

CITY OF EDGEWATER, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022





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CITY OF EDGEWATER, FLORIDA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2022

Prepared by: The Finance Department



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February 23, 2023

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

City Charter and State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with the generally accepted accounting principles in the United States of America (GAAP) and that they be audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, it is with great pleasure that we present to the City of Edgewater, the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30th, 2022.

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, 2022. The independent auditors' 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 16,014 acres of land within the City with an estimated population of 23,855.

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

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

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 2.5 percent unemployment rate. During the last year, taxable assessment values of property in Edgewater increased 18.18 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 2023 is for modest gains in economic growth as the recovery from the Covid 19 Pandemic gains traction in the local economy. The City of Edgewater continues to apply for Federal and State grants to fund sewer, wetlands, public works complex, green infrastructure, stormwater, canals, and other hazard mitigation identified projects. Without these funds, these projects would not have been completed within the foreseeable future.

Financial Planning and Budgeting

The City continued to stress expenditure control in preparing the FY2023 General Fund budget. The City ad valorem millage rate for FY2023 was 6.33, which was 7.22% more than the rolled-back rate. The millage rate of 6.33 will result in an anticipated property tax collections increase of 14.16% 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, 2022 unrestricted fund balance was higher than the range of 15%-25% for each of the operating funds per fund balance policy. The unassigned fund balance is reviewed annually and recommendations are made for mid-year budget amendment and carryforward of additional funds.

Budgeting Controls

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

Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Edgewater for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the thirty-eighth consecutive year that the City of Edgewater has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,



Glenn A. Irby
City Manager



Bridgette Vaissiere
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Edgewater
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF EDGEWATER FLORIDA
List of Elected and Appointed Officials
September 30, 2022

CITY COUNCIL

MAYOR
Mike Thomas

DISTRICT 1
Christine Power

DISTRICT 2
Gigi Bennington

DISTRICT 3
Debbie Dolbow

DISTRICT 4
Jonah Powers

ADMINISTRATION

CITY MANAGER
Glenn A. Irby

**FINANCE
DIRECTOR**
Bridgette Vaissiere

FIRE CHIEF
Jeff Lariscy

**HUMAN RESOURCES
DIRECTOR**
Julie A. Christine

**ENVIRONMENTAL SERVICES
DIRECTOR**
Randy Coslow

CITY ATTORNEY
Aaron R. Wolfe

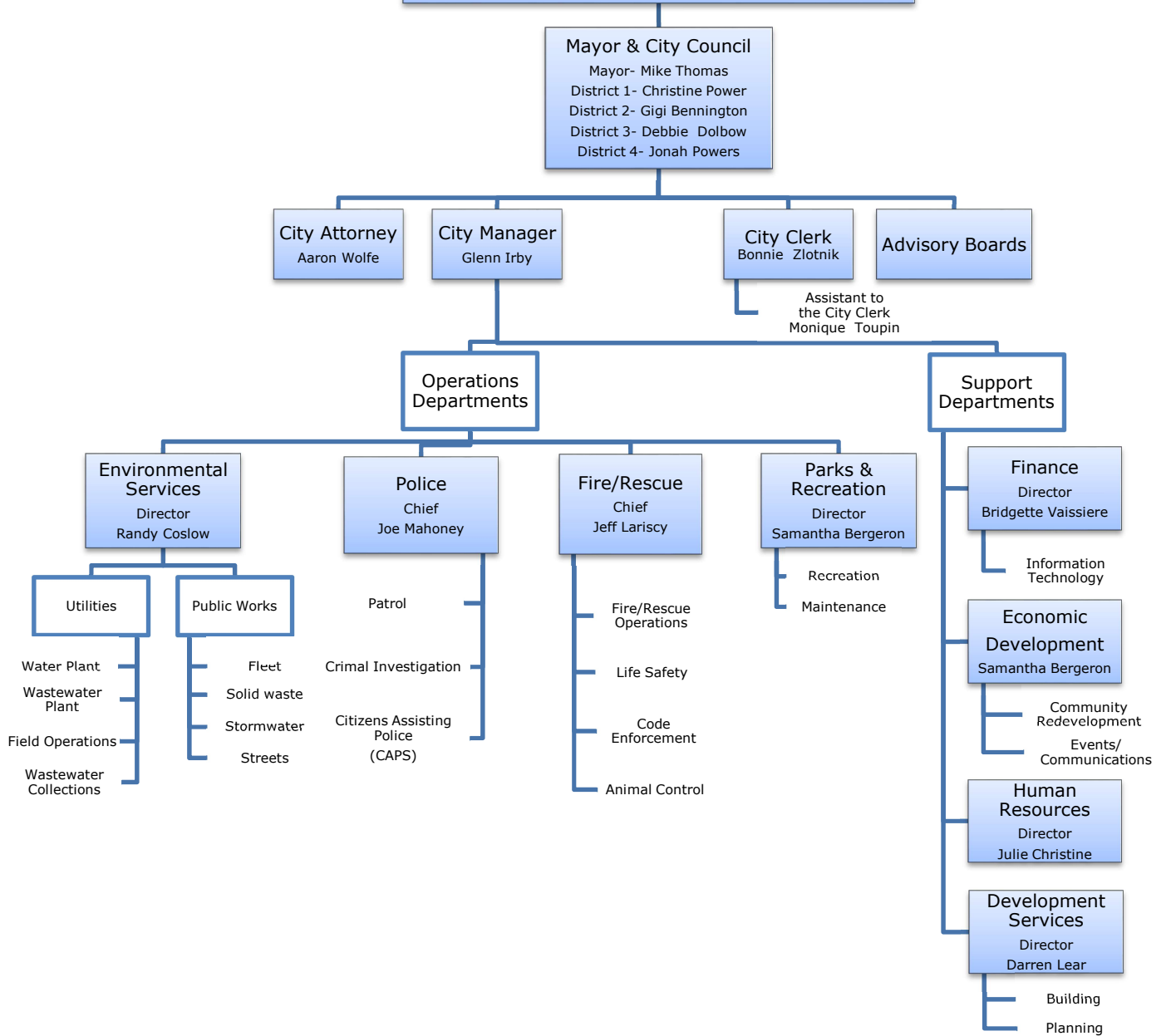
**CITY CLERK /
CMC**
Bonnie Zlotnik

POLICE CHIEF
Joe Mahoney

**DEVELOPMENT SERVICES
DIRECTOR**
Darren Lear

**PARKS & RECREATION
DIRECTOR**
Samantha Bergeron

City of Edgewater Citizens





INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, CRA, and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Implementation of New Accounting Standard

As discussed in Note 12(a) to the financial statements, the City adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, (GASB 87). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary 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 combining and individual nonmajor fund financial statements, and budgetary comparison schedules 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical sections, but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, 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.



Daytona Beach, Florida
February 23, 2023



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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, 2022. 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 2021-2022 by \$120,261,705, which represents an increase in Net Position of \$20,091,833 or 20.06% from the prior fiscal year.
- Governmental Activities Net Position increased by \$15,369,368. The increase in Net Position was largely from American Rescue Plan funding and interest earned in the amount of \$10,047,227. Governmental Revenue also exceeded budgeted revenue in the amount \$2,674,180. 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 \$4,722,465. Business Type activities also had other budget carryforwards in the amount of \$9,917,120. 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 2021- 2022, the General Fund unassigned fund balance was \$9,740,727 or an estimated 38.63% of the budgeted FY 2023 General Fund expenditures. This represents an increase of \$1,149,775 from the prior fiscal year.
- During the fiscal year, the City's total debt decreased by \$2,186,915. Governmental debt decreased by \$530,705 and business-type debt decreased by \$1,656,210.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The City of Edgewater maintains twelve 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), ARPA 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 24-25. Budgetary comparison schedules have been provided for the non-major, debt service and capital projects funds at pages 90-99. 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 27-29 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 101-103 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 105-106 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 32-75 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 76-88. 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 89-99 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 \$120,261,705 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	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 37,588,687	\$21,812,144	\$32,559,894	\$30,890,352	\$ 70,148,581	\$52,702,496
Capital Assets	47,863,748	48,092,002	44,729,035	44,734,394	92,592,783	\$92,826,396
Total Assets	85,452,435	69,904,146	77,288,929	75,624,746	162,741,364	129,706,944
Deferred Outflows of Resources:						
Total deferred outflows of resources	6,663,040	5,146,771	2,222,502	1,556,947	8,885,542	6,703,718
Liabilities:						
Long term liabilities	15,089,857	17,460,510	17,939,155	20,060,133	33,029,012	37,520,643
Other liabilities	2,896,312	2,629,598	6,371,460	9,532,331	9,267,772	12,161,929
Total Liabilities	17,986,169	20,090,108	24,310,615	29,592,464	42,296,784	49,682,572
Deferred Inflows of Resources:						
Total deferred inflows of resources	5,868,520	2,069,391	3,199,897	310,775	9,068,417	2,380,166
Net Position:						
Net investment in capital assets	42,612,125	42,309,674	31,013,423	29,362,572	73,625,548	71,672,246
Restricted	7,467,107	5,050,309	3,484,697	3,770,920	10,951,804	8,821,229
Unrestricted	18,181,554	5,531,435	17,502,799	14,144,962	35,684,353	19,676,397
Total Net Position	\$68,260,786	\$52,891,418	\$52,000,919	\$47,278,454	\$120,261,705	\$100,169,872

At the end of the current fiscal year, the Governmental Liabilities decreased by \$2,103,939. The Governmental Liability for FY2021 - 2022 changed mainly from decreased by a Net Pension Liability decrease of \$1,921,898. Business-Type Liabilities decreased by \$5,281,242. The decrease was largely from Unearned Revenue from the American Rescue Plan Act (ARPA) of 2021 in the amount of \$4,012,836, decreases in Notes Payable and Leases of \$1,656,210 and decreases in Net Pension Liability of \$440,771. These decreases were offset by an increase in Account Payable and other current liabilities of \$791,757 and with other smaller changes in FY2021-2022.

The City's net position reflects sixty-one percent (61%) investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Edgewater's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

The government's net position increased \$20,091,833 in the current fiscal year. The government's restricted net position increased by \$2,130,575 in the current fiscal year. This was mainly attributed to increases in restricted for Pensions \$840,686, Capital Projects of \$831,631 and Community Redevelopment \$240,715 and Building Permits \$189,719. Further explanations of the increase are proceeded in this section. The following table reflects the condensed Statement of Activities for the current and prior years. For more detail see the Statement of Activities on page 18-19.

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	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues -						
Charges for services	\$ 2,363,170	\$ 2,057,709	\$ 19,804,454	\$ 18,374,279	\$ 22,167,624	\$ 20,431,988
Operating grants and contributions	10,965,625	1,163,296	-	-	10,965,625	1,163,296
Capital grants and contributions	1,807,038	1,291,930	1,643,207	1,962,257	3,450,245	3,254,187
General revenues -						
Property taxes	8,744,994	8,108,454	-	-	8,744,994	8,108,454
Franchise and utility taxes	4,263,593	3,887,989	-	-	4,263,593	3,887,989
Intergovernmental	3,132,123	2,757,368	-	-	3,132,123	2,757,368
Investment income and miscellaneous	122,757	53,417	211,773	192,802	334,530	246,219
Total revenues	31,399,300	19,320,163	21,659,434	20,529,338	53,058,734	39,849,501
Expenses:						
General government	3,464,788	2,683,052	-	-	3,464,788	2,683,052
Public safety	8,822,595	8,767,933	-	-	8,822,595	8,767,933
Transportation/public works	2,729,692	1,779,480	-	-	2,729,692	1,779,480
Parks and recreation	2,295,671	1,969,040	-	-	2,295,671	1,969,040
Community Redevelopment	187,878	177,892	-	-	187,878	177,892
Interest on long-term debt	159,233	174,585	-	-	159,233	174,585
Water and sewer	-	-	10,536,200	9,436,947	10,536,200	9,436,947
Solid waste	-	-	3,137,039	2,806,094	3,137,039	2,806,094
Stormwater management	-	-	1,633,805	1,396,460	1,633,805	1,396,460
Total expenses	17,659,857	15,551,982	15,307,044	13,639,501	32,966,901	29,191,483
Excess (deficiency) before transfers	13,739,443	3,768,181	6,352,390	6,889,837	20,091,833	10,658,018
Transfers in / (out)	1,629,925	709,429	(1,629,925)	(709,429)	-	-
Increase (Decrease) in net position	15,369,368	4,477,610	4,722,465	6,180,408	20,091,833	10,658,018
Net Position - Beginning	52,891,418	48,413,808	47,278,454	41,098,046	100,169,872	89,511,854
Net Position - Ending	\$ 68,260,786	\$ 52,891,418	\$ 52,000,919	\$ 47,278,454	\$ 120,261,705	\$ 100,169,872

Statement of Activities

Governmental Activities - Governmental activities increased the City of Edgewater's net position by \$15,369,368.

Key elements of this increase are as follows:

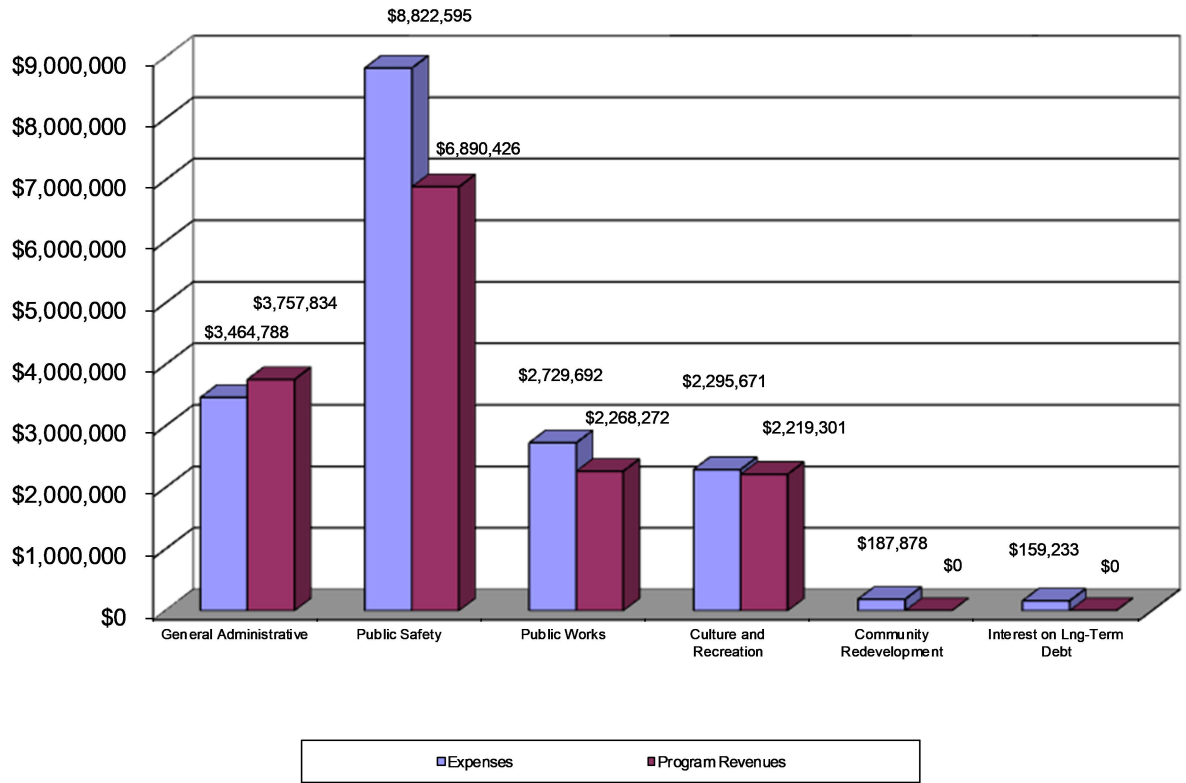
- Governmental Activities net position increased largely from the American Rescue Plan funding and interest earned in the amount of \$10,047,227.
- Governmental Revenue also exceeded budgeted revenue in the amount \$2,674,180.
- The remainder of the increase in net Position was largely from revenues collected to fund future expenditures including revenues related to impact fees, and departmental budget savings.

Business-Type Activities - Business-type activities increased the City of Edgewater's net position by \$4,722,465. Key elements of this increase are as follows:

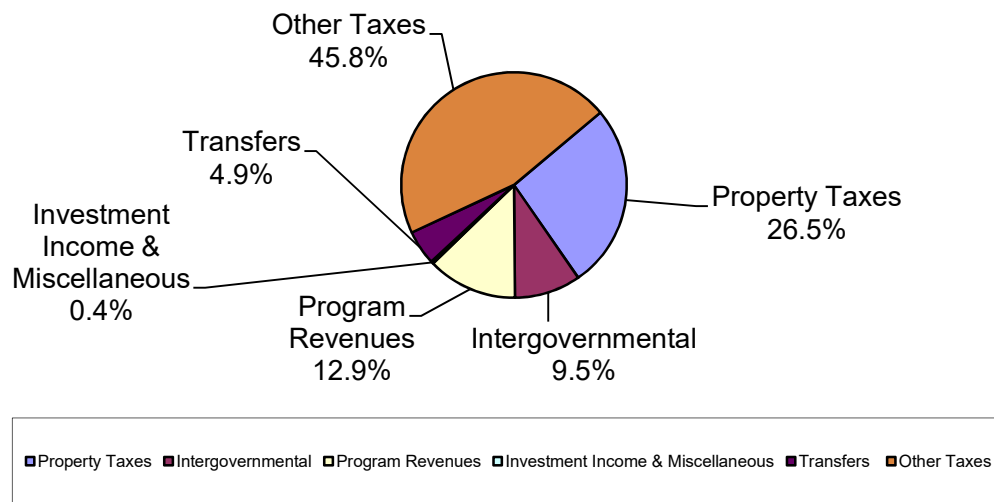
- Business Type activities also had other budget carryforwards in the amount of \$9,917,120.
- The remainder of the increase in net Position was largely from revenues collected to fund future expenditures, capital projects, including revenues related to impact fees as well departmental budget savings.

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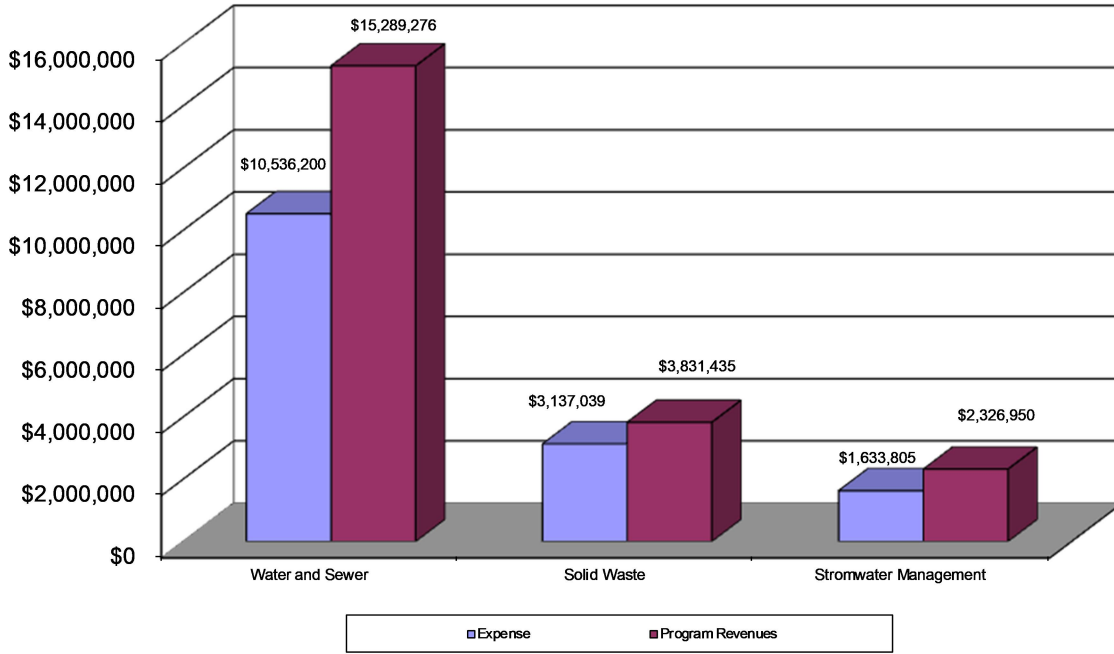
Expenses and Program Revenues - Governmental Activities



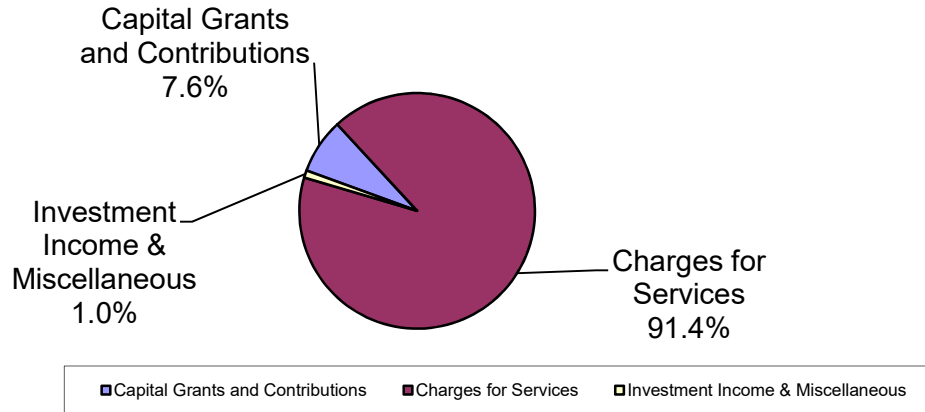
Revenues by Source – Governmental Activities



Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Edgewater's governmental funds reported combined ending fund balances of \$29,614,732 an increase of \$13,664,959 in comparison with the prior year. Approximately 33% of this amount or \$9,740,727 constitutes unassigned fund balance, which is available for spending at the City's discretion. The City also has \$5,417,000 of fund balance committed to Capital Projects. The City has assigned fund balance for the Capital Projects of \$4,630,227, subsequent year's budget of \$4,232,364 and replacement of City Hall in the amount of \$739,133. Restricted fund balance of \$4,835,133 is for scholarships, public safety, debt service, building permits, community redevelopment, manatee preservation, tree mitigation and capital projects. Non-spendable fund balance of \$20,148 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 \$9,740,727, while total fund balance was \$15,018,200. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.6% of the total General Fund 2023 budgeted expenditures, while total fund balance represents 59.6% of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$2,232,598 was largely from revenues collected to fund future expenditures including revenues related to impact fees as well departmental budget savings. The remainder of the increase in fund balance was largely from revenues collected to fund future expenditures as well departmental budget savings.

