



**CITY OF
FLORIDA CITY, FLORIDA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Prepared by the Department of Finance

CITY OF FLORIDA CITY, FLORIDA

CONTENTS

Introductory Section

Letter of Transmittal	i-v
List of Principal Officials	vi
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Organization Chart.....	viii

Financial Section

Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information).....	4-12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet.....	15
Reconciliation of the Balance Sheet – Governmental Funds to Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Fund Financial Statements	
Statement of Net Position	19
Statement of Revenues, Expenses and Changes in Net Position	20
Statement of Cash Flows	21
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position.....	22
Statement of Changes in Fiduciary Net Position	23
Notes to Basic Financial Statements.....	24-61

Required Supplementary Information (Other Than MD&A)

Budgetary Comparison Schedule – General Fund.....	62
Budgetary Comparison Schedule – CRA Fund	63
Note to Budgetary Comparison Schedule.....	64
Police Officers' Substitute Pension Trust Fund	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	65
Schedule of City Contributions.....	66
Schedule of Investment Returns	67
Schedule of Funding Progress	68
Elected Officials Retirement Plan	
Schedule of City Contributions.....	69
Schedule of Funding Progress	70
Schedule of Funding Progress - Other Post Retirement Benefits	71

CITY OF FLORIDA CITY, FLORIDA

CONTENTS

Combining Fund Financial Statements (Supplementary Information)

Combining Balance Sheet – Nonmajor Governmental Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds.....	73
Combining Statement of Fiduciary Net Position.....	74
Combining Statement of Changes in Fiduciary Net Position	75

Statistical Section

Net Position by Component.....	76
Changes in Net Position.....	77
Fund Balances of Governmental Funds.....	78
Changes in Fund Balances of Governmental Funds.....	79
Assessed Value and Estimated Actual Value of Taxable Property	80
Property Tax Rates – Direct and Overlapping Governments	81
Principal Property Taxpayers.....	82
Property Tax Levies and Collections.....	83
Ratios of Outstanding Debt by Type - Business-type Activities.....	84
Computation of Direct and Overlapping Governmental Activities Debt	85
Water Revenue Bond Coverage.....	86
Demographic and Economic Statistics	87
Principal Employers.....	88
City Government Employees by Function/Programs	89
Operating Indicators by Function/Program	90
Capital Asset Statistics by Function/Program	91

Reporting Section

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 <i>Government Auditing Standards</i>	92-93
Independent Auditors’ Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	94-95
Schedule of Expenditures of Federal Awards.....	96
Notes to Schedule of Expenditures of Federal Awards	97
Schedule of Findings and Questioned Costs	98-99
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida.....	100-102
Independent Accountants’ Report on Compliance Pursuant to Section 218.415 Florida Statutes	103

INTRODUCTORY SECTION



Mark Ben-Asher, CGFO
Director of Financial Planning
and Administration

Chad Burkhalter
Assistant Finance Director

April 10, 2015

To the Citizens of the City of Florida City
and Other Interested Parties:

State law requires that all general purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Additionally, the City's charter requires an annual independent audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Florida City for the fiscal year ended September 30, 2014.

This report consists of management's representations concerning the finances of the City of Florida City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City of Florida City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh the benefits derived, the City'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 respects.

The City's financial statements have been audited by Marcum LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering unmodified opinions that the City of Florida City's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Florida City was part of a broader federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require

To the Citizens of the City of Florida City
And Other Interested Parties
April 10, 2015

the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and legal requirements involving the administration of federal and state awards.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Florida City's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

The City of Florida City is the southernmost city on the mainland of Florida before reaching the Florida Keys. It has traditionally been primarily agricultural, but recent new development is bringing far more residential communities and is, therefore, changing the landscape of the City. Through annexation, the City is preparing to triple its size geographically. The City is currently about 3 square miles, but will become much larger if current annexation requests are approved by Miami-Dade County.

The City of Florida City was incorporated in 1914 and operates under the Strong Mayor/Commission form of government. The City Commission is comprised of the Mayor and four Commissioners elected city-wide. The Mayor's term is for four years and the commissioner's term is for four years. The City Commission is responsible for enacting laws (resolutions, ordinances and regulations) governing the City as well as appointing the members of various advisory boards and the City Attorney. As chief executive officer of the City, the Mayor also serves as the chief administrative officer. The Mayor is responsible for enforcement of laws and appoints and supervises department heads. The Police Chief and the Director of Financial Planning and Administration (CFO) are appointed by the Mayor with the consent of the City Commission.

In addition to providing residents with public safety, general government, leisure and public works type services, the City provides water, sewer, sanitation, a recycling program and recreational facilities and activities.

The annual budget serves as the foundation for the City of Florida City's financial planning and control. All departments of the City are required to submit proposed budgets to the Mayor, who then makes any necessary revisions. The Mayor then presents to the City Commission, for their review, a budget estimate of the revenues and expenditures of all the City's departments. Two public hearings are then conducted to inform the taxpayers of the proposed budget and to receive their comments. A majority affirmative vote of the commission quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of a Resolution. The City's budget is approved at the department level. The Mayor and Director of Financial Planning and Administration may amend the adopted budget for adjustments within a department administratively, but the City Commission must approve all budget adjustments that exceed or are less than originally budgeted. Supplemental appropriations of revenues and expenditures and budget adjustments are typically approved by the City Commission during the last quarter of the fiscal year. During fiscal year 2013-2014, there were budgetary amendments. Budget-to-actual comparisons are provided in this report for the general fund and the community redevelopment agency (CRA) for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Florida City operates.

Local Economy

The City of Florida City's positioning for progress is undoubtedly ensured for periods that extend far beyond the period of time the City has rebuilt itself from Hurricane Andrew in 1992. Its geographic location, southern end of the Florida Turnpike, U.S. Route #1, Everglades National Park to its west and Biscayne National Park to its east, brings over 3 million visitors every year. The transportation system is excellent including a busway completed in Florida City, the Florida Turnpike and U.S. Route #1 access to the airport and other fine communities north of Florida City, including the metropolitan Miami area.

Essential to its progress, the City has a pro-business attitude towards developers, builders, contractors and others in the private sector. The City's comprehensive plan and zoning regulations provide a balanced land use plan for the orderly development of commercial, residential and recreational development.

The City of Florida City has maintained its millage rate for the 2013-2014 fiscal year at 7.5899. Continued new development has slowed considerably due to the general economic climate throughout the country. In addition, as a financial policy, cost cutting measures have eliminated the need to spend any fund balance.

Long-Term Financial Planning and Major Initiatives

The City is working diligently to annex additional land to expand our western boundary. This will provide space for planned residential and commercial expansion. New parks are being developed to provide additional open space and leisure activities for the anticipated addition to our population. A new gymnasium was recently constructed for our children to enjoy.

Cash Management Policies and Practices

The City invests operating funds in an effort to earn a reasonable yield on its portfolio. This is consistent with the City's primary objective of safeguarding public assets by minimizing the level of credit and market risks assumed. The investment priority is safety of capital, liquidity of funds and investment income, in that order. To that end, the City's investments are guided by a detailed investment policy which is reviewed annually to determine if any changes may be required. The City substantially invests in negotiable certificates of deposit. In November 2007 the State Board of Administration froze a substantial portion of its pool assets due to too many

To the Citizens of the City of Florida City
And Other Interested Parties
April 10, 2015

withdrawals and lack of liquidity. The pool has been reorganized to protect its participant's assets. From time to time, the Pool permits participants to withdraw funds. The City has \$375,039 remaining in the Pool at this time.

Pension Benefits

The City maintains a single-employer defined benefit pension plan for its police officers. An independent actuary is engaged by the pension plan to calculate the amount of the annual contribution the City must make to ensure that the plan will be able to fully meet its obligations to retired employees in a timely manner. As a matter of policy, the City fully funds the required annual contribution to the pension plan as determined by the actuary. This is accounted for in the police pension trust fund. On May 1, 2008, the City and police officers had agreed to enter the Florida Retirement System.

A replacement plan was adopted to protect the participants' assets. For the fiscal year ended September 30, 2014 the City contributed an amount to make the plan actuarially sound. One management type general employee (through a formal management plan) received 18% contribution by the City. That general employee contributed an amount much greater than the minimum of 2%. On February 1, 2009, a new pension plan was adopted with the Florida Retirement System (FRS) for all authorized general employees. The new FRS pension plan is a cost-sharing multiple employer defined benefit plan. The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll along with a required 3% employee contribution. In addition to the defined benefit pension plan for police officers, the City maintains a defined contribution pension plan for its general employees created in accordance with Internal Revenue Code Section 401(a).

The City further maintains a single-employer defined benefit pension plan for its elected officials. An independent actuary is retained by the pension plan to calculate the amount of the annual contribution the City must make to ensure the plan will be able to fully meet its obligations to retired elected officials in a timely manner.

Awards and Acknowledgments

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 Florida City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the eighteenth consecutive year that 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 CAFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

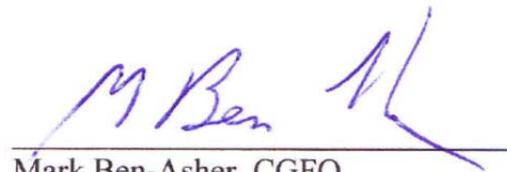
To the Citizens of the City of Florida City
And Other Interested Parties
April 10, 2015

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

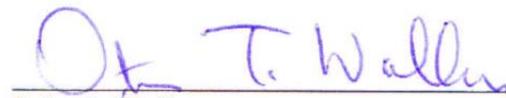
The presentation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. Special recognition is given to Chad Burkhalter, Assistant Director of Finance of the Finance Department, for his many contributions leading to a successful audit and preparation of this report. We also wish to recognize the assistance provided by the firm of Marcum LLP.

In closing, without the leadership and support of the Mayor and the City Commissioners, preparation of this report would not have been possible.

Sincerely,



Mark Ben-Asher CGFO
Director of Financial Planning
and Administration (CFO)



Otis T. Wallace
Mayor

CITY OF FLORIDA CITY, FLORIDA

**LIST OF PRINCIPAL OFFICIALS
AS OF SEPTEMBER 30, 2014**

MAYOR-COMMISSION FORM OF GOVERNMENT

CITY COMMISSION

Otis T. Wallace, Mayor

R.S. Shiver, Vice Mayor

Sharon Butler

Eugene D. Berry

Avis Brown

CITY CLERK

Jennifer Evelyn

CITY ATTORNEY

Jeff H. Cazeau

DIRECTOR OF FINANCIAL PLANNING AND ADMINISTRATION

Mark Ben-Asher, CGFO

INDEPENDENT AUDITORS

Marcum LLP



Government Finance Officers Association

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

Presented to

**City of Florida City
Florida**

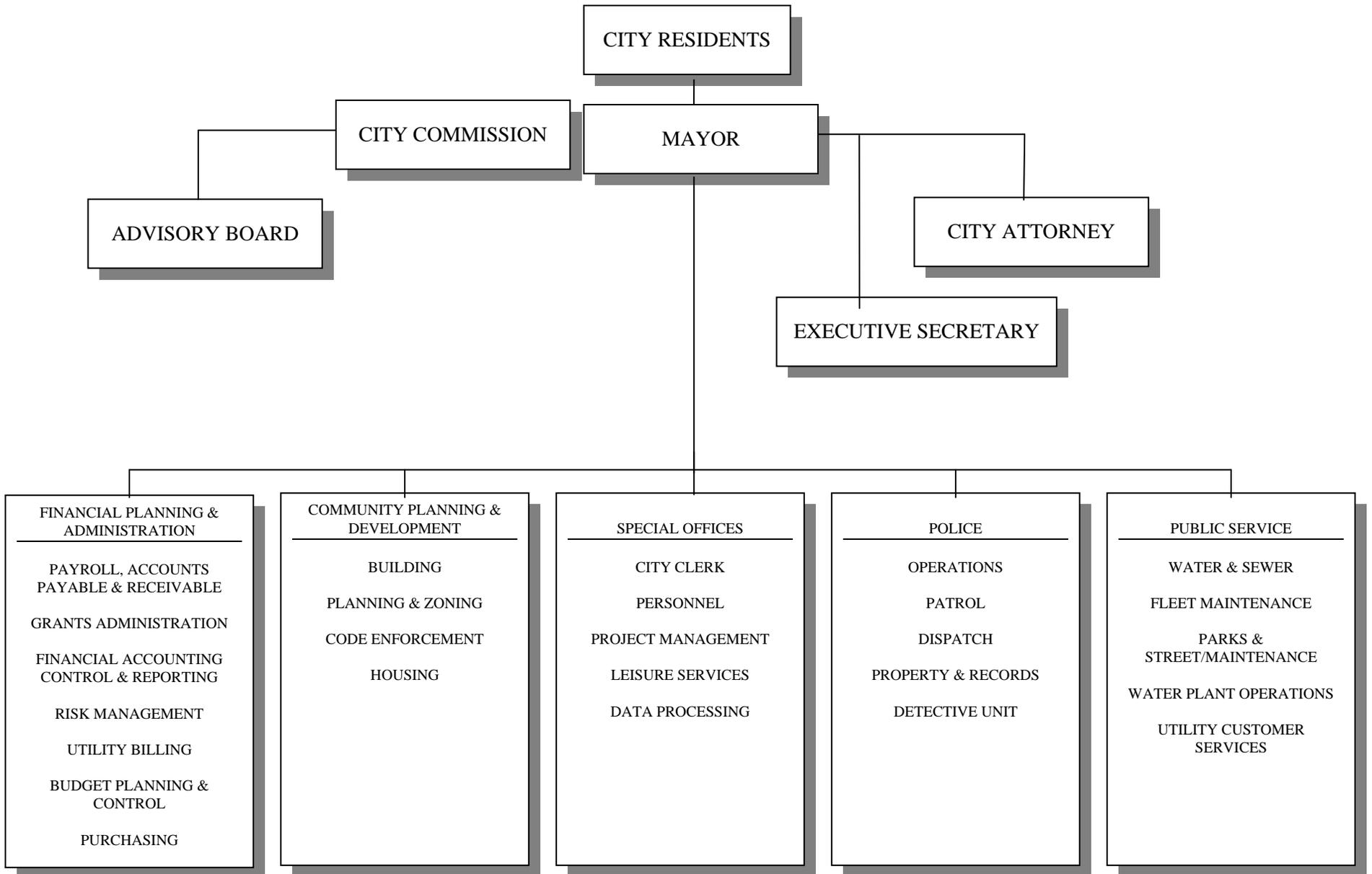
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF FLORIDA CITY, FLORIDA

ORGANIZATION CHART





CITY OF

FLORIDA CITY

GATEWAY TO THE FLORIDA KEYS AND THE EVERGLADES

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Commission
City of Florida City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Florida City, Florida (the City), as of and for the fiscal year ended September 30, 2014, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

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 budgetary comparison information, schedule of funding progress, schedule of City contributions, schedule of changes in City net pension liability and related ratios and schedule of investment returns on pages 4 through 12 and pages 62 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and 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, the combining fund financial statements, and schedule of expenditures of federal awards, as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 our report dated April 10, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Marcum LLP

Miami, Florida
April 10, 2015

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

CITY OF FLORIDA CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Florida City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Florida City for the fiscal year ended September 30, 2014

FINANCIAL HIGHLIGHTS

The assets of the City of Florida City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$64,288,488 (net position). Of this amount, \$17,627,905 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. There were no funds budgeted or appropriated from unrestricted net position for the fiscal year 2013-2014.

In the government-wide financial statements, the City's total net position increased by \$1,301,051. This increase is attributable primarily to increases in income and various decreases in expenses.

For the fiscal year ended September 30, 2014, the City's governmental funds reported combined ending fund balances of \$39,035,060. This represents an increase of \$1,278,337 from last year.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,408,676 or 124.57% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information on all the City'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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety and parks and recreation. The business-type activities of the City include a Water and Sewer Utility.

The government-wide financial statements include not only the City itself (known as the primary government,) but also a legally separate community redevelopment agency (CRA) for which the City of Florida City is financially accountable. Financial information for the CRA is reported as part of the financial information presented for the primary government. Separate disclosure of the CRA activities is presented in the Notes to the Basic Financial Statements.

The government-wide financial statements can be found on pages 13 through 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Florida City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The City of Florida City has three (3) fund categories; governmental funds, proprietary fund and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statement focuses 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 the 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 Florida City maintains six (6) governmental funds; the General Fund, CRA and Grants funds are presented as major funds. The three (3) Other Governmental Funds are combined into a single aggregated presentation. The City of Florida City adopts an annual appropriated budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund. This schedule can be found on page 62.

The basic governmental fund financial statements can be found on pages 13 through 18.

Proprietary Funds

The City of Florida City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Water and Sewer Operation.

The basic proprietary fund financial statements can be found on pages 19 through 21.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one fiduciary fund to account for the operation of its Police Officers Defined Benefit Pension Plan and one to report the Elected Officials Retirement Plan.

The basic fiduciary fund financial statements can be found on pages 22 through 23.

Notes to the Basic 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 basic financial statements can be found on pages 24 through 61.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for pensions and for other post-retirement benefits.

This required supplementary information can be found on pages 62 through 71.

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 Florida City, assets exceeded liabilities and deferred inflows by \$64,288,488 at the close of the most recent fiscal year.

A portion of the City's net position, \$39,939,080 or 62.12%, reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt to acquire those assets that is still outstanding. The City of Florida City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of the 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.

A summary of the City's net position is presented in Table 1 and a summary of the changes in net position is presented in Table 2.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets and other assets	\$20,790,078	\$20,092,667	\$ 7,371,494	\$ 7,340,070	\$28,161,572	\$27,432,737
Capital assets, net	21,461,404	20,708,668	19,153,162	19,672,394	40,614,566	40,381,062
Total Assets	<u>42,251,482</u>	<u>40,801,335</u>	<u>26,524,656</u>	<u>27,012,464</u>	<u>68,776,138</u>	<u>67,813,799</u>
Current liabilities	1,657,739	1,541,308	825,666	865,126	2,483,405	2,406,434
Noncurrent liabilities	1,507,160	1,452,440	445,562	916,624	1,952,722	2,369,064
Deferred Inflows of Resources	51,523	50,864	--	--	51,523	50,864
Total Liabilities and Deferred Inflows of Resources	<u>3,216,422</u>	<u>3,044,612</u>	<u>1,271,228</u>	<u>1,781,750</u>	<u>4,487,650</u>	<u>4,826,362</u>
Net Investment in Capital Assets	21,097,350	20,600,344	18,841,730	18,893,662	39,939,080	39,494,006
Restricted	5,950,637	5,384,144	770,866	446,818	6,721,503	5,830,962
Unrestricted	11,987,073	11,772,235	5,640,832	5,890,234	17,627,905	17,662,469
Total Net Position	<u>\$39,035,060</u>	<u>\$37,756,723</u>	<u>\$25,253,428</u>	<u>\$25,230,714</u>	<u>\$64,288,488</u>	<u>\$62,987,437</u>

Table 2
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 5,047,811	\$ 4,751,485	\$ 2,851,205	\$ 2,712,231	\$ 7,899,016	\$ 7,463,716
Operating grants and contributions	38,011	174,183	--	--	38,011	174,183
Capital grants and contributions	2,055,216	2,440,842	--	--	2,055,216	2,440,842
General revenues:						
Property taxes	1,945,005	1,930,823	--	--	1,945,005	1,930,823
Utility taxes	808,197	737,749	--	--	808,197	737,749
Communication service taxes	230,135	257,366	--	--	230,135	257,366
Franchise fees based on gross receipts	702,210	650,210	--	--	702,210	650,210
Unrestricted intergovernmental revenue	1,630,558	1,546,817	--	--	1,630,558	1,546,817
Unrestricted state share revenue	262,786	224,173	--	--	262,786	224,173
Unrestricted investment earnings	29,723	70,800	36,910	52,503	66,633	123,303
Impact Fees	366,025	--	--	--	366,025	--
Total Revenues	<u>13,115,677</u>	<u>12,784,448</u>	<u>2,888,115</u>	<u>2,764,734</u>	<u>16,003,792</u>	<u>15,549,182</u>
Expenses						
General government	4,639,915	5,185,940	--	--	4,639,915	5,185,940
Public works	2,584,261	2,586,344	--	--	2,584,261	2,586,344
Public safety	3,589,591	3,543,627	--	--	3,589,591	3,543,627
Parks and recreation	670,491	651,931	--	--	670,491	651,931
Water and sewer	--	--	3,218,483	3,456,755	3,218,483	3,456,755
Total Expenses	<u>11,484,258</u>	<u>11,967,842</u>	<u>3,218,483</u>	<u>3,456,755</u>	<u>14,702,741</u>	<u>15,424,597</u>
Excess (Deficiency) Before Transfers	1,631,419	816,606	(330,368)	(692,021)	1,301,051	124,585
Transfers	<u>(353,082)</u>	<u>(653,474)</u>	<u>353,082</u>	<u>653,474</u>	<u>--</u>	<u>--</u>
Increase/Decrease in Net Position	<u>1,278,337</u>	<u>163,132</u>	<u>22,714</u>	<u>(38,547)</u>	<u>1,301,051</u>	<u>124,585</u>
Net Position - Beginning	<u>37,756,723</u>	<u>37,593,591</u>	<u>25,230,714</u>	<u>25,269,261</u>	<u>62,987,437</u>	<u>62,862,852</u>
Net Position - Ending	<u>\$ 39,035,060</u>	<u>\$ 37,756,723</u>	<u>\$ 25,253,428</u>	<u>\$ 25,230,714</u>	<u>\$ 64,288,488</u>	<u>\$ 62,987,437</u>

The City's net position increased by \$1,301,051 over 2013 due to increases in revenues and various decreases in expenses. Key elements of this increase are illustrated in the summary above.

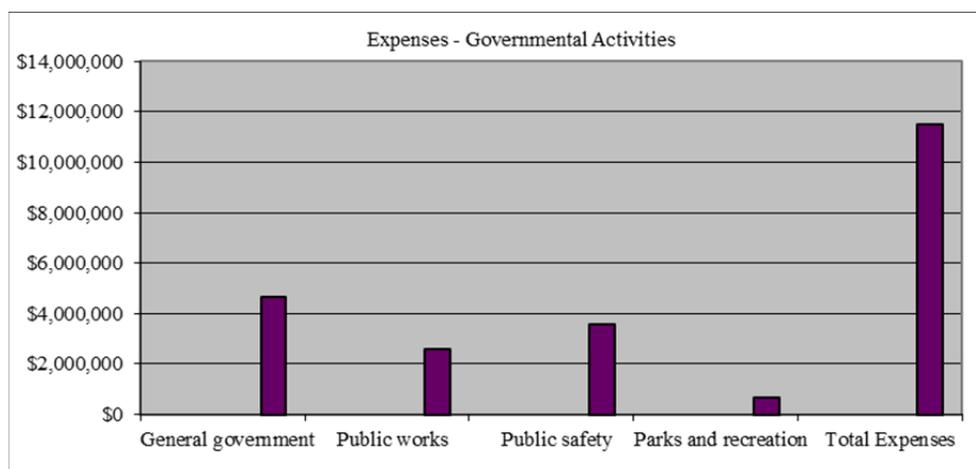
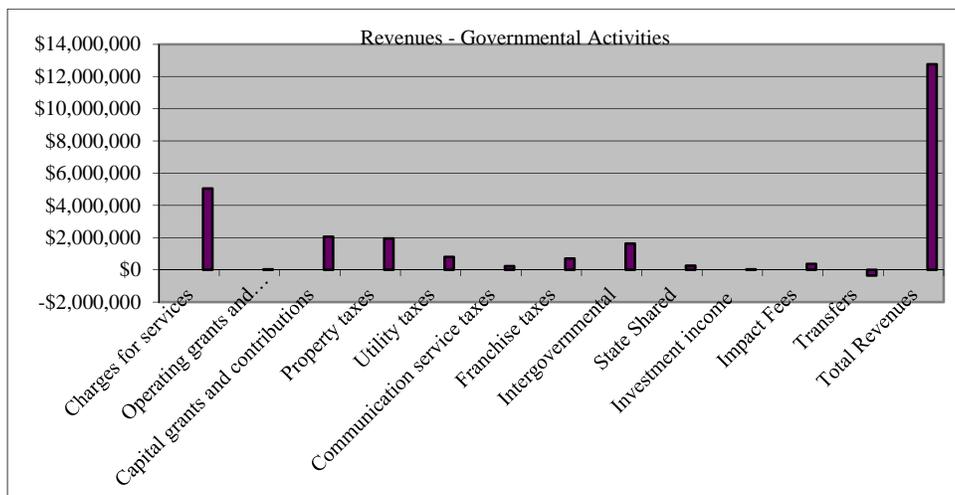
Governmental Activities

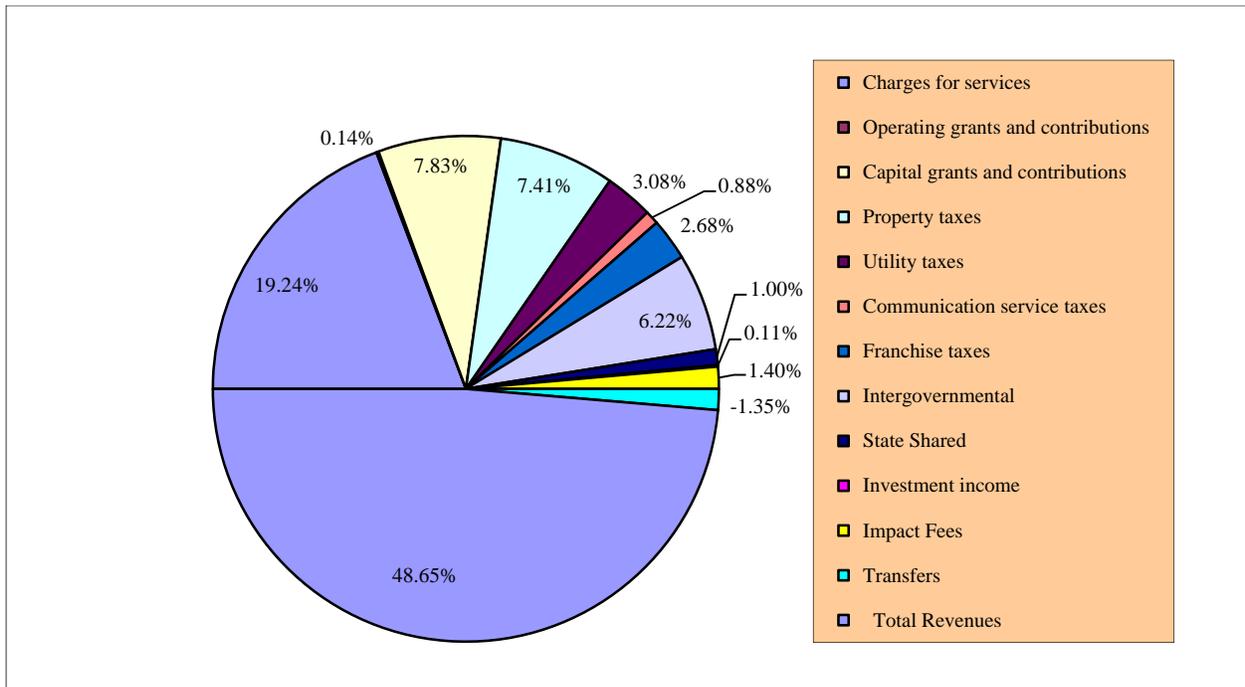
Net position of the City's governmental activities increased by \$1,278,337 or 3.39% from \$37,756,723 in the last fiscal year to \$39,035,060 in the current fiscal year.

General government, public works and public safety comprise 94.16% of the City's total governmental activities. General government program revenues fund just over 62% of its activities. Public works program revenues fund more than 100% of its activities while public safety program revenues fund just a bit more than 40%. General revenues, primarily property taxes, fund the balance of these activities.

Parks and recreation show program revenues just a bit less than 98% of expenses. This is due primarily to the success of the City owned RV and Camp Site.

Program revenues, comprised of charges for services, and operating and capital grants and contributions amounts to \$7,141,038; the governmental activities total general revenues total \$5,621,557 and are reduced by a transfer to the business activities of \$353,082 which is a transfer of capital assets. Due to a small property tax base, reliance on grant funds is critical to meeting citizens' demand for services. Property taxes, which represent a bit less than 37% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. Amounts increased just less than .75 of 1% between 2014 and 2013 due primarily to a stabilizing in property revenues in fiscal year 2014. This was caused by a leveling off in assessed property values.





Business-type Activities

Business-type activities increased the City’s net position by \$22,714 since 2013 accounting for 1.75% of the total addition to net position.

The City maintains a water & sewer fund that accounts for this addition to net position. Operating expenses exceeded charges for services by \$347,538. \$36,910 was realized as a result of unrestricted investment earnings. Revenues increased between 2014 and 2013 by \$123,381. Expenses, however, declined by \$238,272.

The above three graphs represent governmental activities; revenues, expenses and revenues by source.

Governmental Funds

The focus of the City of Florida City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements.

At the end of the current fiscal year, fund balance of the General Fund was \$15,830,869, an increase of \$762,816 in comparison with the prior year.

The general fund is the chief operating fund of the City of Florida City. As a measure of the general fund’s liquidity it may be useful to compare total fund balance to total fund expenditures. Total unassigned (unreserved) fund balance represents 124.57% of total general fund expenditures.

A summary of the general fund’s condensed balance sheet and statement of revenues, expenditures and changes in fund balance is presented in Table 3 and 4 for September 30, 2014 and 2013, as follows:

**Table 3
Condensed Balance Sheet**

General Fund	2014	2013
Total Assets	<u>\$17,266,815</u>	<u>\$16,654,544</u>
Total liabilities	\$ 1,384,423	\$ 1,535,627
Total deferred inflows of resources	51,523	50,864
Fund balance	<u>15,830,869</u>	<u>15,068,053</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$17,266,815</u>	<u>\$16,654,544</u>

**Table 4
Condensed Statement of Revenues,
Expenditures and Changes in Fund Balance**

General Fund	2014	2013
Total revenues	\$10,723,704	\$10,090,382
Total expenditures	(9,960,888)	(10,435,549)
Transfers	--	--
Note payable	<u>--</u>	<u>300,000</u>
Net Change in Fund Balance	<u>\$ 762,816</u>	<u>\$ (45,167)</u>

General Fund Budgetary Highlights

There was a difference via budget amendments between the original and final budgeted amounts for expenditures in the General Fund of \$1,820,357 less than originally budgeted, however, actual expenditures were \$124,587 less than the final budgeted amount. Budgeted revenues between original and final were decreased by approximately \$1,082,555 due to changes in revenue estimates provided by the State of Florida, however, actual revenues were greater than the final budgeted amount by \$334,204. The City was able to closely monitor its expenditures and ultimately expended approximately \$124,587 less than budgeted. The following summary depicts this activity:

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
General Fund				
Revenues	\$11,472,055	\$10,389,500	\$10,723,704	\$ 334,204
Expenditures	<u>11,905,832</u>	<u>10,085,475</u>	<u>9,960,888</u>	<u>124,587</u>
Excess (deficiency) of revenues over expenditures	(433,777)	304,025	762,816	209,617
Other financing sources and uses	<u>433,777</u>	<u>(304,025)</u>	<u>--</u>	<u>(304,025)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 762,816</u>	<u>\$ (94,408)</u>

Community Redevelopment Agency (CRA)

The CRA incurred the following expenditures during the fiscal year ended September 30, 2014 and September 30, 2013 respectively:

CRA	2014	2013
Expenditures, general government	\$ 826,625	\$ 1,143,402
Expenditures, capital outlay	<u>1,118,189</u>	<u>2,217,278</u>
	<u>\$ 1,944,814</u>	<u>\$ 3,360,680</u>

In 2014, the following projects were funded by CRA's Infrastructure Fund:

- \$911,868 – Streetscape Project for beautification.
- \$183,503 – Consulting and Engineering expenditures.
- \$230,749 – Community Policing.
- \$ 97,201 – Administrative Functions.

In 2013, the following projects were funded by CRA's Infrastructure Fund:

- \$2,104,624 – Streetscape Project for beautification.
- \$ 437,537 – Consulting and Engineering Expenses.
- \$ 231,892 – Community Policing.
- \$ 95,847 – Administrative Functions.

Capital Assets

As of September 30, 2014, the City's investment in capital assets for both governmental activities and business-type activities amounted to \$40,614,566 (\$21,461,404 in governmental activities and \$19,153,162 in business-type activities). The total increase in capital assets for the fiscal year (\$233,504) was primarily attributed to as follows:

Governmental activities' capital assets increased by \$752,736 due primarily to Community Redevelopment Agency projects less depreciation on buildings and equipment. Business-type activities' capital assets decreased by \$519,232 due primarily to the depreciation being greater than the additions for the fiscal year. Additional information on the City's capital assets can be found in Note 7 on Pages 38 and 39 of the Notes to Basic Financial Statements.

Long-Term Debt

At September 30, 2014, the City had total debt outstanding of \$1,952,722 (\$1,507,160 for governmental activities and \$445,562 for business-type activities). Of this amount, \$211,800 represents total revenue bonds payable secured solely by specified revenue sources (water revenue). The remainder is comprised of compensated absences of \$687,055 in governmental activities, \$42,042 in business-type activities, \$99,632 notes payable in business-type activities,

\$520,105 is Net Other Post Employment Benefits (OPEB) Obligations in governmental activities and \$92,088 Net OPEB Obligations in business-type activities. The note payable represents the balance of principal due on refinanced debt for money to construct water infrastructure. See Note 8 for a more detailed explanation of long-term debt on Pages 39 through 41 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City dropped with the State of Florida rate and the National rate. The City's rate is expected to drop further next year as well due primarily to this nation's general economy.

The occupancy rate of the City's hospitality service industry has remained stable for the past several years.

Inflationary trends in the region compare similarly to national indices.

The City's rates for water and sewer fees are being reviewed with an eye towards increasing the rates to improve the debt service coverage ratio and provide additional funds for renewal and replacement of infrastructure.

There were no funds budgeted or appropriated from unrestricted net position for the fiscal year September 30, 2014 budget for the general fund.

The millage rate for 2015 remained the same as 2014.

All of these factors were considered in preparing the City of Florida City's budget for the 2014-2015 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Florida City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark Ben-Asher, Director of Financial Planning and Administration, Finance Department, 404 West Palm Drive, P.O. Box 343570, Florida City, FL 33034-0570.



BASIC FINANCIAL STATEMENTS

CITY OF FLORIDA CITY, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 15,520,902	\$ 5,859,469	\$ 21,380,371
Receivables, net	1,836,428	270,918	2,107,346
Investment	375,039	--	375,039
Internal balances	34,851	(34,851)	--
Restricted cash	2,881,816	1,275,958	4,157,774
Prepaid items	4,182	--	4,182
Other assets	134,368	--	134,368
Net pension asset	2,492	--	2,492
Capital assets not being depreciated	5,852,562	2,948,261	8,800,823
Capital assets being depreciated, net	<u>15,608,842</u>	<u>16,204,901</u>	<u>31,813,743</u>
Total Assets	<u>42,251,482</u>	<u>26,524,656</u>	<u>68,776,138</u>
Liabilities and Deferred Inflows of Resources			
Accounts payable	821,394	304,120	1,125,514
Accrued liabilities	528,935	16,454	545,389
Customer deposits	129,346	505,092	634,438
Unearned revenue	178,064	--	178,064
Noncurrent liabilities:			
Due within one year	98,706	76,104	174,810
Due in more than one year	<u>1,408,454</u>	<u>369,458</u>	<u>1,777,912</u>
Total Liabilities	3,164,899	1,271,228	4,436,127
Deferred Inflows of Resources			
Business taxes	<u>51,523</u>	<u>--</u>	<u>51,523</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,216,422</u>	<u>1,271,228</u>	<u>4,487,650</u>
Net Position			
Net investment in capital assets	21,097,350	18,841,730	39,939,080
Restricted:			
Transportation projects	2,617,628	--	2,617,628
Grants and contributions	1,738,748	--	1,738,748
Capital projects	1,450,824	--	1,450,824
Impact fees - public safety	143,437	--	143,437
Sewer system capital improvements	--	649,567	649,567
Reserve fund	--	121,299	121,299
Unrestricted	<u>11,987,073</u>	<u>5,640,832</u>	<u>17,627,905</u>
Total Net Position	<u>\$ 39,035,060</u>	<u>\$ 25,253,428</u>	<u>\$ 64,288,488</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities							
General government	\$ 4,639,915	\$ 719,881	\$ 14,500	\$ 1,702,133	\$ (2,203,401)	\$ --	\$ (2,203,401)
Public works	2,584,261	2,255,736	--	353,083	24,558	--	24,558
Public safety	3,589,591	1,416,465	23,511	--	(2,149,615)	--	(2,149,615)
Parks and recreation	670,491	655,729	--	--	(14,762)	--	(14,762)
Total Governmental Activities	<u>11,484,258</u>	<u>5,047,811</u>	<u>38,011</u>	<u>2,055,216</u>	<u>(4,343,220)</u>	<u>--</u>	<u>(4,343,220)</u>
Business-type Activities							
Water and sewer	3,218,483	2,851,205	--	--	--	(367,278)	(367,278)
Total Business-type Activities	<u>3,218,483</u>	<u>2,851,205</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(367,278)</u>	<u>(367,278)</u>
Total	<u>\$ 14,702,741</u>	<u>\$ 7,899,016</u>	<u>\$ 38,011</u>	<u>\$ 2,055,216</u>	<u>(4,343,220)</u>	<u>(367,278)</u>	<u>(4,710,498)</u>
General Revenues							
Property taxes					1,945,005	--	1,945,005
Utility taxes					808,197	--	808,197
Communication services tax					230,135	--	230,135
Franchise fees based on gross receipts					702,210	--	702,210
Unrestricted intergovernmental revenue					1,630,558	--	1,630,558
Unrestricted state shared revenues					262,786	--	262,786
Unrestricted investment earnings					29,723	36,910	66,633
Impact fees					366,025	--	366,025
Transfers					(353,082)	353,082	--
Total General Revenues and Transfers					<u>5,621,557</u>	<u>389,992</u>	<u>6,011,549</u>
Change in Net Position					<u>1,278,337</u>	<u>22,714</u>	<u>1,301,051</u>
Net Position - Beginning					<u>37,756,723</u>	<u>25,230,714</u>	<u>62,987,437</u>
Net Position- Ending					<u>\$ 39,035,060</u>	<u>\$ 25,253,428</u>	<u>\$ 64,288,488</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2014

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	12,023,189	\$ 1,713,676	\$ 1,502,322	\$ 281,715	\$ 15,520,902
Receivables:					
Billed and other	449,675	--	--	31,865	481,540
Unbilled	85,765	--	--	--	85,765
Taxes	799,306	--	--	--	799,306
Intergovernmental	--	--	469,817	--	469,817
Investment	375,039	--	--	--	375,039
Due from other funds	760,140	--	--	-	760,140
Restricted cash	2,746,974	--	--	134,842	2,881,816
Prepaid items	4,182	--	--	--	4,182
Other assets	22,545	111,823	--	--	134,368
Total Assets	\$ 17,266,815	\$ 1,825,499	\$ 1,972,139	\$ 448,422	\$ 21,512,875
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 606,426	205,409	\$ -	\$ 9,559	821,394
Accrued liabilities	517,167	--	6,440	5,328	528,935
Due to other funds	--	169,266	532,572	23,451	725,289
Customer deposits	129,346	--	--	--	129,346
Unearned revenue	131,484	--	--	46,580	178,064
Total Liabilities	1,384,423	374,675	539,012	84,918	2,383,028
Deferred Inflows of Resources					
Business taxes	51,523	--	--	--	51,523
Total Liabilities and Deferred Inflows of Resources	1,435,946	374,675	539,012	84,918	2,434,551
Fund Balances					
Non-spendable:					
Prepaid items	4,182	--	--	--	4,182
Restricted:					
Transportation projects	2,617,628	--	--	--	2,617,628
Grants and contributions	--	--	1,433,127	305,621	1,738,748
Impact fees - public safety	82,577	--	--	60,860	143,437
Capital projects	--	1,450,824	--	--	1,450,824
Committed:					
Stormwater	694,599	--	--	--	694,599
Software upgrade	23,207	--	--	--	23,207
Unassigned:					
General fund	12,408,676	--	--	--	12,408,676
Trust fund	--	--	--	(2,977)	(2,977)
Total Fund Balances	15,830,869	1,450,824	1,433,127	363,504	19,078,324
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,266,815	\$ 1,825,499	\$ 1,972,139	\$ 448,422	\$ 21,512,875

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION**

SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of net position (page 13) are different because:

Fund Balances - Total Governmental Funds (page 15)		\$	19,078,324
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Governmental capital assets	\$ 29,865,479		
Less accumulated depreciation	<u>(8,404,075)</u>		21,461,404
Net pension asset resulting from over funding in pension plan			2,492
Long-term liabilities, including notes payable, are not due and payable in current period and, therefore, not reported in the funds			
Compensated absences	\$ (687,055)		
Note payable	(300,000)		
Net OPEB obligation	<u>(520,105)</u>		<u>(1,507,160)</u>
Net Position of Governmental Activities (page 13)		\$	<u>39,035,060</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,685,547	\$ --	\$ --	\$ --	\$ 3,685,547
Intergovernmental	1,893,344	1,691,079	--	--	3,584,423
Charges for services	2,927,599	--	--	--	2,927,599
Investment earnings	11,509	9,035	8,248	931	29,723
Impact fees	366,025	--	--	--	366,025
Licenses and permits	349,120	--	--	--	349,120
Fines and forfeitures	1,142,461	--	--	274,004	1,416,465
Grants	--	--	387,648	--	387,648
Miscellaneous	348,099	--	2,133	18,895	369,127
Total Revenues	<u>10,723,704</u>	<u>1,700,114</u>	<u>398,029</u>	<u>293,830</u>	<u>13,115,677</u>
Expenditures					
Current:					
General government	2,986,845	826,625	11,054	222,201	4,046,725
Public safety	3,466,200	--	--	--	3,466,200
Public works	2,573,820	--	--	--	2,573,820
Parks and recreation	506,526	--	--	--	506,526
Capital outlay	427,497	1,118,189	391,863	--	1,937,549
Total Expenditures	<u>9,960,888</u>	<u>1,944,814</u>	<u>402,917</u>	<u>222,201</u>	<u>12,530,820</u>
Excess (Deficiency) of Revenues over Expenditures	<u>762,816</u>	<u>(244,700)</u>	<u>(4,888)</u>	<u>71,629</u>	<u>584,857</u>
Fund Balances - Beginning	<u>15,068,053</u>	<u>1,695,524</u>	<u>1,438,015</u>	<u>291,875</u>	<u>18,493,467</u>
Fund Balances - Ending	<u>\$ 15,830,869</u>	<u>\$ 1,450,824</u>	<u>\$ 1,433,127</u>	<u>\$ 363,504</u>	<u>\$ 19,078,324</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities (Page 14)
are different because:

Net change in fund balances - total governmental funds (Page 17) \$ 584,857

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

The details of the difference are as follows:

Capital outlay	\$ 1,915,446	
Depreciation expense	<u>(798,361)</u>	
Net adjustment		1,117,085

Transfers of capital assets to business-type activities from governmental activities decreases net position of governmental activities in the statement of activities, but are not reported in the governmental funds because they are not financial resources. (353,082)

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

The details of the difference are as follows:

Compensated absences	(21,383)	
Net OPEB obligation	(33,337)	
Net pension asset	<u>(4,536)</u>	
Net adjustment		(59,256)

The net effect of various miscellaneous transactions involving capital assets. (11,267)

Change in net position of governmental activities (Page 14) \$ 1,278,337

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

SEPTEMBER 30, 2014

	<u>Enterprise Water and Sewer</u>
Assets	
Current Assets	
Cash	\$ 5,859,469
Receivables, net	270,918
Restricted cash	<u>1,275,958</u>
Total Current Assets	<u>7,406,345</u>
Noncurrent Assets	
Capital assets:	
Land	1,578,818
Construction in progress	1,369,443
Machinery and equipment	666,431
Plant distribution system	33,127,871
Less accumulated depreciation	<u>(17,589,401)</u>
Total capital assets, net	<u>19,153,162</u>
Total Assets	<u>26,559,507</u>
Liabilities	
Current Liabilities	
Accounts payable	304,120
Accrued liabilities	16,454
Due to other funds	34,851
Customer deposits	505,092
Current portion of revenue bonds payable	71,900
Current portion of compensated absences	<u>4,204</u>
Total Current Liabilities	<u>936,621</u>
Noncurrent Liabilities	
Notes payable	99,632
Revenue bonds payable	139,900
Net OPEB obligation	92,088
Compensated absences	<u>37,838</u>
Total Noncurrent Liabilities	<u>369,458</u>
Total Liabilities	<u>1,306,079</u>
Net Position	
Net Investment in capital assets	18,841,730
Restricted for sewer system capital improvements	649,567
Restricted for reserve fund	121,299
Unrestricted	<u>5,640,832</u>
Total Net Position	<u>\$ 25,253,428</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
Operating Revenues	
Charges for services	<u>\$ 2,851,205</u>
Operating Expenses	
General and administrative	2,307,033
Depreciation	<u>891,710</u>
Total Operating Expenses	<u>3,198,743</u>
Operating Loss	<u>(347,538)</u>
Non-Operating Revenues (Expenses)	
Interest income	36,910
Interest expense	<u>(19,740)</u>
Total Non-Operating Revenues (Expenses)	<u>17,170</u>
Loss before Capital Contribution	(330,368)
Contribution of Capital Assets	<u>353,082</u>
Change in Net Position	22,714
Net Position - Beginning	<u>25,230,714</u>
Net Position - Ending	<u><u>\$ 25,253,428</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 2,908,200
Payments to suppliers	(1,451,818)
Payments to employees	(915,847)
Payments from other funds	<u>87,743</u>
Net Cash Provided by Operating Activities	<u>628,278</u>
Cash Flows from Capital and Related Financing Activities	
Principal paid on note	(400,000)
Principal paid on bonds	(67,300)
Interest paid on bonds	(19,740)
Acquisition of capital assets	<u>(19,396)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(506,436)</u>
Cash Flows from Investing Activities	
Interest received	<u>36,910</u>
Net Cash Provided by Investing Activities	<u>36,910</u>
Net Increase in Cash	158,752
Cash, Beginning (Including Restricted)	<u>6,976,675</u>
Cash, Ending (Including Restricted)	<u>\$ 7,135,427</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	<u>\$ (347,538)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	891,710
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Receivables	39,585
Increase (decrease) in:	
Accounts payable and accrued liabilities	(56,870)
Customer deposits	17,410
Compensated absences	(9,381)
Net OPEB obligation	5,619
Due to other funds	<u>87,743</u>
Total adjustments	<u>975,816</u>
Net Cash Provided by Operating Activities	<u>\$ 628,278</u>
Noncash Investing, Capital and Related Financing Activities	
Contribution of capital assets from grants fund	<u>\$ 353,082</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2014

Assets

Cash \$ 2,215,356

Investments

Money market mutual funds	134,885
Common stock	2,186,134
Corporate bonds	332,883
Government securities	<u>594,454</u>

Total Investments 3,248,356

Receivables

Accrued interest	<u>6,092</u>
------------------	--------------

Total Assets 5,469,804

**Net Position Restricted for
Pension Benefits**

\$ 5,469,804

The accompanying notes are an integral part of these financial statements.

CITY OF FLORIDA CITY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Additions

Contributions

Employer \$ 394,963

Total Contributions 394,963

Investment Earnings

Net appreciation in fair value of investments 212,997

Interest and dividends 60,311

Total Investments Earnings 273,308

Total Additions 668,271

Deductions

Benefits paid 99,584

Administrative expenses 36,091

Total Deductions 135,675

Net Increase 532,596

Net Position Restricted for Pension Benefits- Beginning 4,937,208

Net Position Restricted for Pension Benefits - Ending \$ 5,469,804

The accompanying notes are an integral part of these financial statements.



CITY OF

FLORIDA CITY

GATEWAY TO THE FLORIDA KEYS AND THE EVERGLADES

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Florida City (the City), located in Miami-Dade County, Florida (the County) is a political subdivision of the State of Florida. The City, which was created by the Florida Legislature, was incorporated in 1915. The City operates under a Strong-Mayor form of government and provides the following services as authorized by its charter; public safety, water and sewer, sanitation, culture recreation, public works and improvements, planning and zoning, highways and streets, and general administrative services. The City does not provide any educational facilities or fire services; those services are provided by the Miami-Dade County School Board and the County, respectively.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. FINANCIAL REPORTING ENTITY

Under governmental accounting and financial reporting standards, the City's reporting entity consists of the City, organizations for which the City is financial accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is considered financially accountable if it appoints a voting majority of an organization's governing body and is either able to impose its will on that organization, or has a financial benefit/burden relationship with the organization. The City may also be financially accountable if an organization is fiscally dependent on the primary government and the two also have a financial benefit or burden relationship.

Component units are included in the reporting entity either as blended or as discretely presented. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Accordingly, data from these component units are combined with data of the primary government. The City has met the criteria as having the operational and financial responsibilities as noted above for the blended component units listed below and these entities have been included in the City's financial reporting entity.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. FINANCIAL REPORTING ENTITY (CONTINUED)

- (i) The Community Redevelopment Agency (the CRA) was created under the Community Redevelopment Act of 1969, enacted by Florida Legislature. The CRA's board of directors is the City Commission. The CRA's executive director is the City's Mayor. The City has operational responsibility for the CRA. The CRA has a September 30th year end and is presented as a major fund.
- (ii) The Florida City Foundation, Inc. (the Foundation) is a nonprofit (501(c)(3)) organization. The Foundation accepts charitable contributions which are used to pay for activities and other items to benefit the citizens of the City. The City Commission serves as the board of the Foundation. The City has operational responsibility for the Foundation. The Foundation, which is presented as a non major fund, has a December 31st year end and therefore the amounts presented for the Foundation are as of and for the year ended December 31, 2013.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of 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 support.

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

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

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees and other taxes, 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. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The Community Redevelopment Agency (CRA) was created to promote economic development for local businesses and for new businesses. This fund is used to account for monies received from Tax Increment Financing (TIF) from the City of Florida City and Miami-Dade County for use in the area designated as the CRA.

The *Grants Fund* accounts for all grant monies and the related program income from federal, state, and local grants received.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major proprietary fund in the basic financial statements:

The *Water and Sewer Fund* accounts for activities of providing water and sewer services to the public.

Additionally, the City reports the following fund type:

The *Fiduciary Funds* are used to account for the City's single-employer defined benefit pension plans covering substantially all of its police officers and elected officials.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer fund are charges to customers for services. Operating expenses for the enterprise fund includes the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY

1. Deposits and Investments

The City's cash represents cash deposits. The Investment Pool (Florida PRIME) is recorded at its value of the pool shares, which is fair value. All other investments are reported at fair value based on quoted market prices.

The nature of investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the local government surplus funds trust fund, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain governmental agencies, interest bearing time deposits or savings accounts.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

3. Capital Assets

Capital assets, which include property, plant and equipment, intangibles and certain infrastructure assets (e.g., streets, alleys, sidewalks, drainage, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City did not retroactively report infrastructure assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. No such costs were capitalized in 2014.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY (CONTINUED)

3. Capital Assets (continued)

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Equipment and Machinery	3-5
Plant Distribution System	25-50

4. Compensated Absences

City employees are granted vacation and sick pay leave in varying amounts based on length of service and the department in which the employee provides service. It is the City's policy to permit full-time employees to accumulate limited amounts of earned vacation leave and a limited amount of earned sick pay. Upon separation from service, employees receive payment for all unused vacation leave and 50% of unused sick leave for general employees and 75% of unused sick leave for police officers. In the governmental funds, a liability is recorded only for vacation and sick leave payouts for employees that resigned or terminated prior to fiscal year end and were subsequently paid with current available financial resources.

5. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Issuance costs are expensed in the year incurred. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY (CONTINUED)

5. Long-Term Obligations (continued)

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

6. Net Position

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by accumulated depreciation, deferred outflows or inflows related to debt, and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of either of the other two components.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, business taxes, that qualifies for reporting in this category. The governmental funds and the government-wide statement of net position report this item as a deferred inflow until the criteria for revenue recognition has been met.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY (CONTINUED)

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

The City's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The City reports the following classifications:

Non-spendable fund balance. Non-spendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY (CONTINUED)

10. Fund Balance Policies (continued)

Committed fund balance. These amounts can only be used for the specific purposes pursuant to constraints imposed by a formal action of the government’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of a resolution or an ordinance (equally binding), commit fund balance. Once adopted, the limitation remains in place until the City Council removes or revises the limitation by taking the same type of action (the adoption of another resolution or ordinance). This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City’s policy is that the City Council and the Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

12. Unearned Revenue

Unearned revenues represents an increase in assets prior to the eligibility requirements for recognition being met.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES POSITION/FUND BALANCE AND NET POSITION OR EQUITY (CONTINUED)

13. Implementation of Governmental Accounting Standards Board Statement

GASB Statement No. 67, *Financial Reporting for Pension Plans an amendment of GASB Statement No.25*. For defined benefit plans that met the definition of a pension trust, this statement establishes the standards for financial reporting for pension plans and specifies the required approach to measuring the pension liability of the City for benefits provided through the plan (net pension liability) and about what information should be presented.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash deposits are insured or collateralized.

INVESTMENTS

The City has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The City is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, the State Board of Administration investment pool, any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and securities of any interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to obligations of the U.S. government, its agencies and instrumentalities and to repurchase agreements fully collateralized by such U.S. government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The State Board of Administration (SBA) administers the Florida PRIME which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share.

The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

As of September 30, 2014, the City had the following investment subject to interest rate risk:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
SBA - Florida PRIME	<u>\$ 375,039</u>	39 days

Interest Rate Risk

The City has an investment policy of structuring the investment portfolio so that the investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments on the open market prior to maturity and investing operating funds primarily in cash, short-term securities, certificates of deposit, or similar investment pools.

Credit Risk

The City's investment policy limits investments to the highest ratings issued by a nationally recognized statistical rating organization (NRSRO). The Florida PRIME is rated AAAM by Standard and Poor's.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2014 for the City’s individual major funds and non-major funds, including the allowances for uncollectible accounts, are as follows:

	General	Grants	Water and Sewer	Florida City Foundation	Total
Customers billed	\$ 673,593	\$ --	\$ 474,909	\$ --	\$ 1,148,502
Customers unbilled	85,765	--	122,763	--	208,528
Taxes	799,306	--	--	--	799,306
Intergovernmental	--	469,817	--	--	469,817
Other receivables	10,482	--	--	31,865	42,347
Gross receivables	1,569,146	469,817	597,672	31,865	2,668,500
Less: allowance	(234,400)	--	(326,754)	--	(561,154)
Total Receivables, Net	<u>\$ 1,334,746</u>	<u>\$ 469,817</u>	<u>\$ 270,918</u>	<u>\$ 31,865</u>	<u>\$ 2,107,346</u>

NOTE 4 – 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 Miami-Dade County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to ensure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for fiscal year ended September 30, 2014 is 7.5899 per \$1,000.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State statutes. Property taxes are centrally billed and collected by the County and remitted to the City for their proportionate share of collected taxes. Current year property values are assessed as of January 1st, the lien date, of each year for the fiscal year beginning October 1st and are billed on November 1st, subject to a 1% per month discount for the period November through February, and are due no later than March 31st. On April 1st, unpaid amounts become delinquent and are subject to interest and penalties. Beginning June 1st, tax certificates representing delinquent taxes with interest and penalties are sold by the County, with remittance to the City for its share of those receipts. Generally, the City collects more than 95% of the current year’s property taxes during the year in which they are due. There were no material delinquent property taxes as of September 30, 2014.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES

The composition of interfund balances as of September 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Grants	\$ 532,572
General	CRA	169,266
General	Water and Sewer	34,851
General	Law Enforcement Trust Fund Federal	12,527
General	Law Enforcement Trust Fund State	<u>10,924</u>
Total Interfund Balances		<u>\$ 760,140</u>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6 – RESTRICTED CASH

General Fund	
Transportation	\$ 2,617,628
Customer deposits	<u>129,346</u>
Total General Fund	<u>\$ 2,746,974</u>
Other Governmental Funds	
Law enforcement trust fund	<u>\$ 134,842</u>
Water and Sewer	
Customer deposits	\$ 505,092
Sewer system capital improvements	649,567
Reserve fund	<u>121,299</u>
Total Water and Sewer	<u>\$ 1,275,958</u>

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 6 – RESTRICTED CASH (CONTINUED)

The water revenue bond resolutions require that all monies held by the water fund be restricted for the following purposes:

A. RESERVE FUND

The reserve fund is required to accumulate \$83,197; as of September 30, 2014 the balance is \$121,299. This fund is used in order to meet unforeseen operating expenses of an emergency nature or for renewals and replacement of assets, paying principal and interest in the event of a deficiency or unavailable funds.

B. SEWER SYSTEM CAPITAL IMPROVEMENTS

The City is required under a 1988 State grant to reserve \$32,453 a year in a sewer system capital improvement account to accumulate the equivalent value of the sewer system grant received by the City, as adjusted for inflationary cost increases. Annual deposits of \$32,453 were required to be made until the sum of all deposits exceeds \$649,060. As of September 30, 2014 the balance is \$649,567.

C. CUSTOMER DEPOSITS

This amount is restricted based on deposits paid to the City by its water and sewer customers.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 5,596,573	\$ 242,002	\$ --	\$ 5,838,575
Construction in progress (1)	<u>654,262</u>	<u>367,068</u>	<u>(1,007,343)</u>	<u>13,987</u>
Total Capital Assets Not Being Depreciated	<u>6,250,835</u>	<u>609,070</u>	<u>(1,007,343)</u>	<u>5,852,562</u>
Capital Assets Being Depreciated				
Buildings	19,940,448	1,362,003	(68,250)	21,234,201
Equipment and machinery	<u>2,272,636</u>	<u>598,634</u>	<u>(92,554)</u>	<u>2,778,716</u>
Total Capital Assets Being Depreciated	<u>22,213,084</u>	<u>1,960,637</u>	<u>(160,804)</u>	<u>24,012,917</u>
Less accumulated depreciation for:				
Buildings	(5,734,586)	(651,603)	68,250	(6,317,939)
Equipment and machinery	<u>(2,020,665)</u>	<u>(146,758)</u>	<u>81,287</u>	<u>(2,086,136)</u>
Total Accumulated Depreciation	<u>(7,755,251)</u>	<u>(798,361)</u>	<u>149,537</u>	<u>(8,404,075)</u>
Total Capital Assets Being Depreciated, Net	<u>14,457,833</u>	<u>1,162,276</u>	<u>(11,267)</u>	<u>15,608,842</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,708,668</u>	<u>\$ 1,771,346</u>	<u>\$ (1,018,610)</u>	<u>\$ 21,461,404</u>
<small>(1) Increases and decreases include assets acquired and constructed by governmental activities of \$353,082 contributed to the water and sewer fund.</small>				
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 1,578,818	\$ --	\$ --	\$ 1,578,818
Construction in progress (1)	<u>1,188,440</u>	<u>353,082</u>	<u>(172,079)</u>	<u>1,369,443</u>
Total Capital Assets Not Being Depreciated	<u>2,767,258</u>	<u>353,082</u>	<u>(172,079)</u>	<u>2,948,261</u>
Capital Assets Being Depreciated				
Machinery and equipment	647,035	19,396	--	666,431
Plant distribution system	<u>32,955,792</u>	<u>172,079</u>	<u>--</u>	<u>33,127,871</u>
Total Capital Assets Being Depreciated	<u>33,602,827</u>	<u>191,475</u>	<u>--</u>	<u>33,794,302</u>
Less accumulated depreciation for:				
Machinery and equipment	(565,337)	(9,227)	--	(574,564)
Plant distribution system	<u>(16,132,354)</u>	<u>(882,483)</u>	<u>--</u>	<u>(17,014,837)</u>
Total Accumulated Depreciation	<u>(16,697,691)</u>	<u>(891,710)</u>	<u>--</u>	<u>(17,589,401)</u>
Total Capital Assets Being Depreciated, Net	<u>16,905,136</u>	<u>(700,235)</u>	<u>--</u>	<u>16,204,901</u>
Business-type Activities Capital Assets, Net	<u>\$ 19,672,394</u>	<u>\$ (347,153)</u>	<u>\$ (172,079)</u>	<u>\$ 19,153,162</u>

(1) Increases include assets contributed from governmental activities of \$353,082.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	\$ 500,564
Public safety	123,391
Public works	10,441
Parks and recreation	<u>163,965</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 798,361</u>
Business-Type Activities	
Water and sewer	<u>\$ 891,710</u>

NOTE 8 – LONG-TERM DEBT

The following is a summary of changes in long-term liabilities of the City for governmental activities for the fiscal year ended September 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Notes payable	\$ 300,000	\$ --	\$ --	\$ 300,000	\$ 30,000
Compensated absences	665,672	436,334	(414,951)	687,055	68,706
Net OPEB obligation	486,768	33,337	--	520,105	--
Net pension obligation	<u>--</u>	<u>12,172</u>	<u>(12,172)</u>	<u>--</u>	<u>--</u>
Governmental Activities Long-Term Liabilities	<u>\$ 1,452,440</u>	<u>\$ 481,843</u>	<u>\$ (427,123)</u>	<u>\$ 1,507,160</u>	<u>\$ 98,706</u>

All governmental activities obligations are generally liquidated by the general fund.

NOTE PAYABLE

On June 12, 2013, the City obtained a \$300,000 note payable with 1st National Bank of South Florida, with a fixed interest rate of 2.2% per annum. The note payable has a maturity date of 16 months from the date of execution. As of September 30, 2014, the principal balance is \$300,000. Subsequent to fiscal year end, on November 12, 2014, the City repaid \$30,000 of principal and refinanced the balance of \$270,000 at the same interest rate. Interest is payable monthly and principal is due in two payments. One principal payment of \$135,000 is due on November 12, 2015 and the remaining balance is due on November 12, 2016.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – LONG-TERM DEBT (CONTINUED)

NOTE PAYABLE (CONTINUED)

The following is a summary of changes in long-term liabilities of the City for business-type activities for the fiscal year ended September 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Bonds Payable					
Water revenue bonds, Series 1977	\$ 112,000	\$ --	\$ (54,000)	\$ 58,000	\$ 58,000
Water revenue bonds, Series 1981	<u>167,100</u>	<u>--</u>	<u>(13,300)</u>	<u>153,800</u>	<u>13,900</u>
Total Bonds Payable	279,100	--	(67,300)	211,800	71,900
Note payable	499,632	--	(400,000)	99,632	--
Compensated absences	51,423	21,852	(31,233)	42,042	4,204
Net OPEB obligation	<u>86,469</u>	<u>5,619</u>	<u>--</u>	<u>92,088</u>	<u>--</u>
Business-type Activities					
Long-Term Liabilities	<u>\$ 916,624</u>	<u>\$ 27,471</u>	<u>\$ (498,533)</u>	<u>\$ 445,562</u>	<u>\$ 76,104</u>

REVENUE BONDS PAYABLE

Long-term debt of the Water and Sewer Fund is comprised of Water Revenue Bonds.

Water Revenue Bonds – Series 1977

\$1,000,000 Water Revenue Bonds due in annual principal installments on September 1st, matures September 2015; interest at 5%. The bonds were issued to finance the cost of construction and erection of a water treatment system.

\$ 58,000

Water Revenue Bonds – Series 1981

\$365,000 addition to 1977 Water Revenue Bonds due in annual principal installments on September 1st, matures September 2023; interest at 5%. The bonds were issued for the purpose of completing the construction of additions, extensions, and improvements to the water system.

153,800

\$ 211,800

For both of the water revenue bonds noted above, the pledged revenues consist of the charges for services to the customers of the water utility system. For the fiscal year ended September 30, 2014, debt service of approximately \$81,000 is only 3% of the approximate \$2,500,000 of the pledged revenues. Over the life of the debt which matures in 2023, it is estimated that debt service will be less than 5% of the total pledged revenues.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 8 – LONG-TERM DEBT (CONTINUED)

REVENUE BONDS PAYABLE (CONTINUED)

Debt service requirements to maturity for the bonds at September 30, 2014 are as follows:

Fiscal Year Ending September 30	Water Revenue Bonds		
	Principal	Interest	Total
2015	\$ 71,900	10,590	82,490
2016	14,700	6,995	21,695
2017	15,400	6,260	21,660
2018	16,100	5,490	21,590
2019	17,000	4,685	21,685
2020 – 2023	<u>76,700</u>	<u>9,820</u>	<u>86,520</u>
Total Debt Service Requirements	<u>\$ 211,800</u>	<u>\$ 43,840</u>	<u>\$ 255,640</u>

NOTE PAYABLE

On March 6, 2012, the City entered into a \$1,000,000 revolving line of credit with the Community Bank of Florida, with a fixed interest rate of 1.95% for the first three years and then adjusted every three years to 65% of Wall Street Journal prime rate. The line of credit has a maturity date of ten years from the date of execution and is secured with pledged water system revenues of the City. Interest is payable monthly and principal is due at maturity. As of September 30, 2014, \$99,632 was drawn on the line.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. LITIGATION

The City is involved in several lawsuits incidental to its operations, the outcome of which, in the opinion of management and legal counsel, should not have a material adverse effect on the financial condition of the City.

B. GRANTS CONTINGENCY

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

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance. There were no reductions in coverage from the prior year. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

NOTE 10 – DEFINED CONTRIBUTION PLAN

Effective October 1, 1998, the City adopted the City of Florida City Defined Contribution Plan, created in accordance with Internal Revenue Code Section 401(a) for all of its general employees. Employees are eligible to participate in this Plan after completing one year of service. Contributions to this Plan began on January 1, 1999 after the General Employees Retirement Plan was frozen on December 31, 1998. The Plan is administered by VALIC. Amendments to the Plan are authorized by the City Commission. Employees contribute 2% of their compensation and the City contributes 4% of participants' compensation. The participants are 100% vested in their contributions and vest over a three year period in the City's contributions. Employee contributions to the Plan for fiscal year ended September 30, 2014 were \$ 2,645; the City's contribution was \$23,806.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND

A. PLAN DESCRIPTION

The City is the sponsor of a single-employer Public Employee Retirement System (PERS) which provides pension benefits for its police officers. The PERS is considered to be part of the City’s financial reporting entity and is included in the City’s basic financial statements as a pension trust fund. The retirement plan does not issue a separate financial report. Included below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2014.

**Police Officers' Substitute Pension Trust Fund
Statement of Fiduciary Net Position
September 30, 2014**

Assets	
Investments	
Money market mutual funds	\$ 134,885
Common stock	2,186,134
Corporate bonds	332,883
Government securities	<u>594,454</u>
Total Investments	3,248,356
Receivables	
Accrued interest	<u>6,092</u>
Total Assets	<u>3,254,448</u>
Net Position Restricted for Pension Benefits	<u>\$ 3,254,448</u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

A. PLAN DESCRIPTION (CONTINUED)

Police Officers' Substitute Pension Trust Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2014

Additions	
Contributions	
Employer	\$ 12,172
Total Contributions	<u>12,172</u>
Investment Earnings	
Net appreciation in fair value of investments	212,997
Interest and dividends	<u>59,254</u>
Total Investments Earnings	<u>272,251</u>
Total Additions	<u>284,423</u>
Deductions	
Benefits paid	99,584
Administrative expenses	<u>36,091</u>
Total Deductions	<u>135,675</u>
Net Increase	148,748
Net Position Restricted for Pension	
Benefits - Beginning	<u>3,105,700</u>
Net Position Restricted for Pension	
Benefits - Ending	<u><u>\$ 3,254,448</u></u>

At October 1, 2012, the date of the most recent actuarial valuation, membership in the police officers’ substitute pension trust fund consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	<u>43</u>
	<u>47</u>

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

A. *PLAN DESCRIPTION (CONTINUED)*

Effective May 1, 2008, a new replacement plan was established under Ordinance 07-03 (new local plan). The new plan is called the “Substitute Pension Trust Fund”. The Board of Trustees serve as the trustees of the new plan. Simultaneous with the creation of the new plan and effective May 1, 2008, under Ordinance 08-03, the old Chapter 185 Plan which had originally been created under Ordinance 69-25, was terminated (the old plan). Essentially, the new plan was a continuation of the old plan with the exception that the new plan was not a Chapter 185 Plan.

On May 1, 2008, the City of Florida City also joined the Florida Retirement System (FRS) for its police officers. A referendum was held to allow the police officers to: stay in the new local plan, join the FRS without being eligible for an employer benefit under the new local or join the FRS and keep their deferred vested benefit under the new plan. At the time of the conversion, two officers stayed in the City’s new local plan, twenty-two officers joined FRS while being ineligible to receive an employer benefit under the new local plan, and six officers joined FRS while retaining their accrued benefit under the new local plan. Additionally, all new officers are enrolled into the FRS upon employment.

All full-time permanent police employees are eligible to participate in the Plan from the date of employment. Police employees who retire at or after age 60 are entitled to a normal retirement benefit of 2.5% of Average Compensation multiplied by credited service years of service to a maximum of 30 years. Benefits vest at a rate of 10% per year.

Vested employees may retire at or after age 50 with at least ten years of credited service and receive reduced retirement benefits. Benefits, upon early retirement, are reduced by 3% for each year early retirement precedes normal retirement date. Active participants are allowed to purchase service credit for military service or prior service rendered as a police officer. Pension benefits are established and may be amended only by the City Commission.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND

As of September 30, 2014, the City’s Police Officers’ Substitute Pension Trust Fund had the following fixed income investments with its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	\$ 332,883	\$ 73,164	\$ 227,213	\$ 32,506
Government Securities	594,454	195,472	280,560	118,422
Total Fixed Income Investments	<u>\$ 927,337</u>	<u>\$ 268,636</u>	<u>\$ 507,773</u>	<u>\$ 150,928</u>

Target Asset Mix

The Policy establishes the following Target Asset Mix for the plan:

<u>Asset Class</u>	<u>Target Allocation</u>
Large cap value equity	20 %
Large cap growth equity	20
Small/mid cap value equity	5
Mid cap growth equity	5
International value equity	5
International growth equity	5
Core fixed income	40
Total	<u>100 %</u>

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

B. INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND

Credit Risk

The Plan’s investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan’s corporate bonds were all rated "A" or better under Standard & Poor’s ratings. The Plan’s government securities were all rated AAA by Standard & Poor’s.

Concentration of Credit Risk

The Plan’s investment policy prohibits equity securities concentrations greater than 7.5% in the securities of any one company at cost and fixed income securities concentrations greater than 10% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2014, the value of each position held in the Plan’s portfolio comprised less than 5% of Plan net position.

RATE OF RETURN

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.92%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those such changes could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan’s investments and the risks associated therewith on a regular basis which the Plan believes minimizes these risks.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

C. CONTRIBUTIONS AND FUNDING POLICY

Active members, if any, are required to contribute 7% of their salaries to the PERS. If an employee leaves covered employment or dies before ten years of service, accumulated employee contributions with credited interest are refunded. The City is required to make contributions at actuarially determined amounts; that amount was \$12,172 for the fiscal year ended September 30, 2014. The minimum contribution consists of the normal cost plus the amortization of the components of the unfunded actuarial accrued liability, which should provide sufficient resources to pay employee pension benefits when due. The Police Officers Substitute Retirement Plan uses the aggregate actuarial cost method.

The annual required contributions for the Plan for the current year were determined as part of the October 1, 2012 actuarial valuation using the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities and therefore, information about funding status and funding progress is presented using the entry age normal cost method for the Plan.

D. ACCOUNTING POLICIES

The Plan follows the accrual basis of accounting. Investments are presented at fair value. Contributions are recorded when paid or when the City has made the commitment to contribute to the Plan. Purchases and sales are recorded on the trade-date basis. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded through investment earnings.

E. ANNUAL PENSION COST AND NET PENSION OBLIGATION

The City’s annual pension cost and net pension obligation of the new plan as of the latest actuarial valuation are as follows:

Annual required contribution	\$	12,172
Interest on net pension obligation		--
Adjustment to annual required contribution		--
Annual pension cost		12,172
Contributions made		12,172
Increase (decrease) in net pension obligation		--
Net pension obligation at beginning of year		--
Net Pension Obligation at End of Year	\$	--

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

E. ANNUAL PENSION COST AND NET PENSION OBLIGATION (CONTINUED)

Fiscal Year Ended	Trend Information		Net Pension Obligation (Asset)
	Annual Pension Cost (APC)	Percentage of APC Contributed	
9/30/2012	26,384	100%	--
9/30/2013	12,172	100%	--
9/30/2014	12,172	100%	--

F. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of October 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)**	UAAL as a Percentage of Covered Payroll ((b-a)÷c)
October 1, 2012*	\$ 2,830,029	\$ 2,479,441	\$ (350,588)	114.1%	\$ --	N/A

* Actuarial accrued liability is calculated using the entry age normal cost method.

** No active employees.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2012
Actuarial cost method	Aggregate
Amortization method	Level percentage, open
Remaining amortization period	29 years
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return	7.0%
Projected salary increases	0.0%
Inflation rate	2.75%

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

G. NET PENSION LIABILITY OF THE CITY

The components of the net pension liability (asset) of the City at September 30, 2014 were as follows:

Total pension liability	\$ 2,923,878
Plan fiduciary net position	<u>(3,254,448)</u>
Net Pension Liability (Asset)	<u>\$ (330,570)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.31%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2012, rolled forward to September 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	5.86% per annum (2.00% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases:	Not applicable
Cost-of-living increases:	None assumed
Mortality basis:	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2013 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
Retirement:	Not applicable
Other decrements:	None assumed
Form of payment:	Future retirees are assumed to select the 10-year certain and life annuity form of payment.
Non-investment expenses:	Projected liability has been loaded by 20.00% to account for anticipated administrative expenses.
Future contributions:	Contributions from the employer are assumed to be made as legally required.
Changes:	The actuarial assumptions did not change from the prior measurement date since GASB 67 is first effective for this measurement period.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

G. NET PENSION LIABILITY OF THE CITY (CONTINUED)

Long-Term Expected Rate of Return

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. 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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap value equity	5.5 %
Large cap growth equity	5.5
Small/mid cap value equity	6.4
Mid cap growth equity	6.1
International value equity	5.6
International growth equity	5.4
Core fixed income	1.2

Discount Rate

The discount rate used to measure the total pension liability was 5.86 percent. 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 City contributions will be made at the actuarially determined contribution 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, there was no need to adjust the long-term expected rate of return on Plan investments to determine the total pension liability.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)

G. NET PENSION LIABILITY OF THE CITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 5.86 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.86 percent) or 1-percentage-point higher (6.86 percent) than the current rate:

	1% Decrease (4.86%)	Current Discount Rate (5.86%)	1% Increase (6.86%)
Net Pension Liability (Asset)	\$ <u>64,396</u>	\$ <u>(330,570)</u>	\$ <u>(654,017)</u>

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN

The following is a brief description of the Plan:

PLAN DESCRIPTION

On October 1, 2009, the City of Florida City created a single employer defined benefit retirement plan for elected officials. Currently, there are 7 participants, 5 active members and 2 retirees. No trust has been established for this plan as of September 30, 2014.

CONTRIBUTIONS AND FUNDING POLICIES

The Plan’s current contribution was determined through an actuarial valuation performed as of October 1, 2012. During the fiscal year ending September 30, 2014, \$382,791 was funded, which represented 185.11% of covered payroll, and is currently held in cash.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

The elected officials’ retirement plan does not issue separate stand-alone financial statements. Included below are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position as of and for the fiscal year ended September 30, 2014.

**Elected Officials Retirement Plan
Statement of Fiduciary Net Position
September 30, 2014**

Assets	
Cash	\$ 2,215,356
Total Assets	<u>2,215,356</u>
Net Position Restricted for Pension Benefits	<u>\$ 2,215,356</u>

**Elected Officials Retirement Plan
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2014**

Additions	
Employer contributions	\$ 382,791
Interest and dividends	<u>1,057</u>
Total Additions	<u>383,848</u>
Net Increase	383,848
Net Position Restricted for Pension Benefits - Beginning	<u>1,831,508</u>
Net Position Restricted for Pension Benefits - Ending	<u>\$ 2,215,356</u>

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

ANNUAL PENSION COST AND NET PENSION OBLIGATION

The City’s annual pension cost and net pension asset for the current year are as follows:

Annual required contribution	\$ 382,791
Interest on net pension obligation	(351)
Adjustment to annual required contribution	4,887
Annual pension cost	387,327
Contributions made	382,791
Decrease in net pension asset	4,536
Net pension obligation (asset) at beginning of year	(7,028)
Net Pension Obligation (Asset) at End of Year	\$ (2,492)

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2012	473,694	104.2%	(19,817)
09/30/2013	395,580	96.8%	(7,028)
09/30/2014	387,327	98.8%	(2,492)

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the Plan as of October 1, 2012, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)÷c)
October 1, 2012	\$ 1,446,799	\$ 3,045,435	\$ 1,598,636	47.5%	\$ 206,790	773.1%

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the AAL for benefits.

In prior years, the Plan has been funded on a pay-as-you-go basis. Prospectively, the Plan will be prefunded on an actuarially sound basis.

Additional information as of the October 1, 2012 Actuarial Valuation Report is as follows:

Actuarial valuation date	October 1, 2012
Actuarial cost method	Entry age normal
Amortization method	Closed, level dollar
Remaining amortization	10 years
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return	5.0%
Projected salary increases	5.0%
Rate of inflation	3.0%

NOTE 13 – FLORIDA RETIREMENT SYSTEM

PLAN DESCRIPTION

Effective May 1, 2008, the City of Florida City commenced participation in the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employee Retirement System (PERS). The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report was for the fiscal year ended June 30, 2014. That report may be obtained by writing to the state of Florida, Division of Retirement, and Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or visiting the website at <http://dms.myflorida.com>.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 13 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

FUNDING POLICY

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll along with a required 3% employee contribution, are adequate to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates, established by State law, are determined using the entry-age actuarial cost method. The level percentages of payroll method is also used to amortize the unfunded liability over a period of 30 years, and to amortize each change in actuarial assumptions.

The City of Florida City police officers are eligible to participate in the FRS. Normal retirement is at 6 years of credited service and age 62 or at 30 years of credited service regardless of age for regular members.

Benefits vest after six years of credited service. Early retirement may be taken any time after vesting; however, there is a five percent benefit reduction for each year prior to normal retirement age or date. The FRS also provides disability and survivor benefits. Benefits are established by State statute.

Employer contributions rates are required by job class. The City of Florida City contribution rates by job class range from 5.18% to 14.9%. The eligible payroll for City of Florida City employees covered by the System for the fiscal year ended September 30, 2014 was approximately \$4,598,000.

The following are the required contributions and the percentage contributed by the City of Florida City:

Fiscal Year Ended September 30	Required Contribution	Actual Contribution	Percentage Contributed
2014	\$ 717,524	\$ 717,524	100%
2013	607,889	607,889	100%
2012	545,391	545,593	100%

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer's Statement of Net Position as an increase (or decrease) in the OPEB obligation. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2013 liability.

PLAN DESCRIPTION

The City provides an optional single employer defined benefit post-employment healthcare plan to eligible individuals. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

FUNDING POLICY AND ANNUAL OPEB COST

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The annual OPEB cost for the City for the current year and the related information is as follows:

Required contribution rates:		
Employer		Pay-as-you-go
Plan members		N/A
Annual required contribution		\$ 93,944
Interest on normal cost		16,168
Adjustment to the annual required contribution		<u>(15,562)</u>
Annual OPEB cost		94,550
Employer contribution		(21,298)
Adjustment for prior period employer contributions		<u>(34,296)</u>
Increase in net OPEB obligation		38,956
Adjustment for prior period employer contributions		34,296
Net OPEB obligation - beginning of year		<u>538,941</u>
Net OPEB Obligation - End of Year		<u>\$ 612,193</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

For the Fiscal Year Ended September 30,	OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 94,550	23%	\$ 612,193
2013	90,176	20%	538,941
2012	168,871	7%	466,544

FUNDED STATUS AND FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)÷c)
September 30, 2013	\$ --	\$ 657,014	\$ 657,014	0.0%	\$ 4,414,519	14.9%

CITY OF FLORIDA CITY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Contribution rate	0.0%
Actuarial valuation date	September 30, 2013
Annual OPEB cost	\$94,550
Contributions made	\$0
Actuarial cost method	Entry age normal
Amortization method	Level percentage, closed
Remaining amortization	29 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	3.0%
Payroll growth assumptions	4.0%
Initial trend rate	8.5%
Healthcare trends	8.5%
* Includes inflation at	2.8%

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

METHODS AND ASSUMPTIONS (CONTINUED)

As authorized by GASB 45, The Alternative Measurement Method allows the employer to use simplifications of certain assumptions in measuring actuarial accrued liabilities and the ARC.

The following simplifying assumptions were made:

Retirement Age for Active Employees – Retirement age for active employees have been determined as the earliest age eligible for normal retirement under Florida Retirement System. If the employees had already attained their normal retirement age as of the time when this calculation was performed, they were assumed to retire in the next year.

Active Member Marital Status – Assumption of marital status for active employees has been incorporated in the acceptance probability for spousal coverage. Using this approach, the percentage of future retired plan members taking spousal coverage was assumed at 20%. For active employees, spouses' genders were assumed to be opposite to the members' genders and females were assumed 3 years younger than their spouses. Covered spouse data were collected for current retired plan members as of the valuation date, and were assumed to remain unchanged until the assumed death of the spouses.

Mortality – Life expectancies were based on the RP2000 Generational Combined Healthy Male and Female mortality tables projected from the year 2000 using Projection Scale AA.

Turnover – Non-group-specific age-based turnover data provided in GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an unexpected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Health Insurance Premiums – Health insurance premiums for retirees in effect on the fiscal year ending date were used as the basis for calculation of the present value of total benefits to be paid.

CITY OF FLORIDA CITY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 15 – COMMUNITY REDEVELOPMENT COMMUNITY AGENCY (CRA)

The CRA incurred the following expenditures during the fiscal year ended September 30, 2014:

In 2014, the major project funded by CRA's Infrastructure Fund was expenditures of \$911,868 for the Streetscape Project.

In addition, expenditures were incurred for consulting and engineering of approximately \$183,503, administrative functions for approximately \$97,201, and Community Policing for approximately \$230,749.

NOTE 16 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City had excess of expenditures over appropriations in the departments of Mayor and Commissioners of \$562, Legal of \$27,916, Building and zoning of \$11,928, Vehicle Maintenance of \$696, and Public Safety of \$40,350. These overexpenditures were funded by greater than anticipated revenues and overall lower than expected expenditures.

NOTE 17 – DEFICIT IN FUND BALANCE

At September 30, 2014, the State Law Enforcement Forfeiture Fund had an unassigned fund deficit of \$2,977. The City believes the deficit will be eliminated in the ensuing fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 4,844,176	\$ 3,540,000	\$ 3,685,547	\$ 145,547
Intergovernmental	1,757,712	1,898,500	1,893,344	(5,156)
Charges for services	3,163,950	2,980,500	2,927,599	(52,901)
Interest	20,000	15,500	11,509	(3,991)
Impact fees	295,484	366,000	366,025	25
Licenses and permits	240,200	315,500	349,120	33,620
Fines and forfeitures	840,000	1,027,000	1,142,461	115,461
Other	310,533	246,500	348,099	101,599
Total Revenues	<u>11,472,055</u>	<u>10,389,500</u>	<u>10,723,704</u>	<u>334,204</u>
Expenditures				
Current:				
General government:				
Mayor and commissioners	457,273	459,650	460,211	(561)
Administration	533,903	447,200	444,696	2,504
Finance department	546,482	458,075	446,572	11,503
Legal	70,200	59,025	86,941	(27,916)
Building and zoning	527,781	489,500	501,428	(11,928)
General government	1,691,906	960,300	919,976	40,324
Vehicle maintenance	128,409	126,325	127,021	(696)
Total General Government	3,955,954	3,000,075	2,986,845	13,230
Public safety	3,555,011	3,425,850	3,466,200	(40,350)
Public works	2,624,287	2,696,625	2,573,820	122,805
Parks and recreation	286,848	265,200	258,593	6,607
Campersite	253,673	258,425	247,933	10,492
Capital outlay	1,230,059	439,300	427,497	11,803
Total Expenditures	<u>11,905,832</u>	<u>10,085,475</u>	<u>9,960,888</u>	<u>124,587</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(433,777)</u>	<u>304,025</u>	<u>762,816</u>	<u>209,617</u>
Other Financing Sources (Uses)				
Prior year carryover	1,500,934	(304,025)	--	(304,025)
Transfers out	(1,067,157)	--	--	--
Total Other Financing Sources and (Uses)	<u>433,777</u>	<u>(304,025)</u>	<u>--</u>	<u>(304,025)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 762,816</u>	<u>\$ (94,408)</u>

See notes to budgetary comparison schedule.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**BUDGETARY COMPARISON SCHEDULE
CRA FUND**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 1,691,079	\$ 1,691,079	\$ 1,691,079	\$ --
Investment earnings	10,000	6,000	9,035	(3,035)
Other	<u>10,000</u>	<u>40,209</u>	<u>--</u>	<u>40,209</u>
Total Revenues	<u>1,711,079</u>	<u>1,737,288</u>	<u>1,700,114</u>	<u>37,174</u>
Expenditures				
Current:				
General government	1,266,664	896,003	826,625	69,378
Capital outlay	<u>2,099,727</u>	<u>1,322,957</u>	<u>1,118,189</u>	<u>204,768</u>
Total Expenditures	<u>3,366,391</u>	<u>2,218,960</u>	<u>1,944,814</u>	<u>274,146</u>
Deficiency of Revenues over Expenditures	<u>(1,655,312)</u>	<u>(481,672)</u>	<u>(244,700)</u>	<u>(236,972)</u>
Other Financing Sources				
Prior year carryover	<u>1,655,312</u>	<u>481,672</u>	<u>--</u>	<u>3,264,124</u>
Total Other Financing Sources and Uses	<u>1,655,312</u>	<u>481,672</u>	<u>--</u>	<u>3,264,124</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (244,700)</u>	<u>\$ (244,700)</u>

See notes to budgetary comparison schedule.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriated budget is adopted on a basis consistent with accounting principles generally accepted in the United States for the general fund and CRA, except for hurricane related expenditures.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- a. Management submits to the City Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. Prior to October 1st, the budget is legally enacted through passage of a resolution;
- d. The City Commission, by motion, may make supplemental appropriations for the year up to the amount of revenue in excess of those estimated appropriations. There were no supplementary appropriations for the fiscal year ended September 30, 2014.
- e. Formal budgetary integration is employed as a management control device during the year for all funds;
- f. Amendments to the budget within a department can be authorized by the Mayor as the City's Chief administrator. Any amendments outside of a department must be approved by the City Commission. Therefore, the legal level of control is at the department level.
- g. Unencumbered appropriations lapse at year end.
- h. Budgeted amounts are as originally adopted or as amended. Individual type amendments were not material in relation to the original appropriations.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND**

	September 30, 2014
Total Pension Liability	
Service cost	\$ --
Interest	165,349
Changes in benefit terms	--
Differences between expected and actual experience	--
Changes of assumptions	--
Benefit payments, including refunds of member contributions	<u>(124,493)</u>
Net Change in Total Pension Liability	40,856
Total Pension Liability - Beginning	<u>2,883,022</u>
Total Pension Liability - Ending (a)	<u>\$ 2,923,878</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 12,172
Contributions - member	--
Net Investment income	272,251
Benefit payments, including refunds of member contributions	(99,584)
Administrative expense	<u>(36,091)</u>
Net Change in Plan Fiduciary Net Position	148,748
Plan Fiduciary Net Position - Beginning	<u>3,105,700</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,254,448</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (330,570)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	111.31%
Covered Employee Payroll	\$ --
Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	0%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY CONTRIBUTIONS
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND**

	September 30, 2014
Actuarially determined contribution	\$ 12,172
Contributions in relation to the actuarially determined contribution	<u>12,172</u>
Contribution deficiency (excess)	\$ --
Covered-employee payroll	\$ --
Contributions as a percentage of covered-employee payroll	0.00%

Notes to Schedule

Valuation date: October 1, 2012

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:

Actuarial cost method	Aggregate
Amortization method	Level percentage, open
Remaining amortization period	29 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	0.0%
Investment rate of return	7.0%
Retirement age	Age 55 with at least 10 years of service, or any age with at least 25 years of service.

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CITY OF FLORIDA CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND
SCHEDULE OF INVESTMENT RETURNS

September 30,
2014

Annual money-weighted rate of return, net of investment expense	7.92%
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This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

POLICE OFFICERS' SUBSTITUTE PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)÷c)
October 1, 2009	\$ 2,365,827	\$ 2,314,592	\$ --	102.2%	\$ --	0.0%
October 1, 2010	2,519,253	2,369,541	--	106.3%	--	0.0%
October 1, 2012	2,830,029	2,479,441	--	114.1%	--	0.0%

CITY OF FLORIDA CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
ELECTED OFFICIALS RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

Fiscal Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 473,694	100.0%
2011	473,694	100.0%
2012	473,694	104.2%
2013	382,791	100.0%
2014	382,791	100.0%

CITY OF FLORIDA CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
ELECTED OFFICIALS RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)÷c)
October 1, 2009	\$ --	\$ 3,101,028	\$ 3,101,028	0.0%	\$ 197,073	1573.5%
October 1, 2012	1,446,799	3,045,435	1,598,636	47.5%	206,790	773.1%

CITY OF FLORIDA CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST RETIREMENT BENEFITS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) ÷ (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a) ÷ c)
September 30, 2010	\$ --	\$ 792,989	\$ 792,989	0.0%	\$ 4,101,157	19.3%
September 30, 2013	\$ -	\$ 657,014	\$ 657,014	0.0%	\$ 4,414,519	14.9%

*GASB Statement No. 45, Other Post Employment Benefits, was implemented for the fiscal year ended September 30, 2010. Only two actuarial valuations have been performed since implementation.

COMBINING FUND FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues derived from specific sources that are legally restricted to expenditures for particular purposes.

Law Enforcement Forfeiture – Federal. This fund accounts for assets received from the Federal Government (Department of Justice and Treasury Department) from federally forfeited cash, property, proceeds and any interest earned thereon, which are equitably shared with the participating agency and restricted to expenditure for law enforcement purposes under their Federal Equitable Sharing Agreement.

Law Enforcement Forfeiture – State. This fund accounts for assets acquired pursuant to Florida Statute 921.701, *Florida Contraband Forfeiture Act*. Proceeds from the sale of such forfeited property are restricted for expenditure for law enforcement purposes, which are those other than the normal law enforcement operating expenditures.

Florida City Foundation – This fund is a component unit of the City reflecting the activity of a non-profit organization, which provides activities to benefit the citizens of the City. This component unit has a December 31st year end.

CITY OF FLORIDA CITY, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2014

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
Assets				
Cash	\$ --	\$ --	\$ 281,715	\$ 281,715
Accounts receivable	--	--	31,865	31,865
Restricted cash	<u>78,715</u>	<u>56,127</u>	<u>--</u>	<u>134,842</u>
Total Assets	<u>\$ 78,715</u>	<u>\$ 56,127</u>	<u>\$ 313,580</u>	<u>\$ 448,422</u>
Liabilities and Fund Balances				
Accounts payable	\$ --	\$ 1,600	\$ 7,959	\$ 9,559
Accrued liabilities	5,328	--	--	5,328
Due to other funds	12,527	10,924	--	23,451
Unearned revenue	<u>--</u>	<u>46,580</u>	<u>--</u>	<u>46,580</u>
Total Liabilities	<u>17,855</u>	<u>59,104</u>	<u>7,959</u>	<u>84,918</u>
Fund Balances				
Restricted	60,860	--	305,621	366,481
Unassigned	<u>--</u>	<u>(2,977)</u>	<u>--</u>	<u>(2,977)</u>
Total Fund Balances	<u>60,860</u>	<u>(2,977)</u>	<u>305,621</u>	<u>363,504</u>
Total Liabilities and Fund Balances	<u>\$ 78,715</u>	<u>\$ 56,127</u>	<u>\$ 313,580</u>	<u>\$ 448,422</u>

CITY OF FLORIDA CITY, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
Revenues				
Investment earnings	\$ 282	\$ 359	\$ 290	\$ 931
Forfeitures	270,692	3,312	--	274,004
Other	--	4,395	14,500	18,895
Total Revenues	<u>270,974</u>	<u>8,066</u>	<u>14,790</u>	<u>293,830</u>
Expenditures				
Current:				
General government	<u>192,535</u>	<u>18,481</u>	<u>11,185</u>	<u>222,201</u>
Total Expenditures	<u>192,535</u>	<u>18,481</u>	<u>11,185</u>	<u>222,201</u>
Excess (Deficiency) of Revenues over Expenditures	78,439	(10,415)	3,605	71,629
Fund Balances - Beginning	<u>(17,579)</u>	<u>7,438</u>	<u>302,016</u>	<u>291,875</u>
Fund Balances - Ending	<u>\$ 60,860</u>	<u>\$ (2,977)</u>	<u>\$ 305,621</u>	<u>\$ 363,504</u>

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Police Officers' Substitute Pension Trust Fund – This fund accounts for the accumulation of resources and for contributions and benefits of certain police officers.

Elected Officials Retirement Plan – This fund accounts for the accumulation of resources and for contributions and benefits for elected officials.

CITY OF FLORIDA CITY, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

SEPTEMBER 30, 2014

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
Assets			
Cash	\$ --	\$ 2,215,356	\$ 2,215,356
Investments			
Money market mutual funds	134,885	--	134,885
Common stock	2,186,134	--	2,186,134
Corporate bonds	332,883	--	332,883
Government securities	<u>594,454</u>	<u>--</u>	<u>594,454</u>
Total Investments	3,248,356	--	3,248,356
Receivables			
Accrued interest	<u>6,092</u>	<u>--</u>	<u>6,092</u>
Total Assets	<u>3,254,448</u>	<u>2,215,356</u>	<u>5,469,804</u>
Net Position Restricted for Pension Benefits	<u>\$ 3,254,448</u>	<u>\$ 2,215,356</u>	<u>\$ 5,469,804</u>

CITY OF FLORIDA CITY, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
Additions			
Contributions			
Employer	\$ 12,172	\$ 382,791	\$ 394,963
Total Contributions	<u>12,172</u>	<u>382,791</u>	<u>394,963</u>
Investment Earnings			
Net appreciation in fair value of investments	212,997	--	212,997
Interest and dividends	<u>59,254</u>	<u>1,057</u>	<u>60,311</u>
Total Investments Earnings	<u>272,251</u>	<u>1,057</u>	<u>273,308</u>
Total Additions	<u>284,423</u>	<u>383,848</u>	<u>668,271</u>
Deductions			
Benefits paid	99,584	--	99,584
Administrative expenses	<u>36,091</u>	<u>--</u>	<u>36,091</u>
Total Deductions	<u>135,675</u>	<u>--</u>	<u>135,675</u>
Net Increase	148,748	383,848	532,596
Net Position Restricted for Pension Benefits - Beginning	<u>3,105,700</u>	<u>1,831,508</u>	<u>4,937,208</u>
Net Position Restricted for Pension Benefits - Ending	<u>\$ 3,254,448</u>	<u>\$ 2,215,356</u>	<u>\$ 5,469,804</u>

STATISTICAL SECTION

Statistical Section

This part of the City of Florida City's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	76-79
Revenue Capacity	
These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the property tax.	80-83
Debt Capacity	
These schedules represent information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	84-86
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	87-89
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	90-91

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

CITY OF FLORIDA CITY, FLORIDA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 9,019,352	\$ 8,983,035	\$ 9,216,440	\$ 9,903,919	\$ 11,738,467	\$ 13,265,395	\$ 15,445,091	\$ 18,618,782	\$ 20,600,344	\$ 21,097,350
Restricted	2,144,379	2,552,596	3,415,653	2,672,279	2,423,478	2,697,968	7,534,643	6,338,849	5,384,144	5,950,637
Unrestricted	<u>7,730,177</u>	<u>11,099,191</u>	<u>13,518,231</u>	<u>16,157,755</u>	<u>18,036,360</u>	<u>18,368,238</u>	<u>12,408,125</u>	<u>12,635,960</u>	<u>11,772,235</u>	<u>11,987,073</u>
Total Governmental Activities Net Position	<u>\$ 18,893,908</u>	<u>\$ 22,634,822</u>	<u>\$ 26,150,324</u>	<u>\$ 28,733,953</u>	<u>\$ 32,198,305</u>	<u>\$ 34,331,601</u>	<u>\$ 35,387,859</u>	<u>\$ 37,593,591</u>	<u>\$ 37,756,723</u>	<u>\$ 39,035,060</u>
Business-type Activities										
Net investment in capital assets	\$ 10,196,352	\$ 11,379,596	\$ 11,229,432	\$ 13,424,540	\$ 17,240,977	\$ 17,569,157	\$ 17,693,353	\$ 18,768,900	\$ 18,893,662	\$ 18,841,730
Restricted	448,855	373,400	392,064	412,451	424,144	432,135	436,975	442,669	446,818	770,866
Unrestricted	<u>4,482,324</u>	<u>4,422,798</u>	<u>5,909,421</u>	<u>5,527,742</u>	<u>5,892,055</u>	<u>6,000,444</u>	<u>6,121,328</u>	<u>6,057,692</u>	<u>5,890,234</u>	<u>5,640,832</u>
Total Business-type Activities Net Position	<u>\$ 15,127,531</u>	<u>\$ 16,175,794</u>	<u>\$ 17,530,917</u>	<u>\$ 19,364,733</u>	<u>\$ 23,557,176</u>	<u>\$ 24,001,736</u>	<u>\$ 24,251,656</u>	<u>\$ 25,269,261</u>	<u>\$ 25,230,714</u>	<u>\$ 25,253,428</u>
Primary government:										
Net investment in capital assets	\$ 19,215,704	\$ 20,362,631	\$ 20,445,872	\$ 23,328,459	\$ 28,979,444	\$ 30,834,552	\$ 33,138,444	\$ 37,387,682	\$ 39,494,006	\$ 39,939,080
Restricted	2,593,234	2,925,996	3,807,717	3,084,730	2,847,622	3,130,103	7,971,618	6,781,518	5,830,962	6,721,503
Unrestricted	<u>12,212,501</u>	<u>15,521,989</u>	<u>19,427,652</u>	<u>21,685,497</u>	<u>23,928,415</u>	<u>24,368,682</u>	<u>18,529,453</u>	<u>18,693,652</u>	<u>17,662,469</u>	<u>17,627,905</u>
Total Primary Government Net Position	<u>\$ 34,021,439</u>	<u>\$ 38,810,616</u>	<u>\$ 43,681,241</u>	<u>\$ 48,098,686</u>	<u>\$ 55,755,481</u>	<u>\$ 58,333,337</u>	<u>\$ 59,639,515</u>	<u>\$ 62,862,852</u>	<u>\$ 62,987,437</u>	<u>\$ 64,288,488</u>

Note: The City implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

CITY OF FLORIDA CITY, FLORIDA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 5,593,188	\$ 7,207,254	\$ 5,667,814	\$ 7,523,141	\$ 4,651,826	\$ 5,020,179	\$ 5,051,175	\$ 4,842,342	\$ 5,185,940	\$ 4,639,915
Public works	1,874,039	2,124,505	2,262,054	2,306,644	2,504,853	2,751,993	2,471,340	2,516,237	2,586,344	2,584,261
Public safety	2,082,179	2,519,888	2,721,738	2,762,759	3,072,338	3,103,892	3,335,702	3,219,661	3,543,627	3,589,591
Parks and recreation	320,202	495,524	483,585	472,468	576,109	576,549	563,291	556,506	651,931	670,491
Interest on long-term debt	--	--	--	--	2,907	--	--	--	--	--
Total Governmental Activities Expenses	9,869,608	12,347,171	11,135,191	13,065,012	10,808,033	11,452,613	11,421,508	11,134,746	11,967,842	11,484,258
Business-type Activities										
Water and sewer	2,396,457	2,730,591	2,897,951	3,109,161	2,789,256	3,012,668	3,037,330	3,305,656	3,456,755	3,218,483
Total Business-type Activities Expenses	2,396,457	2,730,591	2,897,951	3,109,161	2,789,256	3,012,668	3,037,330	3,305,656	3,456,755	3,218,483
Total Primary Government Expenses	\$ 12,266,065	\$ 15,077,762	\$ 14,033,142	\$ 16,174,173	\$ 13,597,289	\$ 14,465,281	\$ 14,458,838	\$ 14,440,402	\$ 15,424,597	\$ 14,702,741
Program Revenue										
Governmental activities:										
Charge for services:										
Refuse collection	\$ 1,768,283	\$ 1,833,499	\$ 2,048,653	\$ 2,070,686	\$ 2,168,138	\$ 2,118,146	\$ 2,164,331	\$ 2,171,831	\$ 2,208,676	\$ 2,194,985
Recycling fees	46,846	50,299	55,022	58,116	68,572	63,324	66,197	64,933	50,358	60,751
Public safety	488,016	79,359	49,140	145,873	104,893	529,790	393,234	1,574,803	1,089,815	1,416,465
Parks and recreation	657,420	801,138	734,439	645,184	623,469	634,142	662,055	767,224	777,801	655,729
Other activities	927,216	1,585,863	1,077,228	686,445	418,830	510,199	488,028	447,734	624,835	719,881
Operating grants and contributions	2,791,073	4,354,732	2,273,359	3,144,190	244,052	390,603	568,881	357,988	174,183	38,011
Capital grants and contributions	747,105	764,533	788,951	842,630	5,918,099	2,009,897	2,800,895	3,959,800	2,440,842	2,055,216
Total Governmental Activities Programs Revenues	7,425,959	9,469,423	7,026,792	7,593,125	9,546,053	6,256,101	7,143,621	9,344,313	7,366,510	7,141,038
Business-type Activities										
Charge for services:										
Water and sewer	2,419,733	2,480,959	2,525,153	2,164,536	2,473,213	2,519,473	2,580,149	2,651,685	2,712,231	2,851,205
Operating grants and contributions	--	--	--	--	--	--	--	--	--	--
Capital grants and contributions	2,089,371	1,115,457	1,449,731	2,588,502	--	--	--	--	--	--
Total Business-type Activities Programs Revenues	4,509,104	3,596,416	3,974,884	4,753,038	2,473,213	2,519,473	2,580,149	2,651,685	2,712,231	2,851,205
Total Primary Government Program Revenues	\$ 11,935,063	\$ 13,065,839	\$ 11,001,676	\$ 12,346,163	\$ 12,019,266	\$ 8,775,574	\$ 9,723,770	\$ 11,995,998	\$ 10,078,741	\$ 9,992,243
Net (Expense) Revenue										
Governmental activities	\$ (2,443,649)	\$ (2,877,748)	\$ (4,108,399)	\$ (5,471,887)	\$ (1,261,980)	\$ (5,196,512)	\$ (4,277,887)	\$ (1,790,433)	\$ (4,601,332)	\$ (4,343,220)
Business-type activities	2,112,647	865,825	1,076,933	1,643,877	(316,043)	(493,195)	(457,181)	(653,971)	(744,524)	(367,278)
Total Primary Government Net (Expense) Revenue	\$ (331,002)	\$ (2,011,923)	\$ (3,031,466)	\$ (3,828,010)	\$ (1,578,023)	\$ (5,689,707)	\$ (4,735,068)	\$ (2,444,404)	\$ (5,345,856)	\$ (4,710,498)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,432,713	\$ 3,324,341	\$ 4,680,375	\$ 5,046,491	\$ 5,834,352	\$ 4,390,868	\$ 2,513,413	\$ 2,218,407	\$ 1,930,823	\$ 1,945,005
Utility Taxes	497,209	507,071	503,507	592,559	605,045	629,105	650,087	698,784	737,749	808,197
Communication services tax	270,293	304,099	295,276	307,618	326,375	320,014	275,703	265,274	257,366	230,135
Franchise fees based on gross receipts	503,920	577,240	603,862	670,884	742,064	637,019	601,814	659,738	650,210	702,210
Unrestricted intergovernmental revenue	524,491	583,283	583,721	584,714	534,167	1,195,745	1,254,721	1,412,896	1,546,817	1,630,558
Unrestricted state shared revenues	--	--	--	--	--	145,554	157,197	177,259	224,173	262,786
Unrestricted investment earnings	87,033	387,365	823,122	649,354	735,173	706,281	401,293	136,182	70,800	29,723
Miscellaneous	190,487	414,940	134,039	203,895	237,062	98,969	35,700	71,972	--	366,025
Transfers	--	--	--	--	(4,287,906)	(793,747)	(555,783)	(1,644,347)	(653,474)	(353,082)
Total Governmental Activities	4,506,146	6,098,339	7,623,902	8,055,515	4,726,332	7,329,808	5,334,145	3,996,165	4,764,464	5,621,557
Business-type Activities										
Unrestricted Investment earnings	106,888	182,438	278,190	254,925	220,580	144,008	151,318	27,229	52,503	36,910
Transfers	--	--	--	--	4,287,906	793,747	555,783	1,644,347	653,474	353,082
Total Business-type Activities	106,888	182,438	278,190	254,925	4,508,486	937,755	707,101	1,671,576	705,977	389,992
Total Primary Government	\$ 4,613,034	\$ 6,280,777	\$ 7,902,092	\$ 8,310,440	\$ 9,234,818	\$ 8,267,563	\$ 6,041,246	\$ 5,667,741	\$ 5,470,441	\$ 6,011,549
Change in Net Position										
Governmental activities	\$ 2,062,497	\$ 3,220,591	\$ 3,515,503	\$ 2,583,628	\$ 3,464,352	\$ 2,133,296	\$ 1,056,258	\$ 2,205,732	\$ 163,132	\$ 1,278,337
Business-type activities	2,219,535	1,048,263	1,355,123	1,898,802	4,192,443	444,560	249,920	1,017,605	(38,547)	22,714
Total Primary Government	\$ 4,282,032	\$ 4,268,854	\$ 4,870,626	\$ 4,482,430	\$ 7,656,795	\$ 2,577,856	\$ 1,306,178	\$ 3,223,337	\$ 124,585	\$ 1,301,051

Note: The City implemented GASB Statement No. 63 during the fiscal year ended September 30, 2013 and utilized the new terminology for all years presented.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 1,770,249	\$ 1,278,122	\$ 2,234,868	\$ 1,611,948	\$ 1,944,008	\$ 1,606,214	\$ --	\$ --	\$ --	\$ --
Unreserved	5,116,108	7,981,860	9,436,411	11,362,289	12,662,817	13,214,399	--	--	--	--
Non-Spendable	--	--	--	--	--	--	252	54,202	56,605	4,182
Restricted	--	--	--	--	--	--	1,554,119	1,400,862	1,941,151	2,700,205
Committed	--	--	--	--	--	--	218,692	358,373	392,394	717,806
Unassigned	--	--	--	--	--	--	13,114,469	13,299,783	12,677,903	12,408,676
Total General Fund	\$ 6,886,357	\$ 9,259,982	\$ 11,671,279	\$ 12,974,237	\$ 14,606,825	\$ 14,820,613	\$ 14,887,532	\$ 15,113,220	\$ 15,068,053	\$ 15,830,869
All Other Governmental Funds										
Reserved	\$ 272,197	\$ 44,771	\$ 44,771	\$ 44,771	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved, reported in:										
Special revenue funds	3,074,396	4,673,679	5,500,637	6,389,207	6,393,842	6,983,660	--	--	--	--
Restricted	--	--	--	--	--	--	5,980,524	4,937,981	3,442,993	3,250,432
Unassigned	--	--	--	--	--	--	--	--	(17,579)	(2,977)
Total All Other Governmental Funds	\$ 3,346,593	\$ 4,718,450	\$ 5,545,408	\$ 6,433,978	\$ 6,393,842	\$ 6,983,660	\$ 5,980,524	\$ 4,937,981	\$ 3,425,414	\$ 3,247,455

Note: The City implemented GASB Statement No. 54 for the fiscal year ended September 30, 201

CITY OF FLORIDA CITY, FLORIDA

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 3,704,135	\$ 4,712,751	\$ 6,083,020	\$ 6,617,552	\$ 7,507,836	\$ 5,977,006	\$ 4,041,017	\$ 3,842,203	\$ 3,576,149	\$ 3,685,547
Intergovernmental	1,886,441	1,860,483	1,938,026	2,070,344	2,379,640	2,457,943	3,730,546	3,301,572	3,517,619	3,584,423
Charges for services	2,621,528	2,907,724	3,013,128	2,972,925	2,955,335	2,980,585	3,067,264	3,100,203	3,069,658	2,927,599
Program income	68,841	11,467	6,751	4,665	--	--	--	--	--	--
Interest/Investment Earning	87,033	387,365	823,122	649,354	735,173	706,281	401,293	136,182	70,800	29,723
Impact fees	254,765	591,756	256,263	141,041	46,526	88,865	35,700	71,972	--	366,025
Licenses and permits	523,472	771,320	645,951	363,774	285,958	355,720	386,001	278,495	277,841	349,120
Donations	2,328	1,900	20,535	2,100	--	--	--	--	--	--
Confiscated property	17,027	8,589	10,551	3,587	--	--	--	--	--	--
Fines and forfeitures	362,025	70,770	38,589	124,978	96,083	263,003	157,679	1,405,419	1,089,815	1,416,465
Grants	2,178,292	4,268,564	1,638,886	2,375,807	4,073,802	945,725	632,528	2,553,273	718,773	387,648
Other revenues	226,218	453,479	175,872	322,513	479,938	604,528	581,521	295,506	463,793	369,127
Total Revenues	11,932,105	16,046,168	14,650,694	15,648,640	18,560,291	14,379,656	13,033,549	14,984,825	12,784,448	13,115,677
Expenditures										
General government	4,387,909	6,263,248	3,959,431	4,303,450	5,516,655	4,589,607	4,554,946	4,298,963	4,714,663	4,046,725
Public safety	1,868,060	2,411,032	2,559,295	2,622,265	2,928,761	2,908,019	3,136,898	3,060,753	3,382,184	3,466,200
Public works	1,848,024	2,078,063	2,200,313	2,233,032	2,564,748	2,440,690	2,407,302	2,461,659	2,566,960	2,573,820
Parks and recreation	245,119	413,403	392,531	369,972	459,774	451,007	441,081	434,114	471,430	506,526
Capital outlay	1,381,943	1,464,536	2,332,956	3,876,217	5,445,725	3,186,728	3,429,539	5,546,185	3,506,951	1,937,549
Debt service:										
Principal	87,108	180,301	115,882	52,176	49,269	--	--	--	--	--
Interest	--	--	--	--	2,907	--	--	--	--	--
Total Expenditures	9,818,163	12,810,583	11,560,408	13,457,112	16,967,839	13,576,051	13,969,766	15,801,674	14,642,188	12,530,820
Excess of Revenues Over (Under) Expenditures	2,113,942	3,235,585	3,090,286	2,191,528	1,592,452	803,605	(936,217)	(816,849)	(1,857,740)	584,857
Other Financing Sources (Uses)										
Transfer in	758,368	783,094	1,130,053	1,441,320	2,031,361	1,998,075	37,816	109,573	--	--
Transfer out	(758,368)	(783,094)	(1,130,053)	(1,441,320)	(2,031,361)	(1,998,075)	(37,816)	(109,573)	--	--
Other financing sources	251,993	--	147,969	--	--	--	--	--	300,000	--
Total Other Financing Sources (Uses)	251,993	--	147,969	--	--	--	--	--	300,000	--
Net Change in Fund Balances	\$ 2,365,935	\$ 3,235,585	\$ 3,238,255	\$ 2,191,528	\$ 1,592,452	\$ 803,605	\$ (936,217)	\$ (816,849)	\$ (1,557,740)	584,857
Debt service as a percentage of noncapital expenditures*	1.03%	1.59%	1.26%	0.54%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF FLORIDA CITY, FLORIDA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)**

Fiscal Year	Real Property				Personal Property		Less Tax Exempt Property	Total		Assessed Value as a Percentage of Value	Total Direct Tax Rate
	Commercial		Residential		Assessed Value	Estimated Value		Total Taxable Assessed Value	Estimated Actual Value		
	Assessed Value	Estimated Value	Assessed Value	Estimated Value							
2005	206,667	207,239	189,807	217,824	33,975	34,588	62,710	367,739	459,651	80.00%	8.9000
2006	255,887	256,601	293,331	347,027	37,010	37,661	65,093	521,135	641,289	81.26%	8.9000
2007	328,686	329,998	373,662	443,925	39,434	38,714	72,027	669,755	812,637	82.42%	7.7500
2008	476,932	655,100	173,618	273,485	36,396	37,117	72,100	614,846	965,702	63.67%	7.7500
2009	586,664	766,492	202,672	313,428	39,995	45,075	83,862	745,469	1,124,995	66.26%	7.7500
2010	499,708	696,426	154,640	244,370	40,419	45,551	88,483	606,284	986,347	61.47%	7.7500
2011	409,445	582,038	98,227	144,406	41,215	46,306	86,152	548,887	772,750	71.03%	7.7500
2012	353,890	504,597	69,038	95,980	36,876	42,145	81,867	459,804	642,722	71.54%	7.7500
2013	346,047	500,735	50,139	80,010	39,202	44,887	83,512	435,388	625,632	69.59%	7.5899
2014	362,989	524,167	10,602	46,003	36,492	42,852	87,193	410,083	613,022	66.90%	7.5899

(1) Information obtained from Miami-Dade County Department of Property Appraiser.

CITY OF FLORIDA CITY, FLORIDA

**PROPERTY TAX RATES (1)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Florida City Direct Rates		Overlapping Rates				Total Millage
	Operating Millage	City Millage	School District Millage	State Millage	Miami- Dade County	Special District Millages	
2005	8.9000	8.9000	8.4380	0.7355	6.1200	3.5758	27.7693
2006	8.9000	8.9000	8.1050	0.7355	5.9000	3.5593	27.1998
2007	7.7500	7.7500	7.9480	0.6585	4.8646	3.0552	24.2763
2008	7.7500	7.7500	7.7970	0.6585	5.1229	3.0305	24.3589
2009	7.7500	7.7500	7.9950	0.6585	5.1229	3.1093	24.6357
2010	7.7500	7.7500	8.2490	0.6585	5.8725	3.3793	25.9093
2011	7.7500	7.7500	8.0050	0.4708	5.0900	3.1422	24.4580
2012	7.7500	7.7500	7.9980	0.4634	4.9885	3.1352	24.3351
2013	7.5899	7.5899	7.9770	0.4455	5.1255	3.1348	24.2727
2014	7.5899	7.5899	7.9740	0.4187	5.1169	3.2161	24.3156

(1) Information Obtained from Miami-Dade County Department of Property Appraiser

CITY OF FLORIDA CITY, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

**AS OF SEPTEMBER 30, 2014 AND NINE YEARS AGO
(DOLLARS IN THOUSANDS)**

Taxpayer	Type of Business	2014			2005		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart Store	Retail Shopping	\$ 21,162	1	5.62%	\$ 19,510	1	5.18%
Largo Motors Co LTD	Car Dealership	11,600	2	3.08%	--		0.00%
Florida Keys Factory Shops	Mall	11,268	3	2.99%	7,000	3	1.86%
Home Depot USA, Inc.	Retail Shopping	10,866	4	2.88%	10,891	2	2.89%
Bonita Pointe Associates	Real Estate	6,140	5	1.63%	5,500	4	1.46%
RA & RE Inc.	Motel	6,100	6	1.62%	--		0.00%
Cameron Creek, Ltd	Rental	4,350	7	1.15%	4,899	5	1.30%
River Oaks Holdings, Ltd.	Rental	4,180	8	1.11%	--		0.00%
Hotel Two LLC	Hotel	3,900	9	1.04%	--		0.00%
Zamora Corporation	Real Estate	3,776	10	1.00%	--		0.00%
Kunvarji Hotels LLC	Hotel	3,520	11	0.93%	--		0.00%
Jubilee Courtyards Assoc. Ltd	Rental	3,350	12	0.89%	3,764	10	1.00%
Parlon Corporation	Motel	1,716	13	0.46%	4,500	7	1.19%
Cayo Azul LLC	Agricultural	--		0.00%	4,614	6	1.22%
Grec Homes IX LLC	Rental	--		0.00%	4,186	9	1.11%
Hotel One, Inc.	Hotel	--		0.00%	4,477	8	1.19%
Total		<u>\$ 91,928</u>		<u>24.40%</u>	<u>\$ 69,341</u>		<u>18.41%</u>

(1) The total assessed valuation of taxable property for 2014 is \$376,783

(2) The total assessed valuation of taxable property for 2005 is \$376,732

CITY OF FLORIDA CITY, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Collection Total Tax Collection to Total Tax Levy	(3) Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2005	3,528,894	2,421,178	68.6%	11,535	2,432,713	68.9%	100,983	2.9%
2006	5,201,929	3,293,617	63.3%	30,724	3,324,341	63.9%	N/A	0.0%
2007	5,579,344	4,669,535	83.7%	10,840	4,680,375	83.9%	N/A	0.0%
2008	5,580,238	4,927,302	88.3%	119,190	5,046,491	90.4%	N/A	0.0%
2009	6,102,410	5,560,785	91.1%	273,567	5,834,352	95.6%	N/A	0.0%
2010	5,579,798	4,109,922	73.7%	280,946	4,390,868	78.7%	N/A	0.0%
2011	2,934,969	2,934,969	100.0%	--	2,934,969	100.0%	913,986	31.1%
2012	3,189,744	3,040,397	95.3%	149,347	3,189,744	100.0%	92,794	2.9%
2013	3,112,481	2,609,331	83.8%	415,019	3,024,350	97.2%	N/A	0.0%
2014	3,097,876	2,509,987	81.0%	82,616	2,592,603	83.7%	N/A	0.0%

(1) Information taken from Florida Municipal Ad Valorem Tax Profile.

(2) Information obtained from City of Florida City's financial statements.

(3) Information obtained from Miami-Dade County Tax Collector.

N/A - Not available.

CITY OF FLORIDA CITY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities Notes Payable	Business - Type Activities Notes Payable Water Bonds		Total Primary Government	Percentage of Household Income*	Per Capita Household Income*
2005	--	--	711,900	711,900	N/A	N/A
2006	--	--	667,000	667,000	N/A	N/A
2007	--	1,500,000	619,500	2,119,500	N/A	N/A
2008	--	1,200,000	569,600	1,769,600	0.29%	5,175
2009	--	1,200,000	517,200	1,717,200	N/A	N/A
2010	--	1,000,000	462,300	1,462,300	N/A	N/A
2011	--	1,000,000	403,800	1,403,800	0.67%	9,337
2012	--	800,000	342,700	1,142,700	0.58%	6,637
2013	300,000	500,000	279,100	1,079,100	0.62%	6,637
2014	300,000	100,000	211,800	611,800	1.08%	6,637

N/A: Not Available

*Information obtained from Zip Atlas.

CITY OF FLORIDA CITY, FLORIDA

**COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL
(DOLLARS IN THOUSANDS)**

SEPTEMBER 30, 2014

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Florida City (2)	Amount Applicable to City of Florida City
Direct:			
City of Florida City	\$ 300	100.00%	\$ 300
Overlapping:			
School Board of Miami-Dade County	423,738	0.48%	2,034
Miami-Dade County (1)	<u>1,179,986</u>	0.48%	<u>5,664</u>
	<u>\$ 1,604,024</u>		<u>\$ 7,998</u>

(1) Information obtained from Miami-Dade County, Finance Department for 2013;
2014 information not available at time of publication

(2) Percentage based upon population of Florida City v Miami-Dade County

CITY OF FLORIDA CITY, FLORIDA

**WATER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)**

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2005	2,278	2,276	2	45	36	81	0.02
2006	2,425	2,583	(158)	48	33	81	(1.95)
2007	2,547	2,778	(231)	50	31	81	(2.85)
2008	2,235	2,999	(764)	52	28	80	(9.55)
2009	2,370	2,738	(368)	55	26	81	(4.54)
2010	2,505	2,944	(439)	59	23	82	(5.37)
2011	2,537	2,992	(455)	61	20	81	(5.60)
2012	2,507	3,277	(770)	64	17	81	(9.54)
2013	2,600	3,511	(911)	67	14	81	(11.25)
2014	2,714	3,242	(528)	72	11	83	(6.36)

- (1) Total revenue (including interest) exclusive of tap fees.
- (2) Total operating expenses.
- (3) Includes principal and interest of revenue bonds only.

CITY OF FLORIDA CITY, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population	Household Income (Thousands of Dollars)	Per Capita Household Income	Unemployment Rate
2005	8,787	N/A	N/A	9.0%
2006	9,195	N/A	N/A	10.3%
2007	9,318	N/A	N/A	N/A
2008	10,193	18,111	5,175	18.6%
2009	10,217	18,285	N/A	18.6%
2010	10,568	23,888	N/A	26.2%
2011	11,704	25,132	9,337	18.2%
2012	11,850	21,635	6,637	20.9%
2013	12,222	21,635	6,637	20.9%
2014	12,430	21,635	6,637	20.9%

N/A - Information not available for year indicated.

(1) Population for City of Florida City obtained from Bureau of Economic and Business Research, University of Florida.

(2) Unemployment rate for City of Florida City obtained from Zip Atlas.

CITY OF FLORIDA CITY, FLORIDA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

AS OF SEPTEMBER 30, 2014

Employer	2014			2005		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Wal-Mart	775	1	18.37%	400	1	15.90%
Home Depot (Home Depot USA)	213	2	5.05%	194	2	7.71%
Cracker Barrel	200	3	4.74%	--	--	0.00%
Golden Corral	75	4	1.78%	83	5	3.30%
Best Buy	64	5	1.52%	--	--	0.00%
McDonald's	60	6	1.42%	54	8	2.15%
Applebee's Neighborhood Grill & Bar	56	7	1.33%	90	4	3.58%
Mutineer Restaurant	55	8	1.30%	60	6	2.38%
Largo Honda	50	9	1.19%	--	--	0.00%
Capri Restaurant	50	10	1.19%	53	9	2.11%
City of Florida City *	106	--	2.51%	109	--	4.33%
Florida Rock and Sand	--	--	0.00%	185	3	7.35%
Strano Brothers Partnership	--	--	0.00%	60	7	2.38%
Denny's Restaurant	--	--	0.00%	48	10	1.91%
	<u>1,704</u>		<u>40.40%</u>	<u>1,328</u>		<u>53.10%</u>

(1) Estimated area employment

Note: Obtained from City of Florida City Building and Zoning.

* Information obtained from City of Florida City Human Resources

CITY OF FLORIDA CITY, FLORIDA

CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration	7	7	7	6	6	5	5	5	5	5
Finance	6	5	4	8	8	6	6	6	6	6
Police	39	40	36	44	46	41	39	40	42	42
Building and zoning	4	6	6	7	6	6	6	6	6	6
Public works	16	16	14	19	17	17	16	16	16	16
Park and recreation	6	5	5	6	6	5	6	5	5	5
Campersite	2	2	2	2	2	2	2	1	1	1
Water	14	12	15	16	16	15	14	15	14	14
Sewer	3	1	1	1	1	1	1	1	1	2
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Housing	1	1	--	--	--	--	--	--	--	--
Grants	<u>9</u>	<u>8</u>	<u>11</u>	<u>14</u>	<u>14</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>6</u>
Total Employees	<u>109</u>	<u>105</u>	<u>103</u>	<u>125</u>	<u>124</u>	<u>108</u>	<u>105</u>	<u>105</u>	<u>106</u>	<u>105</u>

Note: Obtained from City of Florida City Human Resources

CITY OF FLORIDA CITY, FLORIDA

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrest	1,664	1,496	1,348	1,666	1,635	1,617	1,312	978	994	824
Juvenile arrest	235	155	116	221	194	167	175	186	155	135
Traffic violations	2,035	2,135	2,169	2,010	1,770	2,048	1,327	1,047	913	1,087
Water										
Number of service connections	1,999	2,130	1,555	78	1,481	1,167	1,618	752	612	322
Average monthly consumption (thousands of dollar)	\$ 50,293	\$ 67,095	\$ 65,281	\$ 63,202	\$ 69,438	\$ 67,550	\$ 72,320	\$ 71,665	\$ 75,039	\$ 80,384
Sewer										
Number of service connections	1,780	1,950	2,009	122	1,711	1,498	1,708	844	663	308
Average monthly sewage treatment (thousands of dollar)	\$ 85,411	\$ 99,064	\$ 93,788	\$ 94,392	\$ 109,791	\$ 113,672	\$ 120,905	\$ 121,322	\$ 127,715	137677
Electric Distribution System										
Number of customers	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3196	3196
Facilities and Services not Included in the Primary Government										
Cable television system:										
Number of customers	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1027	1027
Miles of service	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57	37.57
Education:										
Number of elementary schools	1	1	1	1	1	1	1	1	1	1
Number of instructors	85	88	88	88	88	88	88	88	88	88

N/A - Not Available

Note: Obtained from City of Florida City Records

CITY OF FLORIDA CITY, FLORIDