



This page intentionally left blank

CITY OF EDGEWATER, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2018

Prepared by: The Finance Department



This page intentionally left blank

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 to a maximum of 25 percent of the general fund appropriations. The unassigned fund balance at September 30, 2018 was 18.9% which is within the range of 15-25% per the charter. For Fiscal Year 2019 operating expenditures budget show modest increases to allow for increasing operating cost while still maintaining our capital improvements.

Budgeting Controls

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

Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Edgewater for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the thirty-third consecutive year that the City of Edgewater has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

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

Respectfully submitted,



Glenn A. Irby
Interim City Manager



Bridgette King
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Edgewater
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF EDGEWATER FLORIDA

List of Elected and Appointed Officials

September 30, 2018

CITY COUNCIL

MAYOR

Michael Ignasiak

DISTRICT 1

Christine Power

DISTRICT 3

Megan O'Keefe

DISTRICT 2

Amy Vogt

DISTRICT 4

Gary Conroy

ADMINISTRATION

CITY MANAGER

Tracey T. Barlow

CITY ATTORNEY

Aaron R. Wolfe

**FINANCE
DIRECTOR**

Bridgette King

**CITY CLERK /
PARALEGAL**

Robin L. Matusick

FIRE CHIEF

Vacant

POLICE CHIEF

David J. Arcieri

**HUMAN RESOURCES
DIRECTOR**

Julie A. Christine

**DEVELOPMENT SERVICES
DIRECTOR**

Darren Lear

**ENVIRONMENTAL SERVICES
DIRECTOR**

Brenda Dewees

**PARKS & RECREATION
DIRECTOR**

Samantha Bergeron

CITY OF EDGEWATER FLORIDA

City Organization Chart

September 30, 2018

City of Edgewater Citizens

Mayor & City Council
Mayor- Micheal Ignasiak
District 1- Christine Power
District 2- Amy Vogt
District 3- Megan O'Keefe
District 4- Gary Conroy

City Attorney
Aaron Wolfe

City Manager
Tracey T. Barlow

**City Clerk/
Paralegal**
Robin Matusick

Advisory Boards

Assistant to
the City Clerk
Kelsey Arcieri

**Operations
Departments**

**Support
Departments**

**Environmental
Services**
Director
Brenda Dewees

**Director of Public
Safety**
Dave Arcieri

**Parks &
Recreation**
Director
Samantha Bergeron

Finance
Director
Bridgette King

**Economic
Development**
Samantha Bergeron

Human Resources
Director
Julie Christine

**Development
Services**
Director
Darren Lear

Utilities

Public Works

Fire/ Rescue

Police

Recreation
Maintenance

Information Technology

Water Plant
Wastewater Plant
Field Operations
Wastewater
Collections

Fleet
Solid waste
Stormwater
Street

Fire/ Rescue
Operations
Life Safety
Code
Enforcement
Animal Control
Animal Shelter

Patrol
Criminal Investigation
Citizens Assisting Police
(CAPS)

Community
Redevelopment
Events/
Communications

Building
Planning

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Edgewater, Florida (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

121 Executive Circle

Daytona Beach, FL 32114-1180

Telephone: 386-257-4100

133 East Indiana Avenue

DeLand, FL 32724-4329

Telephone: 386-738-3300

5931 NW 1st Place

Gainesville, FL 32607-2063

Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200

Tallahassee, FL 32308-4386

Telephone: 850-386-6184

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and CRA for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note I(D)(6), I(D)(9), V(B), and V(I) to the financial statements, in 2018 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effects of these standards have also been applied to the financial statements as of and for the year ended September 30, 2017. See Note V(I) for the effect of GASB 75 on beginning net position. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, statistical section, and schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

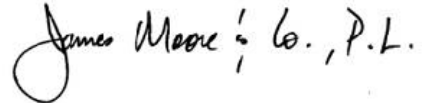
The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial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

with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2019, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Daytona Beach, Florida
March 8, 2019

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, 2018. 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 of the City exceeded its liabilities at the close of FY 2017-18 by \$76,141,233, which represents an increase in net position of \$4,944,718 or 6.95% from the prior fiscal year. The majority of this relates to the restatement of beginning net position which decreased 4,126,756 as a result of the increase in OPEB liability.
- The City's governmental funds reported combined ending fund balance of \$8,376,439, an increase of \$33,816 from the prior fiscal year.
- At the end of FY 2017-18, the General Fund unassigned fund balance was \$3,180,919 or 21.16% of the budgeted FY 2019 General Fund expenditures, excluding transfers. This represents an increase of \$162,173 from the prior fiscal year.
- During the fiscal year, the City's total debt decreased by \$2,386,779. Governmental debt decreased by \$529,826 and business-type debt reflected a decrease of \$1,856,953.

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 government, public safety, transportation/public works and parks and recreation services. The business-type activities of the City of Edgewater include water and sewer, refuse collection 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 as if it were part of the primary government as a major special revenue fund.

The government-wide financial statements can be found on pages 15-18 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 ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the community redevelopment agency (CRA) and the capital projects fund, all of which are considered to be major funds. Data from the other seven 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 22 and 23 respectively. Budgetary comparison schedules have been provided for the non-major, debt service and capital projects funds at pages 74-79.

The basic governmental fund financial statements can be found on pages 18-23 of this report.

Proprietary Funds - The City of Edgewater maintains two types of proprietary funds, enterprise funds and internal service funds. Both enterprise and internal service funds are used to report the same 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.

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 24-26 of this report.

Internal Services Funds – 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 82-84 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 85-87 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 29-60 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 benefits to its employees which can be found on pages 62-66. OPEB Liability and Ratios can be found on page 67. 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 69-73 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 exceeded liabilities by \$76,141,233 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 15.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$11,018,202	\$10,112,700	\$14,139,651	\$11,618,125	\$25,157,853	\$21,730,825
Capital Assets	47,041,442	45,664,075	44,407,602	47,206,431	91,449,044	92,870,506
Total Assets	58,059,644	55,776,775	58,547,253	58,824,556	116,606,897	114,601,331
Total deferred outflows of resources	2,873,560	2,603,766	545,145	554,373	3,418,705	3,158,139
Liabilities:						
Long term liabilities	18,381,451	16,891,501	22,008,916	22,735,496	40,390,367	39,626,997
Other liabilities	1,073,152	1,092,880	1,238,405	1,405,543	2,311,557	2,498,423
Total Liabilities	19,454,603	17,984,381	23,247,321	24,141,039	42,701,924	42,125,420
Total deferred inflows of resources	1,061,146	310,779	121,299	-	1,182,445	310,779
Net Position:						
Net investment in capital assets	41,987,558	41,696,283	28,304,107	29,261,065	70,291,665	70,957,348
Restricted	2,077,678	1,438,666	1,641,390	1,386,492	3,719,068	2,825,158
Unrestricted	(3,647,781)	(3,049,568)	5,778,281	4,590,333	2,130,500	1,540,765
Total Net Position	\$40,417,455	\$40,085,381	\$35,723,778	\$35,237,890	\$76,141,233	\$75,323,271

At the end of the current fiscal year, the government's liabilities increased by \$576,504 which is mainly attributed to the net increase in OPEB Liability \$3,955,874 which was offset by other decreased liabilities. Notes and Capital leases payable decreased \$2,386,779 largely from decreases in Business-Type Debt. The City's net pension liability decreased by \$437,739 during the current year. The City's Compensated absences decreased \$367,986.

Ninety-two percent (92%) of the City's net position reflect its 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 (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of Net Position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Edgewater is able to report positive balances in all categories of net position except for Governmental unrestricted which is due to the City's net pension liability being reflected on the statements.

The government's net position increased \$4,944,718 in the current fiscal year. The government's restricted net position increased by \$893,910 in the current fiscal year. This was mainly attributed to an increase of \$534,879 in net position being restricted for public safety as well as an increase of \$109,462 in net position being restricted for Community redevelopment. Further explanations of the decrease are detailed below. The following table reflects the condensed Statement of Activities for the current and prior years. For more detail see the Statement of Activities on page 16-17.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues -						
Charges for services	\$ 1,600,772	\$ 1,508,238	\$15,507,691	\$14,471,486	\$ 17,108,463	\$ 15,979,724
Operating grants and contributions	754,837	3,899,222	-	-	754,837	3,899,222
Capital grants and contributions	1,244,620	1,550,007	306,841	1,085,533	1,551,461	2,635,540
General revenues -						
Property taxes	6,025,937	5,095,759	-	-	6,025,937	5,095,759
Franchise and utility taxes	3,608,538	3,303,147	-	-	3,608,538	3,303,147
Intergovernmental	2,327,579	2,144,426	-	-	2,327,579	2,144,426
Investment income and miscellaneous	177,217	136,872	166,198	475,429	343,415	612,301
Total revenues	15,739,500	17,637,671	15,980,730	16,032,448	31,720,230	33,670,119
Expenses:						
General government	2,445,179	6,430,834	-	-	2,445,179	6,430,834
Public safety	7,583,092	8,109,942	-	-	7,583,092	8,109,942
Transportation/public works	1,863,482	1,696,747	-	-	1,863,482	1,696,747
Parks and recreation	1,325,064	1,393,064	-	-	1,325,064	1,393,064
Community Redevelopment	60,174	22,063	-	-	60,174	22,063
Interest on long-term debt	227,505	190,935	-	-	227,505	190,935
Water and sewer	-	-	9,218,732	10,090,938	9,218,732	10,090,938
Solid waste	-	-	2,678,923	3,313,117	2,678,923	3,313,117
Stormwater management	-	-	1,373,361	1,430,987	1,373,361	1,430,987
Total expenses	13,504,496	17,843,585	13,271,016	14,835,042	26,775,512	32,678,627
Excess (deficiency) before transfers	2,235,004	(205,914)	2,709,714	1,197,406	4,944,718	991,492
Transfers in / (out)	914,544	957,470	(914,544)	(957,470)	-	-
Increase (Decrease) in net position	3,149,548	751,556	1,795,170	239,936	4,944,718	991,492
Net Position - Beginning	37,267,907	39,333,825	33,928,608	34,997,954	71,196,515	74,331,779
Net Position - Ending	\$40,417,455	\$40,085,381	\$35,723,778	\$35,237,890	\$ 76,141,233	\$ 75,323,271

Statement of Activities

Governmental Activities - Governmental activities increased the City of Edgewater's net position by \$3,149,548. Key elements of this increase are as follows:

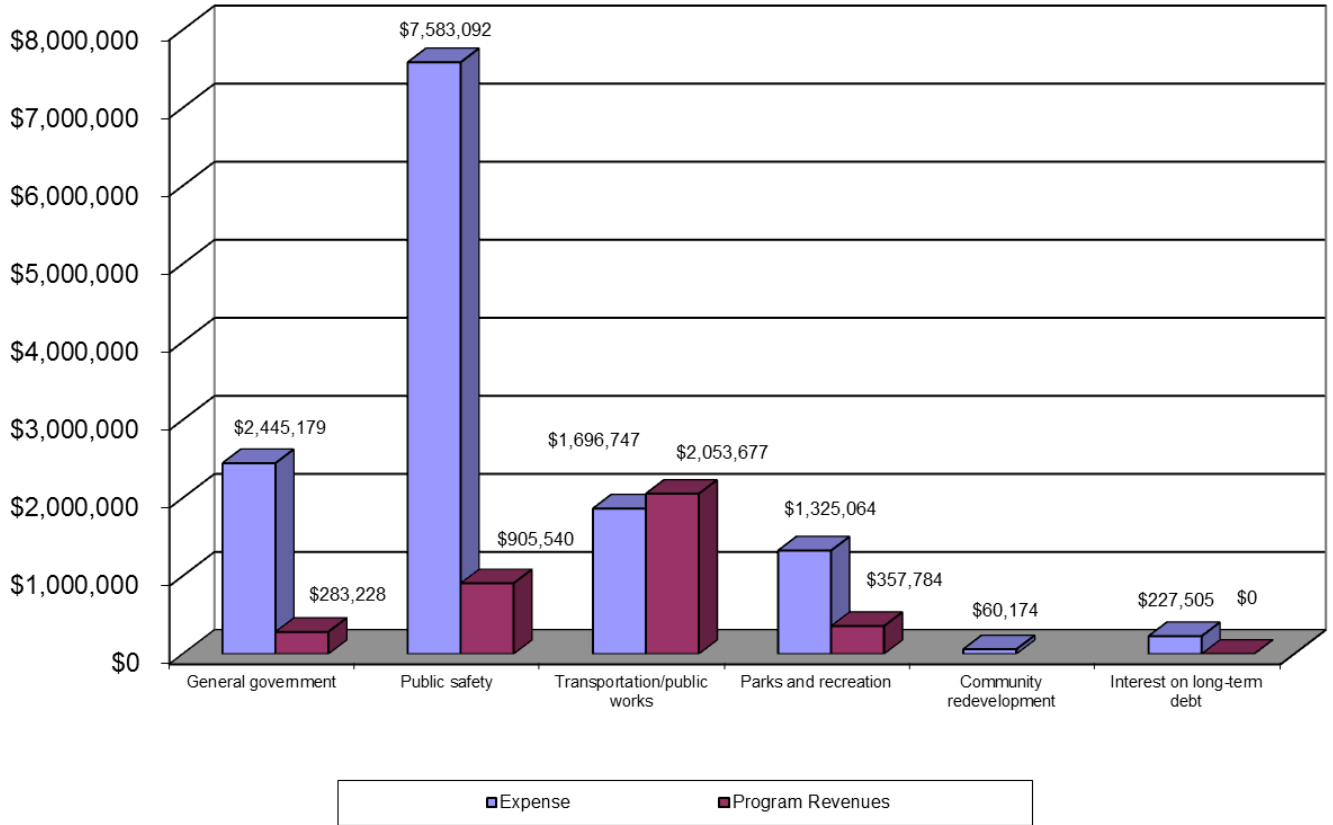
- The restated FY17 fund balance decreased by 2,817,474 as a result of the increase in OPEB liability.
- Operating and capital grants decreased by \$3,144,385 due mainly to \$3,116,553 of FEMA/State reimbursement requests for Hurricane Mathew restoration costs.
- General Government expenses decreased \$3,985,655 from the prior year due mainly to 2017 Hurricane Mathew and Irma restoration costs.

Business-Type Activities - Business-type activities increased the City of Edgewater's net position by \$1,795,170. Key elements of this increase are as follows:

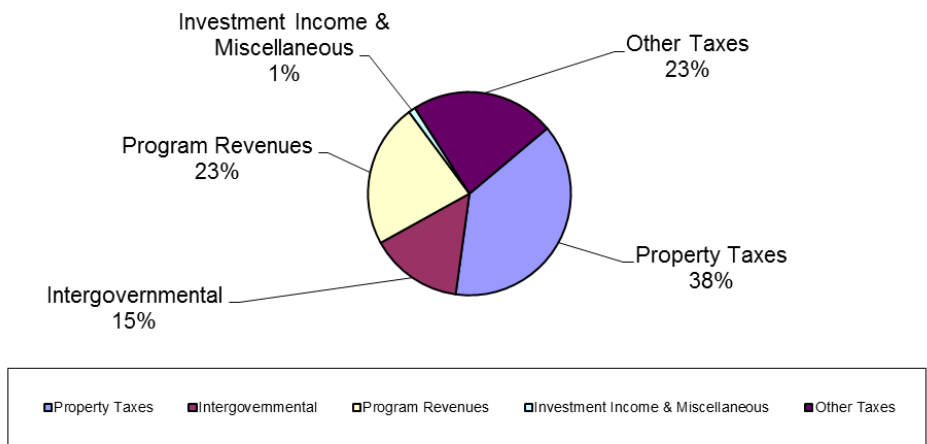
- Charges for services reflect an overall 7.16% increase this year as compared to a 5.53% increase last year. Charge for services increased by \$1,036,205 over the previous year. All of the rates are adjusted per continuing professional rate study analyses.
- Water and Sewer expenses decreased \$872,206 from the previous year. The primary components of the decrease include the prior year's increased pension expense of \$772,964, and costs associated with an effluent discharge consent order compliance study of \$156,949.
- Solid Waste expenses decreased \$634,194 due mainly to prior year hurricane recovery costs of \$367,474 and pension expense of \$248,382.
- Stormwater expenses decreased \$57,626 due mainly to a decreased Public Works Complex transfer of \$74,388 being for 2017 and not 2018.

The remainder of this page intentionally left blank.

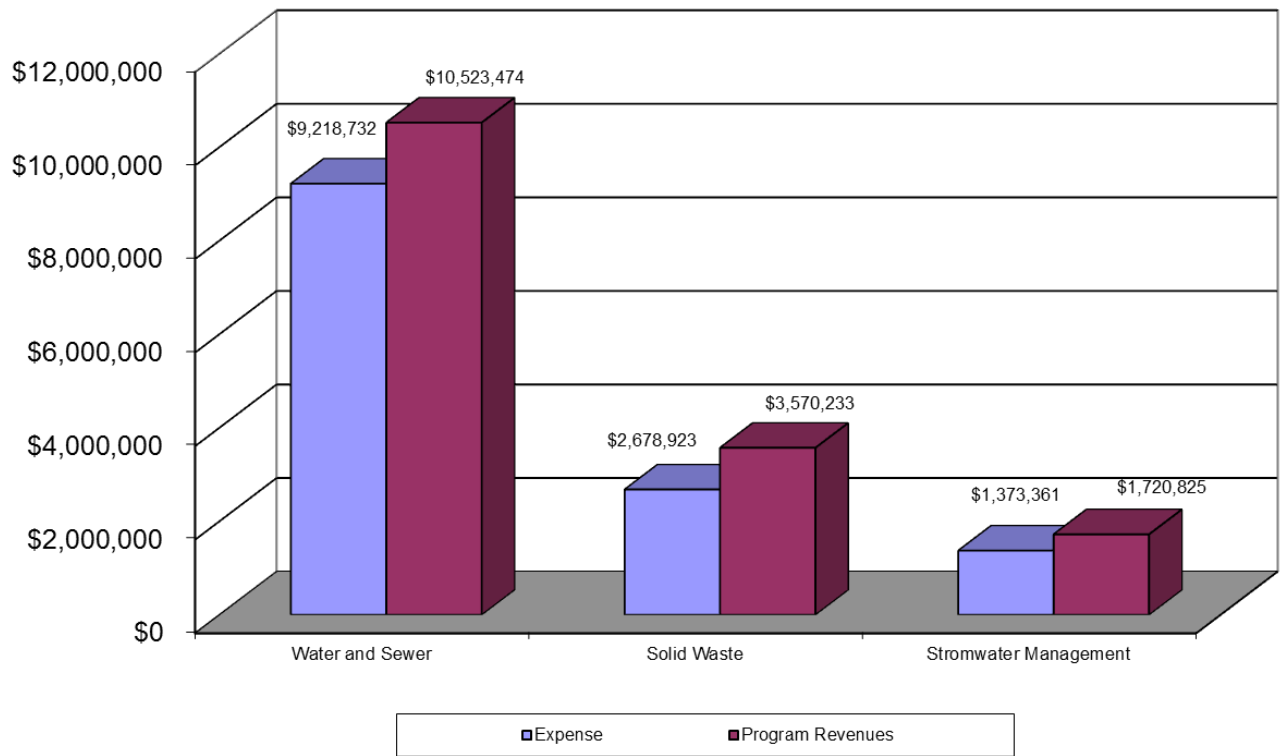
Expenses and Program Revenues - Governmental Activities



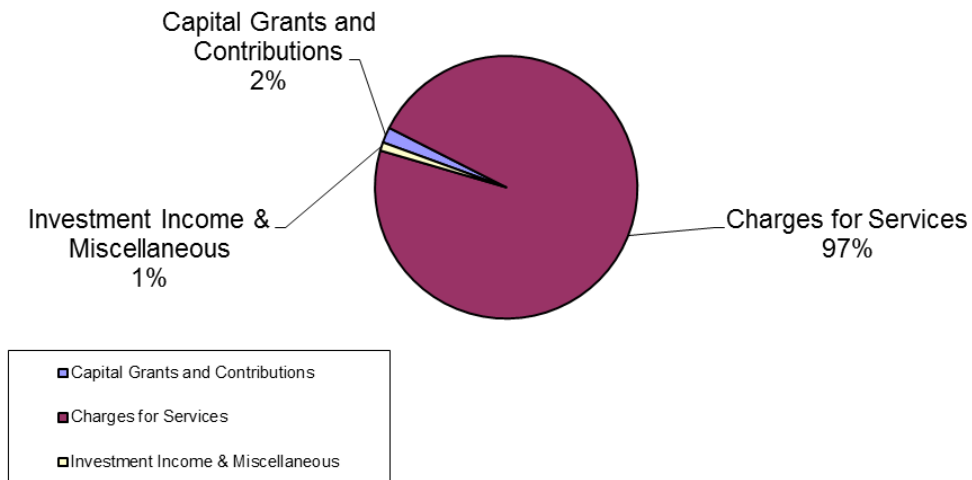
Revenues by Source – Governmental Activities



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 used 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 \$8,376,439, an increase of \$33,816 in comparison with the prior year. Approximately 38% of this amount or \$3,180,919 constitutes unassigned fund balance, which is available for spending at the City's discretion. The City has assigned fund balance for the replacement of City Hall in the amount of \$907,749, OPEB of \$177,122 and subsequent year's budget of \$670,789. Restricted fund balance of \$2,988,017 is for scholarships, public safety, debt service, community redevelopment, capital projects. Nonspendable fund balance of \$14,485 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 \$3,180,919, while total fund balance was \$5,438,700. 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 23% of the total General Fund expenditures, while total fund balance represents 38% of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$1,537,468. This increase can be attributed to the timing of various projects such as Hurricane repairs to Kennedy Park with funding identified totaling \$966,035, paving and sidewalk projects in the amount of \$122,470 in addition to \$298,603 in other open capital projects and open purchase orders not yet complete at year end that were re-appropriated in the subsequent year budget.

During the current fiscal year, the Capital projects fund has added or improved recreational facilities, and has completed a major highway median beautification project.

Fiscal Year 2018 is the third year of activity for the City's recently 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 \$6,349,268. The total increase in net position for these funds was \$2,112,467. 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 \$914,662 due mainly to increased utility and franchise fees of \$330k, increased revenues from property tax collections in the amount of \$261k of which an estimated \$190k related to the annexation of Boston Whaler property, and increased revenues for providing police security services of \$137,949.

Actual expenditures were \$1,194,781 less than budgeted expenditures mostly due to holding positions open in various departments and reduction in operating costs in order to cover the costs of Hurricane damages.

The final expense budget was increased from the original budget by \$927,242 due mainly to Hurricane Irma expenditures in the amount of \$650,917 in addition to \$184,616 in capital outlay and capital projects identified and \$77,023 for required railroad crossing maintenance.

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, 2018, amounts to \$91,449,044 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was 1.5%.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 25,211,665	\$ 25,171,845	\$ 2,172,570	\$ 2,172,370	\$ 27,384,235	\$ 27,344,215
Buildings	3,899,081	4,001,611	5,508,915	6,369,677	9,407,996	10,371,288
Improvements	7,040,016	7,649,971	33,226,393	34,334,112	40,266,409	41,984,083
Machinery and equipment	1,756,279	2,083,348	2,839,312	3,133,729	4,595,591	5,217,077
Infrastructure	6,087,773	5,382,158	-	-	6,087,773	5,382,158
Construction in progress	3,046,628	1,375,142	660,412	1,196,543	3,707,040	2,571,685
Total	\$ 47,041,442	\$ 45,664,075	\$ 44,407,602	\$ 47,206,431	\$ 91,449,044	\$ 92,870,506

Additional information on the City of Edgewater's capital assets can be found in Note IV E of the notes to the financial statements on pages 42-43 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Edgewater had total debt outstanding of \$22,866,237. This debt includes notes payable, state revolving loan and capital leases. In FY 2018, the City borrowed an additional \$32,155 in State Revolving Fund loan towards the design phase of the reclaimed waterline extension project in the Water & Sewer fund. 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	
	2018	2017	2018	2017	2018	2017
Notes payable	\$ 6,291,638	\$ 6,644,670	\$10,430,362	\$12,016,331	\$16,722,000	\$18,661,001
State revolving loans	-	-	5,635,033	5,894,078	5,635,033	5,894,078
Capital leases	458,923	635,717	50,281	62,220	509,204	697,937
	<u>\$ 6,750,561</u>	<u>\$ 7,280,387</u>	<u>\$16,115,676</u>	<u>\$17,972,629</u>	<u>\$22,866,237</u>	<u>\$25,253,016</u>

During the current fiscal year, the City's total debt decreased by \$2,386,779 (9%). Additional information on the City of Edgewater's long-term debt can be found in Note IV G of the notes to the financial statements on pages 44-49 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 Reserve amount per Charter is currently set at \$2,519,127 (15%) of the FY2017 – 2018 General Fund Budget. The amount available for capital or other lawful purposes less any reserves or set asides is \$3,180,919 at September 30, 2018.

Next Year's Budget and Rates

The City Council adopted a conservative budget for Fiscal Year 2019. 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 2019 budget presents a number of opportunities and challenges to improve overall service to the community while continuing to deal with the slow recovery as a result of the severe economic downturn and continuing recovery efforts associated with Hurricanes Matthew and Irma. By any standard this is a very aggressive program of work that will challenge the capacity of staff and the City Council to accomplish under the slow recovery.

The proposed General Fund budget for Fiscal Year 2019 includes the following assumptions:

- Modest increases in operating expenditures to cover increased health insurance costs, salary increases, and defined benefit pension plan increased costs.
- Maintenance of service levels and programs to the extent possible and minimal reductions in service levels where appropriate.
- OPEB set aside of \$177,122 as the second year amount to be funded over the next five years.

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, 2018

	Governmental - type Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,882,255	\$ 8,321,749	\$ 13,204,004
Investments	4,221,380	838,371	5,059,751
Receivables, net	572,659	2,113,074	2,685,733
Special assessment receivable	-	159,578	159,578
Internal balances	(602,084)	602,084	-
Due from other governments	1,058,029	318,109	1,376,138
Inventories and prepaids	50,273	14,231	64,504
Net pension asset	835,690	-	835,690
Restricted assets:			
Cash and cash equivalents	-	1,772,455	1,772,455
Capital Assets			
Nondepreciable assets	28,258,293	2,832,982	31,091,275
Depreciable assets, net	18,783,149	41,574,620	60,357,769
Total assets	<u>\$ 58,059,644</u>	<u>\$ 58,547,253</u>	<u>\$ 116,606,897</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 2,723,528	\$ 462,360	\$ 3,185,888
Deferred outflows related to OPEB	150,032	70,604	220,636
Deferred Loss on Refunding	-	12,181	12,181
Total deferred outflows of resources	<u>\$ 2,873,560</u>	<u>\$ 545,145</u>	<u>\$ 3,418,705</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 927,220	\$ 293,573	\$ 1,220,793
Accrued interest payable	63,205	132,203	195,408
Unearned revenue	80,517	-	80,517
Due to other governments	2,210	-	2,210
Customer deposits	-	812,629	812,629
Noncurrent liabilities			
Due within one year			
Notes and capital leases payable	486,709	1,934,732	2,421,441
Compensated absences	745,924	355,747	1,101,671
Due in more than one year			
Notes and capital leases payable	6,263,852	14,180,944	20,444,796
Compensated absences	480,585	239,585	720,170
Net pension liability	6,991,010	3,691,614	10,682,624
OPEB liability	3,413,371	1,606,294	5,019,665
Total liabilities	<u>\$ 19,454,603</u>	<u>\$ 23,247,321</u>	<u>\$ 42,701,924</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 803,383	\$ -	\$ 803,383
Deferred inflows related to OPEB	257,763	121,299	379,062
Total deferred inflows of resources	<u>\$ 1,061,146</u>	<u>\$ 121,299</u>	<u>\$ 1,182,445</u>
NET POSITION			
Net investment in capital assets	\$ 41,987,558	\$ 28,304,107	\$ 70,291,665
Restricted for:			
Debt service	71,005	973,897	1,044,902
Public safety	917,103	-	917,103
Capital projects	928,493	667,493	1,595,986
Community redevelopment	152,981	-	152,981
Scholarships	8,096	-	8,096
Unrestricted	(3,647,781)	5,778,281	2,130,500
Total net position	<u>\$ 40,417,455</u>	<u>\$ 35,723,778</u>	<u>\$ 76,141,233</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, 2018

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative	\$ 2,445,179	\$ 197,951	\$ 14,087	\$ 71,190
Public works	1,863,482	507,365	696,982	849,330
Public safety	7,583,092	825,894	43,768	35,878
Culture and recreation	1,325,064	69,562	-	288,222
Community Redevelopment	60,174	-	-	-
Interest on long-term debt	227,505	-	-	-
Total governmental activities	<u>13,504,496</u>	<u>1,600,772</u>	<u>754,837</u>	<u>1,244,620</u>
Business-type activities:				
Water / Sewer	9,218,732	10,216,833	-	306,641
Solid waste	2,678,923	3,570,233	-	-
Stormwater	1,373,361	1,720,625	-	200
Total business-type activities	<u>13,271,016</u>	<u>15,507,691</u>	<u>-</u>	<u>306,841</u>
Total primary government	<u>\$ 26,775,512</u>	<u>\$ 17,108,463</u>	<u>\$ 754,837</u>	<u>\$ 1,551,461</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, as restated

Net position - ending

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

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

Governmental Activities	Business-type Activities	Total
\$ (2,161,951)	\$ -	\$ (2,161,951)
190,195	-	190,195
(6,677,552)	-	(6,677,552)
(967,280)	-	(967,280)
(60,174)	-	(60,174)
(227,505)	-	(227,505)
<u>(9,904,267)</u>	<u>-</u>	<u>(9,904,267)</u>
-	1,304,742	1,304,742
-	891,310	891,310
-	347,464	347,464
<u>-</u>	<u>2,543,516</u>	<u>2,543,516</u>
<u>(9,904,267)</u>	<u>2,543,516</u>	<u>(7,360,751)</u>
6,025,937	-	6,025,937
3,608,538	-	3,608,538
2,327,579	-	2,327,579
111,156	39,732	150,888
66,061	126,466	192,527
914,544	(914,544)	-
<u>13,053,815</u>	<u>(748,346)</u>	<u>12,305,469</u>
3,149,548	1,795,170	4,944,718
37,267,907	33,928,608	71,196,515
<u>\$ 40,417,455</u>	<u>\$ 35,723,778</u>	<u>\$ 76,141,233</u>

CITY OF EDGEWATER, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2018

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>CRA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 2,799,716	\$ 257,173	\$ 155,460	\$ 691,338	\$ 3,903,687
Investments	2,524,703	1,696,677	-	-	4,221,380
Receivables--net of allowance for uncollectibles	545,341	-	21	96	545,458
Due from other governments	593,701	464,308	-	20	1,058,029
Inventories and prepaids	14,485	-	-	-	14,485
Total assets	<u>\$ 6,477,946</u>	<u>\$ 2,418,158</u>	<u>\$ 155,481</u>	<u>\$ 691,454</u>	<u>\$ 9,743,039</u>
LIABILITIES					
Accounts payable	\$ 161,985	\$ 324,854	\$ 2,500	\$ -	\$ 489,339
Accrued liabilities	192,450	-	-	-	192,450
Due to other funds	602,084	-	-	-	602,084
Due to other governments	2,210	-	-	-	2,210
Unearned revenues	80,517	-	-	-	80,517
Total liabilities	<u>1,039,246</u>	<u>324,854</u>	<u>2,500</u>	<u>-</u>	<u>1,366,600</u>
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	14,485	-	-	-	14,485
Restricted for:					
Scholarships	8,096	-	-	-	8,096
Public safety	-	-	-	81,413	81,413
Debt service	42,182	-	-	78,175	120,357
Community redevelopment	-	-	152,981	-	152,981
Capital projects	-	2,093,304	-	531,866	2,625,170
Assigned to:					
Subsequent year's budget appropriation of fund balance	1,108,147	-	-	-	1,108,147
City Hall	907,749	-	-	-	907,749
OPEB	177,122	-	-	-	177,122
Unassigned	3,180,919	-	-	-	3,180,919
Total fund balances	<u>5,438,700</u>	<u>2,093,304</u>	<u>152,981</u>	<u>691,454</u>	<u>8,376,439</u>
Total liabilities and fund balances	<u>\$ 6,477,946</u>	<u>\$ 2,418,158</u>	<u>\$ 155,481</u>	<u>\$ 691,454</u>	<u>\$ 9,743,039</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, 2018

Total governmental funds fund balance \$ 8,376,439

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	25,211,665	
Buildings and improvements	28,667,139	
Infrastructure	60,419,222	
Furniture and equipment	5,185,016	
Construction in progress	3,046,628	
Accumulated depreciation	<u>(75,574,904)</u>	
		46,954,766

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.

592,853

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

Net pension liability	(6,991,010)	
Net pension asset	835,690	
Deferred outflows related to pensions	2,723,528	
Deferred inflows related to pensions	<u>(803,383)</u>	
		(4,235,175)

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.

OPEB liability	(3,262,781)	
Deferred outflows related to OPEB	143,413	
Deferred inflows related to OPEB	<u>(246,391)</u>	
		(3,365,759)

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

Compensated absences	1,156,842	
Long-term debt	<u>6,685,751</u>	
		(7,842,593)

Accrued interest payable on bonds that is not recognized on the fund statements.

(63,076)

Net position of governmental activities \$ 40,417,455

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, 2018

	General Fund	Capital Projects Fund	CRA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 5,625,376	\$ -	\$ 112,081	\$ 288,480	\$ 6,025,937
Utility and franchise taxes	3,608,538	-	-	-	3,608,538
Intergovernmental	2,964,628	1,268,458	-	-	4,233,086
Licenses and permits	499,510	-	-	-	499,510
Charges for services	2,011,630	-	-	-	2,011,630
Fines and forfeitures	137,202	-	-	14,259	151,461
Investment earnings	56,365	52,321	187	1,331	110,204
Impact fees	-	-	-	185,507	185,507
Miscellaneous revenue	108,149	-	-	-	108,149
Total revenues	<u>15,011,398</u>	<u>1,320,779</u>	<u>112,268</u>	<u>489,577</u>	<u>16,934,022</u>
EXPENDITURES					
Current:					
Legislative	103,794	-	-	-	103,794
Executive	521,481	-	-	-	521,481
Legal counsel	113,286	-	-	-	113,286
Community development	610,156	-	306	-	610,462
Public works	809,839	66,359	-	-	876,198
Public safety:					
Law enforcement	3,928,928	-	-	-	3,928,928
Fire and emergency services	3,398,597	-	-	-	3,398,597
Code enforcement	142,907	-	-	-	142,907
Animal services	129,980	-	-	-	129,980
Culture and recreation	1,066,734	-	-	-	1,066,734
General administrative services	2,813,463	-	-	-	2,813,463
Debt Service:					
Principal	253,000	-	-	267,000	520,000
Interest	64,587	-	-	161,257	225,844
Capital outlay	180,041	3,152,582	2,500	-	3,335,123
Total expenditures	<u>14,136,793</u>	<u>3,218,941</u>	<u>2,806</u>	<u>428,257</u>	<u>17,786,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>874,605</u>	<u>(1,898,162)</u>	<u>109,462</u>	<u>61,320</u>	<u>(852,775)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	888,970	108,303	-	129,836	1,127,109
Transfers out	(226,107)	-	-	(14,411)	(240,518)
Total other financing sources (uses)	<u>662,863</u>	<u>108,303</u>	<u>-</u>	<u>115,425</u>	<u>886,591</u>
Net change in fund balances	1,537,468	(1,789,859)	109,462	176,745	33,816
Beginning fund balances	<u>3,901,232</u>	<u>3,883,163</u>	<u>43,519</u>	<u>514,709</u>	<u>8,342,623</u>
Ending fund balances	<u>\$ 5,438,700</u>	<u>\$ 2,093,304</u>	<u>\$ 152,981</u>	<u>\$ 691,454</u>	<u>\$ 8,376,439</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, 2018

Net change in fund balances - total governmental funds \$ 33,816

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	3,335,123	
Current year depreciation	<u>(1,877,667)</u>	1,457,456

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position. (19,963)

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		354,236
---------------------------------	--	---------

The net revenue of certain activities of internal service funds is reported with governmental activities. 317,297

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		478,610
Change in OPEB liability/asset and deferred inflows/outflows related to OPEB		8,096

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

Principal payments		<u>520,000</u>
--------------------	--	----------------

Change in net position of governmental activities		<u><u>\$ 3,149,548</u></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
General Fund
For the Fiscal Year Ended September 30, 2018

	<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	\$ 5,364,153	\$ 5,625,377	\$ 5,625,376	\$ (1)
Utility and franchise taxes	3,277,865	3,607,872	3,608,538	666
Intergovernmental	2,786,422	2,948,704	2,964,628	15,924
Licenses and permits	433,100	499,511	499,510	(1)
Charges for services	1,768,541	1,992,533	2,011,630	19,097
Fines and forfeitures	187,304	137,202	137,202	-
Investment earnings	22,536	56,336	56,365	29
Miscellaneous revenue	220,164	107,212	108,149	937
Total revenues	<u>14,060,085</u>	<u>14,974,747</u>	<u>15,011,398</u>	<u>36,651</u>
EXPENDITURES				
Current:				
Legislative	124,981	124,981	103,794	21,187
Executive	576,534	576,534	521,481	55,053
Legal counsel	110,000	120,000	113,286	6,714
Community development	692,885	692,885	610,156	82,729
Public works	962,112	1,022,635	809,839	212,796
Public safety:				
Law enforcement	3,986,280	4,015,366	3,928,928	86,438
Fire and emergency services	3,752,937	3,664,736	3,398,597	266,139
Code enforcement	118,599	143,937	142,907	1,030
Animal services	131,293	138,293	129,980	8,313
Culture and recreation	1,252,607	1,253,166	1,066,734	186,432
General administrative services	2,324,663	3,000,337	2,813,463	186,874
Debt service:				
Principal	253,002	253,002	253,000	2
Interest	36,666	64,587	64,587	-
Capital outlay	81,773	261,115	180,041	81,074
Total expenditures	<u>14,404,332</u>	<u>15,331,574</u>	<u>14,136,793</u>	<u>1,194,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(344,247)</u>	<u>(356,827)</u>	<u>874,605</u>	<u>1,231,432</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	879,178	878,244	888,970	10,726
Transfers out	(134,433)	(754,326)	(226,107)	528,219
Total other financing sources (uses)	<u>744,745</u>	<u>123,918</u>	<u>662,863</u>	<u>538,945</u>
Net change in fund balances	400,498	(232,909)	1,537,468	1,770,377
Beginning fund balances	3,901,232	3,901,232	3,901,232	-
Ending fund balances	<u>\$ 4,301,730</u>	<u>\$ 3,668,323</u>	<u>\$ 5,438,700</u>	<u>\$ 1,770,377</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
REVENUES				
Property tax	\$ 106,178	\$ 112,081	\$ 112,081	\$ -
Investment earnings	66	188	187	(1)
Total revenues	<u>106,244</u>	<u>112,269</u>	<u>112,268</u>	<u>(1)</u>
EXPENDITURES				
Capital outlay	146,484	146,484	2,500	143,984
Other Services & Charges	10,325	10,325	306	10,019
Total expenditures	<u>156,809</u>	<u>156,809</u>	<u>2,806</u>	<u>154,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,565)</u>	<u>(44,540)</u>	<u>109,462</u>	<u>154,002</u>
Net change in fund balance	(50,565)	(44,540)	109,462	154,002
Beginning fund balances	<u>43,519</u>	<u>43,519</u>	<u>43,519</u>	<u>-</u>
Ending fund balances	<u>\$ (7,046)</u>	<u>\$ (1,021)</u>	<u>\$ 152,981</u>	<u>\$ 154,002</u>