Fiscal Year 2022 is the seventh 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 \$20,294,248. The total increase in unrestricted net position for the Proprietary Funds was \$3,672,606. 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 \$48,118. Actual revenues were \$2,674,180 higher than budget due mainly to the following, increased intergovernmental revenue of \$1,097,227 which is mostly related to conservative budget estimates for FY2022 which were estimated during a time of uncertainty related to how the Covid pandemic would impact these types of revenues, utility and franchise fees of \$670,441, Licenses and permits \$481,884 and revenues from property tax collections in the amount of \$100,126.

Actual expenditures were \$2,410,117 less than budgeted expenditures mostly due to holding positions open in various departments, reduction in operating costs, the timing of Disaster expenditures related to Covid in order to cover the effects of the Covid pandemic. The City also had \$4,232,364 of Budget roll forwards related to open purchase orders and approved Capital projects.

The final expenditure budget was increased from the original budget by \$1,485,941 due mainly to an increase in Capital Outlay expenditures of \$321,886 which were related to roll forward purchase orders from the prior year and projects and other capital expenditures approved during FY2022.

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, 2022, amounts to \$92,592,783 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 2022 fiscal year was 0.25%.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 26,226,752	\$ 26,226,752	\$ 1,397,173	\$ 1,397,173	\$ 27,623,925	\$ 27,623,925
Buildings	3,033,092	3,246,709	3,716,960	4,160,827	6,750,052	7,407,536
Improvements	9,683,607	10,245,358	33,309,698	33,904,743	42,993,305	44,150,101
Machinery and equipment	1,871,303	2,107,032	4,823,470	3,791,896	6,694,773	5,898,928
Infrastructure	5,145,516	5,670,060		-	5,145,516	5,670,060
Construction in progress	1,845,745	596,091	1,457,692	1,479,755	3,303,437	2,075,846
Right-to-use assets	57,733		24,042		81,775	-
Total	\$ 47,863,748	\$ 48,092,002	\$ 44,729,035	\$ 44,734,394	\$ 92,592,783	\$ 92,826,396

Additional information on the City of Edgewater's capital assets can be found in the notes to the financial statements on pages 48-49 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Edgewater had total debt outstanding of \$18,967,235. This debt includes notes payable, state revolving loans and 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	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 4,754,289	\$ 5,156,081	\$ 5,188,711	\$ 6,207,920	\$ 9,943,000	\$ 11,364,001
State revolving loans	-	-	7,899,609	8,403,949	7,899,609	8,403,949
Leases	497,334	626,247	627,292	759,953	1,124,626	1,386,200
	\$ 5,251,623	\$ 5,782,328	\$ 13,715,612	\$ 15,371,822	\$ 18,967,235	\$ 21,154,150

During the current fiscal year, the City's total debt decreased by \$2,186,915 which was a 10% reduction. Additional information on the City of Edgewater's long-term debt can be found in the notes to the financial statements on pages 51-58 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 \$2,929,671 (15%) of the FY2022 – 2023 General Fund Budget. The amount available for capital or other lawful purposes less any reserves or set asides is \$6,811,056 unassigned less reserves at September 30, 2022.

Next Year's Budget and Rates

The City Council adopted a conservative budget for Fiscal Year 2023. 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 2023 budget presents a number of opportunities and challenges to improve overall service to the community.

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, 2022

	Governmental -type Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,537,461	\$ 19,746,342	\$ 38,283,803
Investments	12,984,575	4,463,169	17,447,744
Receivables, net	573,989	2,651,994	3,225,983
Lease receivable	147,303	1,646,500	1,793,803
Special assessment receivable	-	141,623	141,623
Due from other governments	1,935,058	335,029	2,270,087
Inventories and prepaids	79,016	7,421	86,437
Net pension asset	3,331,285	-	3,331,285
Restricted assets:			
Cash and cash equivalents	-	3,567,816	3,567,816
Capital assets:			
Nondepreciable assets	28,072,497	2,854,865	30,927,362
Depreciable assets, net	19,791,251	41,874,170	61,665,421
Total assets	<u>\$ 85,452,435</u>	<u>\$ 77,288,929</u>	<u>\$ 162,741,364</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 3,442,960	\$ 411,207	\$ 3,854,167
Deferred outflows related to OPEB	3,220,080	1,811,295	5,031,375
Total deferred outflows of resources	<u>\$ 6,663,040</u>	<u>\$ 2,222,502</u>	<u>\$ 8,885,542</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 1,311,458	\$ 1,373,769	\$ 2,685,227
Accrued interest payable	63,246	83,312	146,558
Unearned revenue	90,071	1,979,418	2,069,489
Due to other governments	32,246	-	32,246
Customer deposits	-	788,710	788,710
Noncurrent liabilities:			
Due within one year:			
Notes and leases payable	505,140	1,708,563	2,213,703
Compensated absences	894,151	437,688	1,331,839
Due in more than one year:			
Notes and leases payable	4,746,483	12,007,049	16,753,532
Compensated absences	538,872	76,658	615,530
Net pension liability	4,137,269	2,667,628	6,804,897
Total OPEB liability	5,667,233	3,187,820	8,855,053
Total liabilities	<u>\$ 17,986,169</u>	<u>\$ 24,310,615</u>	<u>\$ 42,296,784</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 4,151,695	\$ 713,184	\$ 4,864,879
Deferred inflows related to OPEB	1,581,554	889,623	2,471,177
Deferred inflows related to leases	135,271	1,597,090	1,732,361
Total deferred inflows of resources	<u>\$ 5,868,520</u>	<u>\$ 3,199,897</u>	<u>\$ 9,068,417</u>
NET POSITION			
Net investment in capital assets	\$ 42,612,125	\$ 31,013,423	\$ 73,625,548
Restricted for:			
Debt service	92,250	1,097,590	1,189,840
Public safety	46,394	-	46,394
Building permits	235,037	-	235,037
Manatee preservation	9,400	-	9,400
Pensions	2,680,016	-	2,680,016
Tree mitigation	108,113	-	108,113
Capital projects	3,641,508	2,387,107	6,028,615
Community redevelopment	647,446	-	647,446
Scholarships	6,943	-	6,943
Unrestricted	18,181,554	17,502,799	35,684,353
Total net position	<u>\$ 68,260,786</u>	<u>\$ 52,000,919</u>	<u>\$ 120,261,705</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, 2022

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative	\$ 3,464,788	\$ 1,435,832	\$ 2,316,002	\$ 6,000
Public works	2,729,692	116,396	1,143,998	1,007,878
Public safety	8,822,595	737,428	5,534,058	618,940
Culture and recreation	2,295,671	73,514	1,971,567	174,220
Community redevelopment	187,878	-	-	-
Interest on long-term debt	159,233	-	-	-
Total governmental activities	<u>17,659,857</u>	<u>2,363,170</u>	<u>10,965,625</u>	<u>1,807,038</u>
Business-type activities:				
Water / Sewer	10,536,200	13,676,600	-	1,612,676
Solid waste	3,137,039	3,803,187	-	28,248
Stormwater	1,633,805	2,324,667	-	2,283
Total business-type activities	<u>15,307,044</u>	<u>19,804,454</u>	<u>-</u>	<u>1,643,207</u>
Total primary government	<u>\$ 32,966,901</u>	<u>\$ 22,167,624</u>	<u>\$ 10,965,625</u>	<u>\$ 3,450,245</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

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
\$ 293,046	\$ -	\$ 293,046
(461,420)	-	(461,420)
(1,932,169)	-	(1,932,169)
(76,370)	-	(76,370)
(187,878)	-	(187,878)
(159,233)	-	(159,233)
<u>(2,524,024)</u>	<u>-</u>	<u>(2,524,024)</u>
-	4,753,076	4,753,076
-	694,396	694,396
-	693,145	693,145
<u>-</u>	<u>6,140,617</u>	<u>6,140,617</u>
<u>(2,524,024)</u>	<u>6,140,617</u>	<u>3,616,593</u>
8,744,994	-	8,744,994
4,263,593	-	4,263,593
3,132,123	-	3,132,123
86,591	87,396	173,987
36,166	124,377	160,543
1,629,925	(1,629,925)	-
<u>17,893,392</u>	<u>(1,418,152)</u>	<u>16,475,240</u>
15,369,368	4,722,465	20,091,833
52,891,418	47,278,454	100,169,872
<u>\$ 68,260,786</u>	<u>\$ 52,000,919</u>	<u>\$ 120,261,705</u>

CITY OF EDGEWATER, FLORIDA

Balance Sheet
 Governmental Funds
 September 30, 2022

	General Fund	Capital Projects Fund	CRA Fund	ARPA Economic Impact Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$10,764,544	\$ 288,815	\$ 647,436	\$ -	\$ 3,452,211	\$ 15,153,006
Investments	2,937,348	-	-	10,047,227	-	12,984,575
Receivables, net	573,886	-	10	-	53	573,949
Due from other governments	1,536,038	399,018	-	-	2	1,935,058
Lease receivable	147,303	-	-	-	-	147,303
Inventories and prepaids	20,148	-	-	-	-	20,148
Total assets	<u>\$15,979,267</u>	<u>\$ 687,833</u>	<u>\$ 647,446</u>	<u>\$ 10,047,227</u>	<u>\$ 3,452,266</u>	<u>\$ 30,814,039</u>
LIABILITIES						
Accounts payable	\$ 198,565	\$ 237,651	\$ -	\$ -	\$ 589	\$ 436,805
Accrued liabilities	504,914	-	-	-	-	504,914
Due to other governments	32,246	-	-	-	-	32,246
Unearned revenue	90,071	-	-	-	-	90,071
Total liabilities	<u>825,796</u>	<u>237,651</u>	<u>-</u>	<u>-</u>	<u>589</u>	<u>1,064,036</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases	135,271	-	-	-	-	135,271
FUND BALANCES						
Nonspendable:						
Inventories and prepaids	20,148	-	-	-	-	20,148
Restricted for:						
Scholarships	6,943	-	-	-	-	6,943
Public safety	-	-	-	-	46,394	46,394
Debt service	43,848	-	-	-	96,444	140,292
Building permits	235,037	-	-	-	-	235,037
Community redevelopment	-	-	647,446	-	-	647,446
Manatee conservation	-	-	-	-	9,400	9,400
Tree mitigation	-	-	-	-	108,113	108,113
Capital projects	-	450,182	-	-	3,191,326	3,641,508
Committed to:						
Capital projects	-	-	-	5,417,000	-	5,417,000
Assigned to:						
Subsequent year's budget	4,232,364	-	-	-	-	4,232,364
City Hall	739,133	-	-	-	-	739,133
Capital projects	-	-	-	4,630,227	-	4,630,227
Unassigned	9,740,727	-	-	-	-	9,740,727
Total fund balances	<u>15,018,200</u>	<u>450,182</u>	<u>647,446</u>	<u>10,047,227</u>	<u>3,451,677</u>	<u>29,614,732</u>
Total liabilities, deferred inflows, and fund balances	<u>\$15,979,267</u>	<u>\$ 687,833</u>	<u>\$ 647,446</u>	<u>\$ 10,047,227</u>	<u>\$ 3,452,266</u>	<u>\$ 30,814,039</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, 2022

Total governmental funds fund balance \$ 29,614,732

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	34,399,412	
Infrastructure	61,538,602	
Furniture and equipment	6,920,039	
Construction in progress	683,966	
Right to use asset	78,109	
Accumulated depreciation	<u>(83,192,082)</u>	45,717,895

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.

4,914,721

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	(4,137,269)	
Net pension asset	3,331,285	
Deferred outflows related to pensions	3,442,960	
Deferred inflows related to pensions	<u>(4,151,695)</u>	(1,514,719)

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

Total OPEB liability	(5,391,743)	
Deferred outflows related to OPEB	3,063,549	
Deferred inflows related to OPEB	<u>(1,504,673)</u>	(3,832,867)

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

Compensated absences	(1,346,733)	
Long-term debt	<u>(5,229,042)</u>	(6,575,775)

Accrued interest payable on bonds that is not recognized on the fund statements. (63,201)

Net position of governmental activities \$ 68,260,786

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, 2022

	General Fund	Capital Projects Fund	CRA Fund	ARPA Economic Impact Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 8,136,885	\$ -	\$ 329,734	\$ -	\$ 278,375	\$ 8,744,994
Utility and franchise taxes	4,263,593	-	-	-	-	4,263,593
Intergovernmental	3,991,868	739,995	-	10,000,000	-	14,731,863
Licenses and permits	1,087,827	-	-	-	8,305	1,096,132
Charges for services	2,610,790	-	-	-	-	2,610,790
Fines and forfeitures	78,866	-	-	-	17,111	95,977
Investment earnings	38,315	-	117	47,227	507	86,166
Impact fees	-	-	-	-	1,286,581	1,286,581
Miscellaneous revenue	80,918	-	-	-	-	80,918
Total revenues	<u>20,289,062</u>	<u>739,995</u>	<u>329,851</u>	<u>10,047,227</u>	<u>1,590,879</u>	<u>32,997,014</u>
EXPENDITURES						
Current:						
Legislative	92,439	-	-	-	-	92,439
Executive	660,158	-	-	-	-	660,158
Legal counsel	140,313	-	-	-	-	140,313
Community development	981,320	-	78,486	-	-	1,059,806
Public works	1,068,675	949,364	-	-	874	2,018,913
Public safety:						
Law enforcement	4,996,766	-	-	-	-	4,996,766
Fire and emergency services	4,383,367	-	-	-	-	4,383,367
Code enforcement	180,587	-	-	-	-	180,587
Animal services	175,786	-	-	-	-	175,786
Culture and recreation	1,762,895	-	-	-	-	1,762,895
General administrative services	3,130,507	-	-	-	-	3,130,507
Debt service:						
Principal	292,880	-	-	-	305,000	597,880
Interest	27,458	-	-	-	130,998	158,456
Capital outlay	234,192	718,684	-	-	61,231	1,014,107
Total expenditures	<u>18,127,343</u>	<u>1,668,048</u>	<u>78,486</u>	<u>-</u>	<u>498,103</u>	<u>20,371,980</u>
Excess (deficiency) of revenues over expenditures	<u>2,161,719</u>	<u>(928,053)</u>	<u>251,365</u>	<u>10,047,227</u>	<u>1,092,776</u>	<u>12,625,034</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,139,075	857,352	-	-	161,013	2,157,440
Transfers out	(1,068,196)	-	(10,650)	-	(38,669)	(1,117,515)
Total other financing sources (uses)	<u>70,879</u>	<u>857,352</u>	<u>(10,650)</u>	<u>-</u>	<u>122,344</u>	<u>1,039,925</u>
Net change in fund balances	<u>2,232,598</u>	<u>(70,701)</u>	<u>240,715</u>	<u>10,047,227</u>	<u>1,215,120</u>	<u>13,664,959</u>
Beginning fund balances	12,785,602	520,883	406,731	-	2,236,557	15,949,773
Ending fund balances	<u>\$ 15,018,200</u>	<u>\$ 450,182</u>	<u>\$ 647,446</u>	<u>\$ 10,047,227</u>	<u>\$ 3,451,677</u>	<u>\$ 29,614,732</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, 2022

Net change in fund balances - total governmental funds \$ 13,664,959

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	1,014,107	
Current year depreciation	<u>(1,966,162)</u>	(952,055)

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		(37,513)
Changes in interest payable		(123)

The net revenue of certain activities of internal service funds is reported with governmental activities.

971,396

Governmental funds report contributions to defined benefit pension/OPEB plans as expenditures. However, in the Statement of Activities, the amount contributed to defined benefit pension/OPEB plans decreases (increases) the future net pension/OPEB liability (asset). Also included in pension/OPEB expense in the Statement of Activities are deferred inflow and deferred outflow amounts required to be amortized.

Change in net pension liability/asset and deferred inflows/outflows related to pensions		1,389,509
Change in Total OPEB liability and deferred inflows/outflows related to OPEB		(264,685)

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	597,880	
		597,880

Change in net position of governmental activities \$ 15,369,368

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, 2022

	<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	\$ 8,036,759	\$ 8,036,759	\$ 8,136,885	\$ 100,126
Utility and franchise taxes	3,593,152	3,593,152	4,263,593	670,441
Intergovernmental	2,889,016	2,894,641	3,991,868	1,097,227
Licenses and permits	578,450	605,943	1,087,827	481,884
Charges for services	2,346,987	2,346,987	2,610,790	263,803
Fines and forfeitures	92,200	92,200	78,866	(13,334)
Investment earnings	4,800	4,800	38,315	33,515
Miscellaneous revenue	25,400	40,400	80,918	40,518
Total revenues	<u>17,566,764</u>	<u>17,614,882</u>	<u>20,289,062</u>	<u>2,674,180</u>
EXPENDITURES				
Current:				
Legislative	115,842	118,842	92,439	26,403
Executive	700,520	776,450	660,158	116,292
Legal counsel	149,500	149,500	140,313	9,187
Community development	1,069,871	1,198,645	981,320	217,325
Public works	1,203,023	1,325,896	1,068,675	257,221
Public safety:				
Law enforcement	4,977,712	5,223,324	4,996,766	226,558
Fire and emergency services	4,404,447	4,571,005	4,383,367	187,638
Code enforcement	204,336	232,247	180,587	51,660
Animal services	206,111	216,792	175,786	41,006
Culture and recreation	2,001,242	2,101,949	1,762,895	339,054
General administrative services	3,117,128	3,399,135	3,130,507	268,628
Debt service:				
Principal	275,762	275,763	292,880	(17,117)
Interest	29,577	29,578	27,458	2,120
Capital outlay	596,448	918,334	234,192	684,142
Total expenditures	<u>19,051,519</u>	<u>20,537,460</u>	<u>18,127,343</u>	<u>2,410,117</u>
Excess (deficiency) of revenues over expenditures	<u>(1,484,755)</u>	<u>(2,922,578)</u>	<u>2,161,719</u>	<u>5,084,297</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,094,641	1,094,641	1,139,075	44,434
Transfers out	<u>(1,802,013)</u>	<u>(2,037,145)</u>	<u>(1,068,196)</u>	<u>968,949</u>
Total other financing sources (uses)	<u>(707,372)</u>	<u>(942,504)</u>	<u>70,879</u>	<u>1,013,383</u>
Net change in fund balances	(2,192,127)	(3,865,082)	2,232,598	6,097,680
Beginning fund balances	12,785,602	12,785,602	12,785,602	-
Ending fund balances	<u>\$ 10,593,475</u>	<u>\$ 8,920,520</u>	<u>\$ 15,018,200</u>	<u>\$ 6,097,680</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, 2022

	<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	\$ 311,992	\$ 329,734	\$ 329,734	\$ -
Investment earnings	-	-	117	117
Total revenues	<u>311,992</u>	<u>329,734</u>	<u>329,851</u>	<u>117</u>
EXPENDITURES				
Other Services & Charges	<u>411,726</u>	<u>597,051</u>	<u>78,486</u>	<u>518,565</u>
Total expenditures	<u>411,726</u>	<u>597,051</u>	<u>78,486</u>	<u>518,565</u>
Excess (deficiency) of revenues over expenditures	<u>(99,734)</u>	<u>(267,317)</u>	<u>251,365</u>	<u>518,682</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(139,414)</u>	<u>(10,650)</u>	<u>128,764</u>
Total other financing sources (uses)	<u>-</u>	<u>(139,414)</u>	<u>(10,650)</u>	<u>128,764</u>
Net change in fund balance	<u>(99,734)</u>	<u>(406,731)</u>	<u>240,715</u>	<u>647,446</u>
Beginning fund balances	<u>406,731</u>	<u>406,731</u>	<u>406,731</u>	<u>-</u>
Ending fund balances	<u>\$ 306,997</u>	<u>\$ -</u>	<u>\$ 647,446</u>	<u>\$ 647,446</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
 ARPA Economic Impact Fund
 For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000
Investment earnings	-	-	47,227	47,227
Total revenues	-	-	10,047,227	10,047,227
Excess (deficiency) of revenues over expenditures	-	-	10,047,227	10,047,227
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(252,000)	-	252,000
Total other financing sources (uses)	-	(252,000)	-	252,000
Net change in fund balance	-	(252,000)	10,047,227	10,299,227
Beginning fund balances	-	-	-	-
Ending fund balances	<u>\$ -</u>	<u>\$ (252,000)</u>	<u>\$ 10,047,227</u>	<u>\$ 10,299,227</u>

