

City of Bushnell, Florida

Comprehensive Annual Financial Report



Fiscal Year Ended: September 30, 2017

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**CITY OF BUSHNELL, FLORIDA
Prepared by: Jody Young
Office of the Finance Director**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
CITY OF BUSHNELL, FLORIDA**

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
CITY OF BUSHNELL, FLORIDA**

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INTRODUCTORY SECTION



Government Finance Officers Association

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

Presented to

**City of Bushnell
Florida**

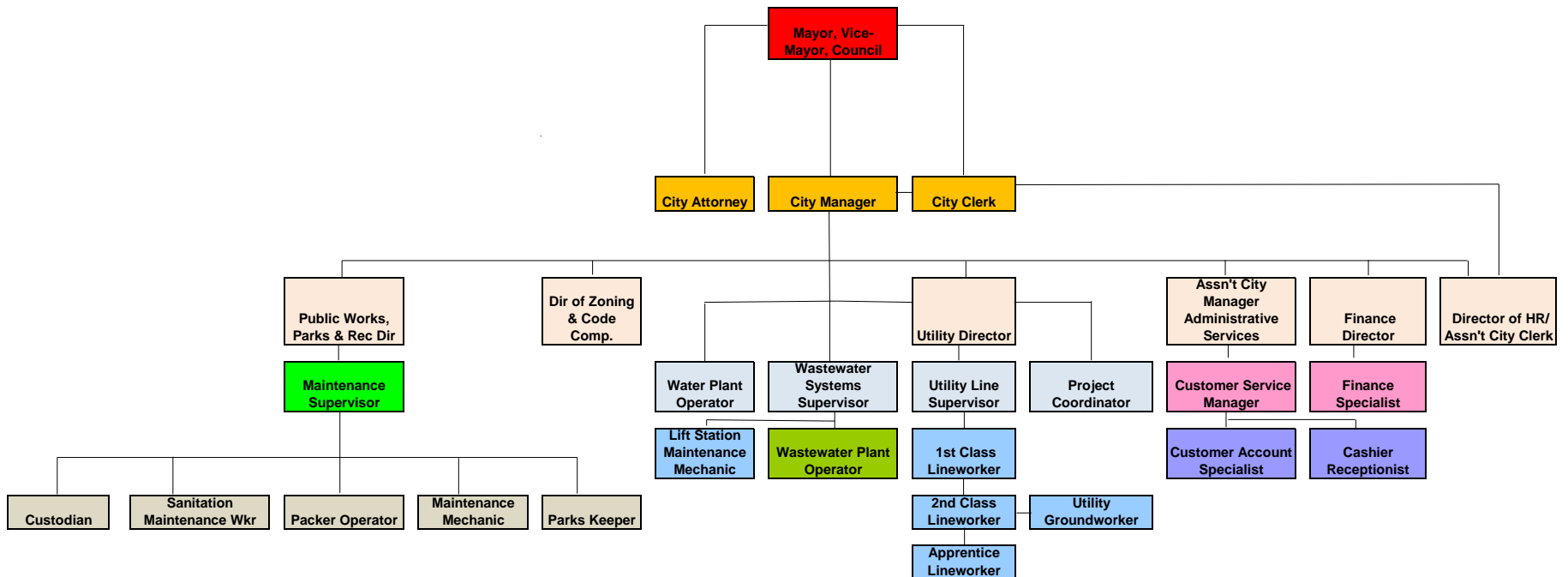
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

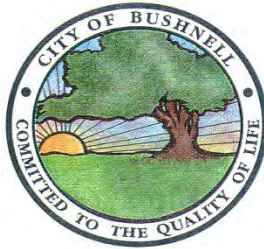
September 30, 2016

Christopher P. Morill

Executive Director/CEO

City of Bushnell, Florida Organizational Chart





CITY OF BUSHNELL, FL
117 E. Joe P Strickland Jr. Avenue, P.O. Box 115
Bushnell, FL 33513
Phone: 352-793-2591 Fax: 352-793-2711

March 20, 2018

TO THE CITIZENS OF THE CITY OF BUSHNELL:

The Comprehensive Annual Financial Report of the City of Bushnell for the fiscal year ended September 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. To provide a reasonable basis for making these representations, management of the City of Bushnell has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bushnell's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bushnell's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Additionally, the Management's Discussion and Analysis section that follows will provide highlights and review the financial performance during the reporting period.

BACKGROUND INFORMATION

The City is a political subdivision of the State of Florida located in Sumter County. The City was established under the legal authority of the Laws of Florida, Chapter 57-105. The City operates under a council-manager form of government. The legislative branch of the City is composed of a four-member elected City Council, and an elected Mayor.

REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the City. The City of Bushnell provides a full range of general governmental services and activities. These services include code enforcement; administrative and financial services; planning, zoning and development review; maintenance of highways, streets, and drainage; recreation and special events. Police, fire, and library services are provided by either agreement or contract with the Sumter County Board of County Commissioners. In addition to general government activities, the governing body also operates an Electric, Water, Wastewater, and Sanitation utility operation.

LOCAL ECONOMY

The City of Bushnell is the County Seat of Sumter County. It also contains, within its boundaries, Bushnell Elementary and South Sumter High School. The County Courthouse, as well as the schools, brings a diverse group of consumers into the Bushnell area. While Bushnell's municipal limits are 10.5 square miles, our consumer service area is much greater.

The City of Bushnell is one of the smallest Electric utility providers in the State of Florida. The City also provides Water; Wastewater and Sanitation services to consumers within the municipal limits as well as select areas outside our municipal boundaries. The Wastewater Utility continues to encourage commercial growth, which has created employment opportunities within the area.

Major industries located within the government's boundaries include manufacturers of air conditioning vents and metal components; go cart-racing motors; and storage buildings. The City also permits a Class 2 landfill within the city limits.

Due to its central location within the state, Bushnell has access to all major cities via Interstate 75, Highway 301, and the Florida Turnpike, thus, making it easy to commute to Tampa, Orlando, Ocala, and Gainesville.

CURRENT YEAR PROJECTS

During the Fiscal Year 2017, the City of Bushnell completed several projects to help improve on the services provided to our citizens. The following highlights these projects.

Road Improvements

The following road improvements were completed in Fiscal Year 2017:

- Paving of Belt Ave. from Main Street to US301.
- Various intersection and sidewalk improvements.

Parks and Recreation

The following park improvements were completed in Fiscal Year 2017:

- Kenny Dixon Park: addition of a new playground and a new pickleball court; and renovation of playgrounds, picnic facilities, soccer field, volleyball court and park restrooms.
- Downtown Plaza Park: addition of picnic tables; various sculptures; and planters for flowers.

Community Events

As in past years, the City continues to hold the annual Bushnell Fall Festival. This event has been put on by the City for the past 32 years to celebrate the birthday of the City of Bushnell. The City also participated in the Dade Park Halloween Event, and hosted the "Haunted Funeral Parlor" at the event. The City continued the tradition of the Santa in the Park event, welcoming Santa and his elves to Bushnell to meet local children. Many of the City's local businesses partnered with the City to create a truly magical event filled with food, games, and fun. The City began to partner with local musicians to provide "Music in the Park" on many Saturdays throughout the year. The City continued to partner with Mid-Florida Senior Services in providing an activities program for seniors using the City's Community Center.

MAJOR INITIATIVES/FUTURE PROJECTS

Road Improvements

The city is scheduled to make the following road improvements in Fiscal Year 2018:

- Paving of Battlefield Parkway from SR 48 to CR 476.

Parks and Recreation

The following park improvements are scheduled for Fiscal Year 2018:

- Bushnell Downtown Park: Addition of trees and landscaping; and umbrellas for picnic tables.

Utility Projects

The following Water utility project is scheduled to be completed in Fiscal Year 2018:

- Modification of Sumterville Water Plant adding aeration and surface storage.

The following Electric utility project is scheduled to begin in Fiscal Year 2018:

- Commencement of the Bushnell/SECO Electric Integration Project, whereby the City of Bushnell will be taking over the service territory of approximately 560 customers currently being served by SECO Electric. The project timeline will be approximately 12-18 months, and will be completed in Fiscal Year 2019.

OTHER INFORMATION

Independent Audit:

State statutes require an annual audit by independent certified public accountants. The accounting firm of Purvis, Gray, and Company, LLP was selected by the City of Bushnell to complete this year's audit. The auditors' report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of the report.

Awards:

Safety Award: The City has received numerous electric safety awards. The first safety award was presented to the City by the Florida Municipal Electric Agency to the Utility Department for recognition of a perfect safety record without reports of accidents. The City has received this award for 26 years.

Tree City USA: The Tree City USA award was first presented to the City in 1994. The City has continued to receive this award to the present. This award requires an annual Arbor Day Celebration, the planting of trees, and the implementation of a tree preservation policy as well as an annual application documenting levels of expenditure for maintenance of the program.

Certificate of Excellence in Financial Reporting: 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 Bushnell for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the sixteenth consecutive year the government 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 for another certificate.

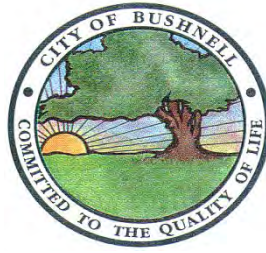
Acknowledgments:

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Administrative Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We should also like to thank the Mayor and the Council Members for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Jody Young

Jody Young,
Finance Director



CITY OF BUSHNELL, FL
117 E. Joe P. Strickland Avenue, P.O. Box 115
Bushnell, FL 33513
Phone: 352-793-2591 Fax: 352-793-2711

City of Bushnell

ELECTED OFFICIALS

Mayor	William Spaude
Vice Mayor	Bill Durham
Councilman	Joseph P. Strickland, Jr.
Councilman	Dale Swain
Councilman	Karen Davis
City Clerk	Christina Dixon

APPOINTED OFFICIALS

City Manager	Bruce Hickle (Deceased)
Public Works Director	Mike Eastburn
City Attorney	Felix Adams

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Pension and Other Postemployment Benefits information and schedules, 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The introductory and statistical sections 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 a report dated March 20, 2018, on our consideration of the City's internal control over financial reporting and 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 the 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.

Purvis, Gray and Company, LLP

March 20, 2018
Ocala, Florida

Management's Discussion and Analysis

As management of the City of Bushnell, we offer readers of Bushnell's financial statement this narrative overview and analysis of September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of the City of Bushnell exceeded its liabilities at the close of the most recent fiscal year by \$23,359,764. Of this amount, \$2,644,014 may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City of Bushnell's governmental funds reported combined ending fund balances of \$1,852,966, an increase of \$195,848 in comparison with the prior year.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the City of Bushnell basic financial statements. The City of Bushnell's basic financial statement comprises three components: 1) governmental-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statement themselves.

1.) Government-wide financial statements

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

The statement of net position presents information on all of the City of Bushnell'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 of Bushnell is improving or deteriorating.

The statement of activities presents information in 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 a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 10-12.

2.) 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 Bushnell, 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 Bushnell can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis *(Continued)*

Overview of the Financial Statements *(Continued)*

2.) Fund financial statements *(Concluded)*

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 Bushnell maintains two 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 and special revenue funds.

The City of Bushnell adopts an annual appropriated budget for its general and special revenue fund. The budgetary comparison statements have been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-21.

Proprietary funds: Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bushnell uses enterprise funds to account for its electric distribution operation, water services, wastewater services, and sanitation services.

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 the electric, water, wastewater, and sanitation services, of which all are considered to be major funds of the City of Bushnell.

The basic proprietary fund financial statements can be found on pages 22-26.

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 statement because the resources of those funds are not available to support the City of Bushnell's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Management's Discussion and Analysis *(Continued)*

Overview of the Financial Statements (Concluded)

3.) Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-63 of this report.

4.) Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bushnell's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 64-69 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 Bushnell, assets exceeded liabilities by \$23,359,764 at the close of the most recent fiscal year.

By far the largest portion of the City of Bushnell's net position, 90% reflects its investment in capital assets (e.g., land, buildings, utility plant in service, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Bushnell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bushnell'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.

Management's Discussion and Analysis

(Continued)

CITY OF BUSHNELL'S NET POSITION

	Governmental		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 1,966,932	\$ 1,898,960	\$ 3,342,416	\$ 3,353,516	\$ 5,309,348	5,252,476
Capital Assets	9,257,134	9,229,900	17,760,699	17,370,016	27,017,833	26,599,916
Total Assets	11,224,066	11,128,860	21,103,115	20,723,532	32,327,181	31,852,392
Deferred Outflows	120,582	50,325	256,359	158,266	376,941	208,591
Long-term Liabilities Outstanding	2,537,778	2,603,489	5,762,181	5,875,546	8,299,959	8,479,035
Other Liabilities	113,966	227,905	674,487	546,641	788,453	774,546
Total Liabilities	2,651,744	2,831,394	6,436,668	6,422,187	9,088,412	9,253,581
Deferred Inflows	77,567	50,141	178,379	145,888	255,946	196,029
Net Position:						
Net Investment in Capital Assets	7,414,870	7,291,967	12,791,519	12,560,955	20,206,389	19,852,922
Restricted	430,564	433,160	78,797	175,567	509,361	608,727
Unrestricted	769,903	572,523	1,874,111	1,577,201	2,644,014	2,149,724
Total Net Position	\$ 8,615,337	\$ 8,297,650	\$ 14,744,427	\$ 14,313,723	\$ 23,359,764	22,611,373

CITY OF BUSHNELL'S CHANGES IN NET POSITION

	Governmental		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 730,166	\$ 525,053	\$ 5,463,538	\$ 5,319,330	\$ 6,193,704	\$ 5,844,383
Capital Grants and Contributions	139,777	164,518	79,374	0	219,151	164,518
Operating Grants and Contributions	711	0	2,042	4,510	2,753	4,510
General Revenues:						
Property Taxes	580,866	561,900	0	0	580,866	561,900
Other Taxes	967,553	954,403	0	0	967,553	954,403
Other Revenues	444,875	472,441	4,375	3,040	449,250	475,481
Total Revenues	2,863,948	2,678,315	5,549,329	5,326,880	8,413,277	8,005,195
Program Expenses:						
General Government	617,735	859,520	0	0	617,735	859,520
Public Safety	866,108	812,193	0	0	866,108	812,193
Physical Environment	22,404	21,948	0	0	22,404	21,948
Transportation	479,653	579,179	0	0	479,653	579,179
Culture and Recreation	425,202	431,025	0	0	425,202	431,025
Interest on Long-term Debt	90,515	98,012	0	0	90,515	98,012
Electric Utility	0	0	2,923,862	3,004,092	2,923,862	3,004,092
Water Utility	0	0	700,485	876,480	700,485	876,480
Sanitation	0	0	462,545	449,422	462,545	449,422
Wastewater Utility	0	0	1,081,733	1,086,919	1,081,733	1,086,919
Total Expenses	2,501,617	2,801,877	5,168,625	5,416,913	7,670,242	8,218,790
Excess (Deficiency) Before Transfers	362,331	(123,562)	380,704	(90,033)	743,035	(213,595)
Contribution to Other Governments	0	12,806	0	578,353	0	591,159
Gain (Loss) on Disposal/Impairment of Capital Assets	5,356	1,020	0	2,105	5,356	3,125
Transfers	(50,000)	(8,075)	50,000	8,075	0	0
Increase (Decrease) in Net Position	317,687	(117,811)	430,704	498,500	748,391	380,689
Net Position, Beginning	8,297,650	8,415,461	14,313,723	13,815,223	22,611,373	22,230,684
Net Position, Ending	\$ 8,615,337	\$ 8,297,650	\$ 14,744,427	\$ 14,313,723	\$ 23,359,764	\$ 22,611,373

Management's Discussion and Analysis *(Continued)*

Government-wide Financial Analysis (Concluded)

An additional portion of the City of Bushnell's net position 3% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,644,014 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 Bushnell is able to report positive balances in two categories of net position, both for the government as a whole, as well as for its governmental activities.

The government's net position increased by \$748,391 during the current fiscal year.

The increase in net position is partially attributed to the net improvement in revenues over expenses in both the electric and water utility funds.

Governmental activities: Both the general fund and the special revenue - cemetery fund are considered major governmental funds. Governmental activities increased the City of Bushnell's net position by \$317,687. This increase is attributed to the following:

- Decrease in transfers out to proprietary funds.
- Decrease in capital paving projects throughout the current fiscal year, as well as a decrease in park improvement projects not covered by grant funding.

Business-type activities: The City considered all four of the business-type activities - electric, water, wastewater, and sanitation major funds. Business-type activities increased the City of Bushnell's net position by \$430,704. The key element of this increase was the water utility fund. This utility increased in net position this year due to the increase of water sales, as well as a decrease in salaries and benefits, directly related to the reallocation of executive salaries in water to executive salaries in the governmental fund.

Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the City of Bushnell'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 Bushnell's financing requirements. In particular, unreserved 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 Bushnell's governmental funds reported combined ending fund balances of \$1,852,966, an increase of \$195,848 in comparison with the prior year. A quarter of the fund balance is restricted for perpetual care for the cemetery. Approximately 30% is assigned for the Community Trust Fund related to the landfill revenues. The remaining 45% is considered unassigned and available to meet the City's obligations.

Management's Discussion and Analysis *(Continued)*

Financial Analysis of the Government's Funds (Concluded)

Governmental funds: (Concluded)

The general fund is the chief operating fund of the City of Bushnell. At the end of the current fiscal year, fund balance of the general fund reached \$1,422,402. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures.

The fund balance of the City of Bushnell's general fund decreased by (\$198,444) during the current fiscal year. Key factors in this decrease are as follow:

- Several major road paving projects completed in this fiscal year.
- Improvements to Dr. Martin Luther King, Jr. Park that were not covered by a grant from the Florida Department of Environmental Protection.

Proprietary funds: The City of Bushnell'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 Electric, Water, Wastewater, and Sanitation funds at the end of the year amount to \$1,874,111. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Bushnell's business-type activities.

Governmental Funds Budgetary Information

Capital Assets: The City of Bushnell's investment in capital assets for its governmental and business type activities as of September 30, 2017, amount to \$27,017,833 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Capital asset events during the current fiscal year included the following:

- The paving project for Belt Ave.
- The purchase of a bucket truck.
- The costs related to territorial negotiations.

Capital Asset and Debt Administration

Additional information on capital assets can be located on page 41, within the notes to the financial statement.

Long-term debt: The City of Bushnell's total debt decreased by a net (\$179,076) during the current fiscal year. The key factor of this was realized in the business-type activities due to the refinancing and payoff of two large bond issuances that were held with the United States Department of Agriculture (USDA) in FY2016-2017, as well as principal payments made throughout the year. Additional information on long-term debt can be located on page 42, within the notes of the financial statements.

