045,925

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – ROAD IMPACT FEES FUND
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and Permits	\$ 6,345	\$ 6,345	\$ 58,751	\$ 52,406
Net Investment Earnings	10,000	10,000	(1,194)	(11,194)
Total Revenues	<u>16,345</u>	<u>16,345</u>	<u>57,557</u>	<u>41,212</u>
EXPENDITURES				
Capital Outlay	<u>1,245,223</u>	<u>1,245,223</u>	<u>-</u>	<u>1,245,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,228,878)	(1,228,878)	57,557	1,286,435
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(1,259,483)</u>	<u>(1,259,483)</u>	<u>-</u>	<u>1,259,483</u>
NET CHANGE IN FUND BALANCES	(2,488,361)	(2,488,361)	57,557	2,545,918
Fund Balances - Beginning of Year	<u>2,488,361</u>	<u>2,488,361</u>	<u>2,495,421</u>	<u>7,060</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,552,978</u>	<u>\$ 2,552,978</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds					
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees
ASSETS						
Pooled Cash and Investments	\$ 76,811	\$ 87,503	\$ 45,178	\$ 31,886	\$ 274,921	\$ 164,571
Restricted Pooled Cash and Investments	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 76,811</u>	<u>\$ 87,503</u>	<u>\$ 45,178</u>	<u>\$ 31,886</u>	<u>\$ 274,921</u>	<u>\$ 164,571</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	341	525	230
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>	<u>525</u>	<u>230</u>
Fund Balances (Deficits):						
Nonspendable	-	-	-	-	-	-
Restricted	76,811	87,503	45,178	31,545	274,396	164,341
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>76,811</u>	<u>87,503</u>	<u>45,178</u>	<u>31,545</u>	<u>274,396</u>	<u>164,341</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 76,811</u>	<u>\$ 87,503</u>	<u>\$ 45,178</u>	<u>\$ 31,886</u>	<u>\$ 274,921</u>	<u>\$ 164,571</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds					
	Parks Impact Fees	FDLE CESF Grant	Hernando CARES Grant	Traffic Camera	Enrichment Center Premises Maintenance	FDOT Projects
ASSETS						
Pooled Cash and Investments	\$ 176,182	\$ -	\$ -	\$ 11,860	\$ 1,580	\$ 1
Restricted Pooled Cash and Investments	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	2,941	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	635	-	-	-	1,879
Prepaid Items	-	-	-	-	2,001	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,001</u>	<u>-</u>
Total Assets	<u>\$ 176,182</u>	<u>\$ 635</u>	<u>\$ -</u>	<u>\$ 11,860</u>	<u>\$ 6,522</u>	<u>\$ 1,880</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable	\$ -	\$ 190	\$ -	\$ -	\$ 163	\$ -
Unearned Revenue	318	-	-	-	-	-
Due to Other Funds	-	445	-	-	-	1,880
Total Liabilities	<u>318</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>163</u>	<u>1,880</u>
Fund Balances (Deficits):						
Nonspendable	-	-	-	-	2,001	-
Restricted	175,864	-	-	-	4,358	-
Committed	-	-	-	11,860	-	-
Assigned	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>175,864</u>	<u>-</u>	<u>-</u>	<u>11,860</u>	<u>6,359</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 176,182</u>	<u>\$ 635</u>	<u>\$ -</u>	<u>\$ 11,860</u>	<u>\$ 6,522</u>	<u>\$ 1,880</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
ASSETS							
Pooled Cash and Investments	\$ -	\$ 583,951	\$ 1,454,444	\$ 25,932	\$ 48,103	\$ 64	\$ -
Restricted Pooled Cash and Investments	-	-	-	-	-	2,734	-
Accounts Receivable	-	-	2,941	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	27,591	30,105	-	-	12	-
Prepaid Items	-	-	2,001	-	-	-	-
Total Assets	\$ -	\$ 611,542	\$ 1,489,491	\$ 25,932	\$ 48,103	\$ 2,810	\$ -
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 353	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	1,414	-	-	-	-
Due to Other Funds	-	-	2,325	-	-	-	-
Total Liabilities	-	-	4,092	-	-	-	-
Fund Balances (Deficits):							
Nonspendable	-	-	2,001	-	-	-	-
Restricted	-	611,542	1,471,538	-	-	80	-
Committed	-	-	11,860	-	-	-	-
Assigned	-	-	-	25,932	48,103	2,730	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	-	611,542	1,485,399	25,932	48,103	2,810	-
Total Liabilities and Fund Balances (Deficits)	\$ -	\$ 611,542	\$ 1,489,491	\$ 25,932	\$ 48,103	\$ 2,810	\$ -