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

CITY OF EDGEWATER, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 13,074,389	\$ 3,283,206	\$ 3,388,747	\$ 19,746,342	\$ 3,384,455
Investments	3,644,765	535,070	283,334	4,463,169	-
Receivables, net	1,852,521	503,878	295,595	2,651,994	40
Due from other governments	172,517	120,414	42,098	335,029	-
Lease receivable	79,250	-	-	79,250	-
Inventories	-	-	-	-	11,303
Prepaid items	7,421	-	-	7,421	47,565
Total current assets	18,830,863	4,442,568	4,009,774	27,283,205	3,443,363
Noncurrent assets:					
Restricted cash and cash equivalents:					
Debt service	1,180,709	-	-	1,180,709	-
Capital projects	2,387,107	-	-	2,387,107	-
Total restricted cash and cash equivalents	3,567,816	-	-	3,567,816	-
Capital assets:					
Land and land rights	1,079,749	-	317,424	1,397,173	936,903
Buildings and improvements	81,591,416	69,075	9,928,002	91,588,493	60,684
Machinery and equipment	11,081,719	2,907,854	2,475,212	16,464,785	451,087
Construction in progress	1,284,513	-	173,179	1,457,692	1,161,779
Right to use assets	32,527	-	-	32,527	-
Less accumulated depreciation	(57,438,908)	(1,616,207)	(7,156,520)	(66,211,635)	(464,600)
Total capital assets (net of accumulated depreciation)	37,631,016	1,360,722	5,737,297	44,729,035	2,145,853
Lease receivable	1,567,250	-	-	1,567,250	-
Special assessment receivable	141,623	-	-	141,623	-
Total noncurrent assets	42,907,705	1,360,722	5,737,297	50,005,724	2,145,853
Total assets	\$ 61,738,568	\$ 5,803,290	\$ 9,747,071	\$ 77,288,929	\$ 5,589,216
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	\$ 294,043	\$ 94,487	\$ 22,677	\$ 411,207	\$ -
Deferred outflows related to OPEB	1,095,721	469,595	245,979	1,811,295	156,531
Total deferred outflows of resources	\$ 1,389,764	\$ 564,082	\$ 268,656	\$ 2,222,502	\$ 156,531
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 967,589	\$ 138,542	\$ 12,919	\$ 1,119,050	\$ 347,226
Accrued liabilities	185,264	38,622	30,833	254,719	22,513
Compensated absences	325,808	61,368	50,512	437,688	52,162
Customer deposits	788,710	-	-	788,710	-
Unearned revenue	1,979,418	-	-	1,979,418	-
Accrued interest payable from restricted cash	83,119	-	193	83,312	45
Leases payable	8,376	147,000	-	155,376	-
Notes payable	1,195,457	-	47,723	1,243,180	11,172
Revenue bonds payable	310,007	-	-	310,007	-
Total current liabilities	5,843,748	385,532	142,180	6,371,460	433,118
Noncurrent liabilities:					
Compensated absences	54,711	3,051	18,896	76,658	34,128
Bonds, notes, and leases payable	11,502,311	456,000	48,738	12,007,049	11,409
Net pension liability	1,907,550	612,966	147,112	2,667,628	-
Total OPEB liability	1,928,434	826,472	432,914	3,187,820	275,490
Total noncurrent liabilities	15,393,006	1,898,489	647,660	17,939,155	321,027
Total liabilities	\$ 21,236,754	\$ 2,284,021	\$ 789,840	\$ 24,310,615	\$ 754,145
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	\$ 509,979	\$ 163,875	\$ 39,330	\$ 713,184	\$ -
Deferred inflows related to OPEB	538,167	230,643	120,813	889,623	76,881
Deferred inflows related to leases	1,597,090	-	-	1,597,090	-
Total deferred inflows of resources	\$ 2,645,236	\$ 394,518	\$ 160,143	\$ 3,199,897	\$ 76,881
NET POSITION					
Net investment in capital assets	\$ 24,614,865	\$ 757,722	\$ 5,640,836	\$ 31,013,423	\$ 2,123,272
Restricted:					
Capital projects	2,387,107	-	-	2,387,107	-
Debt service	1,097,590	-	-	1,097,590	-
Unrestricted					
Total net position	\$ 39,246,342	\$ 3,688,833	\$ 9,065,744	\$ 52,000,919	\$ 4,914,721

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, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds				
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Total	
Operating revenues:					
Charges for sales and services	\$ 13,676,600	\$ 3,803,187	\$ 2,324,667	\$ 19,804,454	\$ 6,408,001
Total operating revenues	13,676,600	3,803,187	2,324,667	19,804,454	6,408,001
Operating expenses:					
Salaries and employee benefits	3,830,968	1,060,452	739,379	5,630,799	3,458,428
Supplies and materials	1,037,124	208,995	58,697	1,304,816	751,041
Contract services	476,087	1,204,139	28,385	1,708,611	322,772
Other services and charges	2,385,853	499,614	291,768	3,177,235	879,083
Depreciation and amortization	2,585,026	191,755	512,773	3,289,554	25,052
Total operating expenses	10,315,058	3,164,955	1,631,002	15,111,015	5,436,376
Operating income (loss)	3,361,542	638,232	693,665	4,693,439	971,625
Nonoperating revenues (expenses):					
Investment earnings	79,353	5,087	2,956	87,396	424
Miscellaneous revenues	109,883	10,681	3,813	124,377	-
Gain on disposition of capital assets	-	38,000	-	38,000	-
Interest expense	(221,142)	(10,084)	(2,803)	(234,029)	(653)
Total nonoperating revenues (expenses)	(31,906)	43,684	3,966	15,744	(229)
Income (loss) before capital contributions and transfers	3,329,636	681,916	697,631	4,709,183	971,396
Transfers in	10,650	-	-	10,650	-
Transfers out	(1,073,734)	(342,372)	(224,469)	(1,640,575)	-
Capital grants	339,607	28,248	2,283	370,138	-
Capital contributions	1,273,069	-	-	1,273,069	-
Change in net position	3,879,228	367,792	475,445	4,722,465	971,396
Total net position - beginning	35,367,114	3,321,041	8,590,299	47,278,454	3,943,325
Total net position - ending	\$ 39,246,342	\$ 3,688,833	\$ 9,065,744	\$ 52,000,919	\$ 4,914,721

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, 2022

	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	\$ 13,589,990	\$ 3,794,383	\$ 2,306,273	\$ 19,690,646	\$ 6,411,246
Payments-suppliers	(3,198,738)	(1,887,049)	(359,824)	(5,445,611)	(4,940,643)
Payments-employees	(7,677,922)	(971,385)	(720,181)	(9,369,488)	(537,830)
Net cash provided (used) by operating activities	2,713,330	935,949	1,226,268	4,875,547	932,773
Cash flows from noncapital financing activities:					
Cash paid to other funds	(1,073,734)	(342,372)	(224,469)	(1,640,575)	-
Cash received from other funds (net)	10,650	-	-	10,650	-
Net cash provided (used) by noncapital financing activities	(1,063,084)	(342,372)	(224,469)	(1,629,925)	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,539,870)	(269,900)	(494,168)	(3,303,938)	(670,745)
Proceeds from sale of capital assets	-	57,743	-	57,743	-
Grant revenue	282,669	33,986	2,889	319,544	-
Interest payments on debt	(233,843)	(10,084)	(3,047)	(246,974)	(675)
Capital contributions and fees	1,273,069	-	-	1,273,069	-
Principal paid on debt	(1,457,621)	(144,000)	(54,589)	(1,656,210)	(10,934)
Net cash provided (used) by capital and related financing activities	(2,675,596)	(332,255)	(548,915)	(3,556,766)	(682,354)
Cash flows from investing activities:					
Interest on investments	79,353	5,087	2,956	87,396	424
Purchase of investment securities	3,977,521	(4,517)	(2,392)	3,970,612	-
Net cash provided (used) by investing activities	4,056,874	570	564	4,058,008	424
Net increase (decrease) in cash and cash equivalents	3,031,524	261,892	453,448	3,746,864	250,843
Beginning cash and cash equivalents	13,610,681	3,021,314	2,935,299	19,567,294	3,133,612
Ending cash and cash equivalents	\$ 16,642,205	\$ 3,283,206	\$ 3,388,747	\$ 23,314,158	\$ 3,384,455
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 3,361,542	\$ 638,232	\$ 693,665	\$ 4,693,439	\$ 971,625
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,585,026	191,755	512,773	3,289,554	25,052
Miscellaneous revenues	109,883	10,681	3,813	124,377	-
(Increase) decrease in assets:					
Accounts receivable	(147,083)	(19,485)	(22,207)	(188,775)	3,246
Lease receivable	(1,646,500)	-	-	(1,646,500)	-
Inventories	-	-	-	-	22,829
Prepaid items	(7,421)	-	-	(7,421)	(9,325)
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	703,997	68,734	19,026	791,757	(87,619)
Lease liability	1,597,090	-	-	1,597,090	-
Compensated absences	(86,287)	(7,565)	3,348	(90,504)	345
Net pension liability	(300,430)	(96,539)	(23,169)	(420,138)	-
Total OPEB liability	(3,460,237)	193,171	39,019	(3,228,047)	6,620
Customer deposits	3,750	(43,035)	-	(39,285)	-
Total adjustments	(648,212)	297,717	532,603	182,108	(38,852)
Net cash provided (used) by operating activities	\$ 2,713,330	\$ 935,949	\$ 1,226,268	\$ 4,875,547	\$ 932,773
Classified As:					
Cash and cash equivalents	\$ 13,074,389	\$ 3,283,206	\$ 3,388,747	\$ 19,746,342	\$ 3,384,455
Restricted cash and cash equivalents	3,567,816	-	-	3,567,816	-
Total	\$ 16,642,205	\$ 3,283,206	\$ 3,388,747	\$ 23,314,158	\$ 3,384,455

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, 2022

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 2,405
Accrued interest	102,830
Accounts receivable	3,872
Investments, at fair value:	
Money market funds	1,801,318
Bonds:	
US Treasury notes	1,559,604
GNMA/FMNA	2,049,690
Municipal bonds	127,110
Corporate bonds	7,235,313
Mutual fund - fixed income	1,935,921
Mutual fund - equities	22,973,956
Commingled real estate fund	3,084,547
Total assets	<u>\$ 40,876,566</u>
NET POSITION	
Restricted for pensions	<u>\$ 40,876,566</u>

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

CITY OF EDGEWATER, FLORIDA

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Fiscal Year Ended September 30, 2022

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,145,679
Employee	253,682
State of Florida	396,803
Total contributions	<u>2,796,164</u>
Investment earnings (loss):	
Interest and dividends	2,012,503
Net increase (decrease) in the fair value of investments	<u>(9,547,222)</u>
Total investment earnings	(7,534,719)
Less investment expenses	<u>(225,195)</u>
Net investment earnings (loss)	<u>(7,759,914)</u>
Total additions	<u>(4,963,750)</u>
DEDUCTIONS	
Pension benefits	3,619,720
Administrative expenses	145,232
Total deductions	<u>3,764,952</u>
Change in net position	(8,728,702)
Net position - beginning of year	49,605,268
Net position - end of year	<u>\$ 40,876,566</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, 2022

(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 23,855 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, 2022

(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, 2022

(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 ***ARPA Economic Impact Fund*** is used to account for the receipt and expenditure of ARPA funding to support the City's recover from the COVID-19 pandemic.

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.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

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

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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.

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, 2022

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

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

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

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

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

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

(i) **Deferred outflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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, 2022

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

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

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

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

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

(l) **Deferred inflows of resources**—In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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 three 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 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 expense in future reporting years. The third item is deferred inflows related to leases, which is calculated under GASB Statement No. 87, *Leases*. Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. Details on the composition of deferred inflows related to pensions, OPEB, and leases are reported in subsequent notes.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(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, 2022

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

(p) **Leases**— The City is both a lessee and a lessor in various lease agreements.

Lessee: The City currently leases office equipment and determines if an arrangement is a lease at inception. The City recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be the City's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. The City's IBR was calculated at 2.530% at September 30, 2021, and was the discount rate utilized for applicable leases beginning October 1, 2021 and applicable lease conversions.

The City's lessee agreements do not contain any material residual value guarantees or material restrictive covenants.

Lessor: The City is the lessor of a building and of cell towers and determines if an arrangement is a lease at inception. The City recognizes lease receivables and corresponding deferred inflows for all leases that are not considered short-term. Lease receivables represent the City's right to receive lease payments arising from the lease. Deferred inflows represent resources recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and deferred inflow of resources are recognized as revenue over the life of the lease term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease receivable will be the City's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. The City's IBR was calculated at 2.530% at September 30, 2021, and was the discount rate utilized for applicable leases beginning October 1, 2021 and applicable lease conversions.

The City's lessor agreements do not contain any material residual value guarantees or material restrictive covenants.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(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, 2022

(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, 2022, the millage rate in effect was 6.7000. Additionally, the Edgewater I&S 2005 voted debt millage was .0301 and the Edgewater Parks voted millage rate was .1983 for a total millage of 6.9284.

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, 2022, the carrying amount of the City's bank deposits was \$41,851,619. The bank balances at September 30, 2022, were \$41,936,664, 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 fair 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 fair 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, 2022.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(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, 2022, 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	\$ 16,924,096	\$ 16,924,096	\$ -	\$ -	\$ -	AAAm	N/A
FLCLASS	523,648	523,648	-	-	-	AAAm	N/A
Total government-wide investments	<u>\$ 17,447,744</u>	<u>\$ 17,447,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(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 and cash	\$ 1,803,723	\$ 1,803,723	\$ -	\$ -	\$ -	N/A	1
Bonds:							
US treasury notes	1,559,604	484,326	-	559,650	515,628	N/A	1
GNMA	2,049,690	-	154,203	55,697	1,839,790	N/A	2
Municipal obligations	127,110	74,970	-	52,140	-	*	2
Corporate bonds	7,235,313	857,066	3,112,830	2,116,446	1,148,971	**	2
	<u>12,775,440</u>	<u>\$ 3,220,085</u>	<u>\$ 3,267,033</u>	<u>\$ 2,783,933</u>	<u>\$ 3,504,389</u>		
Other investments:							
Corporate equities	12,286,056						
Mutual funds – equity	10,687,900						1
Mutual funds – fixed income	1,935,921						1
Commingled real estate	3,084,547						3
Total fiduciary investments	<u>40,769,864</u>						
Total City investments	<u>\$ 58,217,608</u>						

* – 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 BB to AA+ and Moody’s credit ratings range from BA3 to AAA for the Corporate bonds.

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

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

Corporate Bonds—Valued based on a matrix pricing model.

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

Money Market Funds—Valued at the underlying fund balance.

Units in the American Core Realty Fund (the Core Fund) are offered and sold by means of a private placement offering conducted in compliance with Rule 506 of Regulation D under the Securities Act of 1933, as amended. The Core Fund is an open-end diversified core commingled real estate fund that invests in private real estate and is structured as a Delaware limited partnership. As a result, the City of Edgewater Police Officers’ and General Employees’ Retirement Plans own units in the Core Fund, and the Core Fund holds no securities on behalf of the Retirement Plan’s account in the Core Fund. As of September 30, 2022, the Retirement Plans held 9.3576 and 9.7410 units for the Police Officers’ and General Employee’s Retirement Plans, respectively. The net asset value on that date was \$1,511,314 and \$1,573,233 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, 2022

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

As of September 30, 2022, 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, 2022, 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, 2022

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

As of September 30, 2022, 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	\$ 582,282	\$ -	\$ 10	\$ 53	\$ 582,345
Intergovernmental	1,536,038	399,018	-	2	1,935,058
Leases	146,993	-	-	-	146,993
Interest	310	-	-	-	310
Gross receivables	2,265,623	399,018	10	55	2,664,706
Less: Allowance for uncollectible	(8,396)	-	-	-	(8,396)
Net total receivables	<u>\$ 2,257,227</u>	<u>\$ 399,018</u>	<u>\$ 10</u>	<u>\$ 55</u>	<u>\$ 2,656,310</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	\$ 2,299,771	\$ 621,889	\$ 387,888	\$ 40	\$ 3,309,588
Intergovernmental	172,517	120,414	42,098	-	335,029
Special assessments	141,623	-	-	-	141,623
Leases	1,643,036	-	-	-	1,643,036
Interest	3,464	-	-	-	3,464
Gross receivables	4,260,411	742,303	429,986	40	5,432,740
Less: Allowance for uncollectible	(447,250)	(118,011)	(92,293)	-	(657,554)
Net total receivables	<u>\$ 3,813,161</u>	<u>\$ 624,292</u>	<u>\$ 337,693</u>	<u>\$ 40</u>	<u>\$ 4,775,186</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 such deferred inflows are reported as of September 30, 2022.

Governmental and proprietary funds also defer revenue recognition and report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year, unearned revenue, in the amount of \$90,071, reported in the major and non-major governmental funds was unearned business tax receipts. Such amounts have also been included as current liabilities on the government-wide financial statements. At the end of the fiscal year, unearned revenue, in the amount of \$1,979,418, reported in the water and sewer utility fund was unearned receipts from the American Rescue Plan Act (ARPA) and not yet expended.

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

(6) Interfund Loans, Advances, and Transfers:

The composition of Interfund balances as of September 30, 2022, is as follows:

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

Interfund transfers were comprised of the following:

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

	Transfers In					Total
	General Fund	Debt Service	Capital Projects	Water Sewer	Public Works	
<u>Transfers Out:</u>						
General Fund	\$ -	\$ 161,013	\$ 818,683	\$ -	\$ 88,500	\$ 1,068,196
CRA	-	-	-	10,650	-	10,650
Recreation Impact	-	-	38,669	-	-	38,669
Enterprise:						
Water Sewer	778,734	-	-	-	295,000	1,073,734
Solid Waste	224,372	-	-	-	118,000	342,372
Stormwater	135,969	-	-	-	88,500	224,469
Total	\$ 1,139,075	\$ 161,013	\$ 857,352	\$ 10,650	\$ 590,000	\$ 2,758,090

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(7) Capital Assets:

Capital asset activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 26,226,752	\$ -	\$ -	\$ 26,226,752
Construction in progress	596,091	1,375,951	(126,297)	1,845,745
Total capital assets, not being depreciated	<u>26,822,843</u>	<u>1,375,951</u>	<u>(126,297)</u>	<u>28,072,497</u>
Capital assets, being depreciated				
Buildings	8,256,467	16,925	-	8,273,392
Improvements other than buildings	26,060,407	126,297	-	26,186,704
Machinery and equipment	7,079,151	291,975	-	7,371,126
Infrastructure	61,538,602	-	-	61,538,602
Right-to-use assets	-	78,109	-	78,109
Total capital assets, being depreciated	<u>102,934,627</u>	<u>513,306</u>	<u>-</u>	<u>103,447,933</u>
Less accumulated depreciation				
Buildings	(5,009,758)	(230,542)	-	(5,240,300)
Improvements other than buildings	(15,815,049)	(688,048)	-	(16,503,097)
Machinery and equipment	(4,972,119)	(527,704)	-	(5,499,823)
Infrastructure	(55,868,542)	(524,544)	-	(56,393,086)
Right-to-use assets	-	(20,376)	-	(20,376)
Total accumulated depreciation	<u>(81,665,468)</u>	<u>(1,991,214)</u>	<u>-</u>	<u>(83,656,682)</u>
Total capital assets, being depreciated, net	<u>21,269,159</u>	<u>(1,477,908)</u>	<u>-</u>	<u>19,791,251</u>
Governmental activities capital assets, net	<u>\$ 48,092,002</u>	<u>\$ (101,957)</u>	<u>\$ (126,297)</u>	<u>\$ 47,863,748</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,397,173	\$ -	\$ -	\$ 1,397,173
Construction in progress	1,479,755	2,459,675	(2,481,738)	1,457,692
Total capital assets, not being depreciated	<u>2,876,928</u>	<u>2,459,675</u>	<u>(2,481,738)</u>	<u>2,854,865</u>
Capital assets, being depreciated				
Buildings	24,025,550	-	-	24,025,550
Improvements other than buildings	66,084,187	1,478,756	-	67,562,943
Machinery and equipment	14,900,338	1,814,718	(250,271)	16,464,785
Right-to-use assets	-	32,527	-	32,527
Total capital assets, being depreciated	<u>105,010,075</u>	<u>3,326,001</u>	<u>(250,271)</u>	<u>108,085,805</u>
Less accumulated depreciation				
Buildings	(19,864,723)	(443,867)	-	(20,308,590)
Improvements other than buildings	(32,179,444)	(2,073,801)	-	(34,253,245)
Machinery and equipment	(11,108,442)	(763,401)	230,528	(11,641,315)
Right-to-use assets	-	(8,485)	-	(8,485)
Total accumulated depreciation	<u>(63,152,609)</u>	<u>(3,289,554)</u>	<u>230,528</u>	<u>(66,211,635)</u>
Total capital assets, being depreciated, net	<u>41,857,466</u>	<u>36,447</u>	<u>(19,743)</u>	<u>41,874,170</u>
Business-type activities capital assets, net	<u>\$ 44,734,394</u>	<u>\$ 2,496,122</u>	<u>\$ (2,501,481)</u>	<u>\$ 44,729,035</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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

Governmental activities:	
General government	\$ 134,759
Public safety	496,798
Transportation / public works	893,583
Parks and recreation	441,022
Capital assets held by the City’s internal service funds are charged to the various functions based on their usage of the assets	25,052
Total depreciation expense – governmental activities	\$ 1,991,214
 Business-type activities:	
Water Sewer Utility	\$ 2,585,026
Solid Waste Utility	191,755
Stormwater System	512,773
Total depreciation expense – business-type activities	\$ 3,289,554

(8) **Leases:**

(a) **City as Lessor**—The City is the lessor in five lease agreements for one building facility and four cell towers. A lease receivable and deferred inflow of resources was recorded for each of these leases.

In 2014, the City entered into a 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 May 1, 2025, 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 until April 1, 2024 when the payment shall increase to \$5,779 per month. For the year ended September 30, 2022, the City recognized \$49,189 in lease revenue and \$4,193 in interest revenue related to this lease. As of September 30, 2022, the City’s receivable for lease payments was \$146,993 and for interest payments was \$310. Also, the City has a deferred inflow of resources associated with this lease that will be recognized over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was \$135,271.