Management's Discussion and Analysis (Concluded)

Economic Factors and Next Year's Budgets and Rates

Economic Factors: Bushnell is the County Seat of Sumter County, reported by the University of Florida, Bureau of Economic and Business research as "The second fastest growing County in 2009". Situated just 50 miles north of Tampa and 50 miles west of Orlando, Bushnell is strategically located between Interstate 75 and the Florida Turnpike. Our location provides easy transportation access to both of these metropolitan areas.

Easily accessible from many areas and being the County Seat in transitioning Sumter County makes Bushnell's market area much larger than its corporate limits. Independent market studies suggest that the population within the market area affected by the City of Bushnell could exceed 70,000 people. In addition to this significant number, traffic studies conducted by the Sumter County Road and Bridge Department indicate average daily traffic counts of 20,000 cars on West Belt Avenue. These statistics are mentioned only to illustrate the much larger market and social forces affecting this small community on a daily basis. Within the utility service area, which comprises mostly the incorporated city limits and some small areas in the unincorporated Sumter County, the City of Bushnell services a total 1,449 of metered customers, of which 457 are commercial customers. Bushnell exhibits steady growth in its commercial sector. The SR 48 and I-75 interchange still has a number of commercial undeveloped parcels of varying size; these parcels have available utility services to them making them attractive for further commercial development.

Next Fiscal Year Budget and Rates: For fiscal year 2017-2018 the Council of the City of Bushnell adopted the roll back rate. Council is considering using revenues from the tipping fees provided by the Heart of Florida Landfill operations to defray the need for rate increases in the water and wastewater utilities. The City intends to continue to monitor all the revenue streams to ensure sufficiency in meeting expenditures and for establishment and funding of capital reserve accounts.

Requests for Information

This financial report is designed to provide a general overview of the City of Bushnell's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P. O. Box 115, Bushnell, Florida 33513.

BASIC FINANCIAL STATEMENTS

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and Cash Equivalents - Unrestricted	\$ 1,635,119	\$ 1,688,446	\$ 3,323,565
Cash and Cash Equivalents - Restricted	0	341,680	341,680
Cash with Fiscal Agent	0	226,844	226,844
Accounts Receivables, Net	225,557	720,508	946,065
Due from Other Governments	106,256	0	106,256
Inventory	0	355,865	355,865
Prepays	0	9,073	9,073
Capital Assets Not Being Depreciated:			
Land	1,141,034	708,188	1,849,222
Construction in Process	21,362	702,266	723,628
Capital Assets - Depreciated, Net	8,094,738	16,350,245	24,444,983
Total Assets	11,224,066	21,103,115	32,327,181
Deferred Outflow			
Deferred Outflows - REPP	88,117	161,224	249,341
Deferred Outflows - FRS PP	28,758	84,273	113,031
Deferred Outflows - FRS HIS	3,707	10,862	14,569
Total Deferred Outflows of Resources	120,582	256,359	376,941
Liabilities			
Accounts Payable	66,955	284,576	351,531
Accrued Liabilities	29,171	59,748	88,919
Accrued Interest Payable	0	51,923	51,923
Power Cost Adjustment Liability	0	15,357	15,357
Deposits	17,840	262,883	280,723
Noncurrent Liabilities:			
Due Within One Year	143,601	345,701	489,302
Due in More Than One Year	2,394,177	5,416,480	7,810,657
Total Liabilities	2,651,744	6,436,668	9,088,412
Deferred Inflow			
Deferred Inflows - REPP	41,673	73,195	114,868
Deferred Inflows - FRS PP	26,501	77,660	104,161
Deferred Inflows - FRS HIS	9,393	27,524	36,917
Total Deferred Inflows of Resources	77,567	178,379	255,946
Net Position			
Net Investment in Capital Assets	7,414,870	12,791,519	20,206,389
Restricted for:			
Perpetual Care	430,564	0	430,564
Debt Service	0	78,797	78,797
Unrestricted	769,903	1,874,111	2,644,014
Total Net Position	\$ 8,615,337	\$ 14,744,427	\$ 23,359,764

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 617,735	\$ 639,199	\$ 711	\$ 139,777
Public Safety	866,108	35,783	0	0
Physical Environment	22,404	9,387	0	0
Transportation	479,653	0	0	0
Culture and Recreation	425,202	45,797	0	0
Interest on Long-term Debt	90,515	0	0	0
Total Governmental Activities	<u>2,501,617</u>	<u>730,166</u>	<u>711</u>	<u>139,777</u>
Business-type Activities				
Electric Utility	2,923,862	3,166,300	1,431	0
Water Utility	700,485	816,780	146	79,374
Sanitation	462,545	587,253	254	0
Wastewater Utility	1,081,733	893,205	211	0
Total Business-type Activities	<u>5,168,625</u>	<u>5,463,538</u>	<u>2,042</u>	<u>79,374</u>
Total Business-type and Governmental Activities	<u>\$ 7,670,242</u>	<u>\$ 6,193,704</u>	<u>\$ 2,753</u>	<u>\$ 219,151</u>
General Revenues				
Property Taxes				
Franchise Taxes				
Public Service Taxes				
Other Taxes				
State-shared Revenues				
Investment Income				
Miscellaneous				
Gain on Disposition of Capital Assets				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position, Beginning of Year				
Net Position, End of Year				

See accompanying notes.

Net (Expense) Revenue and Change in Net Assets

Primary Government

Governmental Activities	Business-type Activities	Total
\$ 161,952.00	\$ 0	\$ 161,952
(830,325)	0	(830,325)
(13,017)	0	(13,017)
(479,653)	0	(479,653)
(379,405)	0	(379,405)
(90,515)	0	(90,515)
<u>(1,630,963)</u>	<u>0</u>	<u>(1,630,963)</u>
0	243,869	243,869
0	195,815	195,815
0	124,962	124,962
0	(188,317)	(188,317)
<u>0</u>	<u>376,329</u>	<u>376,329</u>
<u>(1,630,963)</u>	<u>376,329</u>	<u>(1,254,634)</u>
580,866	0	580,866
354,499	0	354,499
296,447	0	296,447
316,607	0	316,607
396,224	0	396,224
8	4,375	4,383
48,643	0	48,643
5,356	0	5,356
<u>1,998,650</u>	<u>4,375</u>	<u>2,003,025</u>
<u>(50,000)</u>	<u>50,000</u>	<u>0</u>
317,687	430,704	748,391
<u>8,297,650</u>	<u>14,313,723</u>	<u>22,611,373</u>
<u>\$ 8,615,337</u>	<u>\$ 14,744,427</u>	<u>\$ 23,359,764</u>

See accompanying notes.

**CITY OF BUSHNELL, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	Major Funds		
	General Fund	Cemetery Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 1,192,797	\$ 442,322	\$ 1,635,119
Accounts Receivable	225,557	0	225,557
Due from Other Governments	106,256	0	106,256
Total Assets	<u>1,524,610</u>	<u>442,322</u>	<u>1,966,932</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	65,997	958	66,955
Other Accrued Liabilities	29,171	0	29,171
Deposits	7,040	10,800	17,840
Total Liabilities	<u>102,208</u>	<u>11,758</u>	<u>113,966</u>
Fund Balances			
Restricted	0	430,564	430,564
Assigned - Community Trust Fund	513,432	0	513,432
Unassigned	908,970	0	908,970
Total Fund Balances	<u>1,422,402</u>	<u>430,564</u>	<u>1,852,966</u>
Total Liabilities and Fund Balances	<u>\$ 1,524,610</u>	<u>\$ 442,322</u>	<u>\$ 1,966,932</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

Total Fund Balances of Governmental Funds	\$ 1,852,966
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**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. The cost of the assets is \$12,583,705 and the accumulated depreciation is \$3,326,571.

9,257,134

Deferred Inflow of Resources:

Pension Related

(77,567)

Deferred Outflow of Resources:

Pension Related

120,582

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Notes Payable and Certificates of Obligation

(1,821,840)

Compensated Absences

(75,090)

OPEB Obligation

(499,742)

Net Pension Liability

(120,681)

Installment Contract Payable

(20,425)

Total Net Position of Governmental Activities	\$ 8,615,337
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8,615,337

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
SEPTEMBER 30, 2017

	Major Funds		
	General Fund	Cemetery Fund	Total Governmental Funds
Revenues			
Taxes:			
Property	\$ 580,866	\$ 0	\$ 580,866
Sales	297,488	0	297,488
Fuel	19,119	0	19,119
Franchise	650,947	0	650,947
Licenses and Permits	78,108	0	78,108
Intergovernmental Revenues	536,713	0	536,713
Charges for Service	47,069	8,115	55,184
Fines and Forfeitures	35,783	0	35,783
Landfill Surcharge	561,091	0	561,091
Proceeds from Sale of Capital Assets	5,356	0	5,356
Miscellaneous Revenues	42,291	6,358	48,649
Total Revenues	<u>2,854,831</u>	<u>14,473</u>	<u>2,869,304</u>
Expenditures			
Current:			
General Government	578,991	0	578,991
Public Safety	837,311	0	837,311
Physical Environment	0	17,069	17,069
Transportation	321,401	0	321,401
Culture and Recreation	329,576	0	329,576
Capital Outlay	351,097	0	351,097
Debt Service:			
Principal	116,093	0	116,093
Interest	92,343	0	92,343
(Total Expenditures)	<u>(2,626,812)</u>	<u>(17,069)</u>	<u>(2,643,881)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>228,019</u>	<u>(2,596)</u>	<u>225,423</u>
Other Financing Sources (Uses)			
Transfers in	50,000	0	50,000
Transfers (out)	(100,000)	0	(100,000)
Installment Contract Purchase	20,425	0	20,425
Total Other Financing Sources (Uses)	<u>(29,575)</u>	<u>0</u>	<u>(29,575)</u>
Net Change in Fund Balances	198,444	(2,596)	195,848
Fund Balance, Beginning	<u>1,223,958</u>	<u>433,160</u>	<u>1,657,118</u>
Fund Balance, Ending	<u>\$ 1,422,402</u>	<u>\$ 430,564</u>	<u>\$ 1,852,966</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 195,848
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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is the amount by which depreciation expense of (\$323,863) and the net amount of transfers/disposal (\$120,079) and capital purchases of \$471,176.	27,234
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.
The following principal repayments of long-term debt occurred during the year:

Principal Repayments:	
Notes Payable, Revenue Bonds, and Capital Leases.	116,093
Interest Payable	1,828

Change in deferred inflows and outflows of resources:	
Pension Related	42,831

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Installment Contract	(20,425)
Compensated Absences	(6,940)
OPEB Obligation	(64,557)
Net Pension Liability	25,775

Change in Net Position of Governmental Activities	\$ 317,687
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See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Ad Valorem	\$ 562,906	\$ 562,906	\$ 580,866	\$ 17,960
Local Government Infrastructure Surtax	297,829	297,829	297,488	(341)
Local Option Gas Tax	19,802	19,802	19,119	(683)
Franchise Tax:				
Electric	153,497	153,497	155,209	1,712
Utility Tax:				
Communication	107,295	107,295	94,181	(13,114)
Gas	36,889	36,889	39,705	2,816
Electric	165,131	165,131	162,561	(2,570)
City Utility Tax	193,305	193,305	199,290	5,985
Total Taxes	<u>1,536,654</u>	<u>1,536,654</u>	<u>1,548,419</u>	<u>11,765</u>
Licenses and Permits				
City Building Permits	46,890	64,292	64,361	69
City Occupational License	10,521	10,521	13,747	3,226
Total Licenses and Permits	<u>57,411</u>	<u>74,813</u>	<u>78,108</u>	<u>3,295</u>
Intergovernmental Revenue				
FRAP Grant Proceeds	50,000	50,000	50,000	0
CRA Grant	0	25,000	25,000	0
DOT Highway Lighting and Maintenance	15,679	15,679	15,861	182
MPO Grant Proceeds	64,777	64,777	64,777	0
Safety Grant Proceeds	2,500	2,500	711	(1,789)
State Revenue Sharing	88,109	88,109	88,447	338
Alcohol Beverage License Distribution	2,328	2,328	2,279	(49)
Mobile Home Licenses	6,732	6,732	8,423	1,691
Sumter County Gas Tax	108,087	108,087	107,681	(406)
Half-cent Sales Tax	159,643	159,643	173,534	13,891
Total Intergovernmental Revenue	<u>497,855</u>	<u>522,855</u>	<u>536,713</u>	<u>13,858</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues (Concluded)				
Charges for Services				
League Fees	\$ 8,620	\$ 8,620	\$ 7,980	\$ (640)
Fall Festival	24,287	24,287	18,702	(5,585)
Summer Youth Program	27,655	27,685	18,925	(8,760)
Miscellaneous Revenue	700	700	1,462	762
Total Charges for Services	<u>61,262</u>	<u>61,292</u>	<u>47,069</u>	<u>(14,223)</u>
Fines and Forfeitures				
Fines and Forfeitures	17,205	17,205	33,683	16,478
Police Education	1,317	1,317	2,100	783
Total Fines and Forfeitures	<u>18,522</u>	<u>18,522</u>	<u>35,783</u>	<u>17,261</u>
Miscellaneous Revenue				
Rent - Community Building	4,000	4,000	7,655	3,655
Rent - Tower Space	30,902	30,902	32,010	1,108
Landfill Surcharge	355,000	561,091	561,091	0
Insurance Proceeds	0	1,546	0	(1,546)
Proceeds from Sale of Capital Asset	0	5,356	5,356	0
Miscellaneous	3,692	3,661	2,627	(1,034)
Total Miscellaneous Revenue	<u>393,594</u>	<u>606,556</u>	<u>608,739</u>	<u>2,183</u>
Total Revenues	<u>2,565,298</u>	<u>2,820,692</u>	<u>2,854,831</u>	<u>34,139</u>
Expenditures				
General Government				
Legislative:				
Personal Services	18,141	18,141	18,516	(375)
Operating Expenses	6,088	6,088	5,211	877
Aid to Private Organization	11,200	11,200	8,820	2,380
Total Legislative	<u>35,429</u>	<u>35,429</u>	<u>32,547</u>	<u>2,882</u>
Finance and Administrative:				
Personal Services	390,989	390,989	398,530	(7,541)
Operating Expenses	137,636	137,636	123,784	13,852
Capital Outlay	9,204	9,204	27,233	(18,029)
Total Finance and Administrative	<u>537,829</u>	<u>537,829</u>	<u>549,547</u>	<u>(11,718)</u>
Legal Counsel:				
Operating Expenses	24,129	24,129	24,129	0
Total General Government	<u>597,387</u>	<u>597,387</u>	<u>606,223</u>	<u>(8,836)</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(Continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued)				
Public Safety				
Law Enforcement:				
Personal Services	\$ 4,187	\$ 4,187	\$ 3,079	\$ 1,108
Operating Expenses	659,788	659,788	659,784	4
Total Law Enforcement	663,975	663,975	662,863	1,112
Code Compliance Department:				
Personal Services	90,351	90,351	88,598	1,753
Operating Expenses	53,954	71,036	85,851	(14,815)
Capital Outlay	16,000	16,000	3,065	12,935
Total Code Compliance Department	160,305	177,387	177,514	(127)
Total Public Safety	824,280	841,362	840,377	985
Transportation				
Roads and Streets:				
Personal Services	233,238	233,238	201,069	32,169
Operating Expenses	138,219	138,219	120,332	17,887
Capital Outlay	300,054	228,937	215,205	13,732
Total Transportation	671,511	600,394	536,606	63,788
Culture and Recreation				
Libraries:				
Operating Expenses	5,300	5,300	4,819	481
Total Libraries	5,300	5,300	4,819	481
Parks and Recreation:				
Personal Services	151,832	151,832	154,447	(2,615)
Operating Expenses	110,073	110,073	118,683	(8,610)
Capital Outlay	126,702	126,702	105,595	21,107
Total Parks and Recreation	388,607	388,607	378,725	9,882
Special Events:				
Operating Expenses	34,275	34,275	32,975	1,300
Summer Youth Program:				
Personal Services	4,898	4,898	3,367	1,531
Operating Expenses	14,800	14,800	15,284	(484)
Total Summer Youth Program	19,698	19,698	18,651	1,047
Total Culture and Recreation	447,880	447,880	435,170	12,710

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(Concluded)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Concluded)				
Debt Service				
Principal Retirement	\$ 116,093	\$ 116,093	\$ 116,093	\$ 0
Interest and Fiscal Charges	92,343	92,343	92,343	0
Total Debt Service	<u>208,436</u>	<u>208,436</u>	<u>208,436</u>	<u>0</u>
(Total Expenditures)	<u>(2,749,494)</u>	<u>(2,695,459)</u>	<u>(2,626,812)</u>	<u>68,647</u>
Excess of Revenue Over Expenditures	<u>(184,196)</u>	<u>125,233</u>	<u>228,019</u>	<u>102,786</u>
Other Financing Sources (Uses)				
Transfers in:				
Electric	175,000	0	0	0
Sanitation	50,000	50,000	50,000	0
Transfers (out)				
Electric	0	(100,000)	(100,000)	0
Installment Contract Purchase	0	0	20,425	(20,425)
Total Other Financing Sources (Uses)	<u>225,000</u>	<u>(50,000)</u>	<u>(29,575)</u>	<u>(20,425)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>40,804</u>	<u>75,233</u>	<u>198,444</u>	<u>123,211</u>
Fund Balance, Beginning of Year	<u>1,223,958</u>	<u>1,223,958</u>	<u>1,223,958</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$ 1,264,762</u></u>	<u><u>\$ 1,299,191</u></u>	<u><u>\$ 1,422,402</u></u>	<u><u>\$ 123,211</u></u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND - CEMETERY
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Contributions	\$ 4,000	\$ 4,000	\$ 3,600	\$ (400)
Sale of Cemetery Lots	6,450	6,450	5,270	(1,180)
Interest	4,000	4,000	5,603	1,603
Total Revenues	<u>14,450</u>	<u>14,450</u>	<u>14,473</u>	<u>23</u>
 (Expenditures - Physical Environment)	 <u>(18,082)</u>	 <u>(18,082)</u>	 <u>(17,069)</u>	 <u>1,013</u>
 (Deficiency) of Revenues (Under)				
Expenditures	(3,632)	(3,632)	(2,596)	1,036
 Fund Balance, Beginning of Year	 <u>433,160</u>	 <u>433,160</u>	 <u>433,160</u>	 <u>0</u>
 Fund Balance, End of Year	 <u><u>\$ 429,528</u></u>	 <u><u>\$ 429,528</u></u>	 <u><u>\$ 430,564</u></u>	 <u><u>\$ 1,036</u></u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities				
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 889,997	\$ 424,108	\$ 374,341	\$ 0	\$ 1,688,446
Cash with Fiscal Agent-Rate Stabilization	226,844	0	0	0	226,844
Restricted Cash	262,883	18,036	0	42,288	323,207
Receivables:					
Customers (Net of Allowance for Uncollectible Accounts)	491,082	93,037	62,443	73,946	720,508
Inventories, at Cost	263,247	42,093	0	50,525	355,865
Prepaid Items	9,073	0	0	0	9,073
Due from Other Funds for Cash Overdrafts	417,960	0	0	0	417,960
Total Current Assets	<u>2,561,086</u>	<u>577,274</u>	<u>436,784</u>	<u>166,759</u>	<u>3,741,903</u>
Noncurrent Assets					
Restricted Cash					
Debt Service - Reserves	0	18,473	0	0	18,473
Total Restricted Cash	<u>0</u>	<u>18,473</u>	<u>0</u>	<u>0</u>	<u>18,473</u>
Capital Assets					
Land	2,300	43,340	0	662,548	708,188
Construction in Process	641,206	61,060	0	0	702,266
Utility Plant in Service and Buildings	2,912,432	6,800,449	0	12,430,949	22,143,830
Machinery and Equipment (Accumulated Depreciation and Amortization)	890,905	1,333,045	1,079,855	311,343	3,615,148
	<u>(2,668,958)</u>	<u>(2,470,942)</u>	<u>(589,138)</u>	<u>(3,679,695)</u>	<u>(9,408,733)</u>
Total Capital Assets - Cost Less Depreciation	<u>1,777,885</u>	<u>5,766,952</u>	<u>490,717</u>	<u>9,725,145</u>	<u>17,760,699</u>
Other Assets					
Advances to Other Funds	885,100	377,948	0	0	1,263,048
Total Other Assets	<u>885,100</u>	<u>377,948</u>	<u>0</u>	<u>0</u>	<u>1,263,048</u>
Total Noncurrent Assets	<u>2,662,985</u>	<u>6,163,373</u>	<u>490,717</u>	<u>9,725,145</u>	<u>19,042,220</u>
Total Assets	<u>5,224,071</u>	<u>6,740,647</u>	<u>927,501</u>	<u>9,891,904</u>	<u>22,784,123</u>
Deferred Outflow of Resources					
Pension Related Deferred Outflow	112,464	94,159	17,245	32,491	256,359
Total Deferred Outflow of Resources	<u>112,464</u>	<u>94,159</u>	<u>17,245</u>	<u>32,491</u>	<u>256,359</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 5,336,535</u>	<u>\$ 6,834,806</u>	<u>\$ 944,746</u>	<u>\$ 9,924,395</u>	<u>\$ 23,040,482</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017
(Concluded)

