



CITY OF FLORIDA CITY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by the Department of Finance

CITY OF FLORIDA CITY, FLORIDA

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CITY OF FLORIDA CITY, FLORIDA

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INTRODUCTORY SECTION



May 24, 2022

To the Citizens of the City of Florida City, Florida (the “City”)
and Other Interested Parties:

State law requires that all general purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Additionally, the City’s charter requires an annual independent audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City for the fiscal year ended September 30, 2021.

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

The City’s financial statements have been audited by Marcum LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City’s financial statements for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement preparation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

To the Citizens of the City of Florida City, Florida
and Other Interested Parties:
May 24, 2022

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

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

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit proposed budgets to the Mayor, who then makes any necessary revisions. The Mayor then presents to the City Commission, for their review, a budget estimate of the revenues and expenditures of all the City's departments. Two public hearings are then conducted to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the commission quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of a Resolution. The City's budget is approved at the department level. The Mayor and Finance Director may amend the adopted budget for adjustments within a department administratively, but the City Commission must approve all budget adjustments that exceed or are less than originally budgeted. Supplemental appropriations of revenues and expenditures and budget adjustments are typically approved by the City Commission during the last quarter of the fiscal year. There were budgetary amendments for the 2020-2021 fiscal year. Budget-to-actual comparisons are provided in this report for the general fund and the community redevelopment agency (CRA) for which an appropriated annual budget has been adopted.

To the Citizens of the City of Florida City, Florida
and Other Interested Parties:
May 24, 2022

Factors Affecting Financial Condition

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

Local Economy

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

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

The City's millage rate is 7.2946 for the 2020-2021 fiscal year. As a financial policy, the City engages in cost cutting measures to reduce the need to spend any fund balance. This policy has allowed the City to have the funds necessary to spend in the event of a natural disaster.

Long-Term Financial Planning and Major Initiatives

The City is working diligently to annex additional land to expand our boundaries. This will provide space for planned residential and commercial expansion. New parks are being developed to provide additional open space and leisure activities for the anticipated addition to our population. A gymnasium was constructed for our children to enjoy.

During fiscal year 2021, construction of the culvert in the Florida City Canal between US 1 and SW 172 Ave continued. The project consists of the widening of SW 344th Street between US 1 to SW 172nd Avenue to accommodate the addition of eastbound and westbound traffic lanes. In addition to the construction of a fully enclosed culvert for the Florida City Canal, this project includes roadway reconstruction, widening, repaving, and the building of a new curb and gutters. The project also comprises of improvements to signalization and lighting as well as the creation of new sidewalks and driveways. Subsequently, during fiscal year 2021-2022, the City has received a grant of \$16.1 million to continue the culvert and continuing to widen SW 344th Street.

To the Citizens of the City of Florida City, Florida
and Other Interested Parties:
May 24, 2022

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 negatively impacted the City’s operations, suppliers or other vendors, and customer base. Quarantines, labor shortages and other disruptions to the City’s operations, and to the customers and residents, has adversely impacted the City’s revenues, ability to provide its services and operating results. In addition, the significant outbreak of this pandemic resulted in a widespread health crisis that adversely affected the economies and financial markets of many countries, including the geographical area in which the City operates. The extent of the coronavirus impact is still ongoing, and will likely continue for the foreseeable future. The City’s pro-business attitude, leading to residential and commercial development, has allowed it to sustain thus far, when otherwise the results could have been more detrimental to its’ operations.

Cash Management Policies and Practices

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

Pension Benefits

The City maintains a single-employer defined benefit pension plan for its police officers. An independent actuary is engaged by the pension plan to calculate the amount of the annual contribution the City must make to ensure that the plan will be able to fully meet its obligations to retired employees in a timely manner. As a matter of policy, the City fully funds the required annual contribution to the pension plan as determined by the actuary. This is accounted for in the police pension trust fund. For the fiscal year ending September 30, 2021, the City contributed \$7,466 to make the plan actuarially sound. On May 1, 2008, the City and police officers had agreed to enter the Florida Retirement System (FRS) and a replacement plan was adopted to protect the participants’ assets.

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

To the Citizens of the City of Florida City, Florida
and Other Interested Parties:
May 24, 2022

The City further maintains a single-employer defined benefit pension plan for its elected officials. An independent actuary is retained by the pension plan to calculate the amount of the annual contribution the City must make to ensure the plan will be able to fully meet its obligations to retired elected officials in a timely manner.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Florida City for its ACFR for the fiscal year ended September 30, 2020. This was the twenty-fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

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

Sincerely,



Chad Burkhalter, CPA
Finance Director



Otis T. Wallace
Mayor

CITY OF FLORIDA CITY, FLORIDA

**LIST OF PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2021**

MAYOR-COMMISSION FORM OF GOVERNMENT

CITY COMMISSION

Otis T. Wallace, Mayor

Sharon Butler, Vice Mayor

Eugene D. Berry

James Gold

CITY CLERK

Jennifer Evelyn

CITY ATTORNEY

Regine Monestime

FINANCE DIRECTOR

Chad Burkhalter, CPA

INDEPENDENT AUDITORS

Marcum LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Florida City
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

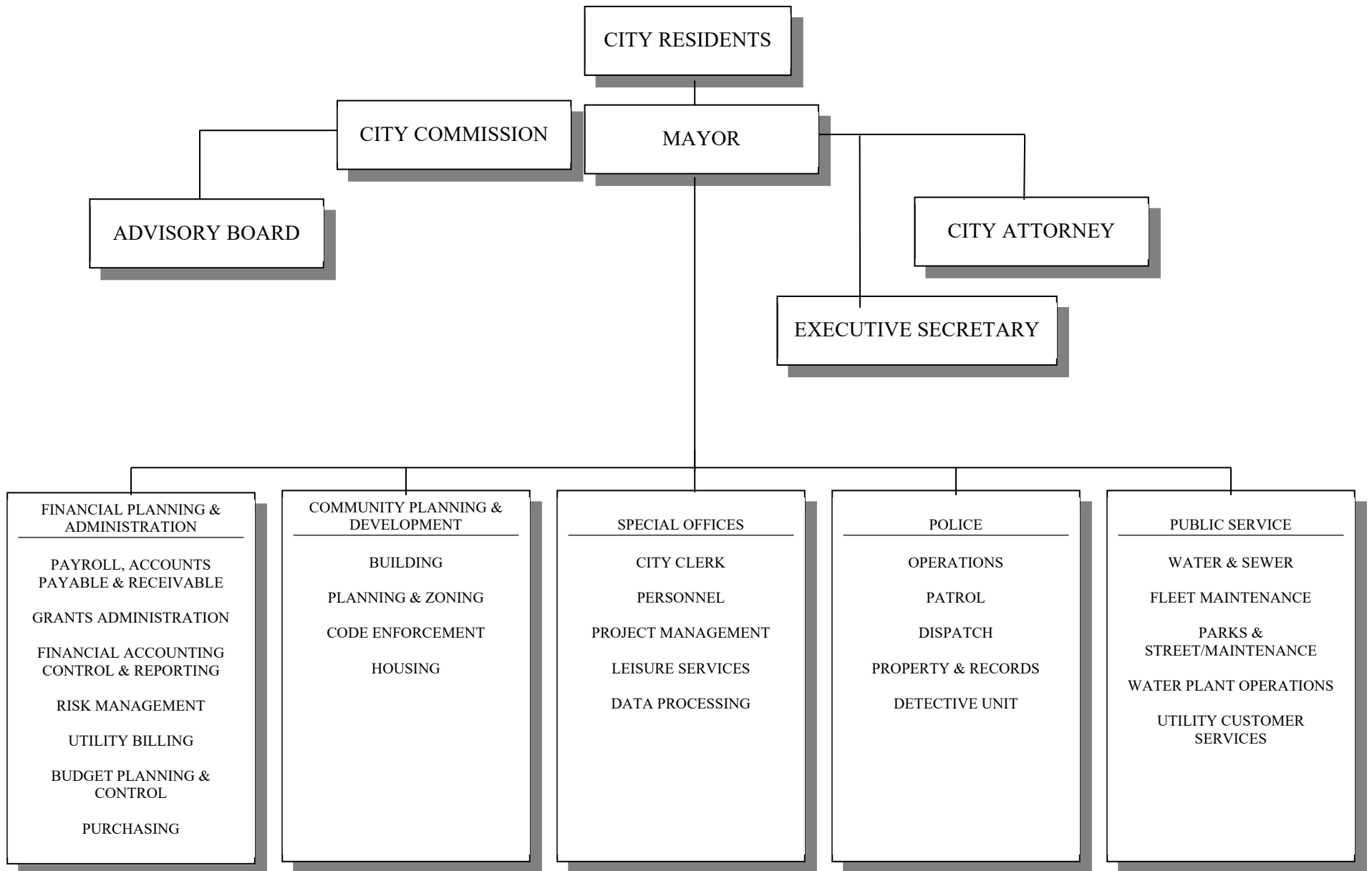
September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF FLORIDA CITY, FLORIDA

ORGANIZATION CHART



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florida City, Florida (the "City"), as of and for the fiscal year ended September 30, 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the budgetary comparison schedules and related notes on pages 80 to 82, and the information for the pensions and OPEB on pages 83 to 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and the introductory and statistical sections are presented for additional purposes and are not a required part of the basic financial statements.

The combining fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
May 24, 2022

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

CITY OF FLORIDA CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Florida City, Florida (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

The assets plus deferred outflows of the City exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$74,244,777 (net position). Of this amount, \$14,857,752 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

In the government-wide financial statements, the City's total net position increased by \$7,286,305. This increase is attributable to an increase of commercial and residential development, and the reflection of property taxes attributable to our Community Redevelopment Agency (CRA) of \$2,262,484.

For the fiscal year ended September 30, 2021, the City's governmental funds reported combined ending fund balances of \$31,275,030. This represents an increase of \$6,851,921 from last year. This is primarily due to an increase of commercial and residential development.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,528,785 or 112% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety and parks and recreation. The business-type activities of the City include a Water and Sewer Utility.

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

The government-wide financial statements can be found on pages 14 through 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The City has three (3) fund categories; governmental funds, a proprietary fund and a fiduciary fund.

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

Notes to the Basic Financial Statements

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

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits (OPEB) to its employees, as well as budgetary comparison schedules.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$74,244,777 at the close of the most recent fiscal year.

A portion of the City's net position, \$43,188,171 or 58%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt to acquire those assets that is still outstanding including retainage. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets and other assets	\$ 42,324,907	\$ 31,419,851	\$ 7,882,460	\$ 7,226,390	\$ 50,207,367	\$ 38,646,241
Capital assets, net	27,946,798	27,453,496	18,210,671	17,862,446	46,157,469	45,315,942
Total Assets	<u>70,271,705</u>	<u>58,873,347</u>	<u>26,093,131</u>	<u>25,088,836</u>	<u>96,364,836</u>	<u>83,962,183</u>
Pensions	2,293,792	3,913,730	96,649	236,037	2,390,441	4,149,767
Total Deferred Outflows of Resources	<u>2,293,792</u>	<u>3,913,730</u>	<u>96,649</u>	<u>236,037</u>	<u>2,390,441</u>	<u>4,149,767</u>
Current liabilities	8,682,812	3,839,187	1,525,744	1,526,514	10,208,556	5,365,701
Noncurrent liabilities	5,083,936	13,017,751	2,666,060	2,438,582	7,749,996	15,456,333
Total Liabilities	<u>13,766,748</u>	<u>16,856,938</u>	<u>4,191,804</u>	<u>3,965,096</u>	<u>17,958,552</u>	<u>20,822,034</u>
Pensions	6,001,552	306,889	550,396	24,555	6,551,948	331,444
Total Deferred Inflows of Resources	<u>6,001,552</u>	<u>306,889</u>	<u>550,396</u>	<u>24,555</u>	<u>6,551,948</u>	<u>331,444</u>
Net Investment in Capital Assets	27,589,124	27,156,980	15,599,047	16,395,448	43,188,171	43,552,428
Restricted	15,457,300	12,537,750	741,554	739,815	16,198,854	13,277,565
Unrestricted	9,750,773	5,928,520	5,106,979	4,199,959	14,857,752	10,128,479
Total Net Position	<u>\$ 52,797,197</u>	<u>\$ 45,623,250</u>	<u>\$ 21,447,580</u>	<u>\$ 21,335,222</u>	<u>\$ 74,244,777</u>	<u>\$ 66,958,472</u>

Table 2
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 8,092,430	\$ 9,325,028	\$ 4,902,762	\$ 4,364,247	\$ 12,995,192	\$ 13,689,275
Operating grants and contributions	2,524,014	55,350	--	--	2,524,014	55,350
Capital grants and contributions	2,148,966	3,224,140	--	--	2,148,966	3,224,140
General revenues:						
Property taxes - City	2,955,935	2,468,711	--	--	2,955,935	2,468,711
Property taxes - CRA	2,262,484	2,185,728	--	--	2,262,484	2,185,728
Utility taxes	1,010,100	924,484	--	--	1,010,100	924,484
Communication services tax	188,645	174,573	--	--	188,645	174,573
Franchise fees based on gross receipts	893,492	758,707	--	--	893,492	758,707
Unrestricted intergovernmental revenue	2,027,326	1,720,025	--	--	2,027,326	1,720,025
State Revenue Sharing	450,516	371,681	--	--	450,516	371,681
Unrestricted investment earnings	49,687	208,105	11,413	70,152	61,100	278,257
Miscellaneous	459,440	--	--	--	459,440	--
Sale of Capital Assets	801,490	50,749	--	--	801,490	50,749
Total Revenues	<u>23,864,525</u>	<u>21,467,281</u>	<u>4,914,175</u>	<u>4,434,399</u>	<u>28,778,700</u>	<u>25,901,680</u>
Expenses						
General government	7,595,955	5,876,866	--	--	7,595,955	5,876,866
Public works	3,542,279	3,205,987	--	--	3,542,279	3,205,987
Public safety	4,828,611	6,273,755	--	--	4,828,611	6,273,755
Parks and recreation	723,733	753,562	--	--	723,733	753,562
Water and sewer	--	--	4,801,817	4,794,457	4,801,817	4,794,457
Total Expenses	<u>16,690,578</u>	<u>16,110,170</u>	<u>4,801,817</u>	<u>4,794,457</u>	<u>21,492,395</u>	<u>20,904,627</u>
Excess (Deficiency) Before Transfers	7,173,947	5,357,111	112,358	(360,058)	7,286,305	4,997,053
Transfers	--	856,831	--	(856,831)	--	--
Increase (Decrease) in Net Position	<u>7,173,947</u>	<u>6,213,942</u>	<u>112,358</u>	<u>(1,216,889)</u>	<u>7,286,305</u>	<u>4,997,053</u>
Net Position - Beginning	<u>45,623,250</u>	<u>39,409,308</u>	<u>21,335,222</u>	<u>22,552,111</u>	<u>66,958,472</u>	<u>61,961,419</u>
Net Position - Ending	<u>\$ 52,797,197</u>	<u>\$ 45,623,250</u>	<u>\$ 21,447,580</u>	<u>\$ 21,335,222</u>	<u>\$ 74,244,777</u>	<u>\$ 66,958,472</u>

The City's net position increased by \$7,286,305 from 2020 due primarily an increase of commercial and residential development, and the reflection of property taxes attributable to our CRA. This increase is illustrated in the summary above.

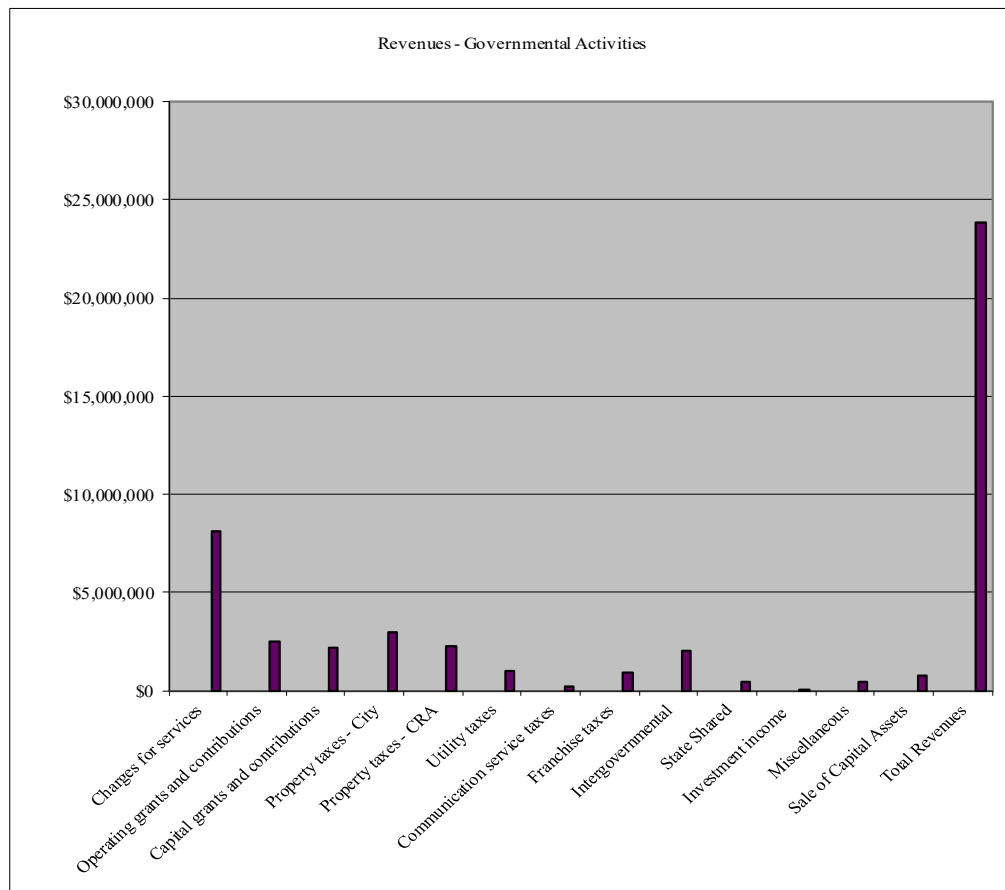
Governmental Activities

Net position of the City's governmental activities increased by \$7,173,947 or 15.7% from \$45,623,250 in the last fiscal year to \$52,797,197 in the current fiscal year. This is primarily due to an increase of commercial and residential development.

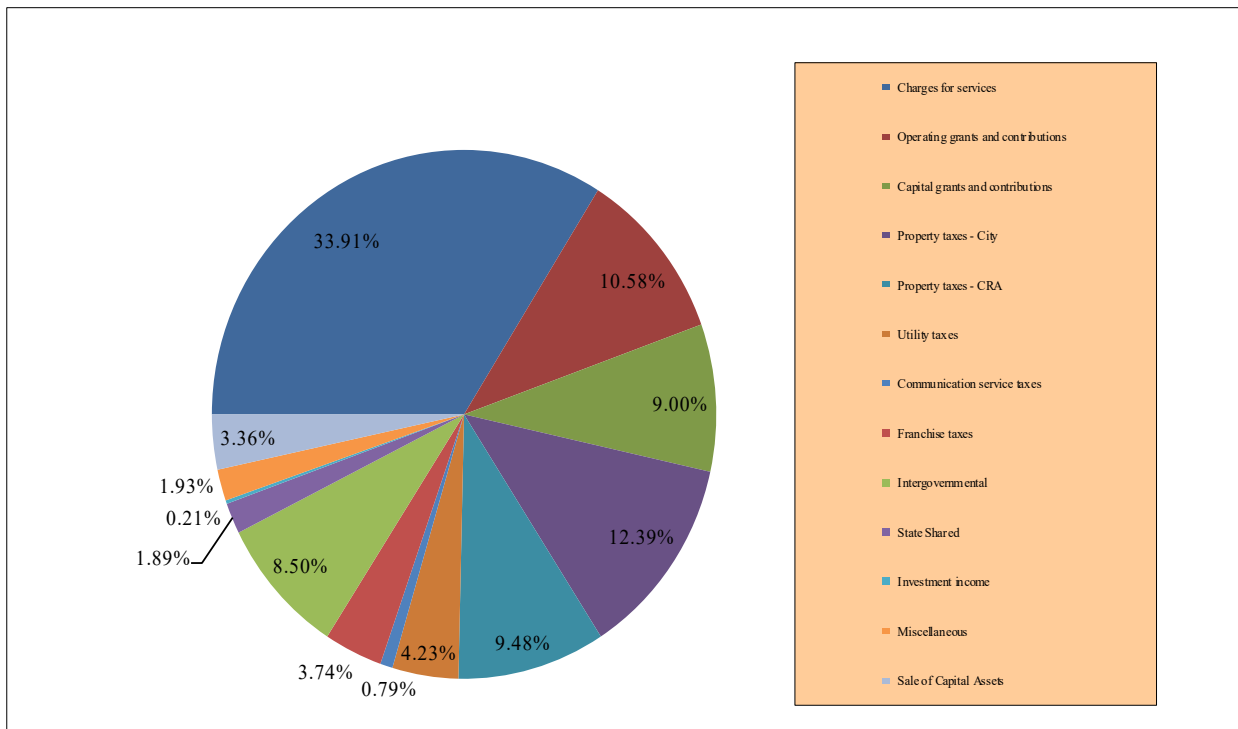
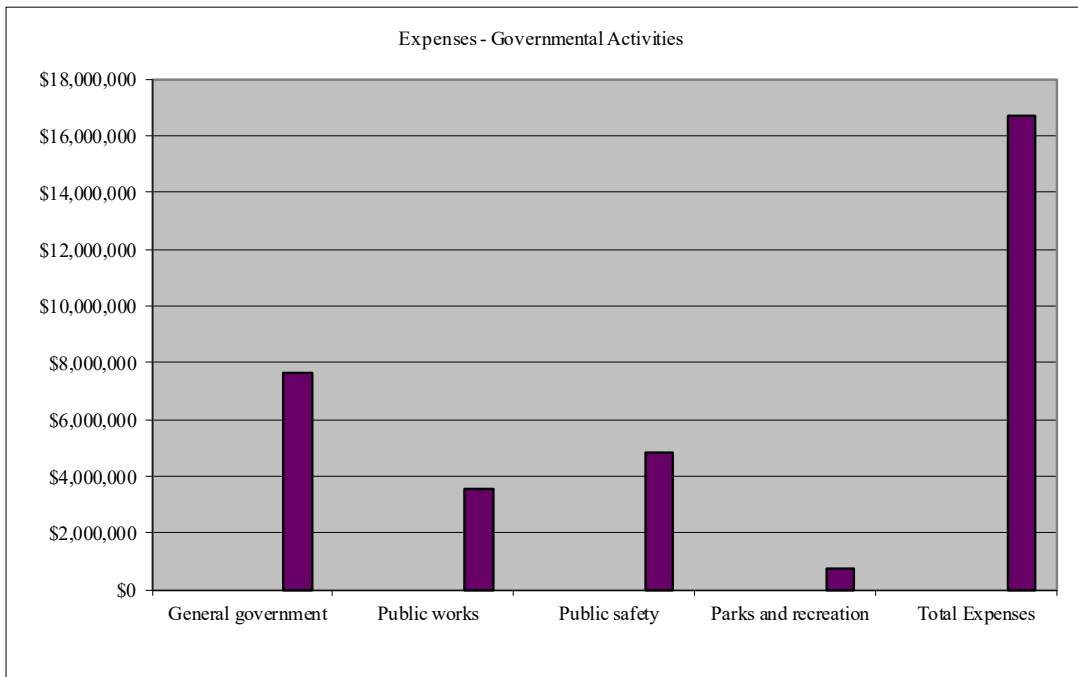
General government, public works and public safety comprise in excess of 95% of the City's total governmental activities. General government program revenues fund over 108% of its activities. Public works program revenues fund more than 93% of its activities while public safety program revenues fund just a bit less than 17%. Parks and recreation's program revenues fund roughly 62% of expenses. General revenues, primarily property taxes, fund the balance of these activities.

Program revenues, comprised of charges for services, and operating and capital grants and contributions amounts total \$12,765,410; the governmental activities general revenues total \$11,099,115. While the City has a growing property tax base, the use on grant funds is still important to meeting citizens' demand for services. Property taxes, which represent about 47% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. Property tax revenue for the City, not including that which is related to the CRA, increased by \$487,224 between 2020 and 2021. The millage rate for fiscal year 2021 was 7.2946.

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



Governmental Activities (continued)



Business-type Activities

Business-type activities increased the City's net position by \$112,358 since 2020.

The City maintains a water and sewer fund that accounts for this change to net position. Operating expenses were less than charges for services by \$100,945. \$11,413 was realized as a result of unrestricted investment earnings. Revenues increased between 2020 and 2021 by \$538,515. Expenses also increased by \$7,360.

The increase of revenue, between fiscal year 2020 and 2021, came primarily as a result of residential and commercial development amid the COVID-19 pandemic (COVID-19). There was an increase in the usage of utilities, and an uptick in related revenue as a result of more buildings being constructed.

Governmental Funds

The focus of the City of Florida City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, fund balance of the General Fund was \$23,574,252, an increase of \$5,034,074 in comparison with the prior year. This is primarily due to an increase of commercial and residential development, in spite of the COVID-19 related impact to the economy.

The general fund is the chief operating fund of the City. As a measure of the general fund's liquidity it may be useful to compare total fund balance to total fund expenditures. Total unassigned fund balance represents 112% of total general fund expenditures.

At the end of the current fiscal year, fund balance of the CRA Fund was \$6,400,456, an increase of \$2,397,778 in comparison with the prior year. This is primarily due to an excess of revenues over expenditures of \$1,361,386 in the current year along with proceeds on sale of capital assets of \$1,036,392 which pertained to the sale of various lots of land in the current year.

At the end of the current fiscal year, fund balance of the Grants Fund was \$751,594, an increase of \$586,099 in comparison with the prior year. This is primarily due to a transfer out in the amount of \$1,150,133 made to the General Fund during the current year.

A summary of the general fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balance is presented in Table 3 and 4 for September 30, 2021 and 2020, as follows:

Table 3
Condensed Balance Sheet

General Fund	2021	2020
Total Assets	<u>\$ 32,914,663</u>	<u>\$ 23,523,995</u>
Total liabilities	\$ 8,934,044	\$ 3,478,254
Total deferred inflows of resources	406,367	1,505,563
Fund balance	<u>23,574,252</u>	<u>18,540,178</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 32,914,663</u>	<u>\$ 23,523,995</u>

Governmental Funds (continued)

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

General Fund	2021	2020
Total revenues	\$ 19,603,202	\$ 15,518,800
Total expenditures	15,718,031	15,205,738
Other Financing Sources	1,148,903	--
Net Change in Fund Balance	\$ 5,034,074	\$ 313,062

General Fund Budgetary Highlights

There was a difference via budget amendments between the original and final budgeted amounts for expenditures in the General Fund of \$499,107 more than originally budgeted. Actual expenditures were \$2,331 less than the final budgeted amount. Budgeted revenues between original and final were increased by approximately \$5,569,732, and actual revenues were more than the final budgeted amount by \$289,053. The increase in the revenues and expenditures, both budgeted and actual, was primarily due to an increase of commercial and residential development. As an example, solid waste collection costs grew and professional fees increased to keep up with the development.

The following summary depicts the overall activity:

General Fund	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Revenues	\$ 13,744,417	\$ 19,314,149	\$ 19,603,202	\$ 289,053
Expenditures	15,216,593	15,715,700	15,718,031	(2,331)
Excess (deficiency) of revenues over expenditures	(1,472,176)	3,598,449	3,885,171	286,722
Other financing sources and uses (including current year surplus)	1,472,176	(3,598,449)	1,148,903	(4,747,352)
Net Change in Fund Balance	\$ --	\$ --	\$ 5,034,074	\$ 5,034,074

Community Redevelopment Agency (CRA)

The CRA incurred the following expenditures during the fiscal year ended September 30, 2021 and September 30, 2020 respectively:

Community Redevelopment Agency (CRA) (Continued)

CRA	2021	2020
Expenditures, general government	\$ 971,630	\$ 881,359
Expenditures, capital outlay	--	120,195
	<u>\$ 971,630</u>	<u>\$ 1,001,554</u>

In 2021, the following projects were funded by CRA's Infrastructure Fund:

- \$175,227 – Housing Assistance Projects
- \$350,000 - Community Policing.
- \$110,020 - Administrative Functions.

In 2020, the following projects were funded by CRA's Infrastructure Fund:

- \$78,069- Streetscape Project for beautification.
- \$28,919 – Washington Park Rehabilitation
- \$69,500 – Housing Assistance Projects
- \$409,450 - Community Policing.
- \$110,342 - Administrative Functions.

Capital Assets

As of September 30, 2021, the City's net investment in capital assets for both governmental activities and business-type activities amounted to \$43,188,171 (\$27,589,124 in governmental activities and \$15,599,047 in business-type activities). The net investment in capital assets for the fiscal year decreased by \$364,257. Further information regarding Capital Asset activity may be found in Note 7, within the Notes to Basic Financial Statements, on pages 39-40.

Non-Current Liabilities

At September 30, 2021, the City's non-current liabilities total \$7,749,996 (\$5,083,936 for governmental activities and \$2,666,060 for business-type activities). Regarding the non-current liabilities of governmental activities, its' comprised of compensated absences (\$945,463), Net Pension Liability (\$3,640,798), and Total OPEB Liability (\$497,675).

In reference to non-current liabilities for business-type activities, \$40,200 represents total revenue bonds payable secured solely by specified revenue sources (water revenue). Additionally, in June 2018, the City entered into a State Revolving Fund (SRF) Loan agreement to improve its' wastewater system. In July 2020, the City entered into a SRF Loan agreement, for the planning and engineering of a proposed water distribution system construction project. As of the end of the fiscal year, the City owed \$2,375,287, on the SRF Loans. The remainder is comprised of compensated absences of \$93,000, \$69,969 of Net Pension Liability, and \$87,604 Total OPEB Liability in business-type activities. See Note 8 for a more detailed explanation on Pages 40 through 43 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City was 8.2%, but given the residential and commercial development within the City, the City anticipates that this rate will decrease.

Additionally, the occupancy rate of the hospitality service industry in Southern Miami-Dade County experienced an increase this fiscal year. We anticipate a continued increase in this rate, as we continue to move further past the COVID-19 pandemic.

Inflationary trends in the region compare similarly to national indices.

The City's rates for water and sewer fees continue to be reviewed with an eye towards increasing the rates to improve the debt service coverage ratio and provide additional funds for renewal and replacement of infrastructure. However, due to COVID-19, and the spike in development, the City doesn't foresee increasing its' rates independent of external agencies, in the short-term.

There were funds budgeted or appropriated from unrestricted net position (unassigned fund balance) for the fiscal year September 30, 2022 budget for the general fund, in anticipation for an increase in commercial and residential development.

The millage rate for fiscal year 2021 and 2022 was 7.2946.

All of these factors were considered in preparing the City's budget for the 2021-2022 fiscal year.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

CITY OF FLORIDA CITY, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 23,388,226	\$ 6,448,018	\$ 29,836,244
Investment	8,422,011	--	8,422,011
Receivables, net	2,335,387	316,522	2,651,909
Internal balances	334,833	(334,833)	--
Restricted cash	4,887,112	1,452,753	6,339,865
Prepaid items	1,840	--	1,840
Other assets	25,223	--	25,223
Net pension asset	1,960,698	--	1,960,698
Assets held for resale	969,577	--	969,577
Capital assets not being depreciated	12,862,999	5,301,289	18,164,288
Capital assets being depreciated, net	<u>15,083,799</u>	<u>12,909,382</u>	<u>27,993,181</u>
Total Assets	<u>70,271,705</u>	<u>26,093,131</u>	<u>96,364,836</u>
Deferred Outflows of Resources			
Pensions	<u>2,293,792</u>	<u>96,649</u>	<u>2,390,441</u>
Liabilities			
Accounts payable	1,261,612	801,761	2,063,373
Accrued liabilities	3,319,764	12,784	3,332,548
Customer deposits	170,613	711,199	881,812
Unearned revenue	3,930,823	--	3,930,823
Noncurrent liabilities:			
Due within one year	94,546	28,900	123,446
Due in more than one year	850,917	2,479,587	3,330,504
Total OPEB liability	497,675	87,604	585,279
Net pension liability	<u>3,640,798</u>	<u>69,969</u>	<u>3,710,767</u>
Total Liabilities	<u>13,766,748</u>	<u>4,191,804</u>	<u>17,958,552</u>
Deferred Inflows of Resources			
Pensions	<u>6,001,552</u>	<u>550,396</u>	<u>6,551,948</u>
Net Position			
Net investment in capital assets	27,589,124	15,599,047	43,188,171
Restricted:			
Transportation projects	4,573,777	--	4,573,777
Grants and contributions	1,300,322	--	1,300,322
Assets held for resale	969,577	--	969,577
Capital projects	5,821,746	--	5,821,746
Net pension asset	1,960,698	--	1,960,698
Impact fees - public safety	416,777	--	416,777
Impact fees - parks and recreation	414,403	--	414,403
Sewer system capital improvements	--	673,702	673,702
Reserve fund	--	67,852	67,852
Unrestricted	<u>9,750,773</u>	<u>5,106,979</u>	<u>14,857,752</u>
Total Net Position	<u>\$ 52,797,197</u>	<u>\$21,447,580</u>	<u>\$ 74,244,777</u>

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

CITY OF FLORIDA CITY, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 7,595,955	\$ 3,527,818	\$ 2,524,014	\$ 2,148,966	\$ 604,843	\$ --	\$ 604,843
Public works	3,542,279	3,296,250	--	--	(246,029)	--	(246,029)
Public safety	4,828,611	820,703	--	--	(4,007,908)	--	(4,007,908)
Parks and recreation	723,733	447,659	--	--	(276,074)	--	(276,074)
Total Government Activities	<u>16,690,578</u>	<u>8,092,430</u>	<u>2,524,014</u>	<u>2,148,966</u>	<u>(3,925,168)</u>	<u>--</u>	<u>(3,925,168)</u>
Business-type Activities							
Water and sewer	4,801,817	4,902,762	--	--	--	100,945	100,945
Total Business-type Activities	<u>4,801,817</u>	<u>4,902,762</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,945</u>	<u>100,945</u>
Total	<u>\$ 21,492,395</u>	<u>\$ 12,995,192</u>	<u>\$ 2,524,014</u>	<u>\$ 2,148,966</u>	<u>(3,925,168)</u>	<u>100,945</u>	<u>(3,824,223)</u>
General Revenues							
Property taxes - City					2,955,935	--	2,955,935
Property taxes - CRA					2,262,484	--	2,262,484
Utility taxes					1,010,100	--	1,010,100
Communication services tax					188,645	--	188,645
Franchise fees based on gross receipts					893,492	--	893,492
Unrestricted intergovernmental revenue					2,027,326	--	2,027,326
Unrestricted state revenue sharing					450,516	--	450,516
Unrestricted investment earnings					49,687	11,413	61,100
Miscellaneous					459,440	--	459,440
Sale of capital assets					801,490	--	801,490
Total General Revenues					<u>11,099,115</u>	<u>11,413</u>	<u>11,110,528</u>
Change in Net Position					<u>7,173,947</u>	<u>112,358</u>	<u>7,286,305</u>
Net Position - Beginning					<u>45,623,250</u>	<u>21,335,222</u>	<u>66,958,472</u>
Net Position - Ending					<u>\$ 52,797,197</u>	<u>\$ 21,447,580</u>	<u>\$ 74,244,777</u>

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

CITY OF FLORIDA CITY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 18,031,167	\$ 4,385,525	\$ 528,496	\$ 443,038	\$ 23,388,226
Investment	6,422,011	1,000,000	1,000,000	--	8,422,011
Receivables, net:					
Billed and other	1,139,703	30,608	--	42,265	1,212,576
Unbilled	128,944	--	--	--	128,944
Taxes	811,474	--	--	--	811,474
Intergovernmental	--	--	182,393	--	182,393
Due from other funds	1,240,775	417,482	2,954,128	--	4,612,385
Restricted cash	4,744,390	--	--	142,722	4,887,112
Prepaid items	1,840	--	--	--	1,840
Assets held for resale	390,867	578,710	--	--	969,577
Other assets	3,492	21,731	--	--	25,223
Total Assets	<u>\$ 32,914,663</u>	<u>\$ 6,434,056</u>	<u>\$ 4,665,017</u>	<u>\$ 628,025</u>	<u>\$ 44,641,761</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 1,142,744	\$ 33,600	\$ 82,324	\$ 2,944	\$ 1,261,612
Accrued liabilities	3,311,962	--	7,802	--	3,319,764
Due to other funds	3,460,949	--	790,481	26,122	4,277,552
Customer deposits	170,613	--	--	--	170,613
Unearned revenue	847,776	--	3,032,816	50,231	3,930,823
Total Liabilities	<u>8,934,044</u>	<u>33,600</u>	<u>3,913,423</u>	<u>79,297</u>	<u>12,960,364</u>
Deferred Inflows of Resources					
Unavailable revenue	406,367	--	--	--	406,367
Total Liabilities and Deferred Inflows of Resources	<u>9,340,411</u>	<u>33,600</u>	<u>3,913,423</u>	<u>79,297</u>	<u>13,366,731</u>
Fund Balances					
Non-spendable:					
Prepaid items	1,840	--	--	--	1,840
Restricted:					
Transportation projects	4,573,777	--	--	--	4,573,777
Grants and contributions	--	--	751,594	548,728	1,300,322
Impact fees - public safety	416,777	--	--	--	416,777
Impact fees - parks and recreation	414,403	--	--	--	414,403
Assets held for resale	390,867	578,710	--	--	969,577
Capital projects	--	5,821,746	--	--	5,821,746
Committed:					
Stormwater	247,803	--	--	--	247,803
Unassigned:					
General fund	17,528,785	--	--	--	17,528,785
Total Fund Balances	<u>23,574,252</u>	<u>6,400,456</u>	<u>751,594</u>	<u>548,728</u>	<u>31,275,030</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,914,663</u>	<u>\$ 6,434,056</u>	<u>\$ 4,665,017</u>	<u>\$ 628,025</u>	<u>\$ 44,641,761</u>

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

CITY OF FLORIDA CITY, FLORIDA

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

SEPTEMBER 30, 2021

Fund Balances - Total Governmental Funds		\$ 31,275,030
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	\$42,724,283	
Less accumulated depreciation	<u>(14,777,485)</u>	27,946,798
Net pension asset resulting from over funding in pension plan		1,960,698
Revenues that do not meet the availability criteria are reported as unavailable revenue in the fund financial statements; these amounts are reported as revenue in the government-wide financial statements.		406,367
Deferred outflows of resources related to pensions	2,293,792	
Deferred inflows of resources related to pensions	<u>(6,001,552)</u>	(3,707,760)
Long-term liabilities, including notes payable, are not due and payable in current period and, therefore, not reported in the funds		
Compensated absences	(945,463)	
Net pension liability	(3,640,798)	
Total OPEB liability	<u>(497,675)</u>	<u>(5,083,936)</u>
Net Position of Governmental Activities		<u><u>\$ 52,797,197</u></u>

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

CITY OF FLORIDA CITY, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 5,048,172	\$ 1,371,650	\$ --	\$ --	\$ 6,419,822
Intergovernmental	4,965,356	890,834	--	--	5,856,190
Charges for services	4,088,905	--	--	--	4,088,905
Impact fees	2,403,645	--	--	--	2,403,645
Licenses and permits	1,880,164	--	--	--	1,880,164
Fines and forfeitures	511,352	--	--	24,280	535,632
Grants	--	--	2,148,966	--	2,148,966
Investment earnings	35,911	9,021	3,381	1,374	49,687
Miscellaneous	669,697	61,511	--	48,012	779,220
Total Revenues	<u>19,603,202</u>	<u>2,333,016</u>	<u>2,152,347</u>	<u>73,666</u>	<u>24,162,231</u>
Expenditures					
Current:					
General government	5,122,858	971,630	1,120,847	6,243	7,221,578
Public safety	5,191,182	--	--	25,510	5,216,692
Public works	3,561,817	--	--	--	3,561,817
Parks and recreation	531,213	--	--	--	531,213
Capital outlay	1,310,961	--	504,441	--	1,815,402
Total Expenditures	<u>15,718,031</u>	<u>971,630</u>	<u>1,625,288</u>	<u>31,753</u>	<u>18,346,702</u>
Excess (Deficiency) of Revenues over Expenditures	3,885,171	1,361,386	527,059	41,913	5,815,529
Other Financing Sources (Uses)					
Proceeds on sale of capital assets	--	1,036,392	--	--	1,036,392
Transfers in	1,150,133	--	36,975	--	1,187,108
Transfers out	(1,230)	--	(1,150,133)	(35,745)	(1,187,108)
Total Other Financing Sources (Uses)	<u>1,148,903</u>	<u>1,036,392</u>	<u>(1,113,158)</u>	<u>(35,745)</u>	<u>1,036,392</u>
Net Change in Fund Balances	5,034,074	2,397,778	(586,099)	6,168	6,851,921
Fund Balances - Beginning	<u>18,540,178</u>	<u>4,002,678</u>	<u>1,337,693</u>	<u>542,560</u>	<u>24,423,109</u>
Fund Balances - Ending	<u>\$ 23,574,252</u>	<u>\$ 6,400,456</u>	<u>\$ 751,594</u>	<u>\$ 548,728</u>	<u>\$ 31,275,030</u>

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

CITY OF FLORIDA CITY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

Net change in fund balances - total governmental funds \$6,851,921

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlay exceeded depreciation in the current period.

The details of the difference are as follows:

Capital outlay	\$ 1,743,190	
Depreciation expense	<u>(1,014,986)</u>	728,204

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

The details of the difference are as follows:

Net cost of capital assets dispositions	(234,902)	
Net pension asset	308,706	
Compensated absences	2,932	
Total OPEB liability	(63,297)	
Capital lease	10,435	
Net pension liability	<u>7,983,745</u>	8,007,619

Deferred outflow of resources and deferred inflows of
resources related to the pensions are not recognized
in the governmental funds (7,314,601)

Under the modified accrual basis of accounting used in the governmental funds,
revenues are not recognized until funds are measurable and available to
finance current expenditures. In the statement of activities, however, which is
presented on the accrual basis, revenues are reported when earned. (1,099,196)

Change in net position of governmental activities \$7,173,947

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

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

SEPTEMBER 30, 2021

	<u>Enterprise Fund</u> Water and Sewer
Assets	
Current Assets	
Cash	\$ 6,448,018
Receivables, net	316,522
Due from other funds	89,339
Restricted cash	<u>1,452,753</u>
Total Current Assets	<u>8,306,632</u>
Noncurrent Assets	
Capital assets:	
Land	1,578,818
Construction in progress	3,722,471
Machinery and equipment	1,428,071
Plant distribution system	36,761,813
Less accumulated depreciation	<u>(25,280,502)</u>
Total capital assets, net	<u>18,210,671</u>
Total Assets	<u>26,517,303</u>
Deferred Outflows of Resources	
Pensions	<u>96,649</u>
Liabilities	
Current Liabilities	
Accounts payable	801,761
Accrued liabilities	12,784
Due to other funds	424,172
Customer deposits	711,199
Current portion of revenue bonds payable	19,600
Current portion of compensated absences	<u>9,300</u>
Total Current Liabilities	<u>1,978,816</u>
Noncurrent Liabilities	
State revolving loans	2,375,287
Revenue bonds payable	20,600
Total OPEB liability	87,604
Net pension liability	69,969
Compensated absences	<u>83,700</u>
Total Noncurrent Liabilities	<u>2,637,160</u>
Total Liabilities	<u>4,615,976</u>
Deferred Inflows of Resources	
Pensions	<u>550,396</u>
Net Position	
Net Investment in capital assets	15,599,047
Restricted for sewer system capital improvements	673,702
Restricted for reserve fund	67,852
Unrestricted	<u>5,106,979</u>
Total Net Position	<u>\$ 21,447,580</u>

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

CITY OF FLORIDA CITY, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Enterprise Fund</u> Water and Sewer
Operating Revenues	
Charges for services	<u>\$ 4,902,762</u>
Operating Expenses	
General and administrative	3,653,987
Depreciation	<u>1,144,637</u>
Total Operating Expenses	<u>4,798,624</u>
Operating Income	<u>104,138</u>
Non-Operating Revenues (Expenses)	
Interest income	11,413
Interest expense	<u>(3,193)</u>
Total Non-Operating Revenues (Expenses)	<u>8,220</u>
Change in Net Position	112,358
Net Position - Beginning	<u>21,335,222</u>
Net Position - Ending	<u><u>\$ 21,447,580</u></u>

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

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Enterprise Fund</u>
	<u>Water and</u>
	<u>Sewer</u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 5,084,939
Payments to suppliers	(2,238,105)
Payments to employees	(1,549,192)
Payments to other funds	926,987
	<u>2,224,629</u>
Net Cash Provided by Operating Activities	<u>2,224,629</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from debt issuances	967,189
Principal paid on debt	(18,700)
Interest paid on debt	(3,193)
Acquisition of capital assets	(1,492,862)
	<u>(547,566)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(547,566)</u>
Cash Flows from Investing Activities	
Interest received	11,413
	<u>11,413</u>
Net Cash Provided by Investing Activities	<u>11,413</u>
Net Increase in Cash	1,688,476
Cash - Beginning (Including Restricted)	<u>6,212,295</u>
Cash - Ending (Including Restricted)	<u>\$ 7,900,771</u>
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities	
Operating income	\$ <u>104,138</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,144,637
Changes in operating assets, liabilities and deferred inflows/outflows:	
(Increase) decrease in:	
Receivables	105,419
Deferred outflows - pensions	139,388
Increase (decrease) in:	
Accounts payable and accrued liabilities	(77,528)
Customer deposits	76,758
Compensated absences	350
Total OPEB Liability	10,773
Net pension liability	(732,134)
Deferred inflows - pensions	525,841
Due to other funds	926,987
Total adjustments	<u>2,120,491</u>
Net Cash Provided by Operating Activities	<u>\$ 2,224,629</u>

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

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

SEPTEMBER 30, 2021

	<u>Pension Trusts</u>
Assets	
Investments	
Money market mutual funds	\$ 150,925
Common stock	5,731,553
Corporate bonds	1,472,753
Government securities	<u>1,776,730</u>
Total Investments	9,131,961
Receivables	
Accrued interest	<u>17,874</u>
Total Assets	<u>9,149,835</u>
Liabilities	<u>--</u>
Net Position Restricted for Pension Benefits	<u>\$ 9,149,835</u>

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

CITY OF FLORIDA CITY, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Pension Trusts</u>
Additions	
Contributions	
City	<u>\$ 85,351</u>
Investment Income	
Net appreciation in fair value of investments	1,161,278
Interest and dividends	<u>205,427</u>
Investment Income	1,366,705
Less: investment expenses	<u>81,193</u>
Net Investments Income	<u>1,285,512</u>
Total Additions	<u>1,370,863</u>
Deductions	
Benefits paid	181,731
Administrative expenses	<u>10,537</u>
Total Deductions	<u>192,268</u>
Change in Net Position	1,178,595
Net Position Restricted for Pension Benefits- Beginning	<u>7,971,240</u>
Net Position Restricted for Pension Benefits - Ending	<u><u>\$9,149,835</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. FINANCIAL REPORTING ENTITY

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

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

- (i) The Florida City Community Redevelopment Agency (the “CRA”) was created under the Community Redevelopment Act of 1969, enacted by Florida Legislature. The CRA’s board of directors is the City Commission. The CRA’s executive director is the City’s Mayor. The City has operational responsibility for the CRA. The CRA has a September 30th year end and is presented as a major fund. Pursuant section 163.387(8) of the Florida Statutes, the CRA also issues its own stand-alone financial statements.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. FINANCIAL REPORTING ENTITY (CONTINUED)

- (ii) The Florida City Foundation, Inc. (the “Foundation”) is a nonprofit (501(c)(3)) organization. The Foundation accepts charitable contributions, which are used to pay for activities and other items to benefit the citizens of the City. The City Commission serves as the board of the Foundation. The City has operational responsibility for the Foundation. The Foundation, which is presented as a nonmajor fund, has a December 31st year end and therefore the amounts presented for the Foundation are as of and for the year ended December 31, 2020.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements with the exception of interfund services provided and used which are not eliminated.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor governmental funds.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Additionally, the City reports the following fund type:

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

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

3. Prepaids

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

4. Capital Assets

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (continued)

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

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

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

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

5. Compensated Absences

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

6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Issuance costs are expensed in the year incurred. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Long-Term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year incurred.

7. Net Position

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

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports within its government-wide statement of net position as deferred outflows of resources, amounts contributed during fiscal year 2021 for the City's various pension plans and cost-sharing multiple employer pension plans (cost-sharing plans). The net pension liabilities/assets associated with the City's single-employer pension plans were measured as of September 30, 2020 and as of June 30, 2021 for the cost-sharing plans. The amounts paid to the pension plans during fiscal year 2021, subsequent to the measurement dates, will be reflected within the City's pension expense and related liability/asset when the net pension liability/asset is measured for the next fiscal year.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Deferred Outflows/Inflows of Resources (continued)

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

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

9. Net Position Flow Assumption

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

10. Fund Balance Flow Assumptions

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fund Balance Policies

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

The City reports the following classifications:

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

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

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

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

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Use of Estimates

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

13. Unearned/Unavailable Revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In addition, inflows that do not yet meet the criteria for revenue recognition are recorded as unearned revenue or a deferred inflow in the government-wide and the fund financial statements. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue or a deferred inflow is removed and revenue is recognized. In the governmental funds, unavailable revenue may also arise if the funds are not received in the availability period; the funds are then not considered a current available resource. As of September 30, 2021, the City reported unavailable revenues related to transportation surtax, rent revenue, and expenditure reimbursements from the Federal Emergency Management Agency (“FEMA”) relating to Hurricane Irma.

14. New Accounting Pronouncements Adopted

GASB 95, Postponement of the Effective Date of Certain Authoritative Guidance: The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This Statement was implemented by the City for the fiscal year ended September 30, 2021.

GASB 98, Annual Comprehensive Financial Report: The objective of this statement is to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments. This Statement was implemented by the City for the fiscal year ended September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation (“FDIC”), all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits including certificate of deposits, are insured or collateralized.

INVESTMENTS

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

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

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City’s investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 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 percent of their account value. The City, therefore, has no investments reported at fair value.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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

As of September 30, 2021, the City had the following investments subject to interest rate risk:

Investment		Weighted Average Maturity
Certificate of Deposits	\$ 8,000,000	64 days
SBA - Florida PRIME	422,021	49 days
Total Investments	\$ 8,422,021	

Interest Rate Risk

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

Credit Risk

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

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2021 for the City’s individual major funds and non-major funds, including the allowances for uncollectible accounts, are as follows:

	General	CRA	Grants	Water and Sewer	Florida City Foundation	Total
Customers billed	\$1,219,899	\$ --	\$ --	\$ 556,708	\$ --	\$1,776,607
Customers unbilled	128,944	--	--	179,113	--	308,057
Taxes	811,474	--	--	--	--	811,474
Intergovernmental	--	--	228,484	--	--	228,484
Other receivables	252,773	30,608	--	--	42,265	325,646
Gross receivables	2,413,090	30,608	228,484	735,821	42,265	3,450,268
Less: allowance	(332,969)	--	(46,091)	(419,299)	--	(798,359)
Total Receivables, Net	\$2,080,121	\$ 30,608	\$ 182,393	\$ 316,522	\$ 42,265	\$2,651,909

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Miami-Dade County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to ensure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for fiscal year ended September 30, 2021 is 7.2946 per \$1,000.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes. Property taxes are centrally billed and collected by the County and remitted to the City for their proportionate share of collected taxes. Current year property values are assessed as of January 1st, the lien date, of each year for the fiscal year beginning October 1st and are billed on November 1st, subject to a 1% per month discount for the period November through February, and are due no later than March 31st. On April 1st, unpaid amounts become delinquent and are subject to interest and penalties. Beginning June 1st, tax certificates representing delinquent taxes with interest and penalties are sold by the County, with remittance to the City for its share of those receipts. Generally, the City collects more than 95% of the current year’s property taxes during the year in which they are due. There were no material delinquent property taxes as of September 30, 2021.

NOTE 5 – INTERFUND RECEIVABLES/ PAYABLES

The net composition of interfund balances as of September 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Grants	General	\$ 2,954,128
General	Grants	790,481
General	Sewer	424,172
CRA	General	417,482
Water & Sewer	General	89,339
General	Law Enforcement Fund Trust State	26,122
Total Interfund Balances		<u>\$ 4,701,724</u>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Essentially the activity represents cash advanced by the General Fund to other funds, which are outstanding at year-end.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 6 – RESTRICTED CASH

General Fund	
Transportation	\$ 4,573,777
Customer deposits	<u>170,613</u>
Total General Fund	<u><u>\$ 4,744,390</u></u>
 Other Governmental Funds	
Law enforcement trust funds	<u>\$ 142,722</u>
 Water and Sewer	
Customer deposits	\$ 711,199
Sewer system capital improvements	673,702
Reserve fund	<u>67,852</u>
Total Water and Sewer	<u><u>\$ 1,452,753</u></u>

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

A. RESERVE FUND

The reserve fund is required to accumulate \$22,247; as of September 30, 2021, the balance is \$67,852. This fund is used in order to meet unforeseen operating expenses of an emergency nature or for renewals and replacement of assets, paying principal and interest in the event of a deficiency or unavailable funds.

B. SEWER SYSTEM CAPITAL IMPROVEMENTS

The City is required under a 1988 State grant to reserve \$32,453 a year in a sewer system capital improvement account to accumulate the equivalent value of the sewer system grant received by the City, as adjusted for inflationary cost increases. Annual deposits of \$32,453 were required to be made until the sum of all deposits exceeds \$672,375. As of September 30, 2021 the balance is \$673,702.

C. CUSTOMER DEPOSITS

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 5,682,453	\$ --	\$ (234,902)	\$ 5,447,551
Construction in progress	<u>6,182,057</u>	<u>1,233,391</u>	<u>--</u>	<u>7,415,448</u>
Total Capital Assets Not Being Depreciated	<u>11,864,510</u>	<u>1,233,391</u>	<u>(234,902)</u>	<u>12,862,999</u>
Capital Assets Being Depreciated				
Buildings	25,553,267	75,635	--	25,628,902
Equipment and machinery	<u>3,798,218</u>	<u>434,164</u>	<u>--</u>	<u>4,232,382</u>
Total Capital Assets Being Depreciated	<u>29,351,485</u>	<u>509,799</u>	<u>--</u>	<u>29,861,284</u>
Less accumulated depreciation for:				
Buildings	(10,546,049)	(751,133)	--	(11,297,182)
Equipment and machinery	<u>(3,216,450)</u>	<u>(263,853)</u>	<u>--</u>	<u>(3,480,303)</u>
Total Accumulated Depreciation	<u>(13,762,499)</u>	<u>(1,014,986)</u>	<u>--</u>	<u>(14,777,485)</u>
Total Capital Assets Being Depreciated, Net	<u>15,588,986</u>	<u>(505,187)</u>	<u>--</u>	<u>15,083,799</u>
Governmental Activities Capital Assets, Net	<u>\$ 27,453,496</u>	<u>\$ 728,204</u>	<u>\$ (234,902)</u>	<u>\$ 27,946,798</u>
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,578,818	\$ --	\$ --	\$ 1,578,818
Construction in progress	<u>2,311,107</u>	<u>1,411,364</u>	<u>--</u>	<u>3,722,471</u>
Total Capital Assets Not Being Depreciated	<u>3,889,925</u>	<u>1,411,364</u>	<u>--</u>	<u>5,301,289</u>
Capital Assets Being Depreciated				
Equipment and machinery	1,428,071	--	--	1,428,071
Plant distribution system	<u>36,680,315</u>	<u>81,498</u>	<u>--</u>	<u>36,761,813</u>
Total Capital Assets Being Depreciated	<u>38,108,386</u>	<u>81,498</u>	<u>--</u>	<u>38,189,884</u>
Less accumulated depreciation for:				
Machinery and equipment	(978,253)	(88,834)	--	(1,067,087)
Plant distribution system	<u>(23,157,612)</u>	<u>(1,055,803)</u>	<u>--</u>	<u>(24,213,415)</u>
Total Accumulated Depreciation	<u>(24,135,865)</u>	<u>(1,144,637)</u>	<u>--</u>	<u>(25,280,502)</u>
Total Capital Assets Being Depreciated, Net	<u>13,972,521</u>	<u>(1,063,139)</u>	<u>--</u>	<u>12,909,382</u>
Business-type Activities Capital Assets, Net	<u>\$ 17,862,446</u>	<u>\$ 348,225</u>	<u>\$ --</u>	<u>\$ 18,210,671</u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities		
General government	\$	633,951
Public safety		168,560
Public works		26,598
Parks and recreation		<u>185,877</u>
Total Depreciation Expense - Governmental Activities	\$	<u>1,014,986</u>
Business-type Activities		
Water and sewer	\$	<u>1,144,637</u>

NOTE 8 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the City for governmental activities for the fiscal year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital lease	\$ 10,435	\$ --	\$ (10,435)	\$ --	\$ --
Compensated absences	<u>948,395</u>	<u>561,148</u>	<u>(564,080)</u>	<u>945,463</u>	<u>94,546</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 958,830</u>	<u>\$ 561,148</u>	<u>\$ (574,515)</u>	<u>\$ 945,463</u>	<u>\$ 94,546</u>

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 – LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in long-term liabilities of the City for business-type activities for the fiscal year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Water revenue bonds, series 1981	\$ 58,900	\$ --	\$ (18,700)	\$ 40,200	\$ 19,600
State revolving loans**	1,408,098	967,189	--	2,375,287	--
Compensated absences	<u>92,650</u>	<u>83,716</u>	<u>(83,366)</u>	<u>93,000</u>	<u>9,300</u>
Business-type Activities					
Long-Term Liabilities	<u>\$ 1,559,648</u>	<u>\$ 1,050,905</u>	<u>\$(102,066)</u>	<u>\$ 2,508,487</u>	<u>\$ 28,900</u>

**Direct Borrowing

WATER REVENUE BONDS – SERIES 1981

On September 16, 1983, the City issued bonds in the amount of \$365,000 as an addition to 1977 Water Revenue Bonds for the purpose of completing the construction of additions, extensions, and improvements to the water system. Payments are due in annual principal installments on September 1st, matures September 2023; interest at 5%. As of September 30, 2021, the principal balance is \$40,200.

The City pledges its water system revenues which consist of the charges for services to the customers of the water utility system. For the fiscal year ended September 30, 2021, debt service of approximately \$21,645 is only 0.4% of the approximate \$4,900,000 of the pledged revenues. Over the life of the debt which matures in 2023, it is estimated that debt service will be less than 2% of the total pledged revenues.

In the event of default of payment of principal or interest with respect to the insured bonds when all or a portion becomes due, any registered owner of the insured bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the bonds then outstanding. Certain bond obligations also provide that registered owners of the insured bonds may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 – LONG-TERM DEBT (CONTINUED)

WATER REVENUE BONDS – SERIES 1981 (CONTINUED)

Debt service requirements to maturity for the bonds at September 30, 2021 are as follows:

Fiscal Year Ending September 30	Water Revenue Bonds		
	Principal	Interest	Total
2022	\$ 19,600	\$ 2,010	\$ 21,610
2023	20,600	1,030	21,630
Total Debt Service Requirements	\$ 40,200	\$ 3,040	\$ 43,240

STATE REVOLVING FUND LOANS

In June 2018, the City entered into a loan agreement in the amount of \$780,953 for the financing of the planning and engineering of the proposed wastewater treatment facility construction project under a State Revolving Fund (“SRF”) Loan. The loan is secured by the state revenue sharing funds. Debt service for fiscal year 2021 was \$0 and pledged state revenue sharing was \$584,586. The loan payment schedule was revised to be payable in semi-annual payments of principal and interest of \$20,063 beginning on May 15, 2023 at an interest rate of .05% per annum. Semiannual loan payments are due May 15 and November 15 until all amounts have been fully paid.

In November 2019, the City entered into a second SRF loan agreement in the amount of \$3,898,997 for the financing of the construction and demolition phase of the proposed wastewater treatment facility construction project mentioned above. In April 29, 2021, the amount was amended to \$5,130,985. The loan is secured by the state revenue sharing funds. Debt service for fiscal year 2021 was \$0 and pledged state revenue sharing was \$584,586. The loan is payable in semi-annual payments of principal and interest of \$130,841 beginning on May 15, 2023 at an interest rate of 0% per annum. Semiannual loan payments are due May 15 and November 15 until all amounts have been fully paid.

In July 2020, the City entered into a third SRF loan agreement in the amount of \$157,500 for financing of the planning and engineering of the proposed water distribution system construction project. The loan is secured by the state revenue sharing funds. Debt service for fiscal year 2021 was \$0 and pledged state revenue sharing was \$584,586. The loan is payable in semi-annual payments of principal and interest of \$8,584 beginning on October 15, 2022 at an interest rate of 1.16% per annum. Semiannual loan payments are due April 15 and October 15 until all amounts have been fully paid.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 – LONG-TERM DEBT (CONTINUED)

STATE REVOLVING FUND LOANS (CONTINUED)

In the event of default, the State of Florida Department of Environmental Protection (the “Department”) may accelerate the City’s repayment schedule or increase the interest rate by as much as 1.667 times the financing rate on the unpaid principal of the loan. The Department may notify the City’s financial market credit rating agencies and terminate future commitments to provide additional loans. By certifying to the Auditor General of the State of Florida delinquency on loan repayments, the Department may intercept the delinquent amount plus a penalty from any unobligated funds due to the City under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. The Department may pursue any available remedy by suit for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

Debt service requirements to maturity as follows:

Fiscal Year Ending September 30	State Revolving Fund Loan		
	Principal	Interest	Total
2022	\$ --	\$ --	\$ --
2023	167,478	162	167,640
2024	301,594	214	301,808
2025	301,614	194	301,808
2026	301,634	174	301,808
Thereafter	1,302,968	2,057	1,305,025
Total	\$ 2,375,287	\$ 2,803	\$ 2,378,090

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. LITIGATION

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

B. ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the City during the year. However, all encumbrances outstanding at year end lapse and, accordingly, there is no fund balance assigned for encumbrances at September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. GRANTS CONTINGENCY

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

D. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. There were no reductions in coverage from the prior year. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

NOTE 10 – DEFINED CONTRIBUTION PLAN

Effective October 1, 1998, the City adopted the City of Florida City Defined Contribution Plan, created in accordance with Internal Revenue Code Section 401(a) for all of its general employees. Employees are eligible to participate in this Plan after completing one year of service. Contributions to this Plan began on January 1, 1999 after the General Employees Retirement Plan was frozen on December 31, 1998. The Plan is administered by VALIC. Amendments to the Plan are authorized by the City Commission. Employees contribute 2% of their compensation and the City contributes 4% of participants' compensation. The participants are 100% vested in their contributions and vest over a three year period in the City's contributions. There were no employee or City contributions into this Plan for the fiscal year ended September 30, 2021.

NOTE 11 – POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND

A. PLAN DESCRIPTION

The City is the sponsor of a single-employer Public Employee Retirement System ("PERS") which provides pension benefits for its police officers. The PERS is considered to be part of the City's financial reporting entity and is included in the City's basic financial statements as a pension trust fund. The retirement plan does not issue a separate financial report. Included below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

A. PLAN DESCRIPTION (CONTINUED)

Police Officers' Substitute Pension Trust Fund
Statement of Fiduciary Net Position
September 30, 2021

Assets

Investments

Money market mutual funds	\$ 81,154
Common stock	2,412,372
Corporate bonds	511,730
Government securities	<u>866,632</u>

Total Investments 3,871,888

Receivables

Accrued interest	<u>5,806</u>
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Total Assets 3,877,694

Liabilities

	<u>--</u>
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Net Position Restricted for Pension Benefits \$ 3,877,694

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

A. PLAN DESCRIPTION (CONTINUED)

Police Officers' Substitute Pension Trust Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2021

Additions	
Contributions	
Employer	\$ <u>7,466</u>
Investment Income	
Net appreciation in fair value of investments	532,897
Interest and dividends	<u>61,194</u>
Investment Income	594,091
Less: investment expenses	<u>36,181</u>
Net Investments Income	<u>557,910</u>
Total Additions	<u>565,376</u>
Deductions	
Benefits paid	181,731
Administrative expenses	<u>9,955</u>
Total Deductions	<u>191,686</u>
Change in Net Position	373,690
Net Position Restricted for Pension	
Benefits - Beginning	<u>3,504,004</u>
Net Position Restricted for Pension	
Benefits - Ending	<u><u>\$ 3,877,694</u></u>

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

A. PLAN DESCRIPTION (CONTINUED)

At October 1, 2020, the date of the most recent actuarial valuation, membership in the police officers’ substitute pension trust fund consisted of the following:

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

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

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

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

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

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND

As of September 30, 2021, the City’s Police Officers’ Substitute Pension Trust Fund had the following fixed income investments with its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	\$ 511,730	\$ 101,277	\$ 249,563	\$ 160,890
U.S. Treasuries	732,317	97,715	534,556	100,046
U.S. Agencies	134,315	40,273	27,642	66,400
Total Fixed Income Investments	\$ 1,378,362	\$ 239,265	\$ 811,761	\$ 327,336

Target Asset Mix

The policy establishes the following Target Asset Mix for the plan for the year ended September 30, 2021 and 2020:

<u>Asset Class</u>	Target Allocation	
	<u>2021</u>	<u>2020</u>
Large cap value equity	20 %	20 %
Large cap growth equity	20	20
Mid cap value equity	5	5
Mid cap growth equity	5	5
International value equity	5	5
International growth equity	5	5
Core fixed income	40	40
Total	100 %	100 %

Interest Rate Risk

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

Credit Risk

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

Concentration of Credit Risk

The Plan's investment policy prohibits equity securities concentrations greater than 7.5% in the securities of any one company at cost and fixed income securities concentrations greater than 10% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2021, the value of each position held in the Plan’s portfolio comprised less than 5% of fiduciary net position.

Rate of Return

For the fiscal year ended September 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.33% and 8.42%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Fair Value Hierarchy

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

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

Fair Value Hierarchy (continued)

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

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

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

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

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

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

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

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

Fair Value Hierarchy (continued)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2021:

Investments by Fair Value Level	Fair Value Measurements Using		
	9/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt securities:			
Corporate Bonds	\$ 511,730	\$ --	\$ 511,730
U.S. Treasuries	732,317	--	732,317
U.S. Agencies	134,315	--	134,315
Total debt securities	1,378,362	--	1,378,362
Equity securities:			
Common stock	2,412,372	2,412,372	--
Total investments at fair value	3,790,734	\$ 2,412,372	\$ 1,378,362
Money market mutual funds (exempt)	81,154		
Total investments	\$ 3,871,888		

Risks and Uncertainties

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

C. CONTRIBUTIONS AND FUNDING POLICY

Active members, if any, are required to contribute 7% of their salaries to the PERS. If an employee leaves covered employment or dies before ten years of service, accumulated employee contributions with credited interest are refunded. The City is required to make contributions at actuarially determined amounts; there was \$0 minimum contribution requirement for the fiscal year ended September 30, 2021. The minimum contribution consists of the normal cost plus the amortization of the components of the unfunded actuarial accrued liability, which should provide sufficient resources to pay employee pension benefits when due.

The actuarially determined contribution for the Plan for the current year was determined as part of the October 1, 2020 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities and therefore, information about funding status and funding progress is presented using the entry age normal cost method for the Plan.

D. ACCOUNTING POLICIES

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

E. NET PENSION LIABILITY (ASSET) OF THE CITY

As of September 30, 2021, the City reported the following net pension asset (“NPA”) which was measured as of September 30, 2020 (measurement date in accordance with GASB Statement No. 68). In addition, in accordance with GASB Statement No. 67, information as of September 30, 2021 has been disclosed:

	September 30,	
	2021	2020
Total pension liability	\$ 2,913,695	\$2,972,051
Plan fiduciary net position	<u>(3,877,694)</u>	<u>(3,504,004)</u>
Net Pension Asset	<u>\$ (963,999)</u>	<u>\$ (531,953)</u>
Plan fiduciary net position as a percentage of the total pension liability	133.09%	117.90%

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2019	<u>\$ 2,981,824</u>	<u>\$ (3,426,510)</u>	<u>\$ (444,686)</u>
Changes for the year:			
Expected interest growth	175,739	(203,445)	(27,706)
Unexpected investment income	--	(37,195)	(37,195)
Contributions - employer	--	(30,930)	(30,930)
Benefit payments, including refunds of employee contributions	(185,512)	189,276	3,764
Administrative expenses	--	4,800	4,800
Net changes	<u>(9,773)</u>	<u>(77,494)</u>	<u>(87,267)</u>
Balances at September 30, 2020	<u><u>\$ 2,972,051</u></u>	<u><u>\$ (3,504,004)</u></u>	<u><u>\$ (531,953)</u></u>

Significant Actuarial Assumptions

The total pension liability of the City was determined by an actuarial valuation using the following actuarial assumptions as of September 30, 2021 and 2020:

	September 30,	
	2021	2020
Actuarial valuation	October 1, 2020	October 1, 2018
Interest rates:		
Single discount rate:	6.08%	6.08%
Inflation rate:	2.00%	2.00%

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 and 2020 are summarized in the following table:

<u>Asset Class</u>	Long-Term Expected Real Rate of Return	
	2021	2020
Large cap value equity	5.9%	6.0%
Large cap growth equity	6.2%	6.1%
Mid cap value equity	6.5%	6.6%
Mid cap growth equity	6.7%	6.9%
International value equity	5.1%	5.2%
International growth equity	5.0%	5.2%
Core fixed income	0.8%	0.9%

Discount Rate

The discount rate used to measure the total pension liability as of September 30, 2021 and 2020 was 6.08%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, there was no need to adjust the long-term expected rate of return on Plan investments to determine the total pension liability.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.08% as of September 30, 2021 and 2020, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2021:

	1% Decrease (5.08%)	Current Discount Rate (6.08%)	1% Increase (7.08%)
Net Pension Asset	<u><u>\$ (617,073)</u></u>	<u><u>\$ (963,999)</u></u>	<u><u>\$ (1,249,021)</u></u>

As of September 30, 2020:

	1% Decrease (5.08%)	Current Discount Rate (6.08%)	1% Increase (7.08%)
Net Pension Asset	<u><u>\$ (161,668)</u></u>	<u><u>\$ (531,953)</u></u>	<u><u>\$ (834,922)</u></u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension

For the year ended September 30, 2021, based on a September 30, 2020 measurement date, the City recognized pension expense (income) of \$(103,311) relating to the Plan. In addition, the City reported a deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 110,715
Employer contributions subsequent to the measurement date	7,466	--
Total	<u><u>\$ 7,466</u></u>	<u><u>\$ 110,715</u></u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

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

The deferred outflows of resources related to pensions totaling \$7,466, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension asset in the subsequent fiscal year. Other amounts reported as deferred inflows of resources above related to the pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ (64,505)
2022	(32,511)
2023	(6,260)
2024	<u>(7,439)</u>
Total	<u>\$ (110,715)</u>

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN

The following is a brief description of the Plan:

A. PLAN DESCRIPTION

The City is the sponsor of a single-employer defined benefit retirement plan for elected officials. The Plan is considered to be part of the City’s financial reporting entity and is included in the City’s basic financial statements as a pension trust fund. The elected officials’ retirement plan does not issue a separate financial report. Included on the following pages are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

Elected Officials Retirement Plan
Statement of Fiduciary Net Position
September 30, 2021

Assets	
Investments	
Money market mutual funds	\$ 69,771
Common stock	3,319,181
Corporate bonds	961,023
Government securities	<u>910,098</u>
Total Investments	<u>5,260,073</u>
Receivables	
Accrued interest	<u>12,068</u>
Total Assets	<u>5,272,141</u>
Liabilities	<u>--</u>
Net Position Restricted for	
Pension Benefits	<u>\$ 5,272,141</u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

Elected Officials Retirement Plan
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2020

Additions	
Contributions	
Employer	<u>\$ 77,885</u>
 Investment Income	
Net appreciation in fair value of investments	628,381
Interest and dividends	<u>144,233</u>
Investment Income	772,614
Less: investment expenses	<u>45,012</u>
Net Investments Income	<u>727,602</u>
Total Additions	<u>805,487</u>
 Deductions	
Administrative expenses	<u>582</u>
Change in Net Position	804,905
 Net Position Restricted for Pension	
Benefits - Beginning	<u>4,467,236</u>
 Net Position Restricted for Pension	
Benefits - Ending	<u><u>\$ 5,272,141</u></u>

At October 1, 2020, the date of the most recent actuarial valuation, membership in the elected officials' retirement plan consisted of the following:

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

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

City Commissioner Benefits

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

Mayor Benefits

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

B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN

As of September 30, 2021, the Elected Officials Retirement Plan had the following fixed income investments with its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	\$ 961,023	\$ 153,388	\$ 603,952	\$ 203,683
U.S. Treasuries	570,768	106,488	279,923	184,357
U.S. Agencies	339,330	15,174	31,456	292,700
Total Fixed Income Investments	\$ 1,871,121	\$ 275,050	\$ 915,331	\$ 680,740

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

Target Asset Mix

The policy establishes the following Target Asset Mix for the plan for the fiscal years ended September 30, 2021 and 2020:

<u>Asset Class</u>	Target Allocation	
	<u>2021</u>	<u>2020</u>
Large cap value equity	20.0 %	20.0 %
Large cap growth equity	20.0	20.0
Mid cap value equity	2.5	2.5
Mid cap growth equity	2.5	2.5
Small cap value equity	2.5	2.5
Small cap growth equity	2.5	2.5
International value equity	5.0	5.0
International growth equity	5.0	5.0
Core fixed income	<u>40.0</u>	<u>40.0</u>
Total	<u><u>100.0 %</u></u>	<u><u>100.0 %</u></u>

Interest Rate Risk

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

Credit Risk

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

Concentration of Credit Risk

The Plan's investment policy prohibits equity securities concentrations greater than 7.5% in the securities of any one company at cost and fixed income securities concentrations greater than 10% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2021, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

Rate of Return

For the fiscal year ended September 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.23% and 7.16%, respectively. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Fair Value Hierarchy

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

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

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

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

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

B. INVESTMENTS – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

Fair Value Hierarchy (continued)

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

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2021:

	Fair Value Measurements Using		
	9/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
Debt securities			
Corporate Bonds	\$ 961,023	\$ --	\$ 961,023
U.S. Treasuries	570,768	--	570,768
U.S. Agencies	339,330	--	339,330
Total debt securities	<u>1,871,121</u>	<u>--</u>	<u>1,871,121</u>
Equity securities			
Common stock	3,319,181	3,319,181	--
Total investments at fair value	<u>5,190,302</u>	<u>\$ 3,319,181</u>	<u>\$ 1,871,121</u>
Money market mutual funds (exempt)	69,771		
Total investments	<u>\$ 5,260,073</u>		

Risks and Uncertainties

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

C. CONTRIBUTIONS AND FUNDING POLICY

Active members are not required to contribute into the Plan. The City is required to make contributions at actuarially determined amounts; during the fiscal year ending September 30, 2021, the City contributed \$77,885 which represents an average contribution rate of 25.65%. The minimum contribution consists of the normal cost plus the amortization of the components of the unfunded actuarial accrued liability, which should provide sufficient resources to pay pension benefits when due. The actuarially determined contribution for the Plan for the current year was determined as part of the October 1, 2020 actuarial valuation using the individual entry-age actuarial cost method.

D. ACCOUNTING POLICIES

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

E. NET PENSION LIABILITY (ASSET) OF THE CITY

As of September 30, 2021, the City reported the following net pension liability which was measured as of September 30, 2020 (measurement date in accordance with GASB Statement No. 68). In addition, in accordance with GASB Statement No. 67, information as of September 30, 2021 has been disclosed:

	September 30,	
	2021	2020
Total pension liability	\$ 3,225,682	\$ 3,038,491
Plan fiduciary net position	(5,272,141)	(4,467,236)
Net Pension Asset	\$ (2,046,459)	\$ (1,428,745)
Plan fiduciary net position as a percentage of the total pension liability	163.44%	147.02%

* Difference in the Plan's fiduciary net position for the fiscal year 2021 is the result of an adjustment made to correct the year-end investment balance of the Plan after the completion of the GASB 67 report.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2019	<u>\$2,901,967</u>	<u>\$ (4,109,273)</u>	<u>\$(1,207,306)</u>
Changes for the year:			
Service cost	36,715	--	36,715
Expected interest growth	198,361	--	198,361
Demographic experience	(98,552)	--	(98,552)
Contributions - employer	--	(72,960)	(72,960)
Contributions - employee	--	--	--
Investment income	--	(285,347)	(285,347)
Administrative expenses	--	344	344
Net changes	<u>136,524</u>	<u>(357,963)</u>	<u>(221,439)</u>
Balances at September 30, 2020	<u>\$3,038,491</u>	<u>\$ (4,467,236)</u>	<u>\$(1,428,745)</u>

Significant Actuarial Assumptions

The total pension liability of the City was determined by an actuarial valuation using the following actuarial assumptions as of September 30, 2021 and 2020:

	September 30,	
	2021	2020
Actuarial valuation	October 1, 2020	October 1, 2018
Interest rates:		
Single discount rate:	6.75%	6.75%
Inflation rate:	2.50%	2.50%

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

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

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 6.75% was used to measure the total pension liability as of September 30, 2021 and 2020 measurement dates, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 6.75% as of September 30, 2021 and 2020 measurement dates, respectively. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made equal to the total actuarially determined contribution rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability as of September 30, 2021 and 2020 measurement dates, respectively.

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75% as of September 30, 2021 and 2020, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

As of September 30, 2021:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Asset	<u>\$ (1,777,401)</u>	<u>\$ (2,046,459)</u>	<u>\$ (2,278,744)</u>

As of September 30, 2020:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Asset	<u>\$ (1,153,444)</u>	<u>\$ (1,428,745)</u>	<u>\$ (1,668,568)</u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

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

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

For the year ended September 30, 2021, based on a September 30, 2020 measurement date, the City recognized pension expense (income) of \$(144,955), relating to the Plan. In addition, the City reported deferred outflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources
Net Difference between projected and actual earnings on pension plan investments	\$ 114,387
Employer contributions subsequent to the measurement date	77,885
Total	\$ 192,272

The deferred outflows of resources related to pensions, totaling \$77,885 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension asset in the subsequent fiscal year. The other amount reported as deferred outflows/ (inflows) of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2022	\$ 58,777
2023	38,585
2024	18,129
2025	(1,104)
Total	\$ 114,387

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 13 – COST-SHARING DEFINED BENEFIT PLANS

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

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

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

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

A. PLAN DESCRIPTION

FRS Pension Plan

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

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

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

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

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

A. PLAN DESCRIPTION (CONTINUED)

FRS Pension Plan (continued)

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

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

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

HIS Plan

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

B. BENEFITS PROVIDED

FRS Pension Plan

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

Regular Class members initially enrolled before July 1, 2011:

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

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

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

Elected County Officers: 3.00%

Senior Management Service Class: 2.00%

Special Risk Regular Class: 3.00%

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

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

B. BENEFITS PROVIDED (CONTINUED)

HIS Plan

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.

C. CONTRIBUTIONS

FRS Pension Plan

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. The contribution rate for FRS Regular, Special Risk (Police Officers) and DROP was 8.28%, 22.73%, and 15.32% respectively, for the period from October 1, 2020 through June 30, 2021 and was 9.10%, 24.17% and 16.68% respectively, from July 1, 2020 through September 30, 2021.

The City's contributions to FRS totaled \$772,004 and employee contributions totaled \$131,091 for the fiscal year ended September 30, 2021.

HIS Plan

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution rate was 1.66%. The City contributed 100% of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS Plan totaled \$98,301 for the fiscal year ended September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

At September 30, 2021, the City reported liabilities of \$1,668,232 for its proportionate share of the FRS net pension liability and \$2,042,535 for the HIS 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 (FRS) and July 1, 2020 (HIS). The City’s proportionate share of the net pension liability was based on the City’s fiscal year 2021 contributions relative to the fiscal year 2021 contributions of all participating members. At June 30, 2021, the City’s proportionate share was 0.0221% for the FRS plan and 0.0167% for the HIS plan, which was a decrease of 0.0019% and an increase 0.0001%, respectively, from the proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense (income) of for the FRS plan in the amount of \$(859,994) and recognized pension expense (income) of for the HIS plan in the amount of \$63,505. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 285,938	\$ 68,348	\$ 354,286
Assumption changes	1,141,486	160,498	1,301,984
Net difference between projected and actual earnings on pension plan investments	--	2,129	2,129
Changes in proportion and differences between City contributions and proportionate share of contributions	239,928	58,979	298,907
Employer contributions subsequent to the measurement date	210,841	22,556	233,397
Total Deferred Outflows of Resources	\$ 1,878,193	\$ 312,510	\$ 2,190,703
	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ --	\$ 855	\$ 855
Assumption Changes	5,820,043	84,158	5,904,201
Changes in proportion and differences between City contributions and proportionate share of contributions	529,525	6,652	536,177
Total Deferred Inflows of Resources	\$ 6,349,568	\$ 91,665	\$ 6,441,233

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

The deferred outflows of resources related to pensions, totaling \$233,397, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Employer Share of Deferred Outflows / (Inflows)		
	FRS	HIS	Total
2022	\$ (801,950)	\$ 57,615	\$ (744,335)
2023	(963,467)	29,172	(934,295)
2024	(1,257,782)	33,201	(1,224,581)
2025	(1,595,156)	41,182	(1,553,974)
2026	(63,861)	30,884	(32,977)
Thereafter	--	6,235	6,235
Total	\$(4,682,216)	\$ 198,289	\$(4,483,927)

E. ACTUARIAL ASSUMPTIONS

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

	FRS	HIS
Mortality Table	PUB2010 Base Table	Generational RP-2010 with Projection Scale MP-2018
Experience Study	07/01/13-6/30/18	
Actuarial Cost Method	Individual Entry Age Normal	
Investment rate of return	6.80%	2.16%
Projected salary increases	3.25%	3.25%
Inflation	2.40%	2.40%

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

F. LONG-TERM EXPECTED RATE OF RETURN

FRS Pension Plan

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

Asset Class	Target Allocation ⁽¹⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
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%

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

G. DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.80% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

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

The following table presents the sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate. The sensitivity analysis shows the impact to the City’s proportionate share of the net pension liability (asset) if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2021.

City's Proportionate Share of the Net Pension Liability (Asset)			
	1%	Current Discount Rate	1%
Pension Plan	Decrease	(6.80%)	Increase
FRS	\$ 7,460,446	\$ 1,668,232	\$ (3,173,409)

	1%	Current Discount Rate	1%
Pension Plan	Decrease	(2.16%)	Increase
HIS	\$ 2,361,368	\$ 2,042,535	\$ 1,781,322

I. PENSION PLAN FIDUCIARY NET POSITION

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

J. FRS – INVESTMENT PLAN

The City contributes to the FRS defined contribution Investment Plan (“Investment Plan”). The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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

J. FRS – INVESTMENT PLAN (CONTINUED)

amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 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 contributions totaled \$161,211 and employee contributions totaled \$40,573 for the fiscal year ended September 30, 2021.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 14 – PENSION SUMMARY

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

	Measurement Date	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
Police Officers' Substitute Pension Trust Fund	9/30/2020	\$ --	\$ 531,953	\$ 7,466	\$ 110,715	\$ (103,311)
Elected Officials Retirement Plan	9/30/2020	--	1,428,745	192,272	--	(144,955)
FRS (cost-sharing PERS)	6/30/2021	1,668,232	--	1,878,193	6,349,568	(859,994)
HIS (cost-sharing PERS)	6/30/2021	2,042,535	--	312,510	91,665	63,505
		<u>\$ 3,710,767</u>	<u>\$ 1,960,698</u>	<u>\$ 2,390,441</u>	<u>\$ 6,551,948</u>	<u>\$ (1,044,755)</u>

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

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

FUNDING POLICY

Currently, the City follows a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. For the fiscal year ended September 30, 2021 there were no retirees receiving other postemployment benefits. Current and future retirees are required to pay 100% of the blended premium to continue coverage under the City's group health insurance program.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	--
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>89</u>
Total	<u>89</u>

TOTAL OPEB LIABILITY

The City’s total OPEB liability of \$585,279 was measured as of September 30, 2020, and was determined by an actuarial valuation date as of September 30, 2019. As authorized by GASB Statement No. 75, the alternative measurement method was used by the City. This method allows the City to use simplification of certain assumptions in measuring costs and liabilities.

Actuarial Assumptions and Other Inputs

The Total OPEB Liability was rolled forward twelve months from September 30, 2019 valuation date to the measurement date of September 30, 2020, which results are applicable to the fiscal year ending September 30, 2021 using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	5.00%
Discount rate	2.41%
Healthcare cost trend rates	6.50% for fiscal year beginning 2020, 6.25% for fiscal year beginning 2021 and then gradually decreasing to an ultimate trend rate of 4.00%
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

Actuarial Assumptions and Other Inputs (continued)

Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the previous measurement date to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2019	\$ 511,209
Changes for the Year:	
Service cost	42,691
Interest	15,232
Changes in assumptions or other inputs	16,147
Net Change	74,070
Balance at September 30, 2020	\$ 585,279

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41%) or 1-percentage-point higher (3.41%) than the current discount rate:

	1% Decrease (1.41%)	Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	\$ 631,650	\$ 585,279	\$ 538,018

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Total OPEB Liability	\$ 511,567	\$ 585,279	\$ 674,080

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

For fiscal year ended September 30, 2021, the City recognized an increase in OPEB expense of \$74,070. There were no payables, deferred outflows of resources and deferred inflows of resources related to OPEB for the fiscal year ended September 30, 2021.

NOTE 16 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City had excess of expenditures over appropriations in Finance of \$2,788, Building and Zoning of \$1,772, Campersite of \$449 and Capital Outlay of \$106,711. These over-expenditures were funded through use of prior years’ fund balance. The CRA had excess of expenditures over appropriations in General Government of \$26,999. These expenditures were funded by the CRA with the current year revenues which exceeded current year expenditures by a total of \$1,361,386 for the fiscal year ended September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 6,279,048	\$4,944,000	\$ 5,048,172	\$ 104,172
Intergovernmental	2,274,760	5,004,800	4,965,356	(39,444)
Charges for services	2,887,272	3,879,050	4,088,905	209,855
Investment earnings	100,000	35,000	35,911	911
Impact fees	270,000	2,408,000	2,403,645	(4,355)
Licenses and permits	515,000	1,879,850	1,880,164	314
Fines and forfeitures	765,000	506,250	511,352	5,102
Miscellaneous	653,337	657,199	669,697	12,498
Total Revenues	<u>13,744,417</u>	<u>19,314,149</u>	<u>19,603,202</u>	<u>289,053</u>
Expenditures				
Current:				
General government:				
Mayor and commissioners	186,206	148,650	147,466	1,184
Administration	718,724	829,525	826,746	2,779
Finance department	672,187	561,725	564,513	(2,788)
Legal	85,150	221,050	220,912	138
Building and zoning	645,042	1,194,775	1,196,547	(1,772)
General government	2,746,807	2,025,650	1,990,439	35,211
Vehicle maintenance	172,833	177,850	176,235	1,615
Total General Government	<u>5,226,949</u>	<u>5,159,225</u>	<u>5,122,858</u>	<u>36,367</u>
Public safety	5,312,127	5,201,300	5,191,182	10,118
Public works	3,205,164	3,618,550	3,561,817	56,733
Parks and recreation	326,343	175,075	173,464	1,611
Campersite	115,741	357,300	357,749	(449)
Capital outlay	1,030,269	1,204,250	1,310,961	(106,711)
Total Expenditures	<u>15,216,593</u>	<u>15,715,700</u>	<u>15,718,031</u>	<u>(2,331)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,472,176)</u>	<u>3,598,449</u>	<u>3,885,171</u>	<u>286,722</u>
Other Financing Sources (Uses)				
Prior year carryover	2,843,826	--	--	--
Current year surplus	--	(4,738,449)	--	(4,738,449)
Transfers in	--	1,140,000	1,150,133	(10,133)
Transfers out	(1,371,650)	--	(1,230)	1,230
Total Other Financing Sources (Uses)	<u>1,472,176</u>	<u>(3,598,449)</u>	<u>1,148,903</u>	<u>(4,747,352)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,034,074</u>	<u>\$ 5,034,074</u>

See notes to budgetary comparison schedule.

CITY OF FLORIDA CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CRA FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 2,262,484	\$2,262,484	\$ 2,262,484	\$ --
Investment earnings	30,000	9,324	9,021	(303)
Other	--	--	61,511	61,511
Total Revenues	<u>2,292,484</u>	<u>2,271,808</u>	<u>2,333,016</u>	<u>61,208</u>
Expenditures				
Current:				
General government	7,835,409	944,631	971,630	(26,999)
Capital outlay	500,000	--	--	--
Total Expenditures	<u>8,335,409</u>	<u>944,631</u>	<u>971,630</u>	<u>(26,999)</u>
Excess of (Deficiency) of Revenues over Expenditures	<u>(6,042,925)</u>	<u>1,327,177</u>	<u>1,361,386</u>	<u>34,209</u>
Other Financing Sources				
Prior year carryover	3,642,925	4,002,677	--	(4,002,677)
Sale of capital assets	2,400,000	388,637	1,036,392	647,755
Total Other Financing Sources	<u>6,042,925</u>	<u>4,391,314</u>	<u>1,036,392</u>	<u>(3,354,922)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$5,718,491</u>	<u>\$ 2,397,778</u>	<u>\$ (3,320,713)</u>

See notes to budgetary comparison schedule.

CITY OF FLORIDA CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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

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

- a. Management submits to the City Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution;
- d. The City Commission, by motion, may make supplemental appropriations for the year up to the amount of revenue in excess of those estimated appropriations. There were supplemental appropriations in the General Fund of \$499,107 for the fiscal year ended September 30, 2021. There were no supplemental appropriations in the CRA for the fiscal year ended September 30, 2021.
- e. Formal budgetary integration is employed as a management control device during the year for the general fund and CRA;
- f. Amendments to the budget within a department can be authorized by the Mayor as the City's Chief administrator. Any amendments outside of a department must be approved by the City Commission. Therefore, the legal level of control is at the department level.
- g. Unencumbered appropriations lapse at year end.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND**

September 30, (Measurement Date)	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Interest	\$ 174,937	\$ 175,739	\$ 171,743	\$ 174,660	\$ 173,768	\$ 172,476	\$ 173,844	\$ 165,349
Differences between expected and actual experience	24,514	--	77,628	--	(165,811)	--	(10,934)	--
Changes of assumptions	(76,076)	--	--	--	85,463	--	(75,483)	--
Benefit payments, including refunds of member contributions	<u>(181,731)</u>	<u>(185,512)</u>	<u>(187,729)</u>	<u>(171,856)</u>	<u>(110,091)</u>	<u>(148,230)</u>	<u>(101,502)</u>	<u>(124,493)</u>
Net Change in Total Pension Liability	(58,356)	(9,773)	61,642	2,804	(16,671)	24,246	(14,075)	40,856
Total Pension Liability - Beginning	<u>2,972,051</u>	<u>2,981,824</u>	<u>2,920,182</u>	<u>2,917,378</u>	<u>2,934,049</u>	<u>2,909,803</u>	<u>2,923,878</u>	<u>2,883,022</u>
Total Pension Liability - Ending (a)	<u>\$ 2,913,695</u>	<u>\$ 2,972,051</u>	<u>\$ 2,981,824</u>	<u>\$ 2,920,182</u>	<u>\$ 2,917,378</u>	<u>\$ 2,934,049</u>	<u>\$ 2,909,803</u>	<u>\$ 2,923,878</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 7,466	\$ 30,930	\$ 30,930	\$ 141,876	\$ --	\$ --	\$ --	\$ 12,172
Net Investment income	557,530	240,640	196,571	322,065	336,736	237,609	(47,169)	272,251
Benefit payments, including refunds of member contributions	(181,731)	(189,276)	(187,729)	(171,856)	(110,091)	(284,400)	(101,502)	(99,584)
Administrative expense	<u>(9,575)</u>	<u>(4,800)</u>	<u>(40,463)</u>	<u>(35,292)</u>	<u>(35,525)</u>	<u>(36,760)</u>	<u>(42,938)</u>	<u>(36,091)</u>
Net Change in Plan Fiduciary Net Position	373,690	77,494	(691)	256,793	191,120	(83,551)	(191,609)	148,748
Plan Fiduciary Net Position - Beginning	<u>3,504,004</u>	<u>3,426,510</u>	<u>3,427,201</u>	<u>3,170,408</u>	<u>2,979,288</u>	<u>3,062,839</u>	<u>3,254,448</u>	<u>3,105,700</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,877,694</u>	<u>\$ 3,504,004</u>	<u>\$ 3,426,510</u>	<u>\$ 3,427,201</u>	<u>\$ 3,170,408</u>	<u>\$ 2,979,288</u>	<u>\$ 3,062,839</u>	<u>\$ 3,254,448</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (963,999)</u>	<u>\$ (531,953)</u>	<u>\$ (444,686)</u>	<u>\$ (507,019)</u>	<u>\$ (253,030)</u>	<u>\$ (45,239)</u>	<u>\$ (153,036)</u>	<u>\$ (330,570)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	133.09%	117.90%	114.91%	117.36%	108.67%	101.54%	105.26%	111.31%
Covered Payroll*	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* There are no active employees in this plan.

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY CONTRIBUTIONS
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND**

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 7,466	\$ 30,930	\$ 30,930	\$ 70,938	\$ 70,938	\$ --	\$ --	\$ 12,172
Contributions in relation to the actuarially determined contribution	<u>7,466</u>	<u>30,930</u>	<u>30,930</u>	<u>141,876</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,172</u>
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ (70,938)	\$ 70,938	\$ --	\$ --	\$ --
Covered payroll	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage or covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: October 1, 2020

Actuarially determined contribution rates are calculated as of October 1, which provides the actuarially determined contribution for the fiscal years ending September 30, 2020 and 2021.

Methods and assumptions used to determine contribution rates:

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

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND**

September 30,	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	16.33%	8.42%	4.00%	9.26%	9.29%	7.08%	-2.48%	7.92%

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS
ELECTED OFFICIALS RETIREMENT PLAN**

September 30, (Measurement Date)	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 41,005	\$ 36,715	\$ 35,646	\$ 32,498	\$ 154,166	\$ 150,661	\$ 143,487
Interest	214,518	198,361	209,782	194,263	132,966	124,603	116,585
Differences between expected and actual experience	(105,204)	--	(415,691)	--	(661,206)	--	--
Changes of assumptions	(61,680)	--	--	--	(1,058,484)	--	--
Net Change in Total Pension Liability	88,639	235,076	(170,263)	226,761	(1,432,558)	275,264	260,072
Total Pension Liability - Beginning	3,137,043	2,901,967	3,072,230	2,845,469	4,278,027	4,002,763	3,742,691
Total Pension Liability - Ending (a)	\$ 3,225,682	\$ 3,137,043	\$ 2,901,967	\$ 3,072,230	\$ 2,845,469	\$ 4,278,027	\$ 4,002,763
Plan Fiduciary Net Position							
Contributions - employer	\$ 77,885	\$ 72,960	\$ 100,000	\$ 71,535	\$ 521,832	\$ 500,000	\$ 382,791
Net Investment income	727,021	307,198	143,837	144,935	--	--	59
Administrative Expense	--	(477)	--	--	--	--	--
Other	576	--	--	--	6,633	--	--
Net Change in Plan Fiduciary Net Position	805,482	379,681	243,837	216,470	528,465	500,000	382,850
Plan Fiduciary Net Position - Beginning	4,466,659	4,086,978	3,843,141	3,626,671	3,098,206	2,598,206	2,215,356
Plan Fiduciary Net Position - Ending (b)	\$ 5,272,141	\$ 4,466,659	\$ 4,086,978	\$ 3,843,141	\$ 3,626,671	\$ 3,098,206	\$ 2,598,206
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (2,046,459)	\$ (1,329,616)	\$ (1,185,011)	\$ (770,911)	\$ (781,202)	\$ 1,179,821	\$ 1,404,557
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	163.44%	142.38%	140.83%	125.09%	127.45%	72.42%	64.91%
Covered Payroll	\$ 303,589	\$ 299,118	\$ 251,994	\$ 251,396	\$ 224,288	\$ 226,381	\$ 215,601
Net Pension Liability as a Percentage of Covered Payroll	-674.09%	-444.51%	-470.25%	-306.65%	-348.30%	521.17%	651.46%

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY CONTRIBUTIONS
ELECTED OFFICIALS RETIREMENT PLAN**

September 30,	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 77,885	\$ 72,960	\$ 73,028	\$ 68,410	\$ 521,832	\$ 506,633	\$ 382,791
Contributions in relation to the actuarially determined contribution	77,885	72,960	100,000	71,535	521,832	500,000	382,791
Contribution deficiency (excess)	\$ --	\$ --	\$ (26,972)	\$ (3,125)	\$ --	\$ 6,633	\$ --
Covered payroll	\$ 303,589	\$ 299,118	\$ 251,994	\$ 251,396	\$ 224,288	\$ 226,381	\$ 215,601
Contributions as a percentage or covered payroll	25.65%	24.39%	39.68%	28.46%	232.66%	220.87%	177.55%

Notes to Schedule

Valuation date: October 1, 2018

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

Methods and assumptions used to determine contribution rates:

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

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF INVESTMENT RETURNS
ELECTED OFFICIALS RETIREMENT PLAN**

September 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return	16.23%	7.16%	3.99%	4.53%	0.00%	0.00%	0.00%

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.0221%	0.0240%	0.0230%	0.0228%	0.0234%	0.0223%	0.0204%
City's proportionate share of the FRS net pension liability	\$ 1,668,232	\$ 10,399,935	\$ 7,918,116	\$ 6,878,915	\$ 6,919,227	\$ 5,626,880	\$ 2,629,988
City's covered payroll	\$ 5,893,070	\$ 5,757,562	\$ 5,482,025	\$ 5,296,408	\$ 5,218,816	\$ 4,788,287	\$ 4,690,842
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	28.3%	180.6%	144.4%	129.9%	132.6%	117.5%	56.1%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.4%	78.9%	82.6%	84.3%	83.9%	84.9%	92%

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

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

	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 772,004	\$ 733,471	\$ 670,721	\$ 650,864	\$ 608,954	\$ 543,466	\$ 496,436
FRS contribution in relation to the contractually required contribution	<u>772,004</u>	<u>733,471</u>	<u>670,721</u>	<u>650,864</u>	<u>608,954</u>	<u>543,466</u>	<u>496,436</u>
FRS contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
City's covered payroll	\$ 5,921,743	\$ 5,798,286	\$ 5,577,187	\$ 5,241,507	\$ 5,158,346	\$ 4,827,426	\$ 4,690,842
FRS contribution as a percentage of covered payroll	13.04%	12.65%	12.03%	12.42%	11.81%	11.26%	10.58%

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

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015
City's proportionate share of the net pension liability	0.0167%	0.0166%	0.0164%	0.0162%	0.0164%	0.0155%	0.0154%
City's proportionate share of the HIS net pension liability	\$2,042,535	\$2,026,711	\$1,832,549	\$1,716,313	\$1,749,679	\$1,807,716	\$1,571,765
City's covered payroll	\$5,893,070	\$5,757,562	\$5,482,025	\$5,296,408	\$5,218,816	\$4,788,287	\$4,690,842
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	34.7%	35.2%	33.4%	32.4%	33.5%	37.8%	33.5%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.5%

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

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

	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 98,301	\$ 96,251	\$ 92,581	\$ 87,939	\$ 86,601	\$ 79,503	\$ 58,914
HIS contribution in relation to the contractually required contribution	98,301	96,251	92,581	87,939	86,601	79,503	58,914
HIS contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
City's covered payroll	\$5,921,743	\$5,798,286	\$5,577,187	\$5,241,507	\$5,158,346	\$4,827,426	\$4,690,842
HIS contribution as a percentage of covered payroll	1.66%	1.66%	1.66%	1.68%	1.68%	1.65%	1.26%

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

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

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

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

September 30, (Measurement Date)	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 42,691	\$ 36,185	\$ 37,362	\$ 39,266
Interest	15,232	22,340	19,042	16,102
Differences between expected and actual experience	--	(18,902)	--	--
Changes of assumptions or other inputs	16,147	(75,512)	(15,993)	(19,064)
Benefit payments	--	--	--	(19,571)
Net Change in Total OPEB Liability	74,070	(35,889)	40,411	16,733
Total OPEB Liability - Beginning	511,209	547,098	506,687	489,954
Total OPEB Liability - Ending	<u>\$ 585,279</u>	<u>\$ 511,209</u>	<u>\$ 547,098</u>	<u>\$ 506,687</u>
Covered-Employee Payroll	\$5,475,587	\$4,924,745	\$5,322,527	\$ 4,657,971
Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.69%	10.38%	10.28%	10.88%

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

COMBINING FUND FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

Florida City Foundation – This fund is a component unit of the City reflecting the activity of a non-profit organization, which provides activities to benefit the citizens of the City. This component unit has a December 31st year end and is reported as of and for the year ended December 31, 2020.

CITY OF FLORIDA CITY, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2021

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
Assets				
Cash	\$ --	\$ --	\$ 443,038	\$ 443,038
Accounts receivable	--	--	42,265	42,265
Restricted cash	--	142,722	--	142,722
Total Assets	<u>\$ --</u>	<u>\$ 142,722</u>	<u>\$ 485,303</u>	<u>\$ 628,025</u>
Liabilities and Fund Balances				
Accounts payable	\$ --	\$ 2,944	\$ --	\$ 2,944
Due to other funds	--	26,122	--	26,122
Unearned revenue	--	50,231	--	50,231
Total Liabilities	<u>--</u>	<u>79,297</u>	<u>--</u>	<u>79,297</u>
Fund Balance				
Restricted	--	63,425	485,303	548,728
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 142,722</u>	<u>\$ 485,303</u>	<u>\$ 628,025</u>

CITY OF FLORIDA CITY, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
Revenues				
Investment earnings	\$ --	\$ 341	\$ 1,033	\$ 1,374
Forfeitures	--	24,280	--	24,280
Miscellaneous	--	11,512	36,500	48,012
Total Revenues	--	36,133	37,533	73,666
Expenditures				
Current:				
General government	--	--	6,243	6,243
Public safety	--	25,510	--	25,510
Total Expenditures	--	25,510	6,243	31,753
Excess (Deficiency) of Revenues over Expenditures	--	10,623	31,290	41,913
Other Financing Sources (Uses)				
Transfers out	--	(35,745)	--	(35,745)
Net Change in Fund Balances	--	(25,122)	31,290	6,168
Fund Balances - Beginning	--	88,547	454,013	542,560
Fund Balances - Ending	\$ --	\$ 63,425	\$ 485,303	\$ 548,728

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

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

CITY OF FLORIDA CITY, FLORIDA

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

SEPTEMBER 30, 2021

	Police Officers' Substitute Pension Trust	Elected Officials Retirement Plan	Total
Assets			
Investments			
Money market mutual funds	\$ 81,154	\$ 69,771	\$ 150,925
Common stock	2,412,372	3,319,181	5,731,553
Corporate bonds	511,730	961,023	1,472,753
Government securities	<u>866,632</u>	<u>910,098</u>	<u>1,776,730</u>
Total Investments	3,871,888	5,260,073	9,131,961
Receivables			
Accrued interest	<u>5,806</u>	<u>12,068</u>	<u>17,874</u>
Total Assets	<u>3,877,694</u>	<u>5,272,141</u>	<u>9,149,835</u>
Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Net Position Restricted for Pension Benefits	<u>\$ 3,877,694</u>	<u>\$ 5,272,141</u>	<u>\$ 9,149,835</u>

CITY OF FLORIDA CITY, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
Additions			
Contributions			
City	\$ 7,466	\$ 77,885	\$ 85,351
Investment Income			
Net appreciation in fair value of investments	532,897	628,381	1,161,278
Interest and dividends	61,194	144,233	205,427
Investment Income	594,091	772,614	1,366,705
Less: investment expenses	36,181	45,012	81,193
Net Investments Income	557,910	727,602	1,285,512
Total Additions	565,376	805,487	1,370,863
Deductions			
Benefits paid	181,731	--	181,731
Administrative expenses	9,955	582	10,537
Total Deductions	191,686	582	192,268
Change in Net Position	373,690	804,905	1,178,595
Net Position Restricted for Pension Benefits - Beginning	3,504,004	4,467,236	7,971,240
Net Position Restricted for Pension Benefits - Ending	\$ 3,877,694	\$ 5,272,141	\$ 9,149,835

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	96-99
Revenue Capacity	
These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the property tax.	100-103
Debt Capacity	
These schedules represent information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	104-106
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	107-109
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	110-111

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

CITY OF FLORIDA CITY, FLORIDA

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Net investment in capital assets	\$ 27,589,124	\$ 27,156,980	\$ 24,363,823	\$ 21,476,661	\$ 21,188,465	\$ 21,277,007	\$ 21,568,418	\$ 21,097,350	\$ 20,600,344	\$ 18,618,782
Restricted	15,457,300	12,537,750	5,335,533	9,572,082	8,761,516	7,664,448	6,667,253	5,950,637	5,384,144	6,338,849
Unrestricted	<u>9,750,773</u>	<u>5,928,520</u>	<u>9,709,952</u>	<u>3,617,789</u>	<u>4,227,545</u>	<u>6,304,336</u>	<u>7,612,827</u>	<u>11,987,073</u>	<u>11,772,235</u>	<u>12,635,960</u>
Total Governmental Activities Net Position	<u>\$ 52,797,197</u>	<u>\$ 45,623,250</u>	<u>\$ 39,409,308</u>	<u>\$ 34,666,532</u>	<u>\$ 34,177,526</u>	<u>\$ 35,245,791</u>	<u>\$ 35,848,498</u>	<u>\$ 39,035,060</u>	<u>\$ 37,756,723</u>	<u>\$ 37,593,591</u>
Business-type Activities										
Net investment in capital assets	\$ 15,599,047	\$ 16,395,448	\$ 17,100,250	\$ 17,700,366	\$ 18,244,837	\$ 18,333,017	\$ 18,845,943	\$ 18,841,730	\$ 18,893,662	\$ 18,768,900
Restricted	741,554	739,815	733,375	727,393	723,059	779,698	775,428	770,866	446,818	442,669
Unrestricted	<u>5,106,979</u>	<u>4,199,959</u>	<u>4,718,486</u>	<u>4,942,520</u>	<u>5,074,807</u>	<u>5,680,522</u>	<u>5,303,590</u>	<u>5,640,832</u>	<u>5,890,234</u>	<u>6,057,692</u>
Total Business-type Activities Net Position	<u>\$ 21,447,580</u>	<u>\$ 21,335,222</u>	<u>\$ 22,552,111</u>	<u>\$ 23,370,279</u>	<u>\$ 24,042,703</u>	<u>\$ 24,793,237</u>	<u>\$ 24,924,961</u>	<u>\$ 25,253,428</u>	<u>\$ 25,230,714</u>	<u>\$ 25,269,261</u>
Primary government:										
Net investment in capital assets	\$ 43,188,171	\$ 43,552,428	\$ 41,464,073	\$ 39,177,027	\$ 39,433,302	\$ 39,610,024	\$ 40,414,361	\$ 39,939,080	\$ 39,494,006	\$ 37,387,682
Restricted	16,198,854	13,277,565	6,068,908	10,299,475	9,484,575	8,444,146	7,442,681	6,721,503	5,830,962	6,781,518
Unrestricted	<u>14,857,752</u>	<u>10,128,479</u>	<u>14,428,438</u>	<u>8,560,309</u>	<u>9,302,352</u>	<u>11,984,858</u>	<u>12,916,417</u>	<u>17,627,905</u>	<u>17,662,469</u>	<u>18,693,652</u>
Total Primary Government Net Position	<u>\$ 74,244,777</u>	<u>\$ 66,958,472</u>	<u>\$ 61,961,419</u>	<u>\$ 58,036,811</u>	<u>\$ 58,220,229</u>	<u>\$ 60,039,028</u>	<u>\$ 60,773,459</u>	<u>\$ 64,288,488</u>	<u>\$ 62,987,437</u>	<u>\$ 62,862,852</u>

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

CITY OF FLORIDA CITY, FLORIDA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	--	--	--	--	--	--	--	--	--	--
Non-spendable	54,202	56,605	4,182	2,182	134,407	137,657	69,284	64,815	60,051	1,840
Restricted	1,400,862	1,941,151	2,700,205	3,508,603	4,243,607	4,549,830	5,214,732	6,270,178	5,002,827	5,795,824
Committed	358,373	392,394	717,806	880,994	761,565	586,854	758,333	736,845	87,223	247,803
Unassigned	13,299,783	12,677,903	12,408,676	11,964,363	11,800,144	9,737,560	8,206,194	11,155,278	13,390,077	17,528,785
Total General Fund	<u>\$ 15,113,220</u>	<u>\$ 15,068,053</u>	<u>\$ 15,830,869</u>	<u>\$ 16,356,142</u>	<u>\$ 16,939,723</u>	<u>\$ 15,011,901</u>	<u>\$ 14,248,543</u>	<u>\$ 18,227,116</u>	<u>\$ 18,540,178</u>	<u>\$ 23,574,252</u>
All Other Governmental Funds										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved, reported in:										
Special revenue funds	--	--	--	--	--	--	--	--	--	--
Restricted	4,937,981	3,442,993	3,250,432	3,158,653	3,338,068	4,130,607	4,267,984	1,667,299	5,882,931	7,700,778
Unassigned	--	(17,579)	(2,977)	--	--	--	--	--	--	--
Total All Other Governmental Funds	<u>\$ 4,937,981</u>	<u>\$ 3,425,414</u>	<u>\$ 3,247,455</u>	<u>\$ 3,158,653</u>	<u>\$ 3,338,068</u>	<u>\$ 4,130,607</u>	<u>\$ 4,267,984</u>	<u>\$ 1,667,299</u>	<u>\$ 5,882,931</u>	<u>\$ 7,700,778</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 3,842,203	\$ 3,576,149	\$ 3,685,547	\$ 3,746,114	\$ 4,643,481	\$ 4,903,113	\$ 5,129,221	\$ 5,445,577	\$ 5,651,591	\$ 6,419,822
Intergovernmental	3,301,572	3,517,619	3,584,423	3,630,545	2,730,126	2,958,092	3,051,114	3,617,623	2,970,918	5,856,190
Charges for services	3,100,203	3,069,658	2,927,599	3,168,385	3,482,795	3,617,649	3,733,708	3,822,690	4,026,273	4,088,905
Program income	--	--	--	--	--	--	--	--	--	--
Interest/investment earnings	136,182	70,800	29,723	58,642	50,103	74,838	85,495	104,997	208,105	49,687
Impact fees	71,972	--	366,025	141,494	175,222	481,405	206,356	1,621,751	1,548,527	2,403,645
Licenses and permits	278,495	277,841	349,120	345,898	474,597	368,639	442,937	861,256	1,194,651	1,880,164
Donations	--	--	--	--	--	--	--	--	--	--
Confiscated property	--	--	--	--	--	--	--	--	--	--
Fines and forfeitures	1,405,419	1,089,815	1,416,465	1,325,006	1,525,604	1,658,883	1,788,726	2,289,688	1,635,362	535,632
Grants	2,553,273	718,773	387,648	444,241	56,449	159,207	52,392	336,000	3,224,140	2,148,966
Settlement proceeds	--	--	--	--	411,015	--	78,400	--	--	--
Other revenues	295,506	463,793	369,127	313,546	484,182	649,258	762,331	1,007,051	608,556	779,220
Total Revenues	14,984,825	12,784,448	13,115,677	13,173,871	14,033,574	14,871,084	15,330,680	19,106,633	21,068,123	24,162,231
Expenditures										
General government	4,298,963	4,714,663	4,046,725	4,872,313	4,584,942	7,517,787	6,980,513	5,142,637	5,185,130	7,221,578
Public safety	3,060,753	3,382,184	3,466,200	3,865,141	4,048,097	4,390,317	4,556,689	4,955,800	4,944,154	5,216,692
Public works	2,461,659	2,566,960	2,573,820	2,499,820	2,737,680	2,767,732	2,845,111	2,885,218	3,109,573	3,561,817
Parks and recreation	434,114	471,430	506,526	606,996	628,338	577,058	596,984	618,698	569,075	531,213
Capital outlay	5,546,185	3,506,951	1,937,549	1,604,449	1,133,617	1,093,433	1,118,998	4,263,879	2,816,235	1,815,402
Debt service:										
Principal	--	--	--	30,000	135,000	135,000	--	--	--	--
Interest	--	--	--	5,566	2,901	--	--	--	--	--
Total Expenditures	15,801,674	14,642,188	12,530,820	13,484,285	13,270,575	16,481,327	16,098,295	17,866,232	16,624,167	18,346,702
Excess of Revenues Over (Under) Expenditures	(816,849)	(1,857,740)	584,857	(310,414)	762,999	(1,610,243)	(767,615)	1,240,401	4,443,956	5,815,529
Extraordinary Item										
Claims proceeds	--	--	--	746,881	--	--	--	--	--	--
Other Financing Sources (Uses)										
Transfer in	109,573	--	--	--	--	--	--	--	--	--
Transfer out	(109,573)	--	--	--	--	--	--	--	--	--
Other financing source	--	300,000	--	--	--	474,960	217,300	137,487	84,738	1,036,392
Total Other Financing Sources (Uses)	--	300,000	--	--	--	474,960	217,300	137,487	84,738	1,036,392
Net Change in Fund Balances	\$ (816,849)	\$ (1,557,740)	\$ 584,857	\$ 436,467	\$ 762,999	\$ (1,135,283)	\$ (550,315)	\$ 1,377,888	\$ 4,528,694	\$ 6,851,921
Debt service as a percentage of noncapital expenditures [†]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*See pg 17 for capital expenditures

CITY OF FLORIDA CITY, FLORIDA

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

Fiscal Year	Real Property				Personal Property		Less Tax Exempt Property	Total		Assessed Value as a Percentage of Value	Total Direct Tax Rate
	Commercial		Residential		Assessed Value	Estimated Value		Total Taxable Assessed Value	Estimated Value		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value							
2012	\$ 353,890	\$ 504,597	\$ 69,038	\$ 95,980	\$ 36,876	\$ 42,145	\$ 81,867	\$ 459,804	\$ 642,722	71.54%	7.7500
2013	346,047	500,735	50,139	80,010	39,202	44,887	83,512	435,388	625,632	69.59%	7.5899
2014	362,989	524,167	10,602	46,003	36,492	42,852	87,193	410,083	613,022	66.90%	7.5899
2015	455,702	518,823	37,878	47,362	41,504	41,504	126,927	408,158	607,689	67.17%	7.1858
2016	475,552	542,433	38,383	55,792	46,240	46,240	133,546	426,629	644,465	66.20%	7.1858
2017	503,546	585,944	39,992	72,485	48,246	48,246	137,584	454,199	706,675	64.27%	7.1858
2018	529,233	611,247	40,767	82,886	47,080	47,080	145,674	471,406	741,212	63.60%	7.1858
2019	570,641	676,254	45,231	94,689	59,530	59,530	150,015	527,509	818,352	63.68%	7.1858
2020	604,318	723,075	52,911	112,571	58,095	58,095	158,842	558,081	893,741	62.44%	7.2946
2021	663,620	788,902	63,137	124,397	71,159	71,159	170,581	627,335	984,458	63.72%	7.2946

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

CITY OF FLORIDA CITY, FLORIDA

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

Fiscal Year	City of Florida City		Overlapping Rates				Total Millage
	Direct Rates		School District Millage	State Millage	Miami-Dade County	Special District Millages	
	Operating Millage	Total City Millage					
2012	7.7500	7.7500	7.9980	0.4634	4.9885	3.1352	24.3351
2013	7.5899	7.5899	7.9770	0.4455	5.1255	3.1348	24.2727
2014	7.5899	7.5899	7.9740	0.4187	5.1169	3.2161	24.3156
2015	7.1858	7.1858	7.6120	0.3871	5.1169	3.2133	23.5151
2016	7.1858	7.1858	7.3220	0.3627	5.0669	3.2122	23.1496
2017	7.1858	7.1858	6.9940	0.3420	5.0669	3.1795	22.7682
2018	7.1858	7.1858	6.7330	0.3256	5.1313	3.1462	22.5219
2019	7.1858	7.1858	7.1480	0.3315	5.1449	3.1727	22.9629
2020	7.2946	7.2946	7.1290	0.2995	5.1449	3.1554	23.0234
2021	7.2946	7.2946	7.0090	0.2892	5.1744	3.2047	22.9719

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

CITY OF FLORIDA CITY, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

**AS OF SEPTEMBER 30, 2021 AND NINE YEARS AGO
(DOLLARS IN THOUSANDS)**

Taxpayer	Type of Business	2021			2012		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Store	Retail Shopping	\$ 22,366	1	3.57%	\$ 20,200	1	4.39%
Ambar Key Homes LTD	Real Estate	15,000	2	2.39%			0.00%
Florida Keys Factory Shops	Mall	14,104	3	2.25%	10,439	4	2.27%
Largo Motors Co LTD	Car Dealership	13,393	4	2.13%	11,600	2	2.52%
Home Depot USA, Inc.	Retail Shopping	11,427	5	1.82%	11,200	3	2.44%
South Florida Motel Corp.	Motel	6,700	6	1.07%	--		0.00%
RD & RD Corporation	Real Estate	6,400	7	1.02%	--		0.00%
RA & RE Inc.	Motel	6,300	8	1.00%	5,670	6	1.23%
ATJ Corporation	Gas Station	4,900	9	0.78%			0.00%
Brickless Developer Group Corp	Real Estate	4,779	10	0.76%			0.00%
Bonita Pointe Associates	Real Estate	--		0.00%	6,300	5	1.37%
Hotel One, Inc.	Hotel	--		0.00%	5,238	7	1.14%
Zamora Corporation	Real Estate	--		0.00%	4,852	8	1.06%
Kunvarji Hotels LLC	Hotel	--		0.00%	4,400	9	0.96%
Parlon Corporation	Motel			0.00%	4,397	10	0.96%
		--		0.00%	--		0.00%
Total		<u>\$ 105,369</u>		<u>16.80%</u>	<u>\$ 84,295</u>		<u>18.33%</u>

(1) The total assessed valuation of taxable property for 2021 is \$ 627,335

(2) The total assessed valuation of taxable property for 2012 is \$ 459,804

CITY OF FLORIDA CITY, FLORIDA

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

Fiscal Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Collection Total Tax Collection to Total Tax Levy	(3) Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2012	\$ 3,189,744	\$ 3,040,397	95.3%	\$ 149,347	\$ 3,189,744	100.0%	\$ 92,794	2.9%
2013	3,112,481	2,609,331	83.8%	415,019	3,024,350	97.2%	N/A	0.0%
2014	3,097,876	2,509,987	81.0%	82,616	2,592,603	83.7%	N/A	0.0%
2015	3,065,672	2,372,031	77.4%	205,177	2,577,207	84.1%	N/A	0.0%
2016	3,263,787	2,513,343	77.0%	12,652	2,525,995	77.4%	N/A	0.0%
2017	3,387,426	2,523,410	74.5%	161,425	2,684,835	79.3%	N/A	0.0%
2018	3,790,571	2,693,530	71.1%	202,096	2,895,626	76.4%	N/A	0.0%
2019	4,010,256	2,936,916	73.2%	220,427	3,157,343	78.7%	N/A	0.0%
2020	4,576,160	3,089,362	67.5%	239,961	3,329,323	72.8%	N/A	0.0%
2021	5,086,014	4,106,488	80.7%	221,097	4,327,585	85.1%	N/A	0.0%

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

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

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

N/A - Not available.

CITY OF FLORIDA CITY, FLORIDA

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

Fiscal Year	Governmental Activities	Business-type Activities			Total Primary Government	Percentage of Household Income*	Per Capita Household Income*
	Notes Payable	Notes Payable	Water Bonds	State Revolving Loan			
2012	\$ --	\$ 800,000	\$ 342,700	\$ --	\$ 1,142,700	0.58%	\$ 6,637
2013	300,000	500,000	279,100	--	1,079,100	0.62%	6,637
2014	300,000	100,000	211,800	--	611,800	1.08%	6,637
2015	270,000	--	139,900	--	409,900	2.06%	8,426
2016	135,000	--	125,200	--	260,200	2.55%	6,637
2017	--	--	109,800	115,502	225,302	4.49%	10,122
2018	32,465	--	93,700	136,720	262,885	3.72%	9,778
2019	21,450	--	76,700	226,664	324,814	3.25%	10,562
2020	10,435	--	58,900	1,408,045	1,477,380	0.72%	10,640
2021	--	--	40,200	2,375,287	2,415,487	0.49%	11,912

N/A: Not Available

*Information obtained from CensusReporter.org

CITY OF FLORIDA CITY, FLORIDA

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

SEPTEMBER 30, 2021

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Florida City (2)	Amount Applicable to City of Florida City
School Board of Miami-Dade County	\$ 912,173	0.51%	\$ 4,627
Miami-Dade County (1)	<u>2,274,420</u>	0.51%	<u>11,536</u>
	<u>\$ 3,186,593</u>		<u>\$ 16,163</u>

(1) Information obtained from Miami-Dade County, Finance Department for 2020

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

CITY OF FLORIDA CITY, FLORIDA

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

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	\$ 2,507	\$ 3,277	\$ (770)	64	17	81	(9.54)
2013	2,600	3,511	(911)	67	14	81	(11.25)
2014	2,714	3,242	(528)	72	11	83	(6.36)
2015	2,888	3,526	(637)	15	7	22	(29.38)
2016	3,520	3,833	(313)	15	6	22	(14.44)
2017	3,582	3,354	228	16	5	22	10.57
2018	3,575	3,226	349	17	5	22	16.09
2019	3,811	4,009	(198)	18	4	22	(9.00)
2020	4,251	3,525	726	19	3	22	33.00
2021	4,708	3,703	1,004	20	2	22	46.47

- (1) Total revenue (including interest) exclusive of tap fees.
- (2) Total operating expenses.
- (3) Includes principal and interest of revenue bonds only.

CITY OF FLORIDA CITY, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population	Household Income (Thousands of Dollars)	Per Capita Household Income	Unemployment Rate
2012	11,850	\$ 21,635	\$ 6,637	20.9%
2013	12,222	21,635	6,637	20.9%
2014	12,430	21,635	6,637	20.9%
2015	12,577	26,539	8,426	28.7%
2016	12,832	26,539	8,426	28.7%
2017	12,993	32,096	10,122	18.8%
2018	13,076	34,545	9,778	18.6%
2019	13,250	35,794	10,562	17.3%
2020	13,405	35,253	10,640	18.6%
2021	13,857	35,253	10,640	18.6%

N/A - Information not available for year indicated.

(1) Population for City of Florida City obtained from Bureau of Economic and Business Research, University of Florida.

(2) All other information for the City of Florida City obtained from CensusReporter.org

CITY OF FLORIDA CITY, FLORIDA

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

Employer	2021			2012		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Wal-Mart	479	1	10.47%	775	1	25.83%
Home Depot (Home Depot USA)	218	2	4.77%	213	2	7.10%
Texas Roadhouse	130	3	4.33%	--	--	0.00%
City of Florida City *	111	4	3.70%	105	4	3.50%
Tolbert Produce, Inc.	100	5	3.33%	--	--	0.00%
Green Bean Packers	100	5	3.33%	--	--	0.00%
Cracker Barrel	92	6	3.07%	200	3	6.67%
Largo Honda	68	7	2.27%	50	10	1.67%
KFC/Taco Bell	66	8	2.20%	--	--	0.00%
Pollo Tropical	65	9	2.17%	--	--	0.00%
Best Buy	64	10	2.13%	64	8	2.13%
Fidelity Life Association	--	--	0.00%	92	5	3.07%
Applebee's Neighborhood Grill & Bar	--	--	0.00%	85	6	2.83%
Golden Corral	--	--	0.00%	75	7	2.50%
McDonald's	--	--	0.00%	60	9	2.00%
Mutineer Restaurant	--	--	0.00%	55	10	1.83%
	<u>1,493</u>		<u>41.77%</u>	<u>1,774</u>		<u>59.13%</u>

(1) Estimated area employment

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

* Information obtained from City of Florida City Human Resources

CITY OF FLORIDA CITY, FLORIDA

CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	5	5	5	5	5	5	5	5	5	5
Finance	6	6	6	6	6	6	6	6	6	6
Police	40	42	42	42	44	44	44	46	48	48
Building and zoning	6	6	6	6	6	6	6	6	6	6
Public works	16	16	16	16	15	15	15	15	15	15
Park and recreation	5	5	5	5	6	6	7	5	5	5
Campersite	1	1	1	1	1	1	1	1	1	1
Water	15	14	14	14	14	14	15	15	11	15
Sewer	1	1	2	2	2	2	2	2	6	2
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Housing	--	--	--	--	--	--	--	--	--	--
Grants	<u>8</u>	<u>8</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>4</u>	<u>4</u>	<u>6</u>
Total Employees	<u>105</u>	<u>106</u>	<u>105</u>	<u>105</u>	<u>107</u>	<u>107</u>	<u>109</u>	<u>107</u>	<u>109</u>	<u>111</u>

Note: Obtained from City of Florida City Human Resources

CITY OF FLORIDA CITY, FLORIDA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrest	978	994	824	818	821	610	570	711	534	465
Juvenile arrest	186	155	135	100	87	48	35	59	51	37
Traffic violations	1,047	913	1,087	1,337	1,184	1,153	696	1,187	1,188	1,280
Water										
Number of service connections	752	612	322	667	1,168	1,115	927	813	1,056	1,601
Average monthly consumption (thousands of dollar)	\$ 71,665	\$ 75,039	\$ 80,384	\$ 81,449	\$ 89,419	\$ 95,199	\$ 84,331	\$ 87,940	\$ 88,631	\$ 89,723
Sewer										
Number of service connections	844	663	308	904	993	1,115	927	813	1,056	1,601
Average monthly sewage treatment (thousands of dollar)	\$ 121,322	\$ 127,715	\$ 137,677	\$ 143,778	\$ 185,119	\$ 196,200	\$ 175,052	\$ 183,517	\$ 188,616	\$ 199,214
Electric Distribution System										
Number of customers	3,196	3,196	3,196	3,196	4,678	4,678	4,736	4,775	4,514	5,666
Facilities and Services not Included in the Primary Government										
Cable television system:										
Number of customers	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
Miles of service	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57
Education:										
Number of elementary schools	1	1	1	1	1	1	1	1	1	1
Number of instructors	88	88	88	88	88	88	88	88	88	88

N/A - Not Available

Note: Obtained from City of Florida City Records

CITY OF FLORIDA CITY, FLORIDA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units	21	22	23	22	25	25	18	18	17	22
Other Public Works										
Streets (miles)	42	42	42	42	42	42	42	40	40	40
Streetlights	460	460	460	466	474	479	479	479	479	479
Traffic signals	6	6	6	10	10	10	10	11	11	11
Park and Recreation										
Acreage	40	40	40	40	40	40	40	40	40	40
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis court	2	2	2	2	2	2	2	2	2	2
Community centers	1	2	2	2	2	2	2	2	2	2
Water										
Water mains (miles)	43	43	43	58	58	58	58	67	68	69
Fire hydrants	662	662	662	665	667	667	667	685	701	708
Store capacity (thousands of gallons)	4,000	4,000	4,000	5,800	5,800	5,800	5,800	550	550	550
Sewer										
Sanitary sewer (miles)	23	23	23	38	38	38	38	40	40	49
Storm sewers (miles)	4	4	4	5	5.20	5.20	5.20	6	7	7

N/A - Not Available

Note: Obtained from City of Florida City Records

REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florida City, Florida (the "City") as of and for the fiscal year ended September 30, 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 May 24, 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Marcum LLP

Miami, Florida
May 24, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE; REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for the Major Federal Program and State Project

We have audited the City of Florida City, Florida (the “City”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services’ State Projects Compliance Supplement*, that could have a direct and material effect on the City’s major federal program and major state project for the fiscal year ended September 30, 2021. The City’s major federal program and major state project are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for the City’s major federal program and major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.550, Rules of the Auditor General (“Chapter 10.550”). Those standards, the Uniform Guidance, and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the fiscal year ended September 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Marcum LLP

Miami, FL
May 24, 2022

CITY OF FLORIDA CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal/State Agency, Pass-through Entity Federal Program/State Project	ALN/CSFA No.	Contract/ Grant No.	Total Expenditures
<u>United States Department of Housing and Urban Development</u>			
Indirect Programs:			
Passed through the Department of Housing and Community - Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	14.228	19-DB-ON-11-23-02-N02	\$ 479,731
Total United States Department of Housing and Urban Development			479,731
<u>United States Department of Justice</u>			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0241	22,725
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0651	4,318
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0421	5,184
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0103	142,984
Indirect Programs:			
Passed through Miami-Dade County - Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-DADE-14-Y5-155	2,667
Passed through Miami-Dade County - Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-JAGC-DADE-16-5R-120	2,560
Passed through State of Florida - Special Data Collections and Statistical Studies	16.734	2020-NCSX-DADE-1-D6-005	39,983
Total United States Department of Justice			220,421
<u>United States Department of the Treasury</u>			
Indirect Programs:			
Passed through Miami-Dade County - Coronavirus Relief Fund (COVID-19)	21.019	N/A	2,017,944
Total United States Department of the Treasury			2,017,944
<u>United States Department of Homeland Security</u>			
Indirect Programs:			
Passed through State of Florida - Division of Emergency Management - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0610	1,224,015
Passed through State of Florida - Division of Emergency Management - Hazard Mitigation Grant Program	97.039	FEMA-DR-4337-FL	61,511
Total United States Department of Homeland Security			1,285,526
Total Expenditures of Federal Awards			\$ 4,003,622
State of Florida Department of Environmental Protection			
Direct Programs:			
Wastewater Treatment Facility Construction	37.077	WW131010	\$ 67,744
Wastewater Treatment Facility Construction	37.077	WW131031	882,619
Drinking Water Facility Construction	37.076	DW131050	16,500
Total State of Florida Department of Environmental Protection			966,863
State of Florida Department of Transportation			
Direct Program:			
State Highway Project Reimbursement	55.023	ASC64	11,231
Total State of Florida Department of Transportation			11,231
Total Expenditures of State Financial Assistance			\$ 978,094
Total Expenditures of Federal Awards and State Financial Assistance			\$ 4,981,716

Note: No amounts provided to subrecipients.

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) presents the expenditures activity of all federal awards and state financial assistance of the City of Florida City, Florida (the “City”) for the fiscal year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

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

CITY OF FLORIDA CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards and State Financial Assistance

Internal control over major programs and projects:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General? Yes No

Identification of major program and project:

ALN Federal Program:
21.019 Coronavirus Relief Fund

CSFA No. State Project:
37.077 Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Dollar threshold used to distinguish between Type A and Type B state projects: \$300,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

CITY OF FLORIDA CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

**SECTION III – FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FINDINGS AND QUESTIONED COSTS**

None.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings reported in the prior fiscal year.

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Florida City, Florida (the “City”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 24, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 24, 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 annual financial audit report. There were no findings or recommendations made in the prior year that required corrective actions.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require 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 the review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

Special District Component Units

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Marcum LLP

Miami, Florida
May 24, 2022

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

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

We have examined the City of Florida City, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal 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 based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2021.

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

Marcum LLP

Miami, FL
May 24, 2022



IMPACT FEE AFFIDAVIT

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

1. I am the Chief Financial Officer of City of Florida City which is a local governmental entity of the State of Florida;
2. The governing body of City of Florida City adopted Ordinance No. 97-05, 05-10, & 08-01 implementing impact fees or authorized City of Florida City to receive and expend proceeds of impact fees implemented by City of Florida City; and
3. City of Florida City has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Chad Burkhalter

STATE OF FLORIDA

COUNTY OF Miami-Dade

SWORN TO AND SUBSCRIBED before me this 27 day of April, 2022.

NOTARY PUBLIC
Kerry-Ann Napoles

Personally known _____ or produced identification

Type of identification produced: DL

My Commission Expires:

