

CITY OF EDGEWATER, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2020



CITY OF EDGEWATER, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2020

Prepared by: The Finance Department



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March 16, 2020

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30th, 2020.

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, 2020. 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 15,958 acres of land within the City with an estimated population of 23,818.

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, and 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 5.6 percent unemployment rate. During the last year, taxable assessment values of property in Edgewater increased 11.65 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 2021 is for modest gains in economic growth as the recovery from Hurricane Irma and Dorian as well as the Covid 19 Pandemic gain traction in the local economy. The City of Edgewater continues to apply for Federal and State grants to fund sidewalks, reclaimed water line extension, boat ramp replacement, stormwater 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 FY2021 General Fund budget. The City ad valorem millage rate for FY2021 was 6.70, which was 9.21% more than the rolled-back rate. The millage rate of 6.70 will result in an anticipated property tax collections increase of 14.11% 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, 2020 unassigned fund balance was approximately 41.8% 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 comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the thirty-sixth 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 comprehensive annual 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF EDGEWATER FLORIDA

List of Elected and Appointed Officials

September 30, 2020

CITY COUNCIL

MAYOR

Mike Thomas

DISTRICT 1

Christine Power

DISTRICT 2

Kimberly Yaney

DISTRICT 3

Megan O'Keefe

DISTRICT 4

Gary Conroy

ADMINISTRATION

CITY MANAGER

Glenn A. Irby

CITY ATTORNEY

Aaron R. Wolfe

**FINANCE
DIRECTOR**

Bridgette Vaissiere

**CITY CLERK /
PARALEGAL**

Robin L. Matusick

FIRE CHIEF

Jeff Lariscy

POLICE CHIEF

Joe Mahoney

**HUMAN RESOURCES
DIRECTOR**

Julie A. Christine

**DEVELOPMENT SERVICES
DIRECTOR**

Darren Lear

**ENVIRONMENTAL SERVICES
DIRECTOR**

Brenda Dewees

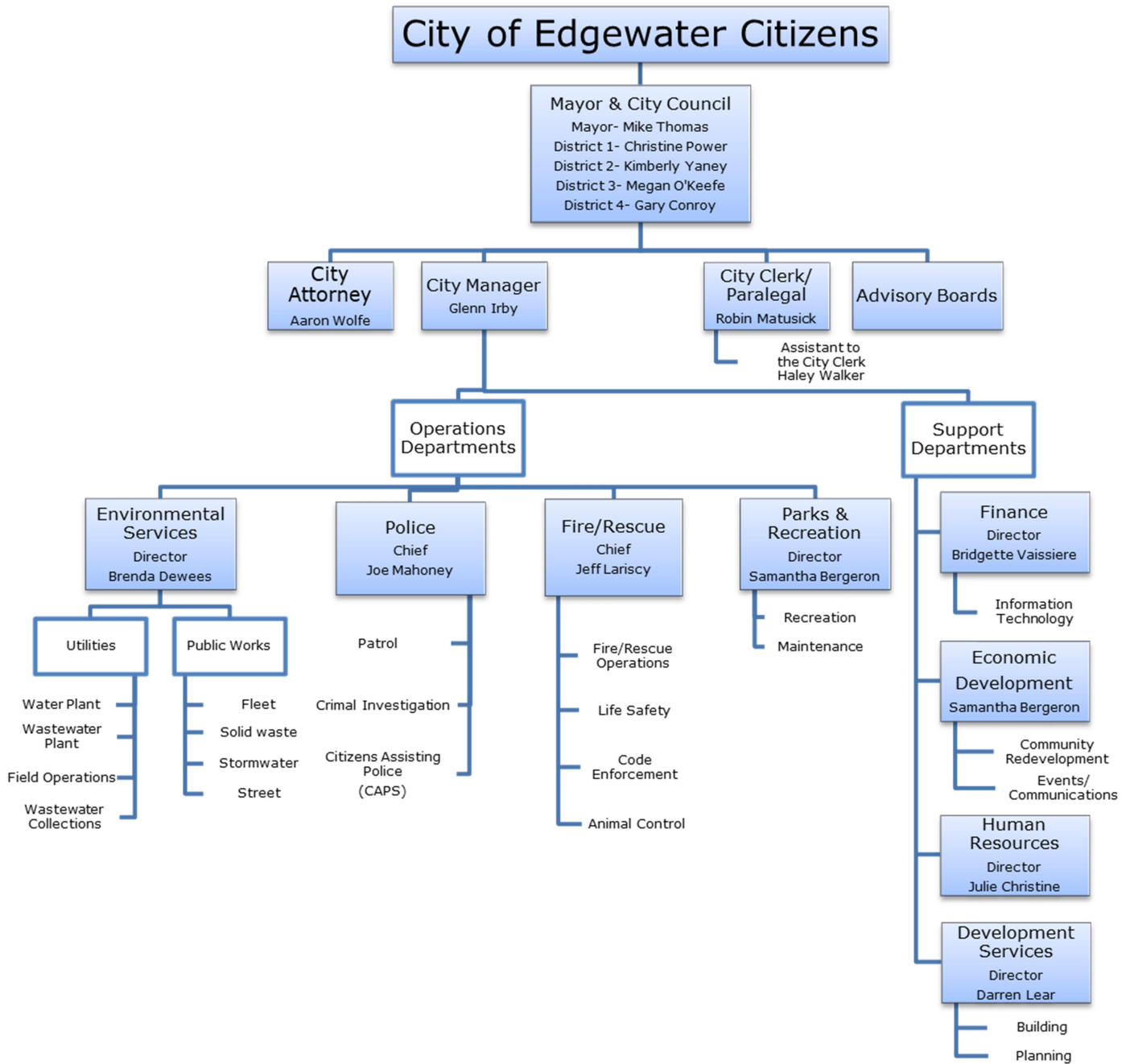
**PARKS & RECREATION
DIRECTOR**

Samantha Bergeron

CITY OF EDGEWATER FLORIDA

City Organization Chart

September 30, 2020



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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, 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

Change in Accounting Principle

As discussed in Note 13 to the financial statements, in the year ended September 30, 2020, the City implemented a change in accounting principle which affected the presentation of funds in the financial statements. In previous years, the Public Works Complex was shown as part of the Solid Waste Utility Fund. In the current year, the City is presenting the Public Works Complex as a separate internal service fund in the financial statements. See Note 13 for the effect on beginning net position. Our opinion is not modified with respect to this matter.

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, statistical section, and schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

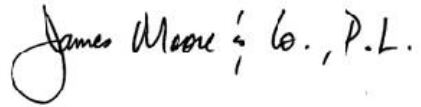
The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 16, 2021



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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, 2020. 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 2019-2020 by \$89,511,854, which represents an increase in net position of \$5,785,552 or 6.91% from the prior fiscal year.
- Governmental Activities Net Position increased by \$3,141,985. Approximately \$1.3 million of this increase relates to the transfers to the Public Works Complex for the design and engineering phase of the future Public Works Complex. The City received Cares Act funding in the amount of \$832,291. 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 \$2,643,567. Business Type activities also had other budget carryforwards in the amount of \$1,312,267. 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 2019-20, the General Fund unassigned fund balance was \$7,899,216 or an estimated 41.8% of the budgeted FY 2021 General Fund expenditures. This represents an increase of \$2,418,025 from the prior fiscal year.
- During the fiscal year, the City's total debt decreased by \$1,445,767. Governmental debt increased by \$95,253 and business-type debt decreased by \$1,541,020.

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 separate CAFR Comprehensive Annual 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 82-91. 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 94-96 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 98-99 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 31-69 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 70-80. 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 82-91 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 \$89,511,854 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$16,834,813	\$13,736,785	\$20,507,469	\$18,850,169	\$ 37,342,282	\$32,586,954
Capital Assets	48,172,170	47,444,624	44,192,492	46,219,405	92,364,662	93,664,029
Total Assets	65,006,983	61,181,409	64,699,961	65,069,574	129,706,944	126,250,983
Total deferred outflows of resources	4,351,799	3,026,978	1,029,685	539,453	5,381,484	3,566,431
Liabilities:						
Long term liabilities	17,757,661	17,677,417	21,660,212	21,533,703	39,417,873	39,211,120
Other liabilities	2,200,944	912,981	2,796,010	4,089,669	4,996,954	5,002,650
Total Liabilities	19,958,605	18,590,398	24,456,222	25,623,372	44,414,827	44,213,770
Total deferred inflows of resources	986,369	1,644,406	175,378	232,936	1,161,747	1,877,342
Net Position:						
Net investment in capital assets	42,407,665	41,180,772	28,941,594	28,541,299	71,349,259	69,722,071
Restricted	3,093,854	3,474,736	2,391,607	1,863,314	5,485,461	5,338,050
Unrestricted	2,912,289	(681,925)	9,764,845	9,348,106	12,677,134	8,666,181
Total Net Position	\$48,413,808	\$43,973,583	\$41,098,046	\$39,752,719	\$89,511,854	\$83,726,302

At the end of the current fiscal year, the Governmental Liabilities increased by \$1,368,207. The Governmental Liability for FY2019-2020 changed mainly from Other Post-Employment Benefits increased by \$1,076,429, and Compensated Absences increased by \$237,206 and other Governmental Liabilities having smaller increases or decreases.

Business-Type Liabilities decreased by \$1,167,150. The decrease was largely from Notes Payable and Capital Leases decreased by \$1,541,020, Accounts Payable and other current liabilities decreased by \$176,372, Accrued Interest decreased by \$89,161 which was offset by Other Post-Employment Benefits increasing by \$552,594 along with other smaller changes in FY2019-2020.

The City's net position reflects eighty percent (80%) 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 6% 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 except for Governmental unrestricted which is due to the City's net pension liability and total OPEB liability being reflected on the statements.

The government's net position increased \$5,785,552 in the current fiscal year. The government's restricted net position increased by \$147,411 in the current fiscal year. This was mainly attributed to increases in restricted for Pensions of \$1,335,592, Capital Projects of \$221,520, Community Redevelopment of \$147,900, Debt Service of \$141,507 and offset by Public Safety decrease of \$1,699,801. Further explanations of the increase are detailed below. 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		Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues -						
Charges for services	\$ 1,638,949	\$ 1,621,884	\$ 17,849,052	\$ 16,748,843	\$ 19,488,001	\$ 18,370,727
Operating grants and contributions	1,863,557	1,729,846			1,863,557	1,729,846
Capital grants and contributions	942,886	426,590	603,251	1,647,841	1,546,137	2,074,431
General revenues -						
Property taxes	7,236,722	6,641,903	-	-	7,236,722	6,641,903
Franchise and utility taxes	3,716,918	3,723,199	-	-	3,716,918	3,723,199
Intergovernmental	2,395,284	2,480,837	-	-	2,395,284	2,480,837
Investment income and miscellaneous	76,285	135,931	291,264	177,968	367,549	313,899
Total revenues	17,870,601	16,760,190	18,743,567	18,574,652	36,614,168	35,334,842
Expenses:						
General government	2,953,514	2,661,429	-	-	2,953,514	2,661,429
Public safety	8,968,716	7,503,374	-	-	8,968,716	7,503,374
Transportation/public works	2,809,163	1,958,770	-	-	2,809,163	1,958,770
Parks and recreation	1,818,683	1,778,174	-	-	1,818,683	1,778,174
Community Redevelopment	116,568	85,486	-	-	116,568	85,486
Interest on long-term debt	218,638	188,327	-	-	218,638	188,327
Water and sewer	-	-	9,674,743	9,086,584	9,674,743	9,086,584
Solid waste	-	-	2,815,826	2,939,631	2,815,826	2,939,631
Stormwater management	-	-	1,452,765	1,547,998	1,452,765	1,547,998
Total expenses	16,885,282	14,175,560	13,943,334	13,574,213	30,828,616	27,749,773
Excess (deficiency) before transfers	985,319	2,584,630	4,800,233	5,000,439	5,785,552	7,585,069
Transfers in / (out)	2,156,666	971,498	(2,156,666)	(971,498)	-	-
Increase (Decrease) in net position	3,141,985	3,556,128	2,643,567	4,028,941	5,785,552	7,585,069
Net Position - Beginning, restated	45,271,823	40,417,455	38,454,479	35,723,778	83,726,302	76,141,233
Net Position - Ending	\$ 48,413,808	\$ 43,973,583	\$ 41,098,046	\$ 39,752,719	\$ 89,511,854	\$ 83,726,302

Statement of Activities

Governmental Activities - Governmental activities increased the City of Edgewater's net position by \$3,141,985. Key elements of this increase are as follows:

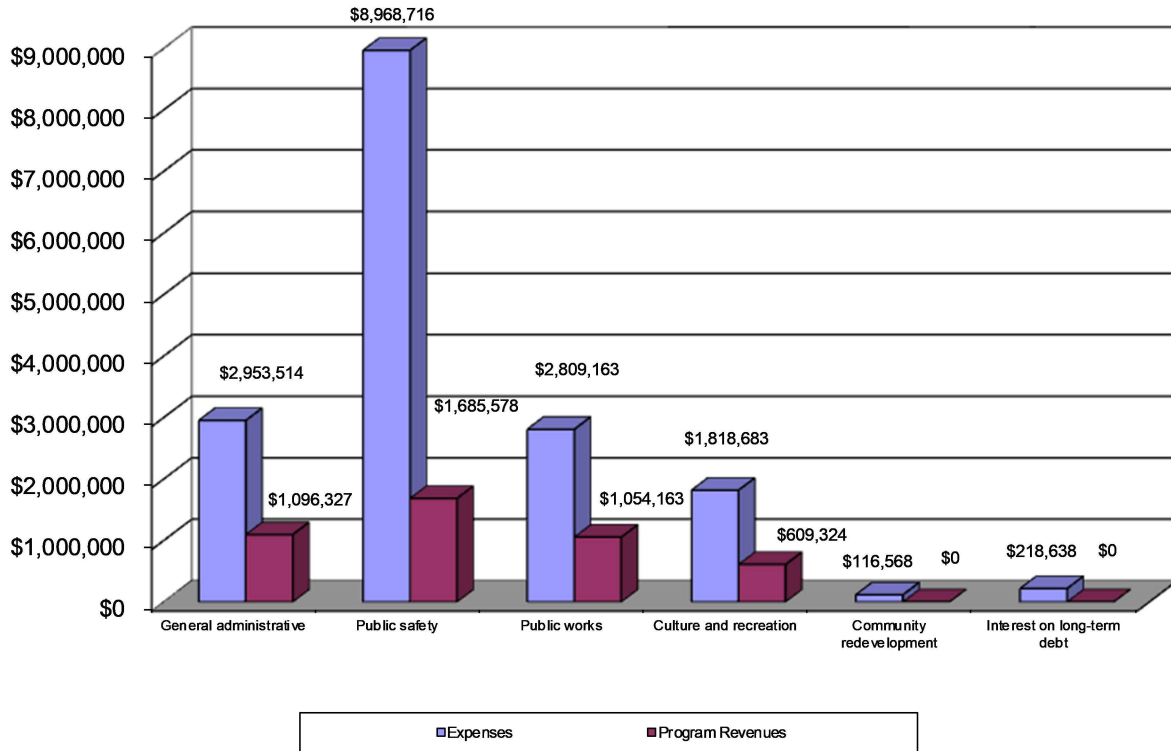
- Governmental Activities increased mainly from budget carryforwards and from revenues collected to fund future expenses including revenues related to impact fees as well departmental budget savings. These revenue sources include grants, impact fees and Cares Act funding.
- Governmental Revenues increased by \$1,108,995 largely from two categories. Capital Grants and Contributions increased largely from \$475,575 increase from a Florida Inland Navigation District for capital improvement. Property Tax revenue increased \$594,819 resulted from a combination of annexations, new construction and increased property valuations.
- Governmental Expenses increased \$2,709,722 largely from two categories Public Safety at \$1,465,342 and Transportation and Public Works at \$850,393. The Public Safety expenses increase was a combination of increased staffing related costs and capital purchases. The Transportation and Public increase was from increased year to year road resurfacing projects.

Business-Type Activities - Business-type activities increased the City of Edgewater's net position by \$2,643,567. Key elements of this increase are as follows:

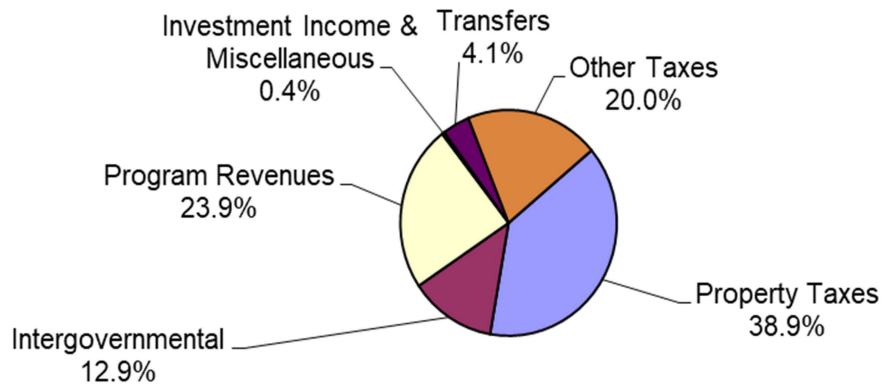
- Charges for services reflect an overall 6.57% increase this year as compared to an 8.00% increase last year. Charges for services increased by \$1,100,209 over the previous year. All of the rates are adjusted per continuing professional rate study analyses.
- The main items affecting the increase were budget carryforward of \$1,314,452 of which \$891,766 was for Refuse Truck purchases, other budget carryforwards of \$420,501.
- Transfers out were largely for the Public Works Complex and increased by \$1,185,168.
- 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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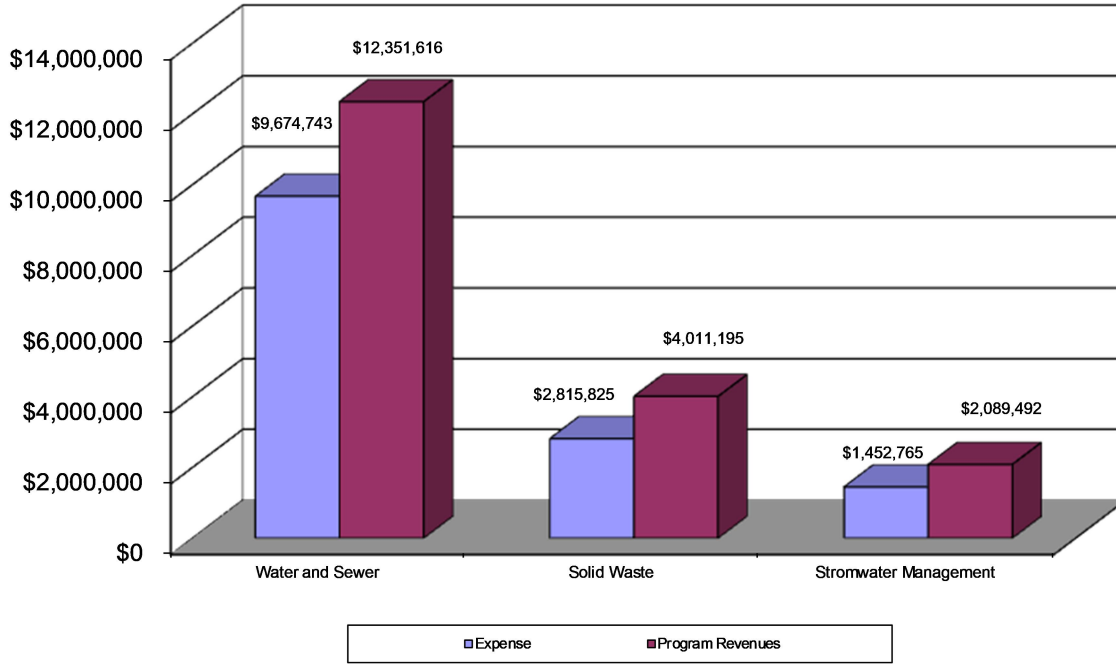
Expenses and Program Revenues - Governmental Activities



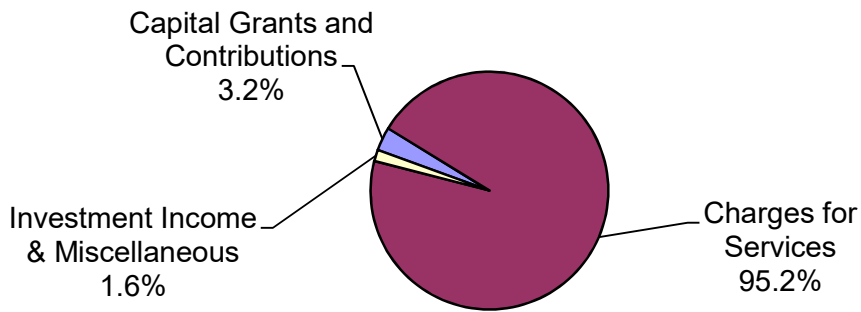
Revenues by Source – Governmental Activities



Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



■ Capital Grants and Contributions
 ■ Charges for Services
 ■ Investment Income & Miscellaneous

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 \$12,538,018, an increase of \$2,570,207 in comparison with the prior year. Approximately 63% of this amount or \$7,899,216 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 \$539,133 and subsequent year's budget of \$1,685,262. Restricted fund balance of \$2,403,092 is for scholarships, public safety, debt service, community redevelopment, tree mitigation and capital projects. Nonspendable fund balance of \$11,315 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 \$7,899,216, while total fund balance was \$10,785,760. 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 41.83% of the total General Fund 2021 budgeted expenditures, while total fund balance represents 66.40% of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$2,570,064 was largely from revenues collected to fund future expenditures including revenues related to impact fees as well departmental budget savings. The City had revenue from the Cares Act funding. The also had increases in revenue from property taxes in the amount of \$545,033. 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 expenses as well departmental budget savings.

Fiscal Year 2020 is the fifth 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 \$12,383,880. The total increase in unrestricted net position for these funds was \$2,062,257. 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.

General Fund Budgetary Highlights

The final revenue budget was increased from the original budget by \$1,439,399 due mainly to, increased intergovernmental revenue of \$908,285 which is mostly related to Cares Act Funds, utility and franchise fees of \$436,000 and revenues from property tax collections in the amount of \$113,000. Actual revenues were \$292,250 dollars higher than budget due mainly to FEMA Hurricane reimbursement revenue of \$250,179 and State Disaster Relief Hurricane revenue of \$10,547.

Actual expenditures were \$3,155,877 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 2020 Covid pandemic. The City also had \$594,457 of Budget roll forwards related to purchase of Fire and Police department vehicles.

The final expenditure budget was increased from the original budget by \$1,053,684. Due mainly to increase of \$832,291 related to Cares Act Funding related to Covid expenditures.

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, 2020, amounts to \$92,364,662 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and Construction in Process. The total decrease in the City's investment in capital assets for the 2020 fiscal year was 1.39%.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 26,226,752	\$ 25,289,849	\$ 1,397,183	\$ 2,334,086	\$ 27,623,935	\$ 27,623,935
Buildings	3,432,213	3,634,783	4,605,946	5,057,330	8,038,159	8,692,113
Improvements	9,503,659	10,233,490	34,791,008	31,578,219	44,294,667	41,811,709
Machinery and equipment	1,329,756	1,609,041	2,180,484	2,372,571	3,510,240	3,981,612
Infrastructure	5,987,771	6,502,943	-	-	5,987,771	6,502,943
Construction in progress	1,692,019	174,518	1,217,871	4,877,199	2,909,890	5,051,717
Total	\$ 48,172,170	\$ 47,444,624	\$ 44,192,492	\$ 46,219,405	\$ 92,364,662	\$ 93,664,029

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 \$22,502,751. 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	
	2020	2019	2020	2019	2020	2019
Notes payable	\$ 5,550,050	\$ 5,925,373	\$ 6,402,950	\$ 8,805,627	\$ 11,953,000	\$14,731,000
State revolving loans	-	-	8,826,048	8,840,950	8,826,048	8,840,950
Capital leases	809,055	338,479	914,648	38,089	1,723,703	376,568
	<u>\$ 6,359,105</u>	<u>\$ 6,263,852</u>	<u>\$ 16,143,646</u>	<u>\$17,684,666</u>	<u>\$ 22,502,751</u>	<u>\$23,948,518</u>

During the current fiscal year, the City's total debt decreased by \$1,445,767 which was 6%. Additional information on the City of Edgewater's long-term debt can be found in the notes to the financial statements on pages 47-55 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 \$2,397,855 (15%) of the FY2020 – 2021 General Fund Budget. The amount available for capital or other lawful purposes less any reserves or set asides is \$5,501,361 unassigned less reserves at September 30, 2020.

Next Year's Budget and Rates

The City Council adopted a conservative budget for Fiscal Year 2021. 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 2021 budget presents a number of opportunities and challenges to improve overall service to the community and continuing recovery efforts associated with Hurricanes Mathew, Irma and Dorian as well as 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, 2020

	Governmental -type Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,368,935	\$ 13,105,828	\$ 23,474,763
Investments	2,647,766	1,451,726	4,099,492
Receivables, net	485,023	2,240,437	2,725,460
Special assessment receivable	-	150,179	150,179
Due from other governments	2,690,108	232,894	2,923,002
Inventories and prepaids	63,486	13,436	76,922
Net pension asset	579,495	-	579,495
Restricted assets:			
Cash and cash equivalents	-	3,312,969	3,312,969
Capital assets			
Nondepreciable assets	26,981,868	2,615,054	29,596,922
Depreciable assets, net	21,190,302	41,577,438	62,767,740
Total assets	<u>\$ 65,006,983</u>	<u>\$ 64,699,961</u>	<u>\$ 129,706,944</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 3,358,020	\$ 442,488	\$ 3,800,508
Deferred outflows related to OPEB	993,779	586,258	1,580,037
Deferred loss on refunding	-	939	939
Total deferred outflows of resources	<u>\$ 4,351,799</u>	<u>\$ 1,029,685</u>	<u>\$ 5,381,484</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 764,109	\$ 901,255	\$ 1,665,364
Accrued interest payable	63,166	30,231	93,397
Unearned revenue	81,217	-	81,217
Due to other governments	6,309	-	6,309
Customer deposits	-	772,163	772,163
Noncurrent liabilities:			
Due within one year:			
Notes and capital leases payable	576,778	771,825	1,348,603
Compensated absences	709,365	320,536	1,029,901
Due in more than one year:			
Notes and capital leases payable	5,782,327	15,371,821	21,154,148
Compensated absences	637,478	266,558	904,036
Net pension liability	7,336,768	3,661,478	10,998,246
Total OPEB liability	4,001,088	2,360,355	6,361,443
Total liabilities	<u>\$ 19,958,605</u>	<u>\$ 24,456,222</u>	<u>\$ 44,414,827</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 689,080	\$ -	\$ 689,080
Deferred inflows related to OPEB	297,289	175,378	472,667
Total deferred inflows of resources	<u>\$ 986,369</u>	<u>\$ 175,378</u>	<u>\$ 1,161,747</u>
NET POSITION			
Net investment in capital assets	\$ 42,407,665	\$ 28,941,594	\$ 71,349,259
Restricted for:			
Debt service	86,305	1,129,477	1,215,782
Public safety	105,125	-	105,125
Pensions	1,335,592	-	1,335,592
Tree mitigation	100,555	-	100,555
Capital projects	1,001,543	1,262,130	2,263,673
Community redevelopment	455,217	-	455,217
Scholarships	9,517	-	9,517
Unrestricted	2,912,289	9,764,845	12,677,134
Total net position	<u>\$ 48,413,808</u>	<u>\$ 41,098,046</u>	<u>\$ 89,511,854</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, 2020

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative	\$ 2,953,514	\$ 763,962	\$ 282,865	\$ 49,500
Public works	2,809,163	94,256	697,959	261,948
Public safety	8,968,716	721,016	882,733	81,829
Culture and recreation	1,818,683	59,715	-	549,609
Community redevelopment	116,568	-	-	-
Interest on long-term debt	218,638	-	-	-
Total governmental activities	<u>16,885,282</u>	<u>1,638,949</u>	<u>1,863,557</u>	<u>942,886</u>
Business-type activities:				
Water / Sewer	9,674,743	11,748,365	-	603,251
Solid waste	2,815,826	4,011,195	-	-
Stormwater	1,452,765	2,089,492	-	-
Total business-type activities	<u>13,943,334</u>	<u>17,849,052</u>	<u>-</u>	<u>603,251</u>
Total primary government	<u>\$30,828,616</u>	<u>\$ 19,488,001</u>	<u>\$ 1,863,557</u>	<u>\$ 1,546,137</u>

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, restated

Net position - ending

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

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

Governmental Activities	Business-type Activities	Total
\$ (1,857,187)	\$ -	\$ (1,857,187)
(1,755,000)	-	(1,755,000)
(7,283,138)	-	(7,283,138)
(1,209,359)	-	(1,209,359)
(116,568)	-	(116,568)
(218,638)	-	(218,638)
<u>(12,439,890)</u>	<u>-</u>	<u>(12,439,890)</u>
-	2,676,873	2,676,873
-	1,195,369	1,195,369
<u>-</u>	<u>636,727</u>	<u>636,727</u>
<u>-</u>	<u>4,508,969</u>	<u>4,508,969</u>
<u>(12,439,890)</u>	<u>4,508,969</u>	<u>(7,930,921)</u>
7,236,722	-	7,236,722
3,716,918	-	3,716,918
2,395,284	-	2,395,284
57,294	51,955	109,249
18,991	239,309	258,300
<u>2,156,666</u>	<u>(2,156,666)</u>	<u>-</u>
<u>15,581,875</u>	<u>(1,865,402)</u>	<u>13,716,473</u>
3,141,985	2,643,567	5,785,552
45,271,823	38,454,479	83,726,302
<u>\$ 48,413,808</u>	<u>\$ 41,098,046</u>	<u>\$ 89,511,854</u>

CITY OF EDGEWATER, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2020

	General Fund	Capital Projects Fund	CRA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 5,508,087	\$ 242,134	\$ 455,158	\$ 1,141,413	\$ 7,346,792
Investments	2,647,766	-	-	-	2,647,766
Receivables--net of allowance for uncollectibles	454,751	-	59	131	454,941
Due from other funds	520,075	-	-	-	520,075
Due from other governments	2,133,647	556,461	-	-	2,690,108
Inventories and prepaids	11,315	-	-	-	11,315
Total assets	<u>\$ 11,275,641</u>	<u>\$ 798,595</u>	<u>\$ 455,217</u>	<u>\$ 1,141,544</u>	<u>\$ 13,670,997</u>
LIABILITIES					
Accounts payable	\$ 97,302	\$ 101,458	\$ -	\$ -	\$ 198,760
Accrued liabilities	305,053	-	-	21,565	326,618
Due to other governments	6,309	-	-	-	6,309
Due to other funds	-	520,075	-	-	520,075
Unearned revenue	81,217	-	-	-	81,217
Total liabilities	<u>489,881</u>	<u>621,533</u>	<u>-</u>	<u>21,565</u>	<u>1,132,979</u>
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	11,315	-	-	-	11,315
Restricted for:					
Scholarships	9,517	-	-	-	9,517
Public safety	-	-	-	105,125	105,125
Debt service	46,717	-	-	89,818	136,535
Community redevelopment	-	-	455,217	-	455,217
Tree mitigation	-	-	-	100,555	100,555
Capital projects	594,600	177,062	-	824,481	1,596,143
Assigned to:					
Subsequent year's budget	1,685,262	-	-	-	1,685,262
City Hall	539,133	-	-	-	539,133
Unassigned	7,899,216	-	-	-	7,899,216
Total fund balances	<u>10,785,760</u>	<u>177,062</u>	<u>455,217</u>	<u>1,119,979</u>	<u>12,538,018</u>
Total liabilities and fund balances	<u>\$ 11,275,641</u>	<u>\$ 798,595</u>	<u>\$ 455,217</u>	<u>\$ 1,141,544</u>	<u>\$ 13,670,997</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, 2020

Total governmental funds fund balance \$ 12,538,018

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds - total less accumulated depreciation.

Land and land rights	25,289,849	
Buildings and improvements	32,633,012	
Infrastructure	61,330,749	
Furniture and equipment	5,385,384	
Construction in progress	1,541,289	
Accumulated depreciation	<u>(79,177,044)</u>	47,003,239

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.

3,743,676

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	(7,336,768)	
Net pension asset	579,495	
Deferred outflows related to pensions	3,358,020	
Deferred inflows related to pensions	<u>(689,080)</u>	(4,088,333)

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	(3,799,595)	
Deferred outflows related to OPEB	943,732	
Deferred inflows related to OPEB	<u>(282,318)</u>	(3,138,181)

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

Compensated absences	1,266,718	
Long-term debt	<u>6,314,815</u>	(7,581,533)

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

Net position of governmental activities \$ 48,413,808

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, 2020

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CRA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 6,752,032	\$ -	\$ 209,055	\$ 275,635	\$ 7,236,722
Utility and franchise taxes	3,716,918	-	-	-	3,716,918
Intergovernmental	4,154,108	734,064	-	-	4,888,172
Licenses and permits	595,206	-	-	-	595,206
Charges for services	2,126,525	-	-	-	2,126,525
Fines and forfeitures	74,445	-	-	31,766	106,211
Investment earnings	52,366	-	692	1,506	54,564
Impact fees	-	-	-	422,811	422,811
Miscellaneous revenue	123,672	-	-	-	123,672
Total revenues	<u>17,595,272</u>	<u>734,064</u>	<u>209,747</u>	<u>731,718</u>	<u>19,270,801</u>
EXPENDITURES					
Current:					
Legislative	85,624	-	-	-	85,624
Executive	558,331	-	-	-	558,331
Legal counsel	116,745	-	-	-	116,745
Community development	753,879	-	-	-	753,879
Public works	993,271	823,758	-	-	1,817,029
Public safety:					
Law enforcement	4,228,487	-	-	23,877	4,252,364
Fire and emergency services	3,752,972	-	-	-	3,752,972
Code enforcement	173,677	-	-	-	173,677
Animal services	161,337	-	-	-	161,337
Culture and recreation	1,379,292	-	-	-	1,379,292
General administrative services	2,679,056	-	-	-	2,679,056
Debt service:					
Principal	228,289	-	-	286,000	514,289
Interest	69,525	-	-	147,940	217,465
Capital outlay	150,845	1,421,218	-	66,889	1,638,952
Total expenditures	<u>15,331,330</u>	<u>2,244,976</u>	<u>-</u>	<u>524,706</u>	<u>18,101,012</u>
Excess (deficiency) of revenues over expenditures	<u>2,263,942</u>	<u>(1,510,912)</u>	<u>209,747</u>	<u>207,012</u>	<u>1,169,789</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,028,513	1,010,593	-	161,917	2,201,023
Transfers out	(1,366,143)	-	(61,847)	(16,367)	(1,444,357)
Leases (as lessee)	620,000	-	-	-	620,000
Sale of capital assets	23,752	-	-	-	23,752
Total other financing sources (uses)	<u>306,122</u>	<u>1,010,593</u>	<u>(61,847)</u>	<u>145,550</u>	<u>1,400,418</u>
Net change in fund balances	<u>2,570,064</u>	<u>(500,319)</u>	<u>147,900</u>	<u>352,562</u>	<u>2,570,207</u>
Beginning fund balances	8,215,696	677,381	307,317	767,417	9,967,811
Ending fund balances	<u>\$ 10,785,760</u>	<u>\$ 177,062</u>	<u>\$ 455,217</u>	<u>\$ 1,119,979</u>	<u>\$ 12,538,018</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, 2020

Net change in fund balances - total governmental funds \$ 2,570,207

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	1,638,952	
Current year depreciation	<u>(1,945,005)</u>	(306,053)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.		(45,383)
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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		(120,307)
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The net revenue of certain activities of internal service funds is reported with governmental activities.

1,431,243

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		(149,197)
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Change in Total OPEB liability and deferred inflows/outflows related to OPEB		(132,814)
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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	514,289	
Debt issued	<u>(620,000)</u>	(105,711)

Change in net position of governmental activities		<u>\$ 3,141,985</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 6,637,908	\$ 6,750,908	\$ 6,752,032	\$ 1,124
Utility and franchise taxes	3,278,979	3,714,979	3,716,918	1,939
Intergovernmental	3,025,457	3,933,742	4,154,108	220,366
Licenses and permits	600,950	600,950	595,206	(5,744)
Charges for services	2,082,229	2,082,229	2,126,525	44,296
Fines and forfeitures	137,900	137,900	74,445	(63,455)
Investment earnings	72,000	52,000	52,366	366
Miscellaneous revenue	28,200	30,314	123,672	93,358
Total revenues	<u>15,863,623</u>	<u>17,303,022</u>	<u>17,595,272</u>	<u>292,250</u>
EXPENDITURES				
Current:				
Legislative	134,430	134,430	85,624	48,806
Executive	671,767	678,141	558,331	119,810
Legal counsel	110,000	116,746	116,745	1
Community development	985,547	1,000,274	753,879	246,395
Public works	1,131,264	1,179,832	993,271	186,561
Public safety:				
Law enforcement	4,465,118	4,429,643	4,228,487	201,156
Fire and emergency services	4,016,317	3,988,302	3,752,972	235,330
Code enforcement	188,241	189,866	173,677	16,189
Animal services	156,394	167,067	161,337	5,730
Culture and recreation	1,775,556	1,761,286	1,379,292	381,994
General administrative services	2,760,552	3,733,171	2,679,056	1,054,115
Debt service:				
Principal	189,288	228,288	228,289	(1)
Interest	26,239	66,527	69,525	(2,998)
Capital outlay	822,810	813,634	150,845	662,789
Total expenditures	<u>17,433,523</u>	<u>18,487,207</u>	<u>15,331,330</u>	<u>3,155,877</u>
Excess (deficiency) of revenues over expenditures	<u>(1,569,900)</u>	<u>(1,184,185)</u>	<u>2,263,942</u>	<u>3,448,127</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,016,139	1,007,791	1,028,513	20,722
Transfers out	(495,278)	(1,639,315)	(1,366,143)	273,172
Leases (as lessee)	822,810	620,810	620,000	(810)
Sale of capital assets	-	-	23,752	23,752
Total other financing sources (uses)	<u>1,343,671</u>	<u>(10,714)</u>	<u>306,122</u>	<u>316,836</u>
Net change in fund balances	(226,229)	(1,194,899)	2,570,064	3,764,963
Beginning fund balances	8,215,696	8,215,696	8,215,696	-
Ending fund balances	<u>\$ 7,989,467</u>	<u>\$ 7,020,797</u>	<u>\$ 10,785,760</u>	<u>\$ 3,764,963</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 210,467	\$ 210,467	\$ 209,055	\$ (1,412)
Investment earnings	66	66	692	626
Total revenues	<u>210,533</u>	<u>210,533</u>	<u>209,747</u>	<u>(786)</u>
EXPENDITURES				
Other Services & Charges	<u>517,760</u>	<u>454,015</u>	<u>-</u>	<u>454,015</u>
Total expenditures	<u>517,760</u>	<u>454,015</u>	<u>-</u>	<u>454,015</u>
Excess (deficiency) of revenues over expenditures	<u>(307,227)</u>	<u>(243,482)</u>	<u>209,747</u>	<u>453,229</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(63,745)</u>	<u>(61,847)</u>	<u>1,898</u>
Total other financing sources (uses)	<u>-</u>	<u>(63,745)</u>	<u>(61,847)</u>	<u>1,898</u>
Net change in fund balance	<u>(307,227)</u>	<u>(307,227)</u>	<u>147,900</u>	<u>455,127</u>
Beginning fund balances	<u>307,317</u>	<u>307,317</u>	<u>307,317</u>	<u>-</u>
Ending fund balances	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$ 455,217</u>	<u>\$ 455,127</u>

CITY OF EDGEWATER, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-type Activities - Enterprise Funds				
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,194,920	\$ 2,648,801	\$ 2,262,107	\$ 13,105,828	\$ 3,022,143
Investments	791,160	380,064	280,502	1,451,726	-
Receivables, net	1,474,020	509,920	256,497	2,240,437	30,082
Due from other governments	104,871	125,211	2,812	232,894	-
Inventories	-	-	-	-	33,959
Prepaid items	8,436	2,500	2,500	13,436	18,212
Total current assets	<u>10,573,407</u>	<u>3,666,496</u>	<u>2,804,418</u>	<u>17,044,321</u>	<u>3,104,396</u>
Noncurrent assets:					
Restricted cash and cash equivalents:					
Debt service	1,159,030	-	-	1,159,030	-
Capital projects	1,262,130	891,809	-	2,153,939	-
Total restricted cash and cash equivalents	<u>2,421,160</u>	<u>891,809</u>	<u>-</u>	<u>3,312,969</u>	<u>-</u>
Capital assets:					
Land and land rights	1,079,759	-	317,424	1,397,183	936,903
Buildings and improvements	78,942,279	69,075	9,928,002	88,939,356	60,684
Machinery and equipment	8,987,046	2,307,795	1,743,410	13,038,251	421,191
Construction in progress	1,159,033	-	58,838	1,217,871	150,730
Less accumulated depreciation	<u>(52,416,503)</u>	<u>(1,785,062)</u>	<u>(6,198,604)</u>	<u>(60,400,169)</u>	<u>(400,577)</u>
Total capital assets (net of accumulated depreciation)	37,751,614	591,808	5,849,070	44,192,492	1,168,931
Special assessment receivable	150,179	-	-	150,179	-
Total noncurrent assets	<u>40,322,953</u>	<u>1,483,617</u>	<u>5,849,070</u>	<u>47,655,640</u>	<u>1,168,931</u>
Total assets	<u>\$ 50,896,360</u>	<u>\$ 5,150,113</u>	<u>\$ 8,653,488</u>	<u>\$ 64,699,961</u>	<u>\$ 4,273,327</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	\$ 316,412	\$ 101,674	\$ 24,402	\$ 442,488	\$ -
Deferred outflows related to OPEB	307,428	193,036	85,794	586,258	50,047
Deferred loss on refunding	939	-	-	939	-
Total deferred outflows of resources	<u>\$ 624,779</u>	<u>\$ 294,710</u>	<u>\$ 110,196</u>	<u>\$ 1,029,685</u>	<u>\$ 50,047</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 546,512	\$ 188,931	\$ 253	\$ 735,696	\$ 222,984
Accrued liabilities	127,426	20,478	17,655	165,559	15,747
Compensated absences	211,677	57,624	51,235	320,536	38,057
Customer deposits	772,163	-	-	772,163	-
Accrued interest payable from restricted cash	29,553	-	678	30,231	88
Capital leases payable - current	4,972	-	7,723	12,695	-
Notes payable - current	272,179	142,000	46,031	460,210	10,775
Revenue bonds payable - current	298,920	-	-	298,920	-
Total current liabilities	<u>2,263,402</u>	<u>409,033</u>	<u>123,575</u>	<u>2,796,010</u>	<u>287,651</u>
Noncurrent liabilities:					
Compensated absences	226,280	16,606	23,672	266,558	42,068
Bonds, notes, and capital leases payable	14,473,772	747,000	151,049	15,371,821	33,515
Net pension liability	2,618,226	841,332	201,920	3,661,478	-
Total OPEB liability	<u>1,237,747</u>	<u>777,190</u>	<u>345,418</u>	<u>2,360,355</u>	<u>201,493</u>
Total noncurrent liabilities	18,556,025	2,382,128	722,059	21,660,212	277,076
Total liabilities	<u>\$ 20,819,427</u>	<u>\$ 2,791,161</u>	<u>\$ 845,634</u>	<u>\$ 24,456,222</u>	<u>\$ 564,727</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	\$ 91,966	\$ 57,747	\$ 25,665	\$ 175,378	\$ 14,971
Total deferred inflows of resources	<u>\$ 91,966</u>	<u>\$ 57,747</u>	<u>\$ 25,665</u>	<u>\$ 175,378</u>	<u>\$ 14,971</u>
NET POSITION					
Net investment in capital assets	\$ 22,702,710	\$ 594,617	\$ 5,644,267	\$ 28,941,594	\$ 1,124,641
Restricted:					
Capital projects	1,262,130	-	-	1,262,130	-
Debt service	1,129,477	-	-	1,129,477	-
Unrestricted	5,515,429	2,001,298	2,248,118	9,764,845	2,619,035
Total net position	<u>\$ 30,609,746</u>	<u>\$ 2,595,915</u>	<u>\$ 7,892,385</u>	<u>\$ 41,098,046</u>	<u>\$ 3,743,676</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, 2020

	Business-type Activities - Enterprise Funds				
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	Governmental Activities - Internal Service Funds
Operating revenues:					
Charges for sales and services	\$ 11,748,365	\$ 4,011,195	\$ 2,089,492	\$ 17,849,052	\$ 4,974,311
Total operating revenues	11,748,365	4,011,195	2,089,492	17,849,052	4,974,311
Operating expenses:					
Salaries and employee benefits	3,140,238	977,553	668,711	4,786,502	3,324,184
Supplies and materials	806,483	205,683	30,529	1,042,695	354,454
Contract services	470,645	981,281	13,791	1,465,717	273,330
Other services and charges	2,383,112	497,259	267,534	3,147,905	958,036
Depreciation and amortization	2,584,477	127,948	466,863	3,179,288	35,157
Total operating expenses	9,384,955	2,789,724	1,447,428	13,622,107	4,945,161
Operating income (loss)	2,363,410	1,221,471	642,064	4,226,945	29,150
Nonoperating revenues (expenses):					
Investment earnings	37,814	7,880	6,261	51,955	2,730
Miscellaneous revenues	195,885	32,198	11,226	239,309	536
Gain (Loss) on disposition of capital asse	5,556	4,725	-	10,281	-
Interest expense	(295,344)	(30,827)	(5,337)	(331,508)	(1,173)
Total nonoperating revenues (expenses)	(56,089)	13,976	12,150	(29,963)	2,093
Income (loss) before capital contributions and transfers	2,307,321	1,235,447	654,214	4,196,982	31,243
Transfers in	74,667	-	2,950	77,617	1,400,000
Transfers out	(1,373,934)	(514,948)	(345,401)	(2,234,283)	-
Capital grants	77,994	-	-	77,994	-
Capital contributions	525,257	-	-	525,257	-
Change in net position	1,611,305	720,499	311,763	2,643,567	1,431,243
Total net position - beginning, restated	28,998,441	1,875,416	7,580,622	38,454,479	2,312,433
Total net position - ending	\$ 30,609,746	\$ 2,595,915	\$ 7,892,385	\$ 41,098,046	\$ 3,743,676

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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	
Cash flows from operating activities:					
Receipts-customers and users	\$ 11,900,910	\$ 4,010,752	\$ 2,081,453	\$ 17,993,115	\$ 4,965,578
Payments-suppliers	(3,830,909)	(1,599,968)	(311,036)	(5,741,913)	(4,395,659)
Payments-employees	(3,142,343)	(995,337)	(644,550)	(4,782,230)	(529,979)
Net cash provided (used) by operating activities	<u>4,927,658</u>	<u>1,415,447</u>	<u>1,125,867</u>	<u>7,468,972</u>	<u>39,940</u>
Cash flows from noncapital financing activities:					
Cash paid to other funds	(1,373,934)	(514,948)	(345,401)	(2,234,283)	-
Cash received from other funds (net)	676,751	-	2,950	679,701	1,400,000
Net cash provided (used) by noncapital financing activities	<u>(697,183)</u>	<u>(514,948)</u>	<u>(342,451)</u>	<u>(1,554,582)</u>	<u>1,400,000</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,783,904)	(247,023)	(209,081)	(2,240,008)	(21,032)
Proceeds from sale of capital assets	5,556	4,725	-	10,281	-
Grant revenue	541,153	97,157	861	639,171	-
Interest payments on debt	(384,273)	(30,827)	(5,569)	(420,669)	(658)
Capital contributions and fees	525,257	-	-	525,257	-
Proceeds from issuance of debt	295,000	922,000	-	1,217,000	-
Principal paid on debt	(2,672,775)	(33,000)	(52,245)	(2,758,020)	(10,458)
Net cash provided (used) by capital and related financing activities	<u>(3,473,986)</u>	<u>713,032</u>	<u>(266,034)</u>	<u>(3,026,988)</u>	<u>(32,148)</u>
Cash flows from investing activities:					
Interest on investments	37,814	7,880	6,261	51,955	2,731
Purchase of investment securities	(9,274)	(4,455)	(3,288)	(17,017)	-
Net cash provided (used) by investing activities	<u>28,540</u>	<u>3,425</u>	<u>2,973</u>	<u>34,938</u>	<u>2,731</u>
Net increase (decrease) in cash and cash equivalents	785,029	1,616,956	520,355	2,922,340	1,410,523
Beginning cash and cash equivalents	9,831,051	1,923,654	1,741,752	13,496,457	1,611,620
Ending cash and cash equivalents	<u>\$ 10,616,080</u>	<u>\$ 3,540,610</u>	<u>\$ 2,262,107</u>	<u>\$ 16,418,797</u>	<u>\$ 3,022,143</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income	\$ 2,363,410	\$ 1,221,471	\$ 642,064	\$ 4,226,945	\$ 29,150
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,584,477	127,948	466,863	3,179,288	35,157
Miscellaneous revenues	195,885	32,198	11,226	239,309	-
(Increase) decrease in assets:					
Accounts receivable	(43,340)	(32,641)	(19,265)	(95,246)	(8,890)
Inventories	-	-	-	-	(4,094)
Prepaid items	3,435	-	-	3,435	3,768
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	(163,632)	84,255	818	(78,559)	(37,827)
Compensated absences	45,610	(3,482)	2,169	44,297	5,285
Net pension liability	(26,816)	(10,422)	(2,501)	(39,739)	-
Total OPEB liability	(20,899)	(3,880)	24,493	(286)	17,391
Customer deposits	(10,472)	-	-	(10,472)	-
Total adjustments	<u>2,564,248</u>	<u>193,976</u>	<u>483,803</u>	<u>3,242,027</u>	<u>10,790</u>
Net cash provided (used) by operating activities	<u>\$ 4,927,658</u>	<u>\$ 1,415,447</u>	<u>\$ 1,125,867</u>	<u>\$ 7,468,972</u>	<u>\$ 39,940</u>
Classified As:					
Cash and cash equivalents	\$ 8,194,920	\$ 2,648,801	\$ 2,262,107	\$ 13,105,828	\$ 3,022,143
Restricted cash and cash equivalents	2,421,160	891,809	-	3,312,969	-
Total	<u>\$ 10,616,080</u>	<u>\$ 3,540,610</u>	<u>\$ 2,262,107</u>	<u>\$ 16,418,797</u>	<u>\$ 3,022,143</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, 2020

	Pension Trust Funds
ASSETS	
Accrued interest	\$ 107,907
Investments, at fair value:	
Money market funds	1,780,805
Bonds:	
US Treasury notes	312,067
GNMA/FMNA	1,591,573
Municipal bonds	508,998
Corporate bonds	9,517,063
Mutual fund - fixed income	1,802,171
Mutual fund - equities	25,141,742
Commingled real estate fund	2,079,733
Total assets	<u>\$ 42,842,059</u>
LIABILITIES	
Unearned contributions	\$ -
Total liabilities	<u>\$ -</u>
NET POSITION	
Restricted for pensions	<u>\$ 42,842,059</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, 2020

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,166,751
Employee	229,463
State of Florida	343,996
Total contributions	<u>2,740,210</u>
Investment earnings:	
Interest and dividends	1,145,902
Net increase in the fair value of investments	<u>3,848,721</u>
Total investment earnings	4,994,623
Less investment expenses	<u>(193,747)</u>
Net investment earnings	<u>4,800,876</u>
Total additions	<u>7,541,086</u>
DEDUCTIONS	
Pension benefits	3,107,507
Administrative expenses	<u>152,735</u>
Total deductions	<u>3,260,242</u>
Change in net position	4,280,844
Net position - beginning of year	<u>38,561,215</u>
Net position - end of year	<u>\$ 42,842,059</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, 2020

(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 23,818 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, 2020

(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, 2020

(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, 2020

(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, 2020

(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, 2020

(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 \$5,000 and 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, 2020

(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. Issuance 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, 2020

(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, 2020

(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, 2020

(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, 2020, the millage rate in effect was 6.7000. Additionally, the Edgewater I&S 2005 voted debt millage was .0336 and the Edgewater Parks voted millage rate was .2401 for a total millage of 6.9737.

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, 2020, the carrying amount of the City's bank deposits was \$26,787,732. The bank balances at September 30, 2020, were \$27,051,519, 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, 2020.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020, 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	\$ 3,580,566	\$ 3,580,566	\$ -	\$ -	\$ -	AAAm	N/A
FLCLASS	518,926	518,926	-	-	-	AAAm	N/A
Total government-wide investments	<u>\$ 4,099,492</u>	<u>\$ 4,099,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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	\$ 1,780,805	\$ 1,780,805	\$ -	\$ -	\$ -	N/A	1
Bonds:							
US treasury notes	312,067	-	137,488	293,434	174,579	N/A	1
GNMA	1,591,573	-	119,992	238,976	1,178,147	*	2
Municipal obligations	508,997	-	228,913	-	41,108	**	2
Corporate bonds	9,517,063	205,782	4,443,491	2,559,244	2,308,546	***	2
	<u>13,710,506</u>	<u>\$ 1,986,587</u>	<u>\$ 4,929,883</u>	<u>\$ 3,091,655</u>	<u>\$ 3,702,381</u>		
Other investments:							
Mutual funds – equity	25,141,742						1
Mutual funds – fixed income	1,802,171						1
Commingled real estate	2,079,733						3
Total other investments	29,023,646						
Accrued interest	107,912						
Total fiduciary investments	<u>42,842,059</u>						
Total City investments	<u>\$ 46,941,551</u>						

* – The Standard and Poor’s credit ratings range from BBB to A+ and Moody’s credit ratings range from Baa2 to Aaa for the GNMA securities.

** – The Standard and Poor’s credit rating is A+ and Moody’s credit rating is A2 for the Municipal obligations.

*** – The Standard and Poor’s credit ratings range from BBB to AAA and Moody’s credit ratings range from Baa3 to A1 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, 2020, the Retirement Plans held 8.8579 and 8.1681 units for the Police Officers’ and General Employee’s Retirement Plans, respectively. The net asset value on that date was \$1,081,997 and \$997,736 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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

As of September 30, 2020, 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, 2020, 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, 2020

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

As of September 30, 2020, 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>
Governmental Funds					
Accounts	\$ 461,796	\$ -	\$ 59	\$ 131	\$ 461,986
Intergovernmental	2,133,647	556,461	-	-	2,690,108
Gross receivables	2,595,443	556,461	59	131	3,152,094
Less: Allowance for uncollectible	(7,045)	-	-	-	(7,045)
Net total receivables	<u>\$ 2,588,398</u>	<u>\$ 556,461</u>	<u>\$ 59</u>	<u>\$ 131</u>	<u>\$ 3,145,049</u>
	<u>Water/ Sewer Utility</u>	<u>Solid Waste Utility</u>	<u>Stormwater Utility</u>	<u>Internal Service</u>	<u>Total</u>
Proprietary Funds					
Accounts	\$ 1,874,825	\$ 616,373	\$ 350,715	\$ 30,082	\$ 2,871,995
Intergovernmental	104,871	125,211	2,812	-	232,894
Special assessments	150,179	-	-	-	150,179
Gross receivables	2,129,875	741,584	353,527	30,082	3,255,068
Less: Allowance for uncollectible	(400,805)	(106,453)	(94,218)	-	(601,476)
Net total receivables	<u>\$ 1,729,070</u>	<u>\$ 635,131</u>	<u>\$ 259,309</u>	<u>\$ 30,082</u>	<u>\$ 2,653,592</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, 2020. Governmental 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 \$81,217, 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.

Approximately \$832,291 of the intergovernmental receivable amounts relates to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") passed through Volusia County.

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

(6) Interfund Loans, Advances, and Transfers:

The composition of Interfund balances as of September 30, 2020, is as follows:

Due from / to other funds and advances from / to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 520,075

Interfund transfers:

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. Transfers into the Public Works Complex fund are for construction of a public works complex.

Transfers In							
	General Fund	Debt Service	Capital Projects	Water Sewer	Public Works Complex	Stormwater	Total
<u>Transfers Out:</u>							
General Fund	\$ -	\$ 161,917	\$ 994,226	\$ -	\$ 210,000	\$ -	\$ 1,366,143
CRA	-	-	-	61,847	-	-	61,847
Recreation Impact	-	-	16,367	-	-	-	16,367
Enterprise:							
Water Sewer	670,984	-	-	-	700,000	2,950	1,373,934
Solid Waste	234,948	-	-	-	280,000	-	514,948
Stormwater	122,581	-	-	12,820	210,000	-	345,401
Total	\$ 1,028,513	\$ 161,917	\$ 1,010,593	\$ 74,667	\$ 1,400,000	\$ 2,950	\$ 3,678,640

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) **Capital Assets:**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 26,226,752	\$ -	\$ -	\$ 26,226,752
Construction in progress	325,248	1,427,855	(61,084)	1,692,019
Total capital assets, not being depreciated	<u>26,552,000</u>	<u>1,427,855</u>	<u>(61,084)</u>	<u>27,918,771</u>
Capital assets, being depreciated				
Buildings	8,175,201	29,687	-	8,204,888
Improvements other than buildings	24,461,786	27,022	-	24,488,808
Machinery and equipment	5,863,770	232,459	(289,654)	5,806,575
Infrastructure	61,330,749	-	-	61,330,749
Total capital assets, being depreciated	<u>99,831,506</u>	<u>289,168</u>	<u>(289,654)</u>	<u>99,831,020</u>
Less accumulated depreciation				
Buildings	(4,540,418)	(233,474)	1,217	(4,772,675)
Improvements other than buildings	(14,228,296)	(756,853)	-	(14,985,149)
Machinery and equipment	(4,254,729)	(474,664)	252,574	(4,476,819)
Infrastructure	(54,827,806)	(515,172)	-	(55,342,978)
Total accumulated depreciation	<u>(77,851,249)</u>	<u>(1,980,163)</u>	<u>253,791</u>	<u>(79,577,621)</u>
Total capital assets, being depreciated, net	<u>21,980,257</u>	<u>(1,690,995)</u>	<u>(35,863)</u>	<u>20,253,399</u>
Governmental activities capital assets, net	<u>\$ 48,532,257</u>	<u>\$ (263,140)</u>	<u>\$ (96,947)</u>	<u>\$ 48,172,170</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 2,334,086	\$ -	\$ -	\$ 1,397,183
Construction in progress	4,726,469	1,809,222	(5,317,820)	1,217,871
Total capital assets, not being depreciated	<u>6,123,652</u>	<u>1,809,222</u>	<u>(5,317,820)</u>	<u>2,615,054</u>
Capital assets, being depreciated				
Buildings	24,025,550	-	-	24,025,550
Improvements other than buildings	59,791,490	5,122,316	-	64,913,806
Machinery and equipment	12,669,692	626,292	(257,733)	13,038,251
Total capital assets, being depreciated	<u>96,486,732</u>	<u>5,748,608</u>	<u>(257,732)</u>	<u>101,977,607</u>
Less accumulated depreciation				
Buildings	(18,968,220)	(451,384)	-	(19,419,604)
Improvements other than buildings	(28,213,271)	(1,909,527)	-	(30,122,798)
Machinery and equipment	(10,297,121)	(818,379)	257,733	(10,857,767)
Total accumulated depreciation	<u>(57,478,612)</u>	<u>(3,179,290)</u>	<u>257,733</u>	<u>(60,400,169)</u>
Total capital assets, being depreciated, net	<u>39,008,120</u>	<u>2,569,318</u>	<u>-</u>	<u>41,577,438</u>
Business-type activities capital assets, net	<u>\$ 45,131,772</u>	<u>\$ 4,378,540</u>	<u>\$ (5,317,820)</u>	<u>\$ 44,192,492</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) **Capital Assets:** (Continued)

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

Governmental activities:	
General government	\$ 102,180
Public safety	404,930
Transportation / public works	1,079,225
Parks and recreation	358,670
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	35,158
Total depreciation expense – governmental activities	<u>\$ 1,980,163</u>
Business-type activities:	
Water Sewer Utility	\$ 2,584,477
Solid Waste Utility	127,948
Stormwater System	466,863
Total depreciation expense – business-type activities	<u>\$ 3,179,288</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, 2020, amounts received totaled \$45,350.

(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	\$ 567,700	\$ 281,816
Less: Accumulated depreciation	(440,432)	(61,098)
Total	<u>\$ 127,268</u>	<u>\$ 220,718</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2021	\$ 201,913	\$ 171,219
2022	202,213	170,663
2023	84,726	157,854
2024	83,928	157,208
2025	62,105	157,526
2026-2027	249,554	157,789
Total minimum lease payments	848,439	972,259
Amounts representing interest	(75,383)	(57,611)
Present value of minimum lease payments	<u>\$ 809,056</u>	<u>\$ 914,648</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 total amount of funding received during fiscal year 2020 was \$295,000. 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	3.2% (2/15 and 8/15)	8/15/2035	\$ 3,773,798	\$ 3,798,721
Total outstanding			<u>\$ 3,773,798</u>	<u>\$ 3,798,721</u>

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 106,701	\$ 12,131
2022	183,345	11,668
2023	184,520	11,080
2024	185,703	10,489
2025	186,894	9,894
2026 – 2030	952,592	40,406
2031 – 2035	983,513	24,944
2036 – 2040	1,015,454	8,979
	<u>\$ 3,798,722</u>	<u>\$ 129,591</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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	\$ 2,980,000
Total Outstanding			<u>\$ 3,436,000</u>	<u>\$ 2,980,000</u>

Annual requirements to amortize the General Obligation Note outstanding as of September 30, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 147,000	\$ 91,188
2022	152,000	86,690
2023	156,000	82,039
2024	161,000	77,265
2025	166,000	72,338
2026 – 2030	909,000	282,346
2031 – 2035	1,058,000	134,456
2036	231,000	7,069
	<u>\$ 2,980,000</u>	<u>\$ 833,391</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	\$ 1,660,000
Total Outstanding			<u>\$ 2,000,000</u>	<u>\$ 1,660,000</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020, are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 121,000	\$ 41,002
2022	123,000	38,013
2023	127,000	34,975
2024	130,000	31,838
2025	133,000	28,627
2026 – 2030	714,000	92,304
2031 – 2032	312,000	11,610
	\$ 1,660,000	\$ 278,369

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:

	Interest Rates and Dates	Maturity	Original Amount	Outstanding Balance
Business-Type activities:				
Clean Water State Revolving Fund Loan Agreement	3.15% (3/15 and 9/15)	3/15/2038	\$ 336,500	\$ 303,881
Total Outstanding			\$ 336,500	\$ 303,881

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 16,478	\$ 944
2022	16,582	892
2023	16,687	840
2024	16,792	787
2025	16,898	734
2026 – 2030	86,103	2,865
2031 – 2035	88,854	1,490
2036 – 2038	45,487	217
	<u>\$ 303,881</u>	<u>\$ 8,769</u>

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, 2020

(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, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ 68,529
2022	938,000	126,270
2023	959,000	104,455
2024	981,000	82,145
2025	1,004,000	59,317
2026 – 2027	2,077,000	48,034
	<u>\$ 5,959,000</u>	<u>\$ 488,750</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, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 40,000	\$ 12,882
2022	40,000	11,774
2023	40,000	10,666
2024	40,000	9,583
2025	45,000	8,381
2026 – 2030	230,000	23,149
2031	50,000	694
	<u>\$ 485,000</u>	<u>\$ 77,129</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 30,000	\$ 7,498
2022	30,000	6,344
2023	30,000	5,191
2024	35,000	4,037
2025	35,000	2,692
2026	35,000	1,347
	<u>\$ 195,000</u>	<u>\$ 27,108</u>

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:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 298,920	\$ 85,049
2022	304,413	79,556
2023	310,007	73,962
2024	315,704	68,265
2025	321,506	62,463
2026 – 2030	1,698,359	221,487
2031 – 2034	1,474,537	61,338
	<u>\$ 4,723,446</u>	<u>\$ 652,120</u>

During the year ended September 30, 2013, the City executed an agreement with a financial institution to borrow \$4,507,000 at an interest rate of 1.79%, for the purpose of refinancing the capital lease with Johnson Controls, Inc. for water meters. Principal and interest payments are due quarterly on December 1, March 1, June 1, and September 1. The note is secured by non-ad valorem revenues of the City. Debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 115,627	627

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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:

Year Ending September 30,	Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2021	\$ 80,031	\$ 6,963	\$ 55,969	\$ 4,870
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	714
Total	<u>\$ 328,950</u>	<u>\$ 16,047</u>	<u>\$ 230,050</u>	<u>\$ 11,222</u>

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable:					
General Obligation Note, 2017	\$ 3,123,000	\$ -	\$ (143,000)	\$ 2,980,000	\$ 147,000
Capital Improvement Revenue Note, 2017	1,778,000	-	(118,000)	1,660,000	121,000
Guaranteed Entitlement Note, Series 2010	520,000	-	(35,000)	485,000	40,000
General Obligation Note, 2007	220,000	-	(25,000)	195,000	30,000
Capital Improvement Note 2014	284,373	-	(54,323)	230,050	55,969
Capital leases:					
AEBI	73,295	-	(23,803)	49,492	24,426
American Capital	265,184	-	(86,621)	178,563	88,383
BB&T Vehicle	-	620,000	(39,000)	581,000	70,000
Compensated absences	1,215,778	840,433	(709,368)	1,346,843	709,365
Total governmental activities long-term liabilities	<u>\$ 7,479,630</u>	<u>\$ 1,460,433</u>	<u>\$ (1,234,115)</u>	<u>\$ 7,705,948</u>	<u>\$ 1,286,143</u>
Business-type activities:					
Notes payable:					
State Revolving loan, 2013	\$ 5,016,973	\$ -	\$ (293,527)	\$ 4,723,446	\$ 298,920
State Revolving loan, 2017	320,256	-	(16,375)	303,881	16,478
State Revolving loan, 2018	3,503,721	295,000	-	3,798,721	106,701
Lease refunding note	628,000	-	(513,000)	115,000	115,000
Capital Improvement Note 2014	406,627	-	(77,677)	328,950	80,031
Refunding Revenue Note 2016	7,771,000	-	(1,812,000)	5,959,000	-
Capital leases					
American Capital	38,089	-	(12,441)	25,648	12,695
Truist Refuse Trucks	-	922,000	(33,000)	889,000	142,000
Compensated absences	542,797	364,833	(320,536)	587,094	320,536
Total business-type activities long term debt	<u>\$ 18,227,463</u>	<u>\$ 1,581,833</u>	<u>\$ (3,078,556)</u>	<u>\$ 16,730,740</u>	<u>\$ 1,092,361</u>

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

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

Internal service funds predominately serve the governmental funds. Accordingly, \$80,125 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, 2020, which will result in future financial obligation as follows:

<u>Commitments</u>	<u>Amount</u>
General Fund	\$ 1,570,952
CRA Fund	253,513
Capital Projects Fund	526,142
Water and Sewer Utility Fund	1,084,207
Stormwater Utility Fund	7,887
Solid Waste Fund	962,426
Fleet Fund	125
Total	<u>\$ 4,405,252</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 2020, 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, 2020

(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 \$6,361,443 was measured as of September 30, 2019, 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, 2020, 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	3.58%
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 3.58%. 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 4.18% for the reporting period ended September 30, 2019, to 3.58% for the reporting period ended September 30, 2020. Also reflected as assumption changes are:

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

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

- Updated health care costs and premiums,
- Updated health care cost trend rates,
- Updated mortality rates,
- Updated termination, early retirement and salary increase rates for participants in the Firefighters' Pension Fund, and
- An updated assumption regarding the percentage of disabilities occurring in the line of duty for firefighters.

Changes in the OPEB liability for the fiscal year ended September 30, 2020, were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 4,732,420
Changes for a year:	
Service cost	106,831
Interest	197,470
Differences between expected and actual experience	1,378,682
Changes of assumptions	178,595
Benefit payments – implicit rate subsidy	(232,555)
Net changes	1,629,023
Balance at September 30, 2020	\$ 6,361,443

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 3.58%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 7,676,124	\$ 6,361,443	\$ 5,374,514

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%):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 5,340,243	\$ 6,361,443	\$ 7,698,655

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

For the year ended September 30, 2020; the City recognized OPEB expense of \$345,711.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,225,495	\$ -
Changes of Assumptions	158,751	472,667
Employer Contributions Subsequent to the Measurement Date	195,791	-
Total	\$ 1,580,037	\$ 472,667

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:

Year Ending September 30,	Amount
2021	\$ 35,910
2022	35,910
2023	35,913
2024	111,724
2025	173,031
Thereafter	519,091

(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, 2020**

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

Benefits Provided

Each system provides retirement, disability and death benefits. All employees vest for full benefits after five years of service. Retirement benefits for general employees are based on the three consecutive years which give the highest average out of the last ten years. General employees will receive a benefit amount equal to 2% of that average multiplied by years of accrued service. Retirement benefits for police officers are based on the three years which give the highest average out of the last five years. Police officers will receive a benefit amount equal to 2% of that average multiplied by years of accrued service up to October 1, 1987, and 3% of that average multiplied by years of accrued service after October 1, 1987. Retirement benefits for firefighters are based on the five years, which give the highest average out of the last ten years. Firefighters will receive a benefit amount equal to 3% of that average multiplied by years of accrued service. All employees with 5 years of accrued service are eligible to retire at age 55. General employees may retire at any age after 25 years of service. Police officers and Firefighters may retire at any age after 20 years of service. All employees are eligible for non-service disability benefits after 5 years of service and for service-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits for vested general employees prior to retirement and with a 50% qualified joint survivor annuity will be paid monthly. Death benefits are paid for vested police officers, prior to retirement and with a 100% qualified joint survivor annuity. Death benefits for firefighters are paid for 10 years. All nonvested employees do not receive a death benefit and the Plan refunds accumulated contributions without interest. An employee that leaves the City prior to reaching 5 years of service may withdraw his or her contributions without interest. After 5 years, the employee may elect to receive the accrued benefit payable at retirement age. There are no annual cost of living adjustments.

Employees Covered by Benefit Terms

As of the latest actuarial valuation report, the following employees were covered by the benefit terms:

<u>Group</u>	<u>General Employees</u>	<u>Police Officers</u>	<u>Fire Fighters'</u>
Inactive plan members and beneficiaries currently receiving benefits	96	29	11
Inactive plan members entitled to but not receiving benefits	22	14	2
Active plan members	2	28	30
Total	<u>120</u>	<u>71</u>	<u>43</u>

The General Employees' Pension Fund was amended in October 1996, which closed off the plan to any new employees hired by the City after October 1, 1996. Employees hired after October 1, 1996, however, are eligible for the City's 401(a) Defined Contribution Plan. Employees hired prior to October 1, 1996, and not vested in the General Employees' Pension Fund as of September 30, 1997, may elect to participate in the 401(a) Defined Contribution Plan.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020, the average active employee contribution was 2.5% of annual pay 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, 2020, the total required contribution from the City was \$799,291 for the general employees' pension fund. The City's average contribution rate was 54.1% and 30.9% 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, 2020:

<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, 2020**

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

Reserves

As of September 30, 2020, 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, 2020**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ASSETS			
Accrued income	\$ 47,262	\$ 31,654	\$ 28,991
Money market funds	338,949	355,019	1,086,837
Bonds			
US Treasury notes	176,815	135,252	-
GNMA	817,226	563,440	210,907
Municipal bonds	260,401	173,590	75,007
Corporate bonds	3,682,751	2,522,942	3,311,370
Mutual fund – fixed income	1,802,171	-	-
Mutual fund - equities	4,837,471	7,208,953	13,095,318
Commingled real estate fund	997,736	1,081,997	-
Total assets	12,960,782	12,072,847	17,808,430
LIABILITIES			
Accounts payable	-	-	-
Unearned contributions	-	-	-
NET POSITION			
Restricted for pensions	<u>\$ 12,960,782</u>	<u>\$ 12,072,847</u>	<u>\$ 17,808,430</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the fiscal year ended September 30, 2020

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ADDITIONS			
Contributions:			
Employer	\$ 799,291	\$ 891,041	\$ 476,419
Employee	2,465	98,822	128,176
State of Florida	-	177,890	166,106
Total contributions	<u>801,756</u>	<u>1,167,753</u>	<u>770,701</u>
Investment earnings:			
Interest and dividends	592,013	285,877	268,012
Net increase (decrease) in fair value of investments	763,535	1,005,073	2,080,113
Less: investment expense	(51,358)	(48,856)	(93,533)
Net investment earnings	<u>1,304,190</u>	<u>1,242,094</u>	<u>2,254,592</u>
Total additions	<u>2,105,946</u>	<u>2,409,847</u>	<u>3,025,293</u>
DEDUCTIONS			
Pension benefits	\$ 1,520,432	\$ 1,038,137	\$ 548,938
Administrative expenses	41,308	47,436	63,991
Total deductions	<u>1,561,740</u>	<u>1,085,573</u>	<u>612,929</u>
Change in net position	544,206	1,324,274	2,412,364
Net position, beginning of year	<u>12,416,576</u>	<u>10,748,573</u>	<u>15,396,066</u>
Net position, end of year	<u>\$ 12,960,782</u>	<u>\$ 12,072,847</u>	<u>\$ 17,808,430</u>

Net Pension Liability

Actuarial Assumptions:

The total pension liability was determined with a measurement date of September 30, 2019 and an actuarial valuation as of October 1, 2018 updated to September 30, 2020, 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%	4.20% - 7.50%	Service based
Investment rate of return/discount rate	6.75%	7.50%	7.25%

Mortality rates for the General Employee's Pension for healthy lives were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. The significant assumptions are based upon the most recent actuarial experience study dated June 13, 2013.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Mortality rates for the Police Officers were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. This assumption sufficiently accommodates future mortality improvements. The actuarial assumptions are based upon the most recent actuarial experience study dated September 13, 2013.

Mortality rates for the Firefighters were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. This sufficiently accounts for future mortality improvements. The actuarial assumptions are based upon the most recent actuarial experience study dated December 6, 2019.

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 expenses 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, 2020, 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%
International equity	-	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%, 7.50% 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.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The components of the net pension liability of the pension plans at September 30, 2020, were as follows:

	General Employees	Police Officers	Firefighters
Total pension liability	\$ 19,129,121	\$ 15,000,506	\$ 14,756,367
Plan fiduciary net position	(12,398,463)	(10,732,918)	(15,335,862)
Net pension liability (asset)	<u>\$ 6,730,658</u>	<u>\$ 4,267,588</u>	<u>\$ (579,495)</u>
Plan fiduciary net position as percentage of total pension liability	64.81%	71.55%	103.93%

Changes in the Net Pension Liability

	General Employees' Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a – b)
Beginning Balance	\$ 19,346,842	\$ 12,533,777	\$ 6,813,065
Changes for year:			
Service cost	17,847	-	17,847
Interest	1,255,470	-	1,255,470
Differences between expected and actual experience	39,215	-	39,215
Contributions – employer	-	782,806	(782,806)
Contributions – employee	-	2,615	(2,615)
Net investment income	-	663,572	(663,572)
Benefit payments, including refunds	(1,530,253)	(1,530,253)	-
Administrative expenses	-	(54,054)	54,054
Net changes	<u>(217,721)</u>	<u>(135,314)</u>	<u>(82,407)</u>
Ending Balance	<u>\$ 19,129,121</u>	<u>\$ 12,398,463</u>	<u>\$ 6,730,658</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

	Police Officer's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a – b)
Beginning Balance	\$ 14,479,950	\$ 10,313,580	\$ 4,166,370
Changes for year:			
Service cost	256,785	-	256,785
Interest	1,066,672	-	1,066,672
Share plan allocation	177,174	-	177,174
Differences between expected and actual experience	48,813	-	48,813
Contributions – employer	-	781,147	(781,147)
Contributions – State	-	177,174	(177,174)
Contributions – employee	-	90,656	(90,656)
Net investment income	-	463,243	(463,243)
Benefit payments, including refunds	(1,028,888)	(1,028,888)	-
Administrative expenses	-	(63,994)	63,994
Net changes	520,556	419,338	101,218
Ending Balance	<u>\$ 15,000,506</u>	<u>\$ 10,732,918</u>	<u>\$ 4,267,588</u>

	Firefighter's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a – b)
Beginning Balance	\$ 12,959,552	\$ 14,681,238	\$ (1,721,686)
Changes for year:			
Service cost	349,645	-	349,645
Interest	1,011,898	-	1,011,898
Share Plan Allocation	98,967	-	98,967
Changes of benefit terms	437,981	-	437,981
Differences between expected and actual experience	(172,618)	-	(172,618)
Changes of assumptions	563,502	-	563,502
Contributions – employer	-	409,471	(409,471)
Contributions – State	-	154,258	(154,258)
Contributions – employee	-	105,323	(105,323)
Contributions – buy back	17,854	17,854	-
Net investment income	-	531,717	(531,717)
Benefit payments, including refunds	(510,414)	(510,414)	-
Administrative expenses	-	(53,585)	53,585
Net changes	1,796,815	654,624	(1,142,191)
Ending Balance	<u>\$ 14,756,367</u>	<u>\$ 15,335,862</u>	<u>\$ (579,495)</u>

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

(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, 7.50% 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	\$ 8,659,368	\$ 6,730,658	\$ 5,099,241

<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Police Officers Retirement Trust Fund	\$ 6,042,014	\$ 4,267,588	\$ 2,802,097

<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	\$ 1,182,348	\$ (579,495)	\$ (2,028,117)

For the year ended September 30, 2020, 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	5.46%	4.52%	3.61%

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, 2020, the City recognized pension expense of \$707,424, \$1,139,054, and \$801,343 in the General Employees, Police Officers, and Firefighters pension plans, respectively, for a total aggregate pension expense of \$2,647,821 for all three plans.