	Business-type Activities				
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	Total
Liabilities and Net Assets					
Current Liabilities					
Accounts Payable	\$ 202,328	\$ 18,493	\$ 25,845	\$ 37,910	\$ 284,576
Accrued Expenses	35,757	9,329	3,171	11,491	59,748
Compensated Absences	13,709	7,869	3,704	6,841	32,123
Power Cost Adjustment Liability	15,357	0	0	0	15,357
Current Portion of Capital Leases, Revenues Bonds, and Notes Payable	51,798	75,167	45,358	141,255	313,578
Interest Payable	0	16,619	1,269	34,035	51,923
Due to Other Funds for Cash Overdrafts	0	0	0	417,960	417,960
Customer Deposits	262,883	0	0	0	262,883
Total Current Liabilities	<u>581,832</u>	<u>127,477</u>	<u>79,347</u>	<u>649,492</u>	<u>1,438,148</u>
Noncurrent Liabilities					
Revenue Bonds Payable	0	1,490,951	0	2,304,000	3,794,951
Notes Payable	0	0	0	592,794	592,794
Capital Lease Payable	161,728	8,636	63,574	8,635	242,573
Compensated Absences	54,837	31,480	14,815	27,359	128,491
OPEB Liability	132,479	52,432	62,776	80,412	328,099
Installment Contract Payable	17,504	1,946	3,890	1,944	25,284
Advances from Other Funds	0	20,100	0	1,242,948	1,263,048
Net Pension Liability	116,312	146,624	18,807	22,545	304,288
Total Noncurrent Liabilities	<u>482,860</u>	<u>1,752,169</u>	<u>163,862</u>	<u>4,280,637</u>	<u>6,679,528</u>
Total Liabilities	<u>1,064,692</u>	<u>1,879,646</u>	<u>243,209</u>	<u>4,930,129</u>	<u>8,117,676</u>
Deferred Inflow of Resources					
Pension Related Deferred Inflow	75,033	78,936	9,163	15,247	178,379
Total Deferred Inflow of Resources	<u>75,033</u>	<u>78,936</u>	<u>9,163</u>	<u>15,247</u>	<u>178,379</u>
Total Liabilities and Deferred Inflow of Resources	<u>1,139,725</u>	<u>1,958,582</u>	<u>252,372</u>	<u>4,945,376</u>	<u>8,296,055</u>
Net Position					
Net Investment in Capital Assets	1,546,855	4,190,252	377,895	6,676,517	12,791,519
Restricted for Debt Service	0	36,509	0	42,288	78,797
Unrestricted	2,649,955	649,463	314,479	(1,739,786)	1,874,111
Total Net Position	<u>\$ 4,196,810</u>	<u>\$ 4,876,224</u>	<u>\$ 692,374</u>	<u>\$ 4,979,019</u>	<u>\$ 14,744,427</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities				
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	Total
Operating Revenues					
Charges for Services	\$ 3,166,300	\$ 816,780	\$ 587,253	\$ 893,205	\$ 5,463,538
Operating Expenses					
Purchased Power	2,095,732	0	0	0	2,095,732
Salaries and Benefits	504,741	312,054	167,960	303,242	1,287,997
Other Costs of Sales and Services	208,414	161,649	214,116	315,321	899,500
Depreciation	114,975	161,305	75,302	334,853	686,435
(Total Operating Expenses)	(2,923,862)	(635,008)	(457,378)	(953,416)	(4,969,664)
Operating Income (Loss)	242,438	181,772	129,875	(60,211)	493,874
Nonoperating Revenues (Expenses)					
Safety Grant Proceeds	1,431	146	254	211	2,042
Investment Income	4,375	0	0	0	4,375
Debt Issuance Costs	0	(20,043)	0	(25,920)	(45,963)
Interest Expense	0	(45,434)	(5,167)	(102,397)	(152,998)
Total Nonoperating Revenues (Expenses)	5,806	(65,331)	(4,913)	(128,106)	(192,544)
Income (Loss) Before Capital Contributions and Transfers	248,244	116,441	124,962	(188,317)	301,330
Capital Contributions and Transfers					
Capital Contributions	37,830	27,444	0	14,100	79,374
Transfers in	100,000	0	0	0	100,000
Transfers (out)	0	0	(50,000)	0	(50,000)
Total Capital Contributions and Transfers	137,830	27,444	(50,000)	14,100	129,374
Change in Net Position	386,074	143,885	74,962	(174,217)	430,704
Net Position, Beginning of Year	3,810,736	4,732,339	617,412	5,153,236	14,313,723
Net Position, End of Year	\$ 4,196,810	\$ 4,876,224	\$ 692,374	\$ 4,979,019	\$ 14,744,427

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities				
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	Total
Cash Flows from Operating Activities					
Receipts from Customers	\$ 2,970,008	\$ 803,752	\$ 582,805	\$ 898,132	\$ 5,254,697
Payments to Employees for Services	(538,160)	(345,773)	(169,367)	(303,508)	(1,356,808)
Payments to Suppliers	(2,418,954)	(156,305)	(209,397)	(283,446)	(3,068,102)
Net Cash Provided by (Used in) Operating Activities	<u>12,894</u>	<u>301,674</u>	<u>204,041</u>	<u>311,178</u>	<u>829,787</u>
Cash Flows from Noncapital Financing Activities					
Due from/to Other Funds	297,261	0	0	(297,261)	0
Transfers from Other Funds	100,000	0	0	0	100,000
Transfers to Other Funds	0	0	(50,000)	0	(50,000)
Grant Proceeds	1,431	146	254	211	2,042
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>398,692</u>	<u>146</u>	<u>(49,746)</u>	<u>(297,050)</u>	<u>52,042</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and Construction of Capital Assets	(937,749)	(19,327)	(16,407)	(41,275)	(1,014,758)
Capital Contributions	37,830	3,010	0	14,100	54,940
Loan Proceeds	204,774	938,866	0	2,397,466	3,541,106
Debt Issuance Costs	0	(20,043)	0	(25,920)	(45,963)
Principal Paid on Capital Debt	0	(946,807)	(60,737)	(2,411,370)	(3,418,914)
Interest Paid on Capital Debt	0	(32,428)	(7,976)	(79,154)	(119,558)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(695,145)</u>	<u>(76,729)</u>	<u>(85,120)</u>	<u>(146,153)</u>	<u>(1,003,147)</u>
Cash Flows from Investing Activities					
Investment Income	4,375	0	0	0	4,375
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(279,184)</u>	<u>225,091</u>	<u>69,175</u>	<u>(132,025)</u>	<u>(116,943)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,658,908</u>	<u>235,526</u>	<u>305,166</u>	<u>174,313</u>	<u>2,373,913</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,379,724</u></u>	<u><u>\$ 460,617</u></u>	<u><u>\$ 374,341</u></u>	<u><u>\$ 42,288</u></u>	<u><u>\$ 2,256,970</u></u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2017
(Concluded)

	Business-type Activities				Total
	Electric Utility Fund	Water Utility Fund	Sanitation Fund	Wastewater Utility Fund	
<u>Shown in the Financial Statements as</u>					
Cash and Cash Equivalents	\$ 889,997	\$ 424,108	\$ 374,341	\$ 0	\$ 1,688,446
Cash with Fiscal Agent - Rate Stabilization	226,844	0	0	0	226,844
Restricted Cash - Debt Reserves	0	18,473	0	0	18,473
Restricted Cash	262,883	18,036	0	42,288	323,207
Total	<u>\$ 1,379,724</u>	<u>\$ 460,617</u>	<u>\$ 374,341</u>	<u>\$ 42,288</u>	<u>\$ 2,256,970</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>					
Operating Income (Loss)	\$ 242,438	\$ 181,772	\$ 129,875	\$ (60,211)	\$ 493,874
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	114,975	161,305	75,302	334,853	686,435
Changes in Assets Decrease (Increase) and Liabilities Increase (Decrease):					
Accounts Receivable, Net	(78,632)	(13,028)	(4,448)	4,927	(91,181)
Inventory	(17,416)	(3,413)	0	15,233	(5,596)
Customer Deposits	13,386	0	0	0	13,386
Accounts Payable	(88,319)	8,757	5,312	16,642	(57,608)
Accrued Expenses	18,584	(577)	(593)	2,771	20,185
Prepaid Items	(9,073)	0	0	0	(9,073)
Power Cost Adjustment	(131,046)	0	0	0	(131,046)
Compensated Absences	(12,883)	(23,098)	1,843	10,151	(23,987)
OPEB Liability	22,784	7,595	11,392	11,392	53,163
Net Pension Liability and Related Deferred Inflows and Outflows	(61,904)	(17,639)	(14,642)	(24,580)	(118,765)
Total Adjustments	<u>(229,544)</u>	<u>119,902</u>	<u>74,166</u>	<u>371,389</u>	<u>335,913</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 12,894</u>	<u>\$ 301,674</u>	<u>\$ 204,041</u>	<u>\$ 311,178</u>	<u>\$ 829,787</u>

See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2017

Assets

Cash and Cash Equivalents	\$ 77,281
Investments:	
Corporate and Foreign Bonds	324,373
U. S. Government Securities	518,395
Common Stock	2,057,176
Real Estate Investment Trusts	3,567
Total Cash, Cash Equivalents, and Investments	<u>2,980,792</u>
Accounts Receivable	<u>14,633</u>
Total Assets	<u><u>2,995,425</u></u>

Total Liabilities

0

Net Position

Net Position Restricted for Pensions	<u><u>\$ 2,995,425</u></u>
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See accompanying notes.

CITY OF BUSHNELL, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Additions

Contributions:	
Employer	\$ 164,024
Net Investment Income	334,016
Total Additions	<u>498,040</u>

Deductions

Benefits Paid to Plan Members	10,338
Administrative Expenses	36,536
Total Deductions	<u>(46,874)</u>

Change in Net Position	451,166
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Net Position Restricted for Pensions, Beginning of Year	<u>2,544,259</u>
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Net Position Restricted for Pensions, End of Year	<u><u>\$ 2,995,425</u></u>
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See accompanying notes.

NOTES TO FINANCIAL STATEMENTS CITY OF BUSHNELL, FLORIDA

Note 1 - Description of Funds and Summary of Significant Accounting Policies

The financial statements of the City of Bushnell, Florida (the City) have been prepared in conformity with generally accepted accounting principles (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. Significant City accounting policies are described below.

Reporting Entity

The City is a political subdivision of the State of Florida located in Sumter County. The City was established under the legal authority of the Laws of Florida, Chapter 57-105. The City operates under a council-manager form of government. The legislative branch of the City is composed of a four-member elected City Council, and an elected mayor. The Mayor and City Council are governed by the City Charter by state and local laws and regulations. The Mayor and City Council are responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager. The City provides services to its residents in many areas, including public safety (police), highways and streets, utilities, sanitation, culture and recreation, public improvements, and general administrative services.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's Governing Board and: (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Management has determined that there are no component units that the City is required to report on.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund 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 services. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Indirect expenses are allocated automatically and certain indirect costs are included in program expenses reported for individual function and activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Concluded)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements 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 revenue 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide activities.

Fund 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 government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City operates the following major governmental funds:

■ **Governmental Funds**

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements (Concluded)

■ **Governmental Funds (Concluded)**

- **Evergreen Cemetery Fund**—accounts for the proceeds from sales of cemetery lots and contributions to the City's cemetery fund, which is used to maintain the cemetery. This fund is reported as a special revenue fund. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

■ **Proprietary Funds**

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

The City reports the following major proprietary funds:

- The **Electric Utility Fund**—accounts for the fiscal activity of providing electric services to residential and commercial customers.
- The **Water Utility Fund**—accounts for the fiscal activity of providing water services to residential and commercial customers.
- The **Wastewater Fund**—accounts for the fiscal activity of providing wastewater services to residential and commercial customers.
- The **Sanitation Fund**—accounts for the operations and maintenance of the City's refuse collection system.

■ **Fiduciary Fund**

- **Pension Trust Fund**—accounts for the activities of the City's General Employees' Retirement fund, which accumulates resources for pension benefit payments for qualified retiring employees. It is excluded from the government-wide financial statements because it is fiduciary in nature and does not represent resources available to the government for operations. The financial statements are prepared on the accrual basis of accounting. Benefits and refunds of the postemployment defined benefit plan are recognized when due and payable in accordance with the terms of the plan. In addition administrative costs are financed through plan earnings.

Summary of Significant Accounting Policies

The City conforms to all significant accounting policies to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant principles and practices used in the preparation of these financial statements:

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Summary of Significant Accounting Policies (Concluded)

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to generally use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes, however, this decision is frequently made on a case-by-case basis based upon facts and circumstances. Revenues of the enterprise funds are recognized on the basis of services rendered. Billing cycles of the enterprise funds that overlap September 30, are prorated based upon meter reading dates.

Budgets and Budgetary Accounting

The City's procedures in preparing and adopting the annual budget, which is adopted on a basis consistent with generally accepted accounting principles, are as follows:

- The City Manager is responsible for preparing a proposed operating budget for all governmental funds and proprietary funds for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution.
- The City Manager is authorized to transfer budgeted amounts within any fund, but may not revise total fund expenditures without the approval of the City Council. The budget data presented is in agreement with the originally adopted budget as amended by the City Council.
- Formal budgetary integration is employed as a management control device during the year for substantially all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the provision for depreciation expense is not included in the budget of the proprietary funds. Total budgetary appropriations within a governmental fund type may not be exceeded legally. Appropriations lapse at the end of the year. Budget data, when presented in the basic financial statements is prepared on the same basis of accounting as that prescribed for the fund. An annual operating budget was prepared for all funds.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Concluded)

During the year, the City made supplemental budget appropriations, which increased or decreased the budgets as necessary.

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits with banks, savings accounts, money market funds, and certificates of deposits, as well as short-term investments with a maturity date within three months of the date acquired.

The City utilizes pooled cash and investment accounts in which each fund participates on a dollar equivalent basis (except the pension trust funds). Interest is distributed monthly based on average balances. The nature of the pooled accounts permits temporary negative cash balances upon overdrawing of cash available in individual funds, which is presented as interfund receivables and payables. The cash and investments of the pension trust funds are held separately from those of other City funds.

Transfers

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from the utility funds to finance operations of the general fund.

Capital Grants

Accounts receivable from other governments include amounts due from grantors. Program and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are deferred. Capital grants for capital asset additions to the proprietary funds are recorded as nonoperating revenues.

Investments

Investments, including pension funds, are stated at fair value. State Board of Administration (SBA) funds are stated at amortized cost.

Receivables

Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30 is estimated and accrued at year-end. The allowance for doubtful accounts is detailed in Note 12.

General Fund receivables represent amounts due from the federal, state, or local governments, State of Florida or Sumter County for shared revenues or costs. The amount is considered collectible in full within sixty days of fiscal year-end (therefore an allowance for doubtful accounts is not recorded).

Inventories and Prepaid Items

Inventories held by the utility funds are priced by the weighted-average costs method at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Cost Reimbursements

Certain personal services and operating expenses/expenditures recorded in various funds and departments are a result of services performed and expenses/expenditures incurred for the benefit of other funds and departments. In order to better reflect various funds and departments' actual costs, a cost reimbursement is recorded as a reduction in expenditures or expenses. The funds and departments that benefit from the services and expenses/expenditures record a cost reimbursement as an increase in expenditures or expenses.

Capital Assets

Capital assets, which include land, utility plant-in-service, buildings, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Utility plant-in-service and equipment with initial individual costs that equal or exceed \$300 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost if purchased or constructed. Infrastructure assets acquired prior to the implementation of GASB Statement No. 34 has not been recorded.

Capital asset purchases are recorded as capital outlay expenditures in the fund level governmental funds in the year of acquisition.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	32-50 Years
Improvements Other Than Buildings	10-50 Years
Machinery, Equipment, and Furniture	3-15 Years

Bond Discounts

Bond discounts for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line amortization method, which produces a result not significantly different from the interest method. Bond discounts are presented as a reduction of the face amount of bonds payable.

