

# CITY OF EDGEWATER, FLORIDA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021



# **CITY OF EDGEWATER, FLORIDA**



## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal year ended September 30, 2021

*Prepared by: The Finance Department*



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March 7, 2022

To the Honorable Mayor, and Members of the City Council, and Citizens of the City of Edgewater

City Charter and State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with the generally accepted accounting principles in the United States of America (GAAP) and that they be audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, it is with great pleasure that we present to the City of Edgewater, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30<sup>th</sup>, 2021.

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

James Moore & Co., P.L. a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Edgewater's financial statements for the fiscal year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the Government**

The City of Edgewater was incorporated in 1951 and has operated under the Council-Manager form of government since 1981. Primary responsibilities of the City Manager are to implement the policies of the elected officials. The City Manager assumes responsibilities of the day-to-day operations of the City, annual budget preparation, appointing/removing officers and employees. In addition to supervising the daily operations, the City Manager works with elected officials, committees and citizens to plan for the future of the community.

The City of Edgewater is located in southeast Volusia County, primarily east of I-95 south of New Smyrna Beach, two miles west of the Atlantic Ocean and runs along 10.5 miles of the Indian River coastline. The City is within the economic zone of Central Florida, which roughly follows Interstate 4 from Tampa through Orlando to Daytona Beach and the communities along the Atlantic Coast in Volusia County. There are approximately 15,998 acres of land within the City with an estimated population of 23,310.

The City of Edgewater offers a full range of services to its citizens through multiple funds. The City uses funds to separate resources and assure that the City adheres to restrictions placed upon it by legislators, grantors, donors, and other outside parties (e.g. GASB, GAAP). The following is a list of services provided by each fund:

- **General Fund** - provides planning and zoning, economic development, building (e.g. permits, inspections, etc), police, fire, fire rescue, animal control, parks, recreation, streets (new and maintained), code enforcement, and general administrative services.
- **Water and Sewer Fund** - provides water and sewer services.
- **Solid Waste Fund** - uses a combination of City personnel and assets along with private contracted companies to provide solid waste collection.
- **Stormwater Fund** – provides and ensures proper water drainage from all properties.
- **Internal Service Funds** – account for fleet management services, management information systems, general liability insurance, health insurance, workers compensation insurance, and public works complex.
- **CRA Fund** - account for the ad valorem proceeds for the redevelopment of the City's US1 and Park Avenue Corridor.

Whenever possible the City seeks alternative sources of revenue to provide services, enhance services, and supplement the existing expenses in the budget. The most prominent example of alternative revenue is grants through the federal, state, and local levels.

### **Local Economy**

Long established businesses such as Boston Whaler, Everglades Boats, Edgewater Power Boats, R.J. Dougherty Associates, Inc., Publix and Winn Dixie Supermarkets provide employment opportunities within the City. NASA and related supporting enterprises at Cape Canaveral as well as the cruise industry located at Port Canaveral provide further employment opportunities.

The County of Volusia currently has a 4.3 percent unemployment rate. During the last year, taxable assessment values of property in Edgewater increased 8.28 percent. The City continues exploring several options to increase economic growth within the City and improve economic development within southeast Volusia County. The Community Redevelopment Agency was created to encourage redevelopment along the City's US. 1 and Park Ave. corridor. The City continues to develop many partnerships between various economic development agencies and local businesses.

The City of Edgewater's outlook for fiscal year 2022 is for modest gains in economic growth as the recovery from the Covid 19 Pandemic gains traction in the local economy. The City of Edgewater continues to apply for Federal and State grants to fund sewer, wetlands, public works complex, green infrastructure, stormwater, canals, and other hazard mitigation identified projects. Without these funds, these projects would not have been completed within the foreseeable future.

### **Financial Planning and Budgeting**

The City continued to stress expenditure control in preparing the FY2022 General Fund budget. The City ad valorem millage rate for FY2022 was 6.70, which was 7.26% more than the rolled-back rate. The millage rate of 6.70 will result in an anticipated property tax collections increase of 11.20% due to an increase in property assessments and annexations. The increase was influenced by reduced State Shared Revenue estimates related to the economic impact of the Covid 19 Pandemic.

The City adopts a five-year capital improvement plan that identifies future funding needs to maintain, repair and upgrade capital assets and infrastructure including road resurfacing, water line upgrades and vehicle and technology replacement programs within the funding constraints. It should be noted; however, that the CIP is not a fixed document but a flexible, evolutionary document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.

### **Relevant Financial Policies**

The City Council recognizes the need to meet seasonal shortfalls in cash flows, its susceptibility to emergency or unanticipated expenditures or the possibility of revenue shortfalls during any fiscal year. To address these issues, the City Council included in its Charter a requirement to maintain reserves at a minimum of 15 percent for all operating funds. The September 30, 2021 unassigned fund balance was approximately 44.02% which was higher than the range of 15%-25% per fund balance policy. The unassigned fund balance is reviewed annually and recommendations are made for mid-year budget amendment and carryforward of additional funds.

### **Budgeting Controls**

The annual budget serves as the foundation for the City of Edgewater's financial planning and control. All departments of the City of Edgewater are required to submit requests for appropriation to the City Manager. The City Manager then uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Edgewater's fiscal year. The appropriated budget is prepared by fund (i.e., General Fund), department (i.e., Fire Department) and division (i.e., Fire Operations). The City Manager may make transfers of appropriations within and between divisions and departments; however, any revisions that alter the total appropriations of any funds must be approved by City Council. Original and final amended budget-to-actual comparisons are provided in this report for each individual governmental fund.

### **Certificate of Achievement Award**

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

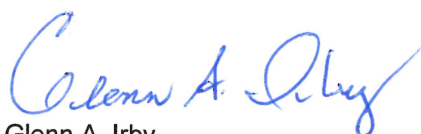
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility of another certificate.

### **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated commitment of the entire Finance Department. The City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of the accounting information and statistics compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's external auditor whose suggestions and attention to detail enhanced the quality of this report.

In closing, special thanks to the Mayor and City Council for their support and commitment to maintaining the financial integrity and sustainability of the City.

Respectfully submitted,



Glenn A. Irby  
City Manager



Bridgette Vaissiere  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Edgewater  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**CITY OF EDGEWATER FLORIDA**

List of Elected and Appointed Officials

September 30, 2021

**CITY COUNCIL**

**MAYOR**

Mike Thomas

**DISTRICT 1**

Christine Power

**DISTRICT 2**

Gigi Bennington

**DISTRICT 3**

Megan O'Keefe

**DISTRICT 4**

Jonah Powers

**ADMINISTRATION**

**CITY MANAGER**

Glenn A. Irby

**CITY ATTORNEY**

Aaron R. Wolfe

**FINANCE  
DIRECTOR**

Bridgette Vaissiere

**CITY CLERK /  
CMC**

Bonnie Zlotnik

**FIRE CHIEF**

Jeff Lariscy

**POLICE CHIEF**

Joe Mahoney

**HUMAN RESOURCES  
DIRECTOR**

Julie A. Christine

**DEVELOPMENT SERVICES  
DIRECTOR**

Darren Lear

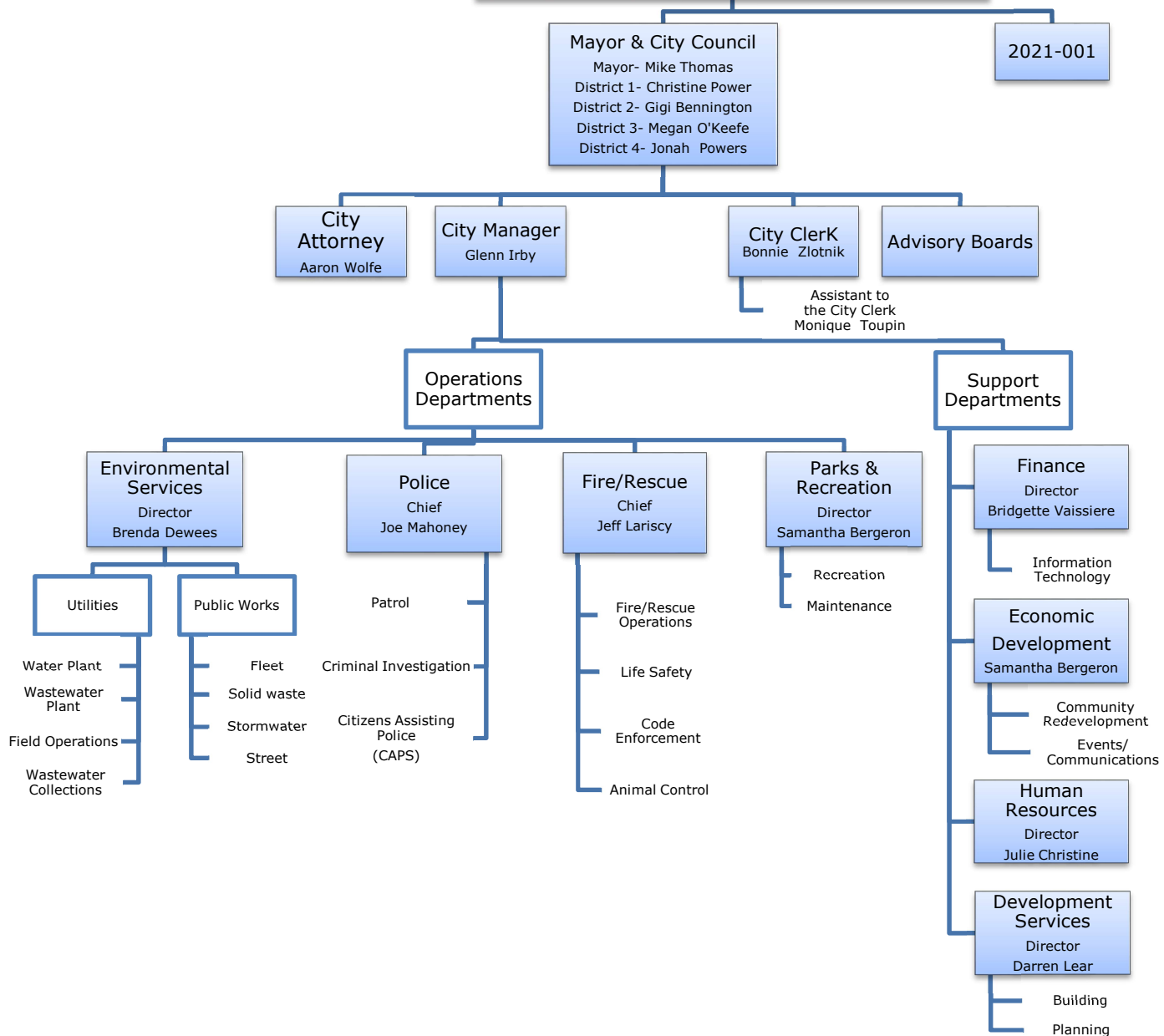
**ENVIRONMENTAL SERVICES  
DIRECTOR**

Brenda Dewees

**PARKS & RECREATION  
DIRECTOR**

Samantha Bergeron

# City of Edgewater Citizens





## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council, and City Manager  
City of Edgewater, 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 Edgewater, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and CRA 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 and required supplementary information, 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*

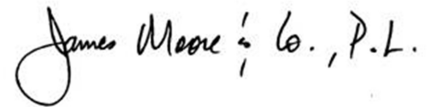
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section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

The combining and individual nonmajor fund financial statements and budgetary comparison 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 information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

James Moore & Co., P.L.

Daytona Beach, Florida  
March 7, 2022



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## **Management's Discussion and Analysis**

As management of the City of Edgewater, Florida we offer readers of the City of Edgewater's financial statements this narrative overview and analysis of the financial activities of the City of Edgewater for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **Financial Highlights**

- Net Position - The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of FY 2020-2021 by \$100,169,872, which represents an increase in net position of \$10,658,018 or 11.91% from the prior fiscal year.
- Governmental Activities Net Position increased by \$4,477,610. The increase in Net Position was from a combination of increased revenues of \$1,449,562 and a decrease in expenditures of \$1,333,300. Several Revenue categories had large increases including Property Tax by \$871,732, Charges for Services \$418,760, Intergovernmental revenues \$362,084 and Capital Grants and Contributions increased by \$349,044. The City also had decreases in several expenditure categories including Transportation/Public Works \$1,029,683 of which \$823,727 was from decreased road resurfacing, General Government \$270,462 and Public Safety \$200,783. The remainder of the increase in net Position was largely from revenues collected to fund future expenditures including revenues related to impact fees, and departmental budget savings.
- Business Type Activities Net Position increased by \$6,180,408. Business Type activities also had other budget carryforwards in the amount of \$2,639,138. The remainder of the increase in net Position was largely from revenues collected to fund future expenditures, capital projects, including revenues related to impact fees as well departmental budget savings.
- At the end of FY 2020-21, the General Fund unassigned fund balance was \$8,590,952 or an estimated 39.51% of the budgeted FY 2022 General Fund expenditures. This represents an increase of \$691,736 from the prior fiscal year.
- During the fiscal year, the City's total debt decreased by \$1,348,601. Governmental debt decreased by \$576,777 and business-type debt decreased by \$771,824.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

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



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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City of Edgewater 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 of Edgewater include general administration, public safety, public works, community redevelopment, and culture and recreation. The business-type activities of the City of Edgewater include water and sewer, solid waste, and stormwater management.

The government-wide financial statements include only the City of Edgewater itself (known as the *primary government*). The City of Edgewater has one component unit, the Edgewater Community Redevelopment Agency (CRA). The CRA is reported in a separate ACFR Annual Comprehensive Financial Report.

The government-wide financial statements can be found on pages 17-19 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Edgewater, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Edgewater can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**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 statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Edgewater maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the community redevelopment agency (CRA) and the capital projects fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated

presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Edgewater adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund and community redevelopment fund to demonstrate compliance with their budgets on pages 24 and 25 respectively. Budgetary comparison schedules have been provided for the non-major, debt service and capital projects funds at pages 86-95. The basic governmental fund financial statements can be found on pages 20-24 of this report.

**Proprietary Funds** - The City of Edgewater maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report functions presented as *business-type activities* in the government-wide financial statements. The City of Edgewater uses enterprise funds to account for water and sewer, solid waste collection and stormwater management. Internal service funds are used to account for management information systems, fleet servicing, and property and casualty, health, dental, life, and workers compensation insurances. Because the services of these funds predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer, solid waste collection and stormwater management which are all considered to be major funds.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

**Internal Service** funds are used to account for the financing of centralized services to the City departments on a cost-reimbursement basis.

The basic internal services fund financial statements can be found on pages 97-99 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Edgewater's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 101-102 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a more complete understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 31-70 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in its obligation to provide pension and OPEB benefits to its employees which can be found on pages 72-84. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to financial statements and required supplementary

information. Combining and individual fund statements and schedules can be found on pages 86-95 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Edgewater, assets and deferred outflows exceed liabilities and deferred inflows by \$100,169,872 at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior years. For more detail see the Statement of Net Position on page 17.

**City of Edgewater's Statement of Net Position (in whole dollars)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$21,812,144	\$16,834,813	\$30,890,352	\$20,507,469	\$ 52,702,496	\$37,342,282
Capital Assets	48,092,002	48,172,170	44,734,394	44,192,492	92,826,396	92,364,662
Total Assets	69,904,146	65,006,983	75,624,746	64,699,961	145,528,892	129,706,944
Total deferred outflows of resources	5,146,771	4,351,799	1,556,947	1,029,685	6,703,718	5,381,484
<b>Liabilities:</b>						
Long term liabilities	17,460,510	17,757,661	20,060,133	21,660,212	37,520,643	39,417,873
Other liabilities	2,629,598	2,200,944	9,532,331	2,796,010	12,161,929	4,996,954
Total Liabilities	20,090,108	19,958,605	29,592,464	24,456,222	49,682,572	44,414,827
Total deferred inflows of resources	2,069,391	986,369	310,775	175,378	2,380,166	1,161,747
<b>Net Position:</b>						
Net investment in capital assets	42,309,674	42,407,665	29,362,572	28,941,594	71,672,246	71,349,259
Restricted	5,050,309	3,093,854	3,770,920	2,391,607	8,821,229	5,485,461
Unrestricted	5,531,435	2,912,289	14,144,962	9,764,845	19,676,397	12,677,134
Total Net Position	\$52,891,418	\$48,413,808	\$47,278,454	\$41,098,046	\$100,169,872	\$89,511,854

At the end of the current fiscal year, the Governmental Liabilities increased by \$131,503. The Governmental Liability for FY2020-2021 changed mainly from Other Post-Employment Benefits increases of \$1,650,717, and Accounts payable and other current liabilities increased by \$267,676. These were offset by Net Pension Liability decrease of \$1,277,601 and Notes and Capital Leases payable decrease of \$576,777. Other Governmental Liabilities categories had smaller increases or decreases during fiscal year 2020-2021.

Business-Type Liabilities increased by \$5,136,242. The increase was largely from Unearned Revenue from the American Rescue Plan Act (ARPA) of 2021 in the amount of \$5,989,709 and an increase in Other Post-Employment Benefits of \$648,520 which was offset by decreases in Notes Payable and Capital Leases of \$771,824, Net Pension Liability of \$553,079 and Account Payable and other current liabilities \$319,243. These changes were offset by with other smaller changes in FY2020-2021.

The City's net position reflects seventy-two percent (72%) investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those

assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Edgewater's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Edgewater's net position 9% represents resources that are subject to external restrictions on how they may be used. The remaining balance of Net Position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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

The government's net position increased \$10,658,018 in the current fiscal year. The government's restricted net position increased by \$3,335,768 in the current fiscal year. This was mainly attributed to increases in restricted for Capital Projects of \$2,933,311 and Pensions \$503,738. Further explanations of the increase are proceeded in this section. The following table reflects the condensed Statement of Activities for the current and prior years. For more detail see the Statement of Activities on page 18-19.

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## City of Edgewater's Changes in Revenues, Expenses and Net Position (in whole dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues -						
Charges for services	\$ 2,057,709	\$ 1,638,949	\$ 18,374,279	\$ 17,849,052	\$ 20,431,988	\$ 19,488,001
Operating grants and contributions	1,163,296	1,863,557			1,163,296	1,863,557
Capital grants and contributions	1,291,930	942,886	1,962,257	603,251	3,254,187	1,546,137
General revenues -						
Property taxes	8,108,454	7,236,722	-	-	8,108,454	7,236,722
Franchise and utility taxes	3,887,989	3,716,918	-	-	3,887,989	3,716,918
Intergovernmental	2,757,368	2,395,284	-	-	2,757,368	2,395,284
Investment income and miscellaneous	53,417	76,285	192,802	291,264	246,219	367,549
<b>Total revenues</b>	<b>19,320,163</b>	<b>17,870,601</b>	<b>20,529,338</b>	<b>18,743,567</b>	<b>39,849,501</b>	<b>36,614,168</b>
<b>Expenses:</b>						
General government	2,683,052	2,953,514	-	-	2,683,052	2,953,514
Public safety	8,767,933	8,968,716	-	-	8,767,933	8,968,716
Transportation/public works	1,779,480	2,809,163	-	-	1,779,480	2,809,163
Parks and recreation	1,969,040	1,818,683	-	-	1,969,040	1,818,683
Community Redevelopment	177,892	116,568	-	-	177,892	116,568
Interest on long-term debt	174,585	218,638	-	-	174,585	218,638
Water and sewer	-	-	9,436,947	9,674,743	9,436,947	9,674,743
Solid waste	-	-	2,806,094	2,815,826	2,806,094	2,815,826
Stormwater management	-	-	1,396,460	1,452,765	1,396,460	1,452,765
<b>Total expenses</b>	<b>15,551,982</b>	<b>16,885,282</b>	<b>13,639,501</b>	<b>13,943,334</b>	<b>29,191,483</b>	<b>30,828,616</b>
<b>Excess (deficiency) before transfers</b>	<b>3,768,181</b>	<b>985,319</b>	<b>6,889,837</b>	<b>4,800,233</b>	<b>10,658,018</b>	<b>5,785,552</b>
<b>Transfers in / (out)</b>	<b>709,429</b>	<b>2,156,666</b>	<b>(709,429)</b>	<b>(2,156,666)</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in net position</b>	<b>4,477,610</b>	<b>3,141,985</b>	<b>6,180,408</b>	<b>2,643,567</b>	<b>10,658,018</b>	<b>5,785,552</b>
<b>Net Position - Beginning Restated</b>	<b>48,413,808</b>	<b>45,271,823</b>	<b>41,098,046</b>	<b>38,454,479</b>	<b>89,511,854</b>	<b>83,726,302</b>
<b>Net Position - Ending</b>	<b>\$ 52,891,418</b>	<b>\$ 43,973,583</b>	<b>\$ 47,278,454</b>	<b>\$ 41,098,046</b>	<b>\$ 100,169,872</b>	<b>\$ 89,511,854</b>

## **Statement of Activities**

*Governmental Activities* - Governmental activities increased the City of Edgewater's net position by \$4,477,610. Key elements of this increase are as follows:

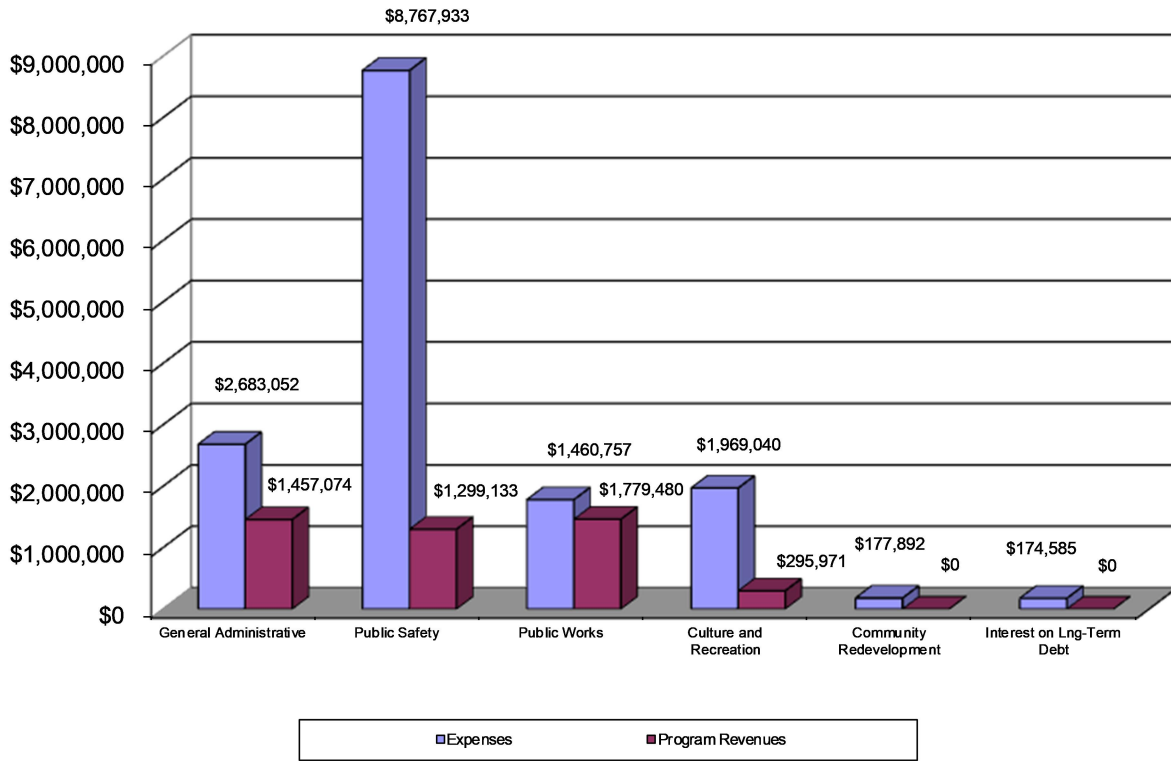
- Governmental Activities increased mainly from budget carryforwards and from revenues collected to fund future expenses including revenues related to impact fees as well as departmental budget savings. These revenue sources include grants, impact fees and building permits.
- Governmental Revenues increased by \$1,449,562 largely from two categories. Property Tax revenue increased \$871,732 resulted from a combination of annexations, new construction and increased property valuations. Intergovernmental shared revenue increased by \$362,084 which resulted from increased economic activity from the prior year.
- Governmental Expenses decreased \$1,333,300 largely from three categories; Public Works at \$1,029,683, General Administrative \$270,462 and Public Safety \$200,783. These decreases were offset by an increase of \$150,357 in Culture and Recreation expenditures. Public Works decreased year to year for costs related to the Public Works complex.
- The General Administrative and Public Safety expenses decrease resulted largely from the timing of one time expenditures during FY2019-2020.

*Business-Type Activities* - Business-type activities increased the City of Edgewater's net position by \$6,180,408. Key elements of this increase are as follows:

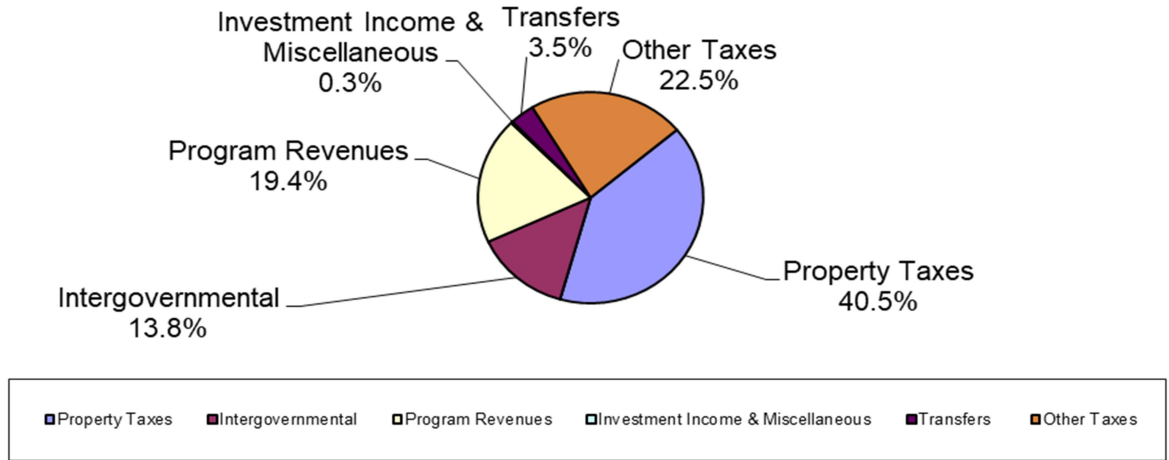
- Charges for services reflect an overall 2.94% increase this year as compared to an 6.57% increase last year. Charges for services increased by \$525,227 over the previous year. All of the rates are adjusted per continuing professional rate study analyses.
- The main item affecting the increase was the budget carryforward of \$2,639,138. The carryforward relates to in process projects and other purchase orders that had expenses outstanding at the end of FY2021.
- The Transfer decrease by \$1,447,237 was largely from the Public Works Complex in FY2020.
- The remainder of the increase in net Position was largely from revenues collected to fund future expenditures including revenues related to impact fees as well as departmental budget savings.

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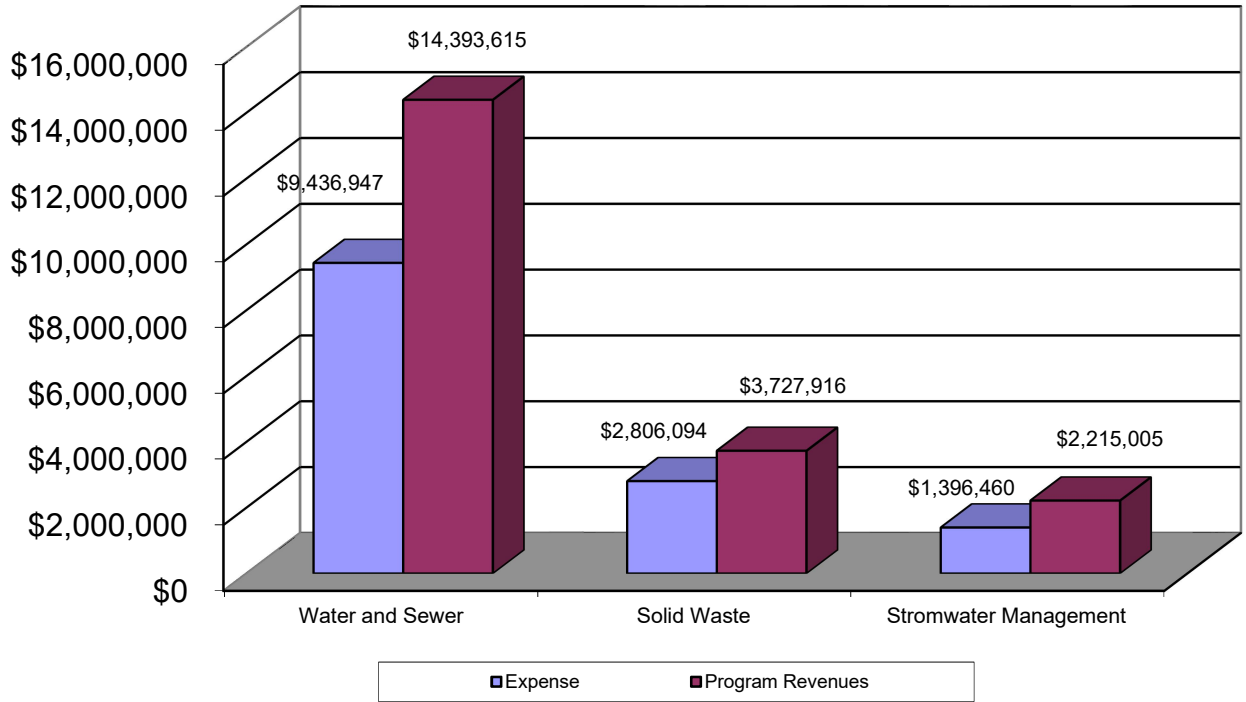
### Expenses and Program Revenues - Governmental Activities



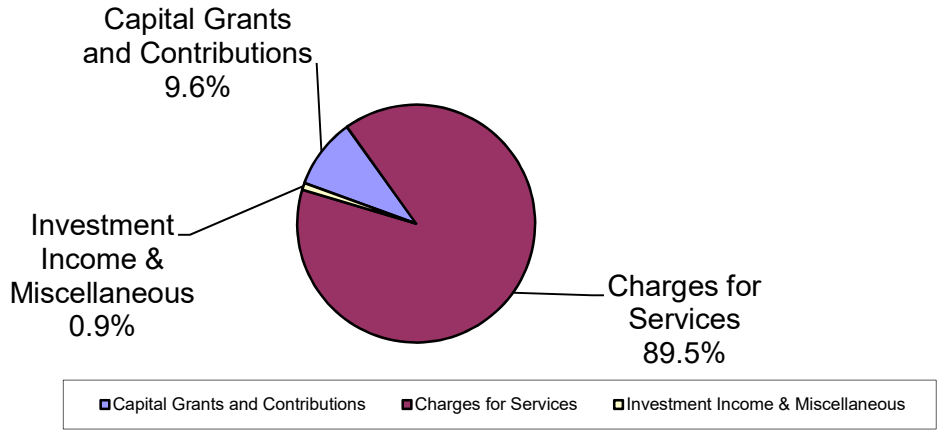
### Revenues by Source – Governmental Activities



### Expenses and Program Revenues - Business-Type Activities



### Revenues by Source - Business-Type Activities





## Financial Analysis of the Government's Funds

As noted earlier, the City of Edgewater uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

**Governmental Funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Edgewater's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Edgewater's governmental funds reported combined ending fund balances of \$15,949,773 an increase of \$3,411,755 in comparison with the prior year. Approximately 54% of this amount or \$8,590,952 constitutes unassigned fund balance, which is available for spending at the City's discretion. The City has assigned fund balance for the replacement of City Hall in the amount of \$639,133 and subsequent year's budget of \$3,455,684. Restricted fund balance of \$3,259,021 is for scholarships, public safety, debt service, building permits, community redevelopment, manatee preservation, tree mitigation and capital projects. Nonspendable fund balance of \$4,983 is held for inventories and prepaids.

The General Fund is the chief operating fund of the City of Edgewater. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,590,952, while total fund balance was \$12,785,602. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.9% of the total General Fund 2022 budgeted expenditures, while total fund balance represents 68.20% of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$1,999,842 was largely from revenues collected to fund future expenditures including revenues related to impact fees as well departmental budget savings. The General Fund also had increases in revenue from property taxes in the amount of \$762,368. The property tax revenue increase resulted from a combination of annexations, new construction and increased property valuations. The remainder of the increase in fund balance was largely from revenues collected to fund future expenditures as well departmental budget savings.

Fiscal Year 2021 is the sixth year of activity for the City's established Community Redevelopment Agency Fund (CRA). This agency is established for the purpose of making improvements to core downtown properties to enhance economic activity in the City. Revenues are being collected from the County and City. Future expenditures are budgeted primarily for land acquisitions or qualified community enhancements.

**Proprietary Funds** - The City of Edgewater's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds (including enterprise and internal service funds) at the year-end amounted to \$16,621,642. The total increase in unrestricted net position for these funds was \$4,237,762. Other factors concerning the finances of the enterprise funds have already been addressed in the discussion of the City of Edgewater's business-type activities.

The City has received the first tranche payment of American Rescue Plan Act (ARPA) in the amount of \$5,989,709.00. The City plans on using the ARPA funding for Sewer Rehabilitation projects.

## General Fund Budgetary Highlights

The final revenue budget was increased from the original budget by \$111,431. Actual revenues were \$2,406,613 higher than budget due mainly to the following, increased intergovernmental revenue of \$1,043,328 which is mostly related to conservative budget estimates for FY2021 which were estimated during a time of uncertainty related to how the Covid pandemic would impact these types of revenues, utility and franchise fees of \$611,961, Licenses and permits \$517,243 and revenues from property tax collections in the amount of \$82,449.

Actual expenditures were \$1,427,267 less than budgeted expenditures mostly due to holding positions open in various departments, reduction in operating costs, the timing of Disaster expenditures related to Covid in order to cover the effects of the Covid pandemic. The City also had \$281,807 of Budget roll forwards related to open purchase orders and approved Capital projects.

The final expenditure budget was increased from the original budget by \$1,483,889 due mainly to an increase in Capital Outlay expenditures of \$1,220,452 which were related to roll forward purchase orders from the prior year and projects and other capital expenditures approved during FY2021.

## Capital Asset and Debt Administration

**Capital Assets** - The City of Edgewater's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$92,826,396 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and Construction in Process. The total increase in the City's investment in capital assets for the 2021 fiscal year was 0.50%.

### City of Edgewater's Capital Assets (net of depreciation)(in whole dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 26,226,752	\$ 26,226,752	\$ 1,397,173	\$ 1,397,183	\$ 27,623,925	\$ 27,623,935
Buildings	3,246,709	3,432,213	4,160,827	4,605,946	7,407,536	8,038,159
Improvements	10,245,358	9,503,659	33,904,743	34,791,008	44,150,101	44,294,667
Machinery and equipment	2,107,032	1,329,756	3,791,896	2,180,484	5,898,928	3,510,240
Infrastructure	5,670,060	5,987,771	-	-	5,670,060	5,987,771
Construction in progress	596,091	1,692,019	1,479,755	1,217,871	2,075,846	2,909,890
Total	\$ 48,092,002	\$ 48,172,170	\$ 44,734,394	\$ 44,192,492	\$ 92,826,396	\$ 92,364,662

Additional information on the City of Edgewater's capital assets can be found in the notes to the financial statements on pages 46-47 of this report.

## Long-Term Debt

At the end of the current fiscal year, the City of Edgewater had total debt outstanding of \$21,154,150. This debt includes notes payable, state revolving loans and capital leases. The City is current on all required debt service obligations.

### City of Edgewater's Outstanding Debt (in whole dollars)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Notes payable	\$ 5,156,081	\$ 5,550,050	\$ 6,207,920	\$ 6,402,950	\$ 11,364,001	\$ 11,953,000
State revolving loans	-	-	8,403,949	8,826,048	8,403,949	8,826,048
Capital leases	626,247	809,055	759,953	914,648	1,386,200	1,723,703
	<u>\$ 5,782,328</u>	<u>\$ 6,359,105</u>	<u>\$ 15,371,822</u>	<u>\$ 16,143,646</u>	<u>\$ 21,154,150</u>	<u>\$ 22,502,751</u>

During the current fiscal year, the City's total debt decreased by \$1,348,601 which was a 6% reduction. Additional information on the City of Edgewater's long-term debt can be found in the notes to the financial statements on pages 48-55 of this report.

## Reserve Policy

In November 2016, voter's approved a charter amendment requiring the City to maintain reserves at a minimum of 15 percent of all operating funds (General, Water & Sewer, Solid Waste and Stormwater). The policy addresses that the City is required to maintain reserves at a minimum of 15 percent with a maximum of 25 percent of the respective fund. The reserve range is established based on a percentage of current years' budget. Reserve levels above the top of the range are deemed to be available for capital or other lawful purposes.

The minimum Reserve amount per Charter is currently set at \$2,851,271 (15%) of the FY2021 – 2022 General Fund Budget. The amount available for capital or other lawful purposes less any reserves or set asides is \$5,739,681 unassigned less reserves at September 30, 2021.

## Next Year's Budget and Rates

The City Council adopted a conservative budget for Fiscal Year 2022. The proposed budget contains many ambitious work plan objectives that are intended to address the highest priorities in the community and the goals of the City Council. This budget also sets the financial foundation to establish an accurate and understandable assessment and tracking of the uses and sources of all funds. The 2022 budget presents a number of opportunities and challenges to improve overall service to the community and continuing recovery efforts associated with the Covid 19 Pandemic.

## Requests for Information

This financial report is designed to provide a general overview of the City of Edgewater's finances for those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, City of Edgewater, P.O. Box 100, Edgewater, Florida 32132-0100.

**CITY OF EDGEWATER, FLORIDA**  
Statement of Net Position  
September 30, 2021

	<b>Governmental - type Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,831,082	\$ 15,700,554	\$ 30,531,636
Investments	2,912,902	8,433,781	11,346,683
Receivables, net	479,508	2,458,857	2,938,365
Special assessment receivable	-	145,985	145,985
Due from other governments	1,539,335	284,435	1,823,770
Inventories and prepaids	77,355	-	77,355
Net pension asset	1,971,962	-	1,971,962
Restricted assets:			
Cash and cash equivalents	-	3,866,740	3,866,740
Capital assets			
Nondepreciable assets	26,822,843	2,876,928	29,699,771
Depreciable assets, net	21,269,159	41,857,466	63,126,625
Total assets	<u>\$ 69,904,146</u>	<u>\$ 75,624,746</u>	<u>\$ 145,528,892</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	\$ 3,033,397	\$ 431,840	\$ 3,465,237
Deferred outflows related to OPEB	2,113,374	1,125,107	3,238,481
Total deferred outflows of resources	<u>\$ 5,146,771</u>	<u>\$ 1,556,947</u>	<u>\$ 6,703,718</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 1,031,785	\$ 582,012	\$ 1,613,797
Accrued interest payable	63,145	96,257	159,402
Unearned revenue	88,057	5,992,254	6,080,311
Due to other governments	18,655	-	18,655
Customer deposits	-	827,995	827,995
Noncurrent liabilities:			
Due within one year:			
Notes and capital leases payable	589,039	1,680,501	2,269,540
Compensated absences	838,917	353,312	1,192,229
Due in more than one year:			
Notes and capital leases payable	5,193,289	13,691,321	18,884,610
Compensated absences	556,249	251,538	807,787
Net pension liability	6,059,167	3,108,399	9,167,566
Total OPEB liability	5,651,805	3,008,875	8,660,680
Total liabilities	<u>\$ 20,090,108</u>	<u>\$ 29,592,464</u>	<u>\$ 49,682,572</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 1,850,420	\$ 194,200	\$ 2,044,620
Deferred inflows related to OPEB	218,971	116,575	335,546
Total deferred inflows of resources	<u>\$ 2,069,391</u>	<u>\$ 310,775</u>	<u>\$ 2,380,166</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 42,309,674	\$ 29,362,572	\$ 71,672,246
Restricted for:			
Debt service	91,140	1,074,676	1,165,816
Public safety	53,616	-	53,616
Building permits	45,318	-	45,318
Manatee preservation	9,400	-	9,400
Pensions	1,839,330	-	1,839,330
Tree mitigation	100,665	-	100,665
Capital projects	2,500,740	2,696,244	5,196,984
Community redevelopment	406,731	-	406,731
Scholarships	3,369	-	3,369
Unrestricted	5,531,435	14,144,962	19,676,397
Total net position	<u>\$ 52,891,418</u>	<u>\$ 47,278,454</u>	<u>\$ 100,169,872</u>

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

**CITY OF EDGEWATER, FLORIDA**

Statement of Activities

For the Fiscal Year Ended September 30, 2021

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General administrative	\$ 2,683,052	\$ 1,181,901	\$ 240,330	\$ 34,843
Public works	1,779,480	100,619	722,284	637,854
Public safety	8,767,933	739,019	190,830	369,284
Culture and recreation	1,969,040	36,170	9,852	249,949
Community redevelopment	177,892	-	-	-
Interest on long-term debt	174,585	-	-	-
<b>Total governmental activities</b>	<b>15,551,982</b>	<b>2,057,709</b>	<b>1,163,296</b>	<b>1,291,930</b>
Business-type activities:				
Water / Sewer	9,436,947	12,533,913	-	1,859,702
Solid waste	2,806,094	3,685,613	-	42,303
Stormwater	1,396,460	2,154,753	-	60,252
<b>Total business-type activities</b>	<b>13,639,501</b>	<b>18,374,279</b>	<b>-</b>	<b>1,962,257</b>
<b>Total primary government</b>	<b>\$ 29,191,483</b>	<b>\$ 20,431,988</b>	<b>\$ 1,163,296</b>	<b>\$ 3,254,187</b>

General revenues:

Property taxes

Utility and franchise taxes

Intergovernmental shared revenue - non-program

Investment earnings

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (1,225,978)	\$ -	\$ (1,225,978)
(318,723)	-	(318,723)
(7,468,800)	-	(7,468,800)
(1,673,069)	-	(1,673,069)
(177,892)	-	(177,892)
(174,585)	-	(174,585)
<u>(11,039,047)</u>	<u>-</u>	<u>(11,039,047)</u>
-	4,956,668	4,956,668
-	921,822	921,822
-	818,545	818,545
<u>-</u>	<u>6,697,035</u>	<u>6,697,035</u>
<u>(11,039,047)</u>	<u>6,697,035</u>	<u>(4,342,012)</u>
8,108,454	-	8,108,454
3,887,989	-	3,887,989
2,757,368	-	2,757,368
33,895	23,189	57,084
19,522	169,613	189,135
709,429	(709,429)	-
<u>15,516,657</u>	<u>(516,627)</u>	<u>15,000,030</u>
4,477,610	6,180,408	10,658,018
48,413,808	41,098,046	89,511,854
<u>\$ 52,891,418</u>	<u>\$ 47,278,454</u>	<u>\$ 100,169,872</u>

**CITY OF EDGEWATER, FLORIDA**

Balance Sheet  
 Governmental Funds  
 September 30, 2021

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CRA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 8,584,611	\$ 469,584	\$ 406,725	\$ 2,236,550	\$ 11,697,470
Investments	2,912,902	-	-	-	2,912,902
Receivables, net	476,183	-	6	33	476,222
Due from other governments	1,465,033	74,302	-	-	1,539,335
Inventories and prepaids	4,983	-	-	-	4,983
Total assets	<u>\$ 13,443,712</u>	<u>\$ 543,886</u>	<u>\$ 406,731</u>	<u>\$ 2,236,583</u>	<u>\$ 16,630,912</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 163,494	\$ 23,003	\$ -	\$ -	\$ 186,497
Accrued liabilities	387,930	-	-	-	387,930
Due to other governments	18,629	-	-	26	18,655
Unearned revenue	88,057	-	-	-	88,057
Total liabilities	<u>658,110</u>	<u>23,003</u>	<u>-</u>	<u>26</u>	<u>681,139</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories and prepaids	4,983	-	-	-	4,983
Restricted for:					
Scholarships	3,369	-	-	-	3,369
Public safety	-	-	-	53,616	53,616
Debt service	46,163	-	-	93,019	139,182
Building permits	45,318	-	-	-	45,318
Community redevelopment	-	-	406,731	-	406,731
Manatee preservation	-	-	-	9,400	9,400
Tree mitigation	-	-	-	100,665	100,665
Capital projects	-	520,883	-	1,979,857	2,500,740
Assigned to:					
Subsequent year's budget	3,455,684	-	-	-	3,455,684
City Hall	639,133	-	-	-	639,133
Unassigned	8,590,952	-	-	-	8,590,952
Total fund balances	<u>12,785,602</u>	<u>520,883</u>	<u>406,731</u>	<u>2,236,557</u>	<u>15,949,773</u>
Total liabilities and fund balances	<u>\$ 13,443,712</u>	<u>\$ 543,886</u>	<u>\$ 406,731</u>	<u>\$ 2,236,583</u>	<u>\$ 16,630,912</u>

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

**CITY OF EDGEWATER, FLORIDA**

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 September 30, 2021

Total governmental funds fund balance \$ 15,949,773

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

and, therefore, are not reported in the funds - total less accumulated depreciation.

Land and land rights	25,289,849	
Buildings and improvements	34,256,190	
Infrastructure	61,538,602	
Furniture and equipment	6,641,541	
Construction in progress	91,579	
Accumulated depreciation	<u>(81,225,919)</u>	46,591,842

Internal service funds are used by management to charge the costs of fleet, management information systems and insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 3,943,325

On the governmental fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net pension liability/asset of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(6,059,167)	
Net pension asset	1,971,962	
Deferred outflows related to pensions	3,033,397	
Deferred inflows related to pensions	<u>(1,850,420)</u>	(2,904,228)

On the governmental fund statements, an OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(5,367,182)	
Deferred outflows related to OPEB	2,006,944	
Deferred inflows related to OPEB	<u>(207,944)</u>	(3,568,182)

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

Compensated absences	1,309,221	
Long-term debt	<u>5,748,813</u>	(7,058,034)

Accrued interest payable on bonds that is not recognized on the fund statements. (63,078)

Net position of governmental activities \$ 52,891,418

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



**CITY OF EDGEWATER, FLORIDA**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended September 30, 2021

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CRA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 7,514,400	\$ -	\$ 315,360	\$ 278,694	\$ 8,108,454
Utility and franchise taxes	3,887,989	-	-	-	3,887,989
Intergovernmental	3,828,008	246,311	-	-	4,074,319
Licenses and permits	1,011,043	-	-	-	1,011,043
Charges for services	2,114,209	-	-	9,400	2,123,609
Fines and forfeitures	105,392	-	-	-	105,392
Investment earnings	28,531	-	794	1,822	31,147
Impact fees	-	-	-	1,257,087	1,257,087
Miscellaneous revenue	67,477	-	-	-	67,477
Total revenues	<u>18,557,049</u>	<u>246,311</u>	<u>316,154</u>	<u>1,547,003</u>	<u>20,666,517</u>
<b>EXPENDITURES</b>					
Current:					
Legislative	102,180	-	-	-	102,180
Executive	647,166	-	-	-	647,166
Legal counsel	131,493	-	-	-	131,493
Community development	760,341	-	12,001	-	772,342
Public works	862,354	31	-	-	862,385
Public safety:					
Law enforcement	4,723,307	-	-	-	4,723,307
Fire and emergency services	3,932,412	-	-	-	3,932,412
Code enforcement	169,672	-	-	-	169,672
Animal services	158,139	-	-	-	158,139
Culture and recreation	1,399,914	-	-	-	1,399,914
General administrative services	2,688,032	-	-	-	2,688,032
Debt service:					
Principal	268,002	-	-	298,000	566,002
Interest	33,981	-	-	139,688	173,669
Capital outlay	1,202,917	329,744	-	104,817	1,637,478
Total expenditures	<u>17,079,910</u>	<u>329,775</u>	<u>12,001</u>	<u>542,505</u>	<u>17,964,191</u>
Excess (deficiency) of revenues over expenditures	<u>1,477,139</u>	<u>(83,464)</u>	<u>304,153</u>	<u>1,004,498</u>	<u>2,702,326</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,062,068	427,285	-	161,917	1,651,270
Transfers out	(539,365)	-	(352,639)	(49,837)	(941,841)
Total other financing sources (uses)	<u>522,703</u>	<u>427,285</u>	<u>(352,639)</u>	<u>112,080</u>	<u>709,429</u>
Net change in fund balances	1,999,842	343,821	(48,486)	1,116,578	3,411,755
Beginning fund balances	10,785,760	177,062	455,217	1,119,979	12,538,018
Ending fund balances	<u>\$ 12,785,602</u>	<u>\$ 520,883</u>	<u>\$ 406,731</u>	<u>\$ 2,236,557</u>	<u>\$ 15,949,773</u>

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

**CITY OF EDGEWATER, FLORIDA**

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Fiscal Year Ended September 30, 2021

Net change in fund balances - total governmental funds \$ 3,411,755

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

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

Expenditure for capital assets	1,637,478	
Current year depreciation	<u>(2,048,875)</u>	(411,397)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to increase net position.	847
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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 governmental funds.

Changes in compensated absences	(43,350)
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The net revenue of certain activities of internal service funds is reported with governmental activities.	199,649
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Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension/OPEB plans decreases (increases) the future net pension/OPEB liability (asset). Also included in pension/OPEB expense in the Statement of Activities are deferred inflow and deferred outflow amounts required to be amortized.

Change in net pension liability/asset and deferred inflows/outflows related to pensions	1,184,105
Change in Total OPEB liability and deferred inflows/outflows related to OPEB	(430,001)

The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	<u>566,002</u>	566,002
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Change in net position of governmental activities		<u>\$ 4,477,610</u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF EDGEWATER, FLORIDA**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
General Fund  
For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,431,951	\$ 7,431,951	\$ 7,514,400	\$ 82,449
Utility and franchise taxes	3,276,028	3,276,028	3,887,989	611,961
Intergovernmental	2,649,249	2,784,680	3,828,008	1,043,328
Licenses and permits	493,800	493,800	1,011,043	517,243
Charges for services	2,064,177	2,040,177	2,114,209	74,032
Fines and forfeitures	71,000	71,000	105,392	34,392
Investment earnings	24,600	24,600	28,531	3,931
Miscellaneous revenue	28,200	28,200	67,477	39,277
Total revenues	<u>16,039,005</u>	<u>16,150,436</u>	<u>18,557,049</u>	<u>2,406,613</u>
<b>EXPENDITURES</b>				
Current:				
Legislative	134,685	131,035	102,180	28,855
Executive	655,009	667,011	647,166	19,845
Legal counsel	120,500	131,500	131,493	7
Community development	960,087	966,473	760,341	206,132
Public works	1,210,329	1,204,039	862,354	341,685
Public safety:				
Law enforcement	4,681,485	4,813,004	4,723,307	89,697
Fire and emergency services	4,129,284	4,045,127	3,932,412	112,715
Code enforcement	190,245	192,895	169,672	23,223
Animal services	164,430	164,735	158,139	6,596
Culture and recreation	1,620,007	1,672,030	1,399,914	272,116
General administrative services	2,648,205	2,788,854	2,688,032	100,822
Debt service:				
Principal	267,003	268,003	268,002	1
Interest	35,919	35,919	33,981	1,938
Capital outlay	206,100	1,426,552	1,202,917	223,635
Total expenditures	<u>17,023,288</u>	<u>18,507,177</u>	<u>17,079,910</u>	<u>1,427,267</u>
Excess (deficiency) of revenues over expenditures	<u>(984,283)</u>	<u>(2,356,741)</u>	<u>1,477,139</u>	<u>3,833,880</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,026,725	1,026,725	1,062,068	35,343
Transfers out	(162,002)	(678,219)	(539,365)	138,854
Total other financing sources (uses)	<u>864,723</u>	<u>348,506</u>	<u>522,703</u>	<u>174,197</u>
Net change in fund balances	(119,560)	(2,008,235)	1,999,842	4,008,077
Beginning fund balances	10,785,760	10,785,760	10,785,760	-
Ending fund balances	<u>\$ 10,666,200</u>	<u>\$ 8,777,525</u>	<u>\$ 12,785,602</u>	<u>\$ 4,008,077</u>

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

**CITY OF EDGEWATER, FLORIDA**  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
CRA Fund  
For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 338,861	\$ 315,360	\$ 315,360	\$ -
Investment earnings	-	-	794	794
Total revenues	<u>338,861</u>	<u>315,360</u>	<u>316,154</u>	<u>794</u>
<b>EXPENDITURES</b>				
Other Services & Charges	517,736	145,000	12,001	132,999
Total expenditures	<u>517,736</u>	<u>145,000</u>	<u>12,001</u>	<u>132,999</u>
Excess (deficiency) of revenues over expenditures	<u>(178,875)</u>	<u>170,360</u>	<u>304,153</u>	<u>133,793</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(626,249)	(352,639)	273,610
Total other financing sources (uses)	<u>-</u>	<u>(626,249)</u>	<u>(352,639)</u>	<u>273,610</u>
Net change in fund balance	(178,875)	(455,889)	(48,486)	407,403
Beginning fund balances	455,217	455,217	455,217	-
Ending fund balances	<u>\$ 276,342</u>	<u>\$ (672)</u>	<u>\$ 406,731</u>	<u>\$ 407,403</u>

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

**CITY OF EDGEWATER, FLORIDA**  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>					
	<b>Major Funds</b>					
	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>	<b>Total</b>		<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 9,743,941	\$ 3,021,314	\$ 2,935,299	\$ 15,700,554	\$	3,133,612
Investments	7,622,286	530,553	280,942	8,433,781		-
Receivables, net	1,701,076	484,393	273,388	2,458,857		3,286
Due from other governments	115,579	126,152	42,704	284,435		-
Inventories	-	-	-	-		34,132
Prepaid items	-	-	-	-		38,240
Total current assets	<u>19,182,882</u>	<u>4,162,412</u>	<u>3,532,333</u>	<u>26,877,627</u>		<u>3,209,270</u>
Noncurrent assets:						
Restricted cash and cash equivalents:						
Debt service	1,170,496	-	-	1,170,496		-
Capital projects	2,696,244	-	-	2,696,244		-
Total restricted cash and cash equivalents	<u>3,866,740</u>	<u>-</u>	<u>-</u>	<u>3,866,740</u>		<u>-</u>
Capital assets:						
Land and land rights	1,079,749	-	317,424	1,397,173		936,903
Buildings and improvements	80,112,660	69,075	9,928,002	90,109,737		60,684
Machinery and equipment	9,934,437	2,888,225	2,077,676	14,900,338		437,610
Construction in progress	1,403,208	-	76,547	1,479,755		504,512
Less accumulated depreciation	<u>(54,853,882)</u>	<u>(1,654,980)</u>	<u>(6,643,747)</u>	<u>(63,152,609)</u>		<u>(439,549)</u>
Total capital assets (net of accumulated depreciation)	37,676,172	1,302,320	5,755,902	44,734,394		1,500,160
Special assessment receivable	145,985	-	-	145,985		-
Total noncurrent assets	<u>41,688,897</u>	<u>1,302,320</u>	<u>5,755,902</u>	<u>48,747,119</u>		<u>1,500,160</u>
Total assets	<u>\$ 60,871,779</u>	<u>\$ 5,464,732</u>	<u>\$ 9,288,235</u>	<u>\$ 75,624,746</u>	<u>\$</u>	<u>\$ 4,709,430</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions	\$ 308,797	\$ 99,228	\$ 23,815	\$ 431,840	\$	-
Deferred outflows related to OPEB	668,983	288,879	167,245	1,125,107		106,430
Total deferred outflows of resources	<u>\$ 977,780</u>	<u>\$ 388,107</u>	<u>\$ 191,060</u>	<u>\$ 1,556,947</u>	<u>\$</u>	<u>\$ 106,430</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 297,688	\$ 85,486	\$ 3,511	\$ 386,685	\$	437,854
Accrued liabilities	151,168	22,944	21,215	195,327		19,504
Compensated absences	242,881	51,152	59,279	353,312		42,942
Customer deposits	784,960	43,035	-	827,995		-
Unearned revenue	5,992,254	-	-	5,992,254		-
Accrued interest payable from restricted cash	95,820	-	437	96,257		67
Capital leases payable - current	5,073	-	7,880	12,953		-
Notes payable - current	1,172,427	144,000	46,708	1,363,135		10,934
Revenue bonds payable - current	304,413	-	-	304,413		-
Total current liabilities	<u>9,046,684</u>	<u>346,617</u>	<u>139,030</u>	<u>9,532,331</u>		<u>511,301</u>
Noncurrent liabilities:						
Compensated absences	223,925	20,832	6,781	251,538		43,003
Bonds, notes, and capital leases payable	12,991,859	603,000	96,462	13,691,321		22,581
Net pension liability	2,222,734	714,246	171,419	3,108,399		-
Total OPEB liability	<u>1,789,061</u>	<u>772,549</u>	<u>447,265</u>	<u>3,008,875</u>		<u>284,623</u>
Total noncurrent liabilities	17,227,579	2,110,627	721,927	20,060,133		350,207
Total liabilities	<u>\$ 26,274,263</u>	<u>\$ 2,457,244</u>	<u>\$ 860,957</u>	<u>\$ 29,592,464</u>	<u>\$</u>	<u>\$ 861,508</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions	\$ 138,867	\$ 44,623	\$ 10,710	\$ 194,200	\$	-
Deferred inflows related to OPEB	69,315	29,931	17,329	116,575		11,027
Total deferred inflows of resources	<u>\$ 208,182</u>	<u>\$ 74,554</u>	<u>\$ 28,039</u>	<u>\$ 310,775</u>	<u>\$</u>	<u>\$ 11,027</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 23,202,400	\$ 555,320	\$ 5,604,852	\$ 29,362,572	\$	1,466,645
Restricted:						
Capital projects	2,696,244	-	-	2,696,244		-
Debt service	1,074,676	-	-	1,074,676		-
Unrestricted	8,393,794	2,765,721	2,985,447	14,144,962		2,476,680
Total net position	<u>\$ 35,367,114</u>	<u>\$ 3,321,041</u>	<u>\$ 8,590,299</u>	<u>\$ 47,278,454</u>	<u>\$</u>	<u>\$ 3,943,325</u>

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

**CITY OF EDGEWATER, FLORIDA**  
Statement of Revenues, Expense and  
Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Major Funds</b>				
	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
Operating revenues:					
Charges for sales and services	\$ 12,533,913	\$ 3,685,613	\$ 2,154,753	\$ 18,374,279	\$ 5,160,042
Total operating revenues	12,533,913	3,685,613	2,154,753	18,374,279	5,160,042
Operating expenses:					
Salaries and employee benefits	3,311,860	676,426	562,237	4,550,523	3,392,099
Supplies and materials	880,494	421,048	33,951	1,335,493	460,769
Contract services	486,395	1,091,977	12,930	1,591,302	272,276
Other services and charges	2,014,319	443,102	322,391	2,779,812	798,109
Depreciation and amortization	2,458,377	204,740	467,475	3,130,592	38,972
Total operating expenses	9,151,445	2,837,293	1,398,984	13,387,722	4,962,225
Operating income (loss)	3,382,468	848,320	755,769	4,986,557	197,817
Nonoperating revenues (expenses):					
Investment earnings	16,172	3,569	3,448	23,189	2,748
Miscellaneous revenues	150,903	17,179	1,531	169,613	-
Gain on disposition of capital assets	40,939	43,168	6,606	90,713	-
Interest expense	(326,441)	(11,969)	(4,082)	(342,492)	(916)
Total nonoperating revenues (expenses)	(118,427)	51,947	7,503	(58,977)	1,832
Income (loss) before capital contributions and transfers	3,264,041	900,267	763,272	4,927,580	199,649
Transfers in	352,639	-	-	352,639	-
Transfers out	(719,014)	(217,444)	(125,610)	(1,062,068)	-
Capital grants	31,848	42,303	60,252	134,403	-
Capital contributions	1,827,854	-	-	1,827,854	-
Change in net position	4,757,368	725,126	697,914	6,180,408	199,649
Total net position - beginning	30,609,746	2,595,915	7,892,385	41,098,046	3,743,676
Total net position - ending	\$ 35,367,114	\$ 3,321,041	\$ 8,590,299	\$ 47,278,454	\$ 3,943,325

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

**CITY OF EDGEWATER, FLORIDA**

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended September 30, 2021

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Major Funds</b>			<b>Total</b>	
	<b>Water/ Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Stormwater Utility</b>		
Cash flows from operating activities:					
Receipts-customers and users	\$ 12,461,962	\$ 3,728,319	\$ 2,139,393	\$ 18,329,674	\$ 5,186,673
Payments-suppliers	(3,585,057)	(2,011,571)	(359,954)	(5,956,582)	(4,164,240)
Payments-employees	2,628,280	(886,989)	(578,228)	1,163,063	(531,799)
Net cash provided (used) by operating activities	<u>11,505,185</u>	<u>829,759</u>	<u>1,201,211</u>	<u>13,536,155</u>	<u>490,634</u>
Cash flows from noncapital financing activities:					
Cash paid to other funds	(719,014)	(217,444)	(125,610)	(1,062,068)	-
Cash received from other funds (net)	352,639	-	-	352,639	-
Net cash provided (used) by noncapital financing activities	<u>(366,375)</u>	<u>(217,444)</u>	<u>(125,610)</u>	<u>(709,429)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,382,943)	(915,252)	(374,307)	(3,672,502)	(370,201)
Proceeds from sale of capital assets	40,939	43,168	6,606	90,713	-
Grant revenue	21,140	41,362	20,360	82,862	-
Interest payments on debt	(260,174)	(11,969)	(4,323)	(276,466)	(937)
Capital contributions and fees	1,827,854	-	-	1,827,854	-
Principal paid on debt	(576,071)	(142,000)	(53,753)	(771,824)	(10,775)
Net cash provided (used) by capital and related financing activities	<u>(1,329,255)</u>	<u>(984,691)</u>	<u>(405,417)</u>	<u>(2,719,363)</u>	<u>(381,913)</u>
Cash flows from investing activities:					
Interest on investments	16,172	3,569	3,448	23,189	2,748
Purchase of investment securities	(6,831,126)	(150,489)	(440)	(6,982,055)	-
Net cash provided (used) by investing activities	<u>(6,814,954)</u>	<u>(146,920)</u>	<u>3,008</u>	<u>(6,958,866)</u>	<u>2,748</u>
Net increase (decrease) in cash and cash equivalents	2,994,601	(519,296)	673,192	3,148,497	111,469
Beginning cash and cash equivalents	10,616,080	3,540,610	2,262,107	16,418,797	3,022,143
Ending cash and cash equivalents	<u>\$ 13,610,681</u>	<u>\$ 3,021,314</u>	<u>\$ 2,935,299</u>	<u>\$ 19,567,294</u>	<u>\$ 3,133,612</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income	\$ 3,382,468	\$ 848,320	\$ 755,769	\$ 4,986,557	\$ 197,817
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,458,377	204,740	467,475	3,130,592	38,972
Miscellaneous revenues	150,903	17,179	1,531	169,613	-
(Increase) decrease in assets:					
Accounts receivable	(222,862)	25,527	(16,891)	(214,226)	26,796
Inventories	-	-	-	-	(173)
Prepaid items	8,436	2,500	2,500	13,436	(20,028)
(Gain) loss on disposal of capital assets	8	-	-	8	-
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	(225,082)	(100,979)	6,818	(319,243)	218,627
Compensated absences	28,849	(2,246)	(8,847)	17,756	5,820
Net pension liability	(386,938)	(124,640)	(29,914)	(541,492)	-
Total OPEB liability	6,298,229	(83,677)	22,770	6,237,322	22,803
Customer deposits	12,797	43,035	-	55,832	-
Total adjustments	8,122,717	(18,561)	445,442	8,549,598	292,817
Net cash provided (used) by operating activities	<u>\$ 11,505,185</u>	<u>\$ 829,759</u>	<u>\$ 1,201,211</u>	<u>\$ 13,536,155</u>	<u>\$ 490,634</u>
Classified As:					
Cash and cash equivalents	\$ 9,743,941	\$ 3,021,314	\$ 2,935,299	\$ 15,700,554	\$ 3,133,612
Restricted cash and cash equivalents	3,866,740	-	-	3,866,740	-
Total	<u>\$ 13,610,681</u>	<u>\$ 3,021,314</u>	<u>\$ 2,935,299</u>	<u>\$ 19,567,294</u>	<u>\$ 3,133,612</u>

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

**CITY OF EDGEWATER, FLORIDA**

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2021

	<b><u>Pension</u></b> <b><u>Trust Funds</u></b>
<b>ASSETS</b>	
Accrued interest	\$ 110,634
Investments, at fair value:	
Money market funds	3,036,109
Bonds:	
US Treasury notes	542,935
GNMA/FMNA	2,275,483
Municipal bonds	183,737
Corporate bonds	8,822,190
Mutual fund - fixed income	2,516,131
Mutual fund - equities	29,813,975
Commingled real estate fund	2,304,074
Total assets	<u>\$ 49,605,268</u>
<b>LIABILITIES</b>	
Unearned contributions	<u>\$ -</u>
Total liabilities	<u>\$ -</u>
<b>NET POSITION</b>	
Restricted for pensions	<u>\$ 49,605,268</u>

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



**CITY OF EDGEWATER, FLORIDA**  
Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2021

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,146,871
Employee	324,678
State of Florida	366,631
Total contributions	<u>2,838,180</u>
Investment earnings:	
Interest and dividends	1,240,610
Net increase in the fair value of investments	<u>6,423,749</u>
Total investment earnings	7,664,359
Less investment expenses	<u>(213,993)</u>
Net investment earnings	<u>7,450,366</u>
Total additions	<u>10,288,546</u>
<b>DEDUCTIONS</b>	
Pension benefits	3,370,589
Administrative expenses	<u>154,748</u>
Total deductions	<u>3,525,337</u>
Change in net position	6,763,209
Net position - beginning of year	<u>42,842,059</u>
Net position - end of year	<u>\$ 49,605,268</u>

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

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

**(1) Summary of Significant Accounting Policies:**

The accompanying financial statements present the financial position, changes in financial position and cash flows of the applicable fund types governed by the City Council of the City of Edgewater, Florida (“the City”) and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

(a) **Reporting entity**—The City of Edgewater was originally incorporated under general law on October 20, 1924. The City became the City of Edgewater and incorporated in 1951 as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. The registered voters of the City of Edgewater elect the Mayor and Council. The Council appoints the City Manager, who in turn performs as the administrator of the everyday operations of the City. The City provides a full range of municipal services as directed by the City Charter including general government, public safety, public improvements, planning and zoning, water and sewer service, solid waste collection, a recycling program, a stormwater management utility program, and related general and administrative services to 23,310 residents.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations’ resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined there is one component unit to be included within the reporting entity.

The City of Edgewater, Florida, Edgewater Community Redevelopment Agency (CRA) was created by Ordinance No. 2015-O-04 to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area. The CRA's focus is mitigation or correction of infrastructure and utilities deficiencies, revitalization of the Ridgewood Avenue (US-1) corridor, various transportation and urban design improvements, and pedestrian safety issues. Although legally separate the City Council declared itself to be the CRA Board, and provided for the appointment of two additional members. Since the City is financially accountable for the activities of the CRA, its governing board is the same, and its relationship to the City is significant, its financial activities are reported on a blended basis as if it were part of the primary government as a major special revenue fund. Activity began in the CRA Fund during the fiscal year ended September 30, 2016.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **Government-wide and Fund Financial Statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

Grant funds received prior to the incurrence of eligible expenditures are reported as deferred revenues in the fund financial statements and are included in accounts payable and other current liabilities on the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When grant terms provide that an expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, franchise taxes, certain other tax revenues, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major governmental funds:

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

The ***Capital Projects Fund*** is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

The ***Community Redevelopment Agency (CRA) Fund*** is used to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area.

The City reports the following major proprietary funds:

The ***Water and Sewer Utility Fund*** is used to account for the activities of the City's water and wastewater systems, which are financed similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.

The ***Solid Waste Utility Fund*** accounts for the activities of the City's solid waste collection and recycling services.

The ***Stormwater Management Utility Fund*** accounts for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater.

Additionally, the City reports the following fund types:

The ***Special Revenue Funds*** account for specific revenue resources that are restricted by law or administrative action to expenditures for specific purposes.

The ***Pension Trust Funds*** account for the activities of the Police Officers Pension Fund, the Firefighters Pension Fund and the General Employees' Pension Fund, which accumulate resources for pension benefit payments to qualified employees.

The ***Internal Services Funds*** account for fleet management services, management information systems, general liability insurance, health insurance, workers' compensation insurance and the public works complex.

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to the rule are payments-in-lieu of taxes and other charges between the government's water, sewer, and stormwater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

(1) **Summary of Significant Accounting Policies:** (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utility Fund, the Solid Waste Utility Fund, and the Stormwater Management Utility Fund are charges to customers for sales and services. The Water and Sewer Utility fund also recognizes as operating revenue the portion of impact fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

(d) **Deposits and investments**—The City's cash consists of cash on hand, demand deposits, and equity in pooled cash. The equity in pooled cash represents a fund's share of a cash pool maintained by the City for the use of all funds except the pension trust funds and funds that require separate bank accounts. For the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Florida Statutes and/or the City's investment policy authorize the City to invest in the Local Government Surplus Funds Trust Fund Investment Pool, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, High Grade Corporate Notes, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds), and Intergovernmental Investment Pools.

Florida Statutes and/or the pension plans' investment policies allow the City's retirement plans' trustees to invest in time deposits, savings and money market deposit accounts of a national bank, a state bank insured by the Bank Insurance Fund, a savings/building and loan association insured by the Savings Association Insurance Fund, a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund; obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; stocks, bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia; foreign stocks, bonds or other evidences of indebtedness; and real estate investments made through participation in diversified commingled funds of real properties.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* (generally based on quoted market prices). Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. FLCLASS securities are valued at the amortized cost of investments, which approximates fair value. Real estate assets are reported at fair value utilizing an income approach to valuation. Changes in the fair value during the year are included in investment income. The Local Governmental Surplus Funds Trust Fund (LGSF) is governed by Chapter 19-7 of the Florida Administrative Code which identifies the Rules of the State Board of Administration (SBA). These rules provide guidance and establish the general operating procedures for the administration of the LGSF. The LGSF is not a registrant with the Securities and Exchange Commission. The LGSF Pool's investments are recorded at amortized cost. The fair value of the City's position in the pool is the same as the value of the pool shares.

(e) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/due from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/due from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts receivable balances are shown net of the allowance for uncollectibles. The allowances are determined based on management estimates of uncollectible amounts.

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

(f) **Inventories and prepaid items**—Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. Costs are recorded as expenditures when consumed rather than when purchased.

(g) **Restricted assets**—Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet and statement of net position and their use is limited by applicable bond covenants. Restricted cash and investments in the enterprise funds represent debt issuance proceeds that are restricted assets for purchase of assets, construction and repayment of bonded debt respectively. In the enterprise fund statement of net position, bond issuance proceeds as well as other assets are set aside for their repayment and itemized in the restricted cash and investments.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Capital assets**—In the Government Wide and Proprietary Fund financial statements, capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City defines capital assets as assets with an initial, individual cost of more than \$25,000 for infrastructure and building assets and more than \$5,000 for all other capital assets, as well as an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

The City has implemented the provisions of GASB Statement No. 34. In this process, infrastructure assets are being accounted for using different methods. For governmental activities, the cost or estimated cost of roads and sidewalks are presented. The City compiled this information and recorded all roads and sidewalks acquired after June 30, 1980, during the fiscal year ending September 30, 2007. For business type activities, infrastructure assets have been capitalized at cost. Water and sewer utility improvements are being depreciated over their useful lives. The City has recorded all drainage infrastructure acquired including pre-GASB 34 assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. In Governmental funds capital outlay (capital assets) are reported as expenditures and no depreciation expense is reported.

Buildings and improvements, improvements other than buildings, and machinery and equipment (including assets amortized under lease purchase contracts) are amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	20 – 30 Years
Buildings and improvements	10 – 50 Years
Improvements other than buildings	5 – 65 Years
Machinery and equipment	3 – 35 Years

(i) **Deferred outflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has three items that qualify for reporting as deferred outflows of resources, reported in both the government-wide statement of financial position and the proprietary funds statement of financial position. The first item is a deferred loss on refunding of debt which will be amortized and recognized as interest expense through the year ended September 30, 2021. The other two items are the deferred outflows related to pensions and other post-employment benefits (OPEB) which are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The deferred outflows related to pensions and OPEB will be recognized as either pension/OPEB expense or a reduction in the net pension/total OPEB liability, respectively, in future reporting years. Details on the composition of deferred outflows related to pensions and OPEB are reported in subsequent notes.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Compensated absences**—The City records the vested portion of accumulated unused compensated absences at year-end based on each employee’s unused hours and rate of pay, including the City’s share of Social Security and Medicare taxes and pension costs. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences in the proprietary fund types is liquidated in the proprietary fund in which the liability originally incurred.

(k) **Long-term obligations**—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses when paid.

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

The compensated absences, net pension liabilities, and OPEB liabilities are liquidated by the reporting units of the underlying employees, including the general fund, governmental funds, and all proprietary funds where the respective liability is reported.

(l) **Deferred inflows of resources**—In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Currently, the City has two items that qualify for reporting as deferred inflows of resources, in both the government-wide statement of financial position and the proprietary funds statement of financial position. The first item is the deferred inflows related to pensions. The two items are the deferred inflows related to pensions and other post-employment benefits (OPEB) which are calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The deferred inflows related to pensions and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred inflows related to pensions and OPEB are reported in subsequent notes.



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

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* – amounts that are not in spendable form (such as prepaid expenses and advances due from other funds) or are required to be maintained intact.

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed fund balance* – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

*Assigned fund balance* – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or as delegated to the City Manager. The City Council has by resolution authorized City management to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the general fund or the fund balance for any special revenue, debt service, or capital projects fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Disbursements of fund balances will first be made from restricted amounts when both restricted and unrestricted fund balance is available. Additionally, the City will first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used.

(n) **Net position flow assumption**—In order to determine amounts reported as restricted and unrestricted net position, it is the City's policy to consider restricted net position to have been used before unrestricted net position is applied.

(o) **Pensions**—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 City's defined benefit retirement plans, as described in Note 11(c), and additions to / deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

(2) **Reconciliation of Government-wide and Fund Financial Statements:**

(a) **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**—The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

(b) **Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**—The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between net change in fund balance – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities.

(3) **Stewardship, Compliance and Accountability:**

(a) **Budgetary information**—The annual operating budgets are adopted by City Council using the following procedures:

Annual budgets are adopted for all funds of the City except for the Pension Trust funds that are effectively controlled through governing agreements and related City ordinances. The annual operating budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget appropriations lapse at the end of each fiscal year, except for unexpended appropriations on open grant programs and capital projects, which are carried forward in subsequent annual budgets.

Encumbrance accounting is employed in governmental funds. Encumbrances represent open purchase orders and other commitments for goods/services that are not yet received and are recorded to reserve that portion of the applicable appropriation. Encumbrances are recognized as expenditures in the period in which the actual goods/services are received and a liability is incurred. Encumbrances outstanding at year-end are canceled and re-appropriated in the succeeding year's budget; such amounts, if material, are disclosed in the notes as commitments.

Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Council. The recommended budget includes proposed expenditures and the source of receipts to finance them.

City Council holds a series of budget workshops in addition to a minimum of two public hearings on the proposed budget and adopts the official annual budget of the City, by ordinance, prior to September 30.

The budget, as adopted, may only be amended through formal approval by City Council. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed budget at the fund level. Therefore, the City Manager may transfer budgeted amounts within and between departments of the City without formal approval by City Council.

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

(3) **Stewardship, Compliance and Accountability:** (Continued)

(b) **Ad valorem property taxes**—Under Florida law, the assessment of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. Florida Statutes regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. For the fiscal year ended September 30, 2021, the millage rate in effect was 6.7000. Additionally, the Edgewater I&S 2005 voted debt millage was .0337 and the Edgewater Parks voted millage rate was .2142 for a total millage of 6.9479.

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

Property taxes are levied in November and attached as a lien on property as of January 1 of each year. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount. Tax certificates on all property for which taxes are delinquent are sold on or about June 1 of each year.

(c) **Connection fees and impact fees**—Water and sewer connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as non-operating revenue at the time of service. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as non-operating revenue in the period earned in the appropriate Enterprise Fund.

(d) **Reserve policy**—The City Council has approved a reserve policy, which was adopted within the City Charter. The policy addresses that the City is required to maintain reserves at a minimum of 15 percent for all operating funds. The reserve minimum is established based on a percentage of current years' budgeted operating expenditures and transfers out. Reserve levels above the minimum are deemed to be available for capital or other lawful purposes.

(4) **Deposits and Investments:**

(a) **Deposits**—At September 30, 2021, the carrying amount of the City's bank deposits was \$34,398,376. The bank balances at September 30, 2021, were \$34,379,464, all of which was held by a bank that qualifies as a public depository, as required by Chapter 280 of the Florida Statutes. All of the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits. Of the bank balance, no amount was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at September 30, 2021.

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

(4) **Deposits and Investments:** (Continued)

(b) **Investments**—The City Council formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the City's cash and investment assets. The City maintains a cash and investment pool for the use of all funds except the pension trust funds and funds that require separate bank accounts. The City's investment policy allows for the following investments: Local Government Surplus Funds Trusts (SBA), SEC registered money market funds, interest-bearing time deposits or savings accounts, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities, Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, Intergovernmental Investment Pools (FLCLASS), and Other investments authorized by ordinance.

The City invests in the Local Government Investment Pool (State Pool). The State Pool is administered by the Florida Prime Investment Pool, who provides regulatory oversight. Florida Prime Investment Pool (Florida PRIME) is similar to money market funds in which units are owned in the fund rather than the underlying investments. The City also invests in the Florida Cooperative Liquid Assets Securities System (FLCLASS) administered by Public Trust Advisors, LLC. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME or FLCLASS; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds' executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

Investments of the defined benefit pension plans consist principally of debt and equity mutual funds, all of which are authorized by the plans.

The City measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by GASB. The City has not changed valuation techniques since the prior year. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

As of September 30, 2021, the City had the following investments, effective duration presented in terms of years, and fair value hierarchy level:

Investment Type	Fair Value	Investment Maturities (in Years)				Credit Rating	Fair Value Hierarchy Level
		Less Than 1	1-5	6-10	More Than 10		
Government-wide:							
Investments subject to rate risk:							
FL Prime	\$ 10,827,105	\$ 10,827,105	\$ -	\$ -	\$ -	AAAm	N/A
FLCLASS	519,578	519,578	-	-	-	AAAm	N/A
Total government-wide investments	<u>\$ 11,346,683</u>	<u>\$ 11,346,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF EDGEWATER, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(4) **Deposits and Investments:** (Continued)

Investment Type	Fair Value	Investment Maturities (in Years)				Credit Rating	Fair Value Hierarchy Level
		Less Than 1	1-5	6-10	More Than 10		
Fiduciary funds:							
Investments subject to rate risk:							
Money market funds	\$ 3,036,109	\$ 3,036,109	\$ -	\$ -	\$ -	N/A	1
Bonds:							
US treasury notes	652,627	-	-	109,692	542,935	AAA	1
GNMA	2,165,791	-	110,757	20,020	2,035,014	*	2
Municipal obligations	183,737	-	75,016	108,721	-	**	2
Corporate bonds	8,822,190	-	3,807,560	2,978,827	2,035,803	***	2
	<u>14,860,454</u>	<u>\$ 3,036,109</u>	<u>\$ 3,993,333</u>	<u>\$ 3,217,260</u>	<u>\$ 4,613,752</u>		
Other investments:							
Corporate equities	15,157,565						
Mutual funds – equity	14,656,410						1
Mutual funds – fixed income	2,516,131						1
Commingled real estate	2,304,074						3
Total investments	49,494,634						
Accrued interest	110,634						
Total fiduciary investments	<u>49,605,268</u>						
Total City investments	<u>\$ 60,951,951</u>						

\* – The Standard and Poor’s credit rating is A- and Moody’s credit rating is A2 for the GNMA securities.

\*\* – The Standard and Poor’s credit ratings range from A- to AA and Moody’s credit ratings range from A2 to AA1 for the Municipal obligations.

\*\*\* – The Standard and Poor’s credit ratings range from B+ to AAA and Moody’s credit ratings range from BAA3 to AAA for the Corporate bonds.

The following is a description of the valuation techniques used for assets measured at fair value:

*US treasury notes, GNMA, and Municipal obligations*—Valued based on a matrix pricing model.

*Corporate Bonds*—Valued based on a matrix pricing model.

*Corporate Equities and Mutual Funds*—Valued at fair value based on quoted market prices at year end.

*Money Market Funds*—Valued at the underlying fund balance.

Units in the American Core Realty Fund (the Core Fund) are offered and sold by means of a private placement offering conducted in compliance with Rule 506 of Regulation D under the Securities Act of 1933, as amended. The Core Fund is an open-end diversified core commingled real estate fund that invests in private real estate and is structured as a Delaware limited partnership. As a result, the City of Edgewater Police Officers’ and General Employees’ Retirement Plans own units in the Core Fund, and the Core Fund holds no securities on behalf of the Retirement Plan’s account in the Core Fund. As of September 30, 2021, the Retirement Plans held 9.1088 and 8.1681 units for the Police Officers’ and General Employee’s Retirement Plans, respectively. The net asset value on that date was \$1,214,767 and \$1,089,307 for the Police Officers’ and General Employee’s Retirement Plans, respectively. Units are purchased and redeemed through periodic transactions and the value of the units purchased or sold in such transactions is based on the unit value applicable to the valuation date at which each individual transaction occurred.

**CITY OF EDGEWATER, FLORIDA**  
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**SEPTEMBER 30, 2021**

(4) **Deposits and Investments:** (Continued)

As of September 30, 2021, all of the Core Fund's investments were categorized as Level 3. Valuation techniques used to determine fair value for the assets in the Core Fund vary based on the asset category and include discounted cash flow, direct capitalization sales approach, and cash equivalency.

