

CITY OF BROOKSVILLE, FLORIDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2020



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INTRODUCTORY SECTION



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**CITY OF BROOKSVILLE, FLORIDA
GOVERNMENTAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2020**

CITY COUNCIL

MAYOR

PAT BRAYTON

VICE MAYOR

ROBERT A. BATTISTA

COUNCIL MEMBER

BETTY ERHARD

COUNCIL MEMBER

BLAKE BELL

COUNCIL MEMBER

DAVID BAILEY

CITY MANAGER

MARK KUTNEY

FINANCE DIRECTOR

AUTUMN SULLIVAN

CITY CLERK

JENNIFER BATTISTA

CITY ATTORNEY

VOSE LAW FIRM



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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Lakeland, Florida
April 26, 2021



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**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The City of Brooksville's (City) management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ending September 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the City of Brooksville exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$48,688,292 (net position), an increase of \$3,258,534.
- As of September 30, 2020, the City of Brooksville's governmental funds reported combining ending fund balances of \$8,666,153 which increased \$591,140 from the previous fiscal year.
- General Fund expenditures and transfers out came in under final budget by \$869,375. General Fund reported ending fund balance of \$2,735,482 which decreased \$361,384 from the previous fiscal year.
- Utility Fund cash and cash equivalents increased from \$6,641,397 at the beginning of the fiscal year to \$7,799,590 at the end of the fiscal year.
- Sanitation Fund cash and cash equivalents increased from \$1,352,258 at the beginning of the fiscal year to \$1,565,091 at the end of the fiscal year.

Using this Annual Report

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

Government-Wide Financial Statements

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

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Government-Wide Financial Statements (Continued)

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

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

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

Fund Financial Statements

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Fund Financial Statements (Continued)

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources 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 three fiduciary funds are Butterweck Bond Fund, Police Retirement Fund, and the Fireman's Retirement Fund.

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

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The City's combined net position as of September 30, 2020 was \$48,688,292. Table 1 below reflects the condensed Statement of Net Position for the last two years.

Of the City's total net position, the net investment in capital assets is \$30,707,536 or 63% and represents capital assets such as land, buildings, and machinery and equipment, less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted net position is \$4,985,870 or 10% of total net position and represents the amount of net position for which limitations have been placed by creditors, grantors, contributors, laws, and regulations. The remaining amount, unrestricted net position, is \$12,994,886 or 27% of total net position represents the amount that is not restricted or invested in capital assets, net of related debt.

**City of Brooksville, Florida
Net Position**

Table 1

	Governmental Activities		Business-Type Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 10,806,577	\$ 9,928,687	\$ 12,340,473	\$ 10,726,762	\$ 23,147,050	\$ 20,655,449
Capital Assets, Net of Deprec.	12,003,968	12,256,189	29,160,672	30,594,986	41,164,640	42,851,175
Total Assets	22,810,545	22,184,876	41,501,145	41,321,748	64,311,690	63,506,624
Deferred Outflows of Resources	871,384	917,901	366,106	276,679	1,237,490	1,194,580
Current and Other Liabilities	577,375	669,199	775,248	718,129	1,352,623	1,387,328
Long-Term Liabilities	4,895,552	6,759,014	9,945,925	10,353,201	14,841,477	17,112,215
Total Liabilities	5,472,927	7,428,213	10,721,173	11,071,330	16,194,100	18,499,543
Deferred Inflows of Resources	464,254	618,161	202,534	153,742	666,788	771,903
Net Position:						
Net Investment in						
Capital Assets	10,009,625	9,953,059	20,697,911	21,374,473	30,707,536	31,327,532
Restricted	4,617,637	4,407,042	368,233	1,152,891	4,985,870	5,559,933
Unrestricted	3,117,486	696,302	9,877,400	7,845,991	12,994,886	8,542,293
Total Net Position	\$ 17,744,748	\$ 15,056,403	\$ 30,943,544	\$ 30,373,355	\$ 48,688,292	\$ 45,429,758

Changes in Net Position

Table 2 below is the condensed changes in net position for the fiscal year ended September 30, 2020. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows the City's total governmental activities revenues increased \$510,596 over the prior year primarily due to an increase in capital grants and contributions related to a fire department renovation grant. Governmental activities expense decreased \$1,632,602 over the prior year primary due to a decrease in public safety expenses related to pension plan expense.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position (Continued)

Table 2 shows the Business-type activities revenues increased \$257,772 primarily due to charges for services which increased \$604,437. Business-type activities expenses decreased \$15,317.

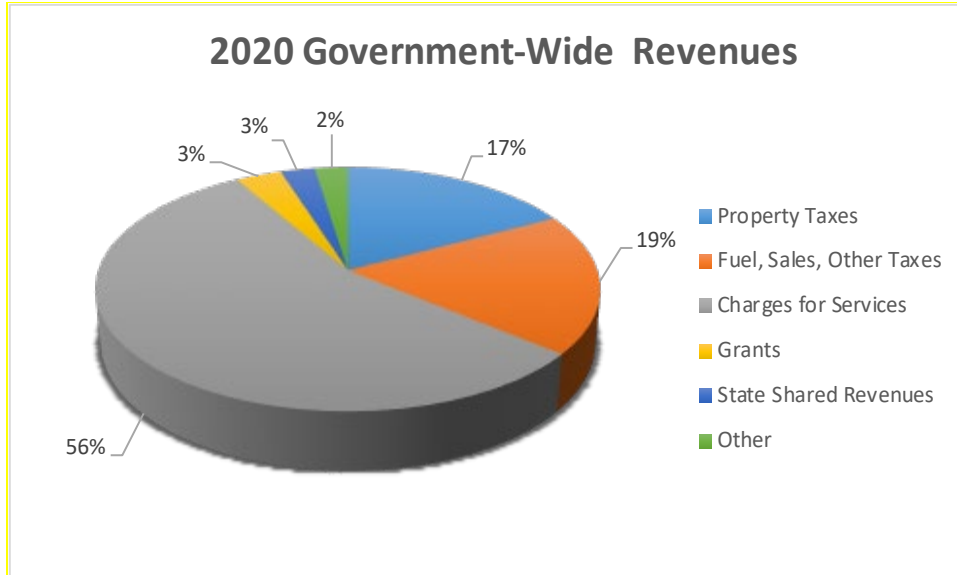
**City of Brooksville, Florida
Changes in Net Position**

Table 2	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Charges for Services	\$ 2,020,510	\$ 1,891,763	\$ 6,963,194	\$ 6,358,757	\$ 8,983,704	\$ 8,250,520
Operating Grants and Contributions	63,501	189,954	7,772	84,973	71,273	274,927
Capital Grants and Contributions	345,680	-	131,316	-	476,996	-
Property Taxes	2,787,186	2,658,003	-	-	2,787,186	2,658,003
Fuel Taxes	394,376	420,005	-	-	394,376	420,005
Sales Taxes	483,506	458,817	-	-	483,506	458,817
Other Taxes	2,138,812	2,045,272	-	-	2,138,812	2,045,272
State Shared Revenues	411,654	413,020	-	-	411,654	413,020
Investment Earning	135,431	171,931	169,795	190,829	305,226	362,760
Miscellaneous	53,479	68,248	-	71,671	53,479	139,919
Sale of Capital Assets	12,343	18,869	27,548	-	39,891	18,869
Total Revenues and Transfers	8,846,478	8,335,882	7,299,625	6,706,230	16,146,103	15,042,112
Expenses:						
General Government	2,252,001	2,373,888	-	-	2,252,001	2,373,888
Public Safety	2,914,839	4,164,683	-	-	2,914,839	4,164,683
Physical Environment	260,669	268,614	-	-	260,669	268,614
Transportation	1,161,615	1,093,210	-	-	1,161,615	1,093,210
Culture and Recreation	574,758	883,691	-	-	574,758	883,691
Interest on Long-Term Debt	88,930	101,328	-	-	88,930	101,328
Utility Fund	-	-	4,209,528	4,281,993	4,209,528	4,281,993
Sanitation Fund	-	-	1,425,229	1,368,081	1,425,229	1,368,081
Total Expenses	7,252,812	8,885,414	5,634,757	5,650,074	12,887,569	14,535,488
Change in Net Position						
Before Transfers	1,593,666	(549,532)	1,664,868	1,056,156	3,258,534	506,624
Transfers	1,094,679	759,056	(1,094,679)	(759,056)	-	-
Change in Net Position	2,688,345	209,524	570,189	297,100	3,258,534	506,624
Net Position - Beginning of Year, as Previously Reported	15,056,403	15,185,006	30,373,355	30,214,363	45,429,758	45,399,369
Restatement	-	(338,127)	-	(138,108)	-	(476,235)
Net Position - Beginning of Year, as Restated	15,056,403	14,846,879	30,373,355	30,076,255	45,429,758	44,923,134
Net Position - End of Year	\$ 17,744,748	\$ 15,056,403	\$ 30,943,544	\$ 30,373,355	\$ 48,688,292	\$ 45,429,758

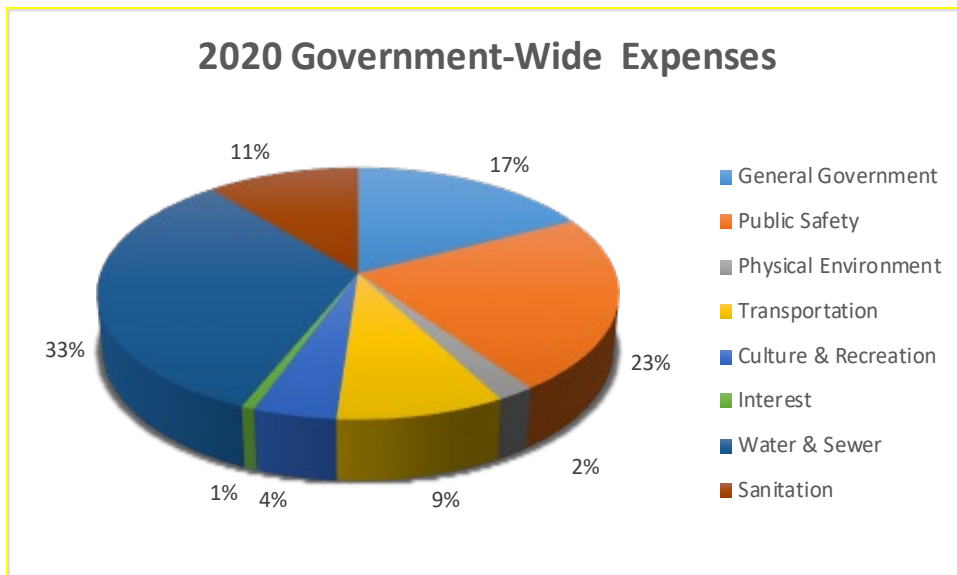
**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The pie chart below shows the 2020 Government-Wide revenues by major category.



The pie chart below shows the 2020 Government-Wide expenses by major category.



**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Funds

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

There are five major governmental funds: General Fund, Brooksville Community Redevelopment Agency, Fire Department Fund, Local Option Gas Tax Fund, and Road Impact Fees Fund. There are also nonmajor governmental funds which are combined into a single, aggregated presentation. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the fiscal year, the fund balance of the General Fund was \$2,735,482, a decrease of \$361,384 from the prior year. The ending fund balance of the CRA was \$381,263, an increase of \$60,590 over the prior year.

Total fund balance of the governmental funds was \$8,666,153 as compared to \$8,075,013 in the previous year, an increase of \$591,140.

Proprietary Funds

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

The Utility Fund, which represents the City's water and sewer utility, experienced an increase in net position of \$425,027 leading to an ending net position of \$27,830,513. Of that amount, \$7,063,983 was unrestricted.

The Sanitation Fund experienced an increase in net position of \$26,819 leading to an ending net position of \$1,387,070. Of that amount, \$1,087,456 was unrestricted.

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2020 amount to \$41,164,640 (net of accumulated depreciation). This investments in capital assets includes land, construction in progress, buildings, improvements other than buildings, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,510,978	\$ 1,510,978	\$ 1,195,932	\$ 1,195,932	\$ 2,706,910	\$ 2,706,910
Construction in Progress	2,775,027	2,643,670	882,456	750,390	3,657,483	3,394,060
Buildings	6,742,174	6,385,097	480,702	472,671	7,222,876	6,857,768
Improvements other than Buildings	6,618,454	6,611,204	53,478,459	53,478,459	60,096,913	60,089,663
Equipment	4,941,560	4,903,819	3,995,186	3,975,800	8,936,746	8,879,619
Total Capital Assets	22,588,193	22,054,768	60,032,735	59,873,252	82,620,928	81,928,020
Less: Accumulated Depreciation	(10,584,225)	(9,798,579)	(30,872,063)	(29,278,266)	(41,456,288)	(39,076,845)
Total	<u>\$ 12,003,968</u>	<u>\$ 12,256,189</u>	<u>\$ 29,160,672</u>	<u>\$ 30,594,986</u>	<u>\$ 41,164,640</u>	<u>\$ 42,851,175</u>

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

Long-Term Debt

The City's outstanding debt for its governmental and business-type activities as of September 30, 2020 amounted to \$7,900,554. Debt balances decreased due to regularly scheduled principal payments.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Direct Placements	\$ 198,163	\$ 211,737	\$ 5,296,186	\$ 5,931,886	\$ 5,494,349	\$ 6,143,623
Direct Borrowings	1,796,180	2,091,393	610,025	660,844	2,406,205	2,752,237
Total	<u>\$ 1,994,343</u>	<u>\$ 2,303,130</u>	<u>\$ 5,906,211</u>	<u>\$ 6,592,730</u>	<u>\$ 7,900,554</u>	<u>\$ 8,895,860</u>

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Performance Measured Against Expectations (Budget)

General Fund revenues were over budget by \$194,072, excluding transfers in. The major difference was taxes that exceeded budget. General Fund expenditures were under budget by \$869,875, excluding transfers out, primarily due to general government expenditures and capital outlay that came in \$529,668 and \$314,020, respectively, under budget. The total appropriated budget increased \$138,785 from original to final.

ECONOMIC FACTORS

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

The annual estimates for the population of Brooksville were identified as being 9,096 which was used in the fiscal year 2019-2020 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 16.8% over the next 10 years. This estimate is based on the 2010 U.S. Census, and the growth rate applied by the Southwest Florida Water Management District to 2011 community data sheet projections and the growth in the last decade within the City.

In the 2020 Tax Year the current year gross taxable value is \$484,859,624. In the 2019 Tax Year the current year gross taxable values for operating purposes were \$442,240,194. This is an increase in taxable values of \$42,619,430 and a 9.63% increase in values in one year. In 2008, the final gross taxable values were \$568,431,915 (the highest in the City's history); this is a decline of \$83,572,291 from 2008 to 2020 and over a 14.5% loss in values in that period. At the 2020 millage rate of 5.9000 mills, the decline of \$83,572,291 represents a decrease in annual Ad Valorem revenues of approximately \$493,077 (at 95%) in the span from the high in 2008 to 2020.

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

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

ECONOMIC FACTORS (CONTINUED)

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

In the past year, the coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of the date of this report, management believes that an impact on the City's financial position and results of future operations is reasonably possible.

2020 Millage Rate

The State of Florida under s. 200.185, F.S, required that the City adopt a tax levy permitted under the law. If the City adopted a tax levy that exceeds the maximum tax levy, s. 200.185, F.S. requires that the municipality will lose their half-cent sales tax distribution. By majority vote, the tax authority could levy a maximum millage equal to their rolled-back rate adjusted for the change in per capita Florida personal income (1.0322% for 2020). The City of Brooksville's maximum rate by majority vote was 14.2679 mills (exceeds the 10 mill cap). A two-thirds vote maximum millage allowed by law exceed was 15.6947 mills which exceeds the maximum millage allowed of 10 mills. The City of Brooksville complied with the requirements and did not lose their half-cent sales tax distribution. In 2020, the City adopted the millage rate of 5.9000. The current year rolled-back rate was 6.0389 which were higher than the adopted rate. The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

Next Year's Budget and Rates

As of September 30, 2020, the known facts that will affect operations revenues and expenses are as follows:

- 1) Reuse water ordinance 875, the collection of reclaimed water revenues will have a positive effect on the operating budget of the City's utilities system.
- 2) Establishment of the Police Pension Substituted Trust could have an impact on expenses in the FY 2021 Budget.

These are the two items that are known as of September 30, 2020 that will affect the City's future budgets.

**CITY OF BROOKSVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Acknowledgements

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

Requests for Information

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



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

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 11,185,621	\$ 8,409,158	\$ 19,594,779
Accounts Receivable, Net	249,184	1,146,039	1,395,223
Notes Receivable	67,500	-	67,500
Internal Balances	(1,657,862)	1,657,862	-
Due from Other Governments	330,775	7,057	337,832
Inventories	12,686	162,382	175,068
Prepaid Items	137,763	2,452	140,215
Restricted Assets:			
Cash and Investments	325,352	955,523	1,280,875
Net Pension Asset	155,558	-	155,558
Capital Assets not being Depreciated	4,286,005	2,078,388	6,364,393
Capital Assets Net of Accumulated Depreciation	7,717,963	27,082,284	34,800,247
Total Assets	22,810,545	41,501,145	64,311,690
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Items	801,551	332,114	1,133,665
OPEB Related Items	69,833	33,992	103,825
Total Deferred Outflows of Resources	871,384	366,106	1,237,490
LIABILITIES			
Accounts Payable	263,858	165,497	429,355
Accrued Interest Payable	2,265	81,490	83,755
Accrued Wages Payable	63,903	21,100	85,003
Deposits	96,951	505,800	602,751
Other Current Liabilities	137,777	1,361	139,138
Unearned Revenue	12,621	-	12,621
Noncurrent Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	50,766	17,434	68,200
Notes Payable	297,347	51,993	349,340
Revenue Bonds Payable	13,706	651,700	665,406
Due in More Than One Year:			
Accrued Compensated Absences	102,300	29,901	132,201
Notes Payable	1,498,833	558,032	2,056,865
Revenue Bonds Payable	184,457	4,644,486	4,828,943
Net Pension Liability	2,310,605	1,237,851	3,548,456
Total OPEB Liability	437,538	212,980	650,518
Other Long-Term Liabilities	-	2,541,548	2,541,548
Total Liabilities	5,472,927	10,721,173	16,194,100
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	453,208	197,157	650,365
OPEB Related Items	11,046	5,377	16,423
Total Deferred Inflows of Resources	464,254	202,534	666,788
NET POSITION			
Net Investment in Capital Assets	10,009,625	20,697,911	30,707,536
Restricted:			
Transportation	466,253	-	466,253
Public Safety	205,292	-	205,292
Community Redevelopment	387,643	-	387,643
Infrastructure	3,077,471	-	3,077,471
Debt Service	80,131	-	80,131
Capital Projects	81	-	81
Utility Debt Service	-	368,233	368,233
Pension Benefits	155,558	-	155,558
Nonexpendable	245,208	-	245,208
Unrestricted	3,117,486	9,877,400	12,994,886
Total Net Position	\$ 17,744,748	\$ 30,943,544	\$ 48,688,292

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functional/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Primary Government:							
General Government	\$ 2,252,001	\$ 310,501	\$ 58,140	\$ -	\$ (1,883,360)	\$ -	\$ (1,883,360)
Public Safety	2,914,839	1,482,972	4,784	345,680	(1,081,403)	-	(1,081,403)
Physical Environment	260,669	-	-	-	(260,669)	-	(260,669)
Transportation	1,161,615	160,906	577	-	(1,000,132)	-	(1,000,132)
Culture and Recreation	574,758	66,131	-	-	(508,627)	-	(508,627)
Debt Service Interest on							
Long-Term Debt	88,930	-	-	-	(88,930)	-	(88,930)
Total Governmental Activities	7,252,812	2,020,510	63,501	345,680	(4,823,121)	-	(4,823,121)
Business-Type Activities:							
Utility	4,209,528	5,285,900	-	-	-	1,076,372	1,076,372
Sanitation	1,425,229	1,677,294	7,772	131,316	-	391,153	391,153
Total Business-Type Activities	5,634,757	6,963,194	7,772	131,316	-	1,467,525	1,467,525
Total Primary Government	<u>\$ 12,887,569</u>	<u>\$ 8,983,704</u>	<u>\$ 71,273</u>	<u>\$ 476,996</u>	(4,823,121)	1,467,525	(3,355,596)
General Revenues:							
Taxes:							
Property Taxes					2,787,186	-	2,787,186
Utility Taxes					1,382,011	-	1,382,011
Fuel Taxes					394,376	-	394,376
Franchise Taxes					746,542	-	746,542
Sales Taxes					483,506	-	483,506
Other Taxes					10,259	-	10,259
State Shared Revenue					411,654	-	411,654
Investment Earnings					135,431	169,795	305,226
Miscellaneous					53,479	-	53,479
Gain on Sale of Capital Assets					12,343	27,548	39,891
Transfers, Net					1,094,679	(1,094,679)	-
Total General Revenues and Transfers					7,511,466	(897,336)	6,614,130
Change in Net Position					2,688,345	570,189	3,258,534
Net Position - Beginning of Year					15,056,403	30,373,355	45,429,758
Net Position - End of Year					<u>\$ 17,744,748</u>	<u>\$ 30,943,544</u>	<u>\$ 48,688,292</u>

See accompanying Notes to Financial Statements.

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

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Pooled Cash and Investments	\$ 2,445,783	\$ 381,263	\$ 331,428	\$ 830,884	\$ 2,626,649	\$ 1,544,524	\$ 8,160,531
Restricted Pooled Cash and Investments	-	-	-	-	-	325,352	325,352
Accounts Receivable	242,720	-	-	-	-	6,464	249,184
Notes Receivable	67,500	-	-	-	-	-	67,500
Due from Other Funds	65,943	-	1,879	-	-	4,661	72,483
Advance to Other Funds	68,099	-	-	-	-	-	68,099
Due from Other Governments	150,355	-	48,822	42,244	-	89,354	330,775
Inventories	2,995	-	-	-	-	-	2,995
Prepaid Items	108,991	-	2,060	-	-	2,001	113,052
Total Assets	<u>\$ 3,152,386</u>	<u>\$ 381,263</u>	<u>\$ 384,189</u>	<u>\$ 873,128</u>	<u>\$ 2,626,649</u>	<u>\$ 1,972,356</u>	<u>\$ 9,389,971</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 204,190	\$ -	\$ 14,377	\$ 14,242	\$ -	\$ 144	\$ 232,953
Accrued Wages Payable	26,977	-	24,643	10,567	-	-	62,187
Unearned Revenue	6,428	-	-	-	4,779	1,414	12,621
Due to Other Funds	4,661	-	-	-	-	67,822	72,483
Deposits	96,951	-	-	-	-	-	96,951
Other Liabilities	6,778	-	4,518	1,964	126,449	-	139,709
Total Liabilities	<u>345,985</u>	<u>-</u>	<u>43,538</u>	<u>26,773</u>	<u>131,228</u>	<u>69,380</u>	<u>616,904</u>
Deferred Inflows of Resources:							
Unavailable Revenue: Intergovernmental	70,919	-	35,995	-	-	-	106,914
Fund Balances:							
Nonspendable	247,585	-	2,060	-	-	247,209	496,854
Restricted	-	381,263	-	-	2,495,421	1,338,186	4,214,870
Committed	-	-	-	-	-	8,710	8,710
Assigned	-	-	302,596	846,355	-	310,748	1,459,699
Unassigned (Deficit)	2,487,897	-	-	-	-	(1,877)	2,486,020
Total Fund Balances	<u>2,735,482</u>	<u>381,263</u>	<u>304,656</u>	<u>846,355</u>	<u>2,495,421</u>	<u>1,902,976</u>	<u>8,666,153</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,152,386</u>	<u>\$ 381,263</u>	<u>\$ 384,189</u>	<u>\$ 873,128</u>	<u>\$ 2,626,649</u>	<u>\$ 1,972,356</u>	<u>\$ 9,389,971</u>

See accompanying Notes to Financial Statements.

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

Fund Balances - Total Governmental Funds	\$	8,666,153
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Amounts reported for governmental activities in statement of net assets are different because:

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

Cost of Capital Assets	\$ 20,222,288	
Less: Accumulated Depreciation	<u>(9,174,808)</u>	11,047,480

Certain receivables are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	106,914
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Balances at year-end are:

Compensated Absences	(146,414)	
Direct Borrowings	(1,796,180)	
Direct Placements	<u>(198,163)</u>	(2,140,757)

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

Net Pension Liability	(2,310,605)	
Net Pension Asset	155,558	
Deferred Outflows of Resources - Pension Related	801,551	
Deferred Inflows of Resources - Pension Related	<u>(453,208)</u>	(1,806,704)

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

Total OPEB Liability	(437,538)	
Deferred Outflows of Resources - OPEB	69,833	
Deferred Inflows of Resources - OPEB	<u>(11,046)</u>	(378,751)

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

		<u>2,250,413</u>
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Net Position of Governmental Activities	\$	<u>17,744,748</u>
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CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 4,076,099	\$ 93,098	\$ 1,101,372	\$ 232,998	\$ -	\$ 161,378	\$ 5,664,945
Licenses and Permits	1,027,128	-	-	-	45,173	96,404	1,168,705
Intergovernmental Revenue	906,221	-	316,727	577	-	62,122	1,285,647
Charges for Services	288,890	-	23,592	-	-	-	312,482
Fines and Forfeitures	56,349	-	-	-	-	7,793	64,142
Net Investment Earnings	46,043	135	-	-	46,841	6,265	99,284
Miscellaneous Revenues	105,160	-	2,761	121,636	-	8,752	238,309
Total Revenues	6,505,890	93,233	1,444,452	355,211	92,014	342,714	8,833,514
EXPENDITURES							
Current:							
General Government	2,393,445	-	-	-	-	58,140	2,451,585
Culture and Recreation	413,136	-	-	-	-	15,328	428,464
Public Safety	2,516,001	-	1,768,109	-	-	3,982	4,288,092
Physical Environment	139,399	14,166	-	-	-	-	153,565
Transportation	-	-	-	1,018,306	-	6,900	1,025,206
Aids to Private Organizations	-	18,477	-	-	-	-	18,477
Capital Outlay	249,140	-	310,932	13,875	-	-	573,947
Debt Service:							
Principal	-	-	53,898	12,371	-	242,518	308,787
Interest	-	-	3,373	3,453	-	82,104	88,930
Total Expenditures	5,711,121	32,643	2,136,312	1,048,005	-	408,972	9,337,053
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	794,769	60,590	(691,860)	(692,794)	92,014	(66,258)	(503,539)
OTHER FINANCING SOURCES (USES)							
Transfers In	786,259	-	1,004,079	1,242,123	-	653,966	3,686,427
Transfers Out	(1,942,412)	-	(7,563)	(1,683)	-	(640,090)	(2,591,748)
Total Other Financing Sources (Uses)	(1,156,153)	-	996,516	1,240,440	-	13,876	1,094,679
NET CHANGE IN FUND BALANCES	(361,384)	60,590	304,656	547,646	92,014	(52,382)	591,140
Fund Balances - Beginning of Year	3,096,866	320,673	-	298,709	2,403,407	1,955,358	8,075,013
FUND BALANCES - END OF YEAR	<u>\$ 2,735,482</u>	<u>\$ 381,263</u>	<u>\$ 304,656</u>	<u>\$ 846,355</u>	<u>\$ 2,495,421</u>	<u>\$ 1,902,976</u>	<u>\$ 8,666,153</u>

See accompanying Notes to Financial Statements.

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

Net Changes in Fund Balances - Total Governmental Funds \$ 591,140

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

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

Capital Outlay	\$ 573,947	
Less: Current Year Depreciation	<u>(647,834)</u>	(73,887)

In the statement of activities, only the gain on the loss of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. (61,492)

Long-term liabilities are reported in the statement of net position but not in the governmental funds because they are not due and payable in the current period. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amounts below represent the change in these accounts.

Principal Repayments - Direct Borrowings	295,213	
Principal Repayments - Direct Placements	<u>13,574</u>	308,787

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year-end and, therefore, are not reported as revenue in the funds.