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

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

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees' Retirement Trust Fund		Police Officers' Retirement Trust Fund		Firefighters' Retirement Trust Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 356,486	\$ -	\$ 270,568	\$ 327,942
Changes of assumptions	-	-	-	-	532,084	-
Net difference between projected and actual investment earnings	14,107	-	116,516	-	-	361,138
Contributions made subsequent to measurement date	799,291	-	1,068,931	-	642,525	-
	<u>\$ 813,398</u>	<u>\$ -</u>	<u>\$ 1,541,933</u>	<u>\$ -</u>	<u>\$ 1,445,177</u>	<u>\$ 689,080</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:

Year Ended September 30:	General Employees	Police Officers	Firefighters
2021	\$ (33,949)	\$ 193,132	\$ (198,817)
2022	(17,071)	148,746	(118,344)
2023	34,028	69,398	95,687
2024	31,099	61,726	223,366
2025	-	-	55,840
Thereafter	-	-	55,840

(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 \$644,230. 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, 2020

(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 were no taxes abated during the year ended September 30, 2020, due to a delay in reporting. Tax abatements are expected to begin during the next fiscal year.

(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**—In early 2021, the City received a \$14,697,665 grant award from the Florida Department of Economic Opportunity for the Rebuild Florida Infrastructure Repair Program. The funds are allocated by the U.S. Department of Housing and Urban Development's Community Development Block Grant Disaster Recovery Program, they and give local governments the ability to improve and restore infrastructure damaged by Hurricane Irma.

(i) **Uncertainty**—Subsequent to September 30, 2020, 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 Company as of March 16, 2021 management believes that a material impact on the Company's financial position and results of future operations is reasonably possible.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after January 1, 2020.
- (b) 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.
- (c) 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.

(13) Restatement of Net Position:

During the year ended September 30, 2020, the City implemented a change in accounting principle which affected the presentation of funds in the financial statements. In previous years, the Public Works Complex Fund was shown as part of the Solid Waste Utility Fund. In the current year, the City is presenting the Public Works Complex as a separate internal service fund in the financial statements.

The implementation of this change resulted in a reduction of beginning unrestricted net position in the proprietary funds/business type activities and an increase in the government-wide statements of net position by the same amount. The cumulative effect on beginning net position in the affected reporting units related to these adjustments is as follows:

	<u>Governmental Activities</u>	<u>Internal Service Funds</u>	<u>Solid Waste Utility Fund</u>	<u>Business-type Activities</u>
Net position, 9/30/2019	\$ 43,973,583	\$ 1,014,193	\$ 3,173,656	\$ 39,752,719
Change related to Public Works Complex	1,298,240	1,298,240	(1,298,240)	(1,298,240)
Restated net position, 9/30/2019	<u>\$ 45,271,823</u>	<u>\$ 2,312,433</u>	<u>\$ 1,875,416</u>	<u>\$ 38,454,479</u>

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

Reporting Period Ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Measurement Date	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total pension liability							
Service cost	\$ 17,847	\$ 29,715	\$ 53,793	\$ 34,222	\$ 60,573	\$ 91,269	\$ 84,901
Interest	1,255,470	1,254,084	1,254,173	1,250,244	1,238,859	1,241,107	1,237,145
Differences between expected and actual experience							
Differences between Expected and Actual Experience	39,215	248,369	176,321	(50,657)	259,399	-	-
Changes of assumptions	-	-	-	1,777,486	-	-	-
Contributions – buy back	-	-	-	299,746	-	-	-
Benefit payments, including refunds of employee contributions	(1,530,253)	(1,469,263)	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
Net change in total pension liability	(217,721)	62,905	30,504	1,924,417	184,109	43,790	59,449
Total pension liability, beginning	19,346,842	19,283,937	19,253,433	17,329,016	17,144,907	17,101,117	17,041,668
Total pension liability, ending (a)	\$ 19,129,121	\$ 19,346,842	\$ 19,283,937	\$ 19,253,433	\$ 17,329,016	\$ 17,144,907	\$ 17,101,117
Plan Fiduciary net position							
Contributions – employer	\$ 782,806	\$ 744,629	\$ 667,440	\$ 661,699	\$ 713,396	\$ 772,605	\$ 475,794
Contributions – employee	2,615	4,662	6,091	5,851	8,535	13,178	15,348
Contributions – buy back	-	-	-	299,746	-	-	-
Net investment income	663,572	803,070	1,055,669	950,355	(67,754)	1,059,400	1,563,721
Benefit payments, including refunds of employee contributions	(1,530,253)	(1,469,263)	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
Administrative expense	(54,055)	(47,203)	(44,217)	(40,442)	(48,589)	(42,302)	(76,889)
Net change in plan fiduciary net position	(135,315)	35,895	231,200	490,585	(769,134)	514,295	715,377
Plan fiduciary net position, beginning	12,533,777	12,497,882	12,266,682	11,776,097	12,545,231	12,030,936	11,315,559
Plan fiduciary net position, ending (b)	\$ 12,398,462	\$ 12,533,777	\$ 12,497,882	\$ 12,266,682	\$ 11,776,097	\$ 12,545,231	\$ 12,030,936
Net pension liability (asset) – ending (a) - (b)	\$ 6,730,659	\$ 6,813,065	\$ 6,786,055	\$ 6,986,751	\$ 5,552,919	\$ 4,599,676	\$ 5,070,181
Plan fiduciary net position as a percentage of the total pension liability	64.81%	64.78%	64.81%	63.71%	67.96%	73.17%	70.35%
Covered payroll	\$ 104,603	\$ 193,713	\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
Net pension liability as a percentage of payroll	6434.48%	3517.09%	2870.41%	2001.74%	1626.48%	811.19%	825.86%
Annual Money-Weighted Rate of Return	5.46%	6.63%	8.92%	8.40%	-0.56%	8.94%	13.50%

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

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

Reporting Period Ending	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Measurement Date	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total pension liability							
Service cost	\$ 256,785	\$ 264,098	\$ 241,471	\$ 248,453	\$ 209,572	\$ 206,976	\$ 84,901
Interest	1,066,672	989,631	939,389	874,946	855,433	859,397	1,237,145
Change in Funding Standard Account	-	-	-	-	-	(386,259)	-
Share Plan Allocation	177,174	163,282	147,327	138,245	-	-	-
Differences between expected and actual experience							
Differences between Expected and Actual Experience	48,813	565,564	148,378	230,533	(19,907)	-	-
Changes of assumptions	-	-	-	244,939	-	-	-
contributions	(1,028,888)	(867,226)	(791,362)	(950,417)	(697,208)	(773,904)	(1,262,597)
Net change in total pension liability	520,556	1,115,349	685,203	786,699	347,890	(93,790)	59,449
Total pension liability, beginning	14,479,950	13,364,601	12,679,398	11,892,699	11,544,809	11,638,599	17,041,668
Total pension liability, ending (a)	\$ 15,000,506	\$ 14,479,950	\$ 13,364,601	\$ 12,679,398	\$ 11,892,699	\$ 11,544,809	\$ 17,101,117
Plan Fiduciary net position							
Contributions – employer	\$ 781,147	\$ 777,360	\$ 578,155	\$ 621,470	\$ 618,054	\$ 534,795	\$ 475,794
Contributions – state	177,174	163,282	147,327	138,245	127,668	125,387	-
Contributions – employee	90,656	86,174	96,436	84,939	79,610	76,054	15,348
Net investment income	463,243	736,836	950,106	568,335	(15,324)	759,444	1,563,721
Benefit payments, including refunds of employee							
contributions	(1,028,888)	(867,226)	(791,362)	(950,417)	(697,208)	(773,904)	(1,262,597)
Administrative expense	(63,994)	(50,878)	(58,416)	(67,029)	(49,324)	(36,403)	(76,889)
Net change in plan fiduciary net position	419,338	845,548	922,246	395,543	63,476	685,373	715,377
Plan fiduciary net position, beginning	10,313,581	9,468,033	8,545,787	8,150,244	8,086,768	7,401,395	11,315,559
Plan fiduciary net position, ending (b)	\$ 10,732,919	\$ 10,313,581	\$ 9,468,033	\$ 8,545,787	\$ 8,150,244	\$ 8,086,768	\$ 12,030,936
Net pension liability (asset) – ending (a) - (b)	\$ 4,267,587	\$ 4,166,369	\$ 3,896,568	\$ 4,133,611	\$ 3,742,455	\$ 3,458,041	\$ 5,070,181
Plan fiduciary net position as a percentage of the total pension liability	71.55%	71.23%	70.84%	67.40%	68.53%	70.05%	70.35%
Covered payroll	\$ 1,510,925	\$ 1,503,600	\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 613,927
Net pension liability as a percentage of payroll	282.45%	277.09%	253.04%	291.99%	267.96%	272.81%	825.86%
Annual Money-Weighted Rate of Return	4.52%	7.78%	11.26%	7.05%	-0.19%	10.40%	13.50%

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

CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

Firefighters' Pension Trust

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

Reporting Period Ending Measurement Date	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013
Total pension liability							
Service cost	\$ 349,645	\$ 354,548	\$ 358,456	\$ 322,776	\$ 317,342	\$ 323,511	\$ 300,940
Interest	1,011,898	922,206	825,460	752,753	715,242	652,070	601,821
Share Plan Allocation	98,967	96,388	92,260	84,235	90,777	88,962	-
Changes of Benefit Terms	437,981						
Differences between Expected and Actual Experience	(172,618)	(89,479)	473,491	(45,934)	(367,566)	-	-
Changes of assumptions	563,502	-	-	147,249	-	-	-
Contributions – buy back	17,854	17,703	8,544	9,721	-	-	-
Benefit payments, including refunds of employee contributions	(510,414)	(566,702)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
Net change in total pension liability	1,796,815	734,664	1,396,208	958,693	545,743	842,447	614,150
Total pension liability, beginning	12,959,552	12,224,888	10,828,680	9,869,987	9,324,244	8,481,797	7,867,647
Total pension liability, ending (a)	\$ 14,756,367	\$ 12,959,552	\$ 12,224,888	\$ 10,828,680	\$ 9,869,987	\$ 9,324,244	\$ 8,481,797
Plan Fiduciary net position							
Contributions – employer	\$ 409,471	\$ 358,424	\$ 317,000	\$ 358,086	\$ 354,899	\$ 392,863	\$ 469,302
Contributions – state	154,258	151,680	147,551	139,527	150,763	155,382	129,103
Contributions – employee	105,323	91,166	117,483	107,966	93,950	88,869	87,309
Contributions – buy back	17,854	17,703	8,544	9,721	-	-	-
Net investment income	531,717	1,618,036	1,734,571	1,143,088	(536,507)	1,160,776	766,338
Benefit payments, including refunds of employee contributions	(510,414)	(566,702)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
Administrative expense	(53,585)	(49,647)	(44,046)	(58,960)	(48,746)	(44,645)	(18,869)
Net change in plan fiduciary net position	654,624	1,620,660	1,919,100	1,387,321	(195,693)	1,531,149	1,144,572
Plan fiduciary net position, beginning	14,681,238	13,060,578	11,141,478	9,754,157	9,949,850	8,418,701	7,274,129
Plan fiduciary net position, ending (b)	\$ 15,335,862	\$ 14,681,238	\$ 13,060,578	\$ 11,141,478	\$ 9,754,157	\$ 9,949,850	\$ 8,418,701
Net pension liability (asset) – ending (a) - (b)	\$ (579,495)	\$ (1,721,686)	\$ (835,690)	\$ (312,798)	\$ 115,830	\$ (625,606)	\$ 63,096
Plan fiduciary net position as a percentage of the total pension liability	103.93%	113.29%	106.84%	102.89%	98.83%	106.71%	99.26%
Covered payroll	\$ 1,755,385	\$ 1,674,877	\$ 1,802,605	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
Net pension liability as a percentage of payroll	-33.01%	-102.79%	-46.36%	-17.38%	7.33%	-42.64%	4.34%
Annual Money-Weighted Rate of Return	3.61%	12.44%	15.51%	11.64%	-5.33%	13.59%	10.25%

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



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CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

Schedules of General Employees' Contributions

Reporting Period Ending	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Measurement Date	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution (ADC)	\$ 799,181	\$ 781,161	\$ 744,629	\$ 667,440
Contributions in Relation to ADC	799,291	782,806	744,629	667,440
Contribution Deficiency (Excess)	\$ (110)	\$ (1,645)	\$ -	\$ -
Covered Payroll	\$ 98,639	\$ 104,603	\$ 193,713	\$ 236,414
Contributions as a Percentage of Covered Payroll	810.32%	748.36%	384.40%	282.32%

Notes to Schedule:

Valuation Date: 10/01/2017

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:	RP2000 Combined Healthy								
Interest Rate:	6.75% per year compounded annually, net of investment related expenses.								
Normal Retirement:	<table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>Retirement Probability</u></th> </tr> </thead> <tbody> <tr> <td>55</td> <td>50%</td> </tr> <tr> <td>56-59</td> <td>0%</td> </tr> <tr> <td>60 and older</td> <td>100%</td> </tr> </tbody> </table> <p>In addition to the above table, 100% Retirement is assumed upon the completion of 25 years of Credited Service.</p>	<u>Age</u>	<u>Retirement Probability</u>	55	50%	56-59	0%	60 and older	100%
<u>Age</u>	<u>Retirement Probability</u>								
55	50%								
56-59	0%								
60 and older	100%								
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, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 657,825	\$ 719,822	\$ 766,179	\$ 475,794
661,699	713,396	772,605	475,794
<u>\$ (3,874)</u>	<u>\$ 6,426</u>	<u>\$ (6,426)</u>	<u>\$ -</u>
\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
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, 2020 September 30, 2019	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017	September 30, 2017 September 30, 2016
Actuarially Determined Contribution (ADC)	\$ 891,041	\$ 781,148	\$ 777,361	\$ 742,241
Contributions in Relation to ADC	891,041	781,147	777,360	578,155
Contribution Deficiency (Excess)	\$ -	\$ 1	\$ 1	\$ 164,086
Covered Payroll	\$ 1,647,027	\$ 1,510,925	\$ 1,503,600	\$ 1,539,919
Contributions as a Percentage of Covered Payroll	54.10%	51.70%	51.70%	37.54%

Notes to Schedule:

Valuation Date: 10/01/2017

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: 7.5% per year compounded annually, net of investment related expenses.

Retirement Age:	<u>Years Eligible for Normal Retirement</u>	<u>Retirement Probability</u>
	0	50%
	1	0%
	2	33%
	3-5	60%
	6 and greater	100%

In addition to the above, 100% Retirement is assumed upon the attainment of age 58 if eligible to retire.

Early Retirement: None assumed.

Salary Increases: 7.5% for less than 10 years credited service.
4.2% for 10 years or greater 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: 18% for less than 5 years credited service.
14% for 5-9 years credited service.
0% for 10 years or greater of credited service.

Disability Rates: 0.33% - 1.69%

September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
September 30, 2015	September 30, 2014	September 30, 2013	September 30, 2012
\$ 746,047	\$ 768,235	\$ 766,878	\$ 874,513
621,470	745,722	660,182	768,448
<u>\$ 124,577</u>	<u>\$ 22,513</u>	<u>\$ 106,696</u>	<u>\$ 106,065</u>
\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,267,568
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, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Measurement Date	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution (ADC)	\$ 531,711	\$ 423,048	\$ 413,695	\$ 389,363
Contributions in Relation to ADC	531,711	464,763	413,716	372,292
Contribution Deficiency (Excess)	\$ -	\$ (41,715)	\$ (21)	\$ 17,071
Covered Payroll	\$ 1,720,747	\$ 1,755,385	\$ 1,674,877	\$ 1,802,605
Contributions as a Percentage of Covered Payroll	30.90%	26.48%	24.70%	20.65%

Notes to Schedule:

Valuation Date: 10/01/2017

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: 7.5% per year compounded annually, net of investment related expenses.

Normal Retirement:	<u>Years Eligible for Normal Retirement</u>	<u>Retirement Probability</u>
	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: 1.9% per year.

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 minis bias that is above or below the Market Value of Assets.

Salary Increases: 6.5% for less than 10 years credited service.

6.0% for 10-15 years credited service.

5.0% 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.

4.0% 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, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 430,063	\$ 407,550	\$ 432,862	\$ 534,041
413,378	414,885	459,283	534,041
<u>\$ 16,685</u>	<u>\$ (7,335)</u>	<u>\$ (26,421)</u>	<u>\$ -</u>
 \$ 1,799,429	 \$ 1,579,650	 \$ 1,467,330	 \$ 1,455,154
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, 2020 September 30, 2019	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017
Total OPEB Liability			
Service cost	\$ 106,831	\$ 112,011	\$ 118,498
Interest	197,470	182,927	165,495
Differences between expected and actual experience	1,378,682	-	-
Changes of assumptions	178,595	(367,847)	(454,875)
Benefit payments – implicit rate subsidy	<u>(232,555)</u>	<u>(214,336)</u>	<u>(197,091)</u>
Net change in total OPEB liability	1,629,023	(287,245)	(367,973)
Total OPEB liability – beginning	<u>4,732,420</u>	<u>5,019,665</u>	<u>5,387,638</u>
Total OPEB liability – ending	<u>\$ 6,361,443</u>	<u>\$ 4,732,420</u>	<u>\$ 5,019,665</u>
Covered employee payroll (projected)	9,180,533	9,596,433	9,163,898
Total OPEB liability as a percentage of covered employee payroll	69.29%	49.31%	54.78%

Covered Employee Payroll was projected two years forward from the valuation date for the reporting period ending September

Notes to Schedule:

Valuation Date: 9/30/2019

Difference Between Expected and Actual Experience . Difference Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 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 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

Also reflected as assumption changes are:

- Updated health care costs and premiums,
- Updated health care cost trend rates,
- Updated mortality rates,
- Updated termination, early retirement and salary increase rates for participants in the Firefighters' Pension Fund, and
- An updated assumption regarding the percentage of disabilities occurring in

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

CITY OF EDGEWATER, FLORIDA

Nonmajor Governmental Funds

September 30, 2020

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.

Justice Assistance Grant Fund – This fund was established to receive revenues derived from money received from the Department of Justice for various grants such as JAG.