Requests for redemptions of units in the American Core Realty Fund may be made at any time, with 10 business day's notification by submitting a Redemption Notice form signed by a representative of the City of Edgewater Police Officers' and General Employees' Retirement Plans, and are effective at the end of the calendar quarter in which the request is received by American Realty Advisors (ARA). The units that are subject to a redemption notice may be redeemed in full or in installments on a pro-rata basis as funds become available for such purpose and the redemption price will be the value per unit based on ARA's estimate of the fair value of the Core Fund's net assets as computed under generally accepted accounting principles at such time that each payment is made. Although ARA is required to use reasonable efforts to cause the Core Fund to pay the redemption price as soon as practicable after the effective date of the request, redemptions are subject to the availability of cash flow arising from investment transactions, sales and other fund operations occurring in the normal course of business. ARA is not required to liquidate or encumber assets or defer investments in order to satisfy redemption requests.

As of September 30, 2021, there were no unfunded commitments.

**Interest rate risk**—The City's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of one year or less, with a special provision allowing up to 20% of the investment portfolio to have a maturity of not more than five years.

**Credit risk**—The City's investment policy limits credit risk by restricting authorized investments to those described above. Also, the policy requires that investments held are to be diversified to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issue, instrument, dealer or bank through which financial instruments are bought and sold.

**Custodial credit risk**—The City's investment policy pursuant to Section 218.415(18), Florida Statutes requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

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

(4) **Deposits and Investments:** (Continued)

As of September 30, 2021, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy. The City's investment policy requires that time deposit investments be made only with banking institutions that are members of the State of Florida collateral pool. Florida Statutes authorize, and the state administers, a collateral pool that ensures no loss of public funds.

**Concentration of Credit Risk**—The City's investment policy requires diversification, but does not specify limits on types of investments.

(5) **Receivables:**

Receivables as of year-end including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>CRA</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Governmental Funds</b>					
Accounts	\$ 484,136	\$ -	\$ 6	\$ 33	\$ 484,175
Intergovernmental	1,465,033	74,302	-	-	1,539,335
Gross receivables	1,949,169	74,302	6	33	2,023,510
Less: Allowance for uncollectible	(7,953)	-	-	-	(7,953)
Net total receivables	<u>\$ 1,941,216</u>	<u>\$ 74,302</u>	<u>\$ 6</u>	<u>\$ 33</u>	<u>\$ 2,015,557</u>
	<u>Water/ Sewer Utility</u>	<u>Solid Waste Utility</u>	<u>Stormwater Utility</u>	<u>Internal Service</u>	<u>Total</u>
<b>Proprietary Funds</b>					
Accounts	\$ 2,124,535	\$ 597,045	\$ 369,343	\$ 3,286	\$ 3,094,209
Intergovernmental	115,579	126,152	42,704	-	284,435
Special assessments	145,985	-	-	-	145,985
Gross receivables	2,386,099	723,197	412,047	3,286	3,524,629
Less: Allowance for uncollectible	(423,459)	(112,652)	(95,955)	-	(632,066)
Net total receivables	<u>\$ 1,962,640</u>	<u>\$ 610,545</u>	<u>\$ 316,092</u>	<u>\$ 3,286</u>	<u>\$ 2,892,563</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. No deferred inflows are reported as of September 30, 2021.

Governmental and proprietary funds also defer revenue recognition and report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year, unearned revenue, in the amount of \$88,057, reported in the major and non-major governmental funds was unearned business tax receipts. Such amounts have also been included as current liabilities on the government-wide financial statements. At the end of the fiscal year, unearned revenue, in the amount of \$5,992,254, reported in the water and sewer utility fund was unearned receipts from the American Rescue Plan Act (ARPA) and not yet expended.

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

**(6) Interfund Loans, Advances, and Transfers:**

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

There were no due from / to other funds or advances from / to other funds.

Interfund transfers were comprised of the following:

Transfers are used to 1) move revenues from the fund with collection authorization to the fund that statute or budget requires expending them and, 2) move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. Transfers from the enterprise funds to the general fund are in lieu of franchisee fees.

	<b>Transfers In</b>				<b>Total</b>
	<b>General Fund</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Water Sewer</b>	
<b><u>Transfers Out:</u></b>					
General Fund	\$ -	\$ 161,917	\$ 377,448	\$ -	\$ 539,365
CRA	-	-	-	352,639	352,639
Recreation Impact	-	-	49,837	-	49,837
Enterprise:					
Water Sewer	719,013	-	-	-	719,013
Solid Waste	217,445	-	-	-	217,445
Stormwater	125,610	-	-	-	125,610
<b>Total</b>	<b>\$ 1,062,068</b>	<b>\$ 161,917</b>	<b>\$ 427,285</b>	<b>\$ 352,639</b>	<b>\$ 2,003,909</b>



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

**(7) Capital Assets:**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 26,226,752	\$ -	\$ -	\$ 26,226,752
Construction in progress	1,692,019	683,524	(1,779,452)	596,091
Total capital assets, not being depreciated	<u>27,918,771</u>	<u>683,524</u>	<u>(1,779,452)</u>	<u>26,822,843</u>
Capital assets, being depreciated				
Buildings	8,204,888	51,579	-	8,256,467
Improvements other than buildings	24,488,808	1,571,599	-	26,060,407
Machinery and equipment	5,806,575	1,272,576	-	7,079,151
Infrastructure	61,330,749	207,853	-	61,538,602
Total capital assets, being depreciated	<u>99,831,020</u>	<u>3,103,607</u>	<u>-</u>	<u>102,934,627</u>
Less accumulated depreciation				
Buildings	(4,772,675)	(237,083)	-	(5,009,758)
Improvements other than buildings	(14,985,149)	(829,900)	-	(15,815,049)
Machinery and equipment	(4,476,819)	(495,300)	-	(4,972,119)
Infrastructure	(55,342,978)	(525,564)	-	(55,868,542)
Total accumulated depreciation	<u>(79,577,621)</u>	<u>(2,087,847)</u>	<u>-</u>	<u>(81,665,468)</u>
Total capital assets, being depreciated, net	<u>20,253,399</u>	<u>1,015,760</u>	<u>-</u>	<u>21,269,159</u>
Governmental activities capital assets, net	<u>\$ 48,172,170</u>	<u>\$ 1,699,284</u>	<u>\$ (1,779,452)</u>	<u>\$ 48,092,002</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 1,397,183	\$ -	\$ (10)	\$ 1,397,173
Construction in progress	1,217,871	1,830,010	(1,568,126)	1,479,755
Total capital assets, not being depreciated	<u>2,615,054</u>	<u>1,830,010</u>	<u>(1,568,136)</u>	<u>2,876,928</u>
Capital assets, being depreciated				
Buildings	24,025,550	-	-	24,025,550
Improvements other than buildings	64,913,806	1,170,381	-	66,084,187
Machinery and equipment	13,038,251	2,240,237	(378,150)	14,900,338
Total capital assets, being depreciated	<u>101,977,607</u>	<u>3,410,618</u>	<u>(378,150)</u>	<u>105,010,075</u>
Less accumulated depreciation				
Buildings	(19,419,604)	(445,119)	-	(19,864,723)
Improvements other than buildings	(30,122,798)	(2,056,646)	-	(32,179,444)
Machinery and equipment	(10,857,767)	(628,825)	378,150	(11,108,442)
Total accumulated depreciation	<u>(60,400,169)</u>	<u>(3,130,590)</u>	<u>378,150</u>	<u>(63,152,609)</u>
Total capital assets, being depreciated, net	<u>41,577,438</u>	<u>280,028</u>	<u>-</u>	<u>41,857,466</u>
Business-type activities capital assets, net	<u>\$ 44,192,492</u>	<u>\$ 2,110,038</u>	<u>\$ (1,568,136)</u>	<u>\$ 44,734,394</u>

**CITY OF EDGEWATER, FLORIDA**  
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(7) **Capital Assets:** (Continued)

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

<b>Governmental activities:</b>	
General government	\$ 56,896
Public safety	477,245
Transportation / public works	1,080,964
Parks and recreation	433,770
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	38,972
Total depreciation expense – governmental activities	<u>\$ 2,087,847</u>
<b>Business-type activities:</b>	
Water Sewer Utility	\$ 2,458,375
Solid Waste Utility	204,740
Stormwater System	467,475
Total depreciation expense – business-type activities	<u>\$ 3,130,590</u>

(8) **Leases:**

(a) **Operating Leases**—On March 3, 2014, the City entered into an operating lease agreement with the Volusia/Flagler Family Young Men's Christian Association, Inc. (the "YMCA") for the leasing and reimbursement for the expansion of, certain buildings and facilities located at Hawks Park Recreational Complex, which may be renegotiated and renewed at the request of the City Council or the YMCA Board at any time, provided any amendments are in writing and executed by both parties. Based on the terms of the agreement, the initial ten year lease began on April 1, 2014, and is scheduled to expire on March 31, 2024, with an option to renew for two additional ten-year periods provided the parties mutually agree on the terms at the time of renewal. Annual rentals under the lease agreement include minimum monthly payments of \$3,779. During the year ended September 30, 2021, an amendment was entered into under which the City agreed to forbear \$28,000 of lease payments from October 1, 2020 to November 1, 2021 with monthly lease payments lowered to \$1,779. During the year ended September 30, 2021, amounts received totaled \$21,350.

(b) **Capital Leases**—The City has lease agreements for financing the acquisition of rescue vehicles, other vehicles, and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 1,162,158	\$ 949,954
Less: Accumulated depreciation	(528,087)	(113,689)
Total	<u>\$ 634,071</u>	<u>\$ 836,265</u>

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

(8) **Leases:** (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2022	\$ 202,213	\$ 170,662
2023	84,726	157,854
2024	83,928	157,208
2025	62,105	157,526
2026	62,758	157,790
2027-2029	186,796	-
Total minimum lease payments	682,526	801,040
Amounts representing interest	(56,278)	(41,087)
Present value of minimum lease payments	<u>\$ 626,248</u>	<u>\$ 759,953</u>

(9) **Long-term Debt:**

**Notes Payable**

During the year ended September 30, 2019, the City executed an agreement with the Florida Department of Environmental Protection (FDEP) to borrow up to \$4,533,200, at an interest rate of 3.2% through the State Revolving Fund (SRF) loan program, for the purpose of financing the construction of wastewater pollution control facilities. During the fiscal year 2020, the total amount awarded was reduced by \$759,402. The revised total amount awarded is \$3,773,798 plus capitalized interest. The loan is payable semi-annually beginning on February 15, 2021. The loan will have semi-annual payments of \$103,341 on February 15 and August 15 each year until all amounts due under the agreement have been fully paid. The amount of the loan issued and outstanding at year-end is as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Business-type activities:				
Clean Water State Revolving Fund Loan Agreement	.63% (2/15 and 8/15)	8/15/2040	\$ 3,773,798	\$ 3,692,020

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2021, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 183,345	\$ 23,336
2023	184,520	22,161
2024	185,703	20,978
2025	186,894	19,788
2026	188,092	18,590
2027 – 2031	958,699	74,707
2032 – 2036	989,823	43,583
2037 – 2040	814,944	11,779
	<u>\$ 3,692,020</u>	<u>\$ 234,922</u>

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

(9) **Long-term Debt:** (Continued)

The General Obligation Note, Series 2017, was issued on April 5, 2017, in the amount of \$3,436,000 to finance certain acquisitions and capital improvements consisting of the engineering, permitting, construction, expansion, and renovation of city recreational areas, facilities, parks, and related amenities. The loan will have annual payments due on July 1. The interest rate on the note is 3.06% and maturity is on July 1, 2036. The original amount of the note issued and outstanding at year-end is as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Governmental activities: General Obligation Note Series 2017	3.06% (7/1)	7/1/2036	\$ 3,436,000	\$ 2,833,000

Annual requirements to amortize the General Obligation Note outstanding as of September 30, 2021, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 152,000	\$ 86,690
2023	156,000	82,039
2024	161,000	77,265
2025	166,000	72,338
2026	171,000	67,259
2027 – 2031	937,000	254,531
2032 – 2036	<u>1,090,000</u>	<u>102,081</u>
	<u>\$ 2,833,000</u>	<u>\$ 742,203</u>

The Capital Improvement Revenue Note, Series 2017, was issued on June 19, 2017, in the amount of \$2,000,000 to finance the acquisition of approximately 27 acres of land for the construction of a public waterfront park and related amenities. The loan will have semi-annual payments due on June 1 and December 1. The interest rate on the note is 2.47% and maturity is on June 1, 2032. The original amount of the note issued and outstanding at year-end is as follows:

	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Governmental activities: Capital Improvement Revenue Notes Series 2017	2.47% (6/1 and 12/1)	6/1/2032	\$ 2,000,000	\$ 1,539,000

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

(9) **Long-term Debt:** (Continued)

The Capital Improvement Revenue Note resolution provides for:

- 1) Establishment of a debt covenant to not issue additional obligations secured by the pledged revenues unless the aggregate amount of the pledged revenues received during the 12 months consecutive designated by the City within 24 months immediately preceding the date of delivery of such additional obligation equals at least 1.35 times the maximum annual debt service on all debt secured or payable from the pledged revenues, including debt service on the proposed additional obligations to be issued.
- 2) Pledged revenues consist of half cent state sales tax.

Annual requirements to amortize the Capital Improvement Revenue Note outstanding as of September 30, 2021, are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 123,000	\$ 38,013
2023	127,000	34,975
2024	130,000	31,838
2025	133,000	28,627
2026	136,000	25,342
2027 – 2031	732,000	74,668
2032	158,000	3,904
	<b>\$ 1,539,000</b>	<b>\$ 237,367</b>

During the year ended September 30, 2017, the City executed an agreement with FDEP to borrow up to \$336,500 at an interest rate of 3.15% through the State Revolving Fund loan program, for the purpose of financing the design of wastewater pollution control facilities. The agreement allowed the City to borrow up to \$336,500 at an interest rate of 3.15%. The loan is payable semi-annually in the amount of Loan payments with payments beginning on September 15, 2018. The loan will have semi-annual payments of \$9,178 on March 15 and September 15 each year until all amounts due under the agreement have been fully paid. The total amount of funding received during fiscal year 2017 was \$305,848 with the remaining amount received in fiscal year 2018. The amount of the loan issued and outstanding at year-end is as follows:

	<b>Interest Rates and Dates</b>	<b>Maturity</b>	<b>Original Amount</b>	<b>Outstanding Balance</b>
Business-Type activities:				
Clean Water State Revolving Fund Loan Agreement	3.15% (3/15 and 9/15)	3/15/2038	\$ 336,500	\$ 287,403

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

(9) **Long-term Debt:** (Continued)

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2021, are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 16,582	\$ 1,785
2023	16,687	1,680
2024	16,792	1,575
2025	16,898	1,469
2026	17,002	1,362
2027 – 2031	86,647	5,187
2032 – 2036	89,415	2,419
2037 – 2038	27,380	172
	\$ 287,403	\$ 15,649

In 2016, the City issued **Water and Sewer Revenue Refunding Note, Series 2016:**

Original amount issued	\$10,000,000
Issue date	February 29, 2016
Final maturity	October 1, 2026
Interest due	April 1 and October 1
Interest rate	Fixed – 2.30%

The Utility System Refunding Revenue Note is secured by a first lien on and pledge of the net revenues of the City’s water, wastewater and stormwater utility systems and a first lien on and pledge of allowable impact fees imposed on new users of the systems.

The Utility System Refunding Revenue Note resolution provides for:

- (1) Establishment and maintenance of various funds and accounts
- (2) Restrictions on the use of cash from operations in order of priority
  - (a) Deposits are made to the operations and maintenance fund each month in an amount which will pay the costs of operation and maintenance for the next month;
  - (b) Deposits to the sinking fund are made monthly in an amount equal to one-sixth (1/6) of the interest coming due on the next semi-annual interest payment date and one-twelfth (1/12) of the bond amortization installment coming due during the next year;
  - (c) Deposits to the reserve fund are required to make up any deficiency in its balance as compared to the reserve equipment;
  - (d) Deposits to the Renewal and Replacement Fund are required each month in an amount equal to one-twelfth (1/12) of five per centum (5%) of the gross revenues of the system for the previous fiscal year; provided, however, that so long as there shall be on deposit in the renewal and replacement fund a balance of at least five per centum (5%) of the value of the fixed assets of the system, no additional deposits shall be required;

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

(9) **Long-term Debt:** (Continued)

- (e) Deposits will next be made into the rate stabilization fund for the amount budgeted for the then current period; and
- (f) Thereafter for any lawful purposes.

Annual requirements to amortize the Utility System Refunding Revenue Note outstanding as of September 30, 2021, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 938,000	\$ 126,270
2023	959,000	104,455
2024	981,000	82,145
2025	1,004,000	59,317
2026	1,027,000	35,961
2027	1,050,000	12,074
	<u>\$ 5,959,000</u>	<u>\$ 420,222</u>

In 2010, the City issued **Guaranteed Entitlement Revenue Note, Series 2010:**

Original amount issued	\$750,000
Issue date	November 23, 2010
Final maturity	October 1, 2030
Interest due	April 1 and October 1
Interest rate	Fixed – 2.77%

The note is pledged by State Revenue Sharing monies received by the City and the proceeds were used to construct Fire Station Number 55. Debt service requirements for this revenue note using interest rate of 2.77% at September 30, 2021, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 40,000	\$ 11,774
2023	40,000	10,666
2024	40,000	9,583
2025	45,000	8,381
2026	45,000	7,134
2027 – 2031	235,000	16,709
	<u>\$ 445,000</u>	<u>\$ 64,247</u>

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

(9) **Long-term Debt:** (Continued)

During the year ended September 30, 2006, the City signed a limited general obligation note payable for \$500,000 to fund the construction of a new animal shelter. The note is secured by a limited pledge of ad valorem taxes. While the note is outstanding, the City will levy ad valorem taxes, not to exceed .06 mills to pay principal and interest on the note. Annual debt service requirements are as follows:

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 30,000	\$ 6,344
2023	30,000	5,191
2024	35,000	4,037
2025	35,000	2,692
2026	35,000	1,346
	\$ 165,000	\$ 19,610

During the year ended September 30, 2013, the City executed an agreement with the Florida Department of Environmental Protection to borrow up to \$6,438,083 at an interest rate of 1.72-1.84% through the State Revolving Fund loan program, for the purpose of wastewater treatment replacement and renewal. Capitalized interest added to the loan was \$89,773. Repayment commenced on December 15, 2014, and is due semiannually thereafter on June 15 and December 15, each year until all amounts due under the agreement have been fully paid. Current debt service requirements are as follows:

<b>Year Ending September 30,</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 304,413	\$ 79,556
2023	310,007	73,962
2024	315,704	68,265
2025	321,506	62,463
2026	327,415	56,555
2027 – 2031	1,729,570	190,275
2032 – 2034	1,115,911	35,996
	\$ 4,424,526	\$ 567,072



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

(9) **Long-term Debt:** (Continued)

During the year ended September 30, 2014, the City executed an agreement with a financial institution to borrow \$1,300,000 at an interest rate of 2.41%, for the purpose of capital improvements. Interest-only payments are due on September 1, while interest and principal payments are due on March 1. Debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 81,208	\$ 5,020	\$ 56,792	\$ 3,511
2023	82,973	3,042	58,027	2,127
2024	84,738	1,022	59,262	715
Total	<u>\$ 248,919</u>	<u>\$ 9,084</u>	<u>\$ 174,081</u>	<u>\$ 6,353</u>

**Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes payable:					
General Obligation Note, 2017	\$ 2,980,000	\$ -	\$ (147,000)	\$ 2,833,000	\$ 152,000
Capital Improvement Revenue Note, 2017	1,660,000	-	(121,000)	1,539,000	123,000
Guaranteed Entitlement Note, Series 2010	485,000	-	(40,000)	445,000	40,000
General Obligation Note, 2007	195,000	-	(30,000)	165,000	30,000
Capital Improvement Note 2014	230,050	-	(55,969)	174,081	56,792
Capital leases:					
AEBI	49,492	-	(24,426)	25,066	25,066
American Capital	178,563	-	(88,382)	90,181	90,181
BB&T Vehicle	581,000	-	(70,000)	511,000	72,000
Compensated absences	1,346,843	887,241	(838,918)	1,395,166	838,917
Total governmental activities long-term liabilities	<u>\$ 7,705,948</u>	<u>\$ 887,241</u>	<u>\$ (1,415,695)</u>	<u>\$ 7,177,494</u>	<u>\$ 1,427,956</u>
<b>Business-type activities:</b>					
Notes payable:					
State Revolving loan, 2013	\$ 4,723,446	\$ -	\$ (298,920)	\$ 4,424,526	\$ 304,413
State Revolving loan, 2017	303,881	-	(16,478)	287,403	16,582
State Revolving loan, 2018	3,798,721	-	(106,701)	3,692,020	183,345
Lease refunding note	115,000	-	(115,000)	-	-
Capital Improvement Note 2014	328,950	-	(80,030)	248,920	81,208
Refunding Revenue Note 2016	5,959,000	-	-	5,959,000	938,000
Capital leases					
American Capital	25,648	-	(12,695)	12,953	12,953
Truist Refuse Trucks	889,000	-	(142,000)	747,000	144,000
Compensated absences	587,094	371,067	(353,311)	604,850	353,312
Total business-type activities long term debt	<u>\$ 16,730,740</u>	<u>\$ 371,067</u>	<u>\$ (1,125,135)</u>	<u>\$ 15,976,672</u>	<u>\$ 2,033,813</u>

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

(9) **Long-term Debt:** (Continued)

Internal service funds predominately serve the governmental funds. Accordingly, \$85,945 of compensated absences are included in the above governmental activities amounts. Also, for governmental activities, compensated absences, net pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

(10) **Other Commitments:**

The City has entered into several agreements that are outstanding at September 30, 2021, which will result in future financial obligation as follows:

<u>Commitments</u>	<u>Amount</u>
General Fund	\$ 281,807
Recreation Impact Fee Fund	18,053
CRA Fund	139,414
Capital Projects Fund	2,680,811
Water and Sewer Utility Fund	3,681,791
Stormwater Utility Fund	715,193
Solid Waste Fund	2,271
Public Works Fund	75,000
MIS Fund	7,625
Fleet Fund	5,585
Total	<u>\$ 7,607,550</u>

(11) **Other Matters:**

(a) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. During 2021, there were no significant reductions in insurance coverage from the previous year or any settlements in excess of insurance coverage in the current year or the prior three years.

(b) **Other Postemployment Benefits (OPEB):**

**Plan Description**—Effective October 1, 2017, the City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the City. The City elected to implement the requirements of this statement prospectively. No assets are held in trust for payment of the OPEB liability as the City had no OPEB liability other than as arising from the implicit rate subsidy, as discussed in the following paragraph.

Retirees and their dependents are permitted to remain covered under the City’s respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

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

(11) **Other Matters:** (Continued)

**Benefits Provided**—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. This is referred to as the “implicit rate subsidy.”

**Plan Membership**—At September 30, 2019, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Participants	197
Retirees, Beneficiaries, and Disabled Members	10
Covered Spouses	2
	209
	209

**Total OPEB Liability**—The City’s total OPEB liability of \$8,660,680 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2019.

**Actuarial Assumptions and Other Inputs**—The total OPEB liability in the September 30, 2019 actuarial valuation, updated to September 30, 2021, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation		2.50%
Salary increases	Varies By Service	
Discount rate		2.14%
Initial Trend Rate		7.50%
Ultimate Trend Rate		4.00%
Years to Ultimate		55

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as of the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are based on those outlined in Milliman’s July 1, 2019 Florida Retirement System (FRS) valuation report with certain demographic adjustments. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

Changes of Assumptions reflect a change in the discount rate from 3.58% for the reporting period ended September 30, 2020, to 2.14% for the reporting period ended September 30, 2021.

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

(11) **Other Matters:** (Continued)

Changes in the OPEB liability for the fiscal year ended September 30, 2021, were as follows:

	<b>Total OPEB Liability</b>
Balance at September 30, 2020	\$ 6,361,443
Changes for a year:	
Service cost	211,112
Interest	231,941
Changes of assumptions	2,045,375
Benefit payments – implicit rate subsidy	(189,191)
Net changes	2,299,237
Balance at September 30, 2021	\$ 8,660,680

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the City calculated using the discount rate of 2.14%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.14%) or 1% higher (3.14%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 10,723,129	\$ 8,660,680	\$ 7,151,421

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:*

The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.00%-6.50%) or 1% higher (5.00%-8.50%) than the current healthcare cost trend rates (4.00%-7.50%):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 7,046,278	\$ 8,660,680	\$ 10,830,396

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

For the year ended September 30, 2021; the City recognized OPEB expense of \$712,827.

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

(11) **Other Matters:** (Continued)

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 1,072,308	\$ -
Changes of Assumptions	1,957,018	335,546
Employer Contributions Subsequent to the Measurement Date	209,155	-
Total	\$ 3,238,481	\$ 335,546

Amounts reported as deferred outflows of resources (except for contributions made subsequent to the measurement date, which will be recognized in the succeeding fiscal year) and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending September 30,</b>	<b>Amount</b>
2022	\$ 263,174
2023	263,177
2024	338,988
2025	400,295
2026	400,295
Thereafter	1,027,851

(c) **Employee Defined Benefit Retirement Pension Plans:**

**Plan Description and Administration**

The City maintains three separate single-employer, defined benefit pension plans for full-time general employees, police officers and firefighters, which are administered by and maintained as the respective Pension Trust Funds and included as part of the City's reporting entity. The General Employees Retirement Trust Fund was established by Chapter 13 of the City's Code of Ordinances. The Police Officers' Retirement Trust Fund was established pursuant with Chapter 185, Florida Statutes. The Firefighters' Pension Fund was established pursuant with Chapter 175, Florida Statutes. The applicable Ordinances or Statutes grant the authority to establish and amend the benefit terms to the Boards of Trustees.

Separate boards of trustees independently govern each system. The General Employees' Pension Fund is Board of Trustees is comprised of two legal residents of the City, who are appointed by the City Council; two members of the Plan employed by the City and elected by the plan members; one member as a union representative, as appointed by the union. Both the Police Officers' Retirement Trust Fund and the Firefighters' Pension Fund are comprised of two Council appointees; two members of the department elected by the membership; one member elected by the other four members and appointed by the Council. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, the respective board of trustees and the City Council.

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

(11) **Other Matters:** (Continued)

With the October 1, 2013, valuation, the General Employees Board of Trustees adopted changes to years of service, and the benefit limitation. Starting for the year ending September 30, 2014, funding requirements are now based on a dollar funding methodology as compared to the percentage of payroll methodology.

**Contributions**

Legislature grants the authority to establish and amend the contribution requirements of the City and active employees to the respective Boards of Trustees. The Boards establish rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the year ended September 30, 2021, the average active employee contribution was \$2,564 for general employees and 6% of annual pay for both police officers and firefighters. The general employee pension fund requires a contribution from City based on a dollar funding methodology. For the year ended September 30, 2021, the total required contribution from the City was \$793,823 for the general employees' pension fund. The City's average contribution rate was 55.4% and 23.6% of annual payroll for the police officers and firefighters pension funds, respectively.

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the respective Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except the liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>General Employees Target Allocation</u>	<u>Police Officers Target Allocation</u>	<u>Firefighters' Target Allocation</u>
Domestic equity	40%	45%	50%
International equity	10%	15%	15%
Bonds/domestic fixed income	40%	25%	35%
Global fixed income	-	5%	-
Real estate	10%	10%	-
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Concentrations**

The plans did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

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

(11) **Other Matters:** (Continued)

With the October 1, 2013, valuation, the General Employees Board of Trustees adopted changes to years of service, and the benefit limitation. Starting for the year ending September 30, 2014, funding requirements are now based on a dollar funding methodology as compared to the percentage of payroll methodology.