CITY OF EDGEWATER, FLORIDA

Statement of Net Position
 Proprietary Funds
 September 30, 2018

	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	\$ 5,734,748	\$ 1,358,513	\$ 1,228,488	\$ 8,321,749	\$ 978,568
Investments	386,252	187,645	264,474	838,371	-
Receivables, net	1,415,803	467,591	229,680	2,113,074	27,201
Due from other governments	285,062	30,764	2,283	318,109	-
Due from other funds	602,084	-	-	602,084	-
Inventories	-	-	-	-	24,207
Prepaid items	5,000	2,500	6,731	14,231	11,581
Total current assets	<u>8,428,949</u>	<u>2,047,013</u>	<u>1,731,656</u>	<u>12,207,618</u>	<u>1,041,557</u>
Noncurrent assets:					
Restricted cash and cash equivalents:					
Debt service	1,104,962	-	-	1,104,962	-
Capital projects	667,493	-	-	667,493	-
Total restricted cash and cash equivalents	<u>1,772,455</u>	<u>-</u>	<u>-</u>	<u>1,772,455</u>	<u>-</u>
Capital assets:					
Land and land rights	966,228	936,903	269,439	2,172,570	-
Buildings and improvements	73,791,775	69,075	9,856,202	83,717,052	60,684
Machinery and equipment	8,679,169	2,136,437	1,503,754	12,319,360	364,435
Construction in progress	465,440	150,490	44,482	660,412	-
Less accumulated depreciation	<u>(47,482,362)</u>	<u>(1,697,248)</u>	<u>(5,282,182)</u>	<u>(54,461,792)</u>	<u>(338,443)</u>
Total capital assets (net of accumulated depreciation)	36,420,250	1,595,657	6,391,695	44,407,602	86,676
Special assessment receivable	159,578	-	-	159,578	-
Total noncurrent assets	<u>38,352,283</u>	<u>1,595,657</u>	<u>6,391,695</u>	<u>46,339,635</u>	<u>86,676</u>
Total assets	<u>\$ 46,781,232</u>	<u>\$ 3,642,670</u>	<u>\$ 8,123,351</u>	<u>\$ 58,547,253</u>	<u>\$ 1,128,233</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	\$ 330,621	\$ 106,241	\$ 25,498	\$ 462,360	\$ -
Deferred outflows related to OPEB	46,334	15,445	8,825	70,604	6,619
Deferred loss on refunding	12,181	-	-	12,181	-
Total deferred outflows of resources	<u>\$ 389,136</u>	<u>\$ 121,686</u>	<u>\$ 34,323</u>	<u>\$ 545,145</u>	<u>\$ 6,619</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 100,283	\$ 62,106	\$ 15,285	\$ 177,674	\$ 237,358
Accrued liabilities	89,026	16,259	10,614	115,899	8,073
Compensated absences	247,252	59,237	49,258	355,747	33,116
Customer deposits	812,629	-	-	812,629	-
Accrued interest payable from restricted cash	131,065	-	1,138	132,203	129
Capital leases payable - current	4,775	-	7,418	12,193	-
Notes payable - current	1,591,324	-	42,985	1,634,309	10,062
Revenue bonds payable - current	288,230	-	-	288,230	-
Total current liabilities	<u>3,264,584</u>	<u>137,602</u>	<u>126,698</u>	<u>3,528,884</u>	<u>288,738</u>
Noncurrent liabilities:					
Compensated absences	185,209	34,060	20,316	239,585	36,551
Bonds, notes, and capital leases payable	13,923,896	-	257,048	14,180,944	54,748
Net pension liability	2,639,775	848,257	203,582	3,691,614	-
OPEB liability	1,054,130	351,377	200,787	1,606,294	150,590
Total noncurrent liabilities	<u>17,803,010</u>	<u>1,233,694</u>	<u>681,733</u>	<u>19,718,437</u>	<u>241,889</u>
Total liabilities	<u>\$ 21,067,594</u>	<u>\$ 1,371,296</u>	<u>\$ 808,431</u>	<u>\$ 23,247,321</u>	<u>\$ 530,627</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	79,603	26,534	15,162	121,299	11,372
Total deferred inflows of resources	<u>79,603</u>	<u>26,534</u>	<u>15,162</u>	<u>121,299</u>	<u>11,372</u>
NET POSITION					
Net investment in capital assets	\$ 20,624,206	\$ 1,595,657	\$ 6,084,244	\$ 28,304,107	\$ 21,866
Restricted:					
Capital projects	667,493	-	-	667,493	-
Debt service	973,897	-	-	973,897	-
Unrestricted	3,757,575	770,869	1,249,837	5,778,281	570,987
Total net position	<u>\$ 26,023,171</u>	<u>\$ 2,366,526</u>	<u>\$ 7,334,081</u>	<u>\$ 35,723,778</u>	<u>\$ 592,853</u>

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

CITY OF EDGEWATER, FLORIDA

Statement of Revenues, Expense and
Changes in Fund Net Position
Proprietary Funds

For the Fiscal Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds			Total	
	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility		
Operating revenues:					
Charges for sales and services	\$ 10,216,833	\$ 3,570,233	\$ 1,720,625	\$ 15,507,691	\$ 4,831,562
Total operating revenues	10,216,833	3,570,233	1,720,625	15,507,691	4,831,562
Operating expenses:					
Salaries and employee benefits	3,111,312	1,038,865	598,040	4,748,217	3,046,069
Supplies and materials	654,666	123,452	37,347	815,465	524,881
Contract services	417,554	898,214	24,497	1,340,265	206,167
Other services and charges	1,836,032	511,978	257,261	2,605,271	704,265
Depreciation and amortization	2,792,093	106,414	448,491	3,346,998	60,127
Total operating expenses	8,811,657	2,678,923	1,365,636	12,856,216	4,541,509
Operating income (loss)	1,405,176	891,310	354,989	2,651,475	290,053
Nonoperating revenues (expenses):					
Investment earnings	31,200	1,762	6,770	39,732	952
Miscellaneous revenues	99,854	20,663	5,949	126,466	-
Gain (Loss) on disposition of capital assets	(51,696)	-	-	(51,696)	-
Interest expense	(355,379)	-	(7,725)	(363,104)	(1,661)
Total nonoperating revenues (expenses)	(276,021)	22,425	4,994	(248,602)	(709)
Income (loss) before capital contributions and transfers	1,129,155	913,735	359,983	2,402,873	289,344
Transfers in	179,305	-	540,783	720,088	27,953
Transfers out	(1,125,007)	(224,850)	(284,775)	(1,634,632)	-
Capital grants	16,136	-	-	16,136	-
Capital contributions	290,505	-	200	290,705	-
Change in net position	490,094	688,885	616,191	1,795,170	317,297
Total net position - beginning, as restated	25,533,077	1,677,641	6,717,890	33,928,608	275,556
Total net position - ending	\$ 26,023,171	\$ 2,366,526	\$ 7,334,081	\$ 35,723,778	\$ 592,853

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, 2018

	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	\$ 10,149,987	\$ 3,524,582	\$ 1,689,774	\$ 15,364,343	\$ 4,816,138
Payments-suppliers	(2,953,525)	(1,557,591)	(322,949)	(4,834,065)	(4,020,714)
Payments-employees	(3,143,575)	(1,068,116)	(587,125)	(4,798,816)	(422,182)
Net cash provided (used) by operating activities	<u>4,052,887</u>	<u>898,875</u>	<u>779,700</u>	<u>5,731,462</u>	<u>373,242</u>
Cash flows from noncapital financing activities:					
Cash paid to other funds	(584,224)	(224,850)	(284,775)	(1,093,849)	-
Cash received from other funds (net)	1,318,313	-	179,305	1,497,618	27,953
Net cash provided (used) by noncapital financing activities	<u>734,089</u>	<u>(224,850)</u>	<u>(105,470)</u>	<u>403,769</u>	<u>27,953</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(393,923)	(117,020)	(88,922)	(599,865)	-
Grant revenue	284,031	349,613	12,690	646,334	-
Interest payments on debt	(367,603)	-	(7,948)	(375,551)	(1,680)
Capital contributions and fees	390,359	20,663	6,149	417,171	-
Proceeds from issuance of debt	32,155	-	-	32,155	-
Principal paid on debt	(1,839,876)	-	(49,232)	(1,889,108)	(9,826)
Net cash provided (used) by capital and related financing activities	<u>(1,894,857)</u>	<u>253,256</u>	<u>(127,263)</u>	<u>(1,768,864)</u>	<u>(11,506)</u>
Cash flows from investing activities:					
Interest on investments	31,200	1,762	6,770	39,732	952
Purchase of investment securities	(386,252)	(187,645)	(264,474)	(838,371)	-
Net cash provided (used) by investing activities	<u>(355,052)</u>	<u>(185,883)</u>	<u>(257,704)</u>	<u>(798,639)</u>	<u>952</u>
Net increase (decrease) in cash and cash equivalents	2,537,067	741,398	289,263	3,567,728	390,641
Beginning cash and cash equivalents	4,970,136	617,115	939,225	6,526,476	587,927
Ending cash and cash equivalents	<u>\$ 7,507,203</u>	<u>\$ 1,358,513</u>	<u>\$ 1,228,488</u>	<u>\$ 10,094,204</u>	<u>\$ 978,568</u>
Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:					
Operating income	\$ 1,405,176	\$ 891,310	\$ 354,989	\$ 2,651,475	\$ 290,053
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,792,093	106,414	448,491	3,346,998	60,127
(Increase) decrease in assets:					
Accounts receivable	(66,846)	(45,651)	(30,851)	(143,348)	(15,424)
Inventories	-	-	-	-	6,754
Prepaid items	4,038	-	(4,231)	(193)	9,943
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	(23,760)	(23,947)	387	(47,320)	20,865
Compensated absences	(10,743)	(18,169)	13,864	(15,048)	1,297
Net pension liability	(18,904)	(10,209)	(2,451)	(31,564)	-
OPEB liability	(2,616)	(873)	(498)	(3,987)	(373)
Customer deposits	(25,551)	-	-	(25,551)	-
Total adjustments	<u>2,647,711</u>	<u>7,565</u>	<u>424,711</u>	<u>3,079,987</u>	<u>83,189</u>
Net cash provided (used) by operating activities	<u>\$ 4,052,887</u>	<u>\$ 898,875</u>	<u>\$ 779,700</u>	<u>\$ 5,731,462</u>	<u>\$ 373,242</u>
Classified As:					
Cash and cash equivalents	\$ 5,734,748	\$ 1,358,513	\$ 1,228,488	\$ 8,321,749	\$ 978,568
Restricted cash and cash equivalents	1,772,455	-	-	1,772,455	-
Total	<u>\$ 7,507,203</u>	<u>\$ 1,358,513</u>	<u>\$ 1,228,488</u>	<u>\$ 10,094,204</u>	<u>\$ 978,568</u>
Non-cash investing, capital, and financing activities:					
Capital assets transferred (to) from other funds	\$ (540,783)	\$ -	\$ 540,783	\$ -	\$ -

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, 2018

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 1,179,475
Accrued interest	112,642
Bonds	
US Treasury notes	1,234,260
GNMA/FMNA	2,981,764
Municipal bonds	318,493
Corporate bonds	7,545,965
Equities	10,825,910
Mutual fund - equities	13,367,635
Total assets	<u>37,566,144</u>
NET POSITION	
Restricted for pensions	<u>\$ 37,566,144</u>

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

CITY OF EDGEWATER, FLORIDA
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended September 30, 2018

	Pension Trust Funds
	<u> </u>
ADDITIONS	
Contributions:	
Employer	\$ 1,915,482
Employee	213,254
State of Florida	<u>314,962</u>
Total contributions	<u>2,443,698</u>
Investment earnings:	
Interest and dividends	1,357,982
Net increase in the fair value of investments	<u>1,972,829</u>
Total investment earnings	3,330,811
Less investment expenses	<u>(151,277)</u>
Net investment earnings	<u>3,179,534</u>
 Total Additions	 <u>5,623,232</u>
 DEDUCTIONS	
Pension benefits	2,906,309
Administrative expenses	<u>149,881</u>
Total deductions	<u>3,056,190</u>
Change in net position	2,567,042
Net position - beginning of year	<u>34,999,102</u>
Net position - end of year	<u><u>\$ 37,566,144</u></u>

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

I. 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 23,319 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.

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 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, 2018

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Projects Fund* is used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).
- The *Community Redevelopment Agency (CRA) Fund* is used to account for the receipt and expenditure of property tax revenues from the tax increment financing district to support City redevelopment in the designated community redevelopment area.

The City reports the following major proprietary funds:

- The *Water and Sewer Utility Fund* is used to account for the activities of the City's water and wastewater systems, which are financed similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.
- The *Solid Waste Utility Fund* accounts for the activities of the City's solid waste collection and recycling services.
- The *Stormwater Management Utility Fund* accounts for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater.

Additionally, the City reports the following fund types:

- *Special Revenue Funds* account for specific revenue resources that are restricted by law or administrative action to expenditures for specific purposes.
- *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.
- *Internal Services Funds* account for fleet management services, management information systems, general liability insurance, health insurance, and workers' compensation insurance.

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

Amounts reported as *program revenues include*:

1. Charges to customers or applicants for goods, services, or privileges provided,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Internal, dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and investments

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

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

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

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.

2. 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.

3. 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.

4. 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.

5. Capital assets

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

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

are being depreciated over their useful lives. The City has recorded all drainage infrastructure acquired including pre-GASB 34 assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of any interest earnings on specific project debt issued. 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:

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

6. Deferred outflows of resources

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

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

7. 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.

8. 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.

9. Deferred inflows of resources

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

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

10. Fund balance

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. 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.

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.

11. 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 C of the Other Matters section, 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.

II. 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.

III. 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.

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, 2018, the millage rate in effect was \$6.7000 and the Edgewater I&S 2005 voted debt millage was \$.0445 for a total millage of \$6.7445.

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.

IV. Detailed Notes on All Funds

A. Deposits:

At September 30, 2018, the carrying amount of the City's bank deposits was \$14,976,459. The bank balance at September 30, 2018 was \$15,037,750, all of which is 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

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". (Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a savings association, the required collateral shall have a market value equal to 125% of the deposits). Of the bank balance, no amount was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at September 30, 2018.

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.

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 Statement No. 72. 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, 2018, 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:							
SBA LGIP	\$ 4,559,468	\$ 4,559,468	\$ -	\$ -	\$ -	AAAm	N/A
FLCLASS	500,283	500,283	-	-	-	AAAm	N/A
Total government-wide investments	<u>\$ 5,059,751</u>	<u>\$ 5,059,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Fiduciary Funds							
Investments Subject to Rate Risk:							
Money market funds	\$ 1,179,475	\$ 1,179,475	\$ -	\$ -	\$ -	N/A	1
Bonds:							
US treasury notes	1,234,260	-	-	-	1,234,260	N/A	1
GNMA	2,981,764	-	321,109	274,060	2,386,595	*	2
Municipal obligations	318,493	154,699	163,794	-	-	**	2
Corporate bonds	7,545,964	777,889	3,817,014	1,719,870	1,231,191	***	2
	<u>13,259,956</u>	<u>\$ 2,112,063</u>	<u>\$ 4,301,917</u>	<u>\$ 1,993,930</u>	<u>\$ 4,852,046</u>		
Other Investments:							
Corporate equities	10,825,910						1
Mutual funds – equity	12,348,523						1
American Core Realty Fund	1,019,112						3
Total other investments	<u>24,193,545</u>						
Total fiduciary fund investments	<u>37,453,502</u>						
Total City Investments	<u>\$ 42,513,253</u>						

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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

** - The Standard and Poor's credit ratings range from BBB+ to AA- and Moody's credit ratings range from A2 to Aa1 for the Municipal obligations.

*** - The Standard and Poor's credit ratings range from BBB to AAA and Moody's credit ratings range from Ba2 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 face value of the instruments adjusted for inflation and interest maturities.

Corporate Bonds— Valued based on face value of the instruments adjusted for inflation and interest maturities.

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' Retirement Plan owns 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, 2018, the Retirement Plan held 8,1568 units and the net asset value of the Retirement Plan's units on that date was \$1,019,112. 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.

As of September 30, 2018, 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' Retirement Plan, 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, 2018, 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.

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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.

As of September 30, 2018, 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.

C. Receivables:

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

Governmental Funds	General	Capital Projects	CRA	Nonmajor Funds	Total
Receivables:					
Accounts	\$ 550,590	\$ -	\$ 21	\$ 96	\$ 550,707
Intergovernmental	593,701	464,308	-	20	1,058,029
Gross receivables	1,144,291	464,308	21	116	1,608,736
Less: allowance for uncollectible	(5,249)	-	-	-	(5,249)
Net total receivables	\$ 1,139,042	\$ 464,308	\$ 21	\$ 116	\$ 1,603,487
Proprietary Funds	Water/ Sewer Utility	Solid Waste Utility	Stormwater Utility	Internal Service	Total
Receivables:					
Accounts	\$ 1,761,123	\$ 566,484	\$ 301,318	\$ 27,201	\$ 2,656,126
Intergovernmental	285,062	30,764	2,283	-	318,109
Special Assessments	159,578	-	-	-	159,578
Gross receivables	2,205,763	597,248	303,601	27,201	3,133,813
Less: allowance for uncollectible	(345,320)	(98,893)	(71,638)	-	(515,851)
Net total receivables	\$ 1,860,443	\$ 498,355	\$ 231,963	\$ 27,201	\$ 2,617,962

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. No deferred inflows are reported as of September 30, 2018. Governmental funds also defer revenue recognition and report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the fiscal year, unearned revenue, in the amount of \$80,517, reported in the major and non-major governmental funds was unearned business tax receipts. Such amounts have also been included as current liabilities on the government-wide financial statements.

Approximately \$300,000 of the intergovernmental receivable amounts relates to Federal and State reimbursements related to Hurricane Matthew, which impacted the City in fiscal year 2017. These amounts reflect management's best estimate of recoveries based on costs incurred and approved project worksheets, and are subject to change pending adjustments made by the respective Federal and/or State agencies.

The City incurred expenditures of approximately \$670,000 related to Hurricane Irma, which also impacted the City in fiscal year 2017. No intergovernmental revenue or receivable amounts have been recorded for Federal and State reimbursements related to Hurricane Irma because no project worksheets have been approved. While the City does expect project worksheets to be approved, the reimbursement amounts are not determinable and are subject to change pending adjustments made by the respective Federal and/or State agencies.

D. Interfund Receivables, Payables, and Transfers:

The composition of Interfund balances as of September 30, 2018, is as follows:

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

Receivable Funds	Payable Funds	Amount
Water Sewer	General	<u>\$ 602,084</u>

The composition of Interfund transfers for the year ended September 30, 2018, is as follows:

	Transfers In						Total
	General Fund	Debt Service	Capital Projects	Water Sewer	Stormwater	Internal Service MIS	
Transfers Out:							
General Fund	\$ -	\$ 129,836	\$ 96,271	\$ -	\$ -	\$ -	\$ 226,107
Justice Assistant	2,379	-	-	-	-	-	2,379
Recreation Impact Fee	-	-	12,032	-	-	-	12,032
Enterprise:							
Water Sewer	575,424	-	-	-	540,783	8,800	1,125,007
Solid Waste	210,097	-	-	-	-	14,753	224,850
Stormwater	101,070	-	-	179,305	-	4,400	284,775
Total	<u>\$ 888,970</u>	<u>\$ 129,836</u>	<u>\$ 108,303</u>	<u>\$ 179,305</u>	<u>\$ 540,783</u>	<u>\$ 27,953</u>	<u>\$ 1,875,150</u>

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.