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, 2020

	Special Revenue			
	Justice Assistance Grants	SLETF	Transportation Impact	Police Impact
ASSETS				
Cash	\$ -	\$ 126,676	\$ 531,623	\$ 30,949
Receivables	-	14	61	4
Total assets	<u>\$ -</u>	<u>\$ 126,690</u>	<u>\$ 531,684</u>	<u>\$ 30,953</u>
LIABILITIES				
Accrued liabilities	\$ -	\$ 21,565	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 21,565</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Spendable:				
Restricted for:				
Public safety	\$ -	\$ 105,125	\$ -	\$ -
Debt service	-	-	-	-
Tree mitigation	-	-	-	-
Capital projects	-	-	531,684	30,953
Total fund balances	<u>-</u>	<u>105,125</u>	<u>531,684</u>	<u>30,953</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 105,125</u>	<u>\$ 531,684</u>	<u>\$ 30,953</u>

Fire Impact	Recreation Impact	Tree Mitigation	Debt Service	Total Nonmajor Governmental Funds
\$ 65,183	\$ 196,630	\$ 100,544	\$ 89,808	\$ 1,141,413
8	23	11	10	131
<u>\$ 65,191</u>	<u>\$ 196,653</u>	<u>\$ 100,555</u>	<u>\$ 89,818</u>	<u>\$ 1,141,544</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,565
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,565</u>
\$ -	\$ -	\$ -	\$ -	\$ 105,125
-	-	-	89,818	89,818
-	-	100,555	-	100,555
65,191	196,653	-	-	824,481
<u>65,191</u>	<u>196,653</u>	<u>100,555</u>	<u>89,818</u>	<u>1,119,979</u>
<u>\$ 65,191</u>	<u>\$ 196,653</u>	<u>\$ 100,555</u>	<u>\$ 89,818</u>	<u>\$ 1,119,979</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, 2020

	Special Revenue			
	Justice Assistance Grants	SLETF	Transportation Impact	Police Impact
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	31,766	-	-
Investment earnings	-	119	563	40
Impact fees	-	-	261,948	40,979
Total revenues	<u>-</u>	<u>31,885</u>	<u>262,511</u>	<u>41,019</u>
EXPENDITURES				
Current:				
Public safety	-	10,000	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	34,936
Total expenditures	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>34,936</u>
expenditures	<u>-</u>	<u>21,885</u>	<u>262,511</u>	<u>6,083</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	21,885	262,511	6,083
Beginning fund balances	-	83,240	269,173	24,870
Ending fund balances	<u>\$ -</u>	<u>\$ 105,125</u>	<u>\$ 531,684</u>	<u>\$ 30,953</u>

Fire Impact	Recreation Impact	Tree Mitigation	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 275,635	\$ 275,635
-	-	-	-	31,766
100	237	139	308	1,506
40,850	79,034	-	-	422,811
40,950	79,271	139	275,943	731,718
13,877	-	-	-	23,877
-	-	-	286,000	286,000
-	-	-	147,940	147,940
31,953	-	-	-	66,889
45,830	-	-	433,940	524,706
(4,880)	79,271	139	(157,997)	207,012
-	-	-	161,917	161,917
-	(16,367)	-	-	(16,367)
-	(16,367)	-	161,917	145,550
(4,880)	62,904	139	3,920	352,562
70,071	133,749	100,416	85,898	767,417
\$ 65,191	\$ 196,653	\$ 100,555	\$ 89,818	\$ 1,119,979

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, 2020

	Special Revenue							
	Justice Assistance Grants				SLETF			
	Budgeted Amounts		Variance with Final Budget-		Budgeted Amounts		Variance with Final Budget-	
	Original	Final	Actual Amounts	Positive (Negative)	Original	Final	Actual Amounts	Positive (Negative)
REVENUES								
Intergovernmental	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	31,766	31,766
Investment earnings	-	-	-	-	-	-	119	119
Impact fees	-	-	-	-	-	-	-	-
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>31,885</u>	<u>31,885</u>
EXPENDITURES								
Current:								
Public Safety	2,000	2,000	-	2,000	10,000	10,000	10,000	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>21,885</u>	<u>31,885</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>21,885</u>	<u>31,885</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,240</u>	<u>83,240</u>	<u>83,240</u>	<u>-</u>
Beginning fund balances	-	-	-	-	83,240	83,240	83,240	-
Ending fund balances (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,240</u>	<u>\$ 73,240</u>	<u>\$ 105,125</u>	<u>\$ 31,885</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, 2020

	Special Revenue							
	Transportation Impact				Police Impact			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	563	563	-	40	40	40
Impact fees	85,000	85,000	261,948	176,948	14,000	14,937	40,979	26,042
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>262,511</u>	<u>177,511</u>	<u>14,000</u>	<u>14,937</u>	<u>41,019</u>	<u>26,082</u>
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	34,000	34,937	34,936	1
Total expenditures	-	-	-	-	34,000	34,937	34,936	1
Excess (deficiency) of revenues over expenditures	<u>85,000</u>	<u>85,000</u>	<u>262,511</u>	<u>177,511</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>6,083</u>	<u>26,083</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	85,000	85,000	262,511	177,511	(20,000)	(20,000)	6,083	26,083
Beginning fund balances	269,173	269,173	269,173	-	24,870	24,870	24,870	-
Ending fund balances (deficit)	<u>\$ 354,173</u>	<u>\$ 354,173</u>	<u>\$ 531,684</u>	<u>\$ 177,511</u>	<u>\$ 4,870</u>	<u>\$ 4,870</u>	<u>\$ 30,953</u>	<u>\$ 26,083</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, 2020

	Special Revenue							
	Fire Impact				Recreation Impact			
	<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		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	100	100	-	-	237	237
Impact fees	17,000	17,000	40,850	23,850	33,000	33,000	79,034	46,034
Total revenues	17,000	17,000	40,950	23,950	33,000	33,000	79,271	46,271
EXPENDITURES								
Current:								
Public Safety	37,928	37,928	13,877	24,051	-	-	-	-
Capital outlay	45,500	45,500	31,953	13,547	-	-	-	-
Total expenditures	83,428	83,428	45,830	37,598	-	-	-	-
Excess (deficiency) of revenues over expenditures	(66,428)	(66,428)	(4,880)	61,548	33,000	33,000	79,271	46,271
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	55,000	(55,000)	(16,367)	38,633
Total other financing sources (uses)	-	-	-	-	55,000	(55,000)	(16,367)	38,633
Net change in fund balances	(66,428)	(66,428)	(4,880)	61,548	88,000	(22,000)	62,904	84,904
Beginning fund balances	70,071	70,071	70,071	-	133,749	133,749	133,749	-
Ending fund balances (deficit)	\$ 3,643	\$ 3,643	\$ 65,191	\$ 61,548	\$ 221,749	\$ 111,749	\$ 196,653	\$ 84,904

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, 2020

	Special Revenue							
	Tree Mitigation				Total			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Fines and forfeitures	-	-	-	-	-	-	31,766	31,766
Investment earnings	-	-	139	139	-	-	1,198	1,198
Impact fees	-	-	-	-	149,000	149,937	422,811	272,874
Total revenues	-	-	139	139	151,000	151,937	455,775	303,838
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	49,928	49,928	23,877	26,051
Capital outlay	-	-	-	-	79,500	80,437	66,889	13,548
Total expenditures	-	-	-	-	129,428	130,365	90,766	39,599
Excess (deficiency) of revenues over expenditures	-	-	139	139	21,572	21,572	365,009	343,437
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	55,000	(55,000)	(16,367)	38,633
Total other financing sources (uses)	-	-	-	-	55,000	(55,000)	(16,367)	38,633
Net change in fund balances	-	-	139	139	76,572	(33,428)	348,642	382,070
Beginning fund balances	100,416	100,416	100,416	-	681,519	681,519	681,519	-
Ending fund balances (deficit)	<u>\$ 100,416</u>	<u>\$ 100,416</u>	<u>\$ 100,555</u>	<u>\$ 139</u>	<u>\$ 758,091</u>	<u>\$ 648,091</u>	<u>\$ 1,030,161</u>	<u>\$ 382,070</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Taxes:				
Property	\$ 271,930	\$ 271,930	\$ 275,635	\$ 3,705
Investment earnings	93	93	308	215
Total revenues	<u>272,023</u>	<u>272,023</u>	<u>275,943</u>	<u>3,920</u>
EXPENDITURES				
Debt Service:				
Principal	286,000	286,000	286,000	-
Interest	147,940	147,940	147,940	-
Total expenditures	<u>433,940</u>	<u>433,940</u>	<u>433,940</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(161,917)	(161,917)	(157,997)	3,920
OTHER FINANCING SOURCES (USES)				
Transfers in	161,917	161,917	161,917	-
Net change in fund balances	<u>-</u>	<u>-</u>	<u>3,920</u>	<u>3,920</u>
Beginning fund balances	85,898	85,898	85,898	-
Ending fund balances	<u>\$ 85,898</u>	<u>\$ 85,898</u>	<u>\$ 89,818</u>	<u>\$ 3,920</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, 2020

General Construction

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 276,407	\$ 746,982	\$ 734,064	\$ (12,918)
Total revenues	276,407	746,982	734,064	(12,918)
EXPENDITURES				
Capital outlay	165,000	1,997,848	1,421,218	576,630
Other Services & Charges	289,768	1,117,873	823,758	294,115
Total expenditures	454,768	3,115,721	2,244,976	870,745
Excess (deficiency) of revenues over expenditure	(178,361)	(2,368,739)	(1,510,912)	857,827
OTHER FINANCING SOURCES (USES)				
Transfers in	178,361	2,178,516	1,010,593	(1,167,923)
Total other financing sources (uses)	178,361	2,178,516	1,010,593	(1,167,923)
Net change in fund balance	-	(190,223)	(500,319)	(310,096)
Beginning fund balances	677,381	677,381	677,381	-
Ending fund balances	\$ 677,381	\$ 487,158	\$ 177,062	\$ (310,096)



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CITY OF EDGEWATER, FLORIDA

Internal Service Funds

September 30, 2020

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, 2020

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
ASSETS							
Current assets:							
Cash	\$ 137,897	\$ 263,218	\$ 7,333	\$ 996,352	\$ 5,504	\$ 1,611,839	\$ 3,022,143
Receivables--net	8	59	-	65	29,766	184	30,082
Inventories	-	33,959	-	-	-	-	33,959
Prepaid items	14,425	3,787	-	-	-	-	18,212
Total current assets	<u>152,330</u>	<u>301,023</u>	<u>7,333</u>	<u>996,417</u>	<u>35,270</u>	<u>1,612,023</u>	<u>3,104,396</u>
Noncurrent assets:							
Capital assets:							
Land and land rights	-	-	-	-	-	936,903	936,903
Buildings and improvements	60,684	-	-	-	-	-	60,684
Machinery and equipment	311,286	109,905	-	-	-	-	421,191
Construction in progress	-	-	-	-	-	150,730	150,730
Less accumulated depreciation	(304,774)	(95,803)	-	-	-	-	(400,577)
Total capital assets (net of accumulated depreciation)	<u>67,196</u>	<u>14,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087,633</u>	<u>1,168,931</u>
Total noncurrent assets	<u>67,196</u>	<u>14,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087,633</u>	<u>1,168,931</u>
Total assets	<u>\$ 219,526</u>	<u>\$ 315,125</u>	<u>\$ 7,333</u>	<u>\$ 996,417</u>	<u>\$ 35,270</u>	<u>\$ 2,699,656</u>	<u>\$ 4,273,327</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB	<u>\$ 21,449</u>	<u>\$ 28,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,047</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 1,464	\$ 8,670	\$ -	\$ 212,850	\$ -	\$ -	\$ 222,984
Accrued liabilities	8,064	7,683	-	-	-	-	15,747
Compensated absences	21,131	16,926	-	-	-	-	38,057
Accrued interest payable	88	-	-	-	-	-	88
Notes payable - current	10,775	-	-	-	-	-	10,775
Total current liabilities	<u>41,522</u>	<u>33,279</u>	<u>-</u>	<u>212,850</u>	<u>-</u>	<u>-</u>	<u>287,651</u>
Noncurrent liabilities:							
Compensated absences	14,563	27,505	-	-	-	-	42,068
Long-term debt payable after one year	33,515	-	-	-	-	-	33,515
OPEB liability	86,354	115,139	-	-	-	-	201,493
Total noncurrent liabilities	<u>134,432</u>	<u>142,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,076</u>
Total liabilities	<u>\$ 175,954</u>	<u>\$ 175,923</u>	<u>\$ -</u>	<u>\$ 212,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 564,727</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	<u>\$ 6,416</u>	<u>\$ 8,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,971</u>
NET POSITION							
Net investment in capital assets	\$ 22,906	\$ 14,102	\$ -	\$ -	\$ -	\$ 1,087,633	\$ 1,124,641
Unrestricted	35,699	145,143	7,333	783,567	35,270	1,612,023	2,619,035
Total net position	<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>

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, 2020

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
Operating revenues:							
Billings to City departments	\$ 715,576	\$ 793,030	\$ 378,273	\$ 2,864,989	\$ 222,443	\$ -	\$ 4,974,311
Operating expenses:							
Salaries and employee benefits	273,763	278,892	-	2,550,899	220,630	-	3,324,184
Supplies and materials	69,697	284,757	-	-	-	-	354,454
Contract services	204,367	941	-	68,022	-	-	273,330
Other services and charges	96,760	483,004	378,272	-	-	-	958,036
Depreciation	30,776	4,381	-	-	-	-	35,157
Total operating expenses	675,363	1,051,975	378,272	2,618,921	220,630	-	4,945,161
Operating income (loss)	40,213	(258,945)	1	246,068	1,813	-	29,150
Nonoperating revenues (expenses)							
Investment earnings	57	678	16	563	-	1,416	2,730
Miscellaneous income (expense)	4	532	-	-	-	-	536
Interest expense	(1,173)	-	-	-	-	-	(1,173)
Total nonoperating revenues	(1,112)	1,210	16	563	-	1,416	2,093
Income (loss) before contributions and transfers							
	39,101	(257,735)	17	246,631	1,813	1,416	31,243
Transfers in							
	-	-	-	-	-	1,400,000	1,400,000
Change in net position	39,101	(257,735)	17	246,631	1,813	1,401,416	1,431,243
Total net position - beginning, restated	19,504	416,980	7,316	536,936	33,457	1,298,240	2,312,433
Total net position - ending	\$ 58,605	\$ 159,245	\$ 7,333	\$ 783,567	\$ 35,270	\$ 2,699,656	\$ 3,743,676

CITY OF EDGEWATER, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2020

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
Cash flows from operating activities:							
Receipts-customers and users	\$ 715,568	\$ 793,032	\$ 378,273	\$ 2,864,962	\$ 213,743	\$ -	\$ 4,965,578
Payments-suppliers	(398,420)	(774,302)	(378,272)	(2,623,878)	(220,630)	(157)	(4,395,659)
Payments-employees	(275,055)	(254,924)	-	-	-	-	(529,979)
Net cash provided (used) by operating activities	42,093	(236,194)	1	241,084	(6,887)	(157)	39,940
Cash flows from noncapital financing activities:							
Cash received from (paid to) other funds	-	-	-	-	-	1,400,000	1,400,000
Net cash used in noncapital financing activities	-	-	-	-	-	1,400,000	1,400,000
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(21,032)	-	-	-	-	-	(21,032)
Interest payments on debt	(1,190)	532	-	-	-	-	(658)
Principal paid on debt activities	(10,458)	-	-	-	-	-	(10,458)
	(32,680)	532	-	-	-	-	(32,148)
Cash flows from investing activities:							
Interest on investments	57	679	16	563	-	1,416	2,731
Net increase (decrease) in cash and cash equivalents	9,470	(234,983)	17	241,647	(6,887)	1,401,259	1,410,523
Beginning cash and cash equivalents	128,427	498,201	7,316	754,705	12,391	210,580	1,611,620
Ending cash and cash equivalents	\$ 137,897	\$ 263,218	\$ 7,333	\$ 996,352	\$ 5,504	\$ 1,611,839	\$ 3,022,143
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 40,213	\$ (258,945)	\$ 1	\$ 246,068	\$ 1,813	\$ -	\$ 29,150
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	30,776	4,381	-	-	-	-	35,157
(Increase) decrease in assets:							
Receivables - net	(8)	2	-	(27)	(8,700)	(157)	(8,890)
Inventories	-	(4,094)	-	-	-	-	(4,094)
Prepaid Items	(19)	3,787	-	-	-	-	3,768
Increase (decrease) in liabilities:							
Accounts payable	(29,494)	(8,413)	-	(4,957)	-	-	(42,864)
Accrued liabilities	1,917	3,120	-	-	-	-	5,037
OPEB liability	(3,192)	20,583	-	-	-	-	17,391
Compensated absences	1,900	3,385	-	-	-	-	5,285
Total adjustments	1,880	22,751	-	(4,984)	(8,700)	(157)	10,790
Net cash provided (used) by operating activities	\$ 42,093	\$ (236,194)	\$ 1	\$ 241,084	\$ (6,887)	\$ (157)	\$ 39,940

CITY OF EDGEWATER, FLORIDA

Other Supplemental Schedules

September 30, 2020

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, 2020

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accrued income	47,262	31,654	28,991	107,907
Investments, at fair value:				
Money market funds	338,949	355,019	1,086,837	1,780,805
Bonds:				
US Treasury notes	176,815	135,252	-	312,067
GNMA	817,226	563,440	210,907	1,591,573
Municipal bonds	260,401	173,590	75,007	508,998
Corporate bonds	3,682,751	2,522,942	3,311,370	9,517,063
Mutual fund - fixed income	1,802,171	-	-	1,802,171
Mutual fund - equities	4,837,471	7,208,953	13,095,318	25,141,742
Commingled real estate fund	997,736	1,081,997	-	2,079,733
Total assets	<u>\$ 12,960,782</u>	<u>\$ 12,072,847</u>	<u>\$ 17,808,430</u>	<u>\$ 42,842,059</u>
LIABILITIES				
Unearned contributions	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Restricted for pensions	<u>\$ 12,960,782</u>	<u>\$ 12,072,847</u>	<u>\$ 17,808,430</u>	<u>\$ 42,842,059</u>

CITY OF EDGEWATER, FLORIDA

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Fiscal Year Ended September 30, 2020

	General Employees	Police Officers	Firefighters	Total
ADDITIONS				
Contributions:				
Employer	\$ 799,291	\$ 891,041	\$ 476,419	\$ 2,166,751
Employee	2,465	98,822	128,176	229,463
State of Florida	-	177,890	166,106	343,996
Total contributions	<u>801,756</u>	<u>1,167,753</u>	<u>770,701</u>	<u>2,740,210</u>
Investment earnings:				
Interest and dividends	592,013	285,877	268,012	1,145,902
Net increase in the fair value of investments	763,535	1,005,073	2,080,113	3,848,721
Total investment earnings	<u>1,355,548</u>	<u>1,290,950</u>	<u>2,348,125</u>	<u>4,994,623</u>
Less investment expenses	<u>(51,358)</u>	<u>(48,856)</u>	<u>(93,533)</u>	<u>(193,747)</u>
Net investment earnings	<u>1,304,190</u>	<u>1,242,094</u>	<u>2,254,592</u>	<u>4,800,876</u>
Total additions	<u>2,105,946</u>	<u>2,409,847</u>	<u>3,025,293</u>	<u>7,541,086</u>
DEDUCTIONS				
Pension benefits	1,520,432	1,038,137	548,938	3,107,507
Administrative expenses	41,308	47,436	63,991	152,735
Total deductions	<u>1,561,740</u>	<u>1,085,573</u>	<u>612,929</u>	<u>3,260,242</u>
Change in net position	544,206	1,324,274	2,412,364	4,280,844
Net position - beginning	12,416,576	10,748,573	15,396,066	38,561,215
Net position - ending	<u>\$ 12,960,782</u>	<u>\$ 12,072,847</u>	<u>\$ 17,808,430</u>	<u>\$ 42,842,059</u>



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CITY OF EDGEWATER, FLORIDA
Statistical Section

This part of the City of Edgewater, Florida's Comprehensive Annual 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102-111
Revenue Capacity 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.	112-117
Debt Capacity 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.	117-123
Demographic and Economic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	124-125
Operating Information 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.	126-128

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual 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	2020	2019	2018	2017
Governmental Activities				
Net Investment in Capital Assets	\$ 42,407,665	\$ 41,180,772	\$ 41,987,558	\$ 41,696,283
Restricted	3,093,854	3,474,736	2,077,678	1,438,666
Unrestricted	2,912,289	(681,925)	(3,647,781)	(3,049,568)
<i>Total Governmental Activities Net Position</i>	<u>\$ 48,413,808</u>	<u>\$ 43,973,583</u>	<u>\$ 40,417,455</u>	<u>\$ 40,085,381</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 28,941,594	\$ 28,541,299	\$ 28,304,107	\$ 29,261,065
Restricted	2,391,607	1,863,314	1,641,390	1,386,492
Unrestricted	9,764,845	9,348,106	5,778,281	4,590,333
<i>Total Business-Type Activities Net Position</i>	<u>\$ 41,098,046</u>	<u>\$ 39,752,719</u>	<u>\$ 35,723,778</u>	<u>\$ 35,237,890</u>
Total				
Net Investment in Capital Assets	\$ 71,349,259	\$ 69,722,071	\$ 70,291,665	\$ 70,957,348
Restricted	5,485,461	5,338,050	3,719,068	2,825,158
Unrestricted	12,677,134	8,666,181	2,130,500	1,540,765
<i>Total Net Position</i>	<u>\$ 89,511,854</u>	<u>\$ 83,726,302</u>	<u>\$ 76,141,233</u>	<u>\$ 75,323,271</u>

2016	2015	2014	2013	2012	2011
\$ 41,225,542	\$ 41,696,833	\$ 40,480,601	\$ 43,278,270	\$ 45,488,481	\$ 45,286,948
783,398	1,325,008	1,255,664	1,000,424	1,063,323	1,867,693
(2,675,115)	(3,555,109)	2,163,549	1,511,496	2,939,453	4,696,621
<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>	<u>\$ 51,851,262</u>
\$ 29,634,955	\$ 29,142,964	\$ 27,962,252	\$ 30,199,966	\$ 29,330,978	\$ 29,408,827
1,302,217	1,900,301	1,694,339	1,860,458	2,250,279	1,879,888
4,060,782	2,703,234	7,006,277	5,239,348	5,314,263	5,586,070
<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>	<u>\$ 36,874,785</u>
\$ 70,860,497	\$ 70,839,797	\$ 68,442,853	\$ 73,478,236	\$ 74,819,459	\$ 74,695,775
2,085,615	3,225,309	2,950,003	2,860,882	3,313,602	3,747,581
1,385,667	(851,875)	9,169,826	6,750,844	8,253,716	10,282,691
<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>	<u>\$ 88,726,047</u>

CITY OF EDGEWATER, FLORIDA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2020	2019	2018	2017
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Administrative	\$ 763,962	\$ 709,513	\$ 197,951	\$ 204,378
Public Safety	721,016	762,914	825,894	785,462
Public Works	94,256	88,366	507,365	455,431
Culture and recreation	59,715	61,091	69,562	62,967
Operating Grants and Contributions	1,863,557	1,729,846	754,837	3,899,222
Capital Grants and Contributions	942,886	426,590	1,244,620	1,550,007
Total Governmental Activities Program Revenues	\$ 4,445,392	\$ 3,778,320	\$ 3,600,229	\$ 6,957,467
Business-Type Activities:				
Charges for Services:				
Water / Sewer Utility	\$ 11,748,365	\$ 11,084,416	\$ 10,216,833	\$ 9,742,911
Solid Waste Utility	4,011,195	3,767,242	3,570,233	3,248,848
Stormwater Utility	2,089,492	1,897,185	1,720,625	1,479,727
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	603,251	1,647,841	306,841	1,085,533
Total Business-Type Activities Program Revenues	\$ 18,452,303	\$ 18,396,684	\$ 15,814,532	\$ 15,557,019
Total Government Program Revenues	\$ 22,897,695	\$ 22,175,004	\$ 19,414,761	\$ 22,514,486
Expenses				
Governmental Activities:				
General administrative	\$2,953,514	\$2,661,429	\$ 2,445,179	\$ 6,430,834
Culture and recreation	1,818,683	1,778,174	1,325,064	1,393,064
Public Works	2,809,163	1,958,770	1,863,482	1,696,747
Public Safety	8,968,716	7,503,374	7,583,092	8,109,942
Community Redevelopment	116,568	85,486	60,174	22,063
Interest on long-term debt	218,638	188,327	227,505	190,935
Total Governmental Activities Expenses	\$ 16,885,282	\$ 14,175,560	\$ 13,504,496	\$ 17,843,585
Business-Type Activities:				
Water / Sewer Utility	\$ 9,674,743	\$ 9,086,584	\$ 9,218,732	\$ 10,090,938
Solid Waste Utility	2,815,826	2,939,631	2,678,923	3,313,117
Stormwater Utility	1,452,765	1,547,998	1,373,361	1,430,987
Total Business-Type Activities Expenses	\$ 13,943,334	\$ 13,574,213	\$ 13,271,016	\$ 14,835,042
Total Government Expenses	\$ 30,828,616	\$ 27,749,773	\$ 26,775,512	\$ 32,678,627

	2016	2015	2014	2013	2012	2011
\$	193,140	\$ 208,769	\$ 178,890	\$ 165,479	\$ 141,724	\$ 185,511
	773,067	591,642	507,279	439,680	277,806	502,893
	382,989	306,981	248,531	169,864	147,040	156,857
	51,991	-	14,896	13,162	12,520	-
	832,376	643,363	442,201	586,345	591,002	594,849
	702,644	1,689,173	333,284	515,775	1,466,668	1,187,088
\$	<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>	<u>\$ 2,627,198</u>
\$	9,284,327	\$ 8,651,318	\$ 8,383,806	\$ 8,238,099	\$ 7,634,056	\$ 7,474,168
	2,962,543	2,732,961	2,693,938	2,673,005	2,638,024	2,661,778
	1,466,495	1,313,221	1,300,575	1,287,833	1,271,620	1,291,687
	-	-	-	-	-	-
	334,843	281,527	111,295	83,417	86,937	1,300,823
\$	<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>\$ 12,728,456</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>	<u>\$ 15,355,654</u>
\$	3,112,845	\$ 2,345,704	\$ 2,060,966	\$ 2,098,288	\$ 1,869,872	\$ 2,030,426
	1,534,765	1,552,489	1,464,164	1,490,505	1,388,241	1,415,197
	1,914,982	2,022,008	3,514,532	3,719,716	3,542,650	3,847,458
	7,164,944	6,636,406	6,767,861	7,094,211	6,587,921	7,141,391
	4,955	-	-	-	-	-
	56,794	49,891	60,282	45,094	36,397	61,554
\$	<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>	<u>\$ 14,496,026</u>
\$	8,697,283	\$ 8,816,554	\$ 8,459,432	\$ 8,086,388	\$ 8,020,597	\$ 7,931,996
	2,427,299	2,588,581	2,697,843	2,558,753	2,604,683	2,628,227
	1,336,821	1,239,072	1,266,675	1,157,256	1,025,943	1,027,605
\$	<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>\$ 11,587,828</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>	<u>\$ 26,083,854</u>

City of Edgewater, Florida
 Changes in Net Position (continued)
 Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	2020	2019	2018	2017
Net (Expense)/Revenue				
Governmental Activities	\$ (12,439,890)	\$ (10,397,240)	\$ (9,904,267)	\$ (10,886,118)
Business-Type Activities	4,508,969	4,822,471	2,543,516	721,977
<i>Total Government Net Expense</i>	<u>\$ (7,930,921)</u>	<u>\$ (5,574,769)</u>	<u>\$ (7,360,751)</u>	<u>\$ (10,164,141)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property taxes	\$ 7,236,722	\$ 6,641,903	\$ 6,025,937	\$ 5,095,759
Utility and franchise taxes	3,716,918	3,723,199	3,608,538	3,303,147
Intergovernmental shared revenue	2,395,284	2,480,837	2,327,579	2,144,426
Investment earnings	57,294	106,239	111,156	61,213
Gain on sale of assets	-	-	-	-
Miscellaneous revenue	18,991	29,692	66,061	75,659
Transfers	2,156,666	971,498	914,544	957,470
<i>Total Governmental Activities</i>	<u>\$ 15,581,875</u>	<u>\$ 13,953,368</u>	<u>\$ 13,053,815</u>	<u>\$ 11,637,674</u>
Business-Type Activities:				
Investment earnings	\$ 51,955	\$ 37,838	\$ 39,732	\$ 13,067
Miscellaneous revenue	239,309	140,130	126,466	462,362
Transfers	(2,156,666)	(971,498)	(914,544)	(957,470)
<i>Total Business-Type Activities</i>	<u>\$ (1,865,402)</u>	<u>\$ (793,530)</u>	<u>\$ (748,346)</u>	<u>\$ (482,041)</u>
<i>Total Government</i>	<u>\$ 13,716,473</u>	<u>\$ 13,159,838</u>	<u>\$ 12,305,469</u>	<u>\$ 11,155,633</u>
 Change in Net Position				
Governmental Activities	\$ 3,141,985	\$ 3,556,128	\$ 3,149,548	\$ 751,556
Business-Type Activities	2,643,567	4,028,941	1,795,170	239,936
<i>Total Government Change in Net Position</i>	<u>\$ 5,785,552</u>	<u>\$ 7,585,069</u>	<u>\$ 4,944,718</u>	<u>\$ 991,492</u>

2016	2015	2014	2013	2012	2011
\$ (10,853,078)	\$ (9,166,570)	\$ (12,142,724)	\$ (12,557,509)	\$ (10,788,321)	\$ (11,868,828)
1,586,805	334,820	65,664	479,957	(20,586)	1,140,628
<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>	<u>\$ (10,728,200)</u>
\$ 4,572,959	\$ 4,282,331	\$ 4,120,260	\$ 3,763,456	\$ 3,669,228	\$ 4,459,591
3,222,232	3,249,749	3,182,716	3,051,649	2,947,266	3,047,731
2,028,373	1,967,348	2,030,522	1,814,689	1,680,896	1,618,530
38,006	48,705	52,399	25,339	36,148	32,274
-	-	14,500	11,855	11,029	8,008
106,099	140,093	134,304	38,888	43,699	42,117
752,502	727,491	717,647	150,566	40,050	122,090
<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>	<u>\$ 9,330,341</u>
\$ 5,704	\$ 6,796	\$ 6,517	\$ 3,879	\$ 37,510	\$ 92,243
411,448	132,423	99,023	70,982	43,861	241,590
(752,502)	(727,491)	(717,647)	(150,566)	(40,050)	(122,090)
<u>\$ (335,350)</u>	<u>\$ (588,272)</u>	<u>\$ (612,107)</u>	<u>\$ (75,705)</u>	<u>\$ 41,321</u>	<u>\$ 211,743</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>	<u>\$ 9,542,084</u>
\$ (132,907)	\$ 1,249,147	\$ (1,890,376)	\$ (3,701,067)	\$ (2,360,005)	\$ (2,538,487)
1,251,455	(253,452)	(546,443)	404,252	20,735	1,352,371
<u>\$ 1,118,548</u>	<u>\$ 995,695</u>	<u>\$ (2,436,819)</u>	<u>\$ (3,296,815)</u>	<u>\$ (2,339,270)</u>	<u>\$ (1,186,116)</u>

CITY OF EDGEWATER, FLORIDA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2020	2019	2018	2017	2016
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	11,315	136,150	14,485	28,664	30,041
Restricted	650,834	51,165	50,278	46,073	45,538
Assigned	2,224,395	2,547,190	2,193,018	807,749	1,083,984
Unassigned	7,899,216	5,481,191	3,180,919	3,018,746	2,376,555
Total General Fund	\$ 10,785,760	\$ 8,215,696	\$ 5,438,700	\$ 3,901,232	\$ 3,536,118
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Restricted	1,752,258	1,752,115	2,937,739	4,441,391	746,891
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 1,752,258	\$ 1,752,115	\$ 2,937,739	\$ 4,441,391	\$ 746,891
Total Governmental Funds	\$ 12,538,018	\$ 9,967,811	\$ 8,376,439	\$ 8,342,623	\$ 4,283,009

2015	2014	2013	2012	2011
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,198	422,120	22,170	436	138,459
456,809	2,990	4,028	3,408	448
780,323	750,749	500,000	1,872,129	1,565,639
2,808,975	2,770,632	2,744,608	2,452,923	3,702,417
<u>\$ 4,047,305</u>	<u>\$ 3,946,491</u>	<u>\$ 3,270,806</u>	<u>\$ 4,328,896</u>	<u>\$ 5,406,963</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
666,096	898,969	649,231	712,080	1,221,758
-	-	-	-	542,510
-	-	-	-	(2,119)
<u>\$ 666,096</u>	<u>\$ 898,969</u>	<u>\$ 649,231</u>	<u>\$ 712,080</u>	<u>\$ 1,762,149</u>
<u>\$ 4,713,401</u>	<u>\$ 4,845,460</u>	<u>\$ 3,920,037</u>	<u>\$ 5,040,976</u>	<u>\$ 7,169,112</u>

CITY OF EDGEWATER, FLORIDA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2020	2019	2018	2017
Revenues				
Taxes	\$ 10,953,640	\$ 10,365,102	\$ 9,634,475	\$ 8,398,906
Intergovernmental	4,888,172	4,582,125	4,233,086	7,513,956
Licenses and permits	595,206	556,145	499,510	455,435
Charges for services	2,126,525	2,108,874	2,011,630	1,860,657
Fines and forfeitures	106,211	155,058	151,461	194,901
Investment Earnings	54,564	105,120	110,204	60,436
Impact fees	422,811	151,056	185,507	151,151
Miscellaneous	123,672	65,978	108,149	166,841
Total Revenues	\$ 19,270,801	\$ 18,089,458	\$ 16,934,022	\$ 18,802,283
Expenditures				
Current:				
General administrative services	\$ 2,679,056	\$ 2,725,148	\$ 2,813,463	\$ 5,697,152
Legislative	85,624	99,990	103,794	109,377
Executive	558,331	757,013	521,481	560,939
Legal Counsel	116,745	113,682	113,286	89,708
Community Development	753,879	727,440	610,462	618,871
Cultural and recreation	1,379,292	1,238,162	1,066,734	1,154,810
Public works	1,817,029	944,770	876,198	739,971
Public safety				
Law enforcement	4,252,364	3,990,383	3,928,928	3,725,582
Fire and emergency services	3,752,972	3,579,140	3,398,597	3,656,321
Code enforcement	173,677	168,193	142,907	113,069
Animal services	161,337	143,551	129,980	113,304
Debt service:				
Principal	514,289	476,647	520,000	231,586
Interest and Fiscal Charges	217,465	186,906	225,844	140,369
Capital outlay	1,638,952	2,305,359	3,335,123	4,583,159
Total Expenditures	\$ 18,101,012	\$ 17,456,384	\$ 17,786,797	\$ 21,534,218
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,169,789</u>	<u>633,074</u>	<u>(852,775)</u>	<u>(2,731,935)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,201,023	\$ 1,305,186	\$ 1,127,109	\$ 3,401,828
Transfers Out	(1,444,357)	(346,888)	(240,518)	(2,479,558)
Capital lease	620,000	-	-	433,279
Debt Issued	-	-	-	5,436,000
General obligation note	-	-	-	-
Sale of capital assets	23,752	-	-	-
Total Other Financing Sources (Uses)	<u>1,400,418</u>	<u>958,298</u>	<u>886,591</u>	<u>6,791,549</u>
Net Change in Fund Balances	\$ 2,570,207	\$ 1,591,372	\$ 33,816	\$ 4,059,614
Debt Service as a Percentage of				
Noncapital Expenditures	4.45%	4.38%	5.16%	2.19%

	2016	2015	2014	2013	2012	2011
\$	7,795,191	\$ 7,532,080	\$ 7,302,976	\$ 6,815,105	\$ 6,616,494	\$ 7,507,322
	3,506,532	4,244,105	2,812,565	2,933,095	3,758,487	3,400,644
	398,346	320,954	263,641	236,820	217,715	227,703
	1,736,070	1,560,007	1,319,396	1,132,520	1,038,741	1,024,644
	266,864	171,998	240,149	195,851	166,133	150,569
	37,833	48,612	52,399	25,338	36,148	37,379
	160,103	183,385	102,105	44,136	34,067	68,405
	265,625	137,921	134,461	38,539	50,669	56,869
\$	14,166,564	\$ 14,199,062	\$ 12,227,692	\$ 11,421,404	\$ 11,918,454	\$ 12,473,535
\$	2,234,076	\$ 2,198,362	\$ 1,680,375	\$ 1,590,455	\$ 1,439,252	\$ 1,478,452
	99,820	91,954	96,597	93,377	92,592	100,154
	619,910	614,357	567,755	558,357	534,199	454,905
	158,443	89,589	101,398	89,195	87,075	120,685
	983,354	774,022	459,651	419,476	473,381	529,275
	1,265,641	1,289,790	1,198,951	1,237,586	1,151,797	1,159,916
	1,051,075	1,127,990	588,415	562,286	469,592	356,739
	3,524,244	3,285,144	3,262,859	3,232,114	2,827,511	3,507,483
	3,460,655	3,103,765	2,942,624	2,942,859	2,765,756	2,826,861
	125,334	103,301	75,725	144,716	95,488	166,253
	109,865	107,507	110,809	132,794	269,712	227,600
	375,675	151,007	418,092	445,714	892,559	810,871
	49,848	47,542	47,644	52,715	38,876	57,789
	1,249,938	2,501,416	889,268	1,320,804	2,984,879	1,745,612
\$	15,307,878	\$ 15,485,746	\$ 12,440,163	\$ 12,822,448	\$ 14,122,669	\$ 13,542,595
	(1,141,314)	(1,286,684)	(212,471)	(1,401,044)	(2,204,215)	(1,069,060)
\$	1,018,996	\$ 1,342,491	\$ 1,078,168	\$ 676,660	\$ 626,332	\$ 846,702
	(314,584)	(615,000)	(379,271)	(568,994)	(561,282)	(740,440)
	-	410,894	-	-	-	-
	-	-	432,000	160,583	-	750,000
	-	-	-	-	-	-
	6,510	16,240	6,997	11,856	11,029	8,008
	710,922	1,154,625	1,137,894	280,105	76,079	864,270
\$	(430,392)	\$ (132,059)	\$ 925,423	\$ (1,120,939)	\$ (2,128,136)	\$ (204,790)
	3.03%	1.53%	4.03%	4.33%	8.25%	7.20%

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
2011	1,014,902,147	46,368,404	2,452,717	1,063,723,268	374,884,311	688,838,957	6.6385
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

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

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
2011	4,459,591	3,047,731	3,400,644	10,907,966
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

CITY OF EDGEWATER, FLORIDA

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	City of Edgewater ⁽¹⁾ Operating Millage	Debt Service Millage	Total Direct Rate	Volusia County ⁽²⁾ Millage	School District Millage	Other ⁽³⁾	Grand Total
2011	6.5910	0.0475	6.6385	6.3025	8.2370	4.0012	25.1792
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

(1) Millage includes City of Edgewater General Fund

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

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

CITY OF EDGEWATER, FLORIDA

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sun Hacienda Del Rio LLC	\$ 33,759,987	1	2.28%			
Brunswick Corporation	\$ 30,241,562	2	2.04%			
Florida Power & Light Company	\$ 26,709,768	3	1.81%	\$ 13,333,310	1	1.94%
New BW Inc	\$ 14,839,906	4	1.00%			
RJ Dougherty Associates Inc.	\$ 14,280,973	5	0.97%	\$ 4,103,526	2	0.60%
Brilliance Edgewater LLC	\$ 5,620,388	6	0.38%			0.00%
Edgewater Power Boats LLC	\$ 5,369,873	7	0.36%	\$ 3,686,471	4	0.54%
3050 Holdings, LLC	\$ 5,163,497	8	0.35%	\$ 3,150,609	9	0.46%
Revenue Properties Florida Shores LLC	\$ 4,812,409	9	0.33%	\$ 3,610,148	5	0.52%
Liberty Village Development	\$ 4,340,000	10	0.29%			
Carder James C TR				\$ 4,016,416	3	0.58%
308 Realty LLC				\$ 3,457,163	6	0.50%
AT&T / Bellsouth Telecommunications LLC				\$ 3,390,228	8	0.49%
Bright House Networks LLC				\$ 3,396,981	7	0.49%
Holly Investments LTD				\$ 2,911,706	10	0.42%
	<u>\$ 145,138,363</u>		<u>9.81%</u>	<u>\$ 45,056,558</u>		<u>6.54%</u>
Total Assessed Valuation	<u>\$ 1,479,116,741</u>			<u>\$ 688,838,957</u>		

Source: Volusia County Property Appraiser's Office and 2011 City of Edgewater CAFR.