The principal and interest requirements to maturity for this lease as of September 30, 2022, are as follows:

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2023	\$ 42,117	\$ 3,233	\$ 45,350
2024	59,078	2,051	61,129
2025	45,798	436	46,234
Total future minimum lease payments	<u>\$ 146,993</u>	<u>\$ 5,720</u>	<u>\$ 152,713</u>

In 2006, 2007, 2008, and 2014, the City entered into lease agreements with MetroPCS, Sprint, T-Mobile, and Vertex for the leasing of cell towers owned by the City. Based on the terms of the agreements, each lease is for an initial five or ten-year term with four additional five-year renewal periods. For the year ended September 30, 2022, the City recognized \$119,177 in lease revenue and \$42,388 in interest revenue related to these leases. As of September 30, 2022, the City's receivable for lease payments was \$1,643,036 and for interest payments was \$3,464. Also, the City has a deferred inflow of resources associated with these leases that will be recognized over the lease terms. As of September 30, 2022, the balance of the deferred inflow of resources was \$1,597,090.

The principal and interest requirements to maturity for these leases as of September 30, 2022, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2023	\$ 75,786	\$ 40,702	\$ 116,488
2024	82,280	38,710	120,990
2025	89,116	36,550	125,666
2026	96,311	34,213	130,524
2027	103,880	31,689	135,569
2028-2032	610,661	113,604	724,265
2033-2037	209,192	60,010	269,202
2038-2042	251,180	32,745	283,925
2043-2045	124,630	3,339	127,969
Total future minimum lease payments	<u>\$ 1,643,036</u>	<u>\$ 391,562</u>	<u>\$ 2,034,598</u>

(b) **City as Lessee**—The City is the lessee in one lease agreement for copier equipment for both the General Fund and the Water Sewer Fund. A lease liability and a right-to-use asset was recorded for this lease in each of those funds.

In 2020, the City entered into a 63 month lease agreement with Dex Imaging for the use of copier equipment valued at \$110,636. A right-to-use asset and initial lease liability was recorded by the City during the current fiscal year. As of September 30, 2022, the value of the lease liability was \$82,626. The City is required to make monthly principal and interest payments of \$2,521. The City's IBR was calculated at 2.530% at September 30, 2021, and was the discount rate utilized in the current year for this lease. The equipment has a seven-year estimated useful life. The value of the right-to-use assets as of September 30, 2022 was \$110,636 and had accumulated depreciation of \$28,861.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Lease expense for the right-to-use assets for the years ended September 30, 2022 was as follows:

September 30, 2022	Governmental Activities	Business-type Activities
Equipment depreciation expense	\$ 20,376	\$ 8,485
Interest on lease liabilities	1,704	710
Total	\$ 22,080	\$ 9,195

The principal and interest requirements to maturity for the lease liability as of September 30, 2022, is as follows:

Governmental Activities			
Year Ending September 30,	Principal	Interest	Total Payments
2023	\$ 20,113	\$ 1,244	\$ 21,357
2024	20,628	729	21,357
2025	17,593	205	17,797
Total future minimum lease payments	<u>\$ 58,334</u>	<u>\$ 2,177</u>	<u>\$ 60,511</u>

Business-type Activities			
Year Ending September 30,	Principal	Interest	Total Payments
2023	\$ 8,376	\$ 518	\$ 8,894
2024	8,590	304	8,894
2025	7,326	85	7,411
Total future minimum lease payments	<u>\$ 24,292</u>	<u>\$ 907</u>	<u>\$ 25,198</u>

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

Notes Payable

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

	Interest Rates and Dates	Maturity	Original Amount	Outstanding Balance
Business-type activities:				
Clean Water State Revolving Fund Loan Agreement	.63% (2/15 and 8/15)	8/15/2040	\$ 3,773,798	\$ 3,508,675

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2022, are as follows:

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2023	\$ 184,520	\$ 22,161
2024	185,703	20,978
2025	186,894	19,788
2026	188,092	18,590
2027	189,297	17,384
2028 – 2032	964,844	68,561
2033 – 2037	996,168	37,238
2038 – 2040	613,158	6,886
	<u>\$ 3,508,675</u>	<u>\$ 211,586</u>

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:

	Interest Rates and Dates	Maturity	Original Amount	Outstanding Balance
Governmental activities:				
General Obligation Note	3.06%			
Series 2017	(7/1)	7/1/2036	\$ 3,436,000	\$ 2,681,000

Annual requirements to amortize the General Obligation Note outstanding as of September 30, 2022, are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 156,000	\$ 82,039
2024	161,000	77,265
2025	166,000	72,338
2026	171,000	67,259
2027	176,000	62,026
2028 – 2032	966,000	225,859
2033 – 2036	885,000	68,728
	<u>\$ 2,681,000</u>	<u>\$ 655,514</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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	2.47%			
Notes Series 2017	(6/1 and 12/1)	6/1/2032	\$ 2,000,000	\$ 1,416,000

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, 2022, are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 127,000	\$ 34,975
2024	130,000	31,838
2025	133,000	28,627
2026	136,000	25,342
2027	139,000	21,983
2028 – 2032	751,000	56,588
	<u>\$ 1,416,000</u>	<u>\$ 199,353</u>

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

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	\$ 270,821

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2022, are as follows:

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2023	\$ 16,687	\$ 1,680
2024	16,792	1,575
2025	16,898	1,469
2026	17,005	1,362
2027	17,112	1,255
2028 – 2032	87,193	4,640
2033 – 2037	89,979	1,855
2038	9,155	29
	\$ 270,821	\$ 13,865

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

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

(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;
- (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, 2022, are as follows:

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2023	\$ 959,000	\$ 104,455
2024	981,000	82,145
2025	1,004,000	59,317
2026	1,027,000	35,961
2027	1,050,000	12,075
	\$ 5,021,000	\$ 293,953

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, 2022, are as follows:

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 40,000	\$ 10,666
2024	40,000	9,583
2025	45,000	8,381
2026	45,000	7,134
2027	45,000	5,888
2028 – 2031	190,000	10,821
	<u>\$ 405,000</u>	<u>\$ 52,473</u>

In March 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. The note matures in July 2026 and has an interest rate of 3.85%. Annual debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 30,000	\$ 5,191
2024	35,000	4,037
2025	35,000	2,692
2026	35,000	1,346
	<u>\$ 135,000</u>	<u>\$ 13,266</u>

November 2012, 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 in June 2034. Current debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 310,007	\$ 73,962
2024	315,704	68,265
2025	321,506	62,463
2026	327,415	56,555
2027	333,432	50,538
2028 – 2032	1,761,356	158,490
2033 – 2034	750,693	17,245
	<u>\$ 4,120,113</u>	<u>\$ 487,518</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

In March 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 with a maturity date of March 2024. Debt service requirements are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 82,973	\$ 3,042	\$ 58,027	\$ 2,127
2024	84,738	1,022	59,262	715
Total	<u>\$ 167,711</u>	<u>\$ 4,064</u>	<u>\$ 117,289</u>	<u>\$ 2,842</u>

The City has financed purchase agreements for financing the acquisition of rescue vehicles and other vehicles from BB&T and Truist Bank in 2019 and 2020, respectively. These agreements qualify as financed purchase agreements for accounting purposes and, therefore, were recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the financed purchase agreements are as follows:

	<u>BB&T Governmental Activities</u>	<u>Truist Bank Business-type Activities</u>
Machinery and equipment	\$ 594,457	\$ 891,766
Less: Accumulated depreciation	(122,668)	(148,628)
Total	<u>\$ 471,789</u>	<u>\$ 743,138</u>

The future minimum obligations and the net present value of these payments as of September 30, 2022 were as follows:

<u>Year Ending September 30,</u>	<u>BB&T Governmental Activities</u>	<u>Truist Bank Business-type Activities</u>
2023	\$ 84,726	\$ 157,854
2024	83,928	157,208
2025	62,105	157,526
2026	62,758	157,790
2027	62,361	-
2028-2029	124,434	-
Total minimum payments	<u>480,312</u>	<u>630,378</u>
Amounts representing interest	(41,312)	(27,378)
Present value of minimum payments	<u>\$ 439,000</u>	<u>\$ 603,000</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable:					
General Obligation Note, 2017	\$ 2,833,000	\$ -	\$ (152,000)	\$ 2,681,000	\$ 156,000
Capital Improvement Revenue Note, 2017	1,539,000	-	(123,000)	1,416,000	127,000
Guaranteed Entitlement Note, Series 2010	445,000	-	(40,000)	405,000	40,000
General Obligation Note, 2007	165,000	-	(30,000)	135,000	30,000
Capital Improvement Note 2014 AEBI	174,081	-	(56,792)	117,289	58,027
American Vehicle	25,066	-	(25,066)	-	-
BB&T Vehicle	90,181	-	(90,181)	-	-
	511,000	-	(72,000)	439,000	74,000
Leases:					
Dex Copiers	-	77,986	(19,652)	58,334	20,113
Compensated absences	1,395,166	932,008	(894,151)	1,433,023	894,151
Total governmental activities long-term liabilities	<u>\$ 7,177,494</u>	<u>\$ 1,009,994</u>	<u>\$ (1,502,842)</u>	<u>\$ 6,684,646</u>	<u>\$ 1,399,291</u>
Business-type activities:					
Notes payable:					
State Revolving loan, 2013	\$ 4,424,526	\$ -	\$ (304,413)	\$ 4,120,113	\$ 310,007
State Revolving loan, 2017	287,403	-	(16,582)	270,821	16,687
State Revolving loan, 2018	3,692,020	-	(183,345)	3,508,675	184,520
Capital Improvement Note 2014	248,920	-	(81,209)	167,711	82,973
Refunding Revenue Note 2016	5,959,000	-	(938,000)	5,021,000	959,000
American Capital	12,953	-	(12,953)	-	-
Truist Refuse Trucks	747,000	-	(144,000)	603,000	147,000
Leases:					
Dex Copiers	-	32,476	(8,184)	24,292	8,376
Compensated absences	604,850	347,184	(437,688)	514,346	437,688
Total business-type activities long term debt	<u>\$ 15,976,672</u>	<u>\$ 379,660</u>	<u>\$ (2,126,374)</u>	<u>\$ 14,229,958</u>	<u>\$ 2,146,251</u>

Internal service funds predominately serve the governmental funds. Accordingly, \$86,290 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.

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

(10) Other Commitments:

The City has entered into several agreements that are outstanding at September 30, 2022, which will result in future financial obligation as follows:

<u>Commitments</u>	<u>Amount</u>
General Fund	\$ 2,472,514
Fire Impact Fee Fund	50,000
CRA Fund	84,000
Capital Projects Fund	4,231,434
Water and Sewer Utility Fund	16,267,252
Stormwater Utility Fund	5,170,558
Solid Waste Fund	4,805,089
Information Technology Fund	1,227,860
Fleet Fund	74,048
Total	<u>\$ 34,382,755</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 2022, 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.

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.”

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(11) Other Matters: (Continued)

Plan Membership—At September 30, 2021, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Participants	189
Retirees, Beneficiaries, and Disabled Members	12
Covered Spouses	2
	203
	203

Total OPEB Liability—The City’s total OPEB liability of \$8,855,053 was measured as of September 30, 2021, and was determined by an actuarial valuation as of September 30, 2022.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2021 actuarial valuation, updated to September 30, 2022, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation		2.50%
Salary increases	Varies By Service	
Discount rate		2.43%
Initial Trend Rate		7.50%
Ultimate Trend Rate		4.00%
Years to Ultimate		53

Given the City’s decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.43%. 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, 2021 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 2.14% for the reporting period ended September 30, 2021, to 2.43% for the reporting period ended September 30, 2022.

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

Changes in the OPEB liability for the fiscal year ended September 30, 2022, were as follows:

	Total OPEB Liability
Balance at September 30, 2021	\$ 8,660,680
Changes for a year:	
Service cost	283,368
Interest	189,238
Difference between expected and actual experience	2,522,578
Changes of assumptions	(2,597,431)
Benefit payments – implicit rate subsidy	(203,380)
Net changes	194,373
Balance at September 30, 2022	\$ 8,855,053

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

The following presents the total OPEB liability of the City calculated using the discount rate of 2.43%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.43%) or 1% higher (3.43%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 11,125,447	\$ 8,855,053	\$ 7,204,174

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	\$ 7,202,060	\$ 8,855,053	\$ 11,071,898

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

For the year ended September 30, 2022; the City recognized OPEB expense of \$732,198.

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

At September 30, 2022, 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	\$ 3,126,377	\$ -
Changes of Assumptions	1,709,910	2,471,177
Employer Contributions Subsequent to the Measurement Date	195,088	-
Total	\$ 5,031,375	\$ 2,471,177

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
2023	\$ 253,820
2024	329,631
2025	390,938
2026	390,938
2027	390,938
Thereafter	608,845

(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, 2022**

(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:

Group	General Employees	Police Officers	Fire Fighters'
Inactive plan members and beneficiaries currently receiving benefits	101	34	14
Inactive plan members entitled to but not receiving benefits	15	13	2
Active plan members	1	31	29
Total	117	78	45

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, 2022

(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, 2022, the average active employee contribution was \$2,756 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, 2022, the total required contribution from the City was \$755,895 for the general employees' pension fund. The City's average contribution rate was 58.6% and 24.1% 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, 2022:

<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, 2022**

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

Reserves

As of September 30, 2022, 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, 2022**

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ASSETS			
Accrued income	\$ 42,609	\$ 30,583	\$ 29,638
Accounts receivable	3,872	-	-
Money market funds	462,008	557,642	784,073
Bonds			
US Treasury notes	813,020	746,584	-
GNMA	1,184,397	767,287	98,006
Municipal bonds	30,415	21,725	74,970
Corporate bonds	1,977,516	1,397,011	3,860,788
Mutual fund – fixed income	1,935,921	-	-
Mutual fund - equities	3,227,486	7,460,413	12,286,055
Commingled real estate fund	1,573,233	1,511,314	-
Total assets	11,250,477	12,492,559	17,133,530
LIABILITIES			
Accounts payable	-	-	-
Unearned contributions	-	-	-
NET POSITION			
Restricted for pensions	<u>\$ 11,250,477</u>	<u>\$ 12,492,559</u>	<u>\$ 17,133,530</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the fiscal year ended September 30, 2022

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ADDITIONS			
Contributions:			
Employer	\$ 755,895	\$ 1,016,434	\$ 373,350
Employee	2,759	114,851	136,072
State of Florida	-	195,502	201,301
Total contributions	<u>758,654</u>	<u>1,326,787</u>	<u>710,723</u>
Investment earnings (loss):			
Interest and dividends	1,266,121	474,351	272,031
Net increase (decrease) in fair value of investments	(3,560,689)	(2,706,613)	(3,279,920)
Other income	-	-	-
Total investment earnings (loss)	<u>(2,294,568)</u>	<u>(2,232,262)</u>	<u>(3,007,889)</u>
Less: investment expense	<u>(52,536)</u>	<u>(55,074)</u>	<u>(117,585)</u>
Net investment earnings (loss)	<u>(2,347,104)</u>	<u>(2,287,336)</u>	<u>(3,125,474)</u>
Total additions	<u>(1,588,450)</u>	<u>(960,549)</u>	<u>(2,414,751)</u>
DEDUCTIONS			
Pension benefits	\$ 1,512,145	\$ 1,042,545	\$ 1,065,030
Administrative expenses	39,954	51,763	53,515
Total deductions	<u>1,552,099</u>	<u>1,094,308</u>	<u>1,118,545</u>
Change in net position	(3,140,549)	(2,054,857)	(3,533,296)
Net position, beginning of year	14,391,026	14,547,416	20,666,826
Net position, end of year	<u>\$ 11,250,477</u>	<u>\$ 12,492,559</u>	<u>\$ 17,133,530</u>

Net Pension Liability

Actuarial Assumptions:

The total pension liability was determined with a measurement date of September 30, 2021 and an actuarial valuation as of October 1, 2020 updated to September 30, 2022, using the following actuarial assumptions to all measurement periods.

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Inflation	2.50%	2.50%	2.50%
Salary increases	4.00%	Service based	Service based
Investment rate of return/discount rate	6.25%	7.40%	7.00%

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

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

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

Mortality rates for General Employees are projected generationally with mortality Improvements Scale MP-2018. The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics. The actuarial assumptions are based upon the most recent actuarial experience study dated June 13, 2013.

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

Mortality rates for the Firefighters are projected generationally with mortality Improvements Scale MP-2018. The above described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics. The actuarial assumptions are based upon the most recent actuarial experience study dated December 6, 2019.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

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

The target allocation and best estimates of arithmetic real rates of return for each major class as of September 30, 2022, 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	8.30%	7.50%	7.50%
International equity	4.10%	8.50%	8.50%
Bonds/domestic fixed income	3.10%	2.50%	2.50%
Global fixed income	-	3.50%	-
Real estate	5.50%	4.50%	-

Discount rate:

The discount rate used to measure the total pension liability for the General Pension Plan was 6.25%, 7.40% for Police, and 7.00% Fire Pension Plans. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that City contributions will be made as rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The components of the net pension liability of the pension plans at September 30, 2022, were as follows:

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
Total pension liability	\$ 19,287,655	\$ 16,378,372	\$ 17,292,977
Plan fiduciary net position	(14,383,928)	(14,477,202)	(20,624,262)
Net pension liability (asset)	<u>\$ 4,903,727</u>	<u>\$ 1,901,170</u>	<u>\$ (3,331,285)</u>
Plan fiduciary net position as percentage of total pension liability	74.58%	88.39%	119.26%

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

Changes in the Net Pension Liability

	General Employee's Retirement Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a – b)
Beginning Balance	\$ 18,663,267	\$ 12,949,298	\$ 5,713,969
Changes for year:			
Service cost	18,922	-	18,922
Interest	1,210,245	-	1,210,245
Differences between expected and actual experience	57,121	-	57,121
Changes of assumptions	843,369	-	843,369
Contributions – employer	-	793,823	(793,823)
Contributions – employee	-	2,564	(2,564)
Net investment income	-	2,189,050	(2,189,050)
Benefit payments, including refunds	(1,505,269)	(1,505,269)	-
Administrative expenses	-	(45,538)	45,538
Net changes	624,388	1,434,630	(810,242)
Ending Balance	<u>\$ 19,287,655</u>	<u>\$ 14,383,928</u>	<u>\$ 4,903,727</u>

	Police Officer's Retirement Trust Fund		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a – b)
Beginning Balance	\$ 15,512,256	\$ 12,058,659	\$ 3,453,597
Changes for year:			
Service cost	354,462	-	354,462
Interest	1,133,974	-	1,133,974
Share plan allocation	180,475	-	180,475
Differences between expected and actual experience	221,220	-	221,220
Contributions – employer	-	999,201	(999,201)
Contributions – State	-	180,475	(180,475)
Contributions – employee	-	108,217	(108,217)
Contributions – buy back	61,476	61,476	-
Net investment income	-	2,218,422	(2,218,422)
Benefit payments, including refunds	(1,085,491)	(1,085,491)	-
Administrative expenses	-	(63,757)	63,757
Net changes	866,116	2,418,543	(1,552,427)
Ending Balance	<u>\$ 16,378,372</u>	<u>\$ 14,477,202</u>	<u>\$ 1,901,170</u>

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

	Firefighter's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a – b)
Beginning Balance	\$ 15,696,313	\$ 17,668,275	\$ (1,971,962)
Changes for year:			
Service cost	388,119	-	388,119
Interest	1,135,760	-	1,135,760
Share plan allocation	130,864	-	130,864
Differences between expected and actual experience	288,633	-	288,633
Changes of assumptions	442,448	-	442,448
Contributions – employer	-	353,847	(353,847)
Contributions – State	-	186,156	(186,156)
Contributions – employee	-	104,018	(104,018)
Contributions – buy back	48,403	48,403	-
Net investment income	-	3,158,726	(3,158,726)
Benefit payments, including refunds	(837,563)	(837,563)	-
Administrative expenses	-	(57,600)	57,600
Net changes	1,596,664	2,955,987	(1,359,323)
Ending Balance	\$ 17,292,977	\$ 20,624,262	\$ (3,331,285)

**CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

(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 6.25% for the General Employee's Pension, 7.40% for Police, and 7.00% 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 5.25%</u>	<u>Current Discount Rate 6.25%</u>	<u>1% Increase 7.25%</u>
General Employees Retirement Trust Fund	\$ 6,824,801	\$ 4,903,727	\$ 3,274,752
<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 6.40%</u>	<u>Current Discount Rate 7.40%</u>	<u>1% Increase 8.40%</u>
Police Officers Retirement Trust Fund	\$ 3,688,448	\$ 1,901,170	\$ 417,984
<u>City's Net Pension Liability (Asset)</u>	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Firefighters Retirement Trust Fund	\$ (1,341,034)	\$ (3,331,285)	\$ (4,975,076)

For the year ended September 30, 2022, 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	17.37%	18.32%	17.98%

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, 2022, the City recognized pension expense of \$937,598, \$580,256 and \$(276,972) in the General Employees, Police Officers, and Firefighters pension plans, respectively, for a total aggregate pension expense of \$1,240,882 for all three plans.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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

At September 30, 2022, 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	\$ -	\$ -	\$ 256,103	\$ -	\$ 375,814	\$ 146,562
Changes of assumptions	-	-	-	75,945	690,705	111,232
Net difference between projected and actual investment earnings	-	1,311,001	-	1,196,431	-	2,023,708
Contributions made subsequent to measurement date	755,895	-	1,211,936	-	574,651	-
	<u>\$ 755,895</u>	<u>\$1,311,001</u>	<u>\$1,468,039</u>	<u>\$1,272,376</u>	<u>\$1,641,170</u>	<u>\$2,281,502</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
2023	\$ (335,319)	\$ (223,796)	\$ (397,664)
2024	(338,248)	(233,508)	(269,985)
2025	(369,347)	(295,234)	(437,511)
2026	(268,087)	(263,735)	(231,670)
2027	-	-	121,847

(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 \$779,571. 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, 2022

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

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

(f) **Tax Abatement**—The City entered into an agreement with a local organization to abate certain ad valorem taxes in exchange for economic incentives. Article VII, Section 3 of the Florida Constitution and Section 16.1995, Florida Statutes, and the electorate of the City, have granted City Council the authority to grant property tax exemptions for new business and expansions of existing businesses. The City Council approved Ordinance 2017-O-22, granting the organization an ad valorem tax exemption for a term of ten years expiring in 2026. There was \$31,250 in taxes abated during the year ended September 30, 2022, as scheduled.