**Contributions**

Legislature grants the authority to establish and amend the contribution requirements of the City and active employees to the respective Boards of Trustees. The Boards establish rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the year ended September 30, 2021, the average active employee contribution was \$2,564 for general employees and 6% of annual pay for both police officers and firefighters. The general employee pension fund requires a contribution from City based on a dollar funding methodology. For the year ended September 30, 2021, the total required contribution from the City was \$793,823 for the general employees' pension fund. The City's average contribution rate was 55.4% and 23.6% of annual payroll for the police officers and firefighters pension funds, respectively.

**Investment Policy**

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<u>Asset Class</u>	<u>General Employees Target Allocation</u>	<u>Police Officers Target Allocation</u>	<u>Firefighters' Target Allocation</u>
Domestic equity	40%	45%	50%
International equity	10%	15%	15%
Bonds/domestic fixed income	40%	25%	35%
Global fixed income	-	5%	-
Real estate	10%	10%	-
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Concentrations**

The plans did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

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

(11) **Other Matters:** (Continued)

**Reserves**

As of September 30, 2021, there are no amounts legally required to be reserved for the general, police and firefighter pension funds, respectively.

**Financial Statements**

The financial statements of the Employee Retirement plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. These plans do not issue stand-alone financial reports.

**Individual Fiduciary Fund Statements**

Individual statements of net position for the three plans included in the City of Edgewater fiduciary funds are as follows:

**Combining Statement of Fiduciary Net Position  
Pension Trust Funds  
September 30, 2021**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
<b>ASSETS</b>			
Accrued income	\$ 49,918	\$ 33,817	\$ 26,899
Money market funds	404,855	612,559	2,018,695
Bonds			
US Treasury notes	311,131	231,804	-
GNMA	1,242,611	923,180	109,692
Municipal bonds	64,259	44,462	75,016
Corporate bonds	3,347,341	2,195,890	3,278,959
Mutual fund – fixed income	2,516,131	-	-
Mutual fund - equities	5,365,473	9,290,937	15,157,565
Commingled real estate fund	1,089,307	1,214,767	-
Total assets	14,391,026	14,547,416	20,666,826
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Unearned contributions	-	-	-
<b>NET POSITION</b>			
Restricted for pensions	<u>\$ 14,391,026</u>	<u>\$ 14,547,416</u>	<u>\$ 20,666,826</u>



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

(11) **Other Matters:** (Continued)

**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the fiscal year ended September 30, 2021**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 793,823	\$ 999,201	\$ 353,847
Employee	2,564	169,693	152,421
State of Florida	-	180,475	186,156
Total contributions	<u>796,387</u>	<u>1,349,369</u>	<u>692,424</u>
Investment earnings:			
Interest and dividends	555,725	414,978	269,907
Net increase (decrease) in fair value of investments	1,681,680	1,849,723	2,892,346
Less: investment expense	<u>(55,736)</u>	<u>(50,094)</u>	<u>(108,163)</u>
Net investment earnings	<u>2,181,669</u>	<u>2,214,607</u>	<u>3,054,090</u>
Total additions	<u>2,978,056</u>	<u>3,563,976</u>	<u>3,746,514</u>
<b>DEDUCTIONS</b>			
Pension benefits	\$ 1,505,269	\$ 1,031,843	\$ 833,477
Administrative expenses	<u>42,543</u>	<u>57,564</u>	<u>54,641</u>
Total deductions	<u>1,547,812</u>	<u>1,089,407</u>	<u>888,118</u>
Change in net position	1,430,244	2,474,569	2,858,396
Net position, beginning of year	<u>12,960,782</u>	<u>12,072,847</u>	<u>17,808,430</u>
Net position, end of year	<u>\$ 14,391,026</u>	<u>\$ 14,547,416</u>	<u>\$ 20,666,826</u>

**Net Pension Liability**

*Actuarial Assumptions:*

The total pension liability was determined with a measurement date of September 30, 2020 and an actuarial valuation as of October 1, 2019 updated to September 30, 2021, using the following actuarial assumptions to all measurement periods.

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inflation	2.50%	2.50%	2.50%
Salary increases	4.00%	Service based	Service based
Investment rate of return/discount rate	6.75%	7.40%	7.25%

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

(11) **Other Matters:** (Continued)

Mortality rates:	<b>General Employees</b>	<b>Police Officers &amp; Firefighters</b>
<i>Mortality Rate Healthy Active Lives:</i>	Female: PubG.H-2010 (Above Median) for Employees  Male: PubG.H-2010 (Below Median) for Employees, set back one year.	Female: PubS.H-2010 (Below Median) for Employees, set forward one year.  Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
<i>Mortality Rate Healthy Retiree Lives:</i>	Female: PubG.H-2010 for Healthy Retirees  Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.	Female: PubS.H-2010 for Healthy Retirees, set forward one year.  Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.
<i>Mortality Rate Beneficiary Lives:</i>	Female: PubG.H-2010 (Below Median) for Healthy Retirees.  Male: PubG.H-2010 for Healthy Retirees, set back one year.	Female: PubG.H-2010 (Below Median) for Healthy Retirees.  Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.
<i>Mortality Rate Disabled Lives:</i>	PubG.H-2010 for Disabled Retirees, set forward three years.	80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

Mortality rates for General Employees are projected generationally with mortality Improvements Scale MP-2018. The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics. The actuarial assumptions are based upon the most recent actuarial experience study dated June 13, 2013.

Mortality rates for the Police Officers are projected generationally with mortality Improvements Scale MP-2018. The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics. The actuarial assumptions are based upon the most recent actuarial experience study dated September 17, 2020.

Mortality rates for the Firefighters are projected generationally with mortality Improvements Scale MP-2018. The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics. The actuarial assumptions are based upon the most recent actuarial experience study dated December 6, 2019.

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

(11) **Other Matters:** (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major class as of September 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>		
	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Domestic equity	7.30%	7.50%	7.50%
International equity	2.70%	8.50%	8.50%
Bonds/domestic fixed income	3.60%	2.50%	2.50%
Global fixed income	-	3.50%	-
Real estate	4.90%	4.50%	-

*Discount rate:*

The discount rate used to measure the total pension liability for the General Pension Plan was 6.75%, 7.40% for Police, and 7.25% Fire Pension Plans. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made as 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 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.

The components of the net pension liability of the pension plans at September 30, 2021, were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Total pension liability	\$ 18,663,267	\$ 15,512,256	\$ 15,696,313
Plan fiduciary net position	(12,949,298)	(12,058,659)	(17,668,275)
Net pension liability (asset)	<u>\$ 5,713,969</u>	<u>\$ 3,453,597</u>	<u>\$ (1,971,962)</u>
Plan fiduciary net position as percentage of total pension liability	69.38%	77.74%	112.56%

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

(11) **Other Matters:** (Continued)

**Changes in the Net Pension Liability**

	<b>General Employee's Retirement Trust Fund</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a - b)</b>
Beginning Balance	\$ 19,129,121	\$ 12,398,463	\$ 6,730,658
Changes for year:			
Service cost	18,087	-	18,087
Interest	1,241,131	-	1,241,131
Differences between expected and actual experience	16,468	-	16,468
Changes of assumptions	(221,363)	-	(221,363)
Contributions – employer	-	799,291	(799,291)
Contributions – employee	-	2,465	(2,465)
Net investment income	-	1,317,329	(1,317,329)
Benefit payments, including refunds	(1,520,177)	(1,520,177)	-
Administrative expenses	-	(48,073)	48,073
Net changes	(465,854)	550,835	(1,016,689)
Ending Balance	<u>\$ 18,663,267</u>	<u>\$ 12,949,298</u>	<u>\$ 5,713,969</u>

	<b>Police Officer's Retirement Trust Fund</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a - b)</b>
Beginning Balance	\$ 15,000,506	\$ 10,732,918	\$ 4,267,588
Changes for year:			
Service cost	254,215	-	254,215
Interest	1,105,408	-	1,105,408
Share plan allocation	177,890	-	177,890
Differences between expected and actual experience	233,955	-	233,955
Changes of assumptions	(227,835)	-	(227,835)
Contributions – employer	-	891,041	(891,041)
Contributions – State	-	177,890	(177,890)
Contributions – employee	-	98,822	(98,822)
Net investment income	-	1,242,126	(1,242,126)
Benefit payments, including refunds	(1,031,883)	(1,031,883)	-
Administrative expenses	-	(52,255)	52,255
Net changes	511,750	1,325,741	(813,991)
Ending Balance	<u>\$ 15,512,256</u>	<u>\$ 12,058,659</u>	<u>\$ 3,453,597</u>

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

(11) **Other Matters:** (Continued)

	<b>Firefighter's Retirement Trust Fund</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a – b)</b>
Beginning Balance	\$ 14,756,367	\$ 15,335,862	\$ (579,495)
Changes for year:			
Service cost	393,523	-	393,523
Interest	1,081,097	-	1,081,097
Share Plan Allocation	110,814	-	110,814
Differences between expected and actual experience	(27,143)	-	(27,143)
Changes of assumptions	(166,848)	-	(166,848)
Contributions – employer	-	434,699	(434,699)
Contributions – State	-	166,106	(166,106)
Contributions – employee	-	103,245	(103,245)
Contributions – buy back	24,931	24,931	-
Net investment income	-	2,147,750	(2,147,750)
Benefit payments, including refunds	(476,428)	(476,428)	-
Administrative expenses	-	(67,890)	67,890
Net changes	939,946	2,332,413	(1,392,467)
Ending Balance	\$ 15,696,313	\$ 17,668,275	\$ (1,971,962)

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

(11) **Other Matters:** (Continued)

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

The following presents the net pension liability of the City calculated using the discount rate of 6.75% for the General Employee's Pension, 7.40% for Police, and 7.25% for Firefighters. The information presented below is what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
General Employees Retirement Trust Fund	\$ 7,538,757	\$ 5,713,969	\$ 4,163,672
<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 6.40%</u>	<u>Current Discount Rate 7.40%</u>	<u>1% Increase 8.40%</u>
Police Officers Retirement Trust Fund	\$ 5,168,240	\$ 3,453,597	\$ 2,030,930
<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Firefighters Retirement Trust Fund	\$ (198,349)	\$ (1,971,962)	\$ (3,439,548)

For the year ended September 30, 2021, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	<u>General Employees Retirement Trust Fund</u>	<u>Police Officers Retirement Trust Fund</u>	<u>Firefighters Retirement Trust Fund</u>
Annual money-weighted rate of return	10.95%	11.61%	14.00%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2021, the City recognized pension expense of \$153,693, \$791,208 and \$(5,455) in the General Employees, Police Officers, and Firefighters pension plans, respectively, for a total aggregate pension expense of \$939,446 for all three plans.

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

(11) **Other Matters:** (Continued)

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>General Employees’ Retirement Trust Fund</b>		<b>Police Officers’ Retirement Trust Fund</b>		<b>Firefighters’ Retirement Trust Fund</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -	\$ 321,767	\$ -	\$ 202,926	\$ 250,824
Changes of assumptions	-	-	-	151,890	427,042	139,040
Net difference between projected and actual investment earnings	-	356,984	-	233,143	-	912,739
Contributions made subsequent to measurement date	793,823	-	1,179,676	-	540,003	-
	<u>\$ 793,823</u>	<u>\$ 356,984</u>	<u>\$ 1,501,443</u>	<u>\$ 385,033</u>	<u>\$ 1,169,971</u>	<u>\$ 1,302,603</u>

Amounts reported as deferred outflows of resources (except for contributions made subsequent to the measurement date, which will be recognized in the succeeding fiscal year) and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended September 30:</b>	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>
2022	\$ (118,331)	\$ 63,982	\$ (356,517)
2023	(67,232)	(15,366)	(142,486)
2024	(70,161)	(25,078)	(14,807)
2025	(101,260)	(86,804)	(182,333)
2026	-	-	23,508

(d) **Employee Defined Contribution Retirement Pension Plans:**

**General Employees**—The City adopted a defined contribution plan effective October 1, 1996. The plan is a money purchase plan administered for the City by the ICMA. Eligible employees are employees hired effective October 1, 1996, or thereafter that would otherwise qualify for the General Employees’ Pension Plan. Employees hired prior to October 1, 1996, and not vested in the General Employees’ Pension Plan may also elect, instead, to participate in the defined contribution plan. Employee participation is immediate upon hiring and are 100% vested after five years of employment. Employees direct the investment of funds contributed to the plan on their behalf. Employer contributions made during the year amounted to \$661,002. The City Council has the authority to amend the Plan’s provisions including amending contribution requirements.

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

(11) **Other Matters:** (Continued)

(e) **Deferred Compensation Plans**—The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457; i.e., International City/County Management Association (ICMA). The plan is available to all City employees and permit employees to defer a portion of their salary until future years. Participation in the plan is optional. Deferred compensation withdrawals are not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with current professional pronouncements, the City has not included such funds in its financial statements.

(f) **Tax Abatement**—The City entered into an agreement with a local organization to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 2017-O-22, granting the organization an ad valorem tax exemption for a term of ten years expiring in 2026. There was \$21,250 in taxes abated during the year ended September 30, 2021, as scheduled.

(g) **Contingencies**—The City has been involved in miscellaneous collections, lot cleaning, stormwater, and other liens. In addition, the City has numerous pending/threatened claims against it. In the opinion of City management, the loss, if any, resulting from these actions will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state 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.

(h) **Subsequent Events**—The City has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 1, 2035, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(i) **Uncertainty**—Subsequent to September 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented 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 January 1, 2035, management believes that an impact on the City's financial position and results of future operations is reasonably possible.



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

**(12) Recently Issued Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented.

Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after July 1, 2021.
- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.



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**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

General Employees' Retirement Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending</b>	<b>9/30/2021</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>9/30/2018</b>
<b>Measurement Date</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>
Total pension liability				
Service cost	\$ 18,087	\$ 17,847	\$ 29,715	\$ 53,793
Interest	1,241,131	1,255,470	1,254,084	1,254,173
Differences between expected and actual experience				
Differences between Expected and Actual Experience	16,468	39,215	248,369	176,321
Changes of assumptions	(221,363)	-	-	-
Contributions – buy back	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,520,177)	(1,530,253)	(1,469,263)	(1,453,783)
<b>Net change in total pension liability</b>	<b>(465,854)</b>	<b>(217,721)</b>	<b>62,905</b>	<b>30,504</b>
<b>Total pension liability, beginning</b>	<b>19,129,121</b>	<b>19,346,842</b>	<b>19,283,937</b>	<b>19,253,433</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 18,663,267</b>	<b>\$ 19,129,121</b>	<b>\$ 19,346,842</b>	<b>\$ 19,283,937</b>
<b>Plan Fiduciary net position</b>				
Contributions – employer	\$ 799,291	\$ 782,806	\$ 744,629	\$ 667,440
Contributions – employee	2,465	2,615	4,662	6,091
Contributions – buy back	-	-	-	-
Net investment income	1,317,329	663,572	803,070	1,055,669
Benefit payments, including refunds of employee contributions	(1,520,177)	(1,530,253)	(1,469,263)	(1,453,783)
Administrative expense	(48,073)	(54,055)	(47,203)	(44,217)
<b>Net change in plan fiduciary net position</b>	<b>550,835</b>	<b>(135,315)</b>	<b>35,895</b>	<b>231,200</b>
<b>Plan fiduciary net position, beginning</b>	<b>12,398,462</b>	<b>12,533,777</b>	<b>12,497,882</b>	<b>12,266,682</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 12,949,297</b>	<b>\$ 12,398,462</b>	<b>\$ 12,533,777</b>	<b>\$ 12,497,882</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ 5,713,970</b>	<b>\$ 6,730,659</b>	<b>\$ 6,813,065</b>	<b>\$ 6,786,055</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>69.38%</b>	<b>64.81%</b>	<b>64.78%</b>	<b>64.81%</b>
<b>Covered payroll</b>	<b>\$ 98,612</b>	<b>\$ 104,603</b>	<b>\$ 193,713</b>	<b>\$ 236,414</b>
<b>Net pension liability as a percentage of payroll</b>	<b>5794.40%</b>	<b>6434.48%</b>	<b>3517.09%</b>	<b>2870.41%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>10.95%</b>	<b>5.47%</b>	<b>6.63%</b>	<b>8.92%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>
<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>
\$ 34,222	\$ 60,573	\$ 91,269	\$ 84,901
1,250,244	1,238,859	1,241,107	1,237,145
(50,657)	259,399	-	-
1,777,486	-	-	-
299,746	-	-	-
(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
<b>1,924,417</b>	<b>184,109</b>	<b>43,790</b>	<b>59,449</b>
<b>17,329,016</b>	<b>17,144,907</b>	<b>17,101,117</b>	<b>17,041,668</b>
<b>\$ 19,253,433</b>	<b>\$ 17,329,016</b>	<b>\$ 17,144,907</b>	<b>\$ 17,101,117</b>

\$ 661,699	\$ 713,396	\$ 772,605	\$ 475,794
5,851	8,535	13,178	15,348
299,746	-	-	-
950,355	(67,754)	1,059,400	1,563,721
(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
(40,442)	(48,589)	(42,302)	(76,889)
<b>490,585</b>	<b>(769,134)</b>	<b>514,295</b>	<b>715,377</b>
<b>11,776,097</b>	<b>12,545,231</b>	<b>12,030,936</b>	<b>11,315,559</b>
<b>\$ 12,266,682</b>	<b>\$ 11,776,097</b>	<b>\$ 12,545,231</b>	<b>\$ 12,030,936</b>
<b>\$ 6,986,751</b>	<b>\$ 5,552,919</b>	<b>\$ 4,599,676</b>	<b>\$ 5,070,181</b>

<b>63.71%</b>	<b>67.96%</b>	<b>73.17%</b>	<b>70.35%</b>
\$ <b>349,034</b>	\$ <b>341,408</b>	\$ <b>567,030</b>	\$ <b>613,927</b>
<b>2001.74%</b>	<b>1626.48%</b>	<b>811.19%</b>	<b>825.86%</b>
<b>8.40%</b>	<b>-0.56%</b>	<b>8.94%</b>	<b>13.50%</b>

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Police Officers' Pension Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending</b>	<b>9/30/2021</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>
<b>Measurement Date</b>	<b>9/30/2020</b>	<b>9/30/2019</b>	<b>9/30/2018</b>	<b>9/30/2017</b>	<b>9/30/2016</b>
Total pension liability					
Service cost	\$ 254,215	\$ 256,785	\$ 264,098	\$ 241,471	\$ 248,453
Interest	1,105,408	1,066,672	989,631	939,389	874,946
Change in Funding Standard Account	-	-	-	-	-
Share Plan Allocation	177,890	177,174	163,282	147,327	138,245
Differences between expected and actual experience					
Differences between Expected and Actual Experience	233,955	48,813	565,564	148,378	230,533
Changes of assumptions	(227,835)	-	-	-	244,939
contributions	(1,031,883)	(1,028,888)	(867,226)	(791,362)	(950,417)
<b>Net change in total pension liability</b>	<b>511,750</b>	<b>520,556</b>	<b>1,115,349</b>	<b>685,203</b>	<b>786,699</b>
<b>Total pension liability, beginning</b>	<b>15,000,506</b>	<b>14,479,950</b>	<b>13,364,601</b>	<b>12,679,398</b>	<b>11,892,699</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 15,512,256</b>	<b>\$ 15,000,506</b>	<b>\$ 14,479,950</b>	<b>\$ 13,364,601</b>	<b>\$ 12,679,398</b>
<b>Plan Fiduciary net position</b>					
Contributions – employer	\$ 891,041	\$ 781,147	\$ 777,360	\$ 578,155	\$ 621,470
Contributions – state	177,890	177,174	163,282	147,327	138,245
Contributions – employee	98,822	90,656	86,174	96,436	84,939
Net investment income	1,242,126	463,243	736,836	950,106	568,335
Benefit payments, including refunds of employee contributions	(1,031,883)	(1,028,888)	(867,226)	(791,362)	(950,417)
Administrative expense	(52,255)	(63,994)	(50,879)	(58,416)	(67,029)
<b>Net change in plan fiduciary net position</b>	<b>1,325,741</b>	<b>419,338</b>	<b>845,547</b>	<b>922,246</b>	<b>395,543</b>
<b>Plan fiduciary net position, beginning</b>	<b>10,732,918</b>	<b>10,313,580</b>	<b>9,468,033</b>	<b>8,545,787</b>	<b>8,150,244</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 12,058,659</b>	<b>\$ 10,732,918</b>	<b>\$ 10,313,580</b>	<b>\$ 9,468,033</b>	<b>\$ 8,545,787</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ 3,453,597</b>	<b>\$ 4,267,588</b>	<b>\$ 4,166,370</b>	<b>\$ 3,896,568</b>	<b>\$ 4,133,611</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>77.74%</b>	<b>71.55%</b>	<b>71.23%</b>	<b>70.84%</b>	<b>67.40%</b>
<b>Covered payroll</b>	<b>\$ 1,647,026</b>	<b>\$ 1,510,925</b>	<b>\$ 1,503,600</b>	<b>\$ 1,539,919</b>	<b>\$ 1,415,650</b>
<b>Net pension liability as a percentage of payroll</b>	<b>209.69%</b>	<b>282.45%</b>	<b>277.09%</b>	<b>253.04%</b>	<b>291.99%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>11.61%</b>	<b>4.52%</b>	<b>7.78%</b>	<b>11.26%</b>	<b>7.05%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>
<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>
\$ 209,572	\$ 206,976	\$ 84,901
855,433	859,397	1,237,145
-	(386,259)	-
-	-	-
(19,907)	-	-
-	-	-
(697,208)	(773,904)	(1,262,597)
<b>347,890</b>	<b>(93,790)</b>	<b>59,449</b>
<b>11,544,809</b>	<b>11,638,599</b>	<b>17,041,668</b>
<b>\$ 11,892,699</b>	<b>\$ 11,544,809</b>	<b>\$ 17,101,117</b>

\$ 618,054	\$ 534,795	\$ 475,794
127,668	125,387	-
79,610	76,054	15,348
(15,324)	759,444	1,563,721
(697,208)	(773,904)	(1,262,597)
(49,324)	(36,403)	(76,889)
<b>63,476</b>	<b>685,373</b>	<b>715,377</b>
<b>8,086,768</b>	<b>7,401,395</b>	<b>11,315,559</b>
<b>\$ 8,150,244</b>	<b>\$ 8,086,768</b>	<b>\$ 12,030,936</b>
<b>\$ 3,742,455</b>	<b>\$ 3,458,041</b>	<b>\$ 5,070,181</b>

<b>68.53%</b>	<b>70.05%</b>	<b>70.35%</b>
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<b>\$ 1,396,624</b>	<b>\$ 1,267,568</b>	<b>\$ 613,927</b>
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<b>267.96%</b>	<b>272.81%</b>	<b>825.86%</b>
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<b>-0.19%</b>	<b>10.40%</b>	<b>13.50%</b>
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**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Firefighters' Pension Trust

Schedules of Changes in the City's Net Pension Liability and Related Ratios

<b>Reporting Period Ending Measurement Date</b>	<b>9/30/2021 9/30/2020</b>	<b>9/30/2020 9/30/2019</b>	<b>9/30/2019 9/30/2018</b>	<b>9/30/2018 9/30/2017</b>
Total pension liability				
Service cost	\$ 393,523	\$ 349,645	\$ 354,548	\$ 358,456
Interest	1,081,097	1,011,898	922,206	825,460
Share Plan Allocation	110,814	98,967	96,388	92,260
Changes of Benefit Terms		437,981		
Differences between Expected and Actual Experience	(27,143)	(172,618)	(89,479)	473,491
Changes of assumptions	(166,848)	563,502	-	-
Contributions – buy back	24,931	17,854	17,703	8,544
Benefit payments, including refunds of employee contributions	(476,428)	(510,414)	(566,702)	(362,003)
<b>Net change in total pension liability</b>	<b>939,946</b>	<b>1,796,815</b>	<b>734,664</b>	<b>1,396,208</b>
<b>Total pension liability, beginning</b>	<b>14,756,367</b>	<b>12,959,552</b>	<b>12,224,888</b>	<b>10,828,680</b>
<b>Total pension liability, ending (a)</b>	<b>\$ 15,696,313</b>	<b>\$ 14,756,367</b>	<b>\$ 12,959,552</b>	<b>\$ 12,224,888</b>
<b>Plan Fiduciary net position</b>				
Contributions – employer	\$ 434,699	\$ 409,471	\$ 358,424	\$ 317,000
Contributions – state	166,106	154,258	151,680	147,551
Contributions – employee	103,245	105,323	91,166	117,483
Contributions – buy back	24,931	17,854	17,703	8,544
Net investment income	2,147,750	531,717	1,618,036	1,734,571
Benefit payments, including refunds of employee contributions	(476,428)	(510,414)	(566,702)	(362,003)
Administrative expense	(67,890)	(53,585)	(49,647)	(44,046)
<b>Net change in plan fiduciary net position</b>	<b>2,332,413</b>	<b>654,624</b>	<b>1,620,660</b>	<b>1,919,100</b>
<b>Plan fiduciary net position, beginning</b>	<b>15,335,862</b>	<b>14,681,238</b>	<b>13,060,578</b>	<b>11,141,478</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>\$ 17,668,275</b>	<b>\$ 15,335,862</b>	<b>\$ 14,681,238</b>	<b>\$ 13,060,578</b>
<b>Net pension liability (asset) – ending (a) - (b)</b>	<b>\$ (1,971,962)</b>	<b>\$ (579,495)</b>	<b>\$ (1,721,686)</b>	<b>\$ (835,690)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>112.56%</b>	<b>103.93%</b>	<b>113.29%</b>	<b>106.84%</b>
<b>Covered payroll</b>	<b>\$ 1,720,751</b>	<b>\$ 1,755,385</b>	<b>\$ 1,674,877</b>	<b>\$ 1,802,605</b>
<b>Net pension liability as a percentage of payroll</b>	<b>-114.60%</b>	<b>-33.01%</b>	<b>-102.79%</b>	<b>-46.36%</b>
<b>Annual Money-Weighted Rate of Return</b>	<b>14.00%</b>	<b>3.61%</b>	<b>12.44%</b>	<b>15.51%</b>

Note - Additional years' information will be displayed as it becomes available to present 10 years.

	<b>9/30/2017</b>	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>
	<b>9/30/2016</b>	<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>
\$	322,776	\$ 317,342	\$ 323,511	\$ 300,940
	752,753	715,242	652,070	601,821
	84,235	90,777	88,962	-
	(45,934)	(367,566)	-	-
	147,249	-	-	-
	9,721	-	-	-
	<u>(312,107)</u>	<u>(210,052)</u>	<u>(222,096)</u>	<u>(288,611)</u>
	<b>958,693</b>	<b>545,743</b>	<b>842,447</b>	<b>614,150</b>
	<b>9,869,987</b>	<b>9,324,244</b>	<b>8,481,797</b>	<b>7,867,647</b>
	<b>\$ 10,828,680</b>	<b>\$ 9,869,987</b>	<b>\$ 9,324,244</b>	<b>\$ 8,481,797</b>

\$	358,086	\$ 354,899	\$ 392,863	\$ 469,302
	139,527	150,763	155,382	129,103
	107,966	93,950	88,869	87,309
	9,721	-	-	-
	1,143,088	(536,507)	1,160,776	766,338
	(312,107)	(210,052)	(222,096)	(288,611)
	(58,960)	(48,746)	(44,645)	(18,869)
	<u>1,387,321</u>	<u>(195,693)</u>	<u>1,531,149</u>	<u>1,144,572</u>
	<b>9,754,157</b>	<b>9,949,850</b>	<b>8,418,701</b>	<b>7,274,129</b>
	<b>\$ 11,141,478</b>	<b>\$ 9,754,157</b>	<b>\$ 9,949,850</b>	<b>\$ 8,418,701</b>

<b>\$ (312,798)</b>	<b>\$ 115,830</b>	<b>\$ (625,606)</b>	<b>\$ 63,096</b>
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<b>102.89%</b>	<b>98.83%</b>	<b>106.71%</b>	<b>99.26%</b>
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<b>\$ 1,799,429</b>	<b>\$ 1,579,650</b>	<b>\$ 1,467,330</b>	<b>\$ 1,455,154</b>
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<b>-17.38%</b>	<b>7.33%</b>	<b>-42.64%</b>	<b>4.34%</b>
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<b>11.64%</b>	<b>-5.33%</b>	<b>13.59%</b>	<b>10.25%</b>
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**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Schedules of General Employees' Contributions

Reporting Period Ending	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Measurement Date	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Actuarially Determined Contribution (ADC)	\$ 793,736	\$ 799,181	\$ 781,161	\$ 744,629
Contributions in Relation to ADC	793,823	799,291	782,806	744,629
Contribution Deficiency (Excess)	<u>\$ (87)</u>	<u>\$ (110)</u>	<u>\$ (1,645)</u>	<u>\$ -</u>
Covered Payroll	\$ 102,556	\$ 98,639	\$ 104,603	\$ 193,713
Contributions as a Percentage of Covered Payroll	774.04%	810.32%	748.36%	384.40%

**Notes to Schedule:**

Valuation Date: 10/1/2018

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

Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method:

Entry Age Normal Actuarial Cost Method

Interest - A half year, based on the current 6.75% assumption.

Salary - A full year, based on the current average assumption of 4.0%.

Mortality:

PubG.H-2010 for Employees

Interest Rate:

6.75% per year compounded annually, net of investment related expenses.

Normal Retirement:

<u>Age</u>	<u>Retirement Probability</u>
55	50%
56-59	0%
60 and older	100%

In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.

Salary Increases:

4% per year.

Termination Rates:

None assumed.

Early Retirement:

None assumed.

Actuarial Asset Method:

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Disability Rates:

0.30% - 1.55%

September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
\$ 667,440	\$ 657,825	\$ 719,822	\$ 766,179	\$ 475,794
667,440	661,699	713,396	772,605	475,794
<u>\$ -</u>	<u>\$ (3,874)</u>	<u>\$ 6,426</u>	<u>\$ (6,426)</u>	<u>\$ -</u>
\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
282.32%	189.58%	208.96%	136.25%	77.50%

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)  
Schedules of Police Officers' Contributions

Reporting Period Ending Measurement Date	September 30, 2021 September 30, 2020	September 30, 2020 September 30, 2019	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017
Actuarially Determined Contribution (ADC)	\$ 999,201	\$ 891,041	\$ 781,148	\$ 777,361
Contributions in Relation to ADC	999,201	891,041	781,147	777,360
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 1	\$ 1
Covered Payroll	\$ 1,803,612	\$ 1,647,027	\$ 1,510,925	\$ 1,503,600
Contributions as a Percentage of Covered Payroll	55.40%	54.10%	51.70%	51.70%

**Notes to Schedule:**

Valuation Date: 10/1/2018  
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.  
Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method: Entry Age Normal Actuarial Cost Method.  
Amortization Method: Level dollar  
Mortality: RP-2000 Combined Healthy.  
Interest Rate: 7.4% per year compounded annually, net of investment related expenses.  
Retirement Age: 

<u>Years Eligible for Normal Retirement</u>	<u>Retirement Probability</u>
1 - 2	50%
more than 2	100%

  
In addition to the above, 100% Retirement is assumed upon the attainment of age 55 if eligible to retire.  
Early Retirement: None assumed  
Salary Increases: 14% for less than 2 years credited service.  
6.5% for 2 years to 9 years of credited service.  
4% for 10 years or more of credited service  
Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.  
Termination Rates: 10% for less than 10 years credited service.  
1% per year thereafter  
Disability Rates: 0.82% - 8.45%

September 30, 2017 September 30, 2016	September 30, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 742,241	\$ 746,047	\$ 768,235	\$ 766,878	\$ 874,513
578,155	621,470	745,722	660,182	768,448
<u>\$ 164,086</u>	<u>\$ 124,577</u>	<u>\$ 22,513</u>	<u>\$ 106,696</u>	<u>\$ 106,065</u>
\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,267,568
37.54%	43.90%	53.39%	52.08%	60.62%

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)  
Schedules of Firefighters' Contributions

Reporting Period Ending	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Measurement Date	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Actuarially Determined Contribution (ADC)	\$ 409,139	\$ 531,712	\$ 423,048	\$ 413,695
Contributions in Relation to ADC	409,139	489,991	464,763	413,716
Contribution Deficiency (Excess)	\$ -	\$ 41,721	\$ (41,715)	\$ (21)
Covered Payroll	\$ 1,733,638	\$ 1,720,747	\$ 1,755,385	\$ 1,674,877
Contributions as a Percentage of Covered Payroll	23.60%	28.48%	26.48%	24.70%

**Notes to Schedule:**

Valuation Date: 10/1/2018

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

Additional years' information will be displayed as it becomes available to present 10 years.

**Methods and assumptions used to determine contribution rates:**

Funding Method: Entry Age Normal Actuarial Cost Method.  
 Amortization Method: Level Percentage of Pay, Closed.  
 Mortality: RP2000 Combined Healthy.  
 Interest Rate: 7.25% per year compounded annually, net of investment related expenses.  
 Normal Retirement: Years Eligible for Normal Retirement      Retirement Probability

0	60%
1-4	0%
5 and greater	100%

In addition to the above, 100% Retirement is assumed upon the attainment of age 55 with 5 years of Credited Service.

Disability Rates: 0.06% - .36%

Payroll Growth: None

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Salary Increases: 5.5% for less than 10 years credited service.  
 5.0% for 10-15 years credited service.  
 4.5% for 15 years or greater of credited service.

Final Salary Load: No load for 0 years of credited service.  
 10.0% for less than 10 years of credited service.  
 20.0% for 10 or more years of credited service.

Termination Rates: 7.5% for less than 5 years credited service.  
 2.0% for 5 years or greater of credited service.  
 Commencing at eligibility for Early Retirement, Members are assumed to retire with an immediate benefit at the rate of 5% per year.

September 30, 2017 September 30, 2016	September 30, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 389,363	\$ 430,063	\$ 407,550	\$ 432,862	\$ 534,041
372,292	413,378	414,885	459,283	534,041
<u>\$ 17,071</u>	<u>\$ 16,685</u>	<u>\$ (7,335)</u>	<u>\$ (26,421)</u>	<u>\$ -</u>
\$ 1,802,605	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
20.65%	22.97%	26.26%	31.30%	36.70%

**CITY OF EDGEWATER, FLORIDA**

Required Supplementary Information (unaudited)

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Reporting Period Ending Measurement Date	September 30, 2021 September 30, 2020	September 30, 2020 September 30, 2019	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017
<b>Total OPEB Liability</b>				
Service cost	\$ 211,112	\$ 106,831	\$ 112,011	\$ 118,498
Interest	231,941	197,470	182,927	165,495
Differences between expected and actual experience	-	1,378,682	-	-
Changes of assumptions	2,045,375	178,595	(367,847)	(454,875)
Benefit payments – implicit rate subsidy	(189,191)	(232,555)	(214,336)	(197,091)
Net change in total OPEB liability	2,299,237	1,629,023	(287,245)	(367,973)
Total OPEB liability – beginning	6,361,443	4,732,420	5,019,665	5,387,638
Total OPEB liability – ending	<u>\$ 8,660,680</u>	<u>\$ 6,361,443</u>	<u>\$ 4,732,420</u>	<u>\$ 5,019,665</u>
Covered employee payroll (projected)	9,565,197	9,180,533	9,596,433	9,163,898
Total OPEB liability as a percentage of covered employee payroll	90.54%	69.29%	49.31%	54.78%

Covered Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2021.

**Notes to Schedule:**

Valuation Date: 9/30/2019

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

FY 2021	2.14%
FY 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

*The Plan Sponsor did not provide actual net benefits paid by the Plan for each fiscal year shown above. Expected net benefits payments produced by the valuation model for the same periods are shown in the table above.*

\*10 years of data will be presented as it becomes available.

## **CITY OF EDGEWATER, FLORIDA**

Nonmajor Governmental Funds

September 30, 2021

**SPECIAL REVENUE FUNDS** are used to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

**Manatee Conservation** – This fund was established to account for revenues and associated expenditures for protecting Manatees and conserving natural habitat.

**Special Law Enforcement Trust Fund** – This fund was established to receive revenues derived from confiscated property obtained during the enforcement purposes, exclusive of salaries and vehicles. Such purposes may include drug education programs such as DARE.

**Transportation Impact Fees Fund** – This fund was established to account for road impact fees collected from new developments constructed in the City.

**Police Impact fees Fund** – This fund was established to account for police impact fees collected from new developments constructed in the City.

**Fire Impact Fees Fund** – This fund was established to account for fire impact fees collected from new developments constructed in the City.

**Recreation Impact Fees Fund** – This fund was established to account for recreation impact fees collected from new developments constructed in the City.

**Tree Mitigation Fund** – This fund was established to account for revenues and associated expenditures of tree mitigation restricted to replace trees extinguished by development activities.

**DEBT SERVICE FUNDS** are established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Service Fund** – This fund was established to account for the payment of general long-term debt principal and interest for the Animal Shelter.

**CAPITAL PROJECTS FUNDS** are established to account for resources used for the acquisition and construction of capital facilities by the City, except for those financed by proprietary funds.

**Capital Projects Fund** – This fund was established to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.



**CITY OF EDGEWATER, FLORIDA**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2021

	<b>Special Revenue</b>			
	<b>Manatee Conservation</b>	<b>SLETF</b>	<b>Transportation Impact</b>	<b>Police Impact</b>
<b>ASSETS</b>				
Cash	\$ 9,400	\$ 53,615	\$ 1,170,366	\$ 248,990
Receivables	-	1	18	4
Total assets	<u>\$ 9,400</u>	<u>\$ 53,616</u>	<u>\$ 1,170,384</u>	<u>\$ 248,994</u>
<b>LIABILITIES</b>				
Due to other governments	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>				
Spendable:				
Restricted for:				
Public safety	\$ -	\$ 53,616	\$ -	\$ -
Debt service	-	-	-	-
Manatee Conservation	9,400	-	-	-
Tree mitigation	-	-	-	-
Capital projects	-	-	1,170,384	248,994
Total fund balances	<u>9,400</u>	<u>53,616</u>	<u>1,170,384</u>	<u>248,994</u>
Total liabilities and fund balances	<u>\$ 9,400</u>	<u>\$ 53,616</u>	<u>\$ 1,170,384</u>	<u>\$ 248,994</u>

<u>Fire Impact</u>	<u>Recreation Impact</u>	<u>Tree Mitigation</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 163,405	\$ 397,066	\$ 100,664	\$ 93,044	\$ 2,236,550
2	6	1	1	33
<u>\$ 163,407</u>	<u>\$ 397,072</u>	<u>\$ 100,665</u>	<u>\$ 93,045</u>	<u>\$ 2,236,583</u>
-	-	-	26	26
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</u>
\$ -	\$ -	\$ -	\$ -	\$ 53,616
-	-	-	93,019	93,019
-	-	-	-	9,400
-	-	100,665	-	100,665
163,407	397,072	-	-	1,979,857
<u>163,407</u>	<u>397,072</u>	<u>100,665</u>	<u>93,019</u>	<u>2,236,557</u>
<u>\$ 163,407</u>	<u>\$ 397,072</u>	<u>\$ 100,665</u>	<u>\$ 93,019</u>	<u>\$ 2,236,557</u>

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Revenues, Expenditures, and

Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended September 30, 2021

	<b>Special Revenue</b>			
	<b>Manatee Conservation</b>	<b>SLETF</b>	<b>Transportation Impact</b>	<b>Police Impact</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Charges for services	9,400	-	-	-
Investment earnings	-	78	846	113
Impact fees	-	-	637,854	217,928
Total revenues	<u>9,400</u>	<u>78</u>	<u>638,700</u>	<u>218,041</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	51,587	-	-
Total expenditures	<u>-</u>	<u>51,587</u>	<u>-</u>	<u>-</u>
expenditures	<u>9,400</u>	<u>(51,509)</u>	<u>638,700</u>	<u>218,041</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,400	(51,509)	638,700	218,041
Beginning fund balances	-	105,125	531,684	30,953
Ending fund balances	<u>\$ 9,400</u>	<u>\$ 53,616</u>	<u>\$ 1,170,384</u>	<u>\$ 248,994</u>

<u>Fire Impact</u>	<u>Recreation Impact</u>	<u>Tree Mitigation</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 278,694	\$ 278,694
-	-	-	-	9,400
90	307	110	278	1,822
151,356	249,949	-	-	1,257,087
<u>151,446</u>	<u>250,256</u>	<u>110</u>	<u>278,972</u>	<u>1,547,003</u>
-	-	-	298,000	298,000
-	-	-	139,688	139,688
53,230	-	-	-	104,817
<u>53,230</u>	<u>-</u>	<u>-</u>	<u>437,688</u>	<u>542,505</u>
<u>98,216</u>	<u>250,256</u>	<u>110</u>	<u>(158,716)</u>	<u>1,004,498</u>
-	-	-	161,917	161,917
-	(49,837)	-	-	(49,837)
-	(49,837)	-	161,917	112,080
98,216	200,419	110	3,201	1,116,578
65,191	196,653	100,555	89,818	1,119,979
<u>\$ 163,407</u>	<u>\$ 397,072</u>	<u>\$ 100,665</u>	<u>\$ 93,019</u>	<u>\$ 2,236,557</u>

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
Annually - Budgeted Nonmajor Special Revenue Funds  
For the Fiscal Year Ended September 30, 2021

	<b>Special Revenue</b>							
	<b>Manatee Conservation</b>				<b>SLETF</b>			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Charges for services	\$ -	\$ -	\$ 9,400	\$ 9,400	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-	-	78	78
Impact fees	-	-	-	-	-	-	-	-
Total revenues	-	-	9,400	9,400	-	-	78	78
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	50,000	51,579	51,587	(8)
Total expenditures	-	-	-	-	50,000	51,579	51,587	(8)
Excess (deficiency) of revenues over expenditures	-	-	9,400	9,400	(50,000)	(51,579)	(51,509)	70
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	9,400	9,400	(50,000)	(51,579)	(51,509)	70
Beginning fund balances	-	-	-	-	105,125	105,125	105,125	-
Ending fund balances (deficit)	\$ -	\$ -	\$ 9,400	\$ 9,400	\$ 55,125	\$ 53,546	\$ 53,616	\$ 70

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual--  
Annually-Budgeted Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended September 30, 2021

	<b>Special Revenue</b>							
	<b>Transportation Impact</b>				<b>Police Impact</b>			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	846	846	-	-	113	113
Impact fees	82,500	82,500	637,854	555,354	-	-	217,928	217,928
Total revenues	<u>82,500</u>	<u>82,500</u>	<u>638,700</u>	<u>556,200</u>	<u>-</u>	<u>-</u>	<u>218,041</u>	<u>218,041</u>
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>82,500</u>	<u>82,500</u>	<u>638,700</u>	<u>556,200</u>	<u>-</u>	<u>-</u>	<u>218,041</u>	<u>218,041</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	82,500	82,500	638,700	556,200	-	-	218,041	218,041
Beginning fund balances	531,684	531,684	531,684	-	30,953	30,953	30,953	-
Ending fund balances (deficit)	<u>\$ 614,184</u>	<u>\$ 614,184</u>	<u>\$ 1,170,384</u>	<u>\$ 556,200</u>	<u>\$ 30,953</u>	<u>\$ 30,953</u>	<u>\$ 248,994</u>	<u>\$ 218,041</u>

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual--  
Annually-Budgeted Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended September 30, 2021

	<b>Special Revenue</b>							
	<b>Fire Impact</b>				<b>Recreation Impact</b>			
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	90	90	-	-	307	307
Impact fees	-	12,009	151,356	139,347	20,000	20,000	249,949	229,949
Total revenues	-	12,009	151,446	139,437	20,000	20,000	250,256	230,256
<b>EXPENDITURES</b>								
Current:								
Public Safety	24,170	7,170	-	7,170	-	-	-	-
Capital outlay	25,830	54,839	53,230	1,609	-	-	-	-
Total expenditures	50,000	62,009	53,230	8,779	-	-	-	-
Excess (deficiency) of revenues over expenditures	(50,000)	(50,000)	98,216	148,216	20,000	20,000	250,256	230,256
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	-	(49,836)	(49,837)	(1)
Total other financing sources (uses)	-	-	-	-	-	(49,836)	(49,837)	(1)
Net change in fund balances	(50,000)	(50,000)	98,216	148,216	20,000	(29,836)	200,419	230,255
Beginning fund balances	65,191	65,191	65,191	-	196,653	196,653	196,653	-
Ending fund balances (deficit)	<u>\$ 15,191</u>	<u>\$ 15,191</u>	<u>\$ 163,407</u>	<u>\$ 148,216</u>	<u>\$ 216,653</u>	<u>\$ 166,817</u>	<u>\$ 397,072</u>	<u>\$ 230,255</u>

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual--  
Annually-Budgeted Nonmajor Special Revenue Funds (continued)  
For the Fiscal Year Ended September 30, 2021

	<b>Special Revenue</b>							
	<b>Tree Mitigation</b>				<b>Total</b>			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400	\$ 9,400
Investment earnings	-	-	110	110	-	-	1,544	1,544
Impact fees	-	-	-	-	102,500	114,509	1,257,087	1,142,578
Total revenues	-	-	110	110	102,500	114,509	1,268,031	1,153,522
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	24,170	7,170	-	7,170
Capital outlay	-	-	-	-	75,830	106,418	104,817	1,601
Total expenditures	-	-	-	-	100,000	113,588	104,817	8,771
Excess (deficiency) of revenues over expenditures	-	-	110	110	2,500	921	1,163,214	1,162,293
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	-	-	-	-	(49,836)	(49,837)	(1)
Total other financing sources (uses)	-	-	-	-	-	(49,836)	(49,837)	(1)
Net change in fund balances	-	-	110	110	2,500	(48,915)	1,113,377	1,162,292
Beginning fund balances	100,555	100,555	100,555	-	1,030,161	1,030,161	1,030,161	-
Ending fund balances (deficit)	<u>\$ 100,555</u>	<u>\$ 100,555</u>	<u>\$ 100,665</u>	<u>\$ 110</u>	<u>\$ 1,032,661</u>	<u>\$ 981,246</u>	<u>\$ 2,143,538</u>	<u>\$ 1,162,292</u>



**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
Annually - Budgeted Nonmajor Debt Service Fund  
For the Fiscal Year Ended September 30, 2021

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes:				
Property	\$ 275,637	\$ 275,637	\$ 278,694	\$ 3,057
Investment earnings	-	-	278	278
Total revenues	<u>275,637</u>	<u>275,637</u>	<u>278,972</u>	<u>3,335</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	298,000	298,000	298,000	-
Interest	139,688	139,688	139,688	-
Total expenditures	<u>437,688</u>	<u>437,688</u>	<u>437,688</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(162,051)	(162,051)	(158,716)	3,335
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>162,002</u>	<u>162,002</u>	<u>161,917</u>	<u>(85)</u>
Net change in fund balances	(49)	(49)	3,201	3,250
Beginning fund balances	89,818	89,818	89,818	-
Ending fund balances	<u>\$ 89,769</u>	<u>\$ 89,769</u>	<u>\$ 93,019</u>	<u>\$ 3,250</u>

**CITY OF EDGEWATER, FLORIDA**  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances--Budget and Actual  
Annually - Budgeted Major Capital Projects Fund  
For the Fiscal Year Ended September 30, 2021

	<b>General Construction</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 176,017	\$ 2,525,017	\$ 246,311	\$ (2,278,706)
Total revenues	<u>176,017</u>	<u>2,525,017</u>	<u>246,311</u>	<u>(2,278,706)</u>
<b>EXPENDITURES</b>				
Capital outlay	-	2,960,654	329,744	2,630,910
Other Services & Charges	176,017	215,865	31	215,834
Total expenditures	<u>176,017</u>	<u>3,176,519</u>	<u>329,775</u>	<u>2,846,744</u>
Excess (deficiency) of revenues over expenditures	-	(651,502)	(83,464)	568,038
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	461,279	427,285	(33,994)
Total other financing sources (uses)	<u>-</u>	<u>461,279</u>	<u>427,285</u>	<u>(33,994)</u>
Net change in fund balance	-	(190,223)	343,821	534,044
Beginning fund balances	177,062	177,062	177,062	-
Ending fund balances	<u>\$ 177,062</u>	<u>\$ (13,161)</u>	<u>\$ 520,883</u>	<u>\$ 534,044</u>

## **CITY OF EDGEWATER, FLORIDA**

Internal Service Funds

September 30, 2021

**INTERNAL SERVICE FUNDS** are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation).

**Management Information Systems (MIS)** – To account for data processing operations and the cost of computer services used by other City departments.

**Fleet** – To account for the cost of operating a maintenance facility for automotive equipment used by other City departments / divisions.

**Loss Fund** – To account for the general liability and property insurances of the City.

**Fully Insured** – To account for the health, dental and life insurance of the City's employees and retirees.

**Workers Comp** – To account for the workers compensation insurance of the City.

**Public Works Complex** – To account for costs associated a public works complex.

**CITY OF EDGEWATER, FLORIDA**  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2021

	<b>MIS</b>	<b>FLEET</b>	<b>Loss Fund</b>	<b>Fully Insured</b>	<b>Workers Comp</b>	<b>Public Works Complex</b>	<b>Total</b>
<b>ASSETS</b>							
Current assets:							
Cash	\$ 102,720	\$ 356,062	\$ 7,341	\$ 1,173,750	\$ 23,772	\$ 1,469,967	\$ 3,133,612
Receivables--net	-	5	-	11	3,251	19	3,286
Inventories	-	34,132	-	-	-	-	34,132
Prepaid items	38,240	-	-	-	-	-	38,240
Total current assets	140,960	390,199	7,341	1,173,761	27,023	1,469,986	3,209,270
Noncurrent assets:							
Capital assets:							
Land and land rights	-	-	-	-	-	936,903	936,903
Buildings and improvements	60,684	-	-	-	-	-	60,684
Machinery and equipment	312,228	125,382	-	-	-	-	437,610
Construction in progress	-	-	-	-	-	504,512	504,512
Less accumulated depreciation	(338,790)	(100,759)	-	-	-	-	(439,549)
Total capital assets (net of accumulated depreciation)	34,122	24,623	-	-	-	1,441,415	1,500,160
Total noncurrent assets	34,122	24,623	-	-	-	1,441,415	1,500,160
Total assets	\$ 175,082	\$ 414,822	\$ 7,341	\$ 1,173,761	\$ 27,023	\$ 2,911,401	\$ 4,709,430
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to OPEB	\$ 45,613	\$ 60,817	\$ -	\$ -	\$ -	\$ -	\$ 106,430
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 2,858	\$ 14,875	\$ -	\$ 210,121	\$ -	\$ 210,000	\$ 437,854
Accrued liabilities	9,774	9,730	-	-	-	-	19,504
Compensated absences	25,813	17,129	-	-	-	-	42,942
Accrued interest payable	67	-	-	-	-	-	67
Notes payable - current	10,934	-	-	-	-	-	10,934
Total current liabilities	49,446	41,734	-	210,121	-	210,000	511,301
Noncurrent liabilities:							
Compensated absences	8,980	34,023	-	-	-	-	43,003
Long-term debt payable after one year	22,581	-	-	-	-	-	22,581
OPEB liability	121,981	162,642	-	-	-	-	284,623
Total noncurrent liabilities	153,542	196,665	-	-	-	-	350,207
Total liabilities	\$ 202,988	\$ 238,399	\$ -	\$ 210,121	\$ -	\$ 210,000	\$ 861,508
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to OPEB	\$ 4,726	\$ 6,301	\$ -	\$ -	\$ -	\$ -	\$ 11,027
<b>NET POSITION</b>							
Net investment in capital assets	\$ 607	\$ 24,623	\$ -	\$ -	\$ -	\$ 1,441,415	\$ 1,466,645
Unrestricted	12,374	206,316	7,341	963,640	27,023	1,259,986	2,476,680
Total net position	\$ 12,981	\$ 230,939	\$ 7,341	\$ 963,640	\$ 27,023	\$ 2,701,401	\$ 3,943,325

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended September 30, 2021

	<u>MIS</u>	<u>FLEET</u>	<u>Loss Fund</u>	<u>Fully Insured</u>	<u>Workers Comp</u>	<u>Public Works Complex</u>	<u>Total</u>
Operating revenues:							
Billings to City departments	\$ 690,108	\$ 1,045,715	\$ 366,190	\$ 2,808,251	\$ 249,778	\$ -	\$ 5,160,042
Operating expenses:							
Salaries and employee benefits	287,219	273,203	-	2,573,652	258,025	-	3,392,099
Supplies and materials	103,160	357,609	-	-	-	-	460,769
Contract services	215,463	1,662	-	55,151	-	-	272,276
Other services and charges	95,071	336,848	366,190	-	-	-	798,109
Depreciation	34,016	4,956	-	-	-	-	38,972
Total operating expenses	<u>734,929</u>	<u>974,278</u>	<u>366,190</u>	<u>2,628,803</u>	<u>258,025</u>	<u>-</u>	<u>4,962,225</u>
Operating income (loss)	<u>(44,821)</u>	<u>71,437</u>	<u>-</u>	<u>179,448</u>	<u>(8,247)</u>	<u>-</u>	<u>197,817</u>
Nonoperating revenues (expenses)							
Investment earnings	113	257	8	625	-	1,745	2,748
Interest expense	(916)	-	-	-	-	-	(916)
Total nonoperating revenues	<u>(803)</u>	<u>257</u>	<u>8</u>	<u>625</u>	<u>-</u>	<u>1,745</u>	<u>1,832</u>
Income (loss) before contributions and transfers	<u>(45,624)</u>	<u>71,694</u>	<u>8</u>	<u>180,073</u>	<u>(8,247)</u>	<u>1,745</u>	<u>199,649</u>
Change in net position	<u>(45,624)</u>	<u>71,694</u>	<u>8</u>	<u>180,073</u>	<u>(8,247)</u>	<u>1,745</u>	<u>199,649</u>
Total net position - beginning	<u>58,605</u>	<u>159,245</u>	<u>7,333</u>	<u>783,567</u>	<u>35,270</u>	<u>2,699,656</u>	<u>3,743,676</u>
Total net position - ending	<u>\$ 12,981</u>	<u>\$ 230,939</u>	<u>\$ 7,341</u>	<u>\$ 963,640</u>	<u>\$ 27,023</u>	<u>\$ 2,701,401</u>	<u>\$ 3,943,325</u>

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended September 30, 2021

	<b>MIS</b>	<b>FLEET</b>	<b>Loss Fund</b>	<b>Fully Insured</b>	<b>Workers Comp</b>	<b>Public Works Complex</b>	<b>Total</b>
Cash flows from operating activities:							
Receipts-customers and users	\$ 690,116	\$ 1,045,769	\$ 366,190	\$ 2,808,305	\$ 276,293	\$ -	\$ 5,186,673
Payments-suppliers	(434,405)	(684,253)	(366,190)	(2,631,532)	(258,025)	210,165	(4,164,240)
Payments-employees	(278,347)	(253,452)	-	-	-	-	(531,799)
Net cash provided (used) by operating activities	(22,636)	108,064	-	176,773	18,268	210,165	490,634
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(942)	(15,477)	-	-	-	(353,782)	(370,201)
Interest payments on debt	(937)	-	-	-	-	-	(937)
Principal paid on debt	(10,775)	-	-	-	-	-	(10,775)
Net cash used in capital and related financing activities	(12,654)	(15,477)	-	-	-	(353,782)	(381,913)
Cash flows from investing activities:							
Interest on investments	113	257	8	625	-	1,745	2,748
Net increase (decrease) in cash and cash equivalents	(35,177)	92,844	8	177,398	18,268	(141,872)	111,469
Beginning cash and cash equivalents	137,897	263,218	7,333	996,352	5,504	1,611,839	3,022,143
Ending cash and cash equivalents	\$ 102,720	\$ 356,062	\$ 7,341	\$ 1,173,750	\$ 23,772	\$ 1,469,967	\$ 3,133,612
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (44,821)	\$ 71,437	\$ -	\$ 179,448	\$ (8,247)	\$ -	\$ 197,817
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	34,016	4,956	-	-	-	-	38,972
(Increase) decrease in assets:							
Receivables - net	8	54	-	54	26,515	165	26,796
Inventories	-	(173)	-	-	-	-	(173)
Prepaid Items	(23,815)	3,787	-	-	-	-	(20,028)
Increase (decrease) in liabilities:							
Accounts payable	1,394	6,205	-	(2,729)	-	210,000	214,870
Accrued liabilities	1,710	2,047	-	-	-	-	3,757
OPEB liability	9,773	13,030	-	-	-	-	22,803
Compensated absences	(901)	6,721	-	-	-	-	5,820
Total adjustments	22,185	36,627	-	(2,675)	26,515	210,165	292,817
Net cash provided (used) by operating activities	\$ (22,636)	\$ 108,064	\$ -	\$ 176,773	\$ 18,268	\$ 210,165	\$ 490,634

## **CITY OF EDGEWATER, FLORIDA**

Other Supplemental Schedules

September 30, 2021

### **Fiduciary Funds – Pension Trust Funds**

Police, Firefighter and General Employees' Pension Funds – These funds are used to account for the accumulation of resources to be used for retirement annuity payments at the appropriate amounts and times in the future. Resources are contributed by employees at a rate fixed by law and by the City and the State at amounts determined by an annual actuarial study.

**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Fiduciary Net Position

Pension Trust Funds

September 30, 2021

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accrued income	49,918	33,817	26,899	110,634
Investments, at fair value:				
Money market funds	404,855	612,559	2,018,695	3,036,109
Bonds:				
US Treasury notes	311,131	231,804	-	542,935
GNMA	1,242,611	923,180	109,692	2,275,483
Municipal bonds	64,259	44,462	75,016	183,737
Corporate bonds	3,347,341	2,195,890	3,278,959	8,822,190
Mutual fund - fixed income	2,516,131	-	-	2,516,131
Mutual fund - equities	5,365,473	9,290,937	15,157,565	29,813,975
Commingled real estate fund	1,089,307	1,214,767	-	2,304,074
Total assets	<u>\$ 14,391,026</u>	<u>\$ 14,547,416</u>	<u>\$ 20,666,826</u>	<u>\$ 49,605,268</u>
<b>LIABILITIES</b>				
Unearned contributions	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 14,391,026</u>	<u>\$ 14,547,416</u>	<u>\$ 20,666,826</u>	<u>\$ 49,605,268</u>



**CITY OF EDGEWATER, FLORIDA**

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Fiscal Year Ended September 30, 2021

	<b>General Employees</b>	<b>Police Officers</b>	<b>Firefighters</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 793,823	\$ 999,201	\$ 353,847	\$ 2,146,871
Employee	2,564	169,693	152,421	324,678
State of Florida	-	180,475	186,156	366,631
Total contributions	<u>796,387</u>	<u>1,349,369</u>	<u>692,424</u>	<u>2,838,180</u>
Investment earnings:				
Interest and dividends	555,725	414,978	269,907	1,240,610
Net increase in the fair value of investments	1,681,680	1,849,723	2,892,346	6,423,749
Total investment earnings	<u>2,237,405</u>	<u>2,264,701</u>	<u>3,162,253</u>	<u>7,664,359</u>
Less investment expenses	<u>(55,736)</u>	<u>(50,094)</u>	<u>(108,163)</u>	<u>(213,993)</u>
Net investment earnings	<u>2,181,669</u>	<u>2,214,607</u>	<u>3,054,090</u>	<u>7,450,366</u>
Total additions	<u>2,978,056</u>	<u>3,563,976</u>	<u>3,746,514</u>	<u>10,288,546</u>
<b>DEDUCTIONS</b>				
Pension benefits	1,505,269	1,031,843	833,477	3,370,589
Administrative expenses	42,543	57,564	54,641	154,748
Total deductions	<u>1,547,812</u>	<u>1,089,407</u>	<u>888,118</u>	<u>3,525,337</u>
Change in net position	1,430,244	2,474,569	2,858,396	6,763,209
Net position - beginning	12,960,782	12,072,847	17,808,430	42,842,059
Net position - ending	<u>\$ 14,391,026</u>	<u>\$ 14,547,416</u>	<u>\$ 20,666,826</u>	<u>\$ 49,605,268</u>

**CITY OF EDGEWATER, FLORIDA**  
**Statistical Section**

This part of the City of Edgewater, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys about the City's overall financial standing and is unaudited.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>104-113</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal sales tax.	<b>114-118</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>119-125</b>
<b>Demographic and Economic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>126-127</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>128-130</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant fiscal year.

**CITY OF EDGEWATER, FLORIDA**

Net Position by Component

Last Ten Fiscal Years

*(accrual basis of accounting)*

Fiscal Year	2021	2020	2019	2018
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 42,309,674	\$ 42,407,665	\$ 41,180,772	\$ 41,987,558
Restricted	5,050,309	3,093,854	3,474,736	2,077,678
Unrestricted	5,531,435	2,912,289	(681,925)	(3,647,781)
<i>Total Governmental Activities Net Position</i>	<u>\$ 52,891,418</u>	<u>\$ 48,413,808</u>	<u>\$ 43,973,583</u>	<u>\$ 40,417,455</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 29,362,572	\$ 28,941,594	\$ 28,541,299	\$ 28,304,107
Restricted	3,770,920	2,391,607	1,863,314	1,641,390
Unrestricted	14,144,962	9,764,845	9,348,106	5,778,281
<i>Total Business-Type Activities Net Position</i>	<u>\$ 47,278,454</u>	<u>\$ 41,098,046</u>	<u>\$ 39,752,719</u>	<u>\$ 35,723,778</u>
<b>Total</b>				
Net Investment in Capital Assets	\$ 71,672,246	\$ 71,349,259	\$ 69,722,071	\$ 70,291,665
Restricted	8,821,229	5,485,461	5,338,050	3,719,068
Unrestricted	19,676,397	12,677,134	8,666,181	2,130,500
<i>Total Net Position</i>	<u>\$ 100,169,872</u>	<u>\$ 89,511,854</u>	<u>\$ 83,726,302</u>	<u>\$ 76,141,233</u>

2017	2016	2015	2014	2013	2012
\$ 41,696,283	\$ 41,225,542	\$ 41,696,833	\$ 40,480,601	\$ 43,278,270	\$ 45,488,481
1,438,666	783,398	1,325,008	1,255,664	1,000,424	1,063,323
(3,049,568)	(2,675,115)	(3,555,109)	2,163,549	1,511,496	2,939,453
<u>\$ 40,085,381</u>	<u>\$ 39,333,825</u>	<u>\$ 39,466,732</u>	<u>\$ 43,899,814</u>	<u>\$ 45,790,190</u>	<u>\$ 49,491,257</u>
\$ 29,261,065	\$ 29,634,955	\$ 29,142,964	\$ 27,962,252	\$ 30,199,966	\$ 29,330,978
1,386,492	1,302,217	1,900,301	1,694,339	1,860,458	2,250,279
4,590,333	4,060,782	2,703,234	7,006,277	5,239,348	5,314,263
<u>\$ 35,237,890</u>	<u>\$ 34,997,954</u>	<u>\$ 33,746,499</u>	<u>\$ 36,662,868</u>	<u>\$ 37,299,772</u>	<u>\$ 36,895,520</u>
\$ 70,957,348	\$ 70,860,497	\$ 70,839,797	\$ 68,442,853	\$ 73,478,236	\$ 74,819,459
2,825,158	2,085,615	3,225,309	2,950,003	2,860,882	3,313,602
1,540,765	1,385,667	(851,875)	9,169,826	6,750,844	8,253,716
<u>\$ 75,323,271</u>	<u>\$ 74,331,779</u>	<u>\$ 73,213,231</u>	<u>\$ 80,562,682</u>	<u>\$ 83,089,962</u>	<u>\$ 86,386,777</u>

**CITY OF EDGEWATER, FLORIDA**

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2021	2020	2019	2018
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Administrative	\$ 1,181,901	\$ 763,962	\$ 709,513	\$ 197,951
Public Safety	739,019	721,016	762,914	825,894
Public Works	100,619	94,256	88,366	507,365
Culture and recreation	36,170	59,715	61,091	69,562
Operating Grants and Contributions	1,163,296	1,863,557	1,729,846	754,837
Capital Grants and Contributions	1,291,930	942,886	426,590	1,244,620
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 4,512,935</b>	<b>\$ 4,445,392</b>	<b>\$ 3,778,320</b>	<b>\$ 3,600,229</b>
Business-Type Activities:				
Charges for Services:				
Water / Sewer Utility	\$ 12,533,913	\$ 11,748,365	\$ 11,084,416	\$ 10,216,833
Solid Waste Utility	3,685,613	4,011,195	3,767,242	3,570,233
Stormwater Utility	2,154,753	2,089,492	1,897,185	1,720,625
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,962,257	603,251	1,647,841	306,841
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 20,336,536</b>	<b>\$ 18,452,303</b>	<b>\$ 18,396,684</b>	<b>\$ 15,814,532</b>
<b>Total Government Program Revenues</b>	<b>\$ 24,849,471</b>	<b>\$ 22,897,695</b>	<b>\$ 22,175,004</b>	<b>\$ 19,414,761</b>
<b>Expenses</b>				
Governmental Activities:				
General administrative	\$ 2,683,052	\$2,953,514	\$2,661,429	\$ 2,445,179
Culture and recreation	1,969,040	1,818,683	1,778,174	1,325,064
Public Works	1,779,480	2,809,163	1,958,770	1,863,482
Public Safety	8,767,933	8,968,716	7,503,374	7,583,092
Community Redevelopment	177,892	116,568	85,486	60,174
Interest on long-term debt	174,585	218,638	188,327	227,505
<b>Total Governmental Activities Expenses</b>	<b>\$ 15,551,982</b>	<b>\$ 16,885,282</b>	<b>\$ 14,175,560</b>	<b>\$ 13,504,496</b>
Business-Type Activities:				
Water / Sewer Utility	\$ 9,436,947	\$ 9,674,743	\$ 9,086,584	\$ 9,218,732
Solid Waste Utility	2,806,094	2,815,826	2,939,631	2,678,923
Stormwater Utility	1,396,460	1,452,765	1,547,998	1,373,361
<b>Total Business-Type Activities Expenses</b>	<b>\$ 13,639,501</b>	<b>\$ 13,943,334</b>	<b>\$ 13,574,213</b>	<b>\$ 13,271,016</b>
<b>Total Government Expenses</b>	<b>\$ 29,191,483</b>	<b>\$ 30,828,616</b>	<b>\$ 27,749,773</b>	<b>\$ 26,775,512</b>

2017	2016	2015	2014	2013	2012
\$ 204,378	\$ 193,140	\$ 208,769	\$ 178,890	\$ 165,479	\$ 141,724
785,462	773,067	591,642	507,279	439,680	277,806
455,431	382,989	306,981	248,531	169,864	147,040
62,967	51,991	-	14,896	13,162	12,520
3,899,222	832,376	643,363	442,201	586,345	591,002
1,550,007	702,644	1,689,173	333,284	515,775	1,466,668
<u>\$ 6,957,467</u>	<u>\$ 2,936,207</u>	<u>\$ 3,439,928</u>	<u>\$ 1,725,081</u>	<u>\$ 1,890,305</u>	<u>\$ 2,636,760</u>
\$ 9,742,911	\$ 9,284,327	\$ 8,651,318	\$ 8,383,806	\$ 8,238,099	\$ 7,634,056
3,248,848	2,962,543	2,732,961	2,693,938	2,673,005	2,638,024
1,479,727	1,466,495	1,313,221	1,300,575	1,287,833	1,271,620
-	-	-	-	-	-
1,085,533	334,843	281,527	111,295	83,417	86,937
<u>\$ 15,557,019</u>	<u>\$ 14,048,208</u>	<u>\$ 12,979,027</u>	<u>\$ 12,489,614</u>	<u>\$ 12,282,354</u>	<u>\$ 11,630,637</u>
<u>\$ 22,514,486</u>	<u>\$ 16,984,415</u>	<u>\$ 16,418,955</u>	<u>\$ 14,214,695</u>	<u>\$ 14,172,659</u>	<u>\$ 14,267,397</u>
\$ 6,430,834	\$ 3,112,845	\$ 2,345,704	\$ 2,060,966	\$ 2,098,288	\$ 1,869,872
1,393,064	1,534,765	1,552,489	1,464,164	1,490,505	1,388,241
1,696,747	1,914,982	2,022,008	3,514,532	3,719,716	3,542,650
8,109,942	7,164,944	6,636,406	6,767,861	7,094,211	6,587,921
22,063	4,955	-	-	-	-
190,935	56,794	49,891	60,282	45,094	36,397
<u>\$ 17,843,585</u>	<u>\$ 13,789,285</u>	<u>\$ 12,606,498</u>	<u>\$ 13,867,805</u>	<u>\$ 14,447,814</u>	<u>\$ 13,425,081</u>
\$ 10,090,938	\$ 8,697,283	\$ 8,816,554	\$ 8,459,432	\$ 8,086,388	\$ 8,020,597
3,313,117	2,427,299	2,588,581	2,697,843	2,558,753	2,604,683
1,430,987	1,336,821	1,239,072	1,266,675	1,157,256	1,025,943
<u>\$ 14,835,042</u>	<u>\$ 12,461,403</u>	<u>\$ 12,644,207</u>	<u>\$ 12,423,950</u>	<u>\$ 11,802,397</u>	<u>\$ 11,651,223</u>
<u>\$ 32,678,627</u>	<u>\$ 26,250,688</u>	<u>\$ 25,250,705</u>	<u>\$ 26,291,755</u>	<u>\$ 26,250,211</u>	<u>\$ 25,076,304</u>

**City of Edgewater, Florida**

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2021	2020	2019	2018
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (11,039,047)	\$ (12,439,890)	\$ (10,397,240)	\$ (9,904,267)
Business-Type Activities	6,697,035	4,508,969	4,822,471	2,543,516
<i>Total Government Net Expense</i>	<u>\$ (4,342,012)</u>	<u>\$ (7,930,921)</u>	<u>\$ (5,574,769)</u>	<u>\$ (7,360,751)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property taxes	\$ 8,108,454	\$ 7,236,722	\$ 6,641,903	\$ 6,025,937
Utility and franchise taxes	3,887,989	3,716,918	3,723,199	3,608,538
Intergovernmental shared revenue	2,757,368	2,395,284	2,480,837	2,327,579
Investment earnings	33,895	57,294	106,239	111,156
Gain on sale of assets	-	-	-	-
Miscellaneous revenue	19,522	18,991	29,692	66,061
Transfers	709,429	2,156,666	971,498	914,544
<i>Total Governmental Activities</i>	<u>\$ 15,516,657</u>	<u>\$ 15,581,875</u>	<u>\$ 13,953,368</u>	<u>\$ 13,053,815</u>
Business-Type Activities:				
Investment earnings	\$ 23,189	\$ 51,955	\$ 37,838	\$ 39,732
Miscellaneous revenue	169,613	239,309	140,130	126,466
Transfers	(709,429)	(2,156,666)	(971,498)	(914,544)
<i>Total Business-Type Activities</i>	<u>\$ (516,627)</u>	<u>\$ (1,865,402)</u>	<u>\$ (793,530)</u>	<u>\$ (748,346)</u>
<i>Total Government</i>	<u>\$ 15,000,030</u>	<u>\$ 13,716,473</u>	<u>\$ 13,159,838</u>	<u>\$ 12,305,469</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 4,477,610	\$ 3,141,985	\$ 3,556,128	\$ 3,149,548
Business-Type Activities	6,180,408	2,643,567	4,028,941	1,795,170
<i>Total Government Change in Net Position</i>	<u>\$ 10,658,018</u>	<u>\$ 5,785,552</u>	<u>\$ 7,585,069</u>	<u>\$ 4,944,718</u>

2017	2016	2015	2014	2013	2012
\$ (10,886,118)	\$ (10,853,078)	\$ (9,166,570)	\$ (12,142,724)	\$ (12,557,509)	\$ (10,788,321)
721,977	1,586,805	334,820	65,664	479,957	(20,586)
<u>\$ (10,164,141)</u>	<u>\$ (9,266,273)</u>	<u>\$ (8,831,750)</u>	<u>\$ (12,077,060)</u>	<u>\$ (12,077,552)</u>	<u>\$ (10,808,907)</u>
\$ 5,095,759	\$ 4,572,959	\$ 4,282,331	\$ 4,120,260	\$ 3,763,456	\$ 3,669,228
3,303,147	3,222,232	3,249,749	3,182,716	3,051,649	2,947,266
2,144,426	2,028,373	1,967,348	2,030,522	1,814,689	1,680,896
61,213	38,006	48,705	52,399	25,339	36,148
-	-	-	14,500	11,855	11,029
75,659	106,099	140,093	134,304	38,888	43,699
957,470	752,502	727,491	717,647	150,566	40,050
<u>\$ 11,637,674</u>	<u>\$ 10,720,171</u>	<u>\$ 10,415,717</u>	<u>\$ 10,252,348</u>	<u>\$ 8,856,442</u>	<u>\$ 8,428,316</u>
\$ 13,067	\$ 5,704	\$ 6,796	\$ 6,517	\$ 3,879	\$ 37,510
462,362	411,448	132,423	99,023	70,982	43,861
(957,470)	(752,502)	(727,491)	(717,647)	(150,566)	(40,050)
<u>\$ (482,041)</u>	<u>\$ (335,350)</u>	<u>\$ (588,272)</u>	<u>\$ (612,107)</u>	<u>\$ (75,705)</u>	<u>\$ 41,321</u>
<u>\$ 11,155,633</u>	<u>\$ 10,384,821</u>	<u>\$ 9,827,445</u>	<u>\$ 9,640,241</u>	<u>\$ 8,780,737</u>	<u>\$ 8,469,637</u>
\$ 751,556	\$ (132,907)	\$ 1,249,147	\$ (1,890,376)	\$ (3,701,067)	\$ (2,360,005)
239,936	1,251,455	(253,452)	(546,443)	404,252	20,735
<u>\$ 991,492</u>	<u>\$ 1,118,548</u>	<u>\$ 995,695</u>	<u>\$ (2,436,819)</u>	<u>\$ (3,296,815)</u>	<u>\$ (2,339,270)</u>



**CITY OF EDGEWATER, FLORIDA**

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2021	2020	2019	2018	2017
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	4,983	11,315	136,150	14,485	28,664
Restricted	94,850	650,834	51,165	50,278	46,073
Assigned	4,094,817	2,224,395	2,547,190	2,193,018	807,749
Unassigned	8,590,952	7,899,216	5,481,191	3,180,919	3,018,746
<i>Total General Fund</i>	<u>\$ 12,785,602</u>	<u>\$ 10,785,760</u>	<u>\$ 8,215,696</u>	<u>\$ 5,438,700</u>	<u>\$ 3,901,232</u>
All Other Governmental Funds					
Restricted	\$ 3,164,171	\$ 1,752,258	\$ 1,752,115	\$ 2,937,739	\$ 4,441,391
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total All Other Governmental Funds</i>	<u>\$ 3,164,171</u>	<u>\$ 1,752,258</u>	<u>\$ 1,752,115</u>	<u>\$ 2,937,739</u>	<u>\$ 4,441,391</u>
<i>Total Governmental Funds</i>	<u><u>\$ 15,949,773</u></u>	<u><u>\$ 12,538,018</u></u>	<u><u>\$ 9,967,811</u></u>	<u><u>\$ 8,376,439</u></u>	<u><u>\$ 8,342,623</u></u>

2016	2015	2014	2013	2012
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
30,041	1,198	422,120	22,170	436
45,538	456,809	2,990	4,028	3,408
1,083,984	780,323	750,749	500,000	1,872,129
2,376,555	2,808,975	2,770,632	2,744,608	2,452,923
<u>\$ 3,536,118</u>	<u>\$ 4,047,305</u>	<u>\$ 3,946,491</u>	<u>\$ 3,270,806</u>	<u>\$ 4,328,896</u>
\$ 746,891	\$ 666,096	\$ 898,969	\$ 649,231	\$ 712,080
-	-	-	-	-
-	-	-	-	-
<u>\$ 746,891</u>	<u>\$ 666,096</u>	<u>\$ 898,969</u>	<u>\$ 649,231</u>	<u>\$ 712,080</u>
<u>\$ 4,283,009</u>	<u>\$ 4,713,401</u>	<u>\$ 4,845,460</u>	<u>\$ 3,920,037</u>	<u>\$ 5,040,976</u>

## CITY OF EDGEWATER, FLORIDA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2021	2020	2019	2018
<b>Revenues</b>				
Taxes	\$ 11,996,443	\$ 10,953,640	\$ 10,365,102	\$ 9,634,475
Intergovernmental	4,074,319	4,888,172	4,582,125	4,233,086
Licenses and permits	1,011,043	595,206	556,145	499,510
Charges for services	2,123,609	2,126,525	2,108,874	2,011,630
Fines and forfeitures	105,392	106,211	155,058	151,461
Investment Earnings	31,147	54,564	105,120	110,204
Impact fees	1,257,087	422,811	151,056	185,507
Miscellaneous	67,477	123,672	65,978	108,149
<b>Total Revenues</b>	<b>\$ 20,666,517</b>	<b>\$ 19,270,801</b>	<b>\$ 18,089,458</b>	<b>\$ 16,934,022</b>
<b>Expenditures</b>				
Current:				
General administrative services	\$ 2,688,032	\$ 2,679,056	\$ 2,725,148	\$ 2,813,463
Legislative	102,180	85,624	99,990	103,794
Executive	647,166	558,331	757,013	521,481
Legal Counsel	131,493	116,745	113,682	113,286
Community Development	772,342	753,879	727,440	610,462
Cultural and recreation	1,399,914	1,379,292	1,238,162	1,066,734
Public works	862,385	1,817,029	944,770	876,198
Public safety				
Law enforcement	4,723,307	4,252,364	3,990,383	3,928,928
Fire and emergency services	3,932,412	3,752,972	3,579,140	3,398,597
Code enforcement	169,672	173,677	168,193	142,907
Animal services	158,139	161,337	143,551	129,980
Debt service:				
Principal	566,002	514,289	476,647	520,000
Interest and Fiscal Charges	173,669	217,465	186,906	225,844
Capital outlay	1,637,478	1,638,952	2,305,359	3,335,123
<b>Total Expenditures</b>	<b>\$ 17,964,191</b>	<b>\$ 18,101,012</b>	<b>\$ 17,456,384</b>	<b>\$ 17,786,797</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,702,326</i>	<i>1,169,789</i>	<i>633,074</i>	<i>(852,775)</i>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 1,651,270	\$ 2,201,023	\$ 1,305,186	\$ 1,127,109
Transfers Out	(941,841)	(1,444,357)	(346,888)	(240,518)
Capital lease		620,000	-	-
Debt Issued	-	-	-	-
General obligation note	-	-	-	-
Sale of capital assets	-	23,752	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>709,429</b>	<b>1,400,418</b>	<b>958,298</b>	<b>886,591</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,411,755</b>	<b>\$ 2,570,207</b>	<b>\$ 1,591,372</b>	<b>\$ 33,816</b>
Debt Service as a Percentage of Noncapital Expenditures	4.53%	4.45%	4.38%	5.16%

2017	2016	2015	2014	2013	2012
\$ 8,398,906	\$ 7,795,191	\$ 7,532,080	\$ 7,302,976	\$ 6,815,105	\$ 6,616,494
7,513,956	3,506,532	4,244,105	2,812,565	2,933,095	3,758,487
455,435	398,346	320,954	263,641	236,820	217,715
1,860,657	1,736,070	1,560,007	1,319,396	1,132,520	1,038,741
194,901	266,864	171,998	240,149	195,851	166,133
60,436	37,833	48,612	52,399	25,338	36,148
151,151	160,103	183,385	102,105	44,136	34,067
166,841	265,625	137,921	134,461	38,539	50,669
<u>\$ 18,802,283</u>	<u>\$ 14,166,564</u>	<u>\$ 14,199,062</u>	<u>\$ 12,227,692</u>	<u>\$ 11,421,404</u>	<u>\$ 11,918,454</u>
\$ 5,697,152	\$ 2,234,076	\$ 2,198,362	\$ 1,680,375	\$ 1,590,455	\$ 1,439,252
109,377	99,820	91,954	96,597	93,377	92,592
560,939	619,910	614,357	567,755	558,357	534,199
89,708	158,443	89,589	101,398	89,195	87,075
618,871	983,354	774,022	459,651	419,476	473,381
1,154,810	1,265,641	1,289,790	1,198,951	1,237,586	1,151,797
739,971	1,051,075	1,127,990	588,415	562,286	469,592
3,725,582	3,524,244	3,285,144	3,262,859	3,232,114	2,827,511
3,656,321	3,460,655	3,103,765	2,942,624	2,942,859	2,765,756
113,069	125,334	103,301	75,725	144,716	95,488
113,304	109,865	107,507	110,809	132,794	269,712
231,586	375,675	151,007	418,092	445,714	892,559
140,369	49,848	47,542	47,644	52,715	38,876
4,583,159	1,249,938	2,501,416	889,268	1,320,804	2,984,879
<u>\$ 21,534,218</u>	<u>\$ 15,307,878</u>	<u>\$ 15,485,746</u>	<u>\$ 12,440,163</u>	<u>\$ 12,822,448</u>	<u>\$ 14,122,669</u>
<u>(2,731,935)</u>	<u>(1,141,314)</u>	<u>(1,286,684)</u>	<u>(212,471)</u>	<u>(1,401,044)</u>	<u>(2,204,215)</u>
\$ 3,401,828	\$ 1,018,996	\$ 1,342,491	\$ 1,078,168	\$ 676,660	\$ 626,332
(2,479,558)	(314,584)	(615,000)	(379,271)	(568,994)	(561,282)
433,279	-	410,894	-	-	-
5,436,000	-	-	432,000	160,583	-
-	-	-	-	-	-
-	6,510	16,240	6,997	11,856	11,029
<u>6,791,549</u>	<u>710,922</u>	<u>1,154,625</u>	<u>1,137,894</u>	<u>280,105</u>	<u>76,079</u>
<u>\$ 4,059,614</u>	<u>\$ (430,392)</u>	<u>\$ (132,059)</u>	<u>\$ 925,423</u>	<u>\$ (1,120,939)</u>	<u>\$ (2,128,136)</u>
2.19%	3.03%	1.53%	4.03%	4.33%	8.25%

**CITY OF EDGEWATER, FLORIDA**

Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended	Real Property	Personal Property	Centrally Assessed Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	\$ 859,937,271	\$ 44,818,406	\$ 2,847,810	\$ 907,603,487	\$ 327,571,414	\$ 580,032,073	6.5304
2013	869,698,616	44,709,946	2,419,118	916,827,680	326,361,580	590,466,100	6.5612
2014	893,847,254	46,863,494	2,615,633	943,326,381	330,091,016	613,235,365	6.9340
2015	934,739,055	49,197,000	3,085,203	987,021,258	334,889,928	652,131,330	6.7530
2016	985,904,666	53,797,067	3,590,304	1,043,292,037	343,753,169	699,538,868	6.7486
2017	1,152,173,102	82,395,064	4,403,969	1,238,972,135	374,040,287	864,931,848	6.7445
2018	1,245,616,754	92,091,785	4,487,968	1,342,196,507	394,071,253	948,125,254	7.0040
2019	1,344,364,414	100,155,114	4,497,383	1,449,016,911	408,076,606	1,040,940,305	6.9737
2020	1,479,116,741	108,444,187	4,439,949	1,592,000,877	429,755,270	1,162,245,607	6.9479
2021	1,579,632,391	118,653,510	4,554,064	1,702,839,965	444,395,076	1,258,444,889	6.9284

Source: Volusia County Property Appraiser's Office & City of Edgewater ACFRs.

**CITY OF EDGEWATER, FLORIDA**

Tax Revenues by Source of Governmental Funds

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

Fiscal Year Ended September 30	Property Taxes	Utility and franchise taxes	Intergovernmental Revenue	Total
2012	\$ 3,669,228	\$ 2,947,266	\$ 3,758,487	\$ 10,374,981
2013	3,763,456	3,051,649	2,933,095	9,748,200
2014	4,120,260	3,182,716	2,812,565	10,115,541
2015	4,282,331	3,249,749	4,244,105	11,776,185
2016	4,572,959	3,222,232	3,506,532	11,301,723
2017	5,095,759	3,303,147	7,513,956	15,912,862
2018	6,025,937	3,608,538	4,233,086	13,867,561
2019	6,641,903	3,723,199	4,582,125	14,947,227
2020	7,236,722	3,716,918	4,888,172	15,841,812
2021	8,108,454	3,887,989	4,074,319	16,070,762

## CITY OF EDGEWATER, FLORIDA

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

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Fiscal Year	City of Edgewater <sup>(1)</sup> Operating Millage	Debt Service Millage	Total Direct Rate	Volusia County <sup>(2)</sup> Millage	School District Millage	Other <sup>(3)</sup>	Grand Total
2012	6.4700	0.0604	6.5304	6.7791	8.0630	3.9682	25.3407
2013	6.5000	0.0612	6.5612	6.8809	7.8880	3.6967	25.0268
2014	6.8760	0.0580	6.9340	7.2709	7.3580	3.6028	25.1657
2015	6.7000	0.0530	6.7530	7.2709	7.3360	3.4160	24.7759
2016	6.7000	0.0486	6.7486	7.2709	7.1970	3.2492	24.4657
2017	6.7000	0.0445	6.7445	7.0520	6.5200	1.8643	22.1808
2018	6.7000	0.3040	7.0040	6.6464	6.2810	1.7675	21.6989
2019	6.7000	0.2737	6.9737	6.5420	6.0810	1.6756	21.2723
2020	6.7000	0.2479	6.9479	6.1509	5.9070	1.5842	20.5900
2021	6.7000	0.2284	6.9284	6.2986	5.8020	1.5210	20.5500

(1) Millage includes City of Edgewater General Fund.

(2) Millage includes County General Fund, Library, Forever, Echo and Voter Approved Debt service.

(3) Millage includes Ponce Inlet and Port Authority, Florida Inland Navigation District, St. Johns River Water Management Districts, Mosquito Control, and Hospital Operating.

**CITY OF EDGEWATER, FLORIDA**

Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brunswick Corporation	\$ 37,849,558	1	2.40%			
Sun Hacienda Del Rio LLC	\$ 35,147,469	2	2.23%			
Florida Power & Light Company	\$ 30,564,355	3	1.93%	\$ 13,641,140	1	2.35%
RJ Dougherty Associates Inc.	\$ 14,680,499	4	0.93%	\$ 2,987,879	5	0.52%
New BW Inc.	\$ 13,494,463	5	0.85%			
Brilliance Edgewater LLC	\$ 5,620,388	6	0.36%			
3050 Holdings LLC	\$ 5,163,497	7	0.33%	\$ 2,877,899	6	0.50%
Revenue Properties Florida Shores LLC	\$ 4,881,909	8	0.31%	\$ 3,299,316	3	0.57%
Edgewater Power Boats LLC	\$ 4,859,051	9	0.31%	\$ 3,031,279	4	0.52%
Cubesmart LP	\$ 4,392,232	10	0.28%			
Bright House Networks LLC				\$ 3,872,142	2	0.67%
Bellsouth Telecommunication LLC				\$ 2,758,408	7	0.48%
Holly Investments LTD				\$ 2,663,588	8	0.46%
Transcapital Bank				\$ 2,637,047	9	0.45%
Carder James C TR				\$ 2,635,106	10	0.45%
	<u>\$ 156,653,421</u>		<u>9.92%</u>	<u>\$ 40,403,804</u>		<u>6.97%</u>
Total Assessed Valuation	<u>\$ 1,579,632,391</u>			<u>\$ 580,032,073</u>		

Source: Volusia County Property Appraiser's Office and 2012 City of Edgewater ACFR.



**CITY OF EDGEWATER, FLORIDA**

Property Tax Levies And Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2012	\$ 3,752,808	\$ 3,625,224	96.60 %	\$ 10,100	\$ 3,635,324	96.87 %
2013	3,836,165	3,558,179	92.75 %	170,189	3,728,368	97.19 %
2014	4,216,606	4,072,002	96.57 %	13,726	4,085,728	96.90 %
2015	4,365,036	4,219,641	96.67 %	29,065	4,248,706	97.33 %
2016	4,686,910	4,387,633	93.61 %	143,061	4,530,694	96.67 %
2017	5,024,786	4,848,641	96.49 %	23,795	4,872,436	96.97 %
2018	5,791,342	5,589,817	96.52 %	35,559	5,625,376	97.13 %
2019	6,352,439	6,206,999	97.71 %	41,382	6,248,381	98.36 %
2020	6,974,300	6,749,013	96.77 %	35,104	6,784,117	97.27 %
2021	7,787,046	7,514,400	96.50 %	32,674	7,547,074	96.92 %

Source: Volusia County Property Appraiser and Tax Collector.

**CITY OF EDGEWATER, FLORIDA**  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				
	Population (1)	Estimated Actual Taxable Value	General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2012	20,775	\$ 580,032,073	\$ 375,000	0.065%	\$ 18.05
2013	20,737	590,466,100	355,000	0.060%	17.12
2014	20,748	613,235,365	335,000	0.055%	16.15
2015	20,958	652,131,330	315,000	0.048%	15.03
2016	21,280	699,538,868	295,000	0.042%	13.86
2017	21,509	864,931,848	3,667,000	0.424%	170.49
2018	23,319	948,125,254	3,507,000	0.370%	143.36
2019	23,455	1,040,940,305	3,343,000	0.321%	135.37
2020	23,818	1,162,245,607	3,175,000	0.273%	133.30
2021	23,310	1,258,444,889	2,998,000	0.238%	128.61

Source: Volusia County Property Appraiser and Tax Collector.  
(1) See Demographic and Economic Statistics information for references

**CITY OF EDGEWATER, FLORIDA**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business Type Activities	
	Notes Payable	Special Assessment Notes	General Obligation Note	Capital Leases	Line of Credit	Notes Payable	Capital Leases
2012	\$ 1,424,037	\$ -	\$ 375,000	\$ 156,029	\$ -	\$ -	\$ 4,527,471
2013	1,027,019	-	355,000	287,916	-	4,142,717	-
2014	1,225,000	-	335,000	226,843	-	4,455,000	-
2015	1,147,674	-	315,000	574,947	-	4,454,327	-
2016	1,063,288	-	295,000	294,150	-	13,692,712	-
2017	2,903,034	-	3,667,000	635,717	-	12,090,966	62,220
2018	2,784,638	-	3,507,000	458,923	-	10,430,362	50,282
2019	2,582,373	-	3,343,000	338,479	-	8,805,627	38,088
2020	2,375,050	-	3,175,000	809,055	-	6,402,950	914,647
2021	2,158,081	-	2,998,000	626,246	-	6,207,919	759,953

Note-1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note-2: Net of deferred amount refunding for FY2013 and prior years.

(1) See Demographic and Economic Statistics for personal income and population data.

State Revolving Loan	Revenue Bonds	Line of Credit	Total	Percentage of Personal Income (1)	Per Capita (1)	Personal Income	Population
\$ -	\$ 15,077,524	\$ -	\$ 21,560,061	4.94%	\$ 1,038	\$ 423,020,550	20,775
4,403,042	13,946,595	-	24,162,289	5.55%	1,165	443,418,346	20,737
6,290,915	12,753,000	-	25,285,758	5.59%	1,219	457,057,692	20,748
6,139,058	11,439,000	-	24,070,006	6.41%	1,148	513,471,000	20,958
5,866,152	-	-	21,211,302	5.05%	997	499,079,840	21,280
5,894,079	-	-	25,253,016	4.50%	1,174	514,323,208	21,509
5,635,032	-	-	22,866,237	3.68%	981	562,990,617	23,319
8,840,950	-	-	23,948,517	4.23%	1,021	566,274,065	23,455
8,826,049	-	-	22,502,752	3.57%	945	629,795,556	23,818
8,403,950	-	-	21,154,149	3.43%	908	616,363,020	23,310

## CITY OF EDGEWATER, FLORIDA

### Legal Debt Margin Information

Last Ten Fiscal Years

Assessed Valuation	Legal Debt Margin Calculation for Fiscal Years			
	2021	2020	2019	2018
Assessed taxable real property value	\$ 1,057,679,617	\$ 944,575,170	\$ 860,690,466	\$ 787,008,907
Add back: exempt real property	421,155,760	399,789,244	384,926,288	365,113,414
Total assessed value of real property	<u>\$ 1,478,835,377</u>	<u>\$ 1,344,364,414</u>	<u>\$ 1,245,616,754</u>	<u>\$ 1,152,122,321</u>
Legal debt margin:				
Debt limit	\$ 11,091,265	\$ 10,082,733	\$ 9,342,126	\$ 8,640,917
Total net debt applicable to limit	<u>5,782,327</u>	<u>6,359,105</u>	<u>6,263,852</u>	<u>6,291,638</u>
Legal debt margin	<u>\$ 5,308,938</u>	<u>\$ 3,723,628</u>	<u>\$ 3,078,274</u>	<u>\$ 2,349,279</u>
Total net debt applicable to the limit as a percentage of debt limit	52.13%	63.07%	72.81%	83.85%

Note 1: Per *City of Edgewater City Charter*, the City's outstanding legal debt should not exceed .75 % of total assessed property value.

Note 2: Total net debt applicable to limit includes governmental activities notes payable and capital leases.

2017	2016	2015	2014	2013	2012
\$ 696,387,893	\$ 649,384,830	\$ 607,562,754	\$ 571,414,914	\$ 550,695,413	\$ 540,185,717
348,289,949	336,519,836	327,176,301	322,432,340	319,003,203	319,751,554
<u>\$ 1,044,677,842</u>	<u>\$ 985,904,666</u>	<u>\$ 934,739,055</u>	<u>\$ 893,847,254</u>	<u>\$ 869,698,616</u>	<u>\$ 859,937,271</u>
\$ 7,835,084	\$ 7,394,285	\$ 7,010,543	\$ 6,703,854	\$ 6,522,740	\$ 6,449,530
6,570,034	1,357,438	1,722,621	1,451,843	1,314,935	1,580,066
<u>\$ 1,265,050</u>	<u>\$ 6,036,847</u>	<u>\$ 5,287,922</u>	<u>\$ 5,252,011</u>	<u>\$ 5,207,805</u>	<u>\$ 4,869,464</u>
18.36%	24.57%	21.66%	20.16%	24.50%	32.22%

**CITY OF EDGEWATER, FLORIDA**

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Water and Wastewater Refunding Revenue Bond, Series 2016 <sup>(1)</sup>								
Fiscal Year <sup>(2)</sup>	Gross Revenues <sup>(3)</sup>	Less:		Available Net Revenue & Impact Fees	Debt Service			Coverage
		Operating Expenses <sup>(4)</sup>	Impact Fees		Principal	Interest	Total	
2012	\$ 7,634,056	\$ 4,849,002	\$ 42,979	\$ 2,828,033	\$ 570,000	\$ 243,378	\$ 813,378	3.48
2013	8,238,099	5,140,343	61,907	3,159,663	1,154,000	378,526	1,532,526	2.06
2014	8,383,806	5,348,671	80,102	3,115,237	1,273,000	368,499	1,641,499	1.90
2015	8,651,318	5,288,285	220,056	3,583,089	1,314,000	325,392	1,639,392	2.19
2016	9,284,327	5,457,041	102,899	3,930,185	1,473,500	260,024	1,733,524	2.27
2017	9,742,911	6,826,218	100,988	3,017,681	497,000	218,569	715,569	4.22
2018	10,216,833	6,019,564	231,688	4,428,957	856,000	198,881	1,054,881	4.20
2019	11,084,416	6,329,690	216,890	4,971,616	876,000	178,733	1,054,733	4.71
2020	11,748,365	6,800,478	389,302	5,337,189	896,000	158,125	1,054,125	5.06
2021	12,533,913	6,693,068	1,494,459	7,335,304	916,000	137,057	1,053,057	6.97

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) The two Water and Wastewater Refunding Revenue Bond Series (2009 and 2012) have been retroactively combined as of 9/30/2015 through a refinancing that occurred on 2/25/2016.
- (2) The Water and Wastewater Refunding Revenue Bond has not been active for thirteen years.
- (3) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund.
- (4) Total direct operating expenses excludes depreciation, amortization and overhead charges.

**CITY OF EDGEWATER, FLORIDA**

Direct and Overlapping Debt

Governmental Unit	Net General Obligation Debt Outstanding	Percentage Applicable to the City of Edgewater	City of Edgewater Share of Debt
Volusia County	\$ -	2.96%	\$ -
Volusia County School District	-	0.00%	-
Subtotal Overlapping Debt	-	2.96%	-
City Direct Debt	<u>5,782,327</u>	100.00%	<u>5,782,327</u>
Total Direct and Overlapping Debt	<u>\$ 5,782,327</u>		<u>\$ 5,782,327</u>

Note: The county-wide debt amount is comprised of \$0 of the County of Volusia's Limited Tax general obligation bonds.

The County's debt is overlapping to the City's in relation to its taxable property value compared to the County's as a whole. The City's general obligation debt is listed above and is direct debt to the City and underlapping to the County.

Source: Volusia County.



**CITY OF EDGEWATER, FLORIDA**

Principal Employers

Current Year and Nine Years Ago

Employer	2021		2012	
	Number of Employees (1)	Percentage of Total County Employment	Number of Employees (2)	Percentage of Total County Employment
Boston Whaler	1,226.0	0.49%	-	0.00%
Everglades Boats	297.0	0.12%	132.0	0.06%
City of Edgewater	197.0	0.08%	185.5	0.08%
Publix Supermarkets	143.0	0.06%	135.0	0.06%
EdgeWater Power Boats	158.0	0.06%	79.0	0.03%
Dougherty Manufacturing	140.0	0.06%	-	-
Winn Dixie Supermarkets	100.0	0.04%	95.0	0.04%
Edgewater Elementary	81.0	0.03%	86.0	0.04%
Indian River Elementary	76.0	0.03%	83.0	0.04%
Troson Corporation DBA Alberto's Pizza	30.0	0.01%	-	-
Brunswick Commercial & Government Products	-	-	105.0	0.05%
Southeast Volusia YMCA	-	0.00%	45.0	0.02%
Dustins	-	-	30.0	0.01%
<b>Total</b>	<b>2,448.0</b>	<b>0.98%</b>	<b>975.5</b>	<b>0.43%</b>
Total County Employment (3)		249,283		228,470

**Sources:**

(1) Information provided by each company.

(2) City of Edgewater ACFR 2012.

(3) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, labor force data, not seasonally adjusted, September 2021. 2012 Data provided by Labor Market Statistics, Florida Research and Economic Database.

## CITY OF EDGEWATER, FLORIDA

### Demographic and Economic Statistics

Last Ten Fiscal Years

Calendar Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	Median Age (3)	County Unemployment Rate (4)	School Enrollment (5)
2012	20,775	\$ 423,020,550	\$ 20,362	47.5	8.8%	1,895
2013	20,737	443,418,346	21,765	47.9	6.8%	1,933
2014	20,748	457,057,692	22,029	46.6	5.9%	1,388
2015	20,958	513,471,000	24,500	49.1	5.8%	1,361
2016	21,280	499,079,840	23,453	49.8	5.1%	1,369
2017	21,509	514,323,208	23,912	51	4.2%	1,332
2018	23,319	562,990,617	24,143	50.9	3.1%	1,321
2019	23,455	566,274,065	25,914	49.9	3.2%	1,276
2020	23,818	629,795,556	26,442	51.1	5.6%	1,091
2021	23,310	682,703,280	29,288	51.1	4.3%	1,238

#### 2021 Sources:

(1) Source: University of Florida, Bureau of Economic and Business Research, 2021 Estimate.

(2) US Census Bureau, 2016 - 2020 American Community Survey 5-Year Estimates.

(3) US Census Bureau, 2016 - 2020 American Community Survey 5-Year Estimates.

(4) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, Civilian Labor Force, not seasonally adjusted, September 2021.

(5) Received from Schools Directly as of 9-30-21 (Includes Discovery Academy, Indian River Elementary, and Edgewater Public Elementary)

(\*) 2021 estimates not available at time of preparation so US Census Bureau, 2015 - 2019 American Community Survey 5-Year Estimates were used for Personal Income and Median Age.

## CITY OF EDGEWATER, FLORIDA

Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government:										
Mayor and Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager	3.0	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	2.0
City Clerk	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Departments										
Finance	12.0	11.0	11.5	12.5	9.0	10.0	11.0	10.5	9.5	9.5
IT/MIS/GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Economic Development	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0		
Human Resources	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Planning and Zoning	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5
Public Safety:										
Police Department	34.0	36.0	33.0	35.0	34.0	33.5	34.0	34.5	35.0	33.5
Fire Department	37.0	32.0	33.0	32.0	31.0	33.5	30.5	29.5	29.5	29.0
Animal Control/Shelter	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Code Enforcement	3.0	3.0	3.0	3.0	2.0	1.0	2.0	2.0	2.0	2.0
Water Resources										
Water Utility	10.0	10.0	10.5	9.0	10.0	15.0	14.0	11.0	11.0	9.0
Wastewater Utility	15.0	14.0	14.0	14.0	15.0	15.0	15.0	16.0	15.0	14.0
Field Operations	11.0	8.0	10.0	12.0	10.0	11.0	11.0	11.0	11.0	10.0
Stormwater	7.0	8.0	9.0	10.0	9.0	11.0	10.0	9.5	9.5	9.0
Solid Waste Utility	11.0	13.0	22.5	19.5	25.0	24.0	23.5	26.0	26.0	24.0
Parks and Recreation	19.5	21.0	22.0	17.5	17.0	15.0	15.0	15.0	15.0	15.0
Fleet	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	9.0	9.0	9.0	8.0	7.0	9.0	7.0	8.5	9.0	7.0
Totals:	<u>196.5</u>	<u>190.0</u>	<u>203.5</u>	<u>197.5</u>	<u>195.0</u>	<u>204.0</u>	<u>198.0</u>	<u>198.5</u>	<u>196.0</u>	<u>185.5</u>

Source: Provided by the City of Edgewater Finance Department.

**CITY OF EDGEWATER, FLORIDA**

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government</b>										
Employment Applications Received	858	906	1,401	922	428	471	638	665	541	543
Personnel Actions Processed	177	210	196	205	156	211	125	113	138	136
Accidents & Injuries Reviewed	59	73	56	53	61	49	54	51	60	52
Business Tax Receipts Issued	2,452	934	1,866	1,075	837	970	1,032	763	1,269	1,544
Checks Issued	1,565	1,683	1,430	1,413	1,810	2,369	2,316	2,279	2,414	1,727
Competitive Procurements (ITB,RFP,) issued	14	11	18	8	16	13	11	23	*	*
Purchase Orders Issued	763	868	850	618	690	815	686	718	757	734
<b>Public Safety</b>										
<b>Police Department</b>										
Accidents	412	533	470	454	489	471	408	367	239	246
Traffic citations issued	2,192	1,806	2,001	3,215	4,677	3,100	3,017	3,450	3,188	5,245
Evidence Processed	1,127	1,996	2,592	2,824	2,799	2,654	2,178	2,153	1,803	1,800
Physical arrests	1,028	924	1,332	1,282	861	1,311	1,236	1,151	1,128	1,393
Calls for service	27,126	29,202	25,493	27,663	34,179	32,426	31,991	31,503	34,395	29,752
<b>Fire Department</b>										
Emergency responses	6,834	6,434	3,601	3,509	3,605	3,333	3,024	2,565	2,738	2,679
Average response time - minutes	5	5.40	5.31	5.50	4.48	5.08	4.28	4.32	4.19	4.18
Public Education Programs	15	38	80	72	68	62	71	67	64	63
Fire inspections	325	287	379	525	1,288	1,203	1,182	1,123	1,015	1,002
<b>Public Works</b>										
Miles of street Resurfaced	0	11	0	0	0	2	2	3	1	2
Miles of unpaved streets	8	8	8	8	8	14	4	4	*	*
Sidewalks - new construction - miles	3	4	0	1	0	4	-	1	1	1
<b>Parks and Recreation</b>										
Ball games, practices & field rentals	459	319	635	823	536	372	720	786	1,226	1,598
Events/Programs	16	4	24	24	33	23	15	8	17	19
<b>Water Resources</b>										
Water main breaks	44	169	73	109	90	103	74	100	84	80
Average daily consumption - mgd	2	1.96	1.97	1.99	1.92	1.746	1.718	1.846	1.900	1.929
Number of water customers	11,490	10,995	10,861	10,864	10,757	10,879	10,724	10,632	10,603	10,580
New Connections	348	101	46	64	27	24	67	29	23	18
<b>Sewer Resources</b>										
New Connections	273	85	46	57	19	20	63	27	19	11
Average daily consumption - mgd	1,523	1.699	1.730	1.710	1.493	1.719	1.541	1.422	1,264	1.179
Number of customers	10,481	10,323	10,224	10,185	10,008	10,416	10,016	9,896	9,869	9,850
<b>Solid Waste Utility</b>										
Number of Customers	10,366	10,094	9,502	9,707	9,920	9,631	9,591	9,463	9,451	9,403

Sources: Provided by the respective departments of the City of Edgewater

\* Information not available.

**CITY OF EDGEWATER, FLORIDA**

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	42	40	34	33	34	30	30	29	27	28
Patrol Zones	2	2	2	2	2	2	2	2	2	2
<b>Fire</b>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Vehicles	14	16	17	19	17	19	18	17	17	17
<b>Public Works</b>										
Streets (miles)	130	128	126	126	126	126	124	124	124	124
Number of street lights	1,437	1,437	1,437	1,230	1,230	1,057	1,080	1,071	1,068	1,068
Number of traffic signals	7	7	7	3	3	4	3	3	3	3
Vehicles	10	10	10	10	10	11	8	8	9	8
<b>Parks and Recreation</b>										
Vehicles	10	10	10	13	15	15	15	11	12	12
Parks Acreage	151	151	151	151	151	151	151	151	151	151
Parks	12	12	12	12	12	12	12	12	12	12
Baseball Fields	5	5	5	4	5	5	5	7	7	7
Tennis Courts	2	2	2	-	4	4	4	4	4	4
Basketball Courts	2	2	2	1	3	3	3	3	2	2
Racquetball Courts	2	2	2	-	4	4	4	4	4	4
Shuffleboard Courts	0	-	-	-	-	-	-	2	2	2
Boat Ramps	3	3	3	3	5	5	5	5	5	5
Paddling Trails	6	6	6	6	6	6	6	-	-	-
Gymnasiums (YMCA)	1	1	1	1	1	1	1	1	1	1
<b>Water Resources</b>										
Water mains (miles)	170	168	166	165	165	165	275	275	275	275
Fire hydrants	884	874	860	719	719	720	720	718	701	700
Vehicles	26	26	26	26	26	26	26	26	24	24
Sewer mains (miles)	225	223	221	220	220	189	189	189	189	189
Reclaim Water (miles)	87	85	79	79	79	79	72	72	72	71
<b>Stormwater Utility</b>										
Storm Sewers (miles)	36	36	36	36	36	36	36	36	36	36
Vehicles	21	21	21	19	18	18	17	17	16	15
<b>Solid Waste Utility</b>										
Garbage Trucks	8	8	8	9	8	9	10	10	10	9
Other Vehicles	10	10	10	10	10	11	13	13	13	13

Sources: Provided by the respective departments of the City of Edgewater

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

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Edgewater, Florida, (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 7, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiency in internal control that we consider to be a significant deficiency, as described in the following paragraph.

### **2021-001 – Depreciation Expense Adjustment**

An audit adjustment was required to correct depreciation expense account balances due to misclassifications in the original posting, to be in compliance with generally accepted accounting principles in the United States of America. The Water/Sewer Utility Fund depreciation included \$204,470 of depreciation expense, which should have been recorded to the Solid Waste Utility Fund. The cause of the audit adjustment was due to additional review of depreciation expenses not yet being implemented in FY2021. The effect was that, had the audit adjustments not been proposed, there would have been misstatements of the general ledger expense account balances at year-end. We recommend increasing review of expense balances at year-end to ensure the general ledger amounts reconcile to supporting documentation, similar to the controls implemented over balance sheet accounts during FY2021.

### ***Compliance and Other Matters***

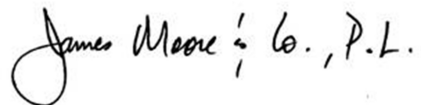
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The City's responses to the findings identified in our audit are described in Management's Response to Findings, as listed in the table of contents. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida  
March 7, 2022



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,  
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

**Report on the Financial Statements**

We have audited the financial statements of City of Edgewater, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 7, 2022.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 7, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings remain uncorrected from the second preceding audit report. The following is a summary of all findings and recommendations reported in our preceding annual financial audit report:

**2020-001 Reconciliation of General Ledger Account Balances** – Corrective action was taken.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority for the primary government are discussed in 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 report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific 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. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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 the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Specific Special District Information - City of Edgewater Community Redevelopment Agency**

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the City of Edgewater Community Redevelopment Agency (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

## **Additional Matters**

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

## **Purpose of this Letter**

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

  
James Moore & Co., P.L.

Daytona Beach, Florida



**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Mayor, City Council, and City Manager,  
City of Edgewater, Florida:

We have examined the City of Edgewater, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the City of Edgewater, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

Daytona Beach, Florida  
March 7, 2022



MEMO TO: The Honorable Mayor and City Council  
The State Auditor General

THRU: Glenn A. Irby, City Manager

FROM: Bridgette A. Vaissiere, Finance Director

DATE: March 7, 2022

**MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

**Depreciation Expense Adjustment**

Management concurs with this finding and will implement changes to the process of posting of Depreciation Expense. The City will reconcile general ledger depreciation expense to support schedules and compare current year expense amounts with prior year expense amounts.