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

E. Capital Assets:

Capital asset activity for the year ended September 30, 2018, was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 25,171,845	\$ 39,820	\$ -	\$ 25,211,665
Construction in progress	1,375,142	3,123,108	(1,451,622)	3,046,628
Total assets not being depreciated	<u>26,546,987</u>	<u>3,162,928</u>	<u>(1,451,622)</u>	<u>28,258,293</u>
Capital assets being depreciated:				
Buildings	8,010,859	164,342	-	8,175,201
Improvement other than buildings	20,474,300	78,322	-	20,552,622
Machinery and equipment	5,634,378	174,295	(259,222)	5,549,451
Infrastructure	59,232,326	1,186,896	-	60,419,222
Total assets being depreciated	<u>93,351,863</u>	<u>1,603,855</u>	<u>(259,222)</u>	<u>94,696,496</u>
Less accumulated depreciation for:				
Buildings	(4,009,248)	(266,872)	-	(4,276,120)
Improvement other than buildings	(12,824,329)	(688,277)	-	(13,512,606)
Machinery and equipment	(3,551,030)	(501,364)	259,222	(3,793,172)
Infrastructure	(53,850,168)	(481,281)	-	(54,331,449)
Total accumulated depreciation	<u>(74,234,775)</u>	<u>(1,937,794)</u>	<u>259,222</u>	<u>(75,913,347)</u>
Total capital assets, being depreciated, net	<u>19,117,088</u>	<u>(333,939)</u>	<u>-</u>	<u>18,783,149</u>
Governmental activities capital assets, net	<u>\$ 45,664,075</u>	<u>\$ 2,828,989</u>	<u>\$ (1,451,622)</u>	<u>\$ 47,041,442</u>

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,172,370	\$ 200	\$ -	\$ 2,172,570
Construction in progress	1,196,543	114,124	(650,255)	660,412
Total assets not being depreciated	<u>3,368,913</u>	<u>114,324</u>	<u>(650,255)</u>	<u>2,832,982</u>
Capital assets being depreciated:				
Buildings	24,163,911	-	(138,361)	24,025,550
Improvement other than buildings	59,114,864	632,329	(55,691)	59,691,502
Machinery and equipment	11,912,391	503,466	(96,497)	12,319,360
Total assets being depreciated	<u>95,191,166</u>	<u>1,135,795</u>	<u>(290,549)</u>	<u>96,036,412</u>
Less accumulated depreciation for:				
Buildings	(17,794,234)	(809,066)	86,665	(18,516,635)
Improvement other than buildings	(24,780,752)	(1,740,049)	55,692	(26,465,109)
Machinery and equipment	(8,778,662)	(797,883)	96,497	(9,480,048)
Total accumulated depreciation	<u>(51,353,648)</u>	<u>(3,346,998)</u>	<u>238,854</u>	<u>(54,461,792)</u>
Total capital assets, being depreciated, net	<u>43,837,518</u>	<u>(2,211,203)</u>	<u>(51,695)</u>	<u>41,574,620</u>
Business-type activities capital assets, net	<u>\$ 47,206,431</u>	<u>\$ (2,096,879)</u>	<u>\$ (701,950)</u>	<u>\$ 44,407,602</u>

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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

Governmental activities:	
General government	\$ 53,293
Public safety	490,096
Transportation / public works	1,044,727
Parks and recreation	289,551
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	60,127
 Total depreciation expense - governmental activities	 \$ 1,937,794
Business-type activities:	
Water Sewer Utility	\$ 2,792,093
Solid Waste Utility	106,414
Stormwater System	448,491
 Total depreciation expense - business-type activities	 \$ 3,346,998

F. Leases:

Operating Leases – On March 3, 2014, the City entered into an operating lease agreement with the Volusia/Flagler Family Young Men's Christian Association, Inc. (the "YMCA") for the leasing and reimbursement for the expansion of, certain buildings and facilities located at Hawks Park Recreational Complex, which may be renegotiated and renewed at the request of the City Council or the YMCA Board at any time, provided any amendments are in writing and executed by both parties. Based on the terms of the agreement, the initial ten year lease began on April 1, 2014 and is scheduled to expire on March 31, 2024, with an option to renew for two additional ten year periods provided the parties mutually agree on the terms at the time of renewal. Annual rentals under the lease agreement include minimum monthly payments of \$3,779. During the year ended September 30, 2018, amounts received totaled \$49,129.

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Assets -		
Machinery and equipment	\$ 1,004,768	\$ 62,220
Less: accumulated depreciation	(453,403)	(26,260)
Total	\$ 551,365	\$ 35,960

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018 were as follows:

Year Ending September 30	Governmental Activities	Business-type Activities
2019	\$ 130,423	\$ 13,213
2020	117,741	13,213
2021	117,741	13,213
2022	117,741	13,213
2023	-	-
Total minimum lease payments	483,646	52,852
Less: amount representing interest	(24,723)	(2,571)
	\$ 458,923	\$ 50,281

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

G. Long-term Debt:

Notes Payable

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

<u>Governmental Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2018</u>
General Obligation Note- Series 2017	3.06% (7/1)	7/1/2036	\$ 3,436,000	\$ <u>3,262,000</u>
Total Outstanding				\$ <u>3,262,000</u>

Annual requirements to amortize the General Obligation Note outstanding as of September 30, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 139,000	\$ 99,817
2020	143,000	95,564
2021	147,000	91,188
2022	152,000	86,690
2023	156,000	82,039
2024-2028	856,000	335,529
2029-2033	995,000	196,299
2034-2036	674,000	41,647
Total	\$ 3,262,000	\$ 1,028,773

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>Governmental Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2018</u>
Capital Improvement Revenue Note- Series 2017	2.47% (6/1 and 12/1)	6/1/2032	\$ 2,000,000	\$ <u>1,893,000</u>
Total Outstanding				\$ <u>1,893,000</u>

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 115,000	\$ 46,757
2020	118,000	43,917
2021	121,000	41,002
2022	123,000	38,013
2023	127,000	34,975
2024-2028	681,000	133,849
2029-2032	608,000	30,529
Total	\$ 1,893,000	\$ 369,042

During the year ended September 30, 2017, the City executed an agreement with the Florida Department of Environmental Protection 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 was received in fiscal year 2018. The amount of the loan issued and outstanding at year-end is as follows:

<u>Business-Type Activities</u>	<u>Interest Rates and Dates</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance September 30, 2018</u>
Clean Water State Revolving Fund Loan Agreement	3.15% (3/15 and 9/15)	3/15/2038	\$ 336,500	\$ 329,830
Total Outstanding				\$ 329,830

Annual requirements to amortize the State Revolving Fund loan outstanding as of September 30, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 9,574	\$ 1,026
2020	16,375	996
2021	16,478	944
2022	16,582	892
2023	16,687	840
2024-2028	85,027	3,403
2029-2033	87,744	2,045
2034-2036	81,363	643
Total	\$ 329,830	\$ 10,789

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

The City issued the following revenue note in a prior year:

**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 Oct 1
Interest rate	Fixed – 2.30%

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

The Utility System Refunding Revenue Note resolution provides for:

- (1) Establishment and maintenance of various funds and accounts
- (2) Restrictions on the use of cash from operations in order of priority
 - (a) Deposits are made to the operations and maintenance fund each month in an amount which will pay the costs of operation and maintenance for the next month;
 - (b) Deposits to the sinking fund are made monthly in an amount equal to one-sixth (1/6) of the interest coming due on the next semi-annual interest payment date and one-twelfth (1/12) of the bond amortization installment coming due during the next year;
 - (c) Deposits to the reserve fund are required to make up any deficiency in its balance as compared to the reserve equipment;
 - (d) Deposits to the Renewal and Replacement Fund are required each month in an amount equal to one-twelfth (1/12) of five per centum (5%) of the gross revenues of the system for the previous fiscal year; provided, however, that so long as there shall be on deposit in the renewal and replacement fund a balance of at least five per centum (5%) of the value of the fixed assets of the system, no additional deposits shall be required;
 - (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, 2018, are as follows:

<u>Year Ending September 30</u>	<u>Business -Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 876,000	\$ 188,807
2020	896,000	168,429
2021	916,000	147,591
2022	938,000	126,270
2023	959,000	104,455
2024-2027	4,062,000	189,497
Total	<u>\$ 8,647,000</u>	<u>\$ 925,049</u>

The City issued the following revenue note in a prior year:

**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 Oct 1
Interest rate	Fixed – 2.77%

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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, 2018 are:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 35,000	\$ 14,890
2020	35,000	13,957
2021	40,000	12,882
2022	40,000	11,740
2023	40,000	10,666
2024-2028	220,000	35,639
2029-2031	145,000	6,169
Total	<u>\$ 555,000</u>	<u>\$ 105,943</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 25,000	\$ 9,420
2020	25,000	8,459
2021	30,000	7,498
2022	30,000	6,344
2023	30,000	5,191
2024-2027	105,000	8,075
Total	<u>\$ 245,000</u>	<u>\$ 44,987</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 288,230	\$ 95,740
2020	293,526	90,443
2021	298,920	85,049
2022	304,413	79,556
2023	310,007	73,962
2024-2028	1,637,616	282,230
2029-2033	1,793,726	126,120
2034	378,765	5,205
Total	<u>\$ 5,305,203</u>	<u>\$ 838,305</u>

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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

Year Ending September 30	Business-Type Activities	
	Principal	Interest
2019	\$ 674,000	\$ 18,878
2020	513,000	7,458
2021	115,000	516
Total	\$ 1,302,000	\$ 26,852

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

Year Ending September 30	Business-Type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest
2019	\$ 74,735	\$ 10,700	\$ 52,265	\$ 7,483
2020	77,677	8,864	54,323	6,199
2021	80,031	6,963	55,969	4,870
2022	81,208	5,020	56,792	3,511
2023	82,973	3,042	58,027	2,127
2024	84,738	1,021	59,262	714
Total	\$ 481,362	\$ 35,610	\$ 336,638	\$ 24,904

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes payable					
General Obligation Note, 2017	\$ 3,397,000	\$ -	\$ (135,000)	\$ 3,262,000	\$ 139,000
Capital Improvement Revenue Note, 2017	2,000,000	-	(107,000)	1,893,000	115,000
Guaranteed Entitlement Note, Series 2010	590,000	-	(35,000)	555,000	35,000
General Obligation Note, 2007	270,000	-	(25,000)	245,000	25,000
Capital Improvement Note 2014	387,670	-	(51,032)	336,638	52,265
Capital leases					
Vehicles	33,074	-	(33,074)	-	-
Rescue	50,352	-	(37,997)	12,355	12,355
AEBI	119,093	-	(22,603)	96,490	23,195
American Capital	433,198	-	(83,120)	350,078	84,894
Compensated absences	1,579,447	745,924	(1,098,862)	1,226,509	745,924
Total governmental activities long term liabilities	\$ 8,859,834	\$ 745,924	\$ (1,628,688)	\$ 7,977,070	\$ 1,232,633

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

Business-type Activities

Notes payable					
State revolving loan, 2013	\$ 5,588,230	\$ -	\$ (283,027)	\$ 5,305,203	\$ 288,230
State revolving loan, 2017	305,848	32,155	(8,173)	329,830	9,574
Lease refunding note	1,959,000	-	(657,000)	1,302,000	674,000
Capital Improvement note 2014	554,331	-	(72,969)	481,362	74,735
Refunding Revenue note 2016	9,503,000	-	(856,000)	8,647,000	876,000
Capital leases					
American Capital	62,220	-	(11,939)	50,281	12,193
Compensated absences	610,380	355,746	(370,794)	595,332	355,747
Total business-type activities long term debt	<u>\$18,583,009</u>	<u>\$ 387,901</u>	<u>\$ (2,259,902)</u>	<u>\$ 16,711,008</u>	<u>\$ 2,290,479</u>

Internal service funds predominately serve the governmental funds. Accordingly, \$69,667 of compensated absences are included in the above governmental activities amounts. Also, for the governmental activities, compensated absences, net pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

H. Other Commitments and Contingencies

The City has entered into several agreements that are outstanding at September 30, 2018, which will result in future financial obligation as follows:

<u>Description</u>	<u>Amount</u>
General Fund commitments	\$ 670,789
Capital Projects Fund commitments	2,767,552
Water and Sewer Utility Fund commitments	132,758
Stormwater Utility Fund commitments	7,780
Solid Waste Fund commitments	88,271
MIS Fund commitments	34,033
	<u>\$ 3,701,183</u>

V. 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 2018, 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. GASB No. 75 calls this the "implicit rate subsidy."

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

Plan Membership—At September 30, 2017, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Participants	185
Retirees, Beneficiaries, and Disabled Members	17
Covered Spouses	5
	207
	207

Total OPEB Liability—The City's total OPEB liability of \$5,019,665 was measured as of September 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2017 actuarial valuation 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	4.72%
Discount rate	3.64%
Initial Trend Rate	8.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.64%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2016 Florida Retirement System (FRS) valuation report.

Changes in the OPEB liability for the fiscal year ended September 30, 2018, were as follows:

	Total OPEB Liability
Balance at September 30, 2017	\$ 5,387,638
Changes for a year:	
Service cost	118,498
Interest	165,495
Differences between expected and actual experience	-
Changes of assumptions	(454,875)
Benefit payments – implicit rate subsidy	(197,091)
Other changes	-
Net changes	<u>(367,973)</u>
Balance at September 30, 2018	<u>\$ 5,019,665</u>

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

The following presents the total OPEB liability of the City calculated using the discount rate of 3.64%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.64%) or 1% higher (4.64%) than the current rate:

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 5,848,501	\$ 5,019,665	\$ 4,371,057

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%-7.50%) or 1% higher (5.00%-9.50%) than the current healthcare cost trend rates (4.00%-8.50%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 4,355,237	\$ 5,019,665	\$ 5,855,364

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

For the year ended September 30, 2018; the City recognized OPEB expense of \$208,180. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 379,062
Employer Contributions Subsequent to the Measurement Date	220,636	-
Total	<u>\$ 220,636</u>	<u>\$ 379,062</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 OPEB will be recognized in OPEB expense as follows:

<u>Year ended September 30:</u>	
2019	\$ (75,813)
2020	(75,813)
2021	(75,813)
2022	(75,813)
2023	(75,810)
Thereafter	-

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

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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.

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	90	26	7
Inactive plan members entitled to but not receiving benefits	26	12	-
Active plan members	5	27	32
Totals	<u>121</u>	<u>65</u>	<u>39</u>

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

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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, 2018, the average active employee contribution was 2.5% of annual pay for general employees and 6% of annual pay for both police officers and firefighters. The general employee pension fund requires a contribution from City based on a dollar funding methodology. For the year ended September 30, 2018, the total required contribution from the City was \$747,522 for the general employees' pension fund. The City's average contribution rate was 37.54% and 20.65% 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, 2018:

Asset Class	General Employees Target Allocation	Police Officers Target Allocation	Firefighters Target Allocation
Domestic equity	40%	45%	50%
International equity	10%	15%	15%
Domestic fixed income	50%	40%	35%
Total	100%	100%	100%

Concentrations

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

Reserves

As of September 30, 2018, 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.

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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, 2018

	General		
	<u>Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ASSETS			
Cash and cash equivalents			
Accrued income	\$ 444,618	\$ 359,009	\$ 375,848
Bonds	53,502	27,949	31,191
US Treasury notes	699,082	299,334	235,844
GNMA	1,923,641	946,073	112,050
Municipal bonds	114,201	59,591	144,701
Corporate bonds	3,051,358	1,514,683	2,979,924
Equities	-	-	10,825,910
Mutual fund - equities	6,250,696	7,116,939	-
Total assets	<u>12,537,098</u>	<u>10,323,578</u>	<u>14,705,468</u>
LIABILITIES			
Accounts payable	-	-	-
Unearned Contributions	-	-	-
NET POSITION			
Restricted for pensions	<u>\$ 12,537,098</u>	<u>\$ 10,323,578</u>	<u>\$ 14,705,468</u>

Combining Statement of Changes in Fiduciary Net Position

Pension Trust Funds
For the fiscal year ended September 30, 2018

	General		
	<u>Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>
ADDITIONS			
Contributions:			
Employer	\$ 747,522	\$ 800,116	\$ 367,844
Employee	4,843	90,216	118,195
State of Florida	-	163,282	151,680
Total contributions	<u>752,365</u>	<u>1,053,614</u>	<u>637,719</u>
Investment earnings:			
Interest and dividends	755,714	351,811	250,457
Net increase/ (decrease) in the fair value of investments	84,254	423,021	1,465,554
Less investment expenses	<u>(40,270)</u>	<u>(32,896)</u>	<u>(78,111)</u>
Net investment earnings	<u>799,698</u>	<u>741,936</u>	<u>1,637,900</u>
Total Additions	<u>1,552,063</u>	<u>1,795,550</u>	<u>2,275,619</u>
DEDUCTIONS			
Pension benefits	1,469,263	867,226	569,820
Administrative expenses	<u>50,337</u>	<u>50,737</u>	<u>48,807</u>
Total deductions	<u>1,519,600</u>	<u>917,963</u>	<u>618,627</u>
Change in net position	32,463	877,587	1,656,992
Net position - beginning of year	<u>12,504,635</u>	<u>9,445,991</u>	<u>13,048,476</u>
Net position - end of Year	<u>\$ 12,537,098</u>	<u>\$ 10,323,578</u>	<u>\$ 14,705,468</u>

Net Pension Liability

Actuarial Assumptions:

The total pension liability was determined with a measurement date of September 30, 2017 and an actuarial valuation as of October 1, 2016 updated to September 30, 2017, using the following actuarial assumptions to all measurement periods.

	General Employees	Police Officers	Firefighters
Inflation	2.50%	2.50%	2.50%
Salary increases	4.00%	4.20% - 7.50%	5.00% - 6.50%
Investment rate of return/discount rate	6.75%	7.50%	7.50%

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

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

Mortality rates for the Firefighters were based on the RP-2000 scale BB. Disabled lives are set forward two years for females and setback four years for males. This sufficiently accounts for future mortality improvements. The actuarial assumptions are based upon the most recent actuarial experience study dated June 11th, 2013.

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

The target allocation and best estimates of arithmetic real rates of return for each major class as of September 30, 2017 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return		
	General Employees	Police Officers	Firefighters
Domestic equity	7.00%	7.50%	7.50%
International equity	3.70%	8.50%	8.50%
Domestic Fixed income	4.00%	2.50%	2.50%

Discount rate:

The discount rate used to measure the total pension liability for the General Pension Plan was 6.75% and 7.5% for Police and 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, 2018, were as follows:

	General Employees	Police Officers	Firefighters
Total pension liability	\$ 19,283,937	\$ 13,364,601	\$ 12,224,888
Plan fiduciary net position	(12,497,882)	(9,468,032)	(13,060,578)
Net pension liability (asset)	<u>\$ 6,786,055</u>	<u>\$ 3,896,569</u>	<u>\$ (835,690)</u>
Plan fiduciary net position as percentage of total pension liability	64.81%	70.84%	106.84%

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

Changes in the Net Pension Liability

	General Employee's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a - b)
Beginning Balance	\$ 19,253,433	\$ 12,266,682	\$ 6,986,751
Changes for year:			
Service cost	53,793	-	53,793
Interest	1,254,173	-	1,254,173
Differences between expected and actual experience	176,321	-	176,321
Changes of assumptions	-	-	-
Contributions – employer	-	667,440	(667,440)
Contributions – employee	-	6,091	(6,091)
Contributions – buy back	-	-	-
Net investment income	-	1,055,669	(1,055,669)
Benefit payments, including refunds	(1,453,783)	(1,453,783)	-
Administrative expenses	-	(44,217)	44,217
Net changes	<u>30,504</u>	<u>231,200</u>	<u>(200,696)</u>
Ending Balance	<u>\$ 19,283,937</u>	<u>\$ 12,497,882</u>	<u>\$ 6,786,055</u>

	Police Officer's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a - b)
Beginning Balance	\$ 12,679,398	\$ 8,545,786	\$ 4,133,612
Changes for year:			
Service cost	241,471	-	241,471
Interest	939,389	-	939,389
Share plan allocation	147,327	-	147,327
Differences between expected and actual experience	148,378	-	148,378
Changes in assumptions	-	-	-
Contributions – employer	-	578,155	(578,155)
Contributions – State	-	147,327	(147,327)
Contributions – employee	-	96,436	(96,436)
Net investment income	-	950,106	(950,106)
Benefit payments, including refunds	(791,362)	(791,362)	-
Administrative expenses	-	(58,416)	58,416
Net changes	<u>685,203</u>	<u>922,246</u>	<u>(237,043)</u>
Ending Balance	<u>\$ 13,364,601</u>	<u>\$ 9,468,032</u>	<u>\$ 3,896,569</u>

	Firefighter's Retirement Trust Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a - b)
Beginning Balance	\$ 10,828,680	\$ 11,141,478	\$ (312,798)
Changes for year:			
Service cost	358,456	-	358,456
Interest	825,460	-	825,460
Share Plan Allocation	92,260	-	92,260
Differences between expected and actual experience	473,491	-	473,491
Changes of assumptions	-	-	-
Contributions – employer	-	317,000	(317,000)
Contributions – State	-	147,551	(147,551)
Contributions – employee	-	117,483	(117,483)
Contributions – buy back	8,544	8,544	-
Net investment income	-	1,734,571	(1,734,571)
Benefit payments, including refunds	(362,003)	(362,003)	-
Administrative expenses	-	(44,046)	44,046
Net changes	<u>1,396,208</u>	<u>1,919,100</u>	<u>(522,892)</u>
Ending Balance	<u>\$ 12,224,888</u>	<u>\$ 13,060,578</u>	<u>\$ (835,690)</u>

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

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

The following presents the net pension liability of the City calculated using the discount rate of 6.75% for the General Employee's Pension and the discount rate of 7.50% for Police and Firefighters, as well as 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:

City's Net Pension Liability	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
General Employees Retirement Trust Fund	\$ 8,795,980	\$ 6,786,055	\$ 5,092,878

City's Net Pension Liability (Asset)	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Police Officers Retirement Trust Fund	\$ 5,513,715	\$ 3,896,569	\$ 2,561,958
Firefighters Retirement Trust Fund	660,461	(835,690)	(2,067,078)

For the year ended September 30, 2018, the annual-money weighted rate of return on each pension plan investments, net of pension plan investment expense was as follows:

	General Employees Retirement Trust Fund	Police Officers Retirement Trust Fund	Firefighters Retirement Trust Fund
Annual money-weighted rate of return	8.92%	11.26%	15.51%

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, 2018, the City recognized pension expense of \$665,854, \$774,326, and \$248,030 in the General Employees, Police Officers, and Firefighters pension plans, respectively.