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
2011	4,515,489	4,343,936	96.20 %	83,812	4,427,748	98.06 %
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	6,784,117.00	97.27 %

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
2011	20,885	\$ 688,838,957	\$ 395,000	0.057%	18.91
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%	150.39
2019	23,455	1,040,940,305	3,343,000	0.321%	142.53
2020	23,818	1,162,245,607	3,175,000	0.273%	133.30

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					Line of Credit
	Notes Payable	Special Assessment Notes	General Obligation Note	Capital Leases		
2011	\$ 2,269,055	\$ -	\$ 395,000	\$ 183,569	\$ -	
2012	1,424,037	-	375,000	156,029	-	
2013	1,027,019	-	355,000	287,916	-	
2014	1,225,000	-	335,000	226,843	-	
2015	1,147,674	-	315,000	574,947	-	
2016	1,063,288	-	295,000	294,150	-	
2017	2,903,034	-	3,667,000	635,717	-	
2018	2,784,638	-	3,507,000	458,923	-	
2019	2,582,373	-	3,343,000	338,479	-	
2020	2,375,050	-	3,175,000	809,055	-	

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

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

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

Business Type Activities							
State Revolving Loan	Revenue Bonds	Line of Credit	Total	Percentage of Personal Income (1)	Per Capita (1)	Personal Income	Population
\$ 8,582,920	\$ 7,331,611	\$ -	\$ 24,671,749	5.18%	\$ 1,181	\$ 432,528,350	20,885
-	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

CITY OF EDGEWATER, FLORIDA

Direct and Overlapping Debt

<u>Governmental Unit</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to the City of Edgewater</u>	<u>City of Edgewater Share of Debt</u>
Volusia County	\$ 3,220,000	2.84%	\$ 91,528
Volusia County School District	-	0.00%	-
Subtotal Overlapping Debt	3,220,000	2.84%	91,528
City Direct Debt	6,359,105	100.00%	6,359,105
Total Direct and Overlapping Debt	<u>\$ 9,579,105</u>		<u>\$ 6,450,633</u>

Note: The county-wide debt amount is comprised of \$3,220,000 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

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Water and Wastewater Refunding Revenue Bond, Series 2016 ⁽¹⁾								
Fiscal Year ⁽²⁾	Gross Revenues ⁽³⁾	Less:		Available Net Revenue & Impact Fees	Debt Service			Coverage
		Operating Expenses ⁽⁴⁾	Impact Fees		Principal	Interest	Total	
2011	\$ 7,474,168	\$ 4,372,447	\$ 70,550	\$ 3,172,271	\$ 505,000	\$ 261,545	\$ 766,545	4.14
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	1,812,000	158,125	1,970,125	2.71

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 twelve 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

Legal Debt Margin Information

Last Ten Fiscal Years

Assessed Valuation	Legal Debt Margin Calculation for Fiscal Years			
	2020	2019	2018	2017
Assessed taxable real property value	\$ 944,575,170	\$ 860,690,466	\$ 787,008,907	\$ 696,387,893
Add back: exempt real property	399,789,244	384,926,288	365,113,414	348,289,949
Total assessed value of real property	<u>\$ 1,344,364,414</u>	<u>\$ 1,245,616,754</u>	<u>\$ 1,152,122,321</u>	<u>\$ 1,044,677,842</u>
Legal debt margin:				
Debt limit	\$ 10,082,733	\$ 9,342,126	\$ 8,640,917	\$ 7,835,084
Total net debt applicable to limit	<u>6,359,105</u>	<u>6,263,852</u>	<u>6,291,638</u>	<u>6,570,034</u>
Legal debt margin	<u>\$ 3,723,628</u>	<u>\$ 3,078,274</u>	<u>\$ 2,349,279</u>	<u>\$ 1,265,050</u>
Total net debt applicable to the limit as a percentage of debt limit	63.07%	67.05%	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.

2016	2015	2014	2013	2012	2011
\$ 649,384,830	\$ 607,562,754	\$ 571,414,914	\$ 550,695,413	\$ 540,185,717	\$ 640,017,836
336,519,836	327,176,301	322,432,340	319,003,203	319,751,554	374,884,311
<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>	<u>\$ 1,014,902,147</u>
\$ 7,394,285	\$ 7,010,543	\$ 6,703,854	\$ 6,522,740	\$ 6,449,530	\$ 7,611,766
1,357,438	1,722,621	1,451,843	1,314,935	1,580,066	2,452,624
<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>	<u>\$ 5,159,142</u>
18.36%	24.57%	21.66%	20.16%	24.50%	32.22%

CITY OF EDGEWATER, FLORIDA

Principal Employers

Current Year and Nine Years Ago

Employer	2020		2011	
	Number of Employees (1)	Percentage of Total County Employment	Number of Employees (2)	Percentage of Total County Employment
Boston Whaler	1,200.0	0.51%	110.0	0.05%
Everglades Boats	257.0	0.11%	125.0	0.05%
City of Edgewater	190.0	0.08%	185.0	0.08%
Publix Supermarkets	153.0	0.07%	135.0	0.06%
EdgeWater Power Boats	152.0	0.06%	69.0	0.03%
Dougherty Manufacturing	100.0	0.04%	-	-
Winn Dixie Supermarkets	98.0	0.04%	100.0	0.04%
Edgewater Elementary	82.0	0.03%	110.0	0.05%
Indian River Elementary	75.0	0.03%	93.0	0.04%
Southeast Volusia YMCA	58.0	0.02%	-	-
Dustins	-	-	30.0	0.01%
G&W Roofing	-	-	30.0	0.01%
Total	2,365.0	1.01%	987.0	0.43%
Total County Employment (3)		234,869		228,470

Sources:

(1) Information provided by each company.

(2) City of Edgewater CAFR 2011.

(3) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, labor force data, not seasonally adjusted, September 2020. 2011 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)
2011	20,885	\$ 432,528,350	\$ 20,710	46.4	10.3%	1,900
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

2020 Sources:

(1) Source: University of Florida, Bureau of Economic and Business Research, 2020 Estimate.

(2) US Census Bureau, 2015 - 2019 American Community Survey 5-Year Estimates.

(3) US Census Bureau, 2015 - 2019 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 2020.

(5) Received from Schools Directly as of 9-30-20 (Includes Discovery Academy, Indian River Elementary, and Edgewater Public Elementary)

CITY OF EDGEWATER, FLORIDA

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

Function/program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
City Clerk	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Departments										
Finance	11.0	11.5	12.5	9.0	10.0	11.0	10.5	9.5	9.5	6.5
IT/MIS/GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Economic Development	0.0	0.0	0.0	0.0	1.0	1.0	1.0			
Human Resources	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Planning and Zoning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Building	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5
Public Safety:										
Police Department	36.0	33.0	35.0	34.0	33.5	34.0	34.5	35.0	33.5	33.0
Fire Department	32.0	33.0	32.0	31.0	33.5	30.5	29.5	29.5	29.0	30.0
Animal Control/Shelter	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	5.0
Code Enforcement	3.0	3.0	3.0	2.0	1.0	2.0	2.0	2.0	2.0	1.0
Water Resources										
Water Utility	10.0	10.5	9.0	10.0	15.0	14.0	11.0	11.0	9.0	10.0
Wastewater Utility	14.0	14.0	14.0	15.0	15.0	15.0	16.0	15.0	14.0	15.0
Field Operations	8.0	10.0	12.0	10.0	11.0	11.0	11.0	11.0	10.0	9.0
Stormwater	8.0	9.0	10.0	9.0	11.0	10.0	9.5	9.5	9.0	8.0
Solid Waste Utility	13.0	22.5	19.5	25.0	24.0	23.5	26.0	26.0	24.0	23.0
Parks and Recreation	21.0	22.0	17.5	17.0	15.0	15.0	15.0	15.0	15.0	15.0
Fleet	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	9.0	9.0	8.0	7.0	9.0	7.0	8.5	9.0	7.0	7.0
Totals:	<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>	<u>185.0</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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Employment Applications Received	906	1,401	922	428	471	638	665	541	543	401
Personnel Actions Processed	210	196	205	156	211	125	113	138	136	81
Accidents & Injuries Reviewed	73	56	53	61	49	54	51	60	52	29
Business Tax Receipts Issued	934	1,866	1,075	837	970	1,032	763	1,269	1,544	982
Checks Issued	1,683	1,430	1,413	1,810	2,369	2,316	2,279	2,414	1,727	1,727
Competitive Procurements (ITB,RFP,) issued	11	18	8	16	13	11	23	*	*	*
Purchase Orders Issued	868	850	618	690	815	686	718	757	734	408
Public Safety										
Police Department										
Accidents	533	470	454	489	471	408	367	239	246	328
Traffic citations issued	1,806	2,001	3,215	4,677	3,100	3,017	3,450	3,188	5,245	5,958
Evidence Processed	1,996	2,592	2,824	2,799	2,654	2,178	2,153	1,803	1,800	2,130
Physical arrests	924	1,332	1,282	861	1,311	1,236	1,151	1,128	1,393	1,327
Calls for service	29,202	25,493	27,663	34,179	32,426	31,991	31,503	34,395	29,752	34,228
Fire Department										
Emergency responses	6,434	3,601	3,509	3,605	3,333	3,024	2,565	2,738	2,679	2,825
Average response time - minutes	5.40	5.31	5.50	4.48	5.08	4.28	4.32	4.19	4.18	4.25
Public Education Programs	38	80	72	68	62	71	67	64	63	62
Fire inspections	287	379	525	1,288	1,203	1,182	1,123	1,015	1,002	920
Public Works										
Miles of street Resurfaced	11	0	0	0	2	2	3	1	2	-
Miles of unpaved streets	8	8	8	8	14	4	4	*	*	*
Sidewalks - new construction - miles	4	0	1	0	4	-	1	1	1	-
Parks and Recreation										
Ball games, practices & field rentals	319	635	823	536	372	720	786	1,226	1,598	1,726
Events/Programs	4	24	24	33	23	15	8	17	19	14
Water Resources										
Water main breaks	169	73	109	90	103	74	100	84	80	88
Average daily consumption - mgd	1.96	1.97	1.99	1.92	1.746	1.718	1.846	1.900	1.929	1.931
Number of water customers	10,995	10,861	10,864	10,757	10,879	10,724	10,632	10,603	10,580	10,542
New Connections	101	46	64	27	24	67	29	23	18	38
Sewer Resources										
New Connections	85	46	57	19	20	63	27	19	11	26
Average daily consumption - mgd	1.699	1.730	1.710	1.493	1.719	1.541	1.422	1.264	1.179	1.179
Number of customers	10,323	10,224	10,185	10,008	10,416	10,016	9,896	9,869	9,850	9,823
Solid Waste Utility										
Number of Customers	10,094	9,502	9,707	9,920	9,631	9,591	9,463	9,451	9,403	9,378

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	40	34	33	34	30	30	29	27	28	30
Patrol Zones	2	2	2	2	2	2	2	2	2	2
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Vehicles	16	17	19	17	19	18	17	17	17	18
Public Works										
Streets (miles)	128	126	126	126	126	124	124	124	124	124
Number of street lights	1,437	1,437	1,230	1,230	1,057	1,080	1,071	1,068	1,068	1,068
Number of traffic signals	7	7	3	3	4	3	3	3	3	3
Vehicles	10	10	10	10	11	8	8	9	8	5
Parks and Recreation										
Vehicles	10	10	13	15	15	15	11	12	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	4	5	5	5	7	7	7	7
Tennis Courts	2	2	-	4	4	4	4	4	4	4
Basketball Courts	2	2	1	3	3	3	3	2	2	2
Racquetball Courts	2	2	-	4	4	4	4	4	4	4
Shuffleboard Courts	-	-	-	-	-	-	2	2	2	2
Boat Ramps	3	3	3	5	5	5	5	5	5	5
Paddling Trails	6	6	6	6	6	6	-	-	-	-
Gymnasiums (YMCA)	1	1	1	1	1	1	1	1	1	1
Water Resources										
Water mains (miles)	168	166	165	165	165	275	275	275	275	274
Fire hydrants	874	860	719	719	720	720	718	701	700	700
Vehicles	26	26	26	26	26	26	26	24	24	23
Sewer mains (miles)	223	221	220	220	189	189	189	189	189	189
Reclaim Water (miles)	85	79	79	79	79	72	72	72	71	71
Stormwater Utility										
Storm Sewers (miles)	36	36	36	36	36	36	36	36	36	35
Vehicles	21	21	19	18	18	17	17	16	15	7
Solid Waste Utility										
Garbage Trucks	8	8	9	8	9	10	10	10	9	7
Other Vehicles	10	10	10	10	11	13	13	13	13	12

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

CITY OF EDGEWATER, FLORIDA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2020

Federal Agency Pass Through Entity Federal Program	CFDA Number	Contract/Grant Number	Grant Amount	Expenditures
Federal Awards				
<u>U.S. Department of Housing and Urban Development</u>				
Direct				
Community Development Block Grants	14.218	Interlocal Agreement	\$ 78,847	\$ 49,500
Community Development Block Grants	14.218	Interlocal Agreement	13,914	13,914
Total U.S. Department of Housing and Urban Development and CDBG - Entitlement Grants Cluster				63,414
<u>U.S. Department of Justice</u>				
Passed Through Florida Department of Law Enforcement				
Mandatory Bulletproof Vest Initiative	16.607	NIJ #BA-2AOOS-MN01	4,482	1,814
Mandatory Bulletproof Vest Initiative	16.607	NIJ #BA-2AOOS-MN01	5,057	4,460
				6,274
Direct				
COVID-19 - Coronavirus Emergency Supplemental Funding Program Solicitation	16.034	2021-CESF-VOLU-1-C9-039	107,249	11,707
Passed Through Florida Office of Attorney General				
Victim of Crime Act Grant	16.575	VOCA-2019-Edgewater Police dept. -0046	52,013	31,466
Total U.S. Department of Justice				49,447
<u>U.S. Department of Treasury</u>				
Passed through Volusia County				
COVID-19 - CARES - Public Safety Salaries	21.019	Interlocal Agreement	832,291	832,291
Total U.S. Department of Treasury				832,291
<u>U.S. Department of Homeland Security</u>				
Passed through State of Florida, Division of Emergency Management				
Disaster Grants - Public Assistance	97.036	19-PA-00-06-74-01-481	1,336,484	250,195
Total U.S. Department of Homeland Security				250,195
Total Expenditures of Federal Awards				\$ 1,195,347

CITY OF EGDEWATER, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards include federal award activity of City of Edgewater, Florida. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

No amounts were passed through to subrecipients during the fiscal year ended September 30, 2020.

(3) **De Minimis Indirect Cost Rate Election:**

City of Edgewater, Florida did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

(4) **Deferred FEMA Expenditures:**

During the fiscal years ended September 30, 2017 and September 30, 2018, the City incurred substantial costs related to Hurricane Matthew and Hurricane Irma. Per the OMB Compliance Supplement, any reimbursements from the Federal Emergency Management Agency (FEMA) under CFDA 97.036 are not to be recognized as expenditures for purposes of the Schedule of Expenditures of Federal Awards until the respective Project Worksheets (PW) have been approved.

At September 30, 2020, all federal amounts of \$3,395,351 of the City of Edgewater, Florida's PWs from Hurricane Matthew had been approved by FEMA and were recognized on the Schedule of Expenditures of Federal Awards in previous years. State match amounts of \$387,513 were also approved and recorded for financial statement purposes.

At September 30, 2020, all federal amounts of \$336,477 of the City of Edgewater, Florida's PWs from Hurricane Irma had been approved by FEMA and are recognized on the Schedule of Expenditures of Federal Awards in the previous year and for the year ended September 30, 2020. State match amounts of \$70,897 have also been approved and recorded for financial statement purposes.

**CITY OF EDGEWATER, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2020**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ yes X none reported

Identification of major Federal programs:

CFDA Number	Program Name
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? X yes _____ no

II. Financial Statement Findings:

2020-001 Reconciliation of General Ledger Account Balances

Condition – We noted the Governmental Activities' capital lease liability (\$620,000) and Utility Fund's accrued interest payable (\$79,062), revenue bonds payable (\$916,000), and accounts receivable (\$995,062) general ledger balances required audit adjustments of the amounts in parentheses, in order to be in compliance with generally accepted accounting principles in the United States of America.

CITY OF EDGEWATER, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2020

Criteria – Capital lease liability, accrued interest payable, revenue bonds payable, and accounts receivable year-end balances should be reconciled to supporting documentation and reconciled with the general ledger.

Cause – The cause of the audit adjustments was due to not carefully reconciling supporting documentation to the general ledger account balances.

Effect – The effect was had the audit adjustments not been proposed there would have been misstatements of the general ledger account balances at year-end.

Recommendation – We recommend increased review of balances at year-end to ensure proper cutoff and the accrual-based reconciliations agree to the general ledger.

III. Federal Programs Findings and Questioned Costs:

No findings and questioned costs were noted.

IV. Summary Schedule of Prior Audit Findings:

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to Federal programs or State projects.

V. Corrective Action Plan:

See Management's Response to Findings, as listed in the table of contents.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Edgewater, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 16, 2021

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 one deficiency in internal control (2020-001), described in the Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency.

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Compliance and Other Matters

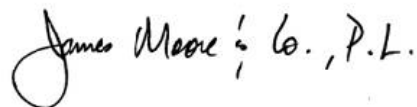
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

The City's response to the findings identified in our audit is described in the accompanying Management's Response to Findings. 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 16, 2021

**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, 2020, and have issued our report thereon dated March 16, 2021.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 16, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings and recommendations existed in the preceding annual financial audit report.

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.

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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.

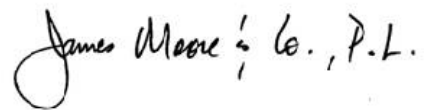
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 16, 2021

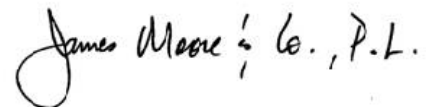
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020, 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, 2020.



James Moore & Co., P.L.

Daytona Beach, Florida
March 16, 2021



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 16, 2021

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Reconciliation of General Ledger Account Balances

Management concurs with this finding and will implement changes to the general ledger account balance reconciliation process to improve the process of reviewing year end general ledger account balances.



AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Bridgette A. Vaissiere, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the City of Edgewater which is a local governmental entity of the State of Florida;
2. City of Edgewater adopted Resolution No.2019-R-26 implementing an impact fee; and
3. City of Edgewater has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Bridgette A. Vaissiere
Finance Director City of Edgewater

STATE OF FLORIDA - COUNTY OF Volusia

Sworn to (or affirmed) and subscribed before me by means of physical presence or online notarization, this 15th day of March, 20 21, by Bridgette Vaissiere Personally Known OR Produced Identification

(Signature of Notary Public - State of Florida)
Public)

(Print, Type, or Stamp Commissioned Name of Notary Public)