Compensated Absences

In the governmental fund financial statements there are no amounts of compensated absences associated with employee vacations and sick leave recorded. In the government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions. The general fund is used to liquidate the liability for compensated absences.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts paid during the year and accrued at year-end. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions and also recorded in the entity-wide statements.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Continued)

Compensated Absences (Concluded)

The policy for payment of sick leave is upon voluntary termination of the employee, 50% of the accumulated hours would be paid (75% for long-term employees with twenty or more years of full-time service) not to exceed 1,040 hours. The City accrues and records 100% of unpaid vacation pay and 50% or 75%, as applicable, of unpaid sick pay at the employee's current pay rate.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments are recorded as expenditures in order to reserve that portion of the applicable appropriation, is not employed by the City for budgetary purposes.

Unearned Revenues

Unearned revenues include amounts collected before the revenue recognition criteria are met and receivables which, under the modified accrual basis of accounting, are measurable but not yet available.

Water Line Extension Charges

Water line extension charges are made to customers to cover the full cost of the addition. Costs of the extension are reported as property and equipment and depreciation over the estimated useful life of the assets.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2017, was 4.5656%.

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

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

Taxes are assessed on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. 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% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or any lower rate bid by the buyer. An application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 1 - Description of Funds and Summary of Significant Accounting Policies (Concluded)

Property Taxes (Concluded)

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

The City does not accrue its portion of the County held tax sales certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

Fund Balance Reporting

GASB has promulgated Statement No. 54, entitled *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement is designed to do two things. First, it clarifies the definition of what activities are to be reported within different types of governmental funds (general fund, special revenue fund type, capital project fund type, debt service fund type, and permanent fund type). No changes were required by the City based on this standard clarification.

Second, it provides clearer fund balance definitions that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds as follows:

- *Non-spendable*—Resources that cannot be spent such as for inventories.
- *Restricted*—Balances that only can be spent for specific purposes imposed by external sources.
- *Committed*—Resources that can only be spent for purposes established by the highest decision making authority in the government—the City Council.
- *Assigned*—Amounts designated for specific purposes, but does not meet the criteria to be designated restricted or committed.
- *Unassigned*—The residual classification for all remaining funds not contained in other classifications for the general fund.

All *Restricted* fund balances relate to external debt service restrictions and perpetual care for the cemetery. The City Council is the highest decision making authority of the City, approves the establishment, increase, and reduction in *Committed* and *Assigned* fund balances by resolution. All other fund balances are *Unassigned*. *Restricted* and *Committed* fund balances are always used first for the purposes for which they are designated. Changes to this practice require prior City Council approval. The City Council, the governing body, has not provided authorization or a policy designating authority to changes of the above classifications to any other individual. A minimum fund balance amount has not been formally adopted.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Cash and Cash Equivalents and Investments

All cash deposits were held in qualified public depositories and were covered by federal depository insurance or by the *Florida Security for Public Deposits Act*, Chapter 280 of the Florida Statutes.

The amounts placed with the SBA Florida Prime TM, for participation in the Local Government Surplus Funds Trust Fund investment pool was created by Section 218.415, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The City's investments in the Florida Prime TM, a Securities and Exchange Commission investment pool, are reported at fair value which is amortized at cost. The fund issues separate financial reports and can be found at their website at www.sbafla.com/PRIME.

The City cash and cash equivalents, investments, and required disclosures for the year ended September 30, 2017, are as follows:

<u>Type</u>	<u>Fair Value</u>	<u>WAM</u>	<u>Level</u>	<u>Credit Ratings</u>
Cash and Cash Equivalents				
Cash Deposits	\$ 3,069,027	N/A	N/A	N/A
Petty Cash	1,050	N/A	N/A	N/A
Certificates of Deposit	414,245	4 Yrs	1	N/A
SBA*	407,767	51 days	N/A	AAAm
Money Market Funds-Pension	<u>77,281</u>	N/A	1	N/A
Total Cash and Cash Equivalents	<u>\$ 3,969,370</u>			
Investments				
Regular Employee Pension:				
Corporate/Foreign Bonds	\$ 324,373	2.85 Yrs	2	AA-/AA+/ BBB+/A1/A+
U.S. Treasury Notes/Bonds	443,735	3.93 Yrs	2	AAA
US Government Agency Bonds	74,660	4.02/.88 Yrs	2	AA+
Common Stock	2,057,176	N/A	1	N/A
Real Estate Investment Trust	<u>3,567</u>	N/A	1	N/A
Total Investments	<u>2,903,511</u>			
Total Cash and Cash Equivalents	<u>3,969,370</u>			
	<u>\$ 6,872,881</u>			
Reconciliation with the Statement of Net Position:				
Cash and Cash Equivalents - Unrestricted	\$ 3,323,565			
Cash and Cash Equivalents - Restricted	341,680			
Cash with Fiscal Agent	226,844			
Pension Cash and Investments	<u>2,980,792</u>			
Total	<u>\$ 6,872,881</u>			

*SBA is only the Florida Prime TM pool and is valued at amortized costs.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Cash and Cash Equivalents and Investments (Continued)

Fair Value Hierarchy

The City holds assets that are defined as short-term investments. The City's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1—Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The City holds investments in qualified external investment pools that measure all of its investment at amortized cost for financial reporting purposes. These investments are recorded at amortized cost. The following investment is recorded at amortized costs and is not subject to the fair value hierarchy:

- Florida Local Government Investment Pool (Florida Prime™)

The pool has no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates.

Disclosures per GASB Statement No. 79

GASB Statement No. 79 says that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes, all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Cash and Cash Equivalents and Investments (Continued)

Disclosures per GASB Statement No. 79 (Concluded)

contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2017, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Investments

The City established an investment policy on September 7, 2017, that follows the Florida Statute 218.415.

The investment policy for the General Employees’ Pension Fund was established in 2002, pursuant to the Florida Statutes requirements and has been amended.

Interest Rate Risk

The City’s pension plan investment policy does not address the risk that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The pension plan’s interest rate risks are measured using the weighted average maturity method (WAM). The WAM method expresses investment time horizons, the time when investments become due and payable-in years or months, weighted to reflect the dollar size of individual investments.

Custodial Credit Risk

The City’s pension plan’s policy requires securities be held with a third party custodian; and all securities purchased by, and all collateral obtained by the City shall be properly designated as an asset of the City.

Concentration of Credit Risk

The City’s pension plan policy states that except for Treasury and Agency Obligations, the debt portion of the investments shall contain no more than ten percent (10%) of a given issuer irrespective of the number of differing issues.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 2 - Cash and Cash Equivalents and Investments (Concluded)

Credit Risk

The City's pension plan policy states that all securities must hold a rating in one of the three highest classifications by a major rating service. All of the fixed income investments in the pensions' funds hold a rating of AAA by Standard & Poor's and Moody's. As of September 30, 2017, there were no investments that had greater than 5% concentration by any one issuer other than those explicitly guaranteed by the U.S. Government.

Foreign Currency Risk

The City's pension plan policy does not address applicability in investments in foreign currency. The pension plan does not have exposure to foreign currency risk.

Rate Stabilization

The rate stabilization fund was created pursuant to an agreement with the City's wholesale power provider, FMPA. These funds are held in trust by FMPA and can be utilized by the City to stabilize the City's bulk electric rates. As of September 30, 2017, the balance in this account was \$226,844.

Note 3 - Restricted Assets

Customer Deposit

Customer deposits have been restricted to indicate that the amount is not available for the financing of current utility operations.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,141,034	\$ 0	\$ 0	\$ 1,141,034
Construction in Progress	125,326	16,115	(120,079)	21,362
Total Capital Assets Not Being Depreciated	1,266,360	16,115	(120,079)	1,162,396
Capital Assets Being Depreciated:				
Buildings	4,021,573	0	0	4,021,573
Improvements Other Than Buildings	6,147,373	352,117	0	6,499,490
Equipment and Furniture	831,613	102,944	(34,311)	900,246
Total Capital Assets Being Depreciated	11,000,559	455,061	(34,311)	11,421,309
Less Accumulated Depreciation:				
Buildings	(893,697)	(79,205)	0	(972,902)
Improvements Other Than Buildings	(1,450,034)	(218,464)	0	(1,668,498)
Equipment and Furniture	(693,288)	(26,194)	34,311	(685,171)
Total Accumulated Depreciation	(3,037,019)	(323,863)	34,311	(3,326,571)
Total Capital Assets Being Depreciated, Net	7,963,540	131,198	0	8,094,738
Governmental Activities Capital Depreciated, Net	\$ 9,229,900	\$ 147,313	\$ (120,079)	\$ 9,257,134
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 708,188	\$ 0	\$ 0	\$ 708,188
Construction in Progress	36,625	665,641	0	702,266
Total Capital Assets Not Being Depreciated	744,813	665,641	0	1,410,454
Capital Assets Being Depreciated:				
Utility Plant in Service	21,628,638	112,881	(17,619)	21,723,900
Buildings	413,680	6,250	0	419,930
Machinery and Equipment	3,322,802	292,346	0	3,615,148
Total Capital Assets Being Depreciated	25,365,120	411,477	(17,619)	25,758,978
Less Accumulated Depreciation:				
Utility Plant in Service	(6,301,791)	(533,729)	17,619	(6,817,901)
Buildings	(268,220)	(10,589)	0	(278,809)
Machinery and Equipment	(2,169,906)	(142,117)	0	(2,312,023)
Total Accumulated Depreciation	(8,739,917)	(686,435)	17,619	(9,408,733)
Total Capital Assets Being Depreciated, Net	16,625,203	(274,958)	0	16,350,245
Total Business-type Activities Capital Assets, Net	\$ 17,370,016	\$ 390,683	\$ 0	\$ 17,760,699
Depreciation Expense -				
Governmental Activities				
General Government				\$ 53,715
Public Safety				200
Physical Environment				2,474
Transportation				165,792
Culture and Recreation				101,682
Total Depreciation Expense - Governmental Activities				\$ 323,863
Depreciation Expense -				
Business-type Activities				
Electric Utility				\$ 114,975
Water Utility				161,305
Wastewater Utility				334,853
Sanitation Utility				75,302
Total Depreciation Expense - Business-type Activities				\$ 686,435

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 5 - Long-term Liabilities

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes Payable and Certificates of Obligation:					
Note Payable - SunTrust Bank	\$ 1,937,933	\$ 0	\$ (116,093)	\$ 1,821,840	\$ 121,775
Other Liabilities:					
Installment Contract Payable	0	20,425	0	20,425	6,808
Net Pension Liability - REPP	82,895	0	(32,339)	50,556	0
Net Pension Liability - FRS	42,531	7,923	0	50,454	0
Net Pension Liability - HIS	21,030	0	(1,359)	19,671	0
Other Post Employment Benefits	435,185	64,557	0	499,742	0
Compensated Absences	68,150	53,363	(46,423)	75,090	15,018
Total Other Liabilities	649,791	146,268	(80,121)	715,938	21,826
Total Government Activities	\$ 2,587,724	\$ 146,268	\$ (196,214)	\$ 2,537,778	\$ 143,601
Business-type Activities					
Revenue Bond and Notes Payable:					
Water and Sewer Funds:					
Revenue Bonds, Series 2002	\$ 2,357,000	\$ 0	\$ (2,357,000)	\$ 0	\$ 0
Revenue Bonds, Series 2006	920,000	0	(920,000)	0	0
Wastewater - Hanson Plant SRF	702,616	0	(54,370)	648,246	55,452
State Revolving Loan, Drinking Water	172,266	0	(16,125)	156,141	17,024
State Revolving Loan, SR48 Widening	489,496	0	(10,722)	478,774	22,940
Revenue Refunding Bond, Series 2017	0	3,315,000	0	3,315,000	115,000
Total Revenue Bond and Notes Payable	4,641,378	3,315,000	(3,358,217)	4,598,161	210,416
Other Liabilities:					
Capital Lease Obligation	122,260	0	(28,756)	93,504	29,930
Capital Lease Obligation	45,463	0	(31,980)	13,483	13,483
Capital Lease Obligation	0	204,774	0	204,774	43,046
Capital Lease Obligation	0	21,332	0	21,332	4,061
Installment Contract Payable	0	37,926	0	37,926	12,642
Net Pension Liability - REPP	151,692	0	(52,904)	98,788	0
Net Pension Liability - FRS	137,682	10,171	0	147,853	0
Net Pension Liability - HIS	68,077	0	(10,430)	57,647	0
Other Post Employment Benefits	274,936	53,163	0	328,099	0
Compensated Absences	184,601	86,839	(110,826)	160,614	32,123
Total Other Liabilities	984,711	414,205	(234,896)	1,164,020	135,285
Total Business-type Activities	\$ 5,626,089	\$ 3,729,205	\$ (3,593,113)	\$ 5,762,181	\$ 345,701

The total amount of interest charged to expense in the business-type activities was \$152,998, and the governmental activities was \$92,343.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 5 - Long-term Liabilities (Continued)

The following is a schedule of long-term liabilities at September 30, 2017:

Governmental Activities

<u>Type</u>	<u>Purpose of Loan</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Note Payable	City Hall Construction	\$ 2,650,000	\$ 1,821,840	4.770%
Contract Payable	Software Purchase	20,425	20,425	0.00%

Business-type Activities

<u>Type</u>	<u>Purpose of Loan</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
Revenue Bond	Refunding Bond, Series 2017	3,315,000	3,315,000	2.850%
State Revolving Loan	Wastewater Plant (State Revolving Loan Fund)	1,100,779	648,246	2.170%
State Revolving Loan	Elevated Water Tank (State Revolving Loan Fund)	254,708	156,141	2.710%
State Revolving Loan	SR48 Widening (State Revolving Loan Fund)	489,496	478,774	3.10%
Capital Lease	Garbage Truck and Containers (Sanitation)	272,000	93,504	4.040%
Capital Lease	Grapple Truck for Sanitation	155,771	13,483	1.670%
Capital Lease	Bucket Truck	204,774	204,774	2.45%
Capital Lease	Truck	21,332	21,332	2.45%
Contract Payable	Software Purchase	37,926	37,926	0.00%

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 5 - Long-term Liabilities (Concluded)

Revenue Bond and Notes Payable

Debt service to maturity on the City's bonded indebtedness, notes payable, and certificates of obligation are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 121,775	\$ 86,661	\$ 210,284	\$ 115,887	\$ 332,059	\$ 202,548
2019	127,735	80,700	217,329	111,352	345,064	192,052
2020	133,788	74,678	219,283	105,907	353,071	180,585
2021	140,536	67,899	226,281	100,489	366,817	168,388
2022	147,415	61,021	233,323	94,884	380,738	155,905
2023-2027	852,497	189,681	1,237,274	384,492	2,089,771	574,173
2028-2032	298,094	14,572	1,090,434	234,175	1,388,528	248,747
2033-2037	0	0	1,163,953	87,065	1,163,953	87,065
Total	\$ 1,821,840	\$ 575,212	\$ 4,598,161	\$ 1,234,251	\$ 6,420,001	\$ 1,809,463

Defeased Debt

There are no outstanding defeased bonds.

2017 Water Sewer Refunding Bonds

During the fiscal year, the City refunded the Series 2002 and 2006 (Water and Sewer Revenue Bonds) RUS Bonds. The net present value savings of this transaction was \$647,765. The prior total debt service would have been \$5,684,082, and the current refunded debt service will be \$4,398,637. The total savings of \$1,285,444 has a present value of \$647,765.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 6 - Pledged Revenues

The City has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2017. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2017:

Type	Revenue Pledged	Revenues (Net)	Principal and Interest Paid	Estimated Revenue Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Governmental Activities						
Note Payable - SunTrust (City Hall)	General Fund Non-Ad Valorem Revenues	\$ 2,074,786	\$ 208,436	10%	\$ 2,397,052	2029
Business-Type Activities						
Revenue Bonds - Centerstate - Water/Wastewater System	Waste Water System Revenues and Available Non-Ad valorem	599,921	46,451	8%	4,398,638	2037
Loan Payable (State Revolving Loan Program) - Elevated Water Tank	Net Water System Revenue (2)	292,078	20,684	7%	174,984	2026
Loan Payable (State Revolving Loan Program) - SR48	Net Water System Revenue (2)	271,394	15,559	6%	529,543	2036
Revenue Bonds - USDA 2002 - Wastewater System	Net Wastewater System Revenue (1)	227,947	54,010	24%	0	2017
Revenue Bonds - USDA 2006 - Wastewater/Water System Addition	Net Wastewater and Net Water System Revenues (1)	201,825	23,032	11%	0	2017
Loan Payable (State Revolving Loan Program) - Hanson Plant	Waste Water System Revenues and Available Non-Advalorem	150,905	69,311	46%	729,248	2028

(1) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation.

(2) Net System Revenues are defined as gross revenues less operating expenses, not including depreciation minus 2006 bond payments.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 7 - Lease Obligations

Capital Lease

The City has entered into a lease agreement for financing the acquisition of vehicles and related equipment.

	Business-type Activities
Assets	
Front End Loader and Containers*	\$ 292,890
Grapple Truck	155,771
F-150 Truck	21,332
Bucket Truck	204,774
(Accumulated Depreciation)	(283,470)
Total	\$ 391,297

* Total purchase price is \$292,890 of which \$272,000 is financed through a capital lease.

Future minimum lease payments under terms of the lease are as follows:

Year Ending	Business-type Activities
2018	\$ 93,241
2019	81,731
2020	83,837
2021	48,323
2022	48,250
Total Minimum Lease Payments	355,382
(Less Amount Representing Interest)	(22,289)
Present Value of Minimum Lease Payments	\$ 333,093

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 8 - Electric Power Agreements

FMPA

The City is a member of the FMPA, which is a joint action agency formed by a number of Florida municipalities for the purpose of providing electric power alternatives for its members.

FMPA is a governmental, joint action agency formed pursuant to Florida Statutes. FMPA has the authority to undertake joint power supply projects and to issue tax-exempt bonds or other obligations to finance or refinance the costs of such projects.

Due to the diverse needs of Florida's municipal electric systems, FMPA was established as a project-oriented agency. Under this structure, each member has the option whether or not to participate in a project. Members may choose to participate in more than one project; however, each of the FMPA's five projects is independent from the other and no revenues or funds available from one project can be used to pay the costs of any other project.

The City has elected to participate in the "All Requirements Project," which supplies all of the City's power requirements. The agreement will remain in effect until October 1, 2035, with optional successive five-year renewal periods. The contract provides for optional withdrawal by the City, but would require the City to make all remaining project members whole, which is generally understood as a paying off of its share of the project's debt. The cost to the City withdrawing from the contract has not been calculated, but is generally understood to require payoff of the City's portion of project debt.

Power rates charged to the City by FMPA are subject to a majority vote of the Board of Directors of FMPA.

Note 9 - Employee Retirement Systems

Florida State Retirement System – Pension Plan

All full-time employees of the City hired prior to January 1, 1996, participate in the Florida State Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined-benefit, public retirement plan available to governmental units within the state of Florida. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-5706.

All full-time employees of the City hired prior to January 1, 1996, are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service; and all other employees who retire at or after age 55, with six years of creditable service; are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits fully vest on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits, and annual cost-of-living adjustments. Benefits are established by Florida Statute. Beginning in 2011, the state mandated a 3% contribution to the plan by the employees. The City currently has three employees that participate in Florida Retirement System.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Florida State Retirement System—Pension Plan (Continued)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 7.26% of the compensation for regular members, 12.88% for Deferred Retirement Option Program (DROP), 21.43% for senior management, and 45.80% for elected officials as of September 30, 2017. In addition employees that are not participating in the DROP Program are required to contribute 3% of their gross salary.

The City contributed 100 % of the required contributions to the System for the years ended September 30, 2017, 2016, and 2015 as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 20,179
2016	19,159
2015	19,464

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2017, the City reported a net pension liability of \$198,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the City's proportionate share was .00067042369695653%, which was a decrease of .0004328823665534 from its proportionate share measured as of June 30, 2016.

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—For the year ended September 30, 2017, the Sponsor will recognize a Pension Expense of \$44,741. On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Inflow Funds</u>	<u>Deferred Outflow Funds</u>
Differences between Expected and Actual Experience	\$ 1,099	\$ 18,200
Change in Assumptions	0	66,645
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,915	0
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	98,147	25,686
City Contributions Subsequent to Measurement Date	<u>0</u>	<u>2,500</u>
Total	<u>\$ 104,161</u>	<u>\$ 113,031</u>

The Deferred Outflows of Resources related to pensions totaling \$2,500 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Florida State Retirement System—Pension Plan (Concluded)

<u>Year</u>	Total Inflows/Outflows
2018	\$ (7,173)
2019	9,886
2020	(6,158)
2021	(6,349)
2022	11,634
Thereafter	4,530
Total	\$ 6,370

Actuarial Assumptions

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25% Including Inflation
Investment Rate of Return	7.10%, Net Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2017. As a result of the 2017 actuarial experience study, the real payroll growth assumption was 3.25% and the long-term expected rate of return was 7.10%.

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 expense 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 asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
Total	<u>100%</u>			

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Actuarial Assumptions (Concluded)

Discount Rate—The discount rate used to measure the total pension liability was 7.10 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. The discount rate used in the 2017 valuation was updated from 7.60 percent to 7.10 percent. The rate of return assumption is a prescribed assumption as defined by ASOP 27. The 7.10 percent assumption was adopted by the 2017 FRS Actuarial Assumption Conference.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<u>1% Decrease</u> <u>6.10%</u>	<u>Current Discount</u> <u>Rate - 7.10%</u>	<u>1% Increase</u> <u>8.10%</u>
City's Proportionate Share of the Net Pension Liability	\$ 358,923	\$ 198,307	\$ 64,958

FRS Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description—The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for health insurance subsidy payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (Continued)

Plan Description (Concluded)

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State City System Optional Retirement Program are not eligible to receive benefits from the HIS Plan.

Benefits Provided—The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2017, the contribution rate was 1.66 percent of payroll. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City's contributions to the HIS defined-benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS—At September 30, 2017, the City reported a net pension liability of \$77,318 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the City's proportionate share was 00072310440004%, which was a decrease of .00004146004943 from its proportionate share measured as of June 30, 2016.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS (Concluded)

For the year ended September 30, 2017, the City recognized pension expense is listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflow Funds	Deferred Outflow Funds
Differences between Expected and Actual Experience	\$ 161	\$ 0
Change in Assumptions	6,686	10,868
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	43
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	30,070	3,020
City Contributions Subsequent to Measurement Date	0	638
Total	<u>\$ 36,917</u>	<u>\$ 14,569</u>

The deferred outflows of resources related to pensions totaling \$638 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>September 30,</u>	<u>Inflows/Outflow</u>
2018	\$ (5,907)
2019	(5,916)
2020	(5,919)
2021	(3,325)
2022	(326)
Thereafter	(1,593)
Total	<u>\$ (22,986)</u>

Actuarial Assumptions—The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increase	3.25% Average, Including Inflation
Bond Buyer General Obligation 20-Bond Municipal Bond	3.58%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (Concluded)

Discount Rate—The discount rate used to measure the total pension liability was 3.58 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2016 valuation was updated from 2.85 percent to 3.58 percent, reflecting the change in the Bond Buyer General Obligation 20- Bond Municipal Bond Index as of June 30, 2017.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.58 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	<u>1% Decrease</u> <u>2.58%</u>	<u>Current Discount</u> <u>Rate – 3.58%</u>	<u>1% Increase</u> <u>4.58%</u>
City's Proportionate Share of the Net Pension Liability	\$ 88,230	\$ 77,318	\$ 68,229

Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report.

Florida State Retirement System Opt-Out

In December 1995, the City Council approved opting out of the Florida State Retirement System effective with all new employees hired after January 1, 1996. City employees covered under the System at December 31, 1995, will continue to participate in the state System and the City will continue to make contributions on their behalf.

Deferred Compensation Plan

The City also participates in a qualified deferred compensation plan (457 Plan) in which employees can voluntarily participate. The City matches 10% of the employee's biweekly individual contribution. Amendments to the plan can only be made via the approval of the City Council. This 457 Plan is administered by the U.S. Conference of Mayors. The employee chooses one or a combination of several available investments. Employees are 100% vesting in this program and accounts are maintained individually by employees.

<u>Year</u>	<u>Amount</u>
2017	\$ 6,296
2016	5,248
2015	5,609

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

General Employees' Defined Contribution Plan

After freezing entrance to its previous defined benefit plan effective October 1, 2013, the City created a new defined contribution plan covering all eligible general employees of the City. Contributions continue for hired employees prior to October 1, 2013, and Florida Retirement System opt out October 1, 1995.

Prior to October 1, 2013, the City contributed 17.8% of the employees' salary, with a six-year step-vesting period. Employees had to be full-time.

The Plan was amended and restated October 1, 2013. The City now makes non elective contributions of 10% of the full time employee's payroll expense. Additionally, starting in October, for every 1% that an employee sets aside in their (457) Deferred Compensation plan, the City also matches an additional 1% up to a maximum of an additional 4%. The match amounts are deposited into the employees 401(a) defined contribution account. The employees' retirement savings now have the potential of totaling 18% of their salary. Amendments to the plan can only be made via the approval of the City Council.

Forfeitures are used to offset current contribution by the City. The normal retirement date is the first day of the month coinciding with the participants sixtieth birthday.

The vesting schedule, based on the number of years of service, is as follows:

Greater than 6 months but less than 2 Years	0%
2 Years	20%
3 Years	40%
4 Years	60%
5 Years	80%
6 or more Years	100%

Upon severance from employment, the participant is entitled to apply to receive his or her benefit payable under any payout option that satisfies the provisions of the Plan.

At September 30, 2017, there were seven active members of the Plan. For the years ended September 30, 2017, 2016, and 2015, the City contributed \$34,865, \$34,545, and \$20,054, respectively, to the Plan. There were no forfeitures during the fiscal year.

Defined Benefit Plan

Pension Trust Fund

■ **Plan Description**

In January 1996, the City adopted two separate single-employer pension plans, one for police officers and a general employees' retirement plan that covers substantially all full-time City employees employed after January 1, 1996, pursuant to the City's opt-out of the Florida Retirement System. These plans are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law requires contributions to be determined by actuarial studies every three years. Stand-alone financial reports are not issued.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Defined Benefit Plan (Continued)

Pension Trust Fund (Continued)

■ **Plan Description (Concluded)**

The police officers' pension plan was terminated on October 1, 2012, with Ordinance 2012-13 in accordance with section 185.37, Florida Statutes and all vested police officers were given a lump-sum payout.

The general employees' retirement plan (the Plan) covers all full-time employees, except for police officers. The Plan is noncontributory, and the City provides the full contribution to fund the Plan. The annual pension cost related to the Plan includes a amortization, over a thirty-year period, of a prior service cost established October 13, 1995. The City Council has the authority to amend the plan.

Plan Administration

The City's General Employees' Pension Plan is a defined benefit pension plan administered by a Board of Trustees which acts as the Administrator of the Plan. The Board consists of five Trustees, two who are legal residents of the City appointed by the City Council, two who are employee members elected by a majority of the Members of the Plan, and a fifth Trustee, who is chosen by a majority of the first four Trustees.

Benefits Provided

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Date: Earlier of age 62, or 30 years of Credited Service, regardless of age.

Benefit: 1.6% of Average Final Compensation times Credited Service. Benefit rate increases to 1.63% at age 63 or 31 years, to 1.65% at age 64 or 32 years, and 1.68% at age 65 or 33 years. Benefit Rate for Senior Management is 2.0%.

Early Retirement:

Eligibility: 6 Years of Credited Service, regardless of age.

Benefit: Accrued benefit, reduced 5% for each year prior to Normal Retirement.

Vesting:

Schedule: 100% after 6 Years of Credited Service.

Benefit Amount: Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability:

Eligibility: Service Incurred: Covered from Date of Employment. Non-Service Incurred: 6 Years of Credited Service.

Benefit:

Benefit accrued to date of disability, but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Defined Benefit Plan (Continued)

Pension Trust Fund (Continued)

Benefits Provided (Continued)

Pre-Retirement Death Benefits:

Vested: Joint Annuitant receives an immediate or deferred monthly benefit computed based on the assumption that the Member retired on the date of death and elected the 100% joint and survivor annuity. Joint Annuitant is a spouse, dependent child, or any person receiving 50% or more of their support from the Member.

Non-Vested:

Refund of any Member contributions.

Cost-of-Living Adjustments:

Each July 1 following the retirement the monthly benefit amount is increased 3%. The increase is based on the June benefit, excluding any health insurance subsidy.

Contributions:

Member contributions—none. Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, over no more than 40 years.

■ **Investments**

Investment Policy

The following was the Board's adopted asset allocation policy as of September 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	55%
International Equity	15%
Fixed Income	30%
Total	100%

Concentrations

The Plan did not hold investments in any one organization that represents 5 percent or more of the pension plan's fiduciary net position.

Rate of Return

For the year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.96 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Defined Benefit Plan (Continued)

Pension Trust Fund (Continued)

Benefits Provided (Continued)

■ **Membership**

Membership of the Plan consisted of the following as of October 1, 2016:

	General Employees
Active Plan Members	17
Inactive Employees Currently Receiving Benefits	2
Inactive Employees Entitled but Not Yet Receiving Benefits	9
Total	28

■ **Net Pension Liability**

The components of the net pension liability of the sponsor on September 30, 2017, were as follows:

Total Pension Liability	\$ 3,154,905
Plan Fiduciary Net Position	<u>(3,005,561)</u>
Sponsor's Net Pension Liability	<u>\$ 149,344</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.27%

The differences between the actuarial financial statements and the pension financial statement were due to the recording of investment expense as a direct reduction of investment income and timing differences related to broker sold investments.

■ **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2017, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary Increases	6.00%
Investment Rate of Return	7.75%
Discount Rate	7.75%

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Defined Benefit Plan (Continued)
Pension Trust Fund (Continued)

Benefits Provided (Concluded)

■ **Actuarial Assumptions (Concluded)**

Mortality Rate Healthy Lives:

Mortality Table—RP2000 Fully Generational with Scale BB, with collar and annuitant adjustments as follows:

Males—50% Annuitant White Collar, 50% Annuitant Blue Collar

Females—100% Annuitant White Collar

Mortality Rate Disabled Lives:

Mortality Table—RP2000 without projection, with the following adjustments:

Male—100% Disabled Male with Four year setback.

Females—100% Disabled Female with two year set forward.

The date of the most recent experience study for which significant assumptions are based upon is not available.

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. For 2017 the inflation rate assumption of the investment advisor was 2.50%. 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	6.33%
International Equity	5.90%
Fixed Income	2.17%

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease 6.75%</u>	<u>Current Discount Rate - 7.75%</u>	<u>1% Increase 8.75%</u>
Sponsor's Net Pension Liability	\$ 726,392	\$ 149,344	\$ (310,770)

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Concluded)

Defined Benefit Plan (Concluded)
Pension Trust Fund (Concluded)

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources

For the year ended September 30, 2017, the Sponsor will recognize a Pension Expense of (\$23,827). On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Inflow	Deferred Outflow
	Funds	Funds
Differences between Expected and Actual Experience	\$ 28,393	\$ 0
Changes in Assumptions	0	117,742
Actual Earnings on Pension Plan Investments	86,475	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	131,599
Total	\$ 114,868	\$ 249,341

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ended	
September 30,	Amount
2018	\$ 26,895
2019	26,895
2020	26,895
2021	26,894
2022	26,894
Thereafter	0
Total	\$ 134,473

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION

General Employees Pension Plan:	2017
Total Pension Liability	
Service Cost	\$ 117,318
Interest on the Total Pension Liability	224,678
Differences between Expected and Actual Returns	36,318
Change in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(10,312)
Net Change in Total Pension Liability	368,002
Total Pension Liability, Beginning of Year	2,786,902
Total Pension Liability, End of Year (a)	\$ 3,154,904
Plan Fiduciary Net Position	
Contributions - Employer	\$ 164,850
Net Investment Income	311,038
Benefit Payments	(10,312)
Administrative Expense	(12,332)
Net Change in Plan Fiduciary Net Position	453,244
Plan Fiduciary Net Position, Beginning of Year	2,552,316
Plan Fiduciary Net Position, End of Year (b)	\$ 3,005,560
Net Pension Liability - Ending (a) - (b)	\$ 149,344
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.27%
Covered Payroll	\$ 1,012,672
Net Pension Liability as a Percentage of Covered Payroll	14.75%

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 10 - Other Postemployment Benefits (OPEB)

The Other Post Employment Benefit Plan is a single employer benefit plan administered by the City. Pursuant to the provision of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for health and life insurance. The City subsidizes the premium rate paid by retirees by allowing them to participate in the Plan at a blended group (implicit subsidized) premium rate for both active and retired Employees. In addition, the City provides 50% of their health and life premiums (explicit subsidy). The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity.

For the OPEB Plan, contributions requirements of the City are established and may be amended through action from the City's Council. Currently, the City's OPEB benefits are unfunded. The actual contributions are based on a pay-as-you-go financing requirement. There is no separate trust fund or equivalent arrangement into which the City would make contributions to advance-fund the obligation, as it does for its pension fund. The City funds the liquidation of the obligation through operating revenues for each of the respective funds.

The actuarial valuation, dated October 1, 2016, involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the actuarial valuation, dated October 1, 2016, the Entry Age Normal (level dollar) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

Valuation Interest Rate:	4.0% - Per year compounds annually, net of investment related expenses.
Health Care Inflation:	Initial rate of 8.75% in fiscal 2017, then 8.50% in fiscal 2018, grading down to the ultimate trend rate of 4.00% in fiscal 2073.
Payroll Growth:	0.0%
Amortization of UAAL:	Level Dollar (Closed Amortization over 30 Years)

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 10 - Other Postemployment Benefits (OPEB) (Concluded)

Three-Year Trend Information

Fiscal Year Ended September 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 139,708	15.7%	\$ 827,841
2016	112,672	22.1%	710,121
2015	108,913	24.2%	622,403

Employee Contribution Information

After a full-time employee has retired from active service, he/she is eligible to have health and life insurance premiums paid at a rate of 50% by the City. The remaining 50% of the premiums are paid by the employee, less their Florida Retirement System subsidy.

Note that the projected employee and employer contributions for the life insurance benefits are assumed to cover the entire cost of the program.

Annual Required Contribution (ARC)	\$ 150,688
Interest on Net OPEB Obligation	28,405
Adjustments to ARC	<u>(39,385)</u>
Annual OPEB Cost (Expense)	139,708
Estimated Net Contribution Made	<u>(21,988)</u>
Increase in Net OPEB Obligation	117,720
Net OPEB Obligation - Beginning of Year	<u>710,121</u>
Net OPEB Obligation - End of Year	<u><u>\$ 827,841</u></u>

Funded Status as of:

	<u>October 1, 2016</u>
Actuarial Accrued Liability (AAL)	\$ 1,139,787
Actuarial Value of Assets (AVA)	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,139,787</u></u>

Funded Ratio	0%
Covered Payroll	\$ 1,430,889
Ratio of UAAL to Covered Payroll	0%

Note 11 - Interfund Transfers, Advances, and Due To/Due From

Interfund Transfers

Interfund transfers at September 30, 2017, are as follows:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers (Out)</u>
Major Funds		
General Fund	\$ 50,000	\$ 100,000
Electric Utility Fund	100,000	0
Sanitation Fund	<u>0</u>	<u>50,000</u>
Total Interfund Transfers	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Continued)

Note 11 - Interfund Transfers, Advances, and Due To/Due From (Concluded)

Interfund Transfers (Concluded)

Transfers are made, in accordance with the budget, to supplement the revenues needed to cover the expenditures of providing general governmental and business-type services.

Advances

Advances to and from other funds at September 30, 2017, are as follows:

	Advances To Other Funds	Advances From Other Funds
Major Funds		
Water Utility Fund	\$ 377,948	\$ 20,100
Wastewater Utility Fund	0	1,242,948
Electric Utility Fund	885,100	0
Total Advances	<u>\$ 1,263,048</u>	<u>\$ 1,263,048</u>

Advances to other funds were made to supplement capital costs for their respective utility distribution systems. These amounts are not expected to be repaid in full within one year.

Due from/Due to Other Funds

Due from and due to other funds at September 30, 2017, are as follows:

	Due from Other Funds	Due to Other Funds
Major Funds		
Wastewater Utility Fund	\$ 417,960	\$ 0
Electric Utility Fund	0	417,960
Total Due from/Due to Other Funds	<u>\$ 417,960</u>	<u>\$ 417,960</u>

Due from/Due to other funds were made to supplement the cash deficit in the wastewater utility fund.

Note 12 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2017, are as follows:

Electric Utility Fund	\$ 5,000
Water Utility Fund	2,500
Wastewater Fund	2,000
Sanitation Fund	1,500
Total Allowances for Doubtful Accounts	<u>\$ 11,000</u>

Note 13 - 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. The City transfers risk of loss through the purchase of commercial insurance from the Florida League of Cities, Inc., and independent agencies. Insurance against losses are provided for the following types of risk:

NOTES TO FINANCIAL STATEMENTS
CITY OF BUSHNELL, FLORIDA
(Concluded)

Note 13 - Risk Management (Concluded)

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage
- Public Officials' Liability
- Accidental Death and Disability

The City's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the City's experience for this type of risk. There have been no significant reductions in insurance coverage during fiscal year 2017. Settled claims have not exceeded the commercial excess coverage in any of the past three years.

Note 14 - Contingencies and Commitments

Wastewater Treatment Facility

The U.S. Department of Agriculture-Rural Development (USDA) approved a loan and grant for the City for its Wastewater Treatment plant in 1999. The amount of the grant was \$2,000,000 and the loan amount was \$2,800,000. The loan is at a rate of 4.75% interest and is repayable over a period not exceeding forty years from the date of the loan closing. The first payment made on the debt was completed in 2004.

In connection with the above mentioned loan grant, the City and Sumter County, Florida, entered into an inter-local agreement whereby Sumter County will contribute approximately \$1,000,000 at the above stated interest rate to the capital costs of the system at an annual rate of \$56,000 per year.

Operating Leases

The City entered into two operating leases for copiers with Xerox. The total monthly expenses are \$555 per month for a 36-month time frame. The leases include maintenance (the City does pay a per copy fee in addition to the monthly payment). The following is lease payment schedule for the year ended September 30th:

<u>Year</u>	<u>Amount</u>
2018	\$ 5,485
2019	235

Note 15 - Federal Awards and State Financial Assistance

During the fiscal year, the City did not expend greater than \$750,000 in federal awards or state financial assistance, therefore an audit in accordance with Title 2 (Uniform Guidance) U.S. Code of Federal Regulation (CFR) Part 200 and the *Florida Single Audit Act* was not required.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present trend information regarding the retirement plans for the City's general employees and other post-employment benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
CITY OF BUSHNELL, FLORIDA**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
October 1, 2016	\$ 0	\$ 1,139,787	\$ 1,139,787	0.00%	\$ 1,430,889	79.70%
October 1, 2015	0	N/A**	N/A**	0.00%	N/A**	N/A**
October 1, 2014	0	N/A**	N/A**	0.00%	N/A**	N/A**
October 1, 2013	0	838,184	838,184	0.00%	N/A**	66.2%
October 1, 2012	0	696,356	696,356	0.00%	1,365,689	51.0%
October 1, 2011	0	696,356	696,356	0.00%	1,365,689	51.0%
October 1, 2010**	0	0	0	0.00%	0	0.0%
October 1, 2009**	0	1,045,614	1,045,614	0.00%	1,599,053	65.4%
October 1, 2008	N/A	N/A	N/A	N/A	N/A	NA

** Per GASB Statement No. 45, actuarial evaluations are only required every third year for employers with less than 100 employees. Therefore, an actuarial evaluation was not performed for the years ended September 30, 2016, 2015, 2014, 2012, 2010, and 2009.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

GENERAL EMPLOYEES' PENSION PLAN

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 117,318	\$ 113,579	\$ 117,691	\$ 123,708
Interest on the Total Pension Liability	224,678	192,514	173,476	152,883
Differences between Expected and Actual Returns	36,318	(3,405)	(35,779)	0
Change in Assumptions	0	117,742	0	0
Benefit Payments, Including Refunds of Employee Contributions	(10,312)	(7,992)	(3,261)	(6,460)
Net Change in Total Pension Liability	368,002	412,438	252,127	270,131
Total Pension Liability, Beginning of Year	2,786,902	2,374,464	2,122,337	1,852,206
Total Pension Liability, End of Year (a)	\$ 3,154,904	\$ 2,786,902	\$ 2,374,464	\$ 2,122,337
Plan Fiduciary Net Position				
Contributions - Employer	\$ 164,850	\$ 172,625	\$ 171,231	\$ 176,075
Net Investment Income	311,038	175,725	(39,743)	173,326
Benefit Payments	(10,312)	(7,992)	(3,260)	(6,460)
Administrative Expense	(12,332)	(9,442)	(13,316)	(5,524)
Net Change in Plan Fiduciary Net Position	453,244	330,916	114,912	337,417
Plan Fiduciary Net Position, Beginning of Year	2,552,316	2,221,400	2,106,488	1,769,071
Plan Fiduciary Net Position, End of Year (b)	\$ 3,005,560	\$ 2,552,316	\$ 2,221,400	\$ 2,106,488
Net Pension Liability - Ending (a) - (b)	\$ 149,344	\$ 234,586	\$ 153,064	\$ 15,849
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.27%	91.58%	93.55%	99.25%
Covered Payroll**	\$ 1,012,672	\$ 984,220	\$ 968,164	\$ 989,185
Net Pension Liability as a Percentage of Covered Payroll	14.75%	23.83%	15.81%	1.60%

* GASB No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that forward.

** The Covered Payroll numbers shown are in compliance with GASB Statement No. 82.

Changes of Assumptions:

For measurement date 09/30/2017, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**CITY OF BUSHNELL, FLORIDA
GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 171,142	\$ 166,333	\$ 171,231	\$ 176,075
Contributions in Relation to the				
Actuarially Determined Contribution	164,850	172,625	171,231	176,075
Contribution Deficiency (Excess)	<u>\$ 6,292</u>	<u>\$ (6,292)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll ¹	<u>\$ 1,012,672</u>	<u>\$ 984,220</u>	<u>\$ 968,164</u>	<u>\$ 989,185</u>
Contributions as a				
of Covered Payroll	16.28%	17.54%	17.69%	17.80%

¹ - The Covered Payroll numbers shows are in compliance with GASB 82

Notes to Schedule

Valuation Date: October 1, 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.

Methods and Assumptions Used to Determine Contribution Rates:

Funding Method: Entry Age Normal Actuarial Cost Method.
Amortization Method: Level Percentage of Pay, Closed.
Remaining Amortization Period: 21 Years (as of 10/01/2015)
Asset Valuation Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Salary Increases: 6.0% per year until the assumed retirement age.
Interest Rate: 7.75% per year compounded annually, net of investment related expenses.
Payroll Growth: None for amortizing UAAL.
Retirement Age: Earlier of age 62 or 30 years of service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Beginning at 10 years of service, Members are assumed to retire with an immediate subsidized benefit at the rate of 3.0% per year.

Termination Rates: See table below.
Disability Rates: See table below. It is assumed that 25% of disablements that occur are service related.

Mortality: RP 2000 Combined Healthy – Projected to Valuation Date.
Disabled lives are set forward 5

Age	Percent	Percent Becoming Disabled the Year
20	17.2%	0.05%
30	15.0%	0.06%
40	8.2%	0.12%
50	1.7%	0.43%
60	0.5%	1.61%

* GASB No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will develop from that forward.

**CITY OF BUSHNELL, FLORIDA
GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS**

	September 30, 2017	September 30, 2016	September 30, 2015	September 30, 2014
Annual Money-Weighted Rate of Return Net of Investment Expense	11.96%	7.71%	-1.84%	9.50%

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.0006704237%	0.0007137119%	0.0007742490%	0.0018342940%
City's Proportionate Share of the Net Pension Liability	\$ 198,307	\$ 180,213	\$ 100,005	\$ 111,919
City's Covered Payroll	240,063	230,984	215,271	304,551
City's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	82.61%	78.02%	46.46%	36.75%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.89%	84.88%	92.00%	87.00%

Schedule of City Contributions - Florida Retirement System Pension Plan (1)

	<u>2017</u>	<u>2016</u>	<u>2014</u>	<u>2014</u>
Contractually Required Contribution	\$ 20,179	\$ 19,159	\$ 16,959	\$ 40,179
Contributions in Relation to the Contractually Required Contribution	20,179	19,159	16,959	40,179
Contribution Deficiency (Excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
City's Covered Payroll	<u>224,822</u>	<u>230,984</u>	<u>215,271</u>	<u>304,551</u>
Contributions as a Percentage of Covered Payroll	8.98%	8.29%	7.88%	13.19%

Notes:

- 1) The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014, Information for prior years is not available.

CITY OF BUSHNELL, FLORIDA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.0007231044%	0.0007645644%	0.0007200370%	0.0010037780%
City's Proportionate Share of the Net Pension Liability	\$ 77,318	\$ 89,107	\$ 73,432	\$ 93,856
City's Covered Payroll	240,063	230,984	215,271	304,551
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	32.21%	38.58%	34.11%	30.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	1.64%	0.97%	0.50%	0.99%

Schedule of City Contributions - Florida Health Insurance Subsidy Pension Plan (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 20,179	\$ 19,159	\$ 20,854	\$ 40,179
Contributions in Relation to the Contractually Required Contribution	<u>20,179</u>	<u>19,159</u>	<u>20,854</u>	<u>40,179</u>
Contribution Deficiency (Excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
City's Covered Payroll	<u>\$ 224,822</u>	<u>\$ 230,984</u>	<u>\$ 215,271</u>	<u>\$ 304,551</u>
Contributions as a Percentage of Covered Payroll	8.98%	8.29%	9.69%	13.19%

Notes:

- 1) The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2014, information for prior years is not available.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Bushnell’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and require supplementary information says about the government’s overall financial health.

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Debt Capacity

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CITY OF BUSHNELL, FLORIDA
NET POSITION BY COMPONENT
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 3,530,362	\$ 4,094,414	\$ 3,980,188	\$ 4,011,420
Restricted	511,221	508,462	501,928	547,046
Unrestricted	<u>176,309</u>	<u>285,075</u>	<u>1,584</u>	<u>(153,357)</u>
Total Governmental Activities, Net Assets	<u><u>\$ 4,217,892</u></u>	<u><u>\$ 4,887,951</u></u>	<u><u>\$ 4,483,700</u></u>	<u><u>\$ 4,405,109</u></u>
Business-type Activities				
Net Investment in Capital Assets	\$ 10,172,331	\$ 10,656,069	\$ 11,703,966	\$ 12,248,789
Restricted	120,730	162,647	185,909	190,435
Unrestricted	<u>1,723,114</u>	<u>1,592,877</u>	<u>1,372,437</u>	<u>1,296,145</u>
Total Business-type Activities, Net Assets	<u><u>\$ 12,016,175</u></u>	<u><u>\$ 12,411,593</u></u>	<u><u>\$ 13,262,312</u></u>	<u><u>\$ 13,735,369</u></u>
Primary Government				
Net Investment in Capital Assets	\$ 13,702,693	\$ 14,750,483	\$ 15,684,154	\$ 16,260,209
Restricted	631,951	671,109	687,837	737,481
Unrestricted	<u>1,899,423</u>	<u>1,877,952</u>	<u>1,374,021</u>	<u>1,142,788</u>
Total Primary Government, Net Assets	<u><u>\$ 16,234,067</u></u>	<u><u>\$ 17,299,544</u></u>	<u><u>\$ 17,746,012</u></u>	<u><u>\$ 18,140,478</u></u>

2012	2013	2014	2015	2016	2017
\$ 6,810,893	\$ 7,256,656	\$ 7,278,421	\$ 7,019,909	\$ 7,291,967	\$ 7,414,870
475,273	455,912	437,513	434,307	433,160	430,564
115,394	152,700	612,756	961,245	572,523	769,903
<u>\$ 7,401,560</u>	<u>\$ 7,865,268</u>	<u>\$ 8,328,690</u>	<u>\$ 8,415,461</u>	<u>\$ 8,297,650</u>	<u>\$ 8,615,337</u>
\$ 12,136,614	\$ 11,730,474	\$ 11,937,502	\$ 12,029,468	\$ 12,560,955	\$ 12,791,519
200,550	211,556	202,764	174,313	175,567	78,797
1,297,541	1,441,948	1,976,872	1,611,442	1,577,201	1,874,111
<u>\$ 13,634,705</u>	<u>\$ 13,383,978</u>	<u>\$ 14,117,138</u>	<u>\$ 13,815,223</u>	<u>\$ 14,313,723</u>	<u>\$ 14,744,427</u>
\$ 18,947,507	\$ 18,987,130	\$ 19,215,923	\$ 19,049,377	\$ 19,852,922	\$ 20,206,389
675,823	667,468	640,277	608,620	608,727	509,361
1,412,935	1,594,648	2,589,628	2,572,687	2,149,724	2,644,014
<u>\$ 21,036,265</u>	<u>\$ 21,249,246</u>	<u>\$ 22,445,828</u>	<u>\$ 22,230,684</u>	<u>\$ 22,611,373</u>	<u>\$ 23,359,764</u>

CITY OF BUSHNELL, FLORIDA
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses				
Governmental Activities:				
General Government	\$ 534,890	\$ 604,208	\$ 722,959	\$ 637,936
Public Safety	945,155	884,002	1,023,710	1,042,521
Physical Environment	8,567	14,161	9,289	29,810
Transportation	437,729	371,962	450,750	401,073
Culture and Recreation	587,710	568,634	375,167	393,077
Interest on Long-term Debt	21,570	79,314	137,390	130,022
Total Governmental Activities Expenses	<u>2,535,621</u>	<u>2,522,281</u>	<u>2,719,265</u>	<u>2,634,439</u>
Business-type Activities:				
Electric Utility	3,040,987	3,363,597	3,318,312	2,928,605
Water Utility	597,079	703,699	711,306	672,482
Sanitation	494,637	471,329	503,854	497,042
Wastewater Utility	841,334	1,006,372	1,094,871	1,091,613
Total Business-type Activities Expenses	<u>4,974,037</u>	<u>5,544,997</u>	<u>5,628,343</u>	<u>5,189,742</u>
Total Primary Government Expenses	<u><u>\$ 7,509,658</u></u>	<u><u>\$ 8,067,278</u></u>	<u><u>\$ 8,347,608</u></u>	<u><u>\$ 7,824,181</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 47,494	\$ 55,187	\$ 64,550	\$ 37,984
Culture and Recreation	72,976	73,849	30,546	40,986
Other Activities	16,864	25,130	14,589	13,137
Operating Grants and Contributions	1,611	1,000	10,464	39,590
Capital Grants and Contributions	469,407	382,957	94,245	90,402
Total Governmental Activities	<u>608,352</u>	<u>538,123</u>	<u>214,394</u>	<u>222,099</u>
Business-type Activities:				
Electric Utility	3,392,154	3,785,508	3,725,048	3,280,159
Water Utility	713,309	632,721	632,546	643,472
Sanitation	511,942	522,324	538,037	536,236
Wastewater Utility	896,741	659,214	790,011	802,895
Operating Grants and Contributions	0	0	0	0
Capital Grants and Contributions	1,966,820	577,101	1,249,219	837,276
Total Business-type Activities	<u>7,480,966</u>	<u>6,176,868</u>	<u>6,934,861</u>	<u>6,100,038</u>
Total Primary Government Program Revenues	<u><u>\$ 8,089,318</u></u>	<u><u>\$ 6,714,991</u></u>	<u><u>\$ 7,149,255</u></u>	<u><u>\$ 6,322,137</u></u>
Net (Expense)/Revenue				
Governmental Activities	\$ (1,927,269)	\$ (1,984,158)	\$ (2,504,871)	\$ (2,412,340)
Business-type Activities	2,506,929	631,871	1,306,518	910,296
Total Primary Government				
Net Expense/Revenues	<u><u>\$ 579,660</u></u>	<u><u>\$ (1,352,287)</u></u>	<u><u>\$ (1,198,353)</u></u>	<u><u>\$ (1,502,044)</u></u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 626,833	\$ 625,775	\$ 596,643	\$ 560,069	\$ 859,520	\$ 617,735
842,064	886,165	739,120	771,866	812,193	866,108
24,997	37,283	30,421	22,125	21,948	22,404
368,019	482,516	522,138	553,182	579,179	479,653
333,731	408,835	377,783	402,812	431,025	425,202
123,016	114,496	108,808	103,113	98,012	90,515
<u>2,318,660</u>	<u>2,555,070</u>	<u>2,374,913</u>	<u>2,413,167</u>	<u>2,801,877</u>	<u>2,501,617</u>
2,724,475	2,946,587	2,899,397	2,839,723	3,004,092	2,923,862
685,636	688,819	659,828	723,042	876,480	700,485
457,176	472,388	449,371	451,514	449,422	462,545
993,806	1,005,812	1,083,920	1,056,120	1,086,919	1,081,733
<u>4,861,093</u>	<u>5,113,606</u>	<u>5,092,516</u>	<u>5,070,399</u>	<u>5,416,913</u>	<u>5,168,625</u>
<u>\$ 7,179,753</u>	<u>\$ 7,668,676</u>	<u>\$ 7,467,429</u>	<u>\$ 7,483,566</u>	<u>\$ 8,218,790</u>	<u>\$ 7,670,242</u>
\$ 39,401	\$ 38,536	\$ 58,593	\$ 63,388	\$ 441,334	\$ 639,199
55,653	49,882	54,245	55,265	55,055	45,797
22,570	14,876	15,389	35,555	28,664	45,170
61,192	0	2,610	0	0	140,488
<u>2,801,653</u>	<u>459,765</u>	<u>118,640</u>	<u>0</u>	<u>164,518</u>	<u>0</u>
<u>2,980,469</u>	<u>563,059</u>	<u>249,477</u>	<u>154,208</u>	<u>689,571</u>	<u>870,654</u>
3,038,143	3,127,344	3,255,251	3,066,573	3,088,518	3,166,300
642,095	677,901	635,787	676,249	778,311	816,780
563,169	550,704	546,704	546,656	555,800	587,253
735,343	737,985	721,295	789,946	896,701	893,205
0	56,000	3,390	1,942	4,510	2,042
<u>256,032</u>	<u>0</u>	<u>912,789</u>	<u>84,743</u>	<u>0</u>	<u>79,374</u>
<u>5,234,782</u>	<u>5,149,934</u>	<u>6,075,216</u>	<u>5,166,109</u>	<u>5,323,840</u>	<u>5,544,954</u>
<u>\$ 8,215,251</u>	<u>\$ 5,712,993</u>	<u>\$ 6,324,693</u>	<u>\$ 5,320,317</u>	<u>\$ 6,013,411</u>	<u>\$ 6,415,608</u>
\$ 661,809	\$ (1,992,011)	\$ (2,125,436)	\$ (2,258,959)	\$ (2,112,306)	\$ (1,630,963)
<u>373,689</u>	<u>36,328</u>	<u>982,700</u>	<u>95,710</u>	<u>(93,073)</u>	<u>376,329</u>
<u>\$ 1,035,498</u>	<u>\$ (1,955,683)</u>	<u>\$ (1,142,736)</u>	<u>\$ (2,163,249)</u>	<u>\$ (2,205,379)</u>	<u>\$ (1,254,634)</u>

CITY OF BUSHNELL, FLORIDA
CHANGES IN NET POSITION
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Concluded)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	\$ 580,429	\$ 585,194	\$ 580,379	\$ 563,718
Franchise Taxes	267,743	337,823	340,599	347,248
Public Service Taxes	296,941	310,903	270,318	275,142
Other Taxes	247,390	227,609	234,210	248,084
State-shared Revenues (Unrestricted)	296,900	308,797	312,514	322,705
Investment Earnings	5,819	5,328	764	360
Landfill Surcharge	0	0	0	0
Gain (Loss) on Disposition of Capital Assets	0	0	0	0
Miscellaneous	107,197	161,233	27,188	66,471
Transfers	356,956	416,730	465,241	510,021
Total Governmental Activities	<u>2,159,375</u>	<u>2,353,617</u>	<u>2,231,213</u>	<u>2,333,749</u>
Business-type Activities:				
Investment Earnings	36,122	5,835	9,442	3,823
CR3 Settlement Proceeds	0	0	0	0
Gain (Loss) on Disposition of Capital Assets	0	0	0	0
Miscellaneous	1,858	174,442	0	68,959
Contribution from Other Government	0	0	0	0
Transfers	(356,956)	(416,730)	(465,241)	(510,021)
Total Business-type Activities	<u>(318,976)</u>	<u>(236,453)</u>	<u>(455,799)</u>	<u>(437,239)</u>
Total Primary Government	<u><u>\$ 1,840,399</u></u>	<u><u>\$ 2,117,164</u></u>	<u><u>\$ 1,775,414</u></u>	<u><u>\$ 1,896,510</u></u>
Change in Net Position				
Governmental Activities	\$ 232,106	\$ 369,459	\$ (273,658)	\$ (78,591)
Business-type Activities	2,187,953	395,418	850,719	473,057
Total Primary Government	<u><u>\$ 2,420,059</u></u>	<u><u>\$ 764,877</u></u>	<u><u>\$ 577,061</u></u>	<u><u>\$ 394,466</u></u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 561,544	\$ 569,537	\$ 559,409	\$ 559,415	\$ 561,900	\$ 580,866
346,209	329,485	345,211	352,356	348,432	354,499
274,681	317,432	324,799	297,504	286,865	296,447
271,863	283,619	300,338	310,889	319,106	316,607
352,065	357,616	363,100	371,816	379,010	396,224
183	84	296	449	51	8
0	0	289,673	406,726	0	0
0	0	0	89,715	1,020	5,356
48,970	214,187	48,836	40,114	106,186	48,643
479,127	383,759	357,196	181,499	(8,075)	(50,000)
<u>2,334,642</u>	<u>2,455,719</u>	<u>2,588,858</u>	<u>2,610,483</u>	<u>1,994,495</u>	<u>1,948,650</u>
4,774	2,391	873	3,326	2,197	4,375
0	0	380,312	2,556	0	0
0	0	(260,355)	1,580	2,105	0
0	94,313	8,773	0	843	0
0	0	0	0	578,353	0
(479,127)	(383,759)	(357,196)	(181,499)	8,075	50,000
<u>(474,353)</u>	<u>(287,055)</u>	<u>(227,593)</u>	<u>(174,037)</u>	<u>591,573</u>	<u>54,375</u>
<u>\$ 1,860,289</u>	<u>\$ 2,168,664</u>	<u>\$ 2,361,265</u>	<u>\$ 2,436,446</u>	<u>\$ 2,586,068</u>	<u>\$ 2,003,025</u>
\$ 2,996,451	\$ 463,708	\$ 463,422	\$ 351,524	\$ (117,811)	\$ 317,687
(100,664)	(250,727)	755,107	(78,327)	498,500	430,704
<u>\$ 2,895,787</u>	<u>\$ 212,981</u>	<u>\$ 1,218,529</u>	<u>\$ 273,197</u>	<u>\$ 380,689</u>	<u>\$ 748,391</u>

CITY OF BUSHNELL
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Franchise Fees	Utility Taxes	Sale Use and Gas Tax	Total Taxes
2008	\$ 580,429	\$ 140,713	\$ 423,971	\$ 247,390	\$ 1,392,503
2009	585,195	170,630	478,095	227,609	1,461,529
2010	580,379	169,044	441,873	234,210	1,425,506
2011	563,718	162,545	459,845	248,084	1,434,192
2012	561,544	153,767	467,123	271,863	1,454,297
2013	569,537	149,969	496,948	283,619	1,500,073
2014	559,409	154,507	462,456	353,386	1,529,758
2015	559,415	154,170	456,556	350,023	1,520,164
2016	561,900	152,814	482,483	319,106	1,516,303
2017	580,866	354,499	296,447	316,607	1,548,419

Information Source:
Audited Financial Reports

(1) Includes General and Special Revenue Funds.

CITY OF BUSHNELL, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Restricted	\$ 2,491,301	\$ 0	\$ 0	\$ 867	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed	0	0	0	0	0	0	0	233,075	0	0
Assigned	0	0	0	0	0	0	309,934	513,432	513,432	513,432
Unassigned	138,152	194,610	104,207	95,659	330,368	444,752	606,222	813,292	710,526	908,970
Total General Fund	<u>\$ 2,629,453</u>	<u>\$ 194,610</u>	<u>\$ 104,207</u>	<u>\$ 96,526</u>	<u>\$ 330,368</u>	<u>\$ 444,752</u>	<u>\$ 916,156</u>	<u>\$ 1,559,799</u>	<u>\$ 1,223,958</u>	<u>\$ 1,422,402</u>
All Other Governmental										
Funds										
Restricted	\$ 522,531	\$ 535,529	\$ 546,393	\$ 546,179	\$ 475,273	\$ 455,912	\$ 437,513	\$ 434,307	\$ 433,160	\$ 430,564
Unassigned	(11,310)	(27,067)	(44,465)	(44,627)	0	0	0	0	0	0
Total All Other										
Governmental Funds	<u>\$ 511,221</u>	<u>\$ 508,462</u>	<u>\$ 501,928</u>	<u>\$ 501,552</u>	<u>\$ 475,273</u>	<u>\$ 455,912</u>	<u>\$ 437,513</u>	<u>\$ 434,307</u>	<u>\$ 433,160</u>	<u>\$ 430,564</u>

CITY OF BUSHNELL, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 1,392,503	\$ 1,461,529	\$ 1,425,506	\$ 1,434,192	\$ 1,454,296
Licenses and Permits	47,494	55,187	64,550	31,984	39,401
Intergovernmental	767,918	692,753	417,223	452,697	3,214,911
Grant Revenues *	0	0	0	0	0
Charges for Services	74,156	75,320	32,008	48,494	69,322
Fines and Forfeitures	15,683	23,659	13,127	11,630	8,901
Landfill Fees	0	0	0	0	0
Miscellaneous	113,017	166,562	106,032	66,830	49,153
Total Revenues	2,410,771	2,475,010	2,058,446	2,045,827	4,835,984
Expenditures					
General Government	528,717	603,635	566,897	498,983	502,122
Public Safety	834,867	859,212	912,324	976,512	826,420
Physical Environment	6,475	12,400	0	24,181	24,115
Transportation	356,510	326,483	358,262	335,059	327,007
Culture and Recreation	459,162	483,357	270,018	293,163	234,374
Capital Outlay	983,782	2,866,334	212,357	142,587	2,893,088
Debt Service:					
Principal	113,097	123,836	163,178	163,398	177,406
Interest	19,650	79,208	137,588	130,022	123,016
Total Expenditures	(3,302,260)	(5,354,465)	(2,620,624)	(2,563,905)	(5,107,548)
(Deficiency) Excess of Revenues					
(Under) Over Expenditures	(891,489)	(2,879,455)	(562,178)	(518,078)	(271,564)
Other Financing Sources					
(Uses)					
Transfers (out)	(6,000)	(6,000)	(6,000)	(6,000)	0
Transfers in	362,956	422,730	471,241	516,021	479,127
Note Payable	2,650,000	0	0	0	0
Sale of Capital Assets	0	0	0	0	0
Capital Lease	24,045	25,123	0	0	0
Total Other Financing					
Sources (Uses)	3,031,001	441,853	465,241	510,021	479,127
Net Change in Fund Balances	\$ 2,139,512	\$ (2,437,602)	\$ (96,937)	\$ (8,057)	\$ 207,563
Debt Service as a Percentage of					
Noncapital Expenditures	5.73%	8.16%	12.49%	12.12%	13.57%

* Grant revenues included with Intergovernmental Revenues beginning in 2007.

	2013	2014	2015	2016	2017
\$	1,500,073	\$ 1,529,758	\$ 1,520,164	\$ 1,516,303	\$ 1,548,420
	38,536	58,593	63,388	78,676	78,108
	817,382	365,710	372,651	543,527	536,713
	0	0	0	0	0
	63,228	60,898	67,989	67,827	55,184
	1,530	5,486	22,832	15,892	35,783
	40,521	289,673	406,726	362,659	561,091
	78,739	52,381	39,727	94,451	54,005
	<u>2,540,009</u>	<u>2,362,499</u>	<u>2,493,477</u>	<u>2,679,335</u>	<u>2,869,304</u>
	534,076	532,925	503,710	787,625	578,991
	880,259	728,957	754,066	795,356	837,311
	34,580	27,485	17,882	17,800	17,069
	351,816	368,088	388,924	404,605	321,401
	294,157	265,754	290,625	324,052	329,576
	648,397	114,848	95,210	470,375	351,097
	133,526	119,825	115,559	110,423	116,093
	114,496	108,808	103,113	98,012	92,343
	<u>(2,991,307)</u>	<u>(2,266,690)</u>	<u>(2,269,089)</u>	<u>(3,008,248)</u>	<u>(2,643,881)</u>
	(451,298)	95,809	224,388	(328,913)	225,423
	0	0	(43,501)	(233,075)	(100,000)
	383,759	357,196	225,000	225,000	50,000
	0	0	0	0	0
	162,562	0	234,550	0	20,425
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	546,321	357,196	416,049	(8,075)	(29,575)
\$	<u>95,023</u>	<u>\$ 453,005</u>	<u>\$ 640,437</u>	<u>\$ (336,988)</u>	<u>\$ 195,848</u>
	10.59%	10.62%	10.06%	8.21%	9.09%

CITY OF BUSHNELL, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2008	\$ 111,472,409	\$ 18,559,858	\$ 130,032,267	4.640	\$ 180,256,738	72%
2009	143,184,257	18,889,601	162,073,858	4.710	188,898,223	86%
2010	139,107,117	18,691,552	157,798,669	4.710	182,944,663	86%
2011	128,988,824	23,586,697	152,575,521	4.908	179,127,604	85%
2012	127,715,746	22,844,384	150,560,130	5.000	179,532,919	84%
2013	125,639,528	22,614,241	148,253,769	4.992	174,192,959	85%
2014	130,215,867	22,014,403	152,230,270	4.969	177,209,940	86%
2015	126,836,381	21,966,315	148,802,696	4.944	172,355,396	86%
2016	137,745,867	22,420,496	160,166,363	4.823	184,197,453	87%
2017	141,976,239	25,427,658	167,403,897	4.566	194,814,518	86%

Information Source:

Sumter County Property Appraiser

**CITY OF BUSHNELL, FLORIDA
PROPERTY TAX RATES DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS**

Fiscal Year	City of Bushnell		Overlapping Rates			Total Direct and Overlapping
	Operating Millage	Total Direct Rate	County		School Millage	
			County Millage	Total County		
2008	4.710	4.710	6.512	6.512	7.354	18.576
2009	4.710	4.710	6.627	6.627	7.450	18.787
2010	4.908	4.908	6.938	6.938	7.499	19.345
2011	5.000	5.000	6.713	6.713	6.497	18.210
2012	4.992	4.992	6.743	6.743	6.482	18.217
2013	4.969	4.969	6.602	6.602	6.357	17.928
2014	4.944	4.944	6.266	6.266	6.026	17.236
2015	4.823	4.823	6.049	6.049	5.867	16.739
2016	4.566	4.566	5.922	5.922	5.780	16.267
2017	4.511	4.511	5.833	5.833	5.692	16.036

Information Source:

City Millage Records
Sumter County Property Appraiser

**CITY OF BUSHNELL, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Owner	2008		2017	
	Taxable Assessed Value	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Percent of Total Taxable Assessed Value
1. WAL-MART	\$ 10,087,325	6.22%	\$ 9,938,320	30.2%
2. BELLOTTO PROPERTIES, INC.	4,961,253	3.06%	3,804,590	11.6%
3. NHC-FL124, LLC	3,090,517		3,872,770	11.8%
4. NHC-FL123, LLC		0.00%	2,940,090	8.9%
5. METAL INDUSTRIES	4,620,166		2,701,950	8.2%
6. WAYNE WETZEL MOBLIE HOME, INC.			2,533,450	7.7%
7. OSPREY REALTY, LLC	1,993,841	1.23%	2,000,390	6.1%
8. BUSHNELL EQUITIES, LLC			1,919,200	5.8%
9. SWAMI SHREEJI, LLC			1,592,400	4.8%
10. ACV BUSHNOK, LLC	1,723,670		1,590,230	4.8%
BLUEBERRY HILL R/V PARK	3,059,559	1.89%		
SUNDANCE-OAKS, LLC	3,531,355	2.18%		
BOULDER II LLC	1,292,587	0.80%		
DESAI DEVEN & NEHA	<u>2,058,013</u>	1.27%		
Total Assessed Value	<u>\$ 36,418,286</u>	22.5%	<u>\$ 32,893,390</u>	19.3%
Total Assessed Property Value	<u>\$ 162,073,858</u>		<u>\$170,818,657</u>	

Information Source:
Sumter County Tax Collector

**CITY OF BUSHNELL, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

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Fiscal Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	\$ 601,651	\$ 572,923	95%	7,256	\$ 580,179	96%
2009	585,791	578,093	99%	6,371	584,464	100%
2010	586,314	564,523	96%	15,495	580,018	99%
2011	586,223	557,594	95%	3,555	561,149	96%
2012	575,464	549,054	95%	11,689	560,743	97%
2013	578,362	555,717	96%	1,640	557,357	96%
2014	574,812	554,869	97%	5,585	560,454	98%
2015	586,646	565,557	96%	5,541	571,098	97%
2016	587,689	556,719	95%	5,170	561,889	96%
2017	594,672	480,364	81%	646	481,010	81%

Information Source:
Sumter County Tax Collector

**CITY OF BUSHNELL, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-type Activities					Total Government	Percentage of Personal Income	Population	Per Capita
	Notes Payable	Other Liabilities	Capital Leases	Sewer/Water Bonds	Notes Payable	State Revolving Funds	Other Liabilities	Capital Lease				
2008	\$ 2,976,896	\$ 0	\$ 43,502	\$ 3,699,000	\$ 1,318,401	*	\$ 0	\$ 27,641	\$ 8,065,440	14.25%	2,344	3,440
2009	2,874,867	0	46,805	3,654,000	1,232,950	*	0	9,390	7,818,012	17.92%	2,364	3,307
2010	2,725,980	0	32,217	3,607,000	1,296,560	*	0	272,000	7,933,757	22.86%	2,358	3,365
2011	2,572,370	0	22,429	3,558,000	1,281,991	*	0	264,471	7,699,261	20.06%	2,543	3,028
2012	2,414,134	0	3,133	3,507,000	0	\$ 1,148,347	0	237,688	7,310,302	24.36%	2,445	2,990
2013	2,283,740	0	0	3,453,000	0	1,076,937	0	348,384	7,162,061	21.98%	2,462	2,929
2014	2,163,973	0	0	3,397,000	0	1,028,000	0	289,026	6,877,999	20.32%	2,756	2,496
2015	2,048,356	0	0	3,338,000	0	1,003,054	0	228,007	6,617,417	19.77%	2,864	2,311
2016	1,937,933	0	0	3,277,000	0	1,364,338	0	167,723	6,746,994	21.89%	2,995	2,253
2017	1,821,840	20,425	0	3,315,000	0	1,283,161	37,926	333,093	6,811,445	22.13%	3,047	2,235

Information Source:

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

*Information on breakout unavailable for prior years.

**CITY OF BUSHNELL, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2017**

	Fiscal Year 2008			Fiscal Year 2017		
Governmental Unit	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt	Debt Outstanding	Percent Applicable	Estimated Share of Overlapping Debt
Sumter County	\$ 40,265,000	2.60%	\$ 1,046,890	\$ 58,035,116	1.38%	\$ 802,253
Sumter County School Board	3,985,000	2.60%	103,610	3,260,000	1.38%	45,065
Total Overlapping Debt			1,150,500			847,318
Total Direct Debt			0			0
Total Direct and Overlapping Debt			<u>\$ 1,150,500</u>			<u>\$ 847,318</u>

Information Source:

Sumter County Finance Department
Sumter County School Board

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Bushnell. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

**COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2017
CITY OF BUSHNELL, FLORIDA**

**The Constitution of the State of Florida,
Florida Statute 200.181, Sets No Legal Debt Margin.**

CITY OF BUSHNELL, FLORIDA
PLEDGED REVENUE COVERAGE - WASTEWATER BONDS
LAST TEN FISCAL YEARS

Fiscal Year	Sewer Charges and Other**	Less: Operating Expenses***	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio	
				Principal	Interest	Total		
Revenue Bonds								
2008	\$ 896,741	\$ 687,697	\$ 209,044	\$ 32,000	\$ 125,384	\$ 157,384	75%	
2009	776,949	587,706	189,243	34,000	123,904	157,904	83%	
2010	964,865	726,844	238,021	36,000	122,331	158,331	67%	
2011	934,684	675,204	259,480	37,000	120,666	157,666	61%	
2012	852,339	576,038	276,301	39,000	118,955	157,955	57%	
2013	813,286	540,782	272,504	41,000	117,151	158,151	58%	
2014	809,759	622,788	186,971	43,000	115,255	158,255	85%	
2015	872,489	596,874	275,615	45,000	113,266	158,266	57%	
2016	870,677	605,798	264,879	47,000	109,185	156,185	59%	
2017	907,305	618,597	288,708	0	54,010	54,010	19%	
State Revolving Loan Fund*								
2009	776,949	587,706	189,243	56,202	22,831	79,033	42%	
2010	964,865	726,844	238,021	24,664	25,633	50,297	21%	
2011	934,684	675,204	259,480	46,997	22,312	69,309	27%	
2012	852,339	576,038	276,301	48,808	20,623	69,431	25%	
2013	813,286	540,782	272,504	49,873	19,438	69,311	25%	
2014	809,759	622,788	186,971	50,961	18,350	69,311	37%	
2015	872,489	596,874	275,615	52,072	17,238	69,310	25%	
2016	870,677	605,798	264,879	53,209	14,853	68,062	26%	
2017	907,305	618,597	288,708	54,370	14,941	69,311	24%	

Information Source:

Audited Financial Reports
General Ledger

*Prior to 2008 the Wastewater Fund did not have a State Revolving Loan.

**Revenues are defined as Sewer system revenues and other legally available non-ad valorem funds (excluding non-cash items and grant funds).

***Operating expenses are defined as operating and maintaining the Sewer System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from gross revenues, depreciation, and any other items not requiring the expenditure of cash.

**CITY OF BUSHNELL, FLORIDA
PLEDGED REVENUE COVERAGE - WATER
LAST TEN FISCAL YEARS**

Fiscal Year	Water Charges****	Less: Operating Expenses*****	Net Available Expenses	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
Pooled Loan Note *							
2008	\$ 714,162	\$ 577,491	\$ 136,671	\$ 25,000	\$ 2,498	\$ 27,498	20.12%
2009	774,034	658,583	115,451	29,250	1,480	30,730	26.62%
2010	761,086	638,918	122,168	46,750	149	46,899	38.39%
2011	668,214	581,004	87,210	*	*	0	0.00%
2012	667,367	564,135	103,232	*	*	0	0.00%
2013	677,900	515,555	162,345	*	*	0	0.00%
2014	634,696	492,791	141,905	*	*	0	0.00%
2015	666,718	542,250	124,468	*	*	0	0.00%
2016	998,352	363,881	634,471	*	*	0	0.00%
2017	907,305	473,703	433,602	*	*	0	0.00%
Revenue Bond **							
2008	\$ 714,162	\$ 577,491	\$ 136,671	\$ 10,000	\$ 16,805	\$ 26,805	19.61%
2009	774,034	658,583	115,451	11,000	43,350	54,350	47.08%
2010	761,086	638,918	122,168	11,000	42,883	53,883	44.11%
2011	668,214	581,004	87,210	12,000	42,415	54,415	62.40%
2012	667,367	564,135	103,232	12,000	41,905	53,905	52.22%
2013	677,900	515,555	162,345	13,000	41,395	54,395	33.51%
2014	634,696	492,791	141,905	13,000	40,843	53,843	37.94%
2015	666,718	542,250	124,468	14,000	40,290	54,290	43.62%
2016	998,352	363,881	634,471	14,000	39,695	53,695	8.46%
2017	907,305	473,703	433,602	0	23,032	23,032	5.31%
State Revolving Funds ***							
2010	\$ 761,086	\$ 638,918	\$ 122,168	\$ 0	\$ 0	\$ 0	0.00%
2011	668,214	581,004	87,210	12,286	3,026	15,312	17.56%
2012	667,367	564,135	103,232	32,502	7,143	39,645	38.40%
2013	677,900	515,555	162,345	21,537	6,250	27,787	17.12%
2014	634,696	492,791	141,905	14,874	5,810	20,684	14.58%
2015	666,718	542,250	124,468	15,281	5,404	20,685	16.62%
2016	998,352	363,881	634,471	15,698	4,987	20,685	3.26%
2017	907,305	473,703	433,602	26,847	9,396	36,243	8.36%

Audited Financial Reports
General Ledger

**Prior to 2008 the Water Fund did not have a Revenue Bond.

***Prior to 2010 the Water Fund did not have a State Revolving Loan - no payments made in first year.

****Revenues are defined as Sewer System revenues and other legally available non-ad valorem funds (excluding non-cash items and grant funds).

*****Operating expenses are defined as operating and maintaining the Sewer System determined pursuant to generally accepted accounting principles, exclusive of interest on any debt payable from gross revenues, depreciation, and any other items not enquiring the expenditure of cash.

**CITY OF BUSHNELL, FLORIDA
PLEDGED REVENUE COVERAGE - ELECTRIC
LAST TEN FISCAL YEARS**

Fiscal Year	Electric Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
Notes Payable							
2008	\$ 3,393,007	\$ 3,035,713	\$ 357,294	\$ 27,000	\$ 5,274	\$ 32,274	9.03%
2009 *	3,785,508	3,348,244	437,264	0	0	0	0.00%
2010	0	0	0	0	0	0	0.00%
2011	0	0	0	0	0	0	0.00%
2012	0	0	0	0	0	0	0.00%
2013	0	0	0	0	0	0	0.00%
2014	0	0	0	0	0	0	0.00%
2015	0	0	0	0	0	0	0.00%
2016	0	0	0	0	0	0	0.00%
2017	0	0	0	0	0	0	0.00%

Information Source:

Audited Financial Reports
General Ledger

* In 2009, current year debt service requirements were suspended.
There were no pledged revenue requirements for the years after 2009.

**CITY OF BUSHNELL, FLORIDA
PLEDGE REVENUE COVERAGE - SANITATION
LAST TEN FISCAL YEARS**

Fiscal Year	Sanitation Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Debt Coverage Ratio
				Principal	Interest	Total	
2008	\$ 512,765	\$ 493,075	\$ 19,690	\$ 17,576	\$ 1,561	\$ 19,137	97.19%
2009	522,324	470,446	51,878	18,251	883	19,134	36.88%
2010	***	***	***	***	***	***	***
2011	***	***	***	***	***	***	***
2012	***	***	***	***	***	***	***
2013	***	***	***	***	***	***	***
2013	***	***	***	***	***	***	***
2014	***	***	***	***	***	***	***
2015	***	***	***	***	***	***	***
2016	***	***	***	***	***	***	***
2017							

Information Source:
Audited Financial Reports
General Ledger

***The City did not enter into any debt agreements that required a pledge of sanitation revenues. Therefore this is reported at zero.

**CITY OF BUSHNELL, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (Amounts Expressed In Thousands)	Per Capita Personal Income	Median Age	Education Level In Years of Formal Interest	School Enrollment	Unemployment Rate/Percent
2008	2,344	\$ 42,020	\$ 24,135	42.8	14.9	2,235	4.20%
2009	2,364	39,299	18,458	42.8	14.9	2,361	8.30%
2010	2,358	34,707	17,911	36.5	14.9	1,813	9.10%
2011	2,543	38,378	19,614	34.8	15.0	1,867	8.10%
2012	2,445	30,005	16,180	46.0	14.4	1,863	7.80%
2013	2,462	32,582	20,431	43.1	14.4	1,825	5.50%
2014	2,756	33,844	21,693	46.1	15.2	2,142	4.40%
2015	2,864	33,479	20,009	46.6	15.0	2,120	4.40%
2016	2,995	30,820	21,053	46.6	15.0	2,157	6.60%
2017	3,047	30,784	14,885	56.4	15.0	1,813	5.90%

* Information not available.

Information Source:

U.S. Census Bureau
www.data.dancingengineer.com/labormarket
www.data.dancingengineer.com/unemployment
www.bestplaces.net/economy/city/florida/bushnell

**CITY OF BUSHNELL
PRINCIPAL EMPLOYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2008			Fiscal Year 2017		
	Employees	Percentage of Total City* Employment	Rank	Employees	Percentage of Total City* Employment	Rank**
Sumter County District Schools	881	2.31%	1	841	2.11%	1
Sumter County Government	394	1.03%	2	334	0.84%	2
Wal-Mart	319	0.84%	3	230	0.58%	4
Sumter County Sheriff's Office	231	0.61%	4	283	0.71%	3
Metal Industries	219	0.57%	5	130	0.33%	5
City of Bushnell	42	0.11%	6	31	0.08%	6
Total	2,086	5.47%		1,849	4.65%	

* City data not available. Percentage is calculated based on total county employment.
Prior information is not available.

**Only top 6 employer information is available.

Information Source:

Sumter County Board of County Commissioners
Wal-Mart
Metal Industries
Sumter County Chamber of Commerce
www.data.dancingengineer.com/labormarket

CITY OF BUSHNELL
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	8	8	8	9	9	9	9	10	10	10
Public Safety:										
Police:										
Officers	9	9	9	8	0	0	0	0	0	0
Civilians	1	1	1	1	0	0	0	0	0	0
Fire:										
Firefighters and Officers	0	0	0	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	0	0	0	0	0
Highways and Streets:										
Maintenance	5	4	6	5	5	5	5	5	4	4
Sanitation	3	4	3	2	2	2	2	2	2	3
Culture and Recreation	6	1	1	3	4	2	2	2	3	3
Water	2	2	2	2	2	2	2	2	2	2
Sewer	3	3	4	3	3	3	3	3	3	3
Electric	5	5	5	5	5	5	5	5	5	6
Total	42	37	39	38	30	28	28	29	29	31

Information Source:
City Records

**CITY OF BUSHNELL, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Police:										
Physical Arrests	144	142	127	123	89	343	267	231	727	319
Traffic Violations	367	531	382	402	144	291	239	714	823	1139
DUI Citations	8	3	5	7	4	10	16	9	14	13
Fire:										
Inspections	0	0	0	0	0	0	0	0	0	0
Highways and Streets:										
Street Resurfacing (Miles)	0.10	0	0	0	0	0	1	3.1	0.01	0.46
Potholes Repaired	73	119	194	404	566	430	406	562	567	385
Sanitation:										
Refuse Collected (Tons/Day)	10	14.2	13	6.51	7.92	8.78	9.01	8.58	9.06	9.56
Culture and Recreation:										
Community Center Admissions	104	70	50	39	29	26	27	19	19	31
Water:										
Average Daily Consumption (Thousands of Gallons)	452,000	389,000	391,000	442,000	443,000	363,000	373,000	388,000	442,000	459,000
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	167,000	215,000	204,000	278,000	225,000	219,000	224,000	208,000	269,000	252,000

*Information above is an estimate.

Information Source:

City Records

**CITY OF BUSHNELL, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety:										
Police:										
Stations	1	1	1	1	1	0	0	0	0	0
Patrol Units	10	10	10	10	10	0	0	0	0	0
Fire Stations	1	1	1	1	1	1	1	1	0	0
Sanitation:										
Collection Trucks	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	2 Side-Loaders (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)	1 Side-Loader (automatic)
	3 Rear-Loaders	3 Rear-Loaders	3 Rear-Loaders	1 Rear-Loader	1 Rear-Loader	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck	1 Grapple Truck
			1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader	1 Front-Loader
										1 Front/Side-Loader
Highways and Streets:										
Streets (Miles)	18.1	18.1	18.1	18.1	18.1	18.1	18.1	20.45	20.7	20.7
Traffic Signals	6	7	7	7	7	7	7	8	8	8
Culture and Recreation:			k7u							
Parks Acreage	39	39	39	39	40.68	40.68	40.68	40.68	40.68	40.68
Tennis Courts	1	2	2	2	2	2	2	2	2	2
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Playgrounds	3	3	6	6	6	6	6	6	6	6
Ball Fields	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted	9 lighted
Multi-Purpose Fields	0	2	2	2	2	2	2	2	2	2
Picnic Pavilions	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	4 Large/1 Small	5 Large/1 Small	5 Large/1 Small
Community Centers	1	1	1	1	1	1	1	1	1	1
Shuffleboard Courts	1	2	2	2	2	2	2	2	2	2
Water:										
Water Mains (Miles)	23.1	23.5	23.7	23.95	24.24	24.24	27.55	28.35	29.15	29.15
Wastewater:										
Sewer Mains (Miles)	20.3	22.5	26	26	27.29	27.35	27.35	27.35	27.47	27.47
Electric:										
Miles of Service Lines	18.0	18.5	18.5	18.86	18.95	19.31	19.57	19.57	19.57	19.57

Information Source:

City Records

City of Bushnell Fixed Asset Detail

COMPLIANCE SECTION

**ADDITIONAL ELEMENTS OF REPORTING PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED
STATES, *RULES OF THE AUDITOR GENERAL***

**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***

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bushnell, Florida (the City) as of and for the year ended September 30, 2017, 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 20, 2018.

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 combination of significant 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Certified Public Accountants

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5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

**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*
(Concluded)**

Internal Control Over Financial Reporting (Concluded)

2008-2—Segregation of Duties

The City operates with a small finance, accounting, and customer service department and does not have the resources to properly segregate duties among employees so that no one employee has sole control over approving, recording, and accounting for transactions.

Because significant deficiencies in internal control over financial reporting exist when there is not sufficient separation of incompatible accounting duties, we recommend that the City's finance, accounting, and customer service departments continue to develop and, if necessary, expand its current staff to ensure more effective internal control structure over financial reporting.

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*.

However, we noted certain other matters that we reported to management of the City in a separate letter dated March 20, 2018.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Management Letter Response. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Curvis, Gray and Company, LLP

March 20, 2018
Ocala, Florida

MANAGEMENT LETTER

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bushnell, Florida (the City) as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 20, 2018.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with American Institute of AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 20, 2018, 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 action has been taken to address findings and recommendations made in the preceding annual financial audit report. See status of prior audit findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the City is reported in Note 1 to the basic financial statements. There are no component units related to the City.

Financial Condition and Management

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

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management (Concluded)

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

Section 10554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management (see management letter comments).

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

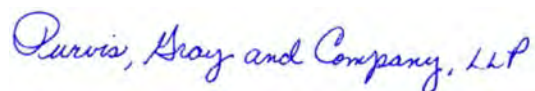
Additional Matters

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 grant agencies, the Mayor and Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



March 20, 2018
Ocala, Florida

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2017. 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, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2017.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Supervisors of the District, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties

Purvis, Gray and Company, LLP

March 20, 2018
Ocala, Florida

Certified Public Accountants

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MANAGEMENT LETTER COMMENTS

The Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

Prior Year Comments and Recommendations (Updated for 2017)

2011-1—Financial Condition Assessment – Wastewater Fund

As required by the *Rules of the Auditor General* we have applied financial condition assessment procedures to the City's financial statements as of September 30, 2017, and noted that the wastewater fund continues to show a net operating loss and is operating with borrowed funds from both outside sources and through interfund borrowings from the electric and water funds.

Although, the City slightly improved the net position of the fund by increased sales in the current year, the fund is still incurring an operating loss (after depreciation). A continued increase in overall revenues and cash flows is necessary to increase liquidity, provide for debt repayment and to improve the overall financial position of the fund.

2014-1 Interfund Borrowings with the Wastewater Fund

As of September 30, 2017, the Wastewater fund owes the Electric and Water fund approximately \$1,660,908 that has built up since the inception of the Wastewater fund (see prior years management letter comments). This interfund borrowing consists of an interfund long-term loan from both the Water and Electric Fund of \$1,242,948 and an interfund short-term loan of \$417,960 from the Electric Fund due to operating cash shortages. These interfund borrowings primarily occurred in prior years and were directly due to the Wastewater fund not earning enough revenues to cover current operating costs and making debt service payments.

Although in the current year, the Wastewater fund showed improvement in operations and was able to pay the Electric fund approximately \$297,261 on the interfund short-term loan, the likelihood of the fund to fully repay both the short-term and long-term loans in the near future is remote. Accordingly, authoritative accounting standards indicate that "if repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan". We recommend that management consider this issue and determine the appropriate measures to address the interfund borrowings.

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The Honorable Mayor and Council Members
City of Bushnell
Bushnell, Florida

MANAGEMENT LETTER COMMENTS
(Concluded)

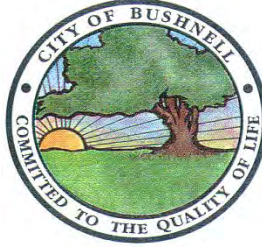
Pursuant to Chapter 119, Florida Statutes, these management letter comments are a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to express our appreciation for the courtesies that have been extended to our staff. If you have any questions or comments about the contents of this letter, please do not hesitate to contact us.

Davis, Gray and Company, LLP

March 20, 2018
Ocala, Florida

CITY OF BUSHNELL



117 E. Joe P Strickland, Jr. Avenue, P.O. Box 115
Bushnell, FL 33513
Phone: 352-793-2591 Fax: 352-793-2711

March 20, 2018

RESPONSE TO THE MANAGEMENT LETTER

To: Honorable Mayor and Council Members
From: Jody Young
Re: Management Response to the Auditor's Management Letter

Honorable Council Members:

This letter of explanation is being offered in accordance with the "Rules of the Auditor General" in particular, Chapter 10.500 thereof. Specifically, this letter responds to Purvis, Gray and Company's "Management Letter" comments dated March 20, 2018. In their report Purvis, Gray and Company, LLP (PG&C) made several recommendations for improvement with regard to the City's fiscal management. The specific areas identified in their comments and recommendations are as follows:

PRIOR YEAR RECOMMENDATIONS:

- ❖ Segregation of Duties
- ❖ Financial Condition Assessment - Wastewater Fund
- ❖ Interfund Borrowings With the Wastewater Fund

The following discussion addresses each of the above comments and recommendations, providing additional background information, and describing management's plans to address these findings.

PRIOR YEAR RECOMMENDATIONS:

Segregation of Duties

Management has reviewed current segregation of duties and continues to reassign job duties for more effective internal controls as permitted. Additional tasks will be assigned to both the City Clerk and the current Finance Specialist in the future in an effort to achieve an even greater

improvement in segregation of duties within the Finance Department. Because of the small size of the City staff, it is unlikely that complete segregation of duties can be achieved in the coming fiscal year.

Financial Condition Assessment – Wastewater Fund

Management acknowledges that the wastewater fund continued to show a net operating loss after depreciation. It should be noted that the Wastewater Fund continues to produce enough revenue to meet cash obligations, but is not fully funding depreciation.

It is expected that the fund will continue to improve during the current and future fiscal years, primarily due to increased customer connections brought about by new development within the City's utility service area. Capacity reservation charges (CRC's) have been reinstated in order to provide additional revenue tied to new development, and the City recognized \$75,000 in additional revenues in FY2016-2017 through the collection of CRC monies. The City also refinanced, and paid off a large bond issuance that was held with the United States Department of Agriculture (USDA) in FY2016-2017, saving the City approximately \$1,285,000 over the next 20 years. The net present value of savings from this refinancing is approximately \$674,765. An additional benefit the City recognized in refinancing this debt was the ability to remove the debt cash reserve requirement for these bonds, thus placing approximately \$171,000 back into the Wastewater cash account.

While none of these measures will completely resolve this audit issue quickly, the City's corrective actions will be sufficient to continue to meet cash obligations and make progress in recovery of depreciation, thereby building a reserve for repair and replacement of plant.

Interfund Borrowings with the Wastewater Fund

In FY2016-2017, the Wastewater Fund showed improvement in operations, primarily due to keeping expenses within a conservative budget amount. This, coupled with the refinancing of debt, enabled the Wastewater Fund to pay the Electric Fund approximately \$297,261 on the interfund short-term loan. Although this was a significant repayment, when compared to prior years, the likelihood of the fund to fully repay both the short-term and long-term loans in the near future is remote.

Additionally, staff will be asking council for the authorization to conduct another independent Wastewater rate study within the upcoming budget year to re-evaluate the rate structure. In the interim, and in an effort to currently avoid raising Wastewater rates so that the City's customers are not adversely impacted financially, the City also has the ability through the budget process to

Page 3
Response to the Management Letter
March 20, 2018

make transfers from the General Fund to the Wastewater Fund to help supplement the Wastewater Fund Revenues. The revenue for the transfer will come from a portion of the collection of landfill tipping fees, which are projected to be approximately \$650,000.00 in this current fiscal year.

Respectfully submitted,

Jody Young

Jody Young, CGFO
Finance Director