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	Capital Project Funds		Debt Service Funds			Total Debt Service Funds
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	
ASSETS						
Pooled Cash and Investments	\$ 756	\$ 74,855	\$ -	\$ -	\$ -	\$ -
Restricted Pooled Cash and Investments	-	2,734	15,619	50,654	13,858	80,131
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	12	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	\$ 756	\$ 77,601	\$ 15,619	\$ 50,654	\$ 13,858	\$ 80,131
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	1,879	1,879	-	-	-	-
Total Liabilities	1,879	1,879	-	-	-	-
Fund Balances (Deficits):						
Nonspendable	-	-	-	-	-	-
Restricted	-	80	15,619	50,654	13,858	80,131
Committed	-	-	-	-	-	-
Assigned	-	76,765	-	-	-	-
Unassigned (Deficit)	(1,123)	(1,123)	-	-	-	-
Total Fund Balances (Deficit)	(1,123)	75,722	15,619	50,654	13,858	80,131
Total Liabilities and Fund Balances (Deficits)	\$ 756	\$ 77,601	\$ 15,619	\$ 50,654	\$ 13,858	\$ 80,131

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021**

	<u>Permanent Fund</u>		
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 192,233	\$ 192,233	\$ 1,721,532
Restricted Pooled Cash and Investments	245,208	245,208	328,073
Accounts Receivable	-	-	2,941
Due from Other Funds	4,661	4,661	4,661
Due from Other Governments	-	-	30,117
Prepaid Items	-	-	2,001
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 442,102</u>	<u>\$ 442,102</u>	<u>\$ 2,089,325</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 353
Unearned Revenue	-	-	1,414
Due to Other Funds	-	-	4,204
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,971</u>
Fund Balances (Deficits):			
Nonspendable	245,208	245,208	247,209
Restricted	-	-	1,551,749
Committed	-	-	11,860
Assigned	196,894	196,894	273,659
Unassigned (Deficit)	-	-	(1,123)
Total Fund Balances (Deficit)	<u>442,102</u>	<u>442,102</u>	<u>2,083,354</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 442,102</u>	<u>\$ 442,102</u>	<u>\$ 2,089,325</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	4,799	26,003	12,210
Intergovernmental Revenue	-	-	-	-	-	-
Fines and Forfeits	4,200	-	-	-	-	-
Net Investment Earnings	-	-	-	5	44	45
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	<u>4,200</u>	<u>-</u>	<u>-</u>	<u>4,804</u>	<u>26,047</u>	<u>12,255</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,200	-	-	4,804	26,047	12,255
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,200	-	-	4,804	26,047	12,255
Fund Balances (Deficits) - Beginning of Year	<u>72,611</u>	<u>87,503</u>	<u>45,178</u>	<u>26,741</u>	<u>248,349</u>	<u>152,086</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u><u>\$ 76,811</u></u>	<u><u>\$ 87,503</u></u>	<u><u>\$ 45,178</u></u>	<u><u>\$ 31,545</u></u>	<u><u>\$ 274,396</u></u>	<u><u>\$ 164,341</u></u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds					
	Parks Impact Fees	FDLE CESF Grant	Hernando CARES Grant	Traffic Camera	Enrichment Center Premises Maintenance	FDOT Projects
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	20,961	-	-	-	-	-
Intergovernmental Revenue	-	41,555	163,913	-	-	-
Fines and Forfeits	-	-	-	3,150	-	-
Net Investment Earnings	29	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	10,856	-
Total Revenues	<u>20,990</u>	<u>41,555</u>	<u>163,913</u>	<u>3,150</u>	<u>10,856</u>	<u>-</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	19,377	-
Public Safety	-	41,555	114,013	-	-	-
Transportation	-	-	-	-	-	-
Capital Outlay	-	-	49,900	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>41,555</u>	<u>163,913</u>	<u>-</u>	<u>19,377</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,990	-	-	3,150	(8,521)	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	8,500	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	20,990	-	-	3,150	(21)	-
Fund Balances (Deficits) - Beginning of Year	154,874	-	-	8,710	6,380	-
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 175,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,860</u>	<u>\$ 6,359</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
REVENUES							
Taxes	\$ -	\$ 170,075	\$ 170,075	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	63,973	-	-	31,924	-
Intergovernmental Revenue	193,548	-	399,016	-	-	-	-
Fines and Forfeits	-	-	7,350	-	-	-	-
Net Investment Earnings	-	(86)	37	19	3	5	-
Miscellaneous Revenues	-	-	10,856	-	-	-	-
Total Revenues	193,548	169,989	651,307	19	3	31,929	-
EXPENDITURES							
Current:							
General Government	193,548	-	193,548	-	-	-	-
Culture and Recreation	-	-	19,377	-	-	-	-
Public Safety	-	-	155,568	-	-	-	-
Transportation	-	24,700	24,700	-	-	-	-
Capital Outlay	-	-	49,900	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	193,548	24,700	443,093	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	145,289	208,214	19	3	31,929	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	8,500	-	-	-	303,780
Transfers Out	-	-	-	(25,000)	(25,000)	(29,200)	(303,780)
Total Other Financing Sources (Uses)	-	-	8,500	(25,000)	(25,000)	(29,200)	-
NET CHANGE IN FUND BALANCES	-	145,289	216,714	(24,981)	(24,997)	2,729	-
Fund Balances (Deficits) - Beginning of Year	-	466,253	1,268,685	50,913	73,100	81	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ 611,542	\$ 1,485,399	\$ 25,932	\$ 48,103	\$ 2,810	\$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Capital Project Funds		Debt Service Funds			Total Debt Service Funds
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	31,924	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Net Investment Earnings	-	27	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	-	31,951	-	-	-	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	5,707	238,560	8,000	252,267
Interest and Fiscal Charges	-	-	1,856	65,220	4,950	72,026
Total Expenditures	-	-	7,563	303,780	12,950	324,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	31,951	(7,563)	(303,780)	(12,950)	(324,293)
OTHER FINANCING SOURCES (USES)						
Transfers In	8,317	312,097	7,563	303,780	12,950	324,293
Transfers Out	(7,563)	(390,543)	-	-	-	-
Total Other Financing Sources (Uses)	754	(78,446)	7,563	303,780	12,950	324,293
NET CHANGE IN FUND BALANCES	754	(46,495)	-	-	-	-
Fund Balances (Deficits) - Beginning of Year	(1,877)	122,217	15,619	50,654	13,858	80,131
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (1,123)</u>	<u>\$ 75,722</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,858</u>	<u>\$ 80,131</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	<u>Permanent Fund</u>		Total Nonmajor Governmental Funds
	Cemetery Perpetual Care	Total Permanent Funds	
REVENUES			
Taxes	\$ -	\$ -	\$ 170,075
Licenses and Permits	-	-	95,897
Intergovernmental Revenue	-	-	399,016
Fines and Forfeits	-	-	7,350
Net Investment Earnings	159	159	223
Miscellaneous Revenues	-	-	10,856
Total Revenues	<u>159</u>	<u>159</u>	<u>683,417</u>
EXPENDITURES			
Current:			
General Government	-	-	193,548
Culture and Recreation	-	-	19,377
Public Safety	-	-	155,568
Transportation	-	-	24,700
Capital Outlay	-	-	49,900
Debt Service:			
Principal	-	-	252,267
Interest and Fiscal Charges	-	-	72,026
Total Expenditures	<u>-</u>	<u>-</u>	<u>767,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	159	159	(83,969)
OTHER FINANCING SOURCES (USES)			
Transfers In	10,000	10,000	654,890
Transfers Out	-	-	(390,543)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>264,347</u>
NET CHANGE IN FUND BALANCES	10,159	10,159	180,378
Fund Balances (Deficits) - Beginning of Year	<u>431,943</u>	<u>431,943</u>	<u>1,902,976</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 442,102</u>	<u>\$ 442,102</u>	<u>\$ 2,083,354</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Police Special Education Fund				Law Enforcement Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 4,200	\$ 4,200	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	-	-	-	-
Total Revenues	-	4,200	4,200	-	-	-	-	-
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,200	4,200	-	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Reserves	(72,690)	(76,890)	-	76,890	(87,494)	(87,494)	-	87,494
NET CHANGE IN FUND BALANCES	(72,690)	(72,690)	4,200	76,890	(87,494)	(87,494)	-	87,494
Fund Balances - Beginning of Year	72,690	72,690	72,611	(79)	87,494	87,494	87,503	9
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,811</u>	<u>\$ 76,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,503</u>	<u>\$ 87,503</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	Law Enforcement Investigative Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Reserves	(45,165)	(45,165)	-	45,165
NET CHANGE IN FUND BALANCES	(45,165)	(45,165)	-	45,165
Fund Balances - Beginning of Year	45,165	45,165	45,178	13
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,178</u>	<u>\$ 45,178</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Law Enforcement Impact Fees				Public Building Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 860	\$ 860	\$ 4,799	\$ 3,939	\$ 4,660	\$ 4,660	26,003	\$ 21,343
Net Investment Earnings	35	35	5	(30)	300	300	44	(256)
Total Revenues	895	895	4,804	3,909	4,960	4,960	26,047	21,087
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	895	895	4,804	3,909	4,960	4,960	26,047	21,087
OTHER FINANCING SOURCES (USES)								
Reserves	(27,524)	(27,524)	-	27,524	(252,832)	(252,832)	-	252,832
Total Other Financing Sources (Uses)	(27,524)	(27,524)	-	27,524	(252,832)	(252,832)	-	252,832
NET CHANGE IN FUND BALANCES	(26,629)	(26,629)	4,804	31,433	(247,872)	(247,872)	26,047	273,919
Fund Balances - Beginning of Year	26,629	26,629	26,741	112	247,872	247,872	248,349	477
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,545</u>	<u>\$ 31,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,396</u>	<u>\$ 274,396</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Fire Impact Fees				Parks Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 2,150	\$ 2,150	\$ 12,210	\$ 10,060	\$ 4,110	\$ 4,110	\$ 20,961	\$ 16,851
Net Investment Earnings	300	300	45	(255)	200	200	29	(171)
Total Revenues	2,450	2,450	12,255	9,805	4,310	4,310	20,990	16,680
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,450	2,450	12,255	9,805	4,310	4,310	20,990	16,680
OTHER FINANCING SOURCES (USES)								
Reserves	(154,319)	(154,319)	-	154,319	(158,774)	(158,774)	-	158,774
NET CHANGE IN FUND BALANCES	(151,869)	(151,869)	12,255	164,124	(154,464)	(154,464)	20,990	175,454
Fund Balances - Beginning of Year	151,869	151,869	152,086	217	154,464	154,464	154,874	410
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,341</u>	<u>\$ 164,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,864</u>	<u>\$ 175,864</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds				Special Revenue Funds			
	FDLE CESF Grant				Hernando Cares Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental Revenue	\$ -	\$ 50,000	\$ 41,555	\$ (8,445)	\$ -	\$ 209,000	\$ 163,913	\$ (45,087)
EXPENDITURES								
Current:								
Public Safety	-	50,000	41,555	8,445	-	158,790	114,013	44,777
Capital Outlay	-	-	-	-	-	50,000	49,900	100
Total Expenditures	-	50,000	41,555	8,445	-	208,790	163,913	44,877
NET CHANGE IN FUND BALANCES	-	-	-	-	-	210	-	(210)
Fund Balances - Beginning of Year	-	-	-	-	-	(210)	-	210
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Traffic Camera				Enrichment Center Premises Maintenance			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 3,150	\$ 3,150	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	-	-	-	-	9,500	9,500	10,856	1,356
Total Revenues	-	3,150	3,150	-	9,500	9,500	10,856	1,356
EXPENDITURES								
Current:								
Culture and Recreation	-	-	-	-	18,400	22,202	19,377	2,825
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,150	3,150	-	(8,900)	(12,702)	(8,521)	4,181
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	8,500	8,500	8,500	-
Reserves	-	-	-	-	(3,492)	310	-	(310)
Total Other Financing Sources (Uses)	-	-	-	-	5,008	8,810	8,500	(310)
NET CHANGE IN FUND BALANCES	-	3,150	3,150	-	(3,892)	(3,892)	(21)	3,871
Fund Balances - Beginning of Year	8,524	8,524	8,710	186	3,892	3,892	6,380	2,488
FUND BALANCES - END OF YEAR	<u>\$ 8,524</u>	<u>\$ 11,674</u>	<u>\$ 11,860</u>	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,359</u>	<u>\$ 6,359</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds							
	Brownfields Assessment Grant Fund				1/5 Cent Local Option Gas Tax			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 153,576	\$ 153,576	\$ 170,075	\$ 16,499
Intergovernmental Revenue	221,250	221,250	193,548	(27,702)	-	-	-	-
Net Investment Earnings	-	-	-	-	1,200	1,200	(86)	(1,286)
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	221,250	221,250	193,548	(27,702)	154,776	154,776	169,989	15,213
EXPENDITURES								
Current:								
General Government	221,250	221,250	193,548	27,702	-	-	-	-
Transportation	-	-	-	-	30,000	30,000	24,700	5,300
Total Expenditures	221,250	221,250	193,548	27,702	30,000	30,000	24,700	5,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	124,776	124,776	145,289	20,513
OTHER FINANCING SOURCES (USES)								
Reserves	-	-	-	-	(597,331)	(597,331)	-	597,331
NET CHANGE IN FUND BALANCES	-	-	-	-	(472,555)	(472,555)	145,289	617,844
Fund Balances - Beginning of Year	-	-	-	-	472,555	472,555	466,253	(6,302)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,542</u>	<u>\$ 611,542</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Capital Project Funds							
	McKethan Park				Multi-Year Capital Project Accumulation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 100	\$ 100	\$ 19	\$ (81)	\$ 1,000	\$ 1,000	\$ 3	\$ (997)
Miscellaneous Revenues	200	200	-	(200)	-	-	-	-
Total Revenues	300	300	19	(281)	1,000	1,000	3	(997)
EXPENDITURES								
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	300	19	(281)	1,000	1,000	3	(997)
OTHER FINANCING SOURCES (USES)								
Transfers Out	-	(25,000)	(25,000)	-	-	(25,000)	(25,000)	-
Reserves	(51,088)	(26,088)	-	26,088	(73,729)	(48,729)	-	48,729
Total Other Financing Sources (Uses)	(51,088)	(51,088)	(25,000)	26,088	(73,729)	(73,729)	(25,000)	48,729
NET CHANGE IN FUND BALANCES	(50,788)	(50,788)	(24,981)	25,807	(72,729)	(72,729)	(24,997)	47,732
Fund Balances - Beginning of Year	50,788	50,788	50,913	125	72,729	72,729	73,100	371
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,932</u>	<u>\$ 25,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,103</u>	<u>\$ 48,103</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Capital Project Funds							
	Capital Improvement Revenue 2006 Bond				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 35,000	\$ 35,000	\$ 31,924	\$ (3,076)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	50	50	5	(45)	-	-	-	-
Total Revenues	35,050	35,050	31,929	(3,121)	-	-	-	-
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,050	35,050	31,929	(3,121)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	303,780	303,780	303,780	-
Transfers Out	(35,000)	(35,000)	(29,200)	5,800	303,780	303,780	(303,780)	607,560
Reserves	(2,656)	(2,656)	-	2,656	-	-	-	-
Total Other Financing Sources (Uses)	(37,656)	(37,656)	(29,200)	8,456	607,560	607,560	-	607,560
NET CHANGE IN FUND BALANCES	(2,606)	(2,606)	2,729	5,335	607,560	607,560	-	607,560
Fund Balances - Beginning of Year	2,606	2,606	81	(2,525)	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,810</u>	<u>\$ 2,810</u>	<u>\$ 607,560</u>	<u>\$ 607,560</u>	<u>\$ -</u>	<u>\$ 607,560</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Capital Project Funds			
	Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	10,319	10,319	8,317	(2,002)
Transfers Out	(7,563)	(7,563)	(7,563)	-
Reserves	(879)	(879)	-	879
Total Other Financing Sources (Uses)	1,877	1,877	754	(2,002)
NET CHANGE IN FUND BALANCES	1,877	1,877	754	(2,002)
Fund Deficit - Beginning of Year	(1,877)	(1,877)	(1,877)	-
FUND DEFICIT - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,123)</u>	<u>\$ (2,002)</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Debt Service Funds							
	Capital Improvement Revenue Loan - 2016				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Debt Service:								
Principal	5,842	5,842	5,707	135	238,560	238,560	238,560	-
Interest	1,721	1,721	1,856	(135)	65,220	65,220	65,220	-
Total Expenditures	<u>7,563</u>	<u>7,563</u>	<u>7,563</u>	<u>-</u>	<u>303,780</u>	<u>303,780</u>	<u>303,780</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,563)	(7,563)	(7,563)	-	(303,780)	(303,780)	(303,780)	-
OTHER FINANCING SOURCES (USES)								
Transfers In	7,563	7,563	7,563	-	303,780	303,780	303,780	-
Reserves	<u>(15,619)</u>	<u>(15,619)</u>	<u>-</u>	<u>15,619</u>	<u>(50,654)</u>	<u>(50,654)</u>	<u>-</u>	<u>50,654</u>
Total Other Financing Sources (Uses)	<u>(8,056)</u>	<u>(8,056)</u>	<u>7,563</u>	<u>15,619</u>	<u>253,126</u>	<u>253,126</u>	<u>303,780</u>	<u>50,654</u>
NET CHANGE IN FUND BALANCES	(15,619)	(15,619)	-	15,619	(50,654)	(50,654)	-	50,654
Fund Balances - Beginning of Year	<u>15,619</u>	<u>15,619</u>	<u>15,619</u>	<u>-</u>	<u>50,654</u>	<u>50,654</u>	<u>50,654</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,619</u>	<u>\$ 15,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,654</u>	<u>\$ 50,654</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Debt Service Funds				Permanent Fund			
	Capital Improvement Revenue Bond - 2006				Cemetery Perpetual Care			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 900	\$ 900	\$ 159	\$ (741)
Total Revenues	-	-	-	-	900	900	159	(741)
EXPENDITURES								
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	4,950	4,950	4,950	-	-	-	-	-
Total Expenditures	12,950	12,950	12,950	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,950)	(12,950)	(12,950)	-	900	900	159	(741)
OTHER FINANCING SOURCES (USES)								
Transfers In	12,950	12,950	12,950	-	10,000	10,000	10,000	-
Reserves	(13,857)	(13,857)	-	13,857	(442,659)	(442,659)	-	442,659
Total Other Financing Sources (Uses)	(907)	(907)	12,950	13,857	(432,659)	(432,659)	10,000	442,659
NET CHANGE IN FUND BALANCES	(13,857)	(13,857)	-	13,857	(431,759)	(431,759)	10,159	441,918
Fund Balances - Beginning of Year	13,857	13,857	13,858	1	431,759	431,759	431,943	184
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 13,858	\$ 13,858	\$ -	\$ -	\$ 442,102	\$ 442,102

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 56,527	\$ 2,032,036	\$ 40,553	\$ 48,507	\$ 1,051,038	\$ 3,228,661
Prepaid	-	-	-	24,711	-	24,711
Inventories	17,704	-	-	-	-	17,704
Total Current Assets	<u>74,231</u>	<u>2,032,036</u>	<u>40,553</u>	<u>73,218</u>	<u>1,051,038</u>	<u>3,271,076</u>
Noncurrent Assets:						
Machinery and Equipment	41,954	2,250,260	73,690	-	-	2,365,904
Less: Accumulated Depreciation	<u>34,102</u>	<u>1,484,828</u>	<u>64,186</u>	<u>-</u>	<u>-</u>	<u>1,583,116</u>
Net Capital Assets	<u>7,852</u>	<u>765,432</u>	<u>9,504</u>	<u>-</u>	<u>-</u>	<u>782,788</u>
Total Assets	82,083	2,797,468	50,057	73,218	1,051,038	4,053,864
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 2,484	\$ -	\$ -	\$ 5,957	\$ 73,329	\$ 81,770
Accrued Wages Payable	2,690	-	-	-	-	2,690
Accrued Compensated Absences - Current	1,658	-	-	-	-	1,658
Other Current Liabilities	<u>576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>576</u>
Total Current Liabilities	<u>7,408</u>	<u>-</u>	<u>-</u>	<u>5,957</u>	<u>73,329</u>	<u>86,694</u>
Noncurrent Liabilities:						
Accrued Compensated Absences	<u>6,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,704</u>
Total Liabilities	14,112	-	-	5,957	73,329	93,398
NET POSITION						
Net Investment in Capital Assets	7,852	765,432	9,504	-	-	782,788
Unrestricted	<u>60,119</u>	<u>2,032,036</u>	<u>40,553</u>	<u>67,261</u>	<u>977,709</u>	<u>3,177,678</u>
Total Net Position	<u>\$ 67,971</u>	<u>\$ 2,797,468</u>	<u>\$ 50,057</u>	<u>\$ 67,261</u>	<u>\$ 977,709</u>	<u>\$ 3,960,466</u>

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
OPERATING REVENUES						
Charges for Services	\$ 126,944	\$ 255,136	\$ 10,000	\$ 52,500	\$ 672,315	\$ 1,116,895
Miscellaneous Revenues	-	-	-	-	68,547	68,547
Total Operating Revenues	<u>126,944</u>	<u>255,136</u>	<u>10,000</u>	<u>52,500</u>	<u>740,862</u>	<u>1,185,442</u>
OPERATING EXPENSES						
Personnel Services	97,338	-	-	46,152	848,192	991,682
Other Services and Charges	35,364	-	-	-	-	35,364
Depreciation	637	168,872	4,191	-	-	173,700
Total Operating Expenses	<u>133,339</u>	<u>168,872</u>	<u>4,191</u>	<u>46,152</u>	<u>848,192</u>	<u>1,200,746</u>
OPERATING INCOME (LOSS)	(6,395)	86,264	5,809	6,348	(107,330)	(15,304)
NONOPERATING REVENUES						
Intergovernmental Revenue	557	-	-	-	-	557
Net Investment Earnings	9	(1,173)	3	-	-	(1,161)
Total Nonoperating Revenues	<u>566</u>	<u>(1,173)</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(604)</u>
CHANGE IN NET POSITION	(5,829)	85,091	5,812	6,348	(107,330)	(15,908)
Net Position - Beginning of Year	<u>73,800</u>	<u>2,712,377</u>	<u>44,245</u>	<u>60,913</u>	<u>1,085,039</u>	<u>3,976,374</u>
NET POSITION - END OF YEAR	<u>\$ 67,971</u>	<u>\$ 2,797,468</u>	<u>\$ 50,057</u>	<u>\$ 67,261</u>	<u>\$ 977,709</u>	<u>\$ 3,960,466</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 126,944	\$ 255,136	\$ 10,000	\$ 52,500	\$ 740,862	\$ 1,185,442
Payments to Employees	(94,411)	-	-	(40,195)	(800,182)	(934,788)
Payments to Suppliers	(46,479)	-	-	-	-	(46,479)
Net Cash Provided (Used) by Operating Activities	(13,946)	255,136	10,000	12,305	(59,320)	204,175
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants and Contributions	557	-	-	-	-	557
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends	9	(1,173)	3	-	-	(1,161)
NET INCREASE (DECREASE) IN POOLED CASH AND INVESTMENTS	(13,380)	253,963	10,003	12,305	(59,320)	203,571
Pooled Cash and Investments - Beginning of Year	69,907	1,778,073	30,550	36,202	1,110,358	3,025,090
POOLED CASH AND INVESTMENTS - END OF YEAR	<u>\$ 56,527</u>	<u>\$ 2,032,036</u>	<u>\$ 40,553</u>	<u>\$ 48,507</u>	<u>\$ 1,051,038</u>	<u>\$ 3,228,661</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (6,395)	\$ 86,264	\$ 5,809	\$ 6,348	\$ (107,330)	\$ (15,304)
Depreciation	637	168,872	4,191	-	-	173,700
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
(Increase) Decrease in:						
Inventories	(8,013)	-	-	-	-	(8,013)
Increase (Decrease) in:						
Accounts Payable	(3,102)	-	-	5,957	48,010	50,865
Accrued Wages Payable	974	-	-	-	-	974
Other Current Liabilities	243	-	-	-	-	243
Accrued Compensated Absences	1,710	-	-	-	-	1,710
Total Adjustments	<u>(7,551)</u>	<u>168,872</u>	<u>4,191</u>	<u>5,957</u>	<u>48,010</u>	<u>219,479</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (13,946)</u>	<u>\$ 255,136</u>	<u>\$ 10,000</u>	<u>\$ 12,305</u>	<u>\$ (59,320)</u>	<u>\$ 204,175</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021**

	Private Purpose Trust Funds		Pension Trust Funds		Total Pension Trust Funds
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	
ASSETS					
Cash and Pooled Cash	\$ 1,365	\$ 1,365	\$ 101,568	\$ 3,332	\$ 104,900
Investments:					
Debt Securities	-	-	2,303,924	178,987	2,482,911
Marketable Equity Securities	-	-	5,393,908	276,657	5,670,565
Real Estate Fund	-	-	735,453	-	735,453
Contributions Receivable	-	-	71,732	-	71,732
Total Assets	1,365	1,365	8,606,585	458,976	9,065,561
NET POSITION					
Held in Trust for Retirement and Other Purposes	1,365	1,365	8,606,585	458,976	9,065,561
Total Net Position	\$ 1,365	\$ 1,365	\$ 8,606,585	\$ 458,976	\$ 9,065,561

**CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2021**

	Private Purpose Trust Funds		Pension Trust Funds		Total Pension Trust Funds
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	
ADDITIONS:					
CONTRIBUTIONS					
Employer	\$ -	\$ -	\$ 244,189	\$ -	\$ 244,189
Plan Members	-	-	32,297	-	32,297
State of Florida	-	-	59,955	-	59,955
Total Contributions	-	-	336,441	-	336,441
INVESTMENT EARNINGS					
Net Increase in Fair Value	-	-	1,289,779	27,756	1,317,535
Interest/Dividends	4	4	142,525	15,010	157,535
Total Investment Earnings	4	4	1,432,304	42,766	1,475,070
MISCELLANEOUS REVENUES					
	-	-	1,138	-	1,138
Total Additions	4	4	1,769,883	42,766	1,812,649
DEDUCTIONS:					
BENEFIT PAYMENTS					
	-	-	429,778	27,091	456,869
ADMINISTRATIVE EXPENSES					
	-	-	87,670	51,520	139,190
Total Deductions	-	-	517,448	78,611	596,059
CHANGE IN NET POSITION	4	4	1,252,435	(35,845)	1,216,590
Net Position - Beginning of Year	1,361	1,361	7,354,150	494,821	7,848,971
NET POSITION - END OF YEAR	\$ 1,365	\$ 1,365	\$ 8,606,585	\$ 458,976	\$ 9,065,561



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

City Council
City of Brooksville, Florida
Brooksville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brooksville, Florida (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2022.

Internal Control Over Financial Reporting

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

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

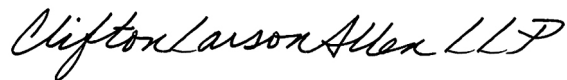
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Lakeland, Florida
April 29, 2022



Management Letter

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Brooksville, Florida (City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 29, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 29, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. See the accompanying schedule of findings and responses for the current status of prior year findings.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City of Brooksville Community Redevelopment Agency reported their required information in their audit report.

Additional Matters

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



CliftonLarsonAllen LLP

Lakeland, Florida
April 29, 2022

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2021**

STATUS OF PRIOR YEAR FINDINGS

Prior Year Findings		Current Year Status			Current Year Finding #	2019-2020 Year Finding #	2018-2019 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
Revenue Recognition and Audit Adjustments	Material Weakness In Internal Control over Financial Reporting	X			Not Reported	2020-001	2019-001



INDEPENDENT ACCOUNTANTS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

We have examined the City of Brooksville, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
April 29, 2022