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

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

(h) **Subsequent Events**— At the end of September 2022, the city was affected by Hurricane Ian, and again in November 2022, by Hurricane Nicole. These hurricanes were primarily wind and flooding events, causing damage to many of the city facilities along with debris, power outages, and flooding damages. Debris removal and cleanup costs, facility damage, and emergency protective measures incurred due to these hurricanes are estimated at \$3 million. Expected reimbursements of over 95% are expected from FEMA, and state, and insurance proceeds.

CITY OF EDGEWATER, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(12) Recently Issued Pronouncements:

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

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

(a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City implemented this Statement and its various provisions during the year ended September 30, 2022 with an effective date of October 1, 2021.

(b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

(c) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.



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CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

General Employees' Retirement Trust

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

Reporting Period Ending	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 18,922	\$ 18,087	\$ 17,847	\$ 29,715
Interest	1,210,245	1,241,131	1,255,470	1,254,084
Differences between expected and actual experience				
Differences between Expected and Actual Experience	57,121	16,468	39,215	248,369
Changes of assumptions	843,369	(221,363)	-	-
Contributions – buy back	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,505,269)	(1,520,177)	(1,530,253)	(1,469,263)
Net change in total pension liability	624,388	(465,854)	(217,721)	62,905
Total pension liability, beginning	18,663,267	19,129,121	19,346,842	19,283,937
Total pension liability, ending (a)	\$ 19,287,655	\$ 18,663,267	\$ 19,129,121	\$ 19,346,842
Plan fiduciary net position				
Contributions – employer	\$ 793,823	\$ 799,291	\$ 782,806	\$ 744,629
Contributions – employee	2,564	2,465	2,615	4,662
Contributions – buy back	-	-	-	-
Net investment income	2,189,050	1,317,329	663,572	803,070
Benefit payments, including refunds of employee contributions	(1,505,269)	(1,520,177)	(1,530,253)	(1,469,263)
Administrative expense	(45,537)	(48,073)	(54,055)	(47,203)
Net change in plan fiduciary net position	1,434,631	550,835	(135,315)	35,895
Plan fiduciary net position, beginning	12,949,297	12,398,462	12,533,777	12,497,882
Plan fiduciary net position, ending (b)	\$ 14,383,928	\$ 12,949,297	\$ 12,398,462	\$ 12,533,777
Net pension liability (asset) – ending (a) - (b)	\$ 4,903,727	\$ 5,713,970	\$ 6,730,659	\$ 6,813,065
Plan fiduciary net position as a percentage of the total pension liability	74.58%	69.38%	64.81%	64.78%
Covered payroll	\$ 102,558	\$ 98,612	\$ 104,603	\$ 193,713
Net pension liability as a percentage of payroll	4781.42%	5794.40%	6434.48%	3517.09%
Annual Money-Weighted Rate of Return	17.37%	10.95%	5.47%	6.63%

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

<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
\$ 53,793	\$ 34,222	\$ 60,573	\$ 91,269	\$ 84,901
1,254,173	1,250,244	1,238,859	1,241,107	1,237,145
176,321	(50,657)	259,399	-	-
-	1,777,486	-	-	-
-	299,746	-	-	-
(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
30,504	1,924,417	184,109	43,790	59,449
19,253,433	17,329,016	17,144,907	17,101,117	17,041,668
\$ 19,283,937	\$ 19,253,433	\$ 17,329,016	\$ 17,144,907	\$ 17,101,117

\$ 667,440	\$ 661,699	\$ 713,396	\$ 772,605	\$ 475,794
6,091	5,851	8,535	13,178	15,348
-	299,746	-	-	-
1,055,669	950,355	(67,754)	1,059,400	1,563,721
(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)
(44,217)	(40,442)	(48,589)	(42,302)	(76,889)
231,200	490,585	(769,134)	514,295	715,377
12,266,682	11,776,097	12,545,231	12,030,936	11,315,559
\$ 12,497,882	\$ 12,266,682	\$ 11,776,097	\$ 12,545,231	\$ 12,030,936

\$ 6,786,055	\$ 6,986,751	\$ 5,552,919	\$ 4,599,676	\$ 5,070,181
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64.81%	63.71%	67.96%	73.17%	70.35%
\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
2870.41%	2001.74%	1626.48%	811.19%	825.86%
8.92%	8.40%	-0.56%	8.94%	13.50%

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	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 354,462	\$ 254,215	\$ 256,785	\$ 264,098
Interest	1,133,974	1,105,408	1,066,672	989,631
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	180,475	177,890	177,174	163,282
Differences between expected and actual experience				
Differences between Expected and Actual Experience	221,220	233,955	48,813	565,564
Changes of assumptions	-	(227,835)	-	-
Contributions – buy back contributions	61,476 (1,085,491)	- (1,031,883)	- (1,028,888)	- (867,226)
Net change in total pension liability	866,116	511,750	520,556	1,115,349
Total pension liability, beginning	15,512,256	15,000,506	14,479,950	13,364,601
Total pension liability, ending (a)	\$ 16,378,372	\$ 15,512,256	\$ 15,000,506	\$ 14,479,950
Plan fiduciary net position				
Contributions – employer	\$ 999,201	\$ 891,041	\$ 781,147	\$ 777,360
Contributions – state	180,475	177,890	177,174	163,282
Contributions – employee	108,217	98,822	90,656	86,174
Contributions – buy back	61,476	-	-	-
Net investment income	2,218,422	1,242,126	463,243	736,836
Benefit payments, including refunds of employee contributions	(1,085,491)	(1,031,883)	(1,028,888)	(867,226)
Administrative expense	(63,757)	(52,255)	(63,994)	(50,879)
Net change in plan fiduciary net position	2,418,543	1,325,741	419,338	845,547
Plan fiduciary net position, beginning	12,058,659	10,732,918	10,313,580	9,468,033
Plan fiduciary net position, ending (b)	\$ 14,477,202	\$ 12,058,659	\$ 10,732,918	\$ 10,313,580
Net pension liability (asset) – ending (a) - (b)	\$ 1,901,170	\$ 3,453,597	\$ 4,267,588	\$ 4,166,370
Plan fiduciary net position as a percentage of the total pension liability	88.39%	77.74%	71.55%	71.23%
Covered payroll	\$ 1,803,615	\$ 1,647,026	\$ 1,510,925	\$ 1,503,600
Net pension liability as a percentage of payroll	105.41%	209.69%	282.45%	277.09%
Annual Money-Weighted Rate of Return	18.32%	11.61%	4.52%	7.78%

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

9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
\$ 241,471	\$ 248,453	\$ 209,572	\$ 206,976	\$ 84,901
939,389	874,946	855,433	859,397	1,237,145
-	-	-	(386,259)	-
147,327	138,245	-	-	-
148,378	230,533	(19,907)	-	-
-	244,939	-	-	-
-	-	-	-	-
(791,362)	(950,417)	(697,208)	(773,904)	(1,262,597)
685,203	786,699	347,890	(93,790)	59,449
12,679,398	11,892,699	11,544,809	11,638,599	17,041,668
\$ 13,364,601	\$ 12,679,398	\$ 11,892,699	\$ 11,544,809	\$ 17,101,117

\$ 578,155	\$ 621,470	\$ 618,054	\$ 534,795	\$ 475,794
147,327	138,245	127,668	125,387	-
96,436	84,939	79,610	76,054	15,348
-	-	-	-	-
950,106	568,335	(15,324)	759,444	1,563,721
(791,362)	(950,417)	(697,208)	(773,904)	(1,262,597)
(58,416)	(67,029)	(49,324)	(36,403)	(76,889)
922,246	395,543	63,476	685,373	715,377
8,545,787	8,150,244	8,086,768	7,401,395	11,315,559
\$ 9,468,033	\$ 8,545,787	\$ 8,150,244	\$ 8,086,768	\$ 12,030,936

\$ 3,896,568	\$ 4,133,611	\$ 3,742,455	\$ 3,458,041	\$ 5,070,181
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70.84%	67.40%	68.53%	70.05%	70.35%
\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 613,927
253.04%	291.99%	267.96%	272.81%	825.86%
11.26%	7.05%	-0.19%	10.40%	13.50%

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	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018
Total pension liability				
Service cost	\$ 388,119	\$ 393,523	\$ 349,645	\$ 354,548
Interest	1,135,760	1,081,097	1,011,898	922,206
Share Plan Allocation	130,864	110,814	98,967	96,388
Changes of Benefit Terms			437,981	
Differences between Expected and Actual Experience	288,633	(27,143)	(172,618)	(89,479)
Changes of assumptions	442,448	(166,848)	563,502	-
Contributions – buy back	48,403	24,931	17,854	17,703
Benefit payments, including refunds of employee contributions	(837,563)	(476,428)	(510,414)	(566,702)
Net change in total pension liability	1,596,664	939,946	1,796,815	734,664
Total pension liability, beginning	15,696,313	14,756,367	12,959,552	12,224,888
Total pension liability, ending (a)	\$ 17,292,977	\$ 15,696,313	\$ 14,756,367	\$ 12,959,552
Plan fiduciary net position				
Contributions – employer	\$ 353,847	\$ 434,699	\$ 409,471	\$ 358,424
Contributions – state	186,156	166,106	154,258	151,680
Contributions – employee	104,018	103,245	105,323	91,166
Contributions – buy back	48,403	24,931	17,854	17,703
Net investment income	3,158,726	2,147,750	531,717	1,618,036
Benefit payments, including refunds of employee contributions	(837,563)	(476,428)	(510,414)	(566,702)
Administrative expense	(57,600)	(67,890)	(53,585)	(49,647)
Net change in plan fiduciary net position	2,955,987	2,332,413	654,624	1,620,660
Plan fiduciary net position, beginning	17,668,275	15,335,862	14,681,238	13,060,578
Plan fiduciary net position, ending (b)	\$ 20,624,262	\$ 17,668,275	\$ 15,335,862	\$ 14,681,238
Net pension liability (asset) – ending (a) - (b)	\$ (3,331,285)	\$ (1,971,962)	\$ (579,495)	\$ (1,721,686)
Plan fiduciary net position as a percentage of the total pension liability	119.26%	112.56%	103.93%	113.29%
Covered payroll	\$ 1,733,638	\$ 1,720,751	\$ 1,755,385	\$ 1,674,877
Net pension liability as a percentage of payroll	-192.16%	-114.60%	-33.01%	-102.79%
Annual Money-Weighted Rate of Return	17.98%	14.00%	3.61%	12.44%

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

9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
\$ 358,456	\$ 322,776	\$ 317,342	\$ 323,511	\$ 300,940
825,460	752,753	715,242	652,070	601,821
92,260	84,235	90,777	88,962	-
473,491	(45,934)	(367,566)	-	-
-	147,249	-	-	-
8,544	9,721	-	-	-
(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
1,396,208	958,693	545,743	842,447	614,150
10,828,680	9,869,987	9,324,244	8,481,797	7,867,647
\$ 12,224,888	\$ 10,828,680	\$ 9,869,987	\$ 9,324,244	\$ 8,481,797

\$ 317,000	\$ 358,086	\$ 354,899	\$ 392,863	\$ 469,302
147,551	139,527	150,763	155,382	129,103
117,483	107,966	93,950	88,869	87,309
8,544	9,721	-	-	-
1,734,571	1,143,088	(536,507)	1,160,776	766,338
(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
(44,046)	(58,960)	(48,746)	(44,645)	(18,869)
1,919,100	1,387,321	(195,693)	1,531,149	1,144,572
11,141,478	9,754,157	9,949,850	8,418,701	7,274,129
\$ 13,060,578	\$ 11,141,478	\$ 9,754,157	\$ 9,949,850	\$ 8,418,701

\$ (835,690)	\$ (312,798)	\$ 115,830	\$ (625,606)	\$ 63,096
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106.84%	102.89%	98.83%	106.71%	99.26%
\$ 1,802,605	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
-46.36%	-17.38%	7.33%	-42.64%	4.34%
15.51%	11.64%	-5.33%	13.59%	10.25%

CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)
Schedules of General Employees' Contributions

Reporting Period Ending	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019
Measurement Date	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Actuarially Determined Contribution (ADC)	\$ 755,898	\$ 793,736	\$ 799,181	\$ 781,161
Contributions in Relation to ADC	755,895	793,823	799,291	782,806
Contribution Deficiency (Excess)	\$ 3	\$ (87)	\$ (110)	\$ (1,645)
Covered Payroll	\$ 110,371	\$ 102,558	\$ 98,612	\$ 98,639
Contributions as a Percentage of Covered Payroll	684.87%	774.02%	810.54%	793.61%

Notes to Schedule:

Valuation Date: 10/1/2021

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 6.25% assumption.
Salary - A full year, based on the current average assumption of 4.0%.
Mortality: PubG.H-2010 for Employees
Interest Rate: 6.25% per year compounded annually, net of investment related expenses.
Normal Retirement:

Age	Retirement Probability
55	50%
56-59	0%
60 and older	100%

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

Salary Increases: 4% per year.
Termination Rates: None assumed.
Early Retirement: None assumed.
Actuarial Asset Method: All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a four-year period.
Disability Rates: 0.30% - 1.55%

September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
\$ 744,629	\$ 667,440	\$ 657,825	\$ 719,822	\$ 766,179
744,629	667,440	661,699	713,396	772,605
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,874)</u>	<u>\$ 6,426</u>	<u>\$ (6,426)</u>
\$ 104,603	\$ 193,713	\$ 236,414	\$ 349,034	\$ 341,408
711.86%	344.55%	279.89%	204.39%	226.30%

CITY OF EDGEWATER, FLORIDA

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

Reporting Period Ending Measurement Date	September 30, 2022 September 30, 2021	September 30, 2021 September 30, 2020	September 30, 2020 September 30, 2019	September 30, 2019 September 30, 2018
Actuarially Determined Contribution (ADC)	\$ 1,016,434	\$ 999,201	\$ 891,041	\$ 781,148
Contributions in Relation to ADC	1,016,434	999,201	891,041	781,147
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ 1
Covered Payroll	\$ 1,914,188	\$ 1,803,615	\$ 1,647,026	\$ 1,510,925
Contributions as a Percentage of Covered Payroll	53.10%	55.40%	54.10%	51.70%

Notes to Schedule:

Valuation Date: 10/1/2021

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. New UAAL amortization amounts are established according to the following amortization periods:						
Amortization Method:	Experience: 10 years Assumption/Method Changes: 20 years Benefit Changes: 30 years						
Mortality:	PubS.H.-2010 Combined Healthy.						
Interest Rate:	7.4% per year compounded annually, net of investment related expenses.						
Retirement Age:	<table border="1"> <thead> <tr> <th>Years Eligible for Normal Retirement</th> <th>Retirement Probability</th> </tr> </thead> <tbody> <tr> <td>1 - 2</td> <td>50%</td> </tr> <tr> <td>more than 2</td> <td>100%</td> </tr> </tbody> </table> <p>In addition to the above, 100% Retirement is assumed upon the attainment of age 55 if eligible to retire.</p>	Years Eligible for Normal Retirement	Retirement Probability	1 - 2	50%	more than 2	100%
Years Eligible for Normal Retirement	Retirement Probability						
1 - 2	50%						
more than 2	100%						
Early Retirement:	None assumed						
Salary Increases:	14% for less than 2 years credited service. 6.5% for 2 years to 9 years of credited service. 4% for 10 years or more of credited service						
Actuarial Asset Method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a four-year period.						
Termination Rates:	10% for less than 10 years credited service. 1% per year thereafter						
Disability Rates:	0.82% - 8.45%						

September 30, 2018 September 30, 2017	September 30, 2017 September 30, 2016	September 30, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 777,361	\$ 742,241	\$ 746,047	\$ 768,235	\$ 766,878	\$ 874,513
777,360	578,155	621,470	745,722	660,182	768,448
<u>\$ 1</u>	<u>\$ 164,086</u>	<u>\$ 124,577</u>	<u>\$ 22,513</u>	<u>\$ 106,696</u>	<u>\$ 106,065</u>
\$ 1,503,600	\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,267,568
51.70%	37.54%	43.90%	53.39%	52.08%	60.62%

CITY OF EDGEWATER, FLORIDA
 Required Supplementary Information (unaudited)
 Schedules of Firefighters' Contributions

Reporting Period Ending	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019
Measurement Date	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Actuarially Determined Contribution (ADC)	\$ 428,642	\$ 409,139	\$ 531,712	\$ 423,048
Contributions in Relation to ADC	428,642	409,139	489,991	464,763
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 41,721	\$ (41,715)
Covered Payroll	\$ 1,839,664	\$ 1,733,638	\$ 1,720,751	\$ 1,755,385
Contributions as a Percentage of Covered Payroll	23.30%	23.60%	28.48%	26.48%

Notes to Schedule:

Valuation Date: 10/1/2021

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: All new UAAL amortization bases are amortized over 15 years
 Mortality: PubS.H-2010 Combined Healthy.
 Interest Rate: 7.00% per year compounded annually, net of investment related expenses.
 Normal Retirement: Years Eligible for Normal Retirement Retirement Probability

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

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

Disability Rates: 0.06% - .36%

Payroll Growth: None

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

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

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

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

September 30, 2018 September 30, 2017	September 30, 2017 September 30, 2016	September 30, 2016 September 30, 2015	September 30, 2015 September 30, 2014	September 30, 2014 September 30, 2013	September 30, 2013 September 30, 2012
\$ 413,695	\$ 389,363	\$ 430,063	\$ 407,550	\$ 432,862	\$ 534,041
413,716	372,292	413,378	414,885	459,283	534,041
<u>\$ (21)</u>	<u>\$ 17,071</u>	<u>\$ 16,685</u>	<u>\$ (7,335)</u>	<u>\$ (26,421)</u>	<u>\$ -</u>
\$ 1,674,877	\$ 1,802,605	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
24.70%	20.65%	22.97%	26.26%	31.30%	36.70%

CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

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

Reporting Period Ending Measurement Date	September 30, 2022 September 30, 2021	September 30, 2021 September 30, 2020	September 30, 2020 September 30, 2019	September 30, 2019 September 30, 2018	September 30, 2018 September 30, 2017
Total OPEB Liability					
Service cost	\$ 283,368	\$ 211,112	\$ 106,831	\$ 112,011	\$ 118,498
Interest	189,238	231,941	197,470	182,927	165,495
Differences between expected and actual experience	2,522,578	-	1,378,682	-	-
Changes of assumptions	(2,597,431)	2,045,375	178,595	(367,847)	(454,875)
Benefit payments – implicit rate subsidy	(203,380)	(189,191)	(232,555)	(214,336)	(197,091)
Net change in total OPEB liability	194,373	2,299,237	1,629,023	(287,245)	(367,973)
Total OPEB liability – beginning	8,660,680	6,361,443	4,732,420	5,019,665	5,387,638
Total OPEB liability – ending	<u>\$ 8,855,053</u>	<u>\$ 8,660,680</u>	<u>\$ 6,361,443</u>	<u>\$ 4,732,420</u>	<u>\$ 5,019,665</u>
Covered employee payroll (projected)	8,553,735	9,565,197	9,180,533	9,596,433	9,163,898
Total OPEB liability as a percentage of covered employee payroll	103.52%	90.54%	69.29%	49.31%	54.78%

Covered Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2022.

Notes to Schedule:

Valuation Date: 9/30/2021

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 2022	2.43%
FY 2021	2.14%
FY 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

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

Differences Between Expected and Actual Experience. Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuations.

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

CITY OF EDGEWATER, FLORIDA

Nonmajor Governmental Funds

September 30, 2022

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF EDGEWATER, FLORIDA

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2022

	Special Revenue			
	Manatee Conservation	SLETF	Transportation Impact	Police Impact
ASSETS				
Cash	\$ 9,400	\$ 46,393	\$ 1,818,510	\$ 512,804
Receivables	-	1	28	8
Due from other governments	-	-	-	-
Total assets	<u>\$ 9,400</u>	<u>\$ 46,394</u>	<u>\$ 1,818,538</u>	<u>\$ 512,812</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 589
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>589</u>
FUND BALANCES				
Spendable:				
Restricted for:				
Public safety	-	46,394	-	-
Debt service	-	-	-	-
Manatee Conservation	9,400	-	-	-
Tree mitigation	-	-	-	-
Capital projects	-	-	1,818,538	512,223
Total fund balances	<u>9,400</u>	<u>46,394</u>	<u>1,818,538</u>	<u>512,223</u>
Total liabilities and fund balances	<u>\$ 9,400</u>	<u>\$ 46,394</u>	<u>\$ 1,818,538</u>	<u>\$ 512,812</u>

<u>Fire Impact</u>	<u>Recreation Impact</u>	<u>Tree Mitigation</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 327,855	\$ 532,697	\$ 108,111	\$ 96,441	\$ 3,452,211
5	8	2	1	53
-	-	-	2	2
<u>\$ 327,860</u>	<u>\$ 532,705</u>	<u>\$ 108,113</u>	<u>\$ 96,444</u>	<u>\$ 3,452,266</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>589</u>
-	-	-	-	46,394
-	-	-	96,444	96,444
-	-	-	-	9,400
-	-	108,113	-	108,113
327,860	532,705	-	-	3,191,326
<u>327,860</u>	<u>532,705</u>	<u>108,113</u>	<u>96,444</u>	<u>3,451,677</u>
<u>\$ 327,860</u>	<u>\$ 532,705</u>	<u>\$ 108,113</u>	<u>\$ 96,444</u>	<u>\$ 3,452,266</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, 2022

	Special Revenue			
	Manatee Conservation	SLETF	Transportation Impact	Police Impact
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	17,111	-	-
Investment earnings	-	9	260	64
Impact fees	-	-	647,894	280,089
Total revenues	<u>-</u>	<u>17,120</u>	<u>648,154</u>	<u>280,153</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	24,342	-	16,924
Total expenditures	<u>-</u>	<u>24,342</u>	<u>-</u>	<u>16,924</u>
expenditures	<u>-</u>	<u>(7,222)</u>	<u>648,154</u>	<u>263,229</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(7,222)</u>	<u>648,154</u>	<u>263,229</u>
Beginning fund balances	9,400	53,616	1,170,384	248,994
Ending fund balances	<u>\$ 9,400</u>	<u>\$ 46,394</u>	<u>\$ 1,818,538</u>	<u>\$ 512,223</u>

Fire Impact	Recreation Impact	Tree Mitigation	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 278,375	\$ 278,375
-	-	8,305	-	8,305
-	-	-	-	17,111
40	82	17	35	507
184,378	174,220	-	-	1,286,581
<u>184,418</u>	<u>174,302</u>	<u>8,322</u>	<u>278,410</u>	<u>1,590,879</u>
-	-	874	-	874
-	-	-	305,000	305,000
-	-	-	130,998	130,998
19,965	-	-	-	61,231
<u>19,965</u>	<u>-</u>	<u>874</u>	<u>435,998</u>	<u>498,103</u>
<u>164,453</u>	<u>174,302</u>	<u>7,448</u>	<u>(157,588)</u>	<u>1,092,776</u>
-	-	-	161,013	161,013
-	(38,669)	-	-	(38,669)
<u>-</u>	<u>(38,669)</u>	<u>-</u>	<u>161,013</u>	<u>122,344</u>
164,453	135,633	7,448	3,425	1,215,120
163,407	397,072	100,665	93,019	2,236,557
<u>\$ 327,860</u>	<u>\$ 532,705</u>	<u>\$ 108,113</u>	<u>\$ 96,444</u>	<u>\$ 3,451,677</u>

CITY OF EDGEWATER, FLORIDA
Schedule of Revenues, Expenditures, and
Changes in Fund Balances--Budget and Actual
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2022

	Special Revenue							
	Manatee Conservation				SLETF			
	<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								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	17,111	17,111	17,111
Investment earnings	-	-	-	-	-	9	9	9
Impact fees	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	17,120	17,120	17,120
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	53,500	53,500	24,342	29,158
Total expenditures	-	-	-	-	53,500	53,500	24,342	29,158
Excess (deficiency) of revenues over expenditures	-	-	-	-	(53,500)	(53,500)	(7,222)	46,278
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	(53,500)	(53,500)	(7,222)	46,278
Beginning fund balances	9,400	9,400	9,400	-	53,616	53,616	53,616	-
Ending fund balances (deficit)	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ 9,400</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 116</u>	<u>\$ 46,394</u>	<u>\$ 46,278</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, 2022

	Special Revenue							
	Transportation Impact				Police 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								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	260	260	-	-	64	64
Impact fees	-	-	647,894	647,894	-	-	280,089	280,089
Total revenues	-	-	648,154	648,154	-	-	280,153	280,153
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	20,031	20,031	16,924	3,107
Total expenditures	-	-	-	-	20,031	20,031	16,924	3,107
Excess (deficiency) of revenues over expenditures	-	-	648,154	648,154	(20,031)	(20,031)	263,229	283,260
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	648,154	648,154	(20,031)	(20,031)	263,229	283,260
Beginning fund balances	1,170,384	1,170,384	1,170,384	-	248,994	248,994	248,994	-
Ending fund balances (deficit)	<u>\$ 1,170,384</u>	<u>\$ 1,170,384</u>	<u>\$ 1,818,538</u>	<u>\$ 648,154</u>	<u>\$ 228,963</u>	<u>\$ 228,963</u>	<u>\$ 512,223</u>	<u>\$ 283,260</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, 2022

	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								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	40	40	-	-	82	82
Impact fees	-	-	184,378	184,378	-	-	174,220	174,220
Total revenues	-	-	184,418	184,418	-	-	174,302	174,302
EXPENDITURES								
Current:								
Public Safety	20,000	20,000	-	20,000	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Capital outlay	70,000	70,000	19,965	50,035	-	-	-	-
Total expenditures	90,000	90,000	19,965	70,035	-	-	-	-
Excess (deficiency) of revenues over expenditures	(90,000)	(90,000)	164,453	254,453	-	-	174,302	174,302
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	152,000	(188,292)	(38,669)	149,623
Total other financing sources (uses)	-	-	-	-	152,000	(188,292)	(38,669)	149,623
Net change in fund balances	(90,000)	(90,000)	164,453	254,453	152,000	(188,292)	135,633	323,925
Beginning fund balances	163,407	163,407	163,407	-	397,072	397,072	397,072	-
Ending fund balances (deficit)	\$ 73,407	\$ 73,407	\$ 327,860	\$ 254,453	\$ 549,072	\$ 208,780	\$ 532,705	\$ 323,925

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, 2022

	Special Revenue							
	Tree Mitigation				Total			
	<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								
Licenses and permits	\$ -	\$ -	\$ 8,305	\$ 8,305	\$ -	\$ -	\$ 8,305	\$ 8,305
Fines and forfeitures	-	-	-	-	-	-	17,111	17,111
Investment earnings	-	-	17	17	-	-	472	472
Impact fees	-	-	-	-	-	-	1,286,581	1,286,581
Total revenues	-	-	8,322	8,322	-	-	1,312,469	1,312,469
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	20,000	20,000	-	20,000
Public Works	-	70,000	874	69,126	-	70,000	874	69,126
Capital outlay	-	-	-	-	143,531	143,531	61,231	82,300
Total expenditures	-	70,000	874	69,126	163,531	233,531	62,105	171,426
Excess (deficiency) of revenues over expenditures	-	(70,000)	7,448	77,448	(163,531)	(233,531)	1,250,364	1,483,895
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	152,000	(188,292)	(38,669)	149,623
Total other financing sources (uses)	-	-	-	-	152,000	(188,292)	(38,669)	149,623
Net change in fund balances	-	(70,000)	7,448	77,448	(11,531)	(421,823)	1,211,695	1,633,518
Beginning fund balances	100,665	100,665	100,665	-	2,143,538	2,143,538	2,143,538	-
Ending fund balances (deficit)	\$ 100,665	\$ 30,665	\$ 108,113	\$ 77,448	\$ 2,132,007	\$ 1,721,715	\$ 3,355,233	\$ 1,633,518

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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget-
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>
REVENUES				
Taxes:				
Property	\$ 274,897	\$ 274,897	\$ 278,375	\$ 3,478
Investment earnings	-	-	35	35
Total revenues	<u>274,897</u>	<u>274,897</u>	<u>278,410</u>	<u>3,513</u>
EXPENDITURES				
Debt Service:				
Principal	305,000	305,000	305,000	-
Interest	<u>131,047</u>	<u>131,047</u>	<u>130,998</u>	<u>49</u>
Total expenditures	<u>436,047</u>	<u>436,047</u>	<u>435,998</u>	<u>49</u>
Excess (deficiency) of revenues over expenditures	(161,150)	(161,150)	(157,588)	3,562
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>161,013</u>	<u>161,013</u>	<u>161,013</u>	-
Net change in fund balances	(137)	(137)	3,425	3,562
Beginning fund balances	93,019	93,019	93,019	-
Ending fund balances	<u>\$ 92,882</u>	<u>\$ 92,882</u>	<u>\$ 96,444</u>	<u>\$ 3,562</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, 2022

	General Construction			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Intergovernmental	\$ 184,000	\$ 2,945,223	\$ 739,995	\$(2,205,228)
Total revenues	<u>184,000</u>	<u>2,945,223</u>	<u>739,995</u>	<u>(2,205,228)</u>
EXPENDITURES				
Capital outlay	562,000	3,626,115	718,684	2,907,431
Other Services & Charges	1,415,000	1,547,032	949,364	597,668
Total expenditures	<u>1,977,000</u>	<u>5,173,147</u>	<u>1,668,048</u>	<u>3,505,099</u>
Excess (deficiency) of revenues over expenditures	(1,793,000)	(2,227,924)	(928,053)	1,299,871
OTHER FINANCING SOURCES (USES)				
Transfers in	1,793,000	2,227,924	857,352	(1,370,572)
Total other financing sources (uses)	<u>1,793,000</u>	<u>2,227,924</u>	<u>857,352</u>	<u>(1,370,572)</u>
Net change in fund balance	-	-	(70,701)	(70,701)
Beginning fund balances	520,883	520,883	520,883	-
Ending fund balances	<u>\$ 520,883</u>	<u>\$ 520,883</u>	<u>\$ 450,182</u>	<u>\$ (70,701)</u>

CITY OF EDGEWATER, FLORIDA

Internal Service Funds

September 30, 2022

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, 2022

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
ASSETS							
Current assets:							
Cash	\$ 278,168	\$ 472,059	\$ 12,699	\$ 1,379,865	\$ 48,745	\$ 1,192,919	\$ 3,384,455
Receivables - net	3	4	-	15	-	18	40
Inventories	-	11,303	-	-	-	-	11,303
Prepaid items	39,385	8,180	-	-	-	-	47,565
Total current assets	<u>317,556</u>	<u>491,546</u>	<u>12,699</u>	<u>1,379,880</u>	<u>48,745</u>	<u>1,192,937</u>	<u>3,443,363</u>
Noncurrent assets:							
Capital assets:							
Land and land rights	-	-	-	-	-	936,903	936,903
Buildings and improvements	60,684	-	-	-	-	-	60,684
Machinery and equipment	312,228	138,859	-	-	-	-	451,087
Construction in progress	-	-	-	-	-	1,161,779	1,161,779
Less accumulated depreciation	(358,187)	(106,413)	-	-	-	-	(464,600)
Total capital assets (net of accumulated depreciation)	<u>14,725</u>	<u>32,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,098,682</u>	<u>2,145,853</u>
Total noncurrent assets	<u>14,725</u>	<u>32,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,098,682</u>	<u>2,145,853</u>
Total assets	<u>\$ 332,281</u>	<u>\$ 523,992</u>	<u>\$ 12,699</u>	<u>\$ 1,379,880</u>	<u>\$ 48,745</u>	<u>\$ 3,291,619</u>	<u>\$ 5,589,216</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB	<u>\$ 67,085</u>	<u>\$ 89,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,531</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 2,529	\$ 94,003	\$ -	\$ 223,501	\$ 27,193	\$ -	\$ 347,226
Accrued liabilities	11,904	10,609	-	-	-	-	22,513
Compensated absences	25,854	26,308	-	-	-	-	52,162
Accrued interest payable	45	-	-	-	-	-	45
Notes payable - current	11,172	-	-	-	-	-	11,172
Total current liabilities	<u>51,504</u>	<u>130,920</u>	<u>-</u>	<u>223,501</u>	<u>27,193</u>	<u>-</u>	<u>433,118</u>
Noncurrent liabilities:							
Compensated absences	10,701	23,427	-	-	-	-	34,128
Long-term debt payable after one year	11,409	-	-	-	-	-	11,409
OPEB liability	118,067	157,423	-	-	-	-	275,490
Total noncurrent liabilities	<u>140,177</u>	<u>180,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,027</u>
Total liabilities	<u>\$ 191,681</u>	<u>\$ 311,770</u>	<u>\$ -</u>	<u>\$ 223,501</u>	<u>\$ 27,193</u>	<u>\$ -</u>	<u>\$ 754,145</u>
DEFERRED INFLOWS OF RESOURCES							
	<u>\$ 32,949</u>	<u>\$ 43,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,881</u>
Net investment in capital assets	\$ (7,856)	\$ 32,446	\$ -	\$ -	\$ -	\$ 2,098,682	\$ 2,123,272
Unrestricted	182,592	225,290	12,699	1,156,379	21,552	1,192,937	2,791,449
Total net position	<u>\$ 174,736</u>	<u>\$ 257,736</u>	<u>\$ 12,699</u>	<u>\$ 1,156,379</u>	<u>\$ 21,552</u>	<u>\$ 3,291,619</u>	<u>\$ 4,914,721</u>

CITY OF EDGEWATER, FLORIDACombining Statement of Revenues, Expenses, and
Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended September 30, 2022

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
Operating revenues:							
Billings to City departments	\$ 1,009,258	\$ 1,242,392	\$ 398,871	\$ 2,855,910	\$ 311,570	\$ 590,000	\$ 6,408,001
Operating expenses:							
Salaries and employee benefits	297,777	247,018	-	2,596,592	317,041	-	3,458,428
Supplies and materials	181,289	569,752	-	-	-	-	751,041
Contract services	254,436	1,620	-	66,716	-	-	322,772
Other services and charges	93,967	391,601	393,515	-	-	-	879,083
Depreciation	19,397	5,655	-	-	-	-	25,052
Total operating expenses	846,866	1,215,646	393,515	2,663,308	317,041	-	5,436,376
Operating income (loss)	162,392	26,746	5,356	192,602	(5,471)	590,000	971,625
Nonoperating revenues (expenses)							
Investment earnings	16	51	2	137	-	218	424
Interest expense	(653)	-	-	-	-	-	(653)
Total nonoperating revenues	(637)	51	2	137	-	218	(229)
Income (loss) before contributions and transfers	161,755	26,797	5,358	192,739	(5,471)	590,218	971,396
Change in net position	161,755	26,797	5,358	192,739	(5,471)	590,218	971,396
Total net position - beginning	12,981	230,939	7,341	963,640	27,023	2,701,401	3,943,325
Total net position - ending	\$ 174,736	\$ 257,736	\$ 12,699	\$ 1,156,379	\$ 21,552	\$ 3,291,619	\$ 4,914,721

CITY OF EDGEWATER, FLORIDA

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended September 30, 2022

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Public Works Complex	Total
Cash flows from operating activities:							
Receipts-customers and users	\$ 1,009,255	\$ 1,242,393	\$ 398,871	\$ 2,855,906	\$ 314,821	\$ 590,000	\$ 6,411,246
Payments-suppliers	(529,036)	(868,317)	(393,515)	(2,649,928)	(289,848)	(209,999)	(4,940,643)
Payments-employees	(293,178)	(244,652)	-	-	-	-	(537,830)
Net cash provided (used) by operating activities	<u>187,041</u>	<u>129,424</u>	<u>5,356</u>	<u>205,978</u>	<u>24,973</u>	<u>380,001</u>	<u>932,773</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	-	(13,478)	-	-	-	(657,267)	(670,745)
Interest payments on debt	(675)	-	-	-	-	-	(675)
Principal paid on debt	(10,934)	-	-	-	-	-	(10,934)
Net cash used in capital and related financing activities	<u>(11,609)</u>	<u>(13,478)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(657,267)</u>	<u>(682,354)</u>
Cash flows from investing activities:							
Interest on investments	16	51	2	137	-	218	424
Net increase (decrease) in cash and cash equivalents	175,448	115,997	5,358	206,115	24,973	(277,048)	250,843
Beginning cash and cash equivalents	102,720	356,062	7,341	1,173,750	23,772	1,469,967	3,133,612
Ending cash and cash equivalents	<u>\$ 278,168</u>	<u>\$ 472,059</u>	<u>\$ 12,699</u>	<u>\$ 1,379,865</u>	<u>\$ 48,745</u>	<u>\$ 1,192,919</u>	<u>\$ 3,384,455</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 162,392	\$ 26,746	\$ 5,356	\$ 192,602	\$ (5,471)	\$ 590,000	\$ 971,625
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	19,397	5,655	-	-	-	-	25,052
(Increase) decrease in assets:							
Receivables - net	(3)	1	-	(4)	3,251	1	3,246
Inventories	-	22,829	-	-	-	-	22,829
Prepaid Items	(1,145)	(8,180)	-	-	-	-	(9,325)
Increase (decrease) in liabilities:							
Accounts payable	(329)	79,128	-	13,380	27,193	(210,000)	(90,628)
Accrued liabilities	2,130	879	-	-	-	-	3,009
OPEB liability	2,837	3,783	-	-	-	-	6,620
Compensated absences	1,762	(1,417)	-	-	-	-	345
Total adjustments	<u>24,649</u>	<u>102,678</u>	<u>-</u>	<u>13,376</u>	<u>30,444</u>	<u>(209,999)</u>	<u>(38,852)</u>
Net cash provided (used) by operating activities	<u>\$ 187,041</u>	<u>\$ 129,424</u>	<u>\$ 5,356</u>	<u>\$ 205,978</u>	<u>\$ 24,973</u>	<u>\$ 380,001</u>	<u>\$ 932,773</u>

CITY OF EDGEWATER, FLORIDA

Other Supplemental Schedules

September 30, 2021

Fiduciary Funds – Pension Trust Funds

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

CITY OF EDGEWATER, FLORIDA

Combining Statement of Fiduciary Net Position

Pension Trust Funds

September 30, 2022

	General Employees	Police Officers	Firefighters	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 2,405	\$ 2,405
Accrued income	42,609	30,583	29,638	102,830
Accounts receivable	3,872	-	-	3,872
Investments, at fair value:				
Money market funds	462,008	557,642	781,668	1,801,318
Bonds:				
US Treasury notes	813,020	746,584	-	1,559,604
GNMA	1,184,397	767,287	98,006	2,049,690
Municipal bonds	30,415	21,725	74,970	127,110
Corporate bonds	1,977,516	1,397,010	3,860,787	7,235,313
Mutual fund - fixed income	1,935,921	-	-	1,935,921
Mutual fund - equities	3,227,486	7,460,414	12,286,056	22,973,956
Commingled real estate fund	1,573,233	1,511,314	-	3,084,547
Total assets	<u>\$ 11,250,477</u>	<u>\$ 12,492,559</u>	<u>\$ 17,133,530</u>	<u>\$ 40,876,566</u>
NET POSITION				
Restricted for pensions	<u>\$ 11,250,477</u>	<u>\$ 12,492,559</u>	<u>\$ 17,133,530</u>	<u>\$ 40,876,566</u>

CITY OF EDGEWATER, FLORIDA

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds

For the Fiscal Year Ended September 30, 2022

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 755,895	\$ 1,016,434	\$ 373,350	\$ 2,145,679
Employee	2,759	114,851	136,072	253,682
State of Florida	-	195,502	201,301	396,803
Total contributions	<u>758,654</u>	<u>1,326,787</u>	<u>710,723</u>	<u>2,796,164</u>
Investment earnings (loss):				
Interest and dividends	1,266,121	474,351	272,031	2,012,503
Net increase (decrease) in the fair value of investments	(3,560,689)	(2,706,613)	(3,279,920)	(9,547,222)
Total investment earnings (loss)	<u>(2,294,568)</u>	<u>(2,232,262)</u>	<u>(3,007,889)</u>	<u>(7,534,719)</u>
Less investment expenses	(52,536)	(55,074)	(117,585)	(225,195)
Net investment earnings (loss)	<u>(2,347,104)</u>	<u>(2,287,336)</u>	<u>(3,125,474)</u>	<u>(7,759,914)</u>
Total additions	<u>(1,588,450)</u>	<u>(960,549)</u>	<u>(2,414,751)</u>	<u>(4,963,750)</u>
DEDUCTIONS				
Pension benefits	1,512,145	1,042,545	1,065,030	3,619,720
Administrative expenses	39,954	51,763	53,515	145,232
Total deductions	<u>1,552,099</u>	<u>1,094,308</u>	<u>1,118,545</u>	<u>3,764,952</u>
Change in net position	<u>(3,140,549)</u>	<u>(2,054,857)</u>	<u>(3,533,296)</u>	<u>(8,728,702)</u>
Net position - beginning	14,391,026	14,547,416	20,666,826	49,605,268
Net position - ending	<u>\$ 11,250,477</u>	<u>\$ 12,492,559</u>	<u>\$ 17,133,530</u>	<u>\$ 40,876,566</u>

CITY OF EDGEWATER, FLORIDA
Statistical Section

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

<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.	108-117
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.	118-122
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.	123-129
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.	130-131
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.	132-134

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

CITY OF EDGEWATER, FLORIDA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2022	2021	2020	2019
Governmental Activities				
Net Investment in Capital Assets	\$ 42,612,125	\$ 42,309,674	\$ 42,407,665	\$ 41,180,772
Restricted	7,467,107	5,050,309	3,093,854	3,474,736
Unrestricted	18,181,554	5,531,435	2,912,289	(681,925)
<i>Total Governmental Activities Net Position</i>	<u>\$ 68,260,786</u>	<u>\$ 52,891,418</u>	<u>\$ 48,413,808</u>	<u>\$ 43,973,583</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 31,013,423	\$ 29,362,572	\$ 28,941,594	\$ 28,541,299
Restricted	3,484,697	3,770,920	2,391,607	1,863,314
Unrestricted	17,502,799	14,144,962	9,764,845	9,348,106
<i>Total Business-Type Activities Net Position</i>	<u>\$ 52,000,919</u>	<u>\$ 47,278,454</u>	<u>\$ 41,098,046</u>	<u>\$ 39,752,719</u>
Total				
Net Investment in Capital Assets	\$ 73,625,548	\$ 71,672,246	\$ 71,349,259	\$ 69,722,071
Restricted	10,951,804	8,821,229	5,485,461	5,338,050
Unrestricted	35,684,353	19,676,397	12,677,134	8,666,181
<i>Total Net Position</i>	<u>\$ 120,261,705</u>	<u>\$ 100,169,872</u>	<u>\$ 89,511,854</u>	<u>\$ 83,726,302</u>

2018	2017	2016	2015	2014	2013
\$ 41,987,558	\$ 41,696,283	\$ 41,225,542	\$ 41,696,833	\$ 40,480,601	\$ 43,278,270
2,077,678	1,438,666	783,398	1,325,008	1,255,664	1,000,424
(3,647,781)	(3,049,568)	(2,675,115)	(3,555,109)	2,163,549	1,511,496
<u>\$ 40,417,455</u>	<u>\$ 40,085,381</u>	<u>\$ 39,333,825</u>	<u>\$ 39,466,732</u>	<u>\$ 43,899,814</u>	<u>\$ 45,790,190</u>
\$ 28,304,107	\$ 29,261,065	\$ 29,634,955	\$ 29,142,964	\$ 27,962,252	\$ 30,199,966
1,641,390	1,386,492	1,302,217	1,900,301	1,694,339	1,860,458
5,778,281	4,590,333	4,060,782	2,703,234	7,006,277	5,239,348
<u>\$ 35,723,778</u>	<u>\$ 35,237,890</u>	<u>\$ 34,997,954</u>	<u>\$ 33,746,499</u>	<u>\$ 36,662,868</u>	<u>\$ 37,299,772</u>
\$ 70,291,665	\$ 70,957,348	\$ 70,860,497	\$ 70,839,797	\$ 68,442,853	\$ 73,478,236
3,719,068	2,825,158	2,085,615	3,225,309	2,950,003	2,860,882
2,130,500	1,540,765	1,385,667	(851,875)	9,169,826	6,750,844
<u>\$ 76,141,233</u>	<u>\$ 75,323,271</u>	<u>\$ 74,331,779</u>	<u>\$ 73,213,231</u>	<u>\$ 80,562,682</u>	<u>\$ 83,089,962</u>

CITY OF EDGEWATER, FLORIDA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2022	2021	2020	2019
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Administrative	\$ 1,435,832	\$ 1,181,901	\$ 763,962	\$ 709,513
Public Safety	737,428	739,019	721,016	762,914
Public Works	116,396	100,619	94,256	88,366
Culture and recreation	73,514	36,170	59,715	61,091
Operating Grants and Contributions	10,965,625	1,163,296	1,863,557	1,729,846
Capital Grants and Contributions	1,807,038	1,291,930	942,886	426,590
Total Governmental Activities Program Revenues	\$ 15,135,833	\$ 4,512,935	\$ 4,445,392	\$ 3,778,320
Business-Type Activities:				
Charges for Services:				
Water / Sewer Utility	\$ 13,676,600	\$ 12,533,913	\$ 11,748,365	\$ 11,084,416
Solid Waste Utility	3,803,187	3,685,613	4,011,195	3,767,242
Stormwater Utility	2,324,667	2,154,753	2,089,492	1,897,185
Capital Grants and Contributions	1,643,207	1,962,257	603,251	1,647,841
Total Business-Type Activities Program Revenues	\$ 21,447,661	\$ 20,336,536	\$ 18,452,303	\$ 18,396,684
Total Government Program Revenues	\$ 36,583,494	\$ 24,849,471	\$ 22,897,695	\$ 22,175,004
Expenses				
Governmental Activities:				
General administrative	\$ 3,464,788	\$ 2,683,052	\$ 2,953,514	\$ 2,661,429
Culture and recreation	2,295,671	1,969,040	1,818,683	1,778,174
Public Works	2,729,692	1,779,480	2,809,163	1,958,770
Public Safety	8,822,595	8,767,933	8,968,716	7,503,374
Community Redevelopment	187,878	177,892	116,568	85,486
Interest on long-term debt	159,233	174,585	218,638	188,327
Total Governmental Activities Expenses	\$ 17,659,857	\$ 15,551,982	\$ 16,885,282	\$ 14,175,560
Business-Type Activities:				
Water / Sewer Utility	\$ 10,536,200	\$ 9,436,947	\$ 9,674,743	\$ 9,086,584
Solid Waste Utility	3,137,039	2,806,094	2,815,826	2,939,631
Stormwater Utility	1,633,805	1,396,460	1,452,765	1,547,998
Total Business-Type Activities Expenses	\$ 15,307,044	\$ 13,639,501	\$ 13,943,334	\$ 13,574,213
Total Government Expenses	\$ 32,966,901	\$ 29,191,483	\$ 30,828,616	\$ 27,749,773

2018	2017	2016	2015	2014	2013
\$ 197,951	\$ 204,378	\$ 193,140	\$ 208,769	\$ 178,890	\$ 165,479
825,894	785,462	773,067	591,642	507,279	439,680
507,365	455,431	382,989	306,981	248,531	169,864
69,562	62,967	51,991	-	14,896	13,162
754,837	3,899,222	832,376	643,363	442,201	586,345
1,244,620	1,550,007	702,644	1,689,173	333,284	515,775
<u>\$ 3,600,229</u>	<u>\$ 6,957,467</u>	<u>\$ 2,936,207</u>	<u>\$ 3,439,928</u>	<u>\$ 1,725,081</u>	<u>\$ 1,890,305</u>
\$ 10,216,833	\$ 9,742,911	\$ 9,284,327	\$ 8,651,318	\$ 8,383,806	\$ 8,238,099
3,570,233	3,248,848	2,962,543	2,732,961	2,693,938	2,673,005
1,720,625	1,479,727	1,466,495	1,313,221	1,300,575	1,287,833
306,841	1,085,533	334,843	281,527	111,295	83,417
<u>\$ 15,814,532</u>	<u>\$ 15,557,019</u>	<u>\$ 14,048,208</u>	<u>\$ 12,979,027</u>	<u>\$ 12,489,614</u>	<u>\$ 12,282,354</u>
<u>\$ 19,414,761</u>	<u>\$ 22,514,486</u>	<u>\$ 16,984,415</u>	<u>\$ 16,418,955</u>	<u>\$ 14,214,695</u>	<u>\$ 14,172,659</u>
\$ 2,445,179	\$ 6,430,834	\$ 3,112,845	\$ 2,345,704	\$ 2,060,966	\$ 2,098,288
1,325,064	1,393,064	1,534,765	1,552,489	1,464,164	1,490,505
1,863,482	1,696,747	1,914,982	2,022,008	3,514,532	3,719,716
7,583,092	8,109,942	7,164,944	6,636,406	6,767,861	7,094,211
60,174	22,063	4,955	-	-	-
227,505	190,935	56,794	49,891	60,282	45,094
<u>\$ 13,504,496</u>	<u>\$ 17,843,585</u>	<u>\$ 13,789,285</u>	<u>\$ 12,606,498</u>	<u>\$ 13,867,805</u>	<u>\$ 14,447,814</u>
\$ 9,218,732	\$ 10,090,938	\$ 8,697,283	\$ 8,816,554	\$ 8,459,432	\$ 8,086,388
2,678,923	3,313,117	2,427,299	2,588,581	2,697,843	2,558,753
1,373,361	1,430,987	1,336,821	1,239,072	1,266,675	1,157,256
<u>\$ 13,271,016</u>	<u>\$ 14,835,042</u>	<u>\$ 12,461,403</u>	<u>\$ 12,644,207</u>	<u>\$ 12,423,950</u>	<u>\$ 11,802,397</u>
<u>\$ 26,775,512</u>	<u>\$ 32,678,627</u>	<u>\$ 26,250,688</u>	<u>\$ 25,250,705</u>	<u>\$ 26,291,755</u>	<u>\$ 26,250,211</u>

City of Edgewater, Florida

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	2022	2021	2020	2019
Net (Expense)/Revenue				
Governmental Activities	\$ (2,524,024)	\$ (11,039,047)	\$ (12,439,890)	\$ (10,397,240)
Business-Type Activities	6,140,617	6,697,035	4,508,969	4,822,471
<i>Total Government Net Expense</i>	<u>\$ 3,616,593</u>	<u>\$ (4,342,012)</u>	<u>\$ (7,930,921)</u>	<u>\$ (5,574,769)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property taxes	\$ 8,744,994	\$ 8,108,454	\$ 7,236,722	\$ 6,641,903
Utility and franchise taxes	4,263,593	3,887,989	3,716,918	3,723,199
Intergovernmental shared revenue	3,132,123	2,757,368	2,395,284	2,480,837
Investment earnings	86,591	33,895	57,294	106,239
Miscellaneous revenue	36,166	19,522	18,991	29,692
Transfers	1,629,925	709,429	2,156,666	971,498
<i>Total Governmental Activities</i>	<u>\$ 17,893,392</u>	<u>\$ 15,516,657</u>	<u>\$ 15,581,875</u>	<u>\$ 13,953,368</u>
Business-Type Activities:				
Investment earnings	\$ 87,396	\$ 23,189	\$ 51,955	\$ 37,838
Miscellaneous revenue	124,377	169,613	239,309	140,130
Transfers	(1,629,925)	(709,429)	(2,156,666)	(971,498)
<i>Total Business-Type Activities</i>	<u>\$ (1,418,152)</u>	<u>\$ (516,627)</u>	<u>\$ (1,865,402)</u>	<u>\$ (793,530)</u>
<i>Total Government</i>	<u>\$ 16,475,240</u>	<u>\$ 15,000,030</u>	<u>\$ 13,716,473</u>	<u>\$ 13,159,838</u>
Change in Net Position				
Governmental Activities	\$ 15,369,368	\$ 4,477,610	\$ 3,141,985	\$ 3,556,128
Business-Type Activities	4,722,465	6,180,408	2,643,567	4,028,941
<i>Total Government Change in Net Position</i>	<u>\$ 20,091,833</u>	<u>\$ 10,658,018</u>	<u>\$ 5,785,552</u>	<u>\$ 7,585,069</u>

2018	2017	2016	2015	2014	2013
\$ (9,904,267)	\$ (10,886,118)	\$ (10,853,078)	\$ (9,166,570)	\$ (12,142,724)	\$ (12,557,509)
2,543,516	721,977	1,586,805	334,820	65,664	479,957
<u>\$ (7,360,751)</u>	<u>\$ (10,164,141)</u>	<u>\$ (9,266,273)</u>	<u>\$ (8,831,750)</u>	<u>\$ (12,077,060)</u>	<u>\$ (12,077,552)</u>
\$ 6,025,937	\$ 5,095,759	\$ 4,572,959	\$ 4,282,331	\$ 4,120,260	\$ 3,763,456
3,608,538	3,303,147	3,222,232	3,249,749	3,182,716	3,051,649
2,327,579	2,144,426	2,028,373	1,967,348	2,030,522	1,814,689
111,156	61,213	38,006	48,705	52,399	25,339
66,061	75,659	106,099	140,093	134,304	38,888
914,544	957,470	752,502	727,491	717,647	150,566
<u>\$ 13,053,815</u>	<u>\$ 11,637,674</u>	<u>\$ 10,720,171</u>	<u>\$ 10,415,717</u>	<u>\$ 10,252,348</u>	<u>\$ 8,856,442</u>
\$ 39,732	\$ 13,067	\$ 5,704	\$ 6,796	\$ 6,517	\$ 3,879
126,466	462,362	411,448	132,423	99,023	70,982
(914,544)	(957,470)	(752,502)	(727,491)	(717,647)	(150,566)
<u>\$ (748,346)</u>	<u>\$ (482,041)</u>	<u>\$ (335,350)</u>	<u>\$ (588,272)</u>	<u>\$ (612,107)</u>	<u>\$ (75,705)</u>
<u>\$ 12,305,469</u>	<u>\$ 11,155,633</u>	<u>\$ 10,384,821</u>	<u>\$ 9,827,445</u>	<u>\$ 9,640,241</u>	<u>\$ 8,780,737</u>
\$ 3,149,548	\$ 751,556	\$ (132,907)	\$ 1,249,147	\$ (1,890,376)	\$ (3,701,067)
1,795,170	239,936	1,251,455	(253,452)	(546,443)	404,252
<u>\$ 4,944,718</u>	<u>\$ 991,492</u>	<u>\$ 1,118,548</u>	<u>\$ 995,695</u>	<u>\$ (2,436,819)</u>	<u>\$ (3,296,815)</u>

CITY OF EDGEWATER, FLORIDA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2022	2021	2020	2019
General Fund				
Nonspendable	\$ 20,148	\$ 4,983	\$ 11,315	\$ 136,150
Restricted	285,828	94,850	650,834	51,165
Assigned	4,971,497	4,094,817	2,224,395	2,547,190
Unassigned	9,740,727	8,590,952	7,899,216	5,481,191
<i>Total General Fund</i>	<u>\$ 15,018,200</u>	<u>\$ 12,785,602</u>	<u>\$ 10,785,760</u>	<u>\$ 8,215,696</u>
All Other Governmental Funds				
Restricted	\$ 4,549,305	\$ 3,164,171	\$ 1,752,258	\$ 1,752,115
Committed	\$ 5,417,000			
Assigned	4,630,227	-	-	-
Total All Other Governmental Funds	<u>\$ 14,596,532</u>	<u>\$ 3,164,171</u>	<u>\$ 1,752,258</u>	<u>\$ 1,752,115</u>
<i>Total Governmental Funds</i>	<u>\$ 29,614,732</u>	<u>\$ 15,949,773</u>	<u>\$ 12,538,018</u>	<u>\$ 9,967,811</u>

2018	2017	2016	2015	2014	2013
\$ 14,485	\$ 28,664	\$ 30,041	\$ 1,198	\$ 422,120	\$ 22,170
50,278	46,073	45,538	456,809	2,990	4,028
2,193,018	807,749	1,083,984	780,323	750,749	500,000
3,180,919	3,018,746	2,376,555	2,808,975	2,770,632	2,744,608
<u>\$ 5,438,700</u>	<u>\$ 3,901,232</u>	<u>\$ 3,536,118</u>	<u>\$ 4,047,305</u>	<u>\$ 3,946,491</u>	<u>\$ 3,270,806</u>
\$ 2,937,739	\$ 4,441,391	\$ 746,891	\$ 666,096	\$ 898,969	\$ 649,231
-	-	-	-	-	-
<u>\$ 2,937,739</u>	<u>\$ 4,441,391</u>	<u>\$ 746,891</u>	<u>\$ 666,096</u>	<u>\$ 898,969</u>	<u>\$ 649,231</u>
<u>\$ 8,376,439</u>	<u>\$ 8,342,623</u>	<u>\$ 4,283,009</u>	<u>\$ 4,713,401</u>	<u>\$ 4,845,460</u>	<u>\$ 3,920,037</u>

CITY OF EDGEWATER, FLORIDA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2022	2021	2020	2019
Revenues				
Taxes	\$ 13,008,587	\$ 11,996,443	\$ 10,953,640	\$ 10,365,102
Intergovernmental	14,731,863	4,074,319	4,888,172	4,582,125
Licenses and permits	1,096,132	1,011,043	595,206	556,145
Charges for services	2,610,790	2,123,609	2,126,525	2,108,874
Fines and forfeitures	95,977	105,392	106,211	155,058
Investment Earnings	86,166	31,147	54,564	105,120
Impact fees	1,286,581	1,257,087	422,811	151,056
Miscellaneous	80,918	67,477	123,672	65,978
Total Revenues	\$ 32,997,014	\$ 20,666,517	\$ 19,270,801	\$ 18,089,458
Expenditures				
Current:				
General administrative services	\$ 3,130,507	\$ 2,688,032	\$ 2,679,056	\$ 2,725,148
Legislative	92,439	102,180	85,624	99,990
Executive	660,158	647,166	558,331	757,013
Legal Counsel	140,313	131,493	116,745	113,682
Community Development	1,059,806	772,342	753,879	727,440
Cultural and recreation	1,762,895	1,399,914	1,379,292	1,238,162
Public works	2,018,913	862,385	1,817,029	944,770
Public safety				
Law enforcement	4,996,766	4,723,307	4,252,364	3,990,383
Fire and emergency services	4,383,367	3,932,412	3,752,972	3,579,140
Code enforcement	180,587	169,672	173,677	168,193
Animal services	175,786	158,139	161,337	143,551
Debt service:				
Principal	597,880	566,002	514,289	476,647
Interest and Fiscal Charges	158,456	173,669	217,465	186,906
Capital outlay	1,014,107	1,637,478	1,638,952	2,305,359
Total Expenditures	\$ 20,371,980	\$ 17,964,191	\$ 18,101,012	\$ 17,456,384
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,625,034</u>	<u>2,702,326</u>	<u>1,169,789</u>	<u>633,074</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,157,440	\$ 1,651,270	\$ 2,201,023	\$ 1,305,186
Transfers Out	(1,117,515)	(941,841)	(1,444,357)	(346,888)
Leases			620,000	-
Debt Issued	-	-	-	-
General obligation note	-	-	-	-
Sale of capital assets	-	-	23,752	-
Total Other Financing Sources (Uses)	<u>1,039,925</u>	<u>709,429</u>	<u>1,400,418</u>	<u>958,298</u>
Net Change in Fund Balances	<u><u>\$ 13,664,959</u></u>	<u><u>\$ 3,411,755</u></u>	<u><u>\$ 2,570,207</u></u>	<u><u>\$ 1,591,372</u></u>
Debt Service as a Percentage of Noncapital Expenditures	3.91%	4.53%	4.45%	4.38%

	2018	2017	2016	2015	2014	2013
\$	9,634,475	\$ 8,398,906	\$ 7,795,191	\$ 7,532,080	\$ 7,302,976	\$ 6,815,105
	4,233,086	7,513,956	3,506,532	4,244,105	2,812,565	2,933,095
	499,510	455,435	398,346	320,954	263,641	236,820
	2,011,630	1,860,657	1,736,070	1,560,007	1,319,396	1,132,520
	151,461	194,901	266,864	171,998	240,149	195,851
	110,204	60,436	37,833	48,612	52,399	25,338
	185,507	151,151	160,103	183,385	102,105	44,136
	108,149	166,841	265,625	137,921	134,461	38,539
\$	<u>16,934,022</u>	<u>\$ 18,802,283</u>	<u>\$ 14,166,564</u>	<u>\$ 14,199,062</u>	<u>\$ 12,227,692</u>	<u>\$ 11,421,404</u>
\$	2,813,463	\$ 5,697,152	\$ 2,234,076	\$ 2,198,362	\$ 1,680,375	\$ 1,590,455
	103,794	109,377	99,820	91,954	96,597	93,377
	521,481	560,939	619,910	614,357	567,755	558,357
	113,286	89,708	158,443	89,589	101,398	89,195
	610,462	618,871	983,354	774,022	459,651	419,476
	1,066,734	1,154,810	1,265,641	1,289,790	1,198,951	1,237,586
	876,198	739,971	1,051,075	1,127,990	588,415	562,286
	3,928,928	3,725,582	3,524,244	3,285,144	3,262,859	3,232,114
	3,398,597	3,656,321	3,460,655	3,103,765	2,942,624	2,942,859
	142,907	113,069	125,334	103,301	75,725	144,716
	129,980	113,304	109,865	107,507	110,809	132,794
	520,000	231,586	375,675	151,007	418,092	445,714
	225,844	140,369	49,848	47,542	47,644	52,715
	3,335,123	4,583,159	1,249,938	2,501,416	889,268	1,320,804
\$	<u>17,786,797</u>	<u>\$ 21,534,218</u>	<u>\$ 15,307,878</u>	<u>\$ 15,485,746</u>	<u>\$ 12,440,163</u>	<u>\$ 12,822,448</u>
	<u>(852,775)</u>	<u>(2,731,935)</u>	<u>(1,141,314)</u>	<u>(1,286,684)</u>	<u>(212,471)</u>	<u>(1,401,044)</u>
\$	1,127,109	\$ 3,401,828	\$ 1,018,996	\$ 1,342,491	\$ 1,078,168	\$ 676,660
	(240,518)	(2,479,558)	(314,584)	(615,000)	(379,271)	(568,994)
	-	433,279	-	410,894	-	-
	-	5,436,000	-	-	432,000	160,583
	-	-	-	-	-	-
	-	-	6,510	16,240	6,997	11,856
	<u>886,591</u>	<u>6,791,549</u>	<u>710,922</u>	<u>1,154,625</u>	<u>1,137,894</u>	<u>280,105</u>
\$	<u>33,816</u>	<u>\$ 4,059,614</u>	<u>\$ (430,392)</u>	<u>\$ (132,059)</u>	<u>\$ 925,423</u>	<u>\$ (1,120,939)</u>

5.16%

2.19%

3.03%

1.53%

4.03%

4.33%

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
2013	\$ 869,698,616	\$ 44,709,946	\$ 2,419,118	\$ 916,827,680	\$ 326,361,580	\$ 590,466,100	6.5612
2014	893,847,254	46,863,494	2,615,633	943,326,381	330,091,016	613,235,365	6.9340
2015	934,739,055	49,197,000	3,085,203	987,021,258	334,889,928	652,131,330	6.7530
2016	985,904,666	53,797,067	3,590,304	1,043,292,037	343,753,169	699,538,868	6.7486
2017	1,152,173,102	82,395,064	4,403,969	1,238,972,135	374,040,287	864,931,848	6.7445
2018	1,245,616,754	92,091,785	4,487,968	1,342,196,507	394,071,253	948,125,254	7.0040
2019	1,344,364,414	100,155,114	4,497,383	1,449,016,911	408,076,606	1,040,940,305	6.9737
2020	1,479,116,741	108,444,187	4,439,949	1,592,000,877	429,755,270	1,162,245,607	6.9479
2021	1,579,632,391	118,653,510	4,554,064	1,702,839,965	444,395,076	1,258,444,889	6.9284
2022	1,817,976,793	134,724,089	4,923,275	1,957,624,157	470,344,120	1,487,280,037	6.5230

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

CITY OF EDGEWATER, FLORIDA

Tax Revenues by Source of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ended September 30	Property Taxes	Utility and franchise taxes	Intergovernmental Revenue	Total
2013	\$ 3,763,456	\$ 3,051,649	\$ 2,933,095	\$ 9,748,200
2014	4,120,260	3,182,716	2,812,565	10,115,541
2015	4,282,331	3,249,749	4,244,105	11,776,185
2016	4,572,959	3,222,232	3,506,532	11,301,723
2017	5,095,759	3,303,147	7,513,956	15,912,862
2018	6,025,937	3,608,538	4,233,086	13,867,561
2019	6,641,903	3,723,199	4,582,125	14,947,227
2020	7,236,722	3,716,918	4,888,172	15,841,812
2021	8,108,454	3,887,989	4,074,319	16,070,762
2022	8,744,994	4,263,593	14,731,863	27,740,450

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
2013	6.5000	0.0612	6.5612	6.8809	7.8880	3.6967	25.0268
2014	6.8760	0.0580	6.9340	7.2709	7.3580	3.6028	25.1657
2015	6.7000	0.0530	6.7530	7.2709	7.3360	3.4160	24.7759
2016	6.7000	0.0486	6.7486	7.2709	7.1970	3.2492	24.4657
2017	6.7000	0.0445	6.7445	7.0520	6.5200	1.8643	22.1808
2018	6.7000	0.3040	7.0040	6.6464	6.2810	1.7675	21.6989
2019	6.7000	0.2737	6.9737	6.5420	6.0810	1.6756	21.2723
2020	6.7000	0.2479	6.9479	6.1509	5.9070	1.5842	20.5900
2021	6.7000	0.2284	6.9284	6.2986	5.8020	1.5210	20.5500
2022	6.3300	0.1930	6.5230	5.7134	5.4820	1.3852	19.1036

(1) Millage includes City of Edgewater General Fund.