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

Change in Compensated Absences		(4,749)
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Changes in net pension liability and related pension amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 1,840,326

Changes in total other postemployment benefits (OPEB) liability and related OPEB amounts reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (16,080)

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

	<u>68,305</u>	
Change in Net Position of Governmental Activities	<u><u>\$ 2,688,345</u></u>	



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

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 6,844,067	\$ 1,565,091	\$ 8,409,158	\$ 3,025,090
Accounts Receivable, Net	1,146,039	-	1,146,039	-
Due from Other Governments	7,057	-	7,057	-
Inventories	162,382	-	162,382	9,691
Prepaid Items	2,452	-	2,452	24,711
Total Current Assets	8,161,997	1,565,091	9,727,088	3,059,492
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	955,523	-	955,523	-
Capital Assets, Net:				
Land	1,148,912	47,020	1,195,932	-
Construction In Progress	882,456	-	882,456	-
Building	163,414	317,288	480,702	-
Improvement Other than Building	53,421,419	57,040	53,478,459	-
Machinery and Equipment	2,324,424	1,670,762	3,995,186	2,365,904
	57,940,625	2,092,110	60,032,735	2,365,904
Less: Accumulated Depreciation	29,079,567	1,792,496	30,872,063	1,409,416
Net Capital Assets	28,861,058	299,614	29,160,672	956,488
Total Noncurrent Assets	29,816,581	299,614	30,116,195	956,488
Total Assets	37,978,578	1,864,705	39,843,283	4,015,980
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Items	227,088	105,026	332,114	-
OPEB Related Items	22,966	11,026	33,992	-
Total Deferred Outflows of Resources	250,054	116,052	366,106	-

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 127,954	\$ 37,543	\$ 165,497	\$ 30,905
Accrued Interest Payable	81,490	-	81,490	-
Accrued Wages Payable	13,749	7,351	21,100	1,716
Deposits	505,800	-	505,800	-
Accrued Compensated Absences - Current	11,224	6,210	17,434	1,658
Note Payable - Due within One Year	51,993	-	51,993	-
Bond Payable - Due within One Year	651,700	-	651,700	-
Other Current Liabilities	-	1,361	1,361	333
Total Current Liabilities	1,443,910	52,465	1,496,375	34,612
Noncurrent Liabilities:				
Accrued Compensated Absences	14,891	15,010	29,901	4,994
Advance from Other Funds	68,099	-	68,099	-
Notes Payable	558,032	-	558,032	-
Bond Payable	4,644,486	-	4,644,486	-
Net Pension Liability	845,048	392,803	1,237,851	-
Total OPEB Liability	143,895	69,085	212,980	-
Other Long-Term Liabilities	2,541,548	-	2,541,548	-
Total Noncurrent Liabilities	8,815,999	476,898	9,292,897	4,994
Total Liabilities	10,259,909	529,363	10,789,272	39,606
DEFERRED INFLOWS OF RESOURCES				
Pension Related Items	134,577	62,580	197,157	-
OPEB Related Items	3,633	1,744	5,377	-
Total Deferred Inflows of Resources	138,210	64,324	202,534	-
NET POSITION				
Net Investment in Capital Assets	20,398,297	299,614	20,697,911	956,488
Restricted for Debt Service	368,233	-	368,233	-
Unrestricted	7,063,983	1,087,456	8,151,439	3,019,886
Total Net Position	\$ 27,830,513	\$ 1,387,070	29,217,583	\$ 3,976,374
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			1,725,961	
Net Position of Business-Type Activities			\$ 30,943,544	

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
OPERATING REVENUES				
Charges for Services	\$ 5,261,743	\$ 1,652,687	\$ 6,914,430	\$ 1,112,283
Miscellaneous Revenues	24,157	24,607	48,764	65,172
Total Operating Revenues	5,285,900	1,677,294	6,963,194	1,177,455
OPERATING EXPENSES				
Personal Services	1,045,357	537,365	1,582,722	818,970
Other Services and Charges	1,407,128	857,301	2,264,429	31,963
Depreciation	1,634,493	112,736	1,747,229	178,335
Total Operating Expenses	4,086,978	1,507,402	5,594,380	1,029,268
OPERATING INCOME (LOSS)	1,198,922	169,892	1,368,814	148,187
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenue	-	7,772	7,772	-
Net Investment Earnings	164,078	5,717	169,795	36,148
Interest Expense	(158,720)	-	(158,720)	-
Gain on Sale of Capital Assets	27,548	-	27,548	2,313
Total Nonoperating Revenues (Expenses)	32,906	13,489	46,395	38,461
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,231,828	183,381	1,415,209	186,648
CONTRIBUTIONS AND TRANSFERS				
Capital Grants and Contributions	131,316	-	131,316	-
Transfers Out	(938,117)	(156,562)	(1,094,679)	-
Total Contributions and Transfers	(806,801)	(156,562)	(963,363)	-
CHANGE IN NET POSITION	425,027	26,819	451,846	186,648
Net Position - Beginning of Year	27,405,486	1,360,251		3,789,726
NET POSITION - END OF YEAR	<u>\$ 27,830,513</u>	<u>\$ 1,387,070</u>		<u>\$ 3,976,374</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds.			118,343	
CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 570,189</u>	

See accompanying Notes to Financial Statements.



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**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,137,388	\$ 1,677,294	\$ 6,814,682	\$ 1,177,455
Payments to Employees	(821,219)	(446,531)	(1,267,750)	(857,557)
Payments to Suppliers	(1,364,648)	(875,039)	(2,239,687)	(33,548)
Net Cash Provided by Operating Activities	2,951,521	355,724	3,307,245	286,350
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grants & Contributions	-	7,772	7,772	-
Transfers to Other Funds	(938,117)	(156,562)	(1,094,679)	-
Repayment of advance	(3,584)	-	(3,584)	-
Net Cash Used by Noncapital Financing Activities	(941,701)	(148,790)	(1,090,491)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Grants and Contributions	124,259	-	124,259	-
Acquisition and Construction of Capital Assets	(313,097)	-	(313,097)	-
Proceeds from Sale of Assets	27,548	182	27,730	2,313
Principal Paid on Long Term Debt	(686,519)	-	(686,519)	-
Interest Paid	(167,896)	-	(167,896)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,015,705)	182	(1,015,523)	2,313
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of Interest and Dividends	164,078	5,717	169,795	36,148
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,158,193	212,833	1,371,026	324,811
Cash and Cash Equivalents - Beginning of Year	6,641,397	1,352,258	7,993,655	2,700,279
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,799,590</u>	<u>\$ 1,565,091</u>	<u>\$ 9,364,681</u>	<u>\$ 3,025,090</u>
CLASSIFIED AS:				
Unrestricted	\$ 3,350,231	\$ 1,565,091	\$ 4,915,322	\$ 3,025,090
Restricted	4,449,359	-	4,449,359	-
Total Cash and Cash Equivalents	<u>\$ 7,799,590</u>	<u>\$ 1,565,091</u>	<u>\$ 9,364,681</u>	<u>\$ 3,025,090</u>

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 1,198,922	\$ 169,892	\$ 1,368,814	\$ 148,187
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,634,493	112,736	1,747,229	178,335
(Increase) Decrease in Assets:				
Accounts Receivable	(115,110)	-	(115,110)	-
Inventories	(2,974)	-	(2,974)	(5,892)
Prepaid Items	4,383	-	4,383	-
Deferred Outflows of Pension Related Items	(44,527)	(13,744)	(58,271)	-
Deferred Outflows of OPEB Related Items	(21,010)	(10,146)	(31,156)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	41,071	(18,278)	22,793	(36,929)
Accrued Wages Payable	3,844	2,716	6,560	646
Other Current Liabilities	-	540	540	129
Deposits	36,402	-	36,402	-
Accrued Compensated Absences	(3,783)	(639)	(4,422)	1,874
Net Pension Liability	210,269	75,413	285,682	-
Total OPEB Liability	43,762	24,025	67,787	-
Other Long-Term Liabilities	(69,804)	-	(69,804)	-
Deferred Inflows of Pension Related Items	35,933	13,258	49,191	-
Deferred Inflows of OPEB Related Items	(350)	(49)	(399)	-
Net Cash Provided by Operating Activities	<u>\$ 2,951,521</u>	<u>\$ 355,724</u>	<u>\$ 3,307,245</u>	<u>\$ 286,350</u>

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	Private Purpose Trust Funds	Pension Trust Funds
ASSETS		
Cash and Pooled Cash	\$ 1,361	\$ 598,154
Investments:		
Debt Securities	-	2,152,510
Marketable Equity Securities	-	4,431,497
Real Estate Fund	-	655,071
Accounts Receivable	-	11,739
Total Assets	1,361	7,848,971
LIABILITIES		
Total Liabilities	-	-
NET POSITION		
Held in Trust for Retirement and Other Purposes	1,361	7,848,971
Total Net Position	<u>\$ 1,361</u>	<u>\$ 7,848,971</u>

See accompanying Notes to Financial Statements.

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2020

	Private Purpose Trust Funds	Pension Trust Funds
ADDITIONS:		
CONTRIBUTIONS		
Employer	\$ -	\$ 1,829,933
Plan Members	-	31,753
Total Contributions	-	1,861,686
INVESTMENT EARNINGS		
Net Increase in Fair Value	-	384,410
Interest and Dividends	29	325,670
Total Investment Earnings	29	710,080
MISCELLANEOUS REVENUES	-	168
Total Additions	29	2,571,934
DEDUCTIONS:		
BENEFIT PAYMENTS	-	8,709,430
ADMINISTRATIVE EXPENSES	-	150,841
Total Deductions	-	8,860,271
CHANGE IN NET POSITION	29	(6,288,337)
Net Position - Beginning of Year	1,332	14,137,308
NET POSITION - END OF YEAR	\$ 1,361	\$ 7,848,971

See accompanying Notes to Financial Statements.



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**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 REPORTING ENTITY

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

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

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

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

City of Brooksville Community Redevelopment Agency

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

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 REPORTING ENTITY (CONTINUED)

Brooksville Housing Authority

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements - Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

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

The City operates the following major governmental funds:

Governmental Funds

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Government Funds (Continued)

- The **Road Impact Fees Fund**, a major special revenue fund, accounts for impact fees restricted by Section 163.31801, Florida Statutes, to acquire, construct, or improve capital facilities to benefit new users.

Proprietary Funds

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

The City reports the following major proprietary funds:

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

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

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

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City activities or obligations. As a result, they are excluded from the government-wide financial statements.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Fiduciary Funds (Continued)

The City reports the following fiduciary funds:

- The **Butterweck Bond Fund**, a private purpose trust fund, accounts for the fiscal activity to maintain Butterweck Crypt at Brooksville Cemetery.
- The **Fireman's Retirement Fund**, a pension trust fund, accounts for the firefighter's pension benefits, contractual services, and investment services.
- The **Police Retirement Fund**, a pension trust fund, accounts for the police pension benefits, contractual services, and investment services.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Budgets and Budgetary Accounting

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

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

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

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds.

Pooled Cash and Investments

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowances for Uncollectibles

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

Investments

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

Inventories

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are recorded using the consumption method of accounting. Under the consumption method, goods and services paid for in advance are reported as an asset until the period in which the goods and services are actually consumed.

Capital Assets

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The City is not required to, and does not, report infrastructure assets acquired prior to October 1, 1979.

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

Compensated Absences

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

Governmental Fund Balances

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

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

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

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

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

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

Minimum Fund Balance Policy

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

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

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

Net Position

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

Statement of Cash Flows

For purposes of the statement of cash flows, the City has included checking accounts, certificates of deposit, and cash on hand as part of cash and cash equivalents. Cash equivalents are defined as those with original maturities of 90 days or less.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Pensions

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

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

Deferred Outflows/Inflows of Resources

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

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

NOTE 3 CASH AND INVESTMENTS

Cash Deposits

As of September 30, 2020, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2020, the carrying amount of the City's deposits was \$9,972,093 and the bank balances were \$10,195,878. The City also had \$1,900 cash on hand at September 30, 2020.

Custodial Risk

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2020, pension trust fund investments totaled \$7,239,078.

Investments in Local Government Investment Pools (LGIP)

The City invests funds throughout the year with Florida PRIME, an investment pool administered by the State Board of Administration, under the regulatory oversight of the state of Florida. Investments in Florida PRIME are made pursuant to Chapter 125.31, Florida Statutes. The investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates. These investments represented 17.8% of Florida PRIME's portfolio at September 30, 2020.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments in State Investment Pool (Continued)

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

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

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

Credit Risk

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

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

Investments in Florida PRIME must carry an “AAAm” rating from Standard and Poor’s. On September 30, 2020, Standard and Poor’s Ratings Services assigned the Florida PRIME an “AAAm” principal stability funding rating.

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

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
LGIP - SBA Florida PRIME	AAAm	\$ 1,603,198	13.94%
LGIP - FMIvT: 0-2 Year High Quality Bond	AAAf/S1	7,545,843	65.61%
LGIP - FMIvT: 1-3 Year High Quality Bond	AAAf/S2	1,592,568	13.85%
LGIP - FMIvT: Intermediate High Quality Bond Fund	AAAf/S3	759,567	6.60%
Total		<u>\$ 11,501,176</u>	<u>100.00%</u>

The police pension fund invests in a high quality money market portfolio that comprises U.S. government and U.S. Treasury securities. The Fire Pension Fund limits its credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

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

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Fixed Income:			
U.S. Government Obligations	AA+	\$ 234,234	3.24%
Mortgage/Asset Backed Securities	No Rating	98,446	1.36%
Mortgage/Asset Backed Securities	AA+	533,942	7.38%
Mutual Funds (Bond Funds)	No Rating	227,018	3.14%
Corporate Bonds	AAA	14,523	0.20%
Corporate Bonds	AA	6,913	0.10%
Corporate Bonds	A	399,538	5.52%
Corporate Bonds	BBB	472,016	6.52%
Corporate Bonds	No Rating	9,997	0.14%
Foreign Bonds NTS	AA	19,255	0.27%
Foreign Bonds NTS	A	11,262	0.16%
Foreign Bonds NTS	BBB	125,366	1.73%
Domestic Equities	No Rating	3,597,622	49.70%
International Equities	No Rating	833,875	11.52%
Real Estate Fund	No Rating	655,071	9.05%
Total		<u>\$ 7,239,078</u>	<u>100.00%</u>

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy, not including pensions, requires that investments be diversified by security type and institution. Approximately 86% of the City's investments are in Florida Municipal Investment Trust. Approximately 14% of the City's Investments are in the Local Government Surplus Trust Fund investment pool.

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

The Police Pension Fund may not exceed 70% of the net asset value of the plan in fund equities. At September 30, 2020 holdings were all in cash equivalents.

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

Interest Rate Risk

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

The weighted average days to maturity (WAM) of Florida PRIME as of September 30, 2020 was 48 days. Next interest rate reset dates for floating securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME at September 30, 2020 was 63 days.

<u>Investment Type</u>	<u>Average Duration</u>
LGIP - SBA Florida PRIME	0.13
LGIP - FMLvT: 0-2 Year High Quality Bond	0.65
LGIP - FMLvT: 1-3 Year High Quality Bond	1.49
LGIP - FMLvT: Intermediate High Quality Bond Fund	3.10

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The Fire Pension Fund maturities are as follows:

	Fixed Income Investments
Less than One Year	\$ 61,002
One to Five Years	599,940
Five to Ten Years	416,751
More than Ten Years	1,074,817
Total Fair Value	<u>\$ 2,152,510</u>

Foreign Currency Risk

The City is not exposed to any foreign currency risk.

Fair Value Measurements

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

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

		Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	September 30, 2020			
Investments by Fair Value Level:				
LGIP - FMIvT: 0-2 Year High Quality Bond	\$ 7,545,843	\$ -	\$ 7,545,843	\$ -
LGIP - FMIvT: 1-3 Year High Quality Bond	1,592,568	-	1,592,568	-
LGIP - FMIvT: Intermediate High Quality Bond Fund	759,567	-	759,567	-
	9,897,978	<u>\$ -</u>	<u>\$ 9,897,978</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
LGIP - SBA Florida PRIME	1,603,198			
Total Investments Measured at Amortized Cost	1,603,198			
Total Investments	\$ 11,501,176			

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

FMLvT 0-2 Year High Quality Bond Fund

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

FMLvT 1-3 Year High Quality Bond Fund

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

FMLvT Intermediate High Quality Bond Fund

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

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

		Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	September 30, 2020			
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Obligations	\$ 234,234	\$ -	\$ 234,234	\$ -
Mutual Funds (Bond Funds)	227,018	227,018	-	-
Mortgage/Asset Backed Securities	632,388	-	632,388	-
Corporate and Foreign Bonds	1,058,870	-	1,058,870	-
Subtotal - Debt Securities	2,152,510	227,018	1,925,492	-
Marketable Equity Funds:				
Domestic	3,597,622	3,597,622	-	-
International	833,875	833,875	-	-
Subtotal - Marketable Equity Funds	4,431,497	4,431,497	-	-
Total Investments at Fair Value Level	6,584,007	\$ 4,658,515	\$ 1,925,492	\$ -
Investments by Net Asset Value (NAV)				
Real Estate Fund	655,071			
Total Investments Measured at the NAV	655,071			
Total Investments	\$ 7,239,078			

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

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

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 655,071	\$ 383	Quarterly	Daily

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

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

Deposits	\$ 9,972,093
Cash on Hand	1,900
Investments	18,740,254
Total	<u>\$ 28,714,247</u>
Statement of Net Position:	
Cash and investments	\$ 19,594,779
Restricted Cash and Investments	1,280,875
Statement of Fiduciary Net Positions:	
Pooled Cash	599,515
Investments	7,239,078
Total Cash and Investments	<u>\$ 28,714,247</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To/From Other Funds

The balances due to/from other funds were as follows at September 30, 2020:

<u>Due To/From Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 65,943	\$ 4,661
Fire Department Fund	1,879	-
Nonmajor Governmental Funds	4,661	67,822
Total	<u>\$ 72,483</u>	<u>\$ 72,483</u>

Advance To/From Other Funds

The balance advanced to/from other funds was as follows at September 30, 2020:

<u>Advances To/From Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 68,099	\$ -
Utilities Fund	-	68,099
Total	<u>\$ 68,099</u>	<u>\$ 68,099</u>

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

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2020:

<u>Transfers In/Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 786,259	\$ 1,942,412
Fire Department Fund	1,004,079	7,563
Local Option Gas Tax Fund	1,242,123	1,683
Utility Fund	-	938,117
Sanitation Fund	-	156,562
Nonmajor Governmental Funds	653,966	640,090
Total Transfers In/Transfers Out	<u>\$ 3,686,427</u>	<u>\$ 3,686,427</u>

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

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 CAPITAL ASSETS

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

	Balance September 30, 2019	Additions	Deletions	Balance September 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,510,978	\$ -	\$ -	\$ 1,510,978
Construction in Progress	2,643,670	244,365	113,008	2,775,027
Total Nondepreciable	4,154,648	244,365	113,008	4,286,005
Capital Assets, Being Depreciated:				
Buildings	6,385,097	357,077	-	6,742,174
Improvements Other Than Buildings	6,611,204	7,250	-	6,618,454
Equipment	4,903,819	78,264	40,523	4,941,560
Total Depreciable	17,900,120	442,591	40,523	18,302,188
Less: Accumulated Depreciation for:				
Buildings	2,922,894	216,816	-	3,139,710
Improvements Other Than Buildings	3,842,915	287,270	-	4,130,185
Equipment	3,032,770	322,083	40,523	3,314,330
Total Accumulated Depreciation	9,798,579	826,169	40,523	10,584,225
Total Capital Assets, Being Depreciated, Net	8,101,541	(383,578)	-	7,717,963
Governmental Activities Capital Assets, Net	<u>\$ 12,256,189</u>	<u>\$ (139,213)</u>	<u>\$ 113,008</u>	<u>\$ 12,003,968</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance September 30, 2019	Additions	Deletions	Balance September 30, 2020
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,195,932	\$ -	\$ -	\$ 1,195,932
Construction in Progress	750,390	173,691	41,625	882,456
Total Nondepreciable	1,946,322	173,691	41,625	2,078,388
 Capital Assets, Being Depreciated:				
Buildings	472,671	8,031	-	480,702
Improvements Other Than Buildings	53,478,459	-	-	53,478,459
Machinery and Equipment	3,975,800	173,000	153,614	3,995,186
Total Depreciable	57,926,930	181,031	153,614	57,954,347
 Less: Accumulated Depreciation for:				
Buildings	266,112	18,146	-	284,258
Improvements Other Than Buildings	25,845,379	1,518,897	-	27,364,276
Equipment	3,166,775	210,186	153,432	3,223,529
Total Accumulated Depreciation	29,278,266	1,747,229	153,432	30,872,063
 Total Capital Assets, Being Depreciated, Net	28,648,664	(1,566,198)	182	27,082,284
 Business-Type Activities				
Capital Assets, Net	\$ 30,594,986	\$ (1,392,507)	\$ 41,807	\$ 29,160,672

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

Governmental Activities:

General Government	\$ 288,156
Public Safety	149,798
Physical Environment	88,270
Culture and Recreation	155,894
Transportation	144,051
Total Depreciation for Governmental Activities	<u>\$ 826,169</u>

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

Utility Fund	\$ 1,634,493
Sanitation Fund	112,736
Total Depreciation for Business-Type Activities	<u><u>\$ 1,747,229</u></u>

NOTE 6 LONG-TERM LIABILITIES

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

	Balance October 1, 2019	Additions	Deductions	Balance September 30, 2020	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Direct Placements:					
2006 Capital Improvement					
Revenue Bonds	\$ 128,000	\$ -	\$ 8,000	\$ 120,000	\$ 8,000
2016 Capital Improvement					
Revenue Bond	83,737	-	5,574	78,163	5,706
Total Direct Placements	211,737	-	13,574	198,163	13,706
Direct Borrowings:					
Promissory Note	101,141	-	53,898	47,243	47,243
2011 Capital Improvement					
Revenue Note	1,893,029	-	228,944	1,664,085	237,259
Patch Truck Note	97,223	-	12,371	84,852	12,845
Total Direct Borrowings	2,091,393	-	295,213	1,796,180	297,347
Compensated Absences	146,443	203,819	197,196	153,066	50,766
Governmental Activity					
Long-Term Liabilities	<u><u>\$ 2,449,573</u></u>	<u><u>\$ 203,819</u></u>	<u><u>\$ 505,983</u></u>	<u><u>\$ 2,147,409</u></u>	<u><u>\$ 361,819</u></u>
BUSINESS-TYPE ACTIVITIES					
Direct Placement:					
2013 Water and Sewer					
Refunding Revenue Bonds	\$ 5,931,886	\$ -	\$ 635,700	\$ 5,296,186	\$ 651,700
Direct Borrowings:					
Wastewater /ARRA Loan	397,772	-	30,589	367,183	31,295
Direct State Revolving Fund Loan	263,072	-	20,230	242,842	20,698
Total Direct Borrowings	660,844	-	50,819	610,025	51,993
Compensated Absences	51,757	98,129	102,551	47,335	17,434
Other Long-Term Liabilities	2,611,352		69,804	2,541,548	-
Business-Type Activity					
Long-Term Liabilities	<u><u>\$ 9,255,839</u></u>	<u><u>\$ 98,129</u></u>	<u><u>\$ 858,874</u></u>	<u><u>\$ 8,495,094</u></u>	<u><u>\$ 721,127</u></u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The following bonds payable and notes payable were outstanding at September 30, 2020:

Direct Placement - 2006 Capital Improvement Revenue

In November 2006, the City issued \$258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2020 was \$68,099 as disclosed in Note 4.

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

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

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

Direct Placement - 2016 Capital Improvement Revenue

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

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

Direct Placement - 2013 Water and Sewer Refunding Revenue

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

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

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

The annual requirements to amortize direct placements as of September 30, 2020 are as follows:

Year	Governmental Activities				Business-Type Activities	
	Direct Placements				Direct Placements	
	2006 Capital Improvement Revenue Bonds		2016 Capital Improvement Revenue Bonds		2013 Water and Sewer Refunding Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 8,000	\$ 4,950	\$ 5,706	\$ 1,856	\$ 651,700	\$ 152,389
2022	9,000	4,620	5,842	1,721	667,710	132,928
2023	9,000	4,249	5,981	1,582	684,110	112,990
2024	9,000	3,878	6,123	1,440	700,720	92,802
2025	10,000	3,506	6,268	1,295	718,140	71,638
2026-2030	55,000	11,097	33,645	4,169	1,873,806	84,128
2031-2035	20,000	1,155	14,598	522	-	-
Total	<u>\$ 120,000</u>	<u>\$ 33,455</u>	<u>\$ 78,163</u>	<u>\$ 12,585</u>	<u>\$ 5,296,186</u>	<u>\$ 646,875</u>

Direct Borrowings - Notes Payable

Notes payable included in long-term liabilities as of September 30, 2020 are as follows:

	Amount
Governmental Activities:	
4.23% note payable to SunTrust Bank; interest only payable for the first two quarters; principal and interest payable quarterly beginning July 26, 2007 until May 10, 2021; used to purchase a 2006 Sutphan Fire Aerial Platform Truck.	\$ 47,243
The note contains a provision that in the event of default, all payments may become due and payable.	
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects.	1,664,085
The note contains a provision that in the event of default, additional interest will be required at the daily equivalent rate of 12 % per annum and payments may be accelerated.	
3.77% note payable to SunTrust Bank; principal and interest payable monthly beginning October 14, 2018 until September 14, 2026; used to purchase a Patch Truck	84,852
The note contains a provision that in the event of default, all payments may become due and payable.	
Total	<u>\$ 1,796,180</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Direct Borrowings - Notes Payable (Continued)

Business-Type Activities:

2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031 \$ 367,183

The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.

2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged revenues; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031 242,842

The note contains a provision that in the event of default, the repayment schedule may be accelerated or the financing rate on the unpaid principal may be increased to as much as 1.667 times the financing rate.

Total		\$ 610,025
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The annual requirements to amortize direct borrowings as of September 30, 2020 are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Direct Borrowings</u>		<u>Direct Borrowings</u>	
	Principal	Interest	Principal	Interest
2021	\$ 297,347	\$ 68,197	\$ 51,993	\$ 13,734
2022	261,921	57,681	53,196	12,532
2023	272,874	46,729	54,427	11,299
2024	284,287	35,317	55,686	10,041
2025	296,174	23,429	56,974	8,752
2026-2030	383,577	11,821	305,261	23,374
2031-2035	-	-	32,488	374
Total	\$ 1,796,180	\$ 243,174	\$ 610,025	\$ 80,106

Compensated Absences

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Other Long-Term Liabilities

The City has recorded a liability for the water and sewer impact fee credits. As of September 30, 2020 the liability is \$2,541,548.

NOTE 7 DEFINED BENEFIT PENSION PLANS

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

The statements of fiduciary net position for the two pension plans at September 30, 2020, are as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ASSETS			
Cash and Pooled Cash	\$ 103,333	\$ 494,821	\$ 598,154
Investments:			
Debt Securities	2,152,510	-	2,152,510
Marketable Equity Securities	4,431,497	-	4,431,497
Real Estate Fund	655,071	-	655,071
Accounts Receivable	11,739	-	11,739
Total Assets	<u>7,354,150</u>	<u>494,821</u>	<u>7,848,971</u>
NET POSITION			
Restricted for Pension Benefits	<u>\$ 7,354,150</u>	<u>\$ 494,821</u>	<u>\$ 7,848,971</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

The statement of changes in fiduciary net position for the two pension plans for the year ended September 30, 2020 is as follows:

	Firefighter's Retirement Trust	Retired Police Officers' Substituted Trust	Total
ADDITIONS			
Contributions:			
Employer	\$ 311,718	\$ 1,518,215	\$ 1,829,933
Plan Members	31,753	-	31,753
Total Contributions	<u>343,471</u>	<u>1,518,215</u>	<u>1,861,686</u>
Investment Income:			
Net Increase in Fair Value	384,410	-	384,410
Interest/Dividends	<u>297,411</u>	<u>28,259</u>	<u>325,670</u>
Total Investment Earnings	681,821	28,259	710,080
Miscellaneous Revenue	<u>168</u>	-	<u>168</u>
Total Additions	<u>1,025,460</u>	<u>1,546,474</u>	<u>2,571,934</u>
DEDUCTIONS			
Benefit Payments	435,200	8,274,230	8,709,430
Administrative Expenses	<u>81,304</u>	<u>69,537</u>	<u>150,841</u>
Total Deductions	<u>516,504</u>	<u>8,343,767</u>	<u>8,860,271</u>
CHANGE IN NET POSITION	508,956	(6,797,293)	(6,288,337)
Net Position - Beginning of Year	<u>6,845,194</u>	<u>7,292,114</u>	<u>14,137,308</u>
NET POSITION - END OF YEAR	<u><u>\$ 7,354,150</u></u>	<u><u>\$ 494,821</u></u>	<u><u>\$ 7,848,971</u></u>

Summary of Significant Accounting Policies

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Firefighter's Retirement Trust Fund Chapter 175

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

Plan Description

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

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

Plan Administration

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Firefighter's Plan membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	22
Active Plan Members	19
Total	59

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

Benefits Provided

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

Normal Retirement

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

Early Retirement

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

Cost-of-Living Adjustment

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

Vesting

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

Disability

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Plan Description (Continued)

Pre-Retirement Death Benefits

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

Post-Retirement Death Benefits

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

Contributions

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

Investment Policy

The following is the Firefighter's Plan's Board of Trustees adopted asset allocation policy as of September 30, 2020:

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

Concentrations

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

Rate of Return

For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amount actually invested.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Actuarial Assumptions

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

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

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Discount Rate

The discount rate used to measure the total pension liability was 7.65%, which was no change from the discount rate used for the prior measurement. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighter's Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Deferred Retirement Option Program

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

The DROP balance as of September 30, 2020 is \$61,134.

Net Pension Liability

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

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Sponsor's Net Pension Liability	\$ 1,000,793	\$ 137,204	\$ (581,029)

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

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

Total Pension Liability	\$ 7,491,354
Less: Plan Fiduciary Net Position	7,354,150
Sponsor's Net Pension Liability	<u>\$ 137,204</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.17%

The schedule of changes in Net Pension Liability on September 30, 2020 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 7,392,518	\$ 6,845,194	\$ 547,324
Changes for a Year:			
Service Cost	143,254	-	143,254
Interest	563,667	-	563,667
Change in Excess State Money	(1,273)	-	(1,273)
Difference between Expected and Actual Experience	(9,804)	-	(9,804)
Assumption Changes	(161,047)	-	(161,047)
Contributions - Employer	-	244,967	(244,967)
Contributions - State	-	66,751	(66,751)
Contributions - Employee	-	31,753	(31,753)
Net Investment Income	-	681,821	(681,821)
Benefit Payments, Including Refunds of Employee Contributions	(435,961)	(435,200)	(761)
Administrative Expense	-	(81,304)	81,304
Other Changes	-	168	(168)
Net Changes	<u>98,836</u>	<u>508,956</u>	<u>(410,120)</u>
Balances at September 30, 2020	<u>\$ 7,491,354</u>	<u>\$ 7,354,150</u>	<u>\$ 137,204</u>

For the year ended September 30, 2020, the City recognized pension expense of \$18,483. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 22,170
Changes of Assumptions	-	80,524
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,902
Total	<u>\$ -</u>	<u>\$ 107,596</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Firefighter's Retirement Trust Fund Chapter 175 (Continued)

Net Pension Liability (Continued)

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ (111,625)
2022	18,404
2023	10,738
2024	(25,113)
Total	<u>\$ (107,596)</u>

City of Brooksville Retired Police Officers' Substituted Trust Fund

Plan Description

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

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

Plan Administration

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 **DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

Plan Description (Continued)

Plan membership as of October 1, 2020:

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

The inactive plan members entitled to but not yet receiving benefits are those who were not fully vested in the Prior Plan prior to termination but are still due a refund of unvested contributions totaling \$4,417 as of September 30, 2020.

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

Benefits Provided

The Plan provides retirement, disability, and death benefits.

Normal Retirement

Date	20 years of Credited Service before May 31, 2018, regardless of age; or attainment of age 55 and completion of 6 years of credited service.
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Benefit	4.00% of Average Final Compensation times credited service.
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Early Retirement

Eligibility	Age 50 and 6 years of credited service.
Benefit	Accrued benefit, reduced 3.00% per year.

Cost-of-Living Adjustment

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

Disability

There are no retired members entitled to disability benefits.

Death Benefits

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

Contributions

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Investment Policy

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

Concentrations

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

Rate of Return

For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of Pension Plan investment expense, was 0.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

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

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

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Discount Rate

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Net Pension Liability

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

	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Asset	\$ (119,071)	\$ (155,558)	\$ (186,695)

The components of the net pension asset of the City on September 30, 2020 were as follows:

Total Pension Liability	\$ 339,263
Less: Plan Fiduciary Net Position	494,821
Sponsor's Net Pension Asset	<u>\$ (155,558)</u>

Plan Fiduciary Net Position as a Percentage of Total Pension Liability	145.85%
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The schedule of changes in Net Pension Liability (Asset) on September 30, 2020 was as follows:

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at September 30, 2019	\$ 8,397,630	\$ 7,292,114	\$ 1,105,516
Changes for a Year:			
Interest	308,887	-	308,887
Plan Termination	(83,569)	-	(83,569)
Changes of Assumptions	(9,455)	-	(9,455)
Contributions - Employer	-	1,518,215	(1,518,215)
Net Investment Income	-	28,259	(28,259)
Benefit Payments, Including Refunds of Employee Contributions	(8,274,230)	(8,274,230)	-
Administrative Expense	-	(69,537)	69,537
Net Changes	<u>(8,058,367)</u>	<u>(6,797,293)</u>	<u>(1,261,074)</u>
Balances at September 30, 2020	<u>\$ 339,263</u>	<u>\$ 494,821</u>	<u>\$ (155,558)</u>

Of the \$8,274,230 in benefit payments for fiscal year 2020, \$8,168,950 was paid out to 18 retirees who elected payment in cash or purchase of an insured annuity by March 2, 2020, the prior plan termination date. The remaining \$105,280 is recurring monthly benefit payments. \$89,710 was for 10 retirees of the prior plan and \$15,570 was for 2 retirees who elected the Substituted Trust Fund Plan.

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Police Retirement Trust Fund Chapter 185 (Continued)

Net Pension Liability (Continued)

For the year ended September 30, 2020, the City recognized pension expense of (\$5,711). On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 206,336	\$ -

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 51,584
2022	51,584
2023	51,584
2024	51,584

Florida Retirement System Pension Plan

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

Background

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Background (Continued)

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

Plan Description

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the City, effective July 1, 2019, were applied to employee salaries as follows: regular employees 6.75%, city elected officials 47.10%, senior management 23.69%, and DROP participants 12.94%. The City's contributions to the FRS Plan were \$203,887 for the year ended September 30, 2020.

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2020, the City reported a liability of \$2,533,005 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the City's proportion was 0.005844299%, which was a decrease of 0.001221972% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$450,731 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual		
Economic Experience	\$ 96,943	\$ -
Changes in Actuarial Assumptions	458,554	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	150,817	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	7,554	399,025
City Contributions Subsequent to the Measurement Date	62,448	-
Total	<u>\$ 776,316</u>	<u>\$ 399,025</u>

\$62,448 reported as deferred outflows of resources related to pensions resulting from City contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 60,104
2022	141,675
2023	105,643
2024	36,619
2025	(29,198)
Total	<u>\$ 314,843</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions

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

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.80%

Mortality rates were based on the PUB-2010 base table, varies by member category and sex, projected generationally with scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	2.2%	2.2%	1.2%
Fixed Income	19.0	3.0%	2.9%	3.5%
Global Equity	54.2	8.0%	6.7%	17.1%
Real Estate	10.3	6.4%	5.8%	11.7%
Private Equity	11.1	10.8%	8.1%	25.7%
Strategic Investments	4.4	5.5%	5.3%	6.9%
Total	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4%	1.7%

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.80% for the FRS Plan, which was a 0.10% decrease from the 6.90% rate as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
FRS Plan Discount Rate	5.80%	6.80%	7.80%
City's Proportionate Share of the FRS Plan Net Pension Liability	\$ 4,044,784	\$ 2,533,005	\$ 1,270,361

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$42,227 for the year ended September 30, 2020.

Pension Costs

At September 30, 2020, the City reported a liability of \$878,247 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the City's proportion was 0.007192943%, which was a decrease of 0.000133648% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$49,641 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 35,926	\$ 678
Changes in Actuarial Assumptions	94,437	51,067
Net Difference Between Projected and Actual Earnings on HIS Program Investments	701	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	8,301	91,999
City Contributions Subsequent to the Measurement Date	11,648	-
Total	<u>\$ 151,013</u>	<u>\$ 143,744</u>

\$11,648 reported as deferred outflows of resources related to pensions resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 3,826
2022	1,566
2023	(12,716)
2024	(6,634)
2025	1,607
Thereafter	7,972
Total	<u>\$ (4,379)</u>

Actuarial Assumptions

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

Inflation	2.60% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.21%

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 2.21% for the HIS Plan, which was a 1.29% decrease from the 3.50% rate as of June 30, 2019. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase
HIS Plan Discount Rate	1.21%	2.21%	3.21%
City's Proportionate Share of the HIS Plan Net Pension Liability	\$ 1,015,214	\$ 878,247	\$ 766,139

Pension Plan Fiduciary Net Position

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Summary

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

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	FRS Plan	HIS Plan	Total
Net Pension Asset	\$ -	\$ 155,558	\$ -	\$ -	\$ 155,558
Net Pension Liability	137,204	-	2,533,005	878,247	3,548,456
Deferred Outflows of Resources	-	206,336	776,316	151,013	1,133,665
Deferred Inflows of Resources	107,596	-	399,025	143,744	650,365
Pension Expense	18,483	(5,711)	450,731	49,641	513,144

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN

Investment Plan

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

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8 DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

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

The City's Investment Plan pension expense totaled \$61,075 for the year ended September 30, 2020. Employee contributions to the Investment Plan totaled \$18,264 for the year ended September 30, 2020.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

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

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries	22
Active Plan Members	83
Total	<u>105</u>

Total OPEB Liability

The City's Total OPEB liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2018 rolled forward to the measurement date of September 30, 2019. The following table shows the City's total OPEB liability for the year ended September 30, 2020.

	Total OPEB Liability
Balance - October 1, 2019	\$ 500,666
Changers for the Year:	
Service Cost	29,828
Interest	20,131
Changes of Benefit Terms	3,142
Changes in Assumptions	106,530
Benefit Payments	<u>(9,779)</u>
Net Changes	<u>149,852</u>
Balance - September 30, 2020	<u>\$ 650,518</u>

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate Sensitivity

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

Description	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Plan Discount Rate	1.75%	2.75%	3.75%
Total OPEB Liability	\$ 777,792	\$ 650,518	\$ 550,523

Healthcare Trend Rate Sensitivity

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

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
OPEB Plan Healthcare Cost Rate	6.00%	7.00%	8.00%
Total OPEB Liability	\$ 607,810	\$ 650,518	\$ 705,646

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

For the year ended September 30, 2020, the City recognized an OPEB expense of \$65,507. In addition, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 90,630	\$ 16,423
Contributions Subsequent to the Measurement Date	13,195	-
Total	<u>\$ 103,825</u>	<u>\$ 16,423</u>

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

\$13,195 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized as an increase in OPEB expense as follows:

<u>Year Ending September 30.</u>	<u>Amount</u>
2021	\$ 12,406
2022	12,406
2023	12,406
2024	12,406
2025	13,454
Thereafter	11,129
Total	<u>\$ 74,207</u>

Actuarial Assumptions

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	Employees other than firefighters: Salary increase rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System for Regular Class members; 3.7% - 7.8%, including inflation. Firefighters: Salary increase rates used by the pension actuary in the September 30, 2018 actuarial valuation of the City's Firefighters' Retirement Trust Fund.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 3.99% by 2040. 0.61% is added to the ultimate rate as an estimate of excise tax impact.

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

Mortality rates were based on the RP-2000 Mortality Table published by the Society of Actuaries with collar adjustments based on the results of a statewide experience study covering the period 2008 through 2013. Mortality rates for non-disabled members are generationally projected using mortality improvements using scale BB.

The discount rate used to measure the total OPEB liability was 2.75%, based on a daily rate closest to but not later than the measurement date of Fidelity's "20-year Municipal GO AA Index."

The discount rate was 3.83% as of the beginning of the measurement year.

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10 TRUST FUNDS

Butterweck Bond Fund

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2020, the balance remaining is \$1,361.

NOTE 11 PROPERTY TAXES

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

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

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

NOTE 12 RISK MANAGEMENT

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 13 IMPACT FEES

On September 20, 2005 the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011, and impact fees were reinstated for year ending September 30, 2015. As of September 30, 2020, the City had the following in prepaid impact fees: Road Impact Fees \$4,779, Public Building Impact Fees \$525; Police Impact Fees \$341; Fire Impact Fees \$230; and Parks Impact Fees \$318. The amounts are reflected as unearned revenues in the accompanying financial statements.

CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 14 GOVERNMENTAL FUND BALANCE CLASSIFICATION

The specific purpose detail for the fund balances of governmental funds as of September 30, 2020 were as follows:

	Major Funds						
	General Fund	City of Brooksville Community Redevelopment Agency	Fire Department Fund	Local Option Gas Tax Fund	Road Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ 2,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,995
Prepaid Items	108,991	-	2,060	-	-	2,001	113,052
Note Receivable	67,500	-	-	-	-	-	67,500
Advance to Other Funds	68,099	-	-	-	-	-	68,099
Cemetery:							
Perpetual Care	-	-	-	-	-	245,208	245,208
Total Nonspendable	247,585	-	2,060	-	-	247,209	496,854
Restricted:							
Community Redevelopment	-	381,263	-	-	-	-	381,263
Law Enforcement	-	-	-	-	-	205,292	205,292
Infrastructure Projects	-	-	-	-	2,495,421	582,050	3,077,471
Enrichment Center	-	-	-	-	-	4,379	4,379
Transportation	-	-	-	-	-	466,253	466,253
Capital Projects	-	-	-	-	-	81	81
Debt Service	-	-	-	-	-	80,131	80,131
Total Restricted	-	381,263	-	-	2,495,421	1,338,186	4,214,870
Committed:							
Traffic Camera	-	-	-	-	-	8,710	8,710
Assigned:							
Fire	-	-	302,596	-	-	-	302,596
Transportation	-	-	-	846,355	-	-	846,355
Capital Projects	-	-	-	-	-	124,013	124,013
Cemetery:							
Perpetual Care	-	-	-	-	-	186,735	186,735
Total Assigned	-	-	302,596	846,355	-	310,748	1,459,699
Unassigned (Deficit)	2,487,897	-	-	-	-	(1,877)	2,486,020
Total Fund Balance	\$ 2,735,482	\$ 381,263	\$ 304,656	\$ 846,355	\$ 2,495,421	\$ 1,902,976	\$ 8,666,153

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 15 COMMITMENTS AND CONTINGENCIES

Commitments

The City routinely enters into various construction commitments. As of September 30, 2020, the City has the following outstanding major construction commitments in process:

<u>Project</u>	<u>Project Authorization</u>	<u>Expended in Prior Years</u>	<u>Expended in September 30, 2020</u>	<u>Commitment</u>
Governmental Activities:				
Jereome Brown Parking Lot Repairs	\$ 7,500	\$ -	\$ 1,250	\$ 6,250
Adult Softball Field Lights	363,160	-	236,490	126,670
Total Governmental Activities	<u>\$ 370,660</u>	<u>\$ -</u>	<u>\$ 237,740</u>	<u>\$ 132,920</u>
Business-Type Activities:				
Lamar Ave. Drinking Water Plant	\$ 79,740	\$ -	\$ 18,287	\$ 61,453
Waterline Relocate - GNT	64,438	-	19,633	44,805
Cortez Blvd. Master Lift Station Project	120,120	-	15,071	105,049
Reclaimed Water to Cascades	43,255	-	1,049	42,206
Oxidation Ditch	190,045	-	119,652	70,393
Total Business-Type Activities	<u>\$ 497,598</u>	<u>\$ -</u>	<u>\$ 173,692</u>	<u>\$ 323,906</u>

Contingencies

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

At September 30, 2020, the City held approximately \$1.7 million of road impact fees that were collected more than ten years ago. A significant portion of these impact fees have been encumbered.

Grants

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

**CITY OF BROOKSVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 16 FUND BALANCE DEFICIT

The Capital Improvement Revenue Loan- 2016 Fund had a deficit in fund balance of \$1,877. As this balance is primarily the result of a balance due to other funds, management believes this deficit will be recovered through forgiveness of balances due to other funds.

NOTE 17 SUBSEQUENT EVENTS

On March 8, 2021 the City entered into a lease in the amount of \$310,877 for financing a mini pumper fire truck. The interest rate is 2.13% with a final maturity on March 8, 2036.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
FIREFIGHTERS' RETIREMENT TRUST FUND CHAPTER 175 PLAN (CONTINUED)
LAST TEN FISCAL YEARS ¹**

Notes to Schedule:

** The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.*

Changes of Benefit Terms:

** For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.*

Changes of Assumptions:

** For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.*

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

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

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

Notes to Schedule:

Plan Termination:

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

The former Police Retirement Trust Fund Chapter 185 Plan has been terminated and a substituted trust for the distribution of pension benefits to retired and former police officers became effective as of March 2, 2020.

The City is treating the Retired Police Officers' Substituted Trust Fund Plan as a continuation of the prior plan for financial reporting and disclosure purposes. Therefore, the City continues to report up to 10 years of information.

Of the \$8,274,230 in benefit payments for fiscal year 2020, \$8,168,950 was paid out to 18 retirees who elected payment in cash or purchase of an insured annuity by March 2, 2020, the prior plan termination date. The remaining \$105,280 is recurring monthly benefit payments. \$89,710 was for 10 retirees of the prior plan and \$15,570 was for 2 retirees who elected the Substituted Trust Fund Plan.

Employer contributions for fiscal year 2020 were required in order to pay current costs, including benefit payments.

Changes of Assumptions:

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 310,150	\$ 291,265	\$ 316,975	\$ 336,626	\$ 348,049	\$ 387,364	\$ 397,604	\$ 380,520	\$ 385,265	\$ 327,142
Contributions in Relation to the Actuarially Determined Contributions	<u>310,150</u>	<u>291,265</u>	<u>316,975</u>	<u>336,626</u>	<u>348,049</u>	<u>387,364</u>	<u>398,569</u>	<u>379,874</u>	<u>391,810</u>	<u>311,718</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (965)</u>	<u>\$ 646</u>	<u>\$ (6,545)</u>	<u>\$ 15,424</u>
Covered Payroll *	\$ 764,108	\$ 650,368	\$ 612,631	\$ 614,729	\$ 732,006	\$ 749,109	\$ 786,866	\$ 790,608	\$ 940,588	\$ 939,524
Contributions as a Percentage of Covered Payroll	40.59%	44.78%	51.74%	54.76%	47.55%	51.71%	50.65%	48.05%	41.66%	33.18%

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

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

Notes to the Schedule of Contributions

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

Mortality Rate: *Healthy Lives:*

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

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

Healthy Retiree Lives:

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

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Disabled Lives:

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

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

We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by

Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Termination Rates See tables below. This assumption is based on the results of an experience study performed March 28, 2012.

Disability Rates: See Tables below. It is assumed that 75% of disablements and active Member deaths are service related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age: Earlier of age 55 and the completion of 10 years of service, or the completion of 20 years of service regardless of age, or age 60, regardless of service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. We feel this assumption is reasonable based on the plan provisions.

Early Retirement: Commencing upon a Member's eligibility for Early Retirement (Age 50 with 10 years of Credited Service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We feel this assumption is reasonable based on the plan provisions.

Interest Rate: 7.75% per year, compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases: 6.5% per year until retirement age; see Table on the following page. This assumption is consistent with long term Plan experience. Final salary in year of retirement is increased individually to account for additional non-regular.

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

Notes to the Schedule of Contributions (Continued)

Payroll Increase: None.
 Cost of Living Adjustments: 3% per year, from age 55 to 65.
 Funding Method: Entry Age Normal Actuarial Cost Method.
 Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminated During the Year	% Becoming Disabled During the Year
20	12.00%	0.03%
30	10.00%	0.04%
40	5.20%	0.07%
50	1.60%	0.18%



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 401,006	\$ 394,875	\$ 397,020	\$ 386,212	\$ 378,753	\$ 422,523	\$ 383,475	\$ 279,631	\$ 90,622	\$ 97,133
Contributions in Relation to the										
Actuarially Determined Contributions	123,439	102,276	152,993	177,670	177,966	404,800	396,856	342,420	117,524	1,518,215
Contribution from Excess State Money	-	-	-	-	-	-	9,465	-	-	-
Contribution from Contribution										
Surplus Account	277,567	292,599	244,027	208,542	200,787	17,723	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,846)</u>	<u>\$ (62,789)</u>	<u>\$ (26,902)</u>	<u>\$ (1,421,082)</u>
Covered Payroll *	\$ 1,057,365	\$ 1,081,850	\$ 1,137,593	\$ 1,270,433	\$ 1,241,801	\$ 1,341,342	\$ 1,214,837	\$ 737,813	N/A	N/A
Contributions as a Percentage of										
Covered Payroll	11.67%	9.45%	13.45%	13.98%	14.33%	30.18%	32.67%	46.41%	N/A	N/A

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

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

Notes to the Schedule of Contributions

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates:

Mortality:

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Health White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality.

Interest Rate:

7.25% per year, compounded annually, gross of investment related expenses. Given that the plan is closed to new members, we recommend seeking input from the plan's investment consultant regarding whether this assumption is still appropriate.

Cost of Living Adjustments:

3.0% per year from age 55 to 65, for Normal and Early Retirees only.

Termination Benefit Assumptions:

Vested Participants are assumed to elect a deferred benefit at their earliest possible retirement date.

Funding Method:

Aggregate Actuarial Cost Method.

Actuarial Asset Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

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

FIREFIGHTERS' RETIREMENT TRUST FUND

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

POLICE OFFICERS' SUBSTITUTED TRUST FUND

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

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

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

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

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

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

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

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

Retirement System – Defined Benefit Plan (Continued)

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

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

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

Retirement System – Defined Benefit Plan (Continued)

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

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

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

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

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

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

Notes to Schedule:

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

The discount rate was changed from 3.83 % as of the beginning of the measurement period to 2.75% as of September 30, 2019.

Benefit changes reflect the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specified cancers.

Total OPEB Liability is not affected by the recent repeal of the excise tax because the law change was effective after the measurement date.

¹ Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes	\$ 3,865,919	\$ 3,865,919	\$ 4,076,099	\$ 210,180
Licenses and Permits	1,020,682	1,020,682	1,027,128	6,446
Intergovernmental Revenue	876,700	876,700	906,221	29,521
Charges for Services	321,167	321,167	288,890	(32,277)
Fines and Forfeits	1,000	50,800	56,349	5,549
Net Investment Earnings	31,000	31,000	46,043	15,043
Miscellaneous Revenues	67,450	145,550	105,160	(40,390)
Total Revenues	6,183,918	6,311,818	6,505,890	194,072
EXPENDITURES				
Current:				
General Government	2,793,113	2,923,113	2,393,445	529,668
Culture and Recreation	422,326	422,326	413,136	9,190
Public Safety	999,584	2,517,799	2,516,001	1,798
Physical Environment	154,598	154,598	139,399	15,199
Capital Outlay	540,000	563,160	249,140	314,020
Total Expenditures	4,909,621	6,580,996	5,711,121	869,875
Excess (Deficiency) of Revenues Over Expenditures	1,274,297	(269,178)	794,769	1,063,947
OTHER FINANCING SOURCES (USES)				
Transfers In	776,580	787,465	786,259	(1,206)
Transfers Out	(1,941,912)	(1,941,912)	(1,942,412)	(500)
Reserves	(3,349,370)	(1,816,780)	-	1,816,780
Total Other Financing Sources (Uses)	(4,514,702)	(2,971,227)	(1,156,153)	1,815,074
NET CHANGE IN FUND BALANCES	(3,240,405)	(3,240,405)	(361,384)	2,879,021
Fund Balances - Beginning of Year	3,240,405	3,240,405	3,096,866	(143,539)
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 2,735,482	\$ 2,735,482

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – COMMUNITY REDEVELOPMENT AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 80,285	\$ 80,285	\$ 93,098	\$ 12,813
Net Investment Earnings	200	200	135	(65)
Total Revenues	80,485	80,485	93,233	12,748
EXPENDITURES				
Current:				
Physical Environment	71,420	71,420	14,166	57,254
Aid to Private Organizations	60,000	60,000	18,477	41,523
Capital Outlay	40,000	40,000	-	40,000
Total Expenditures	171,420	171,420	32,643	138,777
Excess (Deficiency) of Revenues Over Expenditures	(90,935)	(90,935)	60,590	151,525
OTHER FINANCING SOURCES (USES)				
Reserves	(207,371)	(207,371)	-	207,371
NET CHANGE IN FUND BALANCE	(298,306)	(298,306)	60,590	358,896
Fund Balances - Beginning of Year	337,214	337,214	320,673	(16,541)
FUND BALANCES - END OF YEAR	<u>\$ 38,908</u>	<u>\$ 38,908</u>	<u>\$ 381,263</u>	<u>\$ 342,355</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – FIRE DEPARTMENT FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 930,485	\$ 930,485	\$ 1,101,372	\$ 170,887
Intergovernmental Revenue	361,150	361,150	316,727	(44,423)
Charges for Services	80,962	80,962	23,592	(57,370)
Fines and Forfeitures	196	196	-	(196)
Miscellaneous Revenues	317	317	2,761	2,444
Total Revenues	1,373,110	1,373,110	1,444,452	71,342
EXPENDITURES				
Current:				
Public Safety	1,826,926	1,826,926	1,768,109	58,817
Debt Service:				
Principal	53,898	53,898	53,898	-
Interest	3,373	3,373	3,373	-
Capital Outlay	434,450	434,450	310,932	123,518
Total Expenditures	2,318,647	2,318,647	2,136,312	182,335
Excess (Deficiency) of Revenues Over Expenditures	(945,537)	(945,537)	(691,860)	253,677
OTHER FINANCING SOURCES (USES)				
Transfers In	991,405	1,004,405	1,004,079	(326)
Transfers Out	(10,319)	(10,319)	(7,563)	2,756
Reserves	-	(13,000)	-	13,000
Total Other Financing Sources (Uses)	981,086	981,086	996,516	15,430
NET CHANGE IN FUND BALANCE	35,549	35,549	304,656	269,107
Fund Balances - Beginning of Year	(35,549)	(35,549)	-	35,549
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 304,656	\$ 304,656

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – LOCAL OPTION GAS TAX FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 247,171	\$ 247,171	\$ 232,998	\$ (14,173)
Intergovernmental Revenue	-	-	577	577
Miscellaneous Revenues	119,944	119,944	121,636	1,692
Total Revenues	367,115	367,115	355,211	(11,904)
EXPENDITURES				
Current:				
Transportation	1,057,781	1,057,781	1,018,306	39,475
Capital Outlay	678,250	678,250	13,875	664,375
Debt Service:				
Principal	12,371	12,371	12,371	-
Interest	3,453	3,453	3,453	-
Total Expenditures	1,751,855	1,751,855	1,048,005	703,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,384,740)	(1,384,740)	(692,794)	691,946
OTHER FINANCING SOURCES (USES)				
Transfers In	1,242,123	1,242,123	1,242,123	-
Transfers Out	(1,683)	(1,683)	(1,683)	-
Reserves	(49,870)	(49,870)	-	49,870
Total Other Financing Sources (Uses)	1,190,570	1,190,570	1,240,440	49,870
NET CHANGE IN FUND BALANCES	(194,170)	(194,170)	547,646	741,816
Fund Balances - Beginning of Year	194,170	194,170	298,709	104,539
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 846,355	\$ 846,355

CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – ROAD IMPACT FEES FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 75,000	\$ 75,000	\$ 45,173	\$ (29,827)
Net Investment Earnings	20,000	20,000	46,841	26,841
Total Revenues	95,000	95,000	92,014	(2,986)
EXPENDITURES				
Capital Outlay	1,245,223	1,245,223	-	1,245,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,150,223)	(1,150,223)	92,014	1,242,237
OTHER FINANCING SOURCES (USES)				
Reserves	(1,202,202)	(1,202,202)	-	1,202,202
NET CHANGE IN FUND BALANCES	(2,352,425)	(2,352,425)	92,014	2,444,439
Fund Balances - Beginning of Year	2,352,425	2,352,425	2,403,407	50,982
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,495,421</u>	<u>\$ 2,495,421</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds						
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees
ASSETS							
Pooled Cash and Investments	\$ 72,611	\$ 87,503	\$ 45,178	\$ 27,082	\$ 248,874	\$ 152,316	\$ 155,192
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Total Assets	<u>\$ 72,611</u>	<u>\$ 87,503</u>	<u>\$ 45,178</u>	<u>\$ 27,082</u>	<u>\$ 248,874</u>	<u>\$ 152,316</u>	<u>\$ 155,192</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	341	525	230	318
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>	<u>525</u>	<u>230</u>	<u>318</u>
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	-	-
Restricted	72,611	87,503	45,178	26,741	248,349	152,086	154,874
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>72,611</u>	<u>87,503</u>	<u>45,178</u>	<u>26,741</u>	<u>248,349</u>	<u>152,086</u>	<u>154,874</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 72,611</u>	<u>\$ 87,503</u>	<u>\$ 45,178</u>	<u>\$ 27,082</u>	<u>\$ 248,874</u>	<u>\$ 152,316</u>	<u>\$ 155,192</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds						
	FDLE CESF Grant	Hernando CARES Grant	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	Enrichment Center Premises Maintenance	FDOT Projects
ASSETS							
Pooled Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 8,710	\$ -	\$ 1
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	6,464	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	215	3,767	-	-	-	-	1,879
Prepaid Items	-	-	-	-	-	2,001	-
Total Assets	<u>\$ 215</u>	<u>\$ 3,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,710</u>	<u>\$ 8,465</u>	<u>\$ 1,880</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144	\$ -
Unearned Revenue	-	-	-	-	-	-	-
Due to Other Funds	215	3,767	-	-	-	1,941	1,880
Total Liabilities	<u>215</u>	<u>3,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,085</u>	<u>1,880</u>
Fund Balances (Deficits):							
Nonspendable	-	-	-	-	-	2,001	-
Restricted	-	-	-	-	-	4,379	-
Committed	-	-	-	-	8,710	-	-
Assigned	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,710</u>	<u>6,380</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 215</u>	<u>\$ 3,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,710</u>	<u>\$ 8,465</u>	<u>\$ 1,880</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
ASSETS							
Pooled Cash and Investments	\$ 1,956	\$ 439,012	\$ 1,238,435	\$ 50,913	\$ 73,100	\$ -	\$ -
Restricted Pooled Cash and Investments	-	-	-	-	-	13	-
Accounts Receivable	-	-	6,464	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Due from Other Governments	56,184	27,241	89,286	-	-	68	-
Prepaid Items	-	-	2,001	-	-	-	-
Total Assets	<u>\$ 58,140</u>	<u>\$ 466,253</u>	<u>\$ 1,336,186</u>	<u>\$ 50,913</u>	<u>\$ 73,100</u>	<u>\$ 81</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 144	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	1,414	-	-	-	-
Due to Other Funds	58,140	-	65,943	-	-	-	-
Total Liabilities	58,140	-	67,501	-	-	-	-
Fund Balances (Deficits):							
Nonspendable	-	-	2,001	-	-	-	-
Restricted	-	466,253	1,257,974	-	-	81	-
Committed	-	-	8,710	-	-	-	-
Assigned	-	-	-	50,913	73,100	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	-	466,253	1,268,685	50,913	73,100	81	-
Total Liabilities and Fund Balances (Deficits)	<u>\$ 58,140</u>	<u>\$ 466,253</u>	<u>\$ 1,336,186</u>	<u>\$ 50,913</u>	<u>\$ 73,100</u>	<u>\$ 81</u>	<u>\$ -</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	Funds		Debt Service Funds			
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds
ASSETS						
Pooled Cash and Investments	\$ 2	\$ 124,015	\$ -	\$ -	\$ -	\$ -
Restricted Pooled Cash and Investments	-	13	15,619	50,654	13,858	80,131
Accounts Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	68	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Total Assets	<u>\$ 2</u>	<u>\$ 124,096</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,858</u>	<u>\$ 80,131</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	-
Due to Other Funds	1,879	1,879	-	-	-	-
Total Liabilities	<u>1,879</u>	<u>1,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):						
Nonspendable	-	-	-	-	-	-
Restricted	-	81	15,619	50,654	13,858	80,131
Committed	-	-	-	-	-	-
Assigned	-	124,013	-	-	-	-
Unassigned (Deficit)	(1,877)	(1,877)	-	-	-	-
Total Fund Balances (Deficit)	<u>(1,877)</u>	<u>122,217</u>	<u>15,619</u>	<u>50,654</u>	<u>13,858</u>	<u>80,131</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2</u>	<u>\$ 124,096</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,858</u>	<u>\$ 80,131</u>

**CITY OF BROOKSVILLE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2020**

	<u>Permanent Fund</u>		<u>Total</u>
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 182,074	\$ 182,074	\$ 1,544,524
Restricted Pooled Cash and Investments	245,208	245,208	325,352
Accounts Receivable	-	-	6,464
Due from Other Funds	4,661	4,661	4,661
Due from Other Governments	-	-	89,354
Prepaid Items	-	-	2,001
	<u>-</u>	<u>-</u>	<u>2,001</u>
 Total Assets	 <u>\$ 431,943</u>	 <u>\$ 431,943</u>	 <u>\$ 1,972,356</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 144
Unearned Revenue	-	-	1,414
Due to Other Funds	-	-	67,822
Total Liabilities	<u>-</u>	<u>-</u>	<u>69,380</u>
 Fund Balances (Deficits):			
Nonspendable	245,208	245,208	247,209
Restricted	-	-	1,338,186
Committed	-	-	8,710
Assigned	186,735	186,735	310,748
Unassigned (Deficit)	-	-	(1,877)
Total Fund Balances (Deficit)	<u>431,943</u>	<u>431,943</u>	<u>1,902,976</u>
 Total Liabilities and Fund Balances (Deficits)	 <u>\$ 431,943</u>	 <u>\$ 431,943</u>	 <u>\$ 1,972,356</u>



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CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						
	Police Special Education Fund	Law Enforcement Trust Fund	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	4,712	25,538	11,781	21,901
Intergovernmental Revenue	-	-	-	-	-	-	-
Fines and Forfeits	3,907	-	-	-	-	-	-
Net Investment Earnings	84	47	63	35	312	304	199
Miscellaneous Revenues	-	-	-	-	-	-	-
Total Revenues	3,991	47	63	4,747	25,850	12,085	22,100
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,991	47	63	4,747	25,850	12,085	22,100
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	3,991	47	63	4,747	25,850	12,085	22,100
Fund Balances (Deficits) - Beginning of Year	68,620	87,456	45,115	21,994	222,499	140,001	132,774
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 72,611	\$ 87,503	\$ 45,178	\$ 26,741	\$ 248,349	\$ 152,086	\$ 154,874

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						
	FDLE CESF Grant	Hernando CARES Grant	Fire Grants and Donations	Police Grants and Donations	Traffic Camera	Enrichment Center Premises Maintenance	FDOT Projects
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental Revenue	215	3,767	-	-	-	-	-
Fines and Forfeits	-	-	-	-	3,886	-	-
Net Investment Earnings	-	-	20	45	-	-	-
Miscellaneous Revenues	-	-	-	-	-	8,752	-
Total Revenues	215	3,767	20	45	3,886	8,752	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	15,328	-
Public Safety	215	3,767	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	215	3,767	-	-	-	15,328	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	20	45	3,886	(6,576)	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	8,000	-
Transfers Out	-	-	(12,674)	(10,883)	-	-	-
Total Other Financing Sources (Uses)	-	-	(12,674)	(10,883)	-	8,000	-
NET CHANGE IN FUND BALANCES	-	-	(12,654)	(10,838)	3,886	1,424	-
Fund Balances (Deficits) - Beginning of Year	-	-	12,654	10,838	4,824	4,956	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 8,710	\$ 6,380	\$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			Capital Project Funds			
	Brownfields Assessment Grant	1/5 Cent Local Option Gas Tax	Total Special Revenue Funds	McKethan Park	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011
REVENUES							
Taxes	\$ -	\$ 161,378	\$ 161,378	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	63,932	-	-	32,472	-
Intergovernmental Revenue	58,140	-	62,122	-	-	-	-
Fines and Forfeits	-	-	7,793	-	-	-	-
Net Investment Earnings	-	2,533	3,642	125	1,381	33	-
Miscellaneous Revenues	-	-	8,752	-	-	-	-
Total Revenues	58,140	163,911	307,619	125	1,381	32,505	-
EXPENDITURES							
Current:							
General Government	58,140	-	58,140	-	-	-	-
Culture and Recreation	-	-	15,328	-	-	-	-
Public Safety	-	-	3,982	-	-	-	-
Transportation	-	6,900	6,900	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	58,140	6,900	84,350	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	157,011	223,269	125	1,381	32,505	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	8,000	-	-	-	303,780
Transfers Out	-	-	(23,557)	-	(270,000)	(35,190)	(303,780)
Total Other Financing Sources (Uses)	-	-	(15,557)	-	(270,000)	(35,190)	-
NET CHANGE IN FUND BALANCES	-	157,011	207,712	125	(268,619)	(2,685)	-
Fund Balances (Deficits) - Beginning of Year	-	309,242	1,060,973	50,788	341,719	2,766	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ 466,253	\$ 1,268,685	\$ 50,913	\$ 73,100	\$ 81	\$ -

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds		Debt Service Funds			
	Capital Improvement Revenue Loan - 2016	Total Capital Project Funds	Capital Improvement Revenue Loan - 2016	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	32,472	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-
Net Investment Earnings	-	1,539	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	-	34,011	-	-	-	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Debt Service:						
Principal	-	-	5,574	228,944	8,000	242,518
Interest and Fiscal Charges	-	-	1,989	74,836	5,279	82,104
Total Expenditures	-	-	7,563	303,780	13,279	324,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	34,011	(7,563)	(303,780)	(13,279)	(324,622)
OTHER FINANCING SOURCES (USES)						
Transfers In	7,563	311,343	7,563	303,780	13,280	324,623
Transfers Out	(7,563)	(616,533)	-	-	-	-
Total Other Financing Sources (Uses)	-	(305,190)	7,563	303,780	13,280	324,623
NET CHANGE IN FUND BALANCES	-	(271,179)	-	-	1	1
Fund Balances (Deficits) - Beginning of Year	(1,877)	393,396	15,619	50,654	13,857	80,130
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (1,877)</u>	<u>\$ 122,217</u>	<u>\$ 15,619</u>	<u>\$ 50,654</u>	<u>\$ 13,858</u>	<u>\$ 80,131</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020

	<u>Permanent Fund</u>		
	Cemetery Perpetual Care	Total Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 161,378
Licenses and Permits	-	-	96,404
Intergovernmental Revenue	-	-	62,122
Fines and Forfeits	-	-	7,793
Net Investment Earnings	1,084	1,084	6,265
Miscellaneous Revenues	-	-	8,752
Total Revenues	<u>1,084</u>	<u>1,084</u>	<u>342,714</u>
EXPENDITURES			
Current:			
General Government	-	-	58,140
Culture and Recreation	-	-	15,328
Public Safety	-	-	3,982
Transportation	-	-	6,900
Debt Service:			
Principal	-	-	242,518
Interest and Fiscal Charges	-	-	82,104
Total Expenditures	<u>-</u>	<u>-</u>	<u>408,972</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,084	1,084	(66,258)
OTHER FINANCING SOURCES (USES)			
Transfers In	10,000	10,000	653,966
Transfers Out	-	-	(640,090)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>13,876</u>
NET CHANGE IN FUND BALANCES	11,084	11,084	(52,382)
Fund Balances (Deficits) - Beginning of Year	420,859	420,859	1,955,358
FUND BALANCES (DEFICITS) - END OF YEAR	<u><u>\$ 431,943</u></u>	<u><u>\$ 431,943</u></u>	<u><u>\$ 1,902,976</u></u>



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CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Police Special Education Fund				Law Enforcement Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 3,910	\$ 3,907	\$ (3)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	84	84	-	-	47	47
Total Revenues	-	3,910	3,991	81	-	-	47	47
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,910	3,991	81	-	-	47	47
OTHER FINANCING SOURCES (USES)								
Reserves	(68,200)	(72,110)	-	72,110	(87,356)	(87,356)	-	87,356
NET CHANGE IN FUND BALANCES	(68,200)	(68,200)	3,991	72,191	(87,356)	(87,356)	47	87,403
Fund Balances - Beginning of Year	68,200	68,200	68,620	420	87,356	87,356	87,456	100
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,611</u>	<u>\$ 72,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,503</u>	<u>\$ 87,503</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			
	Law Enforcement Investigative Trust			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Earnings	\$ -	\$ -	\$ 63	\$ 63
Total Revenues	-	-	63	63
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	63	63
OTHER FINANCING SOURCES (USES)				
Reserves	(45,059)	(45,059)	-	45,059
NET CHANGE IN FUND BALANCES	(45,059)	(45,059)	63	45,122
Fund Balances - Beginning of Year	45,059	45,059	45,115	56
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,178</u>	<u>\$ 45,178</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Law Enforcement Impact Fees				Public Building Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 3,500	\$ 3,500	\$ 4,712	\$ 1,212	\$ 10,660	\$ 10,660	25,538	\$ 14,878
Net Investment Earnings	50	50	35	(15)	600	600	312	(288)
Total Revenues	3,550	3,550	4,747	1,197	11,260	11,260	25,850	14,590
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,550	3,550	4,747	1,197	11,260	11,260	25,850	14,590
OTHER FINANCING SOURCES (USES)								
Reserves	(24,386)	(24,386)	-	24,386	(227,686)	(227,686)	-	227,686
Total Other Financing Sources (Uses)	(24,386)	(24,386)	-	24,386	(227,686)	(227,686)	-	227,686
NET CHANGE IN FUND BALANCES	(20,836)	(20,836)	4,747	25,583	(216,426)	(216,426)	25,850	242,276
Fund Balances - Beginning of Year	20,836	20,836	21,994	1,158	216,426	216,426	222,499	6,073
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,741</u>	<u>\$ 26,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,349</u>	<u>\$ 248,349</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Fire Impact Fees				Parks Impact Fees			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 8,000	\$ 8,000	\$ 11,781	\$ 3,781	\$ 15,000	\$ 15,000	\$ 21,901	\$ 6,901
Net Investment Earnings	600	600	304	(296)	400	400	199	(201)
Total Revenues	8,600	8,600	12,085	3,485	15,400	15,400	22,100	6,700
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,600	8,600	12,085	3,485	15,400	15,400	22,100	6,700
OTHER FINANCING SOURCES (USES)								
Reserves	(146,504)	(146,504)	-	146,504	(141,591)	(141,591)	-	141,591
NET CHANGE IN FUND BALANCES	(137,904)	(137,904)	12,085	149,989	(126,191)	(126,191)	22,100	148,291
Fund Balances - Beginning of Year	137,904	137,904	140,001	2,097	126,191	126,191	132,774	6,583
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,086</u>	<u>\$ 152,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,874</u>	<u>\$ 154,874</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds				Special Revenue Funds			
	FDLE CESF Grant				Hernando Cares Grant			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental Revenue	\$ -	\$ 500	\$ 215	\$ (285)	\$ -	\$ 4,100	\$ 3,767	\$ (333)
EXPENDITURES								
Current:								
Public Safety	-	500	215	285	-	4,100	3,767	333
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Fire Grants and Donations				Police Grants and Donations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ -	\$ -	\$ 20	\$ 20	\$ -	\$ -	\$ 45	\$ 45
EXPENDITURES								
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	20	20	-	-	45	45
OTHER FINANCING SOURCES (USES)								
Transfers Out	(12,428)	(12,428)	(12,674)	(246)	(10,813)	(10,885)	(10,883)	2
NET CHANGE IN FUND BALANCES	(12,428)	(12,428)	(12,654)	(226)	(10,813)	(10,885)	(10,838)	47
Fund Balances - Beginning of Year	12,428	12,428	12,654	226	10,813	10,885	10,838	(47)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Traffic Camera				Enrichment Center Premises Maintenance			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Fines and Forfeits	\$ -	\$ 3,890	\$ 3,886	\$ (4)	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues	-	-	-	-	8,000	8,000	8,752	752
Total Revenues	-	3,890	3,886	(4)	8,000	8,000	8,752	752
EXPENDITURES								
Current:								
Culture and Recreation	-	-	-	-	18,000	18,000	15,328	2,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,890	3,886	(4)	(10,000)	(10,000)	(6,576)	3,424
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	8,000	8,000	8,000	-
Reserves	-	-	-	-	(1,402)	(1,402)	-	1,402
Total Other Financing Sources (Uses)	-	-	-	-	6,598	6,598	8,000	1,402
NET CHANGE IN FUND BALANCES	-	3,890	3,886	(4)	(3,402)	(3,402)	1,424	4,826
Fund Balances - Beginning of Year	-	-	4,824	4,824	3,402	3,402	4,956	1,554
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 3,890</u>	<u>\$ 8,710</u>	<u>\$ 4,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,380</u>	<u>\$ 6,380</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	Brownfields Assessment Grant Fund				1/5 Cent Local Option Gas Tax			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 171,113	\$ 171,113	\$ 161,378	\$ (9,735)
Intergovernmental Revenue	300,000	300,000	58,140	(241,860)	-	-	-	-
Net Investment Earnings	-	-	-	-	2,000	2,000	2,533	533
Miscellaneous Revenues	-	-	-	-	-	-	-	-
Total Revenues	300,000	300,000	58,140	(241,860)	173,113	173,113	163,911	(9,202)
EXPENDITURES								
Current:								
General Government	300,000	300,000	58,140	241,860	-	-	-	-
Transportation	-	-	-	-	30,000	30,000	6,900	23,100
Total Expenditures	300,000	300,000	58,140	241,860	30,000	30,000	6,900	23,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	143,113	143,113	157,011	13,898
OTHER FINANCING SOURCES (USES)								
Reserves	-	-	-	-	(454,432)	(454,432)	-	454,432
NET CHANGE IN FUND BALANCES	-	-	-	-	(311,319)	(311,319)	157,011	468,330
Fund Balances - Beginning of Year	-	-	-	-	311,319	311,319	309,242	(2,077)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466,253</u>	<u>\$ 466,253</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds							
	McKethan Park				Multi-Year Capital Project Accumulation			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ 200	\$ 200	\$ 125	\$ (75)	\$ 1,000	\$ 1,000	\$ 1,381	\$ 381
Miscellaneous Revenues	300	300	-	(300)	-	-	-	-
Total Revenues	500	500	125	(375)	1,000	1,000	1,381	381
EXPENDITURES								
Total Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	500	125	(375)	1,000	1,000	1,381	381
OTHER FINANCING SOURCES (USES)								
Transfers Out	-	-	-	-	(270,000)	(270,000)	(270,000)	-
Reserves	(53,149)	(53,149)	-	53,149	(72,589)	(72,589)	-	72,589
Total Other Financing Sources (Uses)	(53,149)	(53,149)	-	53,149	(342,589)	(342,589)	(270,000)	72,589
NET CHANGE IN FUND BALANCES	(52,649)	(52,649)	125	52,774	(341,589)	(341,589)	(268,619)	72,970
Fund Balances - Beginning of Year	52,649	52,649	50,788	(1,861)	341,589	341,589	341,719	130
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,913</u>	<u>\$ 50,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,100</u>	<u>\$ 73,100</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds							
	Capital Improvement Revenue 2006 Bond				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Licenses and Permits	\$ 35,000	\$ 35,000	\$ 32,472	\$ (2,528)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	100	100	33	(67)	-	-	-	-
Total Revenues	35,100	35,100	32,505	(2,595)	-	-	-	-
EXPENDITURES								
Expenditures	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,100	35,100	32,505	(2,595)	-	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	303,780	303,780	303,780	-
Transfers Out	(35,190)	(35,190)	(35,190)	-	(303,780)	(303,780)	(303,780)	-
Reserves	(2,833)	(2,833)	-	2,833	-	-	-	-
Total Other Financing Sources (Uses)	(38,023)	(38,023)	(35,190)	2,833	-	-	-	-
NET CHANGE IN FUND BALANCES	(2,923)	(2,923)	(2,685)	238	-	-	-	-
Fund Balances - Beginning of Year	2,923	2,923	2,766	(157)	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds			
	Capital Improvement Revenue Loan - 2016			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	10,319	10,319	7,563	(2,756)
Transfers Out	(7,563)	(7,563)	(7,563)	-
Reserves	(779)	(779)	-	779
Total Other Financing Sources (Uses)	1,977	1,977	-	(2,756)
NET CHANGE IN FUND BALANCES	1,977	1,977	-	(2,756)
Fund Deficit - Beginning of Year	(1,977)	(1,977)	(1,877)	100
FUND DEFICIT - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,877)</u>	<u>\$ (2,656)</u>

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Funds							
	Capital Improvement Revenue Loan - 2016				Capital Improvement Revenue Note - 2011			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES								
Debt Service:								
Principal	5,706	5,706	5,574	132	228,944	228,944	228,944	-
Interest	1,857	1,857	1,989	(132)	74,836	74,836	74,836	-
Total Expenditures	7,563	7,563	7,563	-	303,780	303,780	303,780	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,563)	(7,563)	(7,563)	-	(303,780)	(303,780)	(303,780)	-
OTHER FINANCING SOURCES (USES)								
Transfers In	7,563	7,563	7,563	-	303,780	303,780	303,780	-
Reserves	(15,617)	(15,617)	-	15,617	(50,654)	(50,654)	-	50,654
Total Other Financing Sources (Uses)	(8,054)	(8,054)	7,563	15,617	253,126	253,126	303,780	50,654
NET CHANGE IN FUND BALANCES	(15,617)	(15,617)	-	15,617	(50,654)	(50,654)	-	50,654
Fund Balances - Beginning of Year	15,617	15,617	15,619	2	50,654	50,654	50,654	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 15,619	\$ 15,619	\$ -	\$ -	\$ 50,654	\$ 50,654

CITY OF BROOKSVILLE, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Funds				Permanent Fund			
	Capital Improvement Revenue Bond - 2006				Cemetery Perpetual Care			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Net Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ 1,600	\$ 1,084	\$ (516)
Total Revenues	-	-	-	-	1,600	1,600	1,084	(516)
EXPENDITURES								
Debt Service:								
Principal	8,000	8,000	8,000	-	-	-	-	-
Interest	5,279	5,279	5,279	-	-	-	-	-
Total Expenditures	13,279	13,279	13,279	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,279)	(13,279)	(13,279)	-	1,600	1,600	1,084	(516)
OTHER FINANCING SOURCES (USES)								
Transfers In	13,280	13,280	13,280	-	10,000	10,000	10,000	-
Reserves	(13,854)	(13,854)	-	13,854	(431,988)	(431,988)	-	431,988
Total Other Financing Sources (Uses)	(574)	(574)	13,280	13,854	(421,988)	(421,988)	10,000	431,988
NET CHANGE IN FUND BALANCES	(13,853)	(13,853)	1	13,854	(420,388)	(420,388)	11,084	431,472
Fund Balances - Beginning of Year	13,853	13,853	13,857	4	420,388	420,388	420,859	471
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 13,858	\$ 13,858	\$ -	\$ -	\$ 431,943	\$ 431,943

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 69,907	\$ 1,778,073	\$ 30,550	\$ 36,202	\$ 1,110,358	\$ 3,025,090
Accounts Receivable	-	-	-	-	-	-
Prepaid	-	-	-	24,711	-	24,711
Inventories	9,691	-	-	-	-	9,691
Total Current Assets	79,598	1,778,073	30,550	60,913	1,110,358	3,059,492
Noncurrent Assets:						
Machinery and Equipment	41,954	2,250,260	73,690	-	-	2,365,904
Less: Accumulated Depreciation	33,465	1,315,956	59,995	-	-	1,409,416
Net Capital Assets	8,489	934,304	13,695	-	-	956,488
Total Assets	\$ 88,087	\$ 2,712,377	\$ 44,245	\$ 60,913	\$ 1,110,358	\$ 4,015,980
LIABILITIES AND NET POSITION						
Current Liabilities:						
Accounts Payable	\$ 5,586	\$ -	\$ -	\$ -	\$ 25,319	\$ 30,905
Accrued Wages Payable	1,716	-	-	-	-	1,716
Accrued Compensated Absences - Current	1,658	-	-	-	-	1,658
Other Current Liabilities	333	-	-	-	-	333
Total Current Liabilities	9,293	-	-	-	25,319	34,612
Noncurrent Liabilities:						
Accrued Compensated Absences	4,994	-	-	-	-	4,994
Total Liabilities	14,287	-	-	-	25,319	39,606
NET POSITION						
Net Investment in Capital Assets	8,489	934,304	13,695	-	-	956,488
Unrestricted	65,311	1,778,073	30,550	60,913	1,085,039	3,019,886
Total Net Position	73,800	2,712,377	44,245	60,913	1,085,039	3,976,374
Total Liabilities and Net Position	\$ 88,087	\$ 2,712,377	\$ 44,245	\$ 60,913	\$ 1,110,358	\$ 4,015,980

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
OPERATING REVENUES						
Charges for Services	\$ 116,902	\$ 281,275	\$ 10,000	\$ 51,000	\$ 653,106	\$ 1,112,283
Miscellaneous Revenues	-	-	-	-	65,172	65,172
Total Operating Revenues	116,902	281,275	10,000	51,000	718,278	1,177,455
OPERATING EXPENSES						
Personnel Services	91,164	-	-	23,964	703,842	818,970
Other Services and Charges	31,963	-	-	-	-	31,963
Depreciation	636	170,844	6,855	-	-	178,335
Total Operating Expenses	123,763	170,844	6,855	23,964	703,842	1,029,268
OPERATING INCOME (LOSS)	(6,861)	110,431	3,145	27,036	14,436	148,187
NONOPERATING REVENUES						
Net Investment Earnings	54	36,079	15	-	-	36,148
Gain on Sale of Capital Assets	-	2,313	-	-	-	2,313
Total Nonoperating Revenues	54	38,392	15	-	-	38,461
CHANGE IN NET POSITION	(6,807)	148,823	3,160	27,036	14,436	186,648
Net Position - Beginning of Year	80,607	2,563,554	41,085	33,877	1,070,603	3,789,726
NET POSITION - END OF YEAR	<u>\$ 73,800</u>	<u>\$ 2,712,377</u>	<u>\$ 44,245</u>	<u>\$ 60,913</u>	<u>\$ 1,085,039</u>	<u>\$ 3,976,374</u>

**CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 116,902	\$ 281,275	\$ 10,000	\$ 51,000	\$ 718,278	\$ 1,177,455
Payments to Employees	(88,515)	-	-	(30,399)	(738,643)	(857,557)
Payments to Suppliers	(33,548)	-	-	-	-	(33,548)
Net Cash Provided (Used) by Operating Activities	(5,161)	281,275	10,000	20,601	(20,365)	286,350
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Assets	-	2,313	-	-	-	2,313
Net Cash Provided by Capital and Related Financing Activities	-	2,313	-	-	-	2,313
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts of Interest and Dividends	54	36,079	15	-	-	36,148
Net Cash Provided by Investing Activities	54	36,079	15	-	-	36,148
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,107)	319,667	10,015	20,601	(20,365)	324,811
Cash and Cash Equivalents - Beginning of Year	75,014	1,458,406	20,535	15,601	1,130,723	2,700,279
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 69,907</u>	<u>\$ 1,778,073</u>	<u>\$ 30,550</u>	<u>\$ 36,202</u>	<u>\$ 1,110,358</u>	<u>\$ 3,025,090</u>

CITY OF BROOKSVILLE, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Internal Service Funds					Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Employee Benefits Fund	Health Insurance Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (6,861)	\$ 110,431	\$ 3,145	\$ 27,036	\$ 14,436	\$ 148,187
Depreciation	636	170,844	6,855	-	-	178,335
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
(Increase) Decrease in:						
Inventories	(5,892)	-	-	-	-	(5,892)
Increase (Decrease) in:						
Accounts Payable	4,307	-	-	(6,435)	(34,801)	(36,929)
Accrued Wages Payable	646	-	-	-	-	646
Other Current Liabilities	129	-	-	-	-	129
Accrued Compensated Absences	1,874	-	-	-	-	1,874
Total Adjustments	<u>1,700</u>	<u>170,844</u>	<u>6,855</u>	<u>(6,435)</u>	<u>(34,801)</u>	<u>138,163</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,161)</u>	<u>\$ 281,275</u>	<u>\$ 10,000</u>	<u>\$ 20,601</u>	<u>\$ (20,365)</u>	<u>\$ 286,350</u>

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ASSETS					
Cash and Pooled Cash	\$ 1,361	\$ 1,361	\$ 103,333	\$ 494,821	\$ 598,154
Investments:					
Debt Securities	-	-	2,152,510	-	2,152,510
Marketable Equity Securities	-	-	4,431,497	-	4,431,497
Real Estate Fund	-	-	655,071	-	655,071
Accounts Receivable	-	-	11,739	-	11,739
Total Assets	1,361	1,361	7,354,150	494,821	7,848,971
NET POSITION					
Held in Trust for Retirement and Other Purposes	1,361	1,361	7,354,150	494,821	7,848,971
Total Net Position	\$ 1,361	\$ 1,361	\$ 7,354,150	\$ 494,821	\$ 7,848,971

CITY OF BROOKSVILLE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2020

	Private Purpose Trust Funds		Pension Trust Funds		
	Butterweck Bond Fund	Total Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	Total Pension Trust Funds
ADDITIONS:					
CONTRIBUTIONS					
Employer	\$ -	\$ -	\$ 311,718	\$ 1,518,215	\$ 1,829,933
Plan Members	-	-	31,753	-	31,753
Total Contributions	-	-	343,471	1,518,215	1,861,686
INVESTMENT EARNINGS					
Net Increase in Fair Value	-	-	384,410	-	384,410
Interest/Dividends	29	29	297,411	28,259	325,670
Total Investment Earnings	29	29	681,821	28,259	710,080
MISCELLANEOUS REVENUES	-	-	168	-	168
Total Additions	29	29	1,025,460	1,546,474	2,571,934
DEDUCTIONS:					
BENEFIT PAYMENTS	-	-	435,200	8,274,230	8,709,430
ADMINISTRATIVE EXPENSES	-	-	81,304	69,537	150,841
Total Deductions	-	-	516,504	8,343,767	8,860,271
CHANGE IN NET POSITION	29	29	508,956	(6,797,293)	(6,288,337)
Net Position - Beginning of Year	1,332	1,332	6,845,194	7,292,114	14,137,308
NET POSITION - END OF YEAR	<u>\$ 1,361</u>	<u>\$ 1,361</u>	<u>\$ 7,354,150</u>	<u>\$ 494,821</u>	<u>\$ 7,848,971</u>



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

City Council
City of Brooksville, Florida
Brooksville, Florida

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

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*.

City of Brooksville's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Lakeland, Florida
April 26, 2021



MANAGEMENT LETTER

City Council
City of Brooksville, Florida
Brooksville, Florida

Report on the Financial Statements

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

Auditors' Responsibility

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

Other Reporting Requirements

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

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

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 have any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Lakeland, Florida
April 26, 2021

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2020**

STATUS OF PRIOR YEAR FINDINGS

Prior Year Findings		Current Year Status			Current Year Finding #	2018-2019 Year Finding #	2017-2018 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
Revenue Recognition and Audit Adjustments	Material Weakness In Internal Control over Financial Reporting			X	2020-001	2019-001	2018-001
Prior Period Restatement and Late Filing - Other Postemployment Benefits (OPEB)	Material Weakness In Internal Control over Financial Reporting & State Compliance and Internal Control Over Compliance	X			Not Reported	2019-002	N/A

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2020-001 – Revenue Recognition and Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition: As part of the audit, we proposed adjustments to correct the following errors in the City's financial statements:

- Due from other governments and unavailable revenue in the Fire Department Fund were understated.
- Investments were understated and accounts receivable were overstated in the Pension Trust Funds.

Criteria or specific requirement: The City's management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Context: Testing of account balances identified the errors.

Effect: Due from other governments, unavailable revenue, investments and receivables were misstated.

Cause: A grant receivable was not recorded as of September 30, 2020 for expenditures allowable under the grant terms. Investments and related receivables were not completely reconciled to the investment statement as of September 30, 2020.

**CITY OF BROOKSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
SEPTEMBER 30, 2020**

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2019-001 – Revenue Recognition and Audit Adjustments (Continued)

Recommendation: For all significant grants the City should prepare reconciliations that incorporate the grant term, grant award, draw requests, receipts, and expenditures. This will help to ensure accuracy and completeness of grant related balances. Pension investments and any related amounts due at fiscal year-end should be reconciled to the supporting investment statements.

Views of responsible officials and planned corrective actions: We are in agreement with the audit finding. Staff will record all grant expenses as receivables on a monthly basis to ensure all grant expenses are accounted for. Staff will review the Annual Firefighters Pension Report at year end and compare it to the General Ledger to ensure all activity is recorded properly.



INDEPENDENT ACCOUNTANTS' REPORT

City Council
City of Brooksville, Florida
Brooksville, Florida

We have examined the City of Brooksville, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
April 26, 2021