At September 30, 2018, 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	\$ -	\$ -	\$ 226,551	\$ 4,977	\$ 405,852	\$ 240,660
Changes of assumptions	-	-	122,470	-	98,167	-
Net difference between projected and actual investment earnings	102,404	-	-	17,808	-	539,938
Contributions made subsequent to measurement date	747,522	-	963,398	-	519,524	-
	\$ 849,926	\$ -	\$ 1,312,419	\$ 22,785	\$ 1,023,543	\$ 780,598

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
2019	\$ 92,988	\$ 179,768	\$ (70,855)
2020	128,492	226,168	32,243
2021	(67,977)	(17,657)	(226,862)
2022	(51,099)	(62,043)	(146,389)
2023	-	-	67,642
Thereafter	-	-	67,642

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 of 12% of salaries made during the year amounted to \$599,274. The City Council has the authority to amend the Plan's provisions including amending contribution requirements.

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. It is estimated that \$5,931 in taxes were abated during the year ended September 30, 2018.

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:

On December 6, 2018, the City entered into a State Revolving Fund loan in the amount of \$4,533,200 for construction of the City's wastewater treatment facility. No amounts have been drawn on this loan to date.

I. Restatement of Net Position:

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; was issued June 2015 and was implemented for the City, beginning with its year ending September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement replaces the requirements of GASB Statement No. 45, *Accounting for Postemployment Benefits Other Than Pensions*, as well as the requirements of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan, for OPEB*, as they relate to OPEB liabilities being recorded in the statements of net position.

The City’s implementation of this Statement has required the restatement of certain liabilities as deferred outflows or deferred inflows of resources in the Statement of Net Position. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. Recognition of these liabilities requires a restatement to the prior year’s net position in both governmental activities and business-type activities.

The impact of the restatement on the governmental activities and business-type activities beginning net position at September 30, 2018, are as follows:

(a) **Governmental Activities:**

Net position – September 30, 2017, as originally reported	\$ 40,085,381
Recording of beginning OPEB liability	(2,817,474)
Net position – September 30, 2017, as restated	<u>\$ 37,267,907</u>

(b) **Business-type Activities:**

	<u>Water Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Business- type Activities</u>
Net position – September 30, 2017, originally reported	\$ 26,403,019	\$ 1,951,184	\$ 6,883,687	\$ 35,237,890
Recording of beginning OPEB liability	(869,942)	(273,543)	(165,797)	(1,309,282)
Net position – September 30, 2017, as restated	<u>\$ 25,533,077</u>	<u>\$ 1,677,641</u>	<u>\$ 6,717,890</u>	<u>\$ 33,928,608</u>

J. 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. 83, *Certain Asset Retirement Obligations*, in November 2016. GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of a tangible capital asset. The provisions in GASB 81 are effective for periods beginning after June 15, 2018.

City of Edgewater, Florida
Notes to the Financial Statements
September 30, 2018

- (b) GASB issued Statement No. 84, Fiduciary Activities, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.

- (c) GASB issued Statement No. 87, Leases, in June 2017. GASB 87 aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.

- (d) GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, in April 2018. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The provisions in GASB 88 are effective for periods beginning after June 15, 2018.

- (e) GASB issued Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2018.



This page intentionally left blank

CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

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

	General Employees' Retirement Trust					
Reporting Period Ending	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2018
Measurement Date	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013	9/30/2017
Total pension liability						
Service cost	\$ 53,793	\$ 34,222	\$ 60,573	\$ 91,269	\$ 84,901	\$ 241,471
Interest	1,254,173	1,250,244	1,238,859	1,241,107	1,237,145	939,389
Change in Funding Standard Account	-	-	-	-	-	-
Share Plan Allocation	-	-	-	-	-	147,327
Differences between Expected and Actual Experience	176,321	(50,657)	259,399	-	-	148,378
Changes of assumptions	-	1,777,486	-	-	-	-
Contributions – buy back	-	299,746	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)	(791,362)
Net change in total pension liability	30,504	1,924,417	184,109	43,790	59,449	685,203
Total pension liability, beginning	19,253,433	17,329,016	17,144,907	17,101,117	17,041,668	12,679,398
Total pension liability, ending (a)	\$ 19,283,937	\$ 19,253,433	\$ 17,329,016	\$ 17,144,907	\$ 17,101,117	\$ 13,364,601
Plan Fiduciary net position						
Contributions--employer	\$ 667,440	\$ 661,699	\$ 713,396	\$ 772,605	\$ 475,794	\$ 578,155
Contributions – state	-	-	-	-	-	147,327
Contributions--employee	6,091	5,851	8,535	13,178	15,348	96,436
Contributions – buy back	-	299,746	-	-	-	-
Net Investment income	1,055,669	950,355	(67,754)	1,059,400	1,563,721	950,106
Benefit payments, including refunds of employee contributions	(1,453,783)	(1,386,624)	(1,374,722)	(1,288,586)	(1,262,597)	(791,362)
Administrative expense	(44,217)	(40,442)	(48,589)	(42,302)	(76,889)	(58,416)
Net change in plan fiduciary net position	231,200	490,585	(769,134)	514,295	715,377	922,246
Plan fiduciary net position, beginning	12,266,682	11,776,097	12,545,231	12,030,936	11,315,559	8,545,786
Plan fiduciary net position, ending (b)	\$ 12,497,882	\$ 12,266,682	\$ 11,776,097	\$ 12,545,231	\$ 12,030,936	\$ 9,468,032
Net pension liability (asset) – ending (a) - (b)	\$ 6,786,055	\$ 6,986,751	\$ 5,552,919	\$ 4,599,676	\$ 5,070,181	\$ 3,896,569
Plan fiduciary net position as a percentage of the total pension liability	64.81%	63.71%	67.96%	73.17%	70.35%	70.84%
Covered payroll	\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927	\$ 1,539,919
Net pension liability as a percentage of payroll	2870.41%	2001.74%	1626.48%	811.19%	825.86%	253.04%
Annual Money-Weighted Rate of Return	8.92%	8.40%	-0.56%	8.94%	13.50%	11.26%

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

Police Officers' Pension Trust				Firefighters' Pension Trust				
9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
9/30/2016	9/30/2015	9/30/2014	9/30/2013	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
\$ 248,453	\$ 209,572	\$ 206,976	\$ 192,536	\$ 358,456	\$ 322,776	\$ 317,342	\$ 323,511	\$ 300,940
874,946	855,433	859,397	836,080	825,460	752,753	715,242	652,070	601,821
-	-	(386,259)	-	-	-	-	-	-
138,245	-	-	-	92,260	84,235	90,777	88,962	-
230,533	(19,907)	-	-	473,491	(45,934)	(367,566)	-	-
244,939	-	-	-	-	147,249	-	-	-
-	-	-	-	8,544	9,721	-	-	-
(950,417)	(697,208)	(773,904)	(690,444)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
786,699	347,890	(93,790)	338,172	1,396,208	958,693	545,743	842,447	614,150
11,892,699	11,544,809	11,638,599	11,300,427	10,828,680	9,869,987	9,324,244	8,481,797	7,867,647
\$ 12,679,398	\$ 11,892,699	\$ 11,544,809	\$ 11,638,599	\$ 12,224,888	\$ 10,828,680	\$ 9,869,987	\$ 9,324,244	\$ 8,481,797
\$ 621,470	\$ 618,054	\$ 534,795	\$ 768,448	\$ 317,000	\$ 358,086	\$ 354,899	\$ 392,863	\$ 469,302
138,245	127,668	125,387	121,375	147,551	139,527	150,763	155,382	129,103
84,939	79,610	76,054	70,431	117,483	107,966	93,950	88,869	87,309
-	-	-	-	8,544	9,721	-	-	-
568,335	(15,324)	759,444	769,004	1,734,571	1,143,088	(536,507)	1,160,776	766,338
(950,417)	(697,208)	(773,904)	(690,444)	(362,003)	(312,107)	(210,052)	(222,096)	(288,611)
(67,029)	(49,324)	(36,403)	(82,988)	(44,046)	(58,960)	(48,746)	(44,645)	(18,869)
395,543	63,476	685,373	955,826	1,919,100	1,387,321	(195,693)	1,531,149	1,144,572
8,150,243	8,086,767	7,401,394	6,445,568	11,141,478	9,754,157	9,949,850	8,418,701	7,274,129
\$ 8,545,786	\$ 8,150,243	\$ 8,086,767	\$ 7,401,394	\$ 13,060,578	\$ 11,141,478	\$ 9,754,157	\$ 9,949,850	\$ 8,418,701
\$ 4,133,612	\$ 3,742,456	\$ 3,458,042	\$ 4,237,205	\$ (835,690)	\$ (312,798)	\$ 115,830	\$ (625,606)	\$ 63,096
67.40%	68.53%	70.05%	63.59%	106.84%	102.89%	98.83%	106.71%	99.26%
\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,173,844	\$ 1,802,605	\$ 1,799,429	\$ 1,579,650	\$ 1,467,330	\$ 1,455,154
291.99%	267.96%	272.81%	360.97%	-46.36%	-17.38%	7.33%	-42.64%	4.34%
7.05%	-0.19%	10.40%	10.40%	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, 2018	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Measurement Date	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014	September 30, 2013
Actuarially Determined Contribution (ADC)	\$ 667,440	\$ 657,825	\$ 719,822	\$ 766,179	\$ 475,794
Contributions in Relation to ADC	667,440	661,699	713,396	772,605	475,794
Contribution Deficiency (Excess)	\$ -	\$ (3,874)	\$ 6,426	\$ (6,426)	\$ -
Covered Payroll	\$ 236,414	\$ 349,034	\$ 341,408	\$ 567,030	\$ 613,927
Contributions as a Percentage of Covered Payroll	282.32%	189.58%	208.96%	136.25%	77.50%

Notes to Schedule:

Valuation Date: 10/01/2015

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

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method
Interest - A half year, based on the current 6.75% assumption.
Salary - A full year, based on the current average assumption of 4.0%.

Mortality: RP2000 Combined Healthy projected to the valuation date with schedule AA

Interest Rate: 6.75% 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: spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a four-year period.

Disability Rates: 0.30% - 1.55%

CITY OF EDGEWATER, FLORIDA

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

Reporting Period Ending Measurement Date	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
Actuarially Determined Contribution (ADC)	\$ 742,241	\$ 746,047	\$ 768,235	\$ 766,878	\$ 874,513
Contributions in Relation to ADC	578,155	621,470	745,722	660,182	768,448
Contribution Deficiency (Excess)	<u>\$ 164,086</u>	<u>\$ 124,577</u>	<u>\$ 22,513</u>	<u>\$ 106,696</u>	<u>\$ 106,065</u>
Covered Payroll	\$ 1,539,919	\$ 1,415,650	\$ 1,396,624	\$ 1,267,568	\$ 1,173,844
Contributions as a Percentage of Covered Payroll	37.54%	43.90%	53.39%	52.08%	65.46%

Notes to Schedule:

Valuation Date: 10/01/2015

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

Amortization Method: Level dollar.

Remaining Amortization Period: 18 Years (as of 10/01/2015).

Mortality: RP-2000 Combined Healthy Mortality, projected to 2005 using scale AA. We believe this assumption sufficiently accommodates future mortality improvements.

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

Retirement Age: Years Eligible for Normal Retirement Retirement Probability

0	50%
1	0%
2	33%
3-5	60%
6 and greater	100%

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

Early Retirement: None assumed.

Salary Increases: 7.5% for less than 10 years credited service.

4.2% for 10 years or greater of credited service.

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

Termination Rates: 18% for less than 5 years credited service.

14% for 5-9 years credited service.

0% for 10 years or greater of credited service.

Disability Rates: 0.30% - 1.69%

CITY OF EDGEWATER, FLORIDA

Required Supplementary Information (unaudited)

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

Reporting Period Ending	September 30, 2018
Measurement Date	September 30, 2017
Total OPEB Liability	
Service cost	\$ 118,498
Interest	165,495
Differences between expected and actual experience	-
Changes of assumptions	(454,875)
Benefit payments – implicit rate subsidy	(197,091)
Net change in total OPEB liability	(367,973)
Total OPEB liability – beginning	5,387,638
Total OPEB liability – ending	<u>\$ 5,019,665</u>
Covered employee payroll (projected)	9,163,898
Total OPEB liability as a percentage of covered employee payroll	54.78%

Covered Employee Payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2018.

Notes to Schedule:

Valuation Date: 9/30/2017

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 2018	3.64%
FY 2017	3.06%

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



This page intentionally left blank

CITY OF EDGEWATER, FLORIDA

Nonmajor Governmental Funds

September 30, 2018

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

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

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

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

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

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

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

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, 2018

	Special Revenue			
	Justice Assistance Grants	SLETF	Transportation Impact	Police Impact
ASSETS				
Cash	\$ -	\$ 81,402	\$ 292,075	\$ 77,379
Receivables	-	11	40	11
Due from other governments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 81,413</u>	<u>\$ 292,115</u>	<u>\$ 77,390</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Spendable:				
Restricted for:				
Public safety	\$ -	\$ 81,413	\$ -	\$ -
Debt service	-	-	-	-
Capital projects	-	-	292,115	77,390
Total fund balances	<u>-</u>	<u>81,413</u>	<u>292,115</u>	<u>77,390</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 81,413</u>	<u>\$ 292,115</u>	<u>\$ 77,390</u>

Fire Impact	Recreation Impact	Debt Service	Total Nonmajor Governmental Funds
\$ 56,209	\$ 106,129	\$ 78,144	\$ 691,338
8	15	11	96
-	-	20	20
<u>\$ 56,217</u>	<u>\$ 106,144</u>	<u>\$ 78,175</u>	<u>\$ 691,454</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 81,413
-	-	78,175	78,175
56,217	106,144	-	531,866
<u>56,217</u>	<u>106,144</u>	<u>78,175</u>	<u>691,454</u>
<u>\$ 56,217</u>	<u>\$ 106,144</u>	<u>\$ 78,175</u>	<u>\$ 691,454</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, 2018

	Special Revenue			
	Justice Assistance Grants	SLETF	Transportation Impact	Police Impact
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	14,259	-	-
Investment earnings	-	107	319	93
Impact fees	-	-	129,043	21,646
Total revenues	<u>-</u>	<u>14,366</u>	<u>129,362</u>	<u>21,739</u>
EXPENDITURES				
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>14,366</u>	<u>129,362</u>	<u>21,739</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,379)	-	-	-
Total other financing uses	<u>(2,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(2,379)</u>	<u>14,366</u>	<u>129,362</u>	<u>21,739</u>
Beginning fund balances	<u>2,379</u>	<u>67,047</u>	<u>162,753</u>	<u>55,651</u>
Ending fund balances	<u>\$ -</u>	<u>\$ 81,413</u>	<u>\$ 292,115</u>	<u>\$ 77,390</u>

<u>Fire Impact</u>	<u>Recreation Impact</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 288,480	\$ 288,480
-	-	-	14,259
70	149	593	1,331
14,232	20,586	-	185,507
<u>14,302</u>	<u>20,735</u>	<u>289,073</u>	<u>489,577</u>
-	-	267,000	267,000
-	-	161,257	161,257
-	-	428,257	428,257
<u>14,302</u>	<u>20,735</u>	<u>(139,184)</u>	<u>61,320</u>
-	-	129,836	129,836
-	(12,032)	-	(14,411)
-	(12,032)	129,836	115,425
14,302	8,703	(9,348)	176,745
<u>41,915</u>	<u>97,441</u>	<u>87,523</u>	<u>514,709</u>
<u>\$ 56,217</u>	<u>\$ 106,144</u>	<u>\$ 78,175</u>	<u>\$ 691,454</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, 2018

	Special Revenue							
	Justice Assistance Grants				SLETF			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
Original	Final	Original			Final			
REVENUES								
Intergovernmental	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	14,259	14,259
Investment earnings	-	-	-	-	-	-	107	107
Impact fees	-	-	-	-	-	-	-	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>14,366</u>	<u>14,366</u>
EXPENDITURES								
Current:								
Public Safety	4,000	4,000	-	4,000	5,000	9,500	-	9,500
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>5,000</u>	<u>9,500</u>	<u>-</u>	<u>9,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(9,500)</u>	<u>14,366</u>	<u>23,866</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	(2,379)	(2,379)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,379)</u>	<u>(2,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(2,379)	(2,379)	(5,000)	(9,500)	14,366	23,866
Beginning fund balances	<u>2,379</u>	<u>2,379</u>	<u>2,379</u>	<u>-</u>	<u>67,047</u>	<u>67,047</u>	<u>67,047</u>	<u>-</u>
Ending fund balances (deficit)	<u>\$ 2,379</u>	<u>\$ 2,379</u>	<u>\$ -</u>	<u>\$ (2,379)</u>	<u>\$ 62,047</u>	<u>\$ 57,547</u>	<u>\$ 81,413</u>	<u>\$ 23,866</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, 2018

	Special Revenue							
	Transportation Impact				Police Impact			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
Original	Final	Original			Final			
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	319	319	-	-	93	93
Impact fees	30,000	30,000	129,043	99,043	50,000	3,300	21,646	18,346
Total revenues	30,000	30,000	129,362	99,362	50,000	3,300	21,739	18,439
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	30,000	30,000	129,362	99,362	50,000	3,300	21,739	18,439
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	30,000	30,000	129,362	99,362	50,000	3,300	21,739	18,439
Beginning fund balances	162,753	162,753	162,753	-	55,651	55,651	55,651	-
Ending fund balances (deficit)	\$ 192,753	\$ 192,753	\$ 292,115	\$ 99,362	\$ 105,651	\$ 58,951	\$ 77,390	\$ 18,439

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, 2018

	Special Revenue							
	Fire Impact				Recreation Impact			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
Original	Final	Original			Final			
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment earnings	-	-	70	70	-	-	149	149
Impact fees	10,000	10,000	14,232	4,232	25,000	25,000	20,586	(4,414)
Total revenues	10,000	10,000	14,302	4,302	25,000	25,000	20,735	(4,265)
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital outlay	40,000	40,000	-	40,000	-	-	-	-
Total expenditures	40,000	40,000	-	40,000	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(30,000)	14,302	44,302	25,000	25,000	20,735	(4,265)
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	(12,032)	(12,032)	-
Total other financing sources (uses)	-	-	-	-	-	(12,032)	(12,032)	-
Net change in fund balances	(30,000)	(30,000)	14,302	44,302	25,000	12,968	8,703	(4,265)
Beginning fund balances	41,915	41,915	41,915	-	97,441	97,441	97,441	-
Ending fund balances (deficit)	\$ 11,915	\$ 11,915	\$ 56,217	\$ 44,302	\$ 122,441	\$ 110,409	\$ 106,144	\$ (4,265)

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, 2018

	Total			
	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Fines and forfeitures	-	-	14,259	14,259
Investment earnings	-	-	738	738
Impact fees	115,000	68,300	185,507	117,207
Total revenues	<u>119,000</u>	<u>72,300</u>	<u>200,504</u>	<u>128,204</u>
EXPENDITURES				
Current:				
Public Safety	9,000	13,500	-	13,500
Capital outlay	40,000	40,000	-	40,000
Total expenditures	<u>49,000</u>	<u>53,500</u>	<u>-</u>	<u>53,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70,000</u>	<u>18,800</u>	<u>200,504</u>	<u>181,704</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(12,032)</u>	<u>(14,411)</u>	<u>(2,379)</u>
Total other financing sources (uses)	<u>-</u>	<u>(12,032)</u>	<u>(14,411)</u>	<u>(2,379)</u>
Net change in fund balances	70,000	6,768	186,093	179,325
Beginning fund balances	<u>427,186</u>	<u>427,186</u>	<u>427,186</u>	<u>-</u>
Ending fund balances (deficit)	<u>\$ 497,186</u>	<u>\$ 433,954</u>	<u>\$ 613,279</u>	<u>\$ 179,325</u>

CITY OF EDGEWATER, FLORIDA

Schedule of Revenues, Expenditures, and
 Changes in Fund Balances--Budget and Actual
 Annually - Budgeted Nonmajor Debt Service Fund
 For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 274,430	\$ 274,430	\$ 288,480	\$ 14,050
Investment earnings	100	100	593	493
Total revenues	<u>274,530</u>	<u>274,530</u>	<u>289,073</u>	<u>14,543</u>
EXPENDITURES				
Debt Service:				
Principal	267,000	267,000	267,000	-
Interest	161,260	161,260	161,257	3
Total expenditures	<u>428,260</u>	<u>428,260</u>	<u>428,257</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,730)</u>	<u>(153,730)</u>	<u>(139,184)</u>	<u>14,546</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	134,433	134,433	129,836	(4,597)
Net change in fund balances	(19,297)	(19,297)	(9,348)	9,949
Beginning fund balances	87,523	87,523	87,523	-
Ending fund balances	<u>\$ 68,226</u>	<u>\$ 68,226</u>	<u>\$ 78,175</u>	<u>\$ 9,949</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, 2018

	General Construction			Variance with Final Budget- Positive (Negative)
	<u>Budgeted Amounts</u>		Actual Amounts	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 807,436	\$ 1,420,835	\$ 1,268,458	\$ (152,377)
Investment earnings	-	-	52,321	52,321
Total revenues	<u>807,436</u>	<u>1,420,835</u>	<u>1,320,779</u>	<u>(100,056)</u>
EXPENDITURES				
Capital outlay	926,760	5,370,084	3,152,582	2,217,502
Other Services & Charges	303,676	418,270	66,359	351,911
Total expenditures	<u>1,230,436</u>	<u>5,788,354</u>	<u>3,218,941</u>	<u>2,569,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(423,000)</u>	<u>(4,367,519)</u>	<u>(1,898,162)</u>	<u>2,469,357</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	631,925	108,303	(523,622)
Total other financing sources (uses)	<u>-</u>	<u>631,925</u>	<u>108,303</u>	<u>(523,622)</u>
Net change in fund balance	(423,000)	(3,735,594)	(1,789,859)	1,945,735
Beginning fund balances	<u>3,883,163</u>	<u>3,883,163</u>	<u>3,883,163</u>	<u>-</u>
Ending fund balances	<u>\$ 3,460,163</u>	<u>\$ 147,569</u>	<u>\$ 2,093,304</u>	<u>\$ 1,945,735</u>



This page intentionally left blank

CITY OF EDGEWATER, FLORIDA

Internal Service Funds

September 30, 2018

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.

CITY OF EDGEWATER, FLORIDA

Combining Statement of Net Position

Internal Service Funds

September 30, 2018

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Total
ASSETS						
Current assets:						
Cash	\$ 175,704	\$ 324,074	\$ 7,307	\$ 469,565	\$ 1,918	\$ 978,568
Receivables--net	-	38	-	22	27,141	27,201
Inventories	-	24,207	-	-	-	24,207
Prepaid items	11,581	-	-	-	-	11,581
Total current assets	<u>187,285</u>	<u>348,319</u>	<u>7,307</u>	<u>469,587</u>	<u>29,059</u>	<u>1,041,557</u>
Noncurrent assets:						
Capital assets:						
Buildings and improvements	60,684	-	-	-	-	60,684
Machinery and equipment	265,626	98,809	-	-	-	364,435
Less accumulated depreciation	(251,982)	(86,461)	-	-	-	(338,443)
Total capital assets (net of accumulated depreciation)	<u>74,328</u>	<u>12,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,676</u>
Total noncurrent assets	<u>74,328</u>	<u>12,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,676</u>
Total assets	<u>261,613</u>	<u>360,667</u>	<u>7,307</u>	<u>469,587</u>	<u>29,059</u>	<u>1,128,233</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	<u>\$ 4,413</u>	<u>\$ 2,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,619</u>
LIABILITIES						
Current liabilities:						
Accounts payable	26,331	5,876	-	205,151	-	237,358
Accrued liabilities	4,762	3,311	-	-	-	8,073
Compensated absences	19,142	13,974	-	-	-	33,116
Accrued interest payable	129	-	-	-	-	129
Notes payable - current	10,062	-	-	-	-	10,062
Total current liabilities	<u>60,426</u>	<u>23,161</u>	<u>-</u>	<u>205,151</u>	<u>-</u>	<u>288,738</u>
Noncurrent liabilities:						
Compensated absences	14,404	22,147	-	-	-	36,551
Long-term debt payable after one year	54,748	-	-	-	-	54,748
OPEB liability	100,393	50,197	-	-	-	150,590
Total noncurrent liabilities	<u>169,545</u>	<u>72,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,889</u>
Total liabilities	<u>229,971</u>	<u>95,505</u>	<u>-</u>	<u>205,151</u>	<u>-</u>	<u>530,627</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	<u>\$ 7,581</u>	<u>\$ 3,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,372</u>
NET POSITION						
Net investment in capital assets	9,518	12,348	-	-	-	21,866
Unrestricted	<u>18,956</u>	<u>251,229</u>	<u>7,307</u>	<u>264,436</u>	<u>29,059</u>	<u>570,987</u>
Total net position	<u>\$ 28,474</u>	<u>\$ 263,577</u>	<u>\$ 7,307</u>	<u>\$ 264,436</u>	<u>\$ 29,059</u>	<u>\$ 592,853</u>

CITY OF EDGEWATER, FLORIDA

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

Internal Service Funds

For the Fiscal Year Ended September 30, 2018

	<u>MIS</u>	<u>FLEET</u>	<u>Loss Fund</u>	<u>Fully Insured</u>	<u>Workers Comp</u>	<u>Total</u>
Operating revenues:						
Billings to City departments	\$ 674,838	\$ 928,370	\$ 332,395	\$ 2,606,301	\$ 289,658	\$ 4,831,562
Operating expenses:						
Salaries and employee benefits	257,617	165,489	-	2,339,872	283,091	3,046,069
Supplies and materials	157,489	367,392	-	-	-	524,881
Contract services	154,372	743	-	51,052	-	206,167
Other services and charges	86,008	285,862	332,395	-	-	704,265
Depreciation	53,449	6,678	-	-	-	60,127
Total operating expenses	<u>708,935</u>	<u>826,164</u>	<u>332,395</u>	<u>2,390,924</u>	<u>283,091</u>	<u>4,541,509</u>
Operating income (loss)	<u>(34,097)</u>	<u>102,206</u>	<u>-</u>	<u>215,377</u>	<u>6,567</u>	<u>290,053</u>
Nonoperating revenues (expenses)						
Investment earnings	115	371	10	456	-	952
Interest expense	(1,661)	-	-	-	-	(1,661)
Total nonoperating revenues	<u>(1,546)</u>	<u>371</u>	<u>10</u>	<u>456</u>	<u>-</u>	<u>(709)</u>
Income (loss) before contributions and transfers	(35,643)	102,577	10	215,833	6,567	289,344
Transfers in	<u>27,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,953</u>
Change in net position	(7,690)	102,577	10	215,833	6,567	317,297
Total net position - beginning, as restated	<u>36,164</u>	<u>161,000</u>	<u>7,297</u>	<u>48,603</u>	<u>22,492</u>	<u>275,556</u>
Total net position - ending	<u>\$ 28,474</u>	<u>\$ 263,577</u>	<u>\$ 7,307</u>	<u>\$ 264,436</u>	<u>\$ 29,059</u>	<u>\$ 592,853</u>

CITY OF EDGEWATER, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2018

	MIS	FLEET	Loss Fund	Fully Insured	Workers Comp	Total
Cash flows from operating activities:						
Receipts-customers and users	\$ 674,852	\$ 928,355	\$ 332,396	\$ 2,606,308	\$ 274,227	\$ 4,816,138
Payments-suppliers	(365,589)	(644,778)	(332,395)	(2,394,861)	(283,091)	(4,020,714)
Payments-employees	(255,834)	(166,348)	-	-	-	(422,182)
Net cash provided (used) by operating activities	<u>53,429</u>	<u>117,229</u>	<u>1</u>	<u>211,447</u>	<u>(8,864)</u>	<u>373,242</u>
Cash flows from noncapital financing activities:						
Cash received from (paid to) other funds	<u>27,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,953</u>
Cash flows from capital and related financing activities:						
Interest payments on debt	(1,680)	-	-	-	-	(1,680)
Principal paid on debt	(9,826)	-	-	-	-	(9,826)
Net cash used in capital and related financing activities	<u>(11,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,506)</u>
Cash flows from investing activities:						
Interest on investments	115	371	10	456	-	952
Net cash provided (used) by investing activities	<u>115</u>	<u>371</u>	<u>10</u>	<u>456</u>	<u>-</u>	<u>952</u>
Net increase (decrease) in cash and cash equivalents	69,991	117,600	11	211,903	(8,864)	390,641
Beginning cash and cash equivalents	105,713	206,474	7,296	257,662	10,782	587,927
Ending cash and cash equivalents	<u>\$ 175,704</u>	<u>\$ 324,074</u>	<u>\$ 7,307</u>	<u>\$ 469,565</u>	<u>\$ 1,918</u>	<u>\$ 978,568</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (34,097)	\$ 102,206	\$ -	\$ 215,377	\$ 6,567	\$ 290,053
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	53,449	6,678	-	-	-	60,127
(Increase) decrease in assets:						
Receivables - net	14	(15)	1	7	(15,431)	(15,424)
Inventories	-	6,754	-	-	-	6,754
Prepaid Items	6,275	3,668	-	-	-	9,943
Increase (decrease) in liabilities:						
Accounts payable	25,646	(1,165)	-	(3,937)	-	20,544
Accrued liabilities	359	(38)	-	-	-	321
OPEB liability	(250)	(123)	-	-	-	(373)
Compensated absences	2,033	(736)	-	-	-	1,297
Total adjustments	<u>87,526</u>	<u>15,023</u>	<u>1</u>	<u>(3,930)</u>	<u>(15,431)</u>	<u>83,189</u>
Net cash provided (used) by operating activities	<u>\$ 53,429</u>	<u>\$ 117,229</u>	<u>\$ 1</u>	<u>\$ 211,447</u>	<u>\$ (8,864)</u>	<u>\$ 373,242</u>

CITY OF EDGEWATER, FLORIDA

Other Supplemental Schedules

September 30, 2018

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, 2018

	General			
	Employees	Police Officers	Firefighters	Total
ASSETS				
Cash and cash equivalents	\$ 444,618	\$ 359,009	\$ 375,848	\$ 1,179,475
Accrued income	53,502	27,949	31,191	112,642
Bonds				
US Treasury notes	699,082	299,334	235,844	1,234,260
GNMA	1,923,641	946,073	112,050	2,981,764
Municipal bonds	114,201	59,591	144,701	318,493
Corporate bonds	3,051,358	1,514,683	2,979,924	7,545,965
Equities	-	-	10,825,910	10,825,910
Mutual fund - equities	6,250,696	7,116,939	-	13,367,635
Total assets	<u>12,537,098</u>	<u>10,323,578</u>	<u>14,705,468</u>	<u>37,566,144</u>
NET POSITION				
Restricted for pensions	<u>\$ 12,537,098</u>	<u>\$ 10,323,578</u>	<u>\$ 14,705,468</u>	<u>\$ 37,566,144</u>

CITY OF EDGEWATER, FLORIDA

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended September 30, 2018

	<u>General Employees</u>	<u>Police Officers</u>	<u>Firefighters</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 747,522	\$ 800,116	\$ 367,844	\$ 1,915,482
Employee	4,843	90,216	118,195	213,254
State of Florida	-	163,282	151,680	314,962
Total contributions	<u>752,365</u>	<u>1,053,614</u>	<u>637,719</u>	<u>2,443,698</u>
Investment earnings:				
Interest and dividends	755,714	351,811	250,457	1,357,982
Net increase in the fair value of investments	84,254	423,021	1,465,554	1,972,829
Total investment earnings	<u>839,968</u>	<u>774,832</u>	<u>1,716,011</u>	<u>3,330,811</u>
Less investment expenses	<u>(40,270)</u>	<u>(32,896)</u>	<u>(78,111)</u>	<u>(151,277)</u>
Net investment earnings	<u>799,698</u>	<u>741,936</u>	<u>1,637,900</u>	<u>3,179,534</u>
Total Additions	<u>1,552,063</u>	<u>1,795,550</u>	<u>2,275,619</u>	<u>5,623,232</u>
DEDUCTIONS				
Pension benefits	1,469,263	867,226	569,820	2,906,309
Administrative expenses	50,337	50,737	48,807	149,881
Total deductions	<u>1,519,600</u>	<u>917,963</u>	<u>618,627</u>	<u>3,056,190</u>
Change in net position	32,463	877,587	1,656,992	2,567,042
Net position - beginning	<u>12,504,635</u>	<u>9,445,991</u>	<u>13,048,476</u>	<u>34,999,102</u>
Net position - ending	<u>\$ 12,537,098</u>	<u>\$ 10,323,578</u>	<u>\$ 14,705,468</u>	<u>\$ 37,566,144</u>



This page intentionally left blank

CITY OF EDGEWATER, FLORIDA
Statistical Section

This part of the City of Edgewater, Florida's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health 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.	90-99
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.	100-104
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.	105-111
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.	112-113
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.	114-116

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

CITY OF EDGEWATER, FLORIDA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year				
	2018	2017	2016	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 41,987,558	\$ 41,696,283	\$ 41,225,542	\$ 41,696,833
Restricted	2,077,678	1,438,666	783,398	1,325,008
Unrestricted	<u>(3,647,781)</u>	<u>(3,049,568)</u>	<u>(2,675,115)</u>	<u>(3,555,109)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 40,417,455</u>	<u>\$ 40,085,381</u>	<u>\$ 39,333,825</u>	<u>\$ 39,466,732</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 28,304,107	\$ 29,261,065	\$ 29,634,955	\$ 29,142,964
Restricted	1,641,390	1,386,492	1,302,217	1,900,301
Unrestricted	<u>5,778,281</u>	<u>4,590,333</u>	<u>4,060,782</u>	<u>2,703,234</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 35,723,778</u>	<u>\$ 35,237,890</u>	<u>\$ 34,997,954</u>	<u>\$ 33,746,499</u>
Total				
Net Investment in Capital Assets	\$ 70,291,665	\$ 70,957,348	\$ 70,860,497	\$ 70,839,797
Restricted	3,719,068	2,825,158	2,085,615	3,225,309
Unrestricted	<u>2,130,500</u>	<u>1,540,765</u>	<u>1,385,667</u>	<u>(851,875)</u>
<i>Total Net Position</i>	<u>\$ 76,141,233</u>	<u>\$ 75,323,271</u>	<u>\$ 74,331,779</u>	<u>\$ 73,213,231</u>

2014	2013	2012	2011	2010	2009
\$ 40,480,601	\$ 43,278,270	\$ 45,488,481	\$ 45,286,948	\$ 47,510,167	\$ 48,282,223
1,255,664	1,000,424	1,063,323	1,867,693	1,568,645	2,224,684
2,163,549	1,511,496	2,939,453	4,696,621	5,310,937	5,718,964
\$ 43,899,814	\$ 45,790,190	\$ 49,491,257	\$ 51,851,262	\$ 54,389,749	\$ 56,225,871
\$ 27,962,252	\$ 30,199,966	\$ 29,330,978	\$ 29,408,827	\$ 28,325,668	\$ 25,052,445
1,694,339	1,860,458	2,250,279	1,879,888	892,784	2,078,126
7,006,277	5,239,348	5,314,263	5,586,070	6,303,962	6,408,077
\$ 36,662,868	\$ 37,299,772	\$ 36,895,520	\$ 36,874,785	\$ 35,522,414	\$ 33,538,648
\$ 68,442,853	\$ 73,478,236	\$ 74,819,459	\$ 74,695,775	\$ 75,835,835	\$ 73,334,668
2,950,003	2,860,882	3,313,602	3,747,581	2,461,429	4,302,810
9,169,826	6,750,844	8,253,716	10,282,691	11,614,899	12,127,041
\$ 80,562,682	\$ 83,089,962	\$ 86,386,777	\$ 88,726,047	\$ 89,912,163	\$ 89,764,519

CITY OF EDGEWATER, FLORIDA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2018	2017	2016	2015
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Administrative	\$ 197,951	\$ 204,378	\$ 193,140	\$ 208,769
Public Safety	825,894	785,462	773,067	591,642
Public Works	507,365	455,431	382,989	306,981
Culture and recreation	69,562	62,967	51,991	-
Operating Grants and Contributions	754,837	3,899,222	832,376	643,363
Capital Grants and Contributions	1,244,620	1,550,007	702,644	1,689,173
Total Governmental Activities Program Revenues	\$ 3,600,229	\$ 6,957,467	\$ 2,936,207	\$ 3,439,928
Business-Type Activities:				
Charges for Services:				
Water / Sewer Utility	\$ 10,216,833	\$ 9,742,911	\$ 9,284,327	\$ 8,651,318
Solid Waste Utility	3,570,233	3,248,848	2,962,543	2,732,961
Stormwater Utility	1,720,625	1,479,727	1,466,495	1,313,221
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	306,841	1,085,533	334,843	281,527
Total Business-Type Activities Program Revenues	\$ 15,814,532	\$ 15,557,019	\$ 14,048,208	\$ 12,979,027
Total Government Program Revenues	\$ 19,414,761	\$ 22,514,486	\$ 16,984,415	\$ 16,418,955
Expenses				
Governmental Activities:				
General administrative	\$ 2,445,179	\$ 6,430,834	\$ 3,112,845	\$ 2,345,704
Culture and recreation	1,325,064	1,393,064	1,534,765	1,552,489
Public Works	1,863,482	1,696,747	1,914,982	2,022,008
Public Safety	7,583,092	8,109,942	7,164,944	6,636,406
Community Redevelopment	60,174	22,063	4,955	-
Interest on long-term debt	227,505	190,935	56,794	49,891
Total Governmental Activities Expenses	\$ 13,504,496	\$ 17,843,585	\$ 13,789,285	\$ 12,606,498
Business-Type Activities:				
Water / Sewer Utility	\$ 9,218,732	\$ 10,090,938	\$ 8,697,283	\$ 8,816,554
Solid Waste Utility	2,678,923	3,313,117	2,427,299	2,588,581
Stormwater Utility	1,373,361	1,430,987	1,336,821	1,239,072
Total Business-Type Activities Expenses	\$ 13,271,016	\$ 14,835,042	\$ 12,461,403	\$ 12,644,207
Total Government Expenses	\$ 26,775,512	\$ 32,678,627	\$ 26,250,688	\$ 25,250,705

Fiscal Year						
2014	2013	2012	2011	2010	2009	
\$ 178,890	\$ 165,479	\$ 141,724	\$ 185,511	\$ 326,863	\$ 288,180	
507,279	439,680	277,806	502,893	478,001	429,232	
248,531	169,864	147,040	156,857	173,895	200,101	
14,896	13,162	12,520	-	6,245	12,785	
442,201	586,345	591,002	594,849	634,000	593,635	
333,284	515,775	1,466,668	1,187,088	266,779	424,997	
<u>\$ 1,725,081</u>	<u>\$ 1,890,305</u>	<u>\$ 2,636,760</u>	<u>\$ 2,627,198</u>	<u>\$ 1,885,783</u>	<u>\$ 1,948,930</u>	
\$ 8,383,806	\$ 8,238,099	\$ 7,634,056	\$ 7,474,168	\$ 7,085,984	\$ 6,907,413	
2,693,938	2,673,005	2,638,024	2,661,778	2,670,316	2,704,541	
1,300,575	1,287,833	1,271,620	1,291,687	1,288,132	1,164,331	
-	-	-	-	-	-	
111,295	83,417	86,937	1,300,823	2,222,112	221,108	
<u>\$ 12,489,614</u>	<u>\$ 12,282,354</u>	<u>\$ 11,630,637</u>	<u>\$ 12,728,456</u>	<u>\$ 13,266,544</u>	<u>\$ 10,997,393</u>	
<u>\$ 14,214,695</u>	<u>\$ 14,172,659</u>	<u>\$ 14,267,397</u>	<u>\$ 15,355,654</u>	<u>\$ 15,152,327</u>	<u>\$ 12,946,323</u>	
\$ 2,060,966	\$ 2,098,288	\$ 1,869,872	\$ 2,030,426	\$ 2,120,727	\$ 2,437,060	
1,464,164	1,490,505	1,388,241	1,415,197	1,392,047	1,400,669	
3,514,532	3,719,716	3,542,650	3,847,458	3,315,340	3,207,832	
6,767,861	7,094,211	6,587,921	7,141,391	6,676,065	6,455,618	
-	-	-	-	-	-	
60,282	45,094	36,397	61,554	77,845	211,630	
<u>\$ 13,867,805</u>	<u>\$ 14,447,814</u>	<u>\$ 13,425,081</u>	<u>\$ 14,496,026</u>	<u>\$ 13,582,024</u>	<u>\$ 13,712,809</u>	
\$ 8,459,432	\$ 8,086,388	\$ 8,020,597	\$ 7,931,996	\$ 8,246,448	\$ 8,684,972	
2,697,843	2,558,753	2,604,683	2,628,227	2,497,362	2,405,870	
1,266,675	1,157,256	1,025,943	1,027,605	808,413	926,393	
<u>\$ 12,423,950</u>	<u>\$ 11,802,397</u>	<u>\$ 11,651,223</u>	<u>\$ 11,587,828</u>	<u>\$ 11,552,223</u>	<u>\$ 12,017,235</u>	
<u>\$ 26,291,755</u>	<u>\$ 26,250,211</u>	<u>\$ 25,076,304</u>	<u>\$ 26,083,854</u>	<u>\$ 25,134,247</u>	<u>\$ 25,730,044</u>	

City of Edgewater, Florida

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental Activities	\$ (9,904,267)	\$ (10,886,118)	\$ (10,853,078)	\$ (9,166,570)
Business-Type Activities	2,543,516	721,977	1,586,805	334,820
<i>Total Government Net Expense</i>	<u>\$ (7,360,751)</u>	<u>\$ (10,164,141)</u>	<u>\$ (9,266,273)</u>	<u>\$ (8,831,750)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property taxes	\$ 6,025,937	\$ 5,095,759	\$ 4,572,959	\$ 4,282,331
Utility and franchise taxes	3,608,538	3,303,147	3,222,232	3,249,749
Intergovernmental shared revenue	2,327,579	2,144,426	2,028,373	1,967,348
Investment earnings	111,156	61,213	38,006	48,705
Gain on sale of assets	-	-	-	-
Miscellaneous revenue	66,061	75,659	106,099	140,093
Transfers	914,544	957,470	752,502	727,491
<i>Total Governmental Activities</i>	<u>\$ 13,053,815</u>	<u>\$ 11,637,674</u>	<u>\$ 10,720,171</u>	<u>\$ 10,415,717</u>
 Business-Type Activities:				
Investment earnings	\$ 39,732	\$ 13,067	\$ 5,704	\$ 6,796
Miscellaneous revenue	126,466	462,362	411,448	132,423
Transfers	(914,544)	(957,470)	(752,502)	(727,491)
<i>Total Business-Type Activities</i>	<u>\$ (748,346)</u>	<u>\$ (482,041)</u>	<u>\$ (335,350)</u>	<u>\$ (588,272)</u>
<i>Total Government</i>	<u>\$ 12,305,469</u>	<u>\$ 11,155,633</u>	<u>\$ 10,384,821</u>	<u>\$ 9,827,445</u>
 Change in Net Position				
Governmental Activities	\$ 3,149,548	\$ 751,556	\$ (132,907)	\$ 1,249,147
Business-Type Activities	1,795,170	239,936	1,251,455	(253,452)
<i>Total Government Change in Net Position</i>	<u>\$ 4,944,718</u>	<u>\$ 991,492</u>	<u>\$ 1,118,548</u>	<u>\$ 995,695</u>

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ (12,142,724)	\$ (12,557,509)	\$ (10,788,321)	\$ (11,868,828)	\$ (11,696,241)	\$ (11,763,879)
65,664	479,957	(20,586)	1,140,628	1,714,321	(1,019,842)
<u>\$ (12,077,060)</u>	<u>\$ (12,077,552)</u>	<u>\$ (10,808,907)</u>	<u>\$ (10,728,200)</u>	<u>\$ (9,981,920)</u>	<u>\$ (12,783,721)</u>
\$ 4,120,260	\$ 3,763,456	\$ 3,669,228	\$ 4,459,591	\$ 5,083,616	\$ 5,638,194
3,182,716	3,051,649	2,947,266	3,047,731	3,051,595	3,164,803
2,030,522	1,814,689	1,680,896	1,618,530	1,574,091	1,673,522
52,399	25,339	36,148	32,274	79,230	6,019
14,500	11,855	11,029	8,008	7,308	9,533
134,304	38,888	43,699	42,117	64,279	55,163
717,647	150,566	40,050	122,090	-	(215,517)
<u>\$ 10,252,348</u>	<u>\$ 8,856,442</u>	<u>\$ 8,428,316</u>	<u>\$ 9,330,341</u>	<u>\$ 9,860,119</u>	<u>\$ 10,331,717</u>
\$ 6,517	\$ 3,879	\$ 37,510	\$ 92,243	\$ 161,505	\$ (3,450)
99,023	70,982	43,861	241,590	107,940	89,522
(717,647)	(150,566)	(40,050)	(122,090)	-	215,517
<u>\$ (612,107)</u>	<u>\$ (75,705)</u>	<u>\$ 41,321</u>	<u>\$ 211,743</u>	<u>\$ 269,445</u>	<u>\$ 301,589</u>
<u>\$ 9,640,241</u>	<u>\$ 8,780,737</u>	<u>\$ 8,469,637</u>	<u>\$ 9,542,084</u>	<u>\$ 10,129,564</u>	<u>\$ 10,633,306</u>
\$ (1,890,376)	\$ (3,701,067)	\$ (2,360,005)	\$ (2,538,487)	\$ (1,836,122)	\$ (1,432,162)
(546,443)	404,252	20,735	1,352,371	1,983,766	(718,253)
<u>\$ (2,436,819)</u>	<u>\$ (3,296,815)</u>	<u>\$ (2,339,270)</u>	<u>\$ (1,186,116)</u>	<u>\$ 147,644</u>	<u>\$ (2,150,415)</u>

CITY OF EDGEWATER, FLORIDA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(*modified accrual basis of accounting*)

Fiscal Year	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved				
Nonspendable	14,485	28,664	30,041	1,198
Restricted	50,278	46,073	45,538	456,809
Assigned	2,193,018	807,749	1,083,984	780,323
Unassigned	3,180,919	3,018,746	2,376,555	2,808,975
Total General Fund	<u>\$ 5,438,700</u>	<u>\$ 3,901,232</u>	<u>\$ 3,536,118</u>	<u>\$ 4,047,305</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Debt service funds		-	-	-
Special revenue funds		-	-	-
Capital projects funds		-	-	-
Restricted	2,937,739	4,441,391	746,891	666,096
Committed		-	-	-
Unassigned		-	-	-
Total All Other Governmental Funds	<u>\$ 2,937,739</u>	<u>\$ 4,441,391</u>	<u>\$ 746,891</u>	<u>\$ 666,096</u>
Total Governmental Funds	<u>\$ 8,376,439</u>	<u>\$ 8,342,623</u>	<u>\$ 4,283,009</u>	<u>\$ 4,713,401</u>

Note: In 2011 GASB 54 was implemented changing the classification of Governmental Fund Balances. Prior years were not restated.

2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 245,131	\$ 234,084
-	-	-	-	5,974,500	5,826,394
422,120	22,170	436	138,459	-	-
2,990	4,028	3,408	448	-	-
750,749	500,000	1,872,129	1,565,639	-	-
2,770,632	2,744,608	2,452,923	3,702,417	-	-
<u>\$ 3,946,491</u>	<u>\$ 3,270,806</u>	<u>\$ 4,328,896</u>	<u>\$ 5,406,963</u>	<u>\$ 6,219,631</u>	<u>\$ 6,060,478</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 836,596
-	-	-	-	(176,200)	-
-	-	-	-	908,339	879,195
-	-	-	-	422,132	335,093
898,969	649,231	712,080	1,221,758	-	-
-	-	-	542,510	-	-
-	-	-	(2,119)	-	-
<u>\$ 898,969</u>	<u>\$ 649,231</u>	<u>\$ 712,080</u>	<u>\$ 1,762,149</u>	<u>\$ 1,154,271</u>	<u>\$ 2,050,884</u>
<u>\$ 4,845,460</u>	<u>\$ 3,920,037</u>	<u>\$ 5,040,976</u>	<u>\$ 7,169,112</u>	<u>\$ 7,373,902</u>	<u>\$ 8,111,362</u>

CITY OF EDGEWATER, FLORIDA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2018	2017	2016	2015
Revenues				
Taxes	\$ 9,634,475	\$ 8,398,906	\$ 7,795,191	\$ 7,532,080
Intergovernmental	4,233,086	7,513,956	3,506,532	4,244,105
Licenses and permits	499,510	455,435	398,346	320,954
Charges for services	2,011,630	1,860,657	1,736,070	1,560,007
Fines and forfeitures	151,461	194,901	266,864	171,998
Investment Earnings	110,204	60,436	37,833	48,612
Impact fees	185,507	151,151	160,103	183,385
Miscellaneous	108,149	166,841	265,625	137,921
Total Revenues	\$ 16,934,022	\$ 18,802,283	\$ 14,166,564	\$ 14,199,062
Expenditures				
Current:				
General administrative services	\$ 2,813,463	\$ 5,697,152	\$ 2,234,076	\$ 2,198,362
Legislative	103,794	109,377	99,820	91,954
Executive	521,481	560,939	619,910	614,357
Legal Counsel	113,286	89,708	158,443	89,589
Community Development	610,462	618,871	983,354	774,022
Cultural and recreation	1,066,734	1,154,810	1,265,641	1,289,790
Public works	876,198	739,971	1,051,075	1,127,990
Public safety				
Law enforcement	3,928,928	3,725,582	3,524,244	3,285,144
Fire and emergency services	3,398,597	3,656,321	3,460,655	3,103,765
Code enforcement	142,907	113,069	125,334	103,301
Animal services	129,980	113,304	109,865	107,507
Debt service:				
Principal	520,000	231,586	375,675	151,007
Interest and Fiscal Charges	225,844	140,369	49,848	47,542
Capital outlay	3,335,123	4,583,159	1,249,938	2,501,416
Total Expenditures	\$ 17,786,797	\$ 21,534,218	\$ 15,307,878	\$ 15,485,746
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(852,775)</u>	<u>(2,731,935)</u>	<u>(1,141,314)</u>	<u>(1,286,684)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 1,127,109	\$ 3,401,828	\$ 1,018,996	\$ 1,342,491
Transfers Out	(240,518)	(2,479,558)	(314,584)	(615,000)
Capital lease	-	433,279	-	410,894
Debt Issued	-	5,436,000	-	-
General obligation note	-	-	-	-
Sale of capital assets	-	-	6,510	16,240
Total Other Financing Sources (Uses)	<u>886,591</u>	<u>6,791,549</u>	<u>710,922</u>	<u>1,154,625</u>
Net Change in Fund Balances	\$ 33,816	\$ 4,059,614	\$ (430,392)	\$ (132,059)
Debt Service as a Percentage of Noncapital Expenditures	5.16%	2.19%	3.03%	1.53%

	2014	2013	2012	2011	2010	2009
\$	7,302,976	\$ 6,815,105	\$ 6,616,494	\$ 7,507,322	\$ 8,159,811	\$ 8,747,647
	2,812,565	2,933,095	3,758,487	3,400,644	2,436,438	2,724,831
	263,641	236,820	217,715	227,703	237,714	231,006
	1,319,396	1,132,520	1,038,741	1,024,644	1,156,279	1,098,013
	240,149	195,851	166,133	150,569	164,897	128,806
	52,399	25,338	36,148	37,379	79,230	6,019
	102,105	44,136	34,067	68,405	97,734	551,218
	134,461	38,539	50,669	56,869	102,790	55,163
<u>\$</u>	<u>12,227,692</u>	<u>\$ 11,421,404</u>	<u>\$ 11,918,454</u>	<u>\$ 12,473,535</u>	<u>\$ 12,434,893</u>	<u>\$ 13,542,703</u>
\$	1,680,375	\$ 1,590,455	\$ 1,439,252	\$ 1,478,452	\$ 1,409,242	\$ 1,561,882
	96,597	93,377	92,592	100,154	85,046	74,448
	567,755	558,357	534,199	454,905	463,127	422,097
	101,398	89,195	87,075	120,685	211,232	230,049
	459,651	419,476	473,381	529,275	567,519	515,719
	1,198,951	1,237,586	1,151,797	1,159,916	1,153,785	1,146,168
	588,415	562,286	469,592	356,739	325,752	311,807
	3,262,859	3,232,114	2,827,511	3,507,483	3,197,903	3,159,454
	2,942,624	2,942,859	2,765,756	2,826,861	2,745,411	2,634,957
	75,725	144,716	95,488	166,253	212,418	205,836
	110,809	132,794	269,712	227,600	230,974	205,996
	418,092	445,714	892,559	810,871	1,903,462	1,548,714
	47,644	52,715	38,876	57,789	155,287	166,127
	889,268	1,320,804	2,984,879	1,745,612	728,503	1,659,313
<u>\$</u>	<u>12,440,163</u>	<u>\$ 12,822,448</u>	<u>\$ 14,122,669</u>	<u>\$ 13,542,595</u>	<u>\$ 13,389,661</u>	<u>\$ 13,842,567</u>
	<u>(212,471)</u>	<u>(1,401,044)</u>	<u>(2,204,215)</u>	<u>(1,069,060)</u>	<u>(954,768)</u>	<u>(299,864)</u>
\$	1,078,168	\$ 676,660	\$ 626,332	\$ 846,702	\$ 757,345	\$ 975,601
	(379,271)	(568,994)	(561,282)	(740,440)	(757,345)	(1,168,748)
	-	-	-	-	-	144,998
	432,000	160,583	-	750,000	210,000	-
	-	-	-	-	-	-
	6,997	11,856	11,029	8,008	7,308	1,194,770
	1,137,894	280,105	76,079	864,270	217,308	1,146,621
<u>\$</u>	<u>925,423</u>	<u>\$ (1,120,939)</u>	<u>\$ (2,128,136)</u>	<u>\$ (204,790)</u>	<u>\$ (737,460)</u>	<u>\$ 846,757</u>
	4.03%	4.33%	8.25%	7.20%	16.26%	13.88%

CITY OF EDGEWATER, FLORIDA

Tax Revenues by Source of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

<u>Fiscal Year Ended September 30</u>	<u>Property Taxes</u>	<u>Utility and franchise taxes</u>	<u>Intergovernmental Revenue</u>	<u>Total</u>
2009	\$ 5,638,194	\$ 3,109,453	\$ 2,724,831	\$ 11,472,478
2010	5,083,616	3,076,195	2,436,438	10,596,249
2011	4,459,591	3,047,731	3,400,644	10,907,966
2012	3,669,228	2,947,266	3,758,487	10,374,981
2013	3,763,456	3,051,649	2,933,095	9,748,200
2014	4,120,260	3,182,716	2,812,565	10,115,541
2015	4,282,331	3,249,749	4,244,105	11,776,185
2016	4,572,959	3,222,232	3,506,532	11,301,723
2017	5,095,759	3,303,147	7,513,956	15,912,862
2018	6,025,937	3,608,538	4,233,086	13,867,561

CITY OF EDGEWATER, FLORIDAAssessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30,2018	Real Property	Personal Property	Centrally Assessed Property	Estimated Actual Value	Exemptions Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	\$1,567,728,018	\$ 46,686,002	\$ 3,852,385	\$1,618,266,405	\$ 636,648,753	\$ 981,617,652	5.9330
2010	1,239,413,071	47,937,851	2,789,838	1,290,140,760	467,797,506	822,343,254	6.3982
2011	1,014,902,147	46,368,404	2,452,717	1,063,723,268	374,884,311	688,838,957	6.6385
2012	859,937,271	44,818,406	2,847,810	907,603,487	327,571,414	580,032,073	6.5304
2013	869,698,616	44,709,946	2,419,118	916,827,680	326,361,580	590,466,100	6.5612
2014	893,847,254	46,863,494	2,615,633	943,326,381	330,091,016	613,235,365	6.9340
2015	934,739,055	49,197,000	3,085,203	987,021,258	334,889,928	652,131,330	6.7530
2016	985,904,666	53,797,067	3,590,304	1,043,292,037	343,753,169	699,538,868	6.7486
2017	1,152,173,102	82,395,064	4,403,969	1,238,972,135	374,040,287	864,931,848	6.7445
2018	1,245,616,754	92,091,785	4,487,968	1,342,196,507	394,071,253	948,125,254	7.0040

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

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 ⁽¹⁾ Millage	School District Millage	Other ⁽²⁾	Grand Total
2009	5.9000	0.0330	5.9330	5.4037	7.4590	3.5865	22.3823
2010	6.3600	0.0382	6.3982	6.4233	8.2370	3.7932	24.8517
2011	6.5910	0.0475	6.6385	6.3025	8.2370	4.0012	25.1792
2012	6.4700	0.0604	6.5304	6.7791	8.0630	3.9682	25.3407
2013	6.5000	0.0612	6.5612	6.8809	7.8880	3.6967	25.0268
2014	6.8760	0.0580	6.9340	7.2709	7.3580	3.6028	25.1657
2015	6.7000	0.0530	6.7530	7.2709	7.3360	3.4160	24.7759
2016	6.7000	0.0486	6.7486	7.2709	7.1970	3.2492	24.4657
2017	6.7000	0.0445	6.7445	7.0520	6.5200	1.8643	22.1808
2018	6.7000	0.3040	7.0040	6.6464	6.2810	1.7675	21.6989

(1) Millage includes General Fund and Voter Approved Debt service

(2) Inlet and Port Authority, Florida Inland Navigation District and St. Johns River Water Management District, Mosquito Control, and Hospital Operating

CITY OF EDGEWATER, FLORIDA

Principal Taxpayers

Current Year and Ten Years Ago

Taxpayer	2018			2009		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Brunswick Corporation	\$ 30,428,315	1	2.44%			
Florida Power & Light Company	\$ 23,523,729	2	1.89%	\$ 13,532,963	1	1.38%
Hacienda Del Rio LLC	\$ 18,168,799	3	1.46%			
New BW Inc	\$ 8,958,903	4	0.72%			
RJ Dougherty Associates Inc.	\$ 8,443,368	5	0.68%	\$ 5,427,708	3	0.55%
3050 Holdings, LLC	\$ 4,518,670	6	0.36%	\$ 4,525,991	8	0.46%
Revenue Properties Florida	\$ 4,344,463	7	0.35%	\$ 4,445,528	9	0.45%
Florida East Coast Railway Co	\$ 3,952,584	8	0.32%	\$ 3,969,004	10	0.40%
Bright House Networks LLC	\$ 3,358,453	9	0.27%			
Holly Investment LTD	\$ 3,209,987	10	0.26%			
Worthington Creek Invest, LLC				\$ 5,830,861	2	0.59%
Edgewater Harbor, LLC				\$ 5,367,646	4	0.55%
Carder, James C TR				\$ 5,238,534	5	0.53%
Seaeedge Partners, LLC				\$ 5,150,100	6	0.52%
308 Realty, LLC				\$ 4,891,460	7	0.50%
	<u>\$ 108,907,271</u>		<u>8.74%</u>	<u>\$ 58,379,795</u>		<u>5.95%</u>
Total Assessed Valuation	<u>\$1,245,934,333</u>			<u>\$ 981,617,652</u>		

Source: Volusia County Property Appraiser's Office & 2009 City of Edgewater CAFR.

CITY OF EDGEWATER, FLORIDA

Property Tax Levies And Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2009	\$ 5,822,971	\$ 5,611,299	96.36 %	\$ 26,895	5,638,194	96.83 %
2010	5,230,103	5,035,560	96.28 %	17,704	5,053,264	96.62 %
2011	4,515,489	4,343,936	96.20 %	83,812	4,427,748	98.06 %
2012	3,752,808	3,625,224	96.60 %	10,100	3,635,324	96.87 %
2013	3,836,165	3,558,179	92.75 %	170,189	3,728,368	97.19 %
2014	4,216,606	4,072,002	96.57 %	13,726	4,085,728	96.90 %
2015	4,365,036	4,219,641	96.67 %	29,065	4,248,706	97.33 %
2016	4,686,910	4,387,633	93.61 %	143,061	4,530,694	96.67 %
2017	5,024,786	4,848,641	96.49 %	23,795	4,872,436	96.97 %
2018	5,791,342	5,589,817	96.52 %	35,559	5,625,376	97.13 %

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
2009	21,394	\$ 981,617,652	\$ 425,000	0.043%	19.87
2010	21,017	822,343,254	410,000	0.050%	19.51
2011	20,885	688,838,957	395,000	0.057%	18.91
2012	20,775	580,032,073	375,000	0.065%	18.05
2013	20,737	590,466,100	355,000	0.060%	17.12
2014	20,748	613,235,365	335,000	0.055%	16.15
2015	20,958	652,131,330	315,000	0.048%	15.03
2016	21,280	699,538,868	295,000	0.042%	13.86
2017	21,509	864,931,848	3,667,000	0.424%	170.49
2018	23,319	948,125,254	3,507,000	0.370%	150.39

Source: Volusia County Property Appraiser and Tax Collector.

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

CITY OF EDGEWATER, FLORIDA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Notes Payable	Capital Leases
	Notes Payable	Special Assessment Notes	General Obligation Note	Capital Leases	Line of Credit		
2009	\$ 2,701,092	\$ 1,297,442	\$ 425,000	\$ 225,466	\$ -	\$ 2,592,437	\$ 5,548,388
2010	2,110,073	-	410,000	388,424	-	1,542,000	5,258,430
2011	2,269,055	-	395,000	183,569	-	1,028,000	4,881,594
2012	1,424,037	-	375,000	156,029	-	-	4,527,471
2013	1,027,019	-	355,000	287,916	-	4,142,717	-
2014	1,225,000	-	335,000	226,843	-	4,455,000	-
2015	1,147,674	-	315,000	574,947	-	4,454,327	-
2016	1,063,288	-	295,000	294,150	-	13,692,712	-
2017	2,903,034	-	3,667,000	635,717	-	12,090,966	62,220
2018	2,784,638	-	3,507,000	458,923	-	10,430,362	50,282

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.

Business Type Activities

State Revolving Loan	Revenue Bonds	Line of Credit	Total	Percentage of Personal Income (1)	Per Capita (1)	Personal Income	Population
\$ 8,137,963	\$ 9,679,987	\$ -	\$ 30,607,775	5.70%	1,431	536,989,400	21,394
8,388,828	7,814,973	-	25,912,728	4.72%	1,233	549,153,193	21,017
8,582,920	7,331,611	-	24,671,749	5.70%	1,181	432,528,350	20,885
-	15,077,524	-	21,560,061	5.10%	1,038	423,020,550	20,775
4,403,042	13,946,595	-	24,162,289	5.45%	1,165	443,418,346	20,737
6,290,915	12,753,000	-	25,285,758	5.53%	1,219	457,057,692	20,748
6,139,058	11,439,000	-	24,070,006	4.69%	1,148	513,471,000	20,958
5,866,152	-	-	21,211,302	4.25%	997	499,079,840	21,280
5,894,079	-	-	25,253,016	4.91%	1,174	514,323,208	21,509
5,635,032	-	-	22,866,237	4.06%	981	562,990,617	23,319

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	\$ 9,480,000	2.78%	\$ 263,544
Volusia County School District	-	0.00%	-
Subtotal Overlapping Debt	9,480,000	2.78%	263,544
City Direct Debt	6,750,561	100.00%	6,750,561
Total Direct and Overlapping Debt	<u>\$ 16,230,561</u>		<u>\$ 7,014,105</u>

Note: The county-wide debt amount is comprised of \$9,480,000 of the County of Volusia's Limited Tax general obligation bonds.

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

Source: Volusia County.

CITY OF EDGEWATER, FLORIDA

Pledged-Revenue Coverage

Last Nine Fiscal Years

(dollars in thousands)

Water and Wastewater Refunding Revenue Bond, Series 2016 ⁽¹⁾								
Fiscal Year ⁽²⁾	Gross Revenues ⁽³⁾	Less:	Impact Fees	Available Net Revenue & Impact Fees	Debt Service			Coverage
		Operating Expenses ⁽⁴⁾			Principal	Interest	Total	
2010	\$ 7,085,984	\$ 4,863,198	\$ 226,897	\$ 2,449,683	\$ -	\$ 95,296	\$ 95,296	25.71
2011	7,474,168	4,372,447	70,550	3,172,271	505,000	261,545	766,545	4.14
2012	7,634,056	4,849,002	42,979	2,828,033	570,000	243,378	813,378	3.48
2013	8,238,099	5,140,343	61,907	3,159,663	1,154,000	378,526	1,532,526	2.06
2014	8,383,806	5,348,671	80,102	3,115,237	1,273,000	368,499	1,641,499	1.90
2015	8,651,318	5,288,285	220,056	3,583,089	1,314,000	325,392	1,639,392	2.19
2016	9,284,327	5,457,041	102,899	3,930,185	1,473,500	260,024	1,733,524	2.27
2017	9,742,911	6,826,218	100,988	3,017,681	497,000	218,569	715,569	4.22
2018	10,216,833	6,019,564	231,688	4,428,957	856,000	198,881	1,054,881	4.20

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 ten 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			
	2018	2017	2016	2015
Assessed taxable real property value	\$ 787,008,907	\$ 696,387,893	\$ 649,384,830	\$ 607,562,754
Add back: exempt real property	365,113,414	348,289,949	336,519,836	327,176,301
Total assessed value of real property	<u>\$1,152,122,321</u>	<u>\$ 1,044,677,842</u>	<u>\$ 985,904,666</u>	<u>\$ 934,739,055</u>
Legal debt margin:				
Debt limit	\$ 8,640,917	\$ 7,835,084	\$ 7,394,285	\$ 7,010,543
Total net debt applicable to limit	<u>6,291,638</u>	<u>6,570,034</u>	<u>1,357,438</u>	<u>1,722,621</u>
Legal debt margin	<u>\$ 2,349,279</u>	<u>\$ 1,265,050</u>	<u>\$ 6,036,847</u>	<u>\$ 5,287,922</u>
Total net debt applicable to the limit as a percentage of debt limit	72.81%	83.85%	18.36%	24.57%

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, special assessment notes, capital leases, and line of credit.

2014	2013	2012	2011	2010	2009
\$ 571,414,914	\$ 550,695,413	\$ 540,185,717	\$ 640,017,836	\$ 771,615,565	\$ 931,079,265
322,432,340	319,003,203	319,751,554	374,884,311	467,797,506	636,648,753
<u>\$ 893,847,254</u>	<u>\$ 869,698,616</u>	<u>\$ 859,937,271</u>	<u>\$ 1,014,902,147</u>	<u>\$ 1,239,413,071</u>	<u>\$ 1,567,728,018</u>
\$ 6,703,854	\$ 6,522,740	\$ 6,449,530	\$ 7,611,766	\$ 9,295,598	\$ 11,757,960
1,451,843	1,314,935	1,580,066	2,452,624	2,498,497	4,224,000
<u>\$ 5,252,011</u>	<u>\$ 5,207,805</u>	<u>\$ 4,869,464</u>	<u>\$ 5,159,142</u>	<u>\$ 6,797,101</u>	<u>\$ 7,533,960</u>
21.66%	20.16%	24.50%	32.22%	26.88%	35.92%

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)
2009	21,394	\$ 536,989,400	\$ 25,100	46.3	11.8%	2,188
2010	21,017	549,153,193	26,129	46.1	12.6%	2,144
2011	20,885	432,528,350	20,710	46.4	10.3%	1,900
2012	20,775	423,020,550	20,362	47.5	8.8%	1,895
2013	20,737	443,418,346	21,765	47.9	6.8%	1,933
2014	20,748	457,057,692	22,029	46.6	5.9%	1,388
2015	20,958	513,471,000	24,500	49.1	5.8%	1,361
2016	21,280	499,079,840	23,453	49.8	5.1%	1,369
2017	21,509	514,323,208	23,912	51.0	4.2%	1,332
2018	23,319	562,990,617	24,143	50.9	3.1%	1,321

2018 Sources:

(1) Source: University of Florida, Bureau of Economic and Business Research, 2018 Estimate.

(2) US Census Bureau, 2013 - 2017 American Community Survey 5-Year Estimates.

(3) US Census Bureau, 2013- 2017 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 2018.

(5) Received from Schools Directly as of 9-30-18 (Includes Discovery Academy, Indian River Elementary, and Edgewater Public Elementary)

CITY OF EDGEWATER, FLORIDA

Principal Employers

Current Year and Ten Years Ago

Employer (1)	2018		2009	
	Number of Employees	Percentage of Total County Employment	Number of Employees (2)	Percentage of Total County Employment (2)
Boston Whaler	999.0	0.39%	200.0	0.08%
Everglades Boats	297.0	0.12%	60.0	0.02%
City of Edgewater	197.5	0.12%	188.0	0.07%
Publix Supermarkets	150.0	0.06%	152.0	0.06%
Edgewater Power Boats	179.0	0.07%	60.0	0.02%
Dougherty Manufacturing	152.0	0.06%		
Edgewater Elementary	94.0	0.04%	97.0	0.04%
Brunswick Commercial & Government Products	86.0	0.03%		
Indian River Elementary	86.0	0.03%	85.0	0.03%
Winn Dixie Supermarkets	85.0	0.03%	112.0	0.04%
Dustin's BBQ	27.0	0.01%	30.0	0.01%
Coronado Paint			108.0	0.04%
Total	<u>2352.5</u>	<u>0.96%</u>	<u>1,092.0</u>	<u>0.43%</u>
Total County Employment (3)		255,427		253,875

Sources:

(1) Information provided by each company.

(2) City of Edgewater CAFR 2009.

(3) US Bureau of Labor Statistics, Local Area Unemployment Statistics, Volusia County, FL, Civilian Labor Force, not seasonally adjusted, September 2018. 2009 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Mayor and Commission	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Manager	2.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
City Clerk	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Departments										
Finance	12.5	9.0	10.0	11.0	10.5	9.5	9.5	6.5	6.5	7.0
IT/MIS/GIS	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Economic Development	0.0	0.0	1.0	1.0	1.0					
Human Resources	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development										
Planning and Zoning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Building	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5
Public Safety:										
Police Department	35.0	34.0	33.5	34.0	34.5	35.0	33.5	33.0	34.0	33.5
Fire Department	32.0	31.0	33.5	30.5	29.5	29.5	29.0	30.0	30.0	31.0
Animal Control/Shelter	1.0	1.0	1.0	1.0	1.0	2.0	2.0	5.0	4.0	4.0
Code Enforcement	3.0	2.0	1.0	2.0	2.0	2.0	2.0	1.0	3.0	3.0
Water Resources										
Water Utility	9.0	10.0	15.0	14.0	11.0	11.0	9.0	10.0	10.0	10.0
Wastewater Utility	14.0	15.0	15.0	15.0	16.0	15.0	14.0	15.0	15.0	15.0
Field Operations	12.0	10.0	11.0	11.0	11.0	11.0	10.0	9.0	10.0	10.0
Stormwater	10.0	9.0	11.0	10.0	9.5	9.5	9.0	8.0	7.0	6.0
Solid Waste Utility	19.5	25.0	24.0	23.5	26.0	26.0	24.0	23.0	23.0	23.0
Parks and Recreation	17.5	17.0	15.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0
Fleet	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Public Works	8.0	7.0	9.0	7.0	8.5	9.0	7.0	7.0	7.0	8.0
Totals:	197.5	195.0	204.0	198.0	198.5	196.0	185.5	185.0	187.0	188.0

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Employment Applications Received	922	428	471	638	665	541	543	401	339	625
Personnel Actions Processed	205	156	211	125	113	138	136	81	90	94
Accidents & Injuries Reviewed	53	61	49	54	51	60	52	29	40	51
Business Tax Receipts Issued	1,075	837	970	1,032	763	1,269	1,544	982	1,401	1,707
Checks Issued	1,413	1,810	2,369	2,316	2,279	2,414	1,727	1,727	983	2,947
Competitive Procurements (ITB,RFP,) issued	8	16	13	11	23	*	*	*	*	*
Purchase Orders Issued	618	690	815	686	718	757	734	408	449	766
Public Safety										
Police Department										
Accidents	454	489	471	408	367	239	246	328	259	250
Traffic citations issued	3,215	4,677	3,100	3,017	3,450	3,188	5,245	5,958	4,780	5,514
Evidence Processed	2,824	2,799	2,654	2,178	2,153	1,803	1,800	2,130	2,027	1,582
Physical arrests	1,282	861	1,311	1,236	1,151	1,128	1,393	1,327	1,227	1,649
Calls for service	27,663	34,179	32,426	31,991	31,503	34,395	29,752	34,228	31,168	31,394
Fire Department										
Emergency responses	3,509	3,605	3,333	3,024	2,565	2,738	2,679	2,825	2,873	2,841
Average response time - minutes	5.50	4.48	5.08	4.28	4.32	4.19	4.18	4.25	4.56	4.41
Public Education Programs	72	68	62	71	67	64	63	62	60	70
Fire inspections	525	1,288	1,203	1,182	1,123	1,015	1,002	920	810	807
Public Works										
Miles of street Resurfaced	0	0	2	2	3	1	2	-	-	4
Miles of unpaved streets	8	8	14	4	4	*	*	*	*	*
Sidewalks - new construction - miles	1	0	4	-	1	1	1	-	-	-
Parks and Recreation										
Ball games, practices & field rentals	823	536	372	720	786	1,226	1,598	1,726	1,887	1,974
Events/Programs	24	33	23	15	8	17	19	14	19	21
Water Resources										
Water main breaks	109	90	103	74	100	84	80	88	88	63
Average daily consumption - mgd	1.99	1.92	1.746	1.718	1.846	1.900	1.929	1.931	1.931	1.941
Number of water customers	10,864	10,757	10,879	10,724	10,632	10,603	10,580	10,542	10,542	10,504
New Connections	64	27	24	67	29	23	18	38	38	16
Sewer Resources										
New Connections	57	19	20	63	27	19	11	26	26	8
Average daily consumption - mgd	1.710	1.493	1.719	1.541	1.422	1.264	1	1	1.179	1.324
Number of customers	10,185	10,008	10,416	10,016	9,896	9,869	9,850	9,823	9,823	9,797
Solid Waste Utility										
Number of Customers	9,707	9,920	9,631	9,591	9,463	9,451	9,403	9,378	9,378	9,356

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	33	34	30	30	29	27	28	30	30	30
Patrol Zones	2	2	2	2	2	2	2	2	2	2
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Vehicles	19	17	19	18	17	17	17	18	15	15
Public Works										
Streets (miles)	126	126	126	124	124	124	124	124	124	124
Number of street lights	1,230	1,230	1,057	1,080	1,071	1,068	1,068	1,068	1,068	1,068
Number of traffic signals	3	3	4	3	3	3	3	3	3	3
Vehicles	10	10	11	8	8	9	8	5	5	5
Parks and Recreation										
Vehicles	14	15	15	15	11	12	12	12	12	12
Parks Acreage	151	151	151	151	151	151	151	151	151	151
Parks	12	12	12	12	12	12	12	12	12	12
Baseball Fields	4	5	5	5	7	7	7	7	7	7
Tennis Courts	-	4	4	4	4	4	4	4	4	4
Basketball Courts	2	3	3	3	3	2	2	2	2	2
Racquetball Courts	-	4	4	4	4	4	4	4	4	4
Shuffleboard Courts	-	-	-	-	2	2	2	2	2	2
Boat Ramps	3	5	5	5	5	5	5	5	5	5
Paddling Trails	6	6	6	6	Awaiting Designation		-	-	-	-
Gymnasiums (YMCA)	1	1	1	1	1	1	1	1	1	1
Water Resources										
Water mains (miles)	165	165	165	275	275	275	275	274	274	274
Fire hydrants	719	719	720	720	718	701	700	700	700	695
Vehicles	26	26	26	26	26	24	24	23	23	23
Sewer mains (miles)	220	220	189	189	189	189	189	189	189	189
Reclaim Water (miles)	79	79	79	72	72	72	71	71	71	71
Stormwater Utility										
Storm Sewers (miles)	36	36	36	36	36	36	36	35	35	35
Vehicles	19	18	18	17	17	16	15	7	7	10
Solid Waste Utility										
Garbage Trucks	9	8	9	10	10	10	9	7	7	8
Other Vehicles	10	10	11	13	13	13	13	12	12	14

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

Note: Parks Acreage; approximately 14 acres of Park Property was temporarily closed to the Public for Construction at time of report.

CITY OF EDGEWATER, FLORIDA
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended September 30, 2018

Federal Agency / Pass-Through Entity/ Federal Program	CFDA Number	Contract/Grant Number	Grant Amount	Expenditures
Federal Awards				
<u>U.S. Department of Housing and Urban Development</u>				
Direct				
Community Development Block Grants	14.218	B-16-UC-12-0008	\$ 80,333	\$ 39,599
Community Development Block Grants	14.218	B-17-UC-12-0008	81,760	31,591
Total U.S. Department of Housing and Urban Development and CDBG - Entitlement Grants Cluster				71,190
<u>U.S. Department of Justice</u>				
Passed Through Florida Department of Law Enforcement				
Mandatory Bulletproof Vest Initiative	16.607	NIJ #BA-2A00S-MN01	2,241	2,241
Passed Through Florida Office of Attorney General				
Victim of Crime Act Grant	16.575	VO17-00164	47,415	38,807
Total U.S. Department of Justice				41,048
<u>U.S. Department of Transportation</u>				
Passed-through Florida Department of Transportation				
Highway Planning and Construction - Flagler Ave. Sidewalk	20.205	GOR65	373,500	356,070
Total Department of Transportation and Highway Planning and Construction Cluster				356,070
<u>U.S. Department of Homeland Security</u>				
Passed through State of Florida, Division of Emergency Management				
Disaster Grants - Public Assistance	97.036	17-PA-U5-06-74-01-030	3,395,351	3,395,351
Total U.S. Department of Homeland Security				3,395,351
Total Expenditures of Federal Awards				\$ 3,863,659

City of Edgewater, Florida

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018

(1) Basis of Presentation:

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

(2) Summary of Significant Accounting Policies:

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

Pass-through entity identifying numbers are presented where available.

No amounts were passed through to subrecipients during the fiscal year ended September 30, 2018.

(3) De Minimis Indirect Cost Rate Election:

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

(4) Deferred FEMA Expenditures:

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

At September 30, 2018, all federal amounts of \$3,395,351 of the City of Edgewater, Florida's PWs from Hurricane Matthew had been approved by FEMA and are recognized on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2018. State match amounts of \$387,513 have also been approved and recorded for financial statement purposes.

At September 30, 2018, no federal amounts of the City of Edgewater, Florida's PWs from Hurricane Irma had been approved by FEMA, thus none are recognized on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2018. As a result, there are approximately \$670,000 of expenditures spanning across fiscal years 2017 and 2018 for which no related revenues have been recorded for financial statement purposes and have not been included on the Schedule of Expenditures of Federal Awards; these expenditures will be recognized on the Schedule of Expenditures of Federal Awards in future years once approved by FEMA.

City of Edgewater, Florida
 Schedule of Findings and Questioned Costs
 September 30, 2018

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major Federal programs:

CFDA Number	Program Name
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low-risk auditee? yes no

II. Financial Statement Findings:

No financial statement findings were noted.

III. Federal Programs Findings and Questioned Costs:

No findings and questioned costs were noted.

IV. Summary Schedule of Prior Audit Findings:

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

City of Edgewater, Florida
Schedule of Findings and Questioned Costs
September 30, 2018

V. Corrective Action Plan:

Not applicable since no findings were reported.

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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Edgewater, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

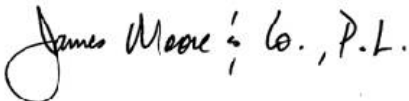
Report on Internal Control over Compliance

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

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

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

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



Daytona Beach, Florida
March 8, 2019

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Edgewater, Florida, (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 8, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

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 determination of financial statement amounts. 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.

James Moore & Co., P.L.

Daytona Beach, Florida
March 8, 2019

**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, 2018, and have issued our report thereon dated March 8, 2019.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 8, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

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

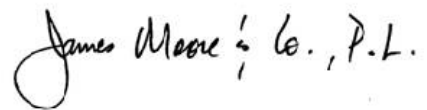
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Daytona Beach, Florida
March 8, 2019

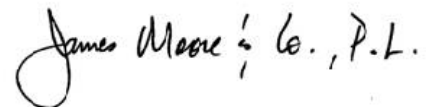
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2018. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2018, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Edgewater, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.



Daytona Beach, Florida
March 8, 2019



AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Edgewater, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of impact fee collections and expenditures.

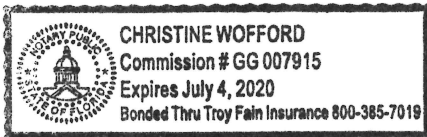
Glenn A. Irby
Interim City Manager

Bridgette A. King
Finance Director

**STATE OF FLORIDA
COUNTY OF VOLUSIA**

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Glenn A. Irby and Bridgette A. King, whom I know personally and whom executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 8th day of March 2018.



(Seal/Stamp)
(Commission Expiration Date)

Notary Public
State of Florida at Large