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

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

CITY OF EDGEWATER, FLORIDA

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	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	\$ 38,647,006	1	2.13%			
Brunswick Corporation	\$ 37,752,389	2	2.08%			
Florida Power & Light Company	\$ 35,481,366	3	1.95%	\$ 14,993,832	1	1.72%
Boston Whaler Inc.	\$ 21,123,284	4	1.16%			
RJ Dougherty Associates Inc.	\$ 17,507,919	5	0.96%	\$ 5,944,337	2	0.68%
HPA III Acquisitions LLC	\$ 6,340,474	6	0.35%			
3050 Holdings LLC	\$ 5,355,019	7	0.29%	\$ 3,145,155	6	0.36%
Revenue Properties Florida Shores LLC	\$ 5,112,771	8	0.28%	\$ 3,289,478	5	0.38%
Brilliance Edgewater LLC	\$ 5,027,856	9	0.28%			
Cubesmart LP	\$ 4,856,787	10	0.27%			
Edgewater Power Boats LLC				\$ 2,906,995	7	0.33%
Bright House Networks LLC				\$ 3,490,519	3	0.40%
Bellsouth Telecommunication LLC				\$ 2,589,732	10	0.30%
Holly Investments LTD				\$ 2,669,209	8	0.31%
Transcapital Bank				\$ 2,637,047	9	0.30%
Carder James C TR				\$ 3,307,988	4	0.38%
	<u>\$ 177,204,871</u>		<u>9.75%</u>	<u>\$ 44,974,292</u>		<u>5.17%</u>
Total Assessed Valuation	<u>\$ 1,817,976,793</u>			<u>\$ 869,698,616</u>		

Source: Volusia County Property Appraiser's Office and 2013 City of Edgewater ACFR.

CITY OF EDGEWATER, FLORIDA

Property Tax Levies And Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2013	\$ 3,836,165	\$ 3,558,179	92.75 %	\$ 170,189	\$ 3,728,368	97.19 %
2014	4,216,606	4,072,002	96.57 %	13,726	4,085,728	96.90 %
2015	4,365,036	4,219,641	96.67 %	29,065	4,248,706	97.33 %
2016	4,686,910	4,387,633	93.61 %	143,061	4,530,694	96.67 %
2017	5,024,786	4,848,641	96.49 %	23,795	4,872,436	96.97 %
2018	5,791,342	5,589,817	96.52 %	35,559	5,625,376	97.13 %
2019	6,352,439	6,206,999	97.71 %	41,382	6,248,381	98.36 %
2020	6,974,300	6,749,013	96.77 %	35,104	6,784,117	97.27 %
2021	7,787,046	7,514,400	96.50 %	32,674	7,547,074	96.92 %
2022	8,441,222	8,136,885	96.39 %	31,180	8,168,065	96.76 %

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
2013	20,737	\$ 590,466,100	\$ 355,000	0.060%	17.12
2014	20,748	613,235,365	335,000	0.055%	16.15
2015	20,958	652,131,330	315,000	0.048%	15.03
2016	21,280	699,538,868	295,000	0.042%	13.86
2017	21,509	864,931,848	3,667,000	0.424%	170.49
2018	23,319	948,125,254	3,507,000	0.370%	143.36
2019	23,455	1,040,940,305	3,343,000	0.321%	135.37
2020	23,818	1,162,245,607	3,175,000	0.273%	133.30
2021	23,310	1,258,444,889	2,998,000	0.238%	128.61
2022	23,855	1,487,280,037	2,816,000	0.189%	118.05

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

CITY OF EDGEWATER, FLORIDA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business Type Activities	
	Notes Payable	Special Assessment Notes	General Obligation Note	Leases	Line of Credit	Notes Payable	Leases
2013	\$ 1,027,019	\$ -	\$ 355,000	\$ 287,916	\$ -	\$ 4,142,717	\$ -
2014	1,225,000	-	335,000	226,843	-	4,455,000	-
2015	1,147,674	-	315,000	574,947	-	4,454,327	-
2016	1,063,288	-	295,000	294,150	-	13,692,712	-
2017	2,903,034	-	3,667,000	635,717	-	12,090,966	62,220
2018	2,784,638	-	3,507,000	458,923	-	10,430,362	50,282
2019	2,582,373	-	3,343,000	338,479	-	8,805,627	38,088
2020	2,375,050	-	3,175,000	809,055	-	7,291,950	25,647
2021	2,158,081	-	2,998,000	626,246	-	6,954,919	12,953
2022	1,938,288	-	2,816,000	439,000	-	5,791,712	24,292

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

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

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

State Revolving Loan	Revenue Bonds	Line of Credit	Total	Percentage of Personal Income (1)	Per Capita (1)	Personal Income	Population
\$ 4,403,042	\$ 13,946,595	\$ -	\$ 24,162,289	5.55%	1,165	\$ 443,418,346	20,737
6,290,915	12,753,000	-	25,285,758	5.59%	1,219	457,057,692	20,748
6,139,058	11,439,000	-	24,070,006	6.41%	1,148	513,471,000	20,958
5,866,152	-	-	21,211,302	5.05%	997	499,079,840	21,280
5,894,079	-	-	25,253,016	4.50%	1,174	514,323,208	21,509
5,635,032	-	-	22,866,237	3.68%	981	562,990,617	23,319
8,840,950	-	-	23,948,517	4.23%	1,021	566,274,065	23,455
8,826,049	-	-	22,502,752	3.57%	945	629,795,556	23,818
8,403,950	-	-	21,154,149	3.10%	908	682,703,280	23,310
7,899,609	-	-	18,908,901	2.50%	793	757,447,431	23,855

CITY OF EDGEWATER, FLORIDA

Direct and Overlapping Debt

Governmental Unit	Net General Obligation Debt Outstanding	Percentage Applicable to the City of Edgewater	City of Edgewater Share of Debt
Volusia County	\$ -	3.04%	\$ -
Volusia County School District	-	0.00%	-
Subtotal Overlapping Debt	-	3.04%	-
City Direct Debt	<u>5,193,288</u>	100.00%	<u>5,193,288</u>
Total Direct and Overlapping Debt	<u><u>\$ 5,193,288</u></u>		<u><u>\$ 5,193,288</u></u>

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

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

Source: Volusia County.

CITY OF EDGEWATER, FLORIDA

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	
2013	\$ 8,238,099	\$ 5,140,343	\$ 61,907	\$ 3,159,663	\$ 1,154,000	\$ 378,526	\$ 1,532,526	2.06	
2014	8,383,806	5,348,671	80,102	3,115,237	1,273,000	368,499	1,641,499	1.90	
2015	8,651,318	5,288,285	220,056	3,583,089	1,314,000	325,392	1,639,392	2.19	
2016	9,284,327	5,457,041	102,899	3,930,185	1,473,500	260,024	1,733,524	2.27	
2017	9,742,911	6,826,218	100,988	3,017,681	497,000	218,569	715,569	4.22	
2018	10,216,833	6,019,564	231,688	4,428,957	856,000	198,881	1,054,881	4.20	
2019	11,084,416	6,329,690	216,890	4,971,616	876,000	178,733	1,054,733	4.71	
2020	11,748,365	6,800,478	389,302	5,337,189	896,000	158,125	1,054,125	5.06	
2021	12,533,913	6,693,068	1,494,459	7,335,304	916,000	137,057	1,053,057	6.97	
2022	13,676,600	7,730,032	1,060,761	7,007,329	938,000	115,483	1,053,483	6.65	

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 fourteen 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			
	2022	2021	2020	2019
Assessed taxable real property value	\$ 1,357,441,810	\$ 1,057,679,617	\$ 944,575,170	\$ 860,690,466
Add back: exempt real property	460,534,983	421,155,760	399,789,244	384,926,288
Total assessed value of real property	<u>\$ 1,817,976,793</u>	<u>\$ 1,478,835,377</u>	<u>\$ 1,344,364,414</u>	<u>\$ 1,245,616,754</u>
Legal debt margin:				
Debt limit	\$ 13,634,826	\$ 11,091,265	\$ 10,082,733	\$ 9,342,126
Total net debt applicable to limit	<u>5,193,288</u>	<u>5,782,327</u>	<u>6,359,105</u>	<u>6,263,852</u>
Legal debt margin	<u>\$ 8,441,538</u>	<u>\$ 5,308,938</u>	<u>\$ 3,723,628</u>	<u>\$ 3,078,274</u>
Total net debt applicable to the limit as a percentage of debt limit	38.09%	52.13%	63.07%	72.81%

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 leases.

2018	2017	2016	2015	2014	2013
\$ 787,008,907	\$ 696,387,893	\$ 649,384,830	\$ 607,562,754	\$ 571,414,914	\$ 550,695,413
365,113,414	348,289,949	336,519,836	327,176,301	322,432,340	319,003,203
<u>\$ 1,152,122,321</u>	<u>\$ 1,044,677,842</u>	<u>\$ 985,904,666</u>	<u>\$ 934,739,055</u>	<u>\$ 893,847,254</u>	<u>\$ 869,698,616</u>
\$ 8,640,917	\$ 7,835,084	\$ 7,394,285	\$ 7,010,543	\$ 6,703,854	\$ 6,522,740
6,291,638	6,570,034	1,357,438	1,722,621	1,451,843	1,314,935
<u>\$ 2,349,279</u>	<u>\$ 1,265,050</u>	<u>\$ 6,036,847</u>	<u>\$ 5,287,922</u>	<u>\$ 5,252,011</u>	<u>\$ 5,207,805</u>
83.85%	18.36%	24.57%	21.66%	20.16%	24.50%

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)
2013	20,737	\$ 443,418,346	\$ 21,765	47.9	6.8%	1,933
2014	20,748	457,057,692	22,029	46.6	5.9%	1,388
2015	20,958	513,471,000	24,500	49.1	5.8%	1,361
2016	21,280	499,079,840	23,453	49.8	5.1%	1,369
2017	21,509	514,323,208	23,912	51	4.2%	1,332
2018	23,319	562,990,617	24,143	50.9	3.1%	1,321
2019	23,455	566,274,065	25,914	49.9	3.2%	1,276
2020	23,818	629,795,556	26,442	51.1	5.6%	1,091
2021	23,310	682,703,280	29,288	51.1	4.3%	1,238
2022	23,855	777,458,305	32,591	55.3	2.5%	1,291

2022 Sources:

- (1) Source: University of Florida, Bureau of Economic and Business Research, 2022 Estimate.
- (2) US Census Bureau, 2016 - 2020 American Community Survey 5-Year Estimates.
- (3) US Census Bureau, 2016 - 2020 American Community Survey 5-Year Estimates.
- (4) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, Civilian Labor Force, not seasonally adjusted, September 2021.
- (5) Received from Schools Directly as of 9-30-21 (Includes Discovery Academy, Indian River Elementary, and Edgewater Public Elementary)
- (*) 2021 estimates not available at time of preparation so US Census Bureau, 2015 - 2019 American Community Survey 5-Year Estimates were used for Personal Income and Median Age.

CITY OF EDGEWATER, FLORIDA

Principal Employers

Current Year and Nine Years Ago

Employer	2022		2013	
	Number of Employees (1)	Percentage of Total County Employment	Number of Employees (2)	Percentage of Total County Employment
Boston Whaler	1,208.0	0.46%		0.00%
Everglades Boats	317.0	0.12%	159	0.07%
City of Edgewater	197.0	0.08%	194	0.08%
EdgeWater Power Boats	160.0	0.06%	92	0.04%
Publix Supermarkets	155.0	0.06%	137	0.06%
Winn Dixie Supermarkets	101.0	0.04%	95	0.04%
Edgewater Elementary	97.0	0.04%	85	0.04%
Indian River Elementary	82.0	0.03%	81	0.03%
Southeast Volusia YMCA	62.0	0.02%	77	0.03%
Troson Corporation DBA Alberto's Pizza	39.0	0.01%		
Dustin's Bar-B-Q		-	30	0.01%
Brunswick Commercial & Government Products		-	105	0.04%
Total	2,418.0	0.92%	1055	0.45%
Total County Employment (3)		261,769		235,231

Sources:

(1) Information provided by each company.

(2) City of Edgewater ACFR 2012.

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

CITY OF EDGEWATER, FLORIDA

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

Function/program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Mayor and Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager	3.0	3.0	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0
City Clerk	3.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Departments										
Finance	12.0	12.0	11.0	11.5	12.5	9.0	10.0	11.0	10.5	9.5
IT/MIS/GIS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Economic Development	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	
Human Resources	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Community Development										
Planning and Zoning	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	4.0	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.5
Public Safety:										
Police Department	34.0	34.0	36.0	33.0	35.0	34.0	33.5	34.0	34.5	35.0
Fire Department	36.0	37.0	32.0	33.0	32.0	31.0	33.5	30.5	29.5	29.5
Animal Control/Shelter	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Code Enforcement	3.0	3.0	3.0	3.0	3.0	2.0	1.0	2.0	2.0	2.0
Water Resources										
Water Utility	10.0	10.0	10.0	10.5	9.0	10.0	15.0	14.0	11.0	11.0
Wastewater Utility	15.0	15.0	14.0	14.0	14.0	15.0	15.0	15.0	16.0	15.0
Field Operations	11.0	11.0	8.0	10.0	12.0	10.0	11.0	11.0	11.0	11.0
Stormwater	7.0	7.0	8.0	9.0	10.0	9.0	11.0	10.0	9.5	9.5
Solid Waste Utility	11.0	11.0	13.0	22.5	19.5	25.0	24.0	23.5	26.0	26.0
Parks and Recreation	20.0	19.5	21.0	22.0	17.5	17.0	15.0	15.0	15.0	15.0
Fleet	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	9.0	9.0	9.0	9.0	8.0	7.0	9.0	7.0	8.5	9.0
Totals:	<u>197.0</u>	<u>196.5</u>	<u>190.0</u>	<u>203.5</u>	<u>197.5</u>	<u>195.0</u>	<u>204.0</u>	<u>198.0</u>	<u>198.5</u>	<u>196.0</u>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Employment Applications Received	509	858	906	1,401	922	428	471	638	665	541
Personnel Actions Processed	205	177	210	196	205	156	211	125	113	138
Accidents & Injuries Reviewed	33	59	73	56	53	61	49	54	51	60
Business Tax Receipts Issued	2,742	2,452	934	1,866	1,075	837	970	1,032	763	1,269
Checks Issued	1,842	1,565	1,683	1,430	1,413	1,810	2,369	2,316	2,279	2,414
Competitive Procurements (ITB,RFP,) issued	12	14	11	18	8	16	13	11	23	*
Purchase Orders Issued	1,205	763	868	850	618	690	815	686	718	757
Public Safety										
Police Department										
Accidents	296	412	533	470	454	489	471	408	367	239
Traffic citations issued	1,195	2,192	1,806	2,001	3,215	4,677	3,100	3,017	3,450	3,188
Evidence Processed	1,063	1,127	1,996	2,592	2,824	2,799	2,654	2,178	2,153	1,803
Physical arrests	1,026	1,028	924	1,332	1,282	861	1,311	1,236	1,151	1,128
Calls for service	25,642	27,126	29,202	25,493	27,663	34,179	32,426	31,991	31,503	34,395
Fire Department										
Emergency responses	4,556	6,834	6,434	3,601	3,509	3,605	3,333	3,024	2,565	2,738
Average response time - minutes	331	5.25	5.40	5.31	5.50	4.48	5.08	4.28	4.32	4.19
Public Education Programs	19	15	38	80	72	68	62	71	67	64
Fire inspections	350	325	287	379	525	1,288	1,203	1,182	1,123	1,015
Public Works										
Miles of street Resurfaced	7	0	11	0	0	0	2	2	3	1
Miles of unpaved streets	14	8	8	8	8	8	14	4	4	*
Sidewalks - new construction - miles	-	3	4	0	1	0	4	-	1	1
Parks and Recreation										
Ball games, practices & field rentals	686	459	319	635	823	536	372	720	786	1,226
Events/Programs	18	16	4	24	24	33	23	15	8	17
Water Resources										
Water main breaks	69	44	169	73	109	90	103	74	100	84
Average daily consumption - mgd	1.66	1.91	1.96	1.97	1.99	1.92	1.746	1.718	1.846	1.900
Number of water customers	11,727	11,571	10,995	10,861	10,864	10,757	10,879	10,724	10,632	10,603
New Connections	210	348	101	46	64	27	24	67	29	23
Sewer Resources										
New Connections	179	273	85	46	57	19	20	63	27	19
Average daily consumption - mgd	1.569	1.523	1.699	1.730	1.710	1.493	1.719	1.541	1.422	1,264
Number of customers	10,782	10,481	10,323	10,224	10,185	10,008	10,416	10,016	9,896	9,869
Solid Waste Utility										
Number of Customers	10,388	10,366	10,094	9,502	9,707	9,920	9,631	9,591	9,463	9,451

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	40	42	40	34	33	34	30	30	29	27
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	13	14	16	17	19	17	19	18	17	17
Public Works										
Vehicles	13	10	10	10	10	10	11	8	8	9
Parks and Recreation										
Vehicles	11	10	10	10	13	15	15	15	11	12
Parks Acreage	151	151	151	151	151	151	151	151	151	151
Parks	12	12	12	12	12	12	12	12	12	12
Baseball Fields	5	5	5	5	4	5	5	5	7	7
Tennis Courts	2	2	2	2	-	4	4	4	4	4
Basketball Courts	2	2	2	2	1	3	3	3	3	2
Racquetball Courts	2	2	2	2	-	4	4	4	4	4
Shuffleboard Courts	0	0	-	-	-	-	-	-	2	2
Boat Ramps	3	3	3	3	3	5	5	5	5	5
Paddling Trails	6	6	6	6	6	6	6	6	-	-
Gymnasiums (YMCA)	1	1	1	1	1	1	1	1	1	1
Water Resources										
Water mains (miles)	175	170	168	166	165	165	165	275	275	275
Fire hydrants	884	884	874	860	719	719	720	720	718	701
Vehicles	27	26	26	26	26	26	26	26	26	24
Sewer mains (miles)	225	225	223	221	220	220	189	189	189	189
Reclaim Water (miles)	90	87	85	79	79	79	79	72	72	72
Stormwater Utility										
Storm Sewers (miles)	36	36	36	36	36	36	36	36	36	36
Vehicles	28	21	21	21	19	18	18	17	17	16
Solid Waste Utility										
Garbage Trucks	10	8	8	8	9	8	9	10	10	10
Other Vehicles	8	10	10	10	10	10	11	13	13	13

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 1, 2030.

Report on Internal Control over Financial Reporting

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

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

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

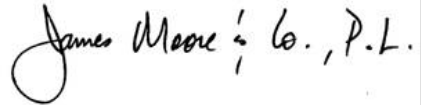
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
February 23, 2023



**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, 2022, and have issued our report thereon dated January 1, 2030.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 1, 2030, 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. Corrective actions have been taken to address findings and recommendations made in the preceding 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.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific

condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

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

Specific Special District Information - City of Edgewater Community Redevelopment Agency

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

Additional Matters

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

Purpose of this Letter

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



Daytona Beach, Florida
February 23, 2023



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, 2022. 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 responsibility is to obtain reasonable assurance by evaluating the City's compliance with those requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of evaluation of the City's compliance based on our examination during the year ended September 30, 2022. 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.

We are required to be independent of City of Edgewater, Florida, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City of Edgewater, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' enclosed within a thin black rectangular border.

Daytona Beach, Florida
February 23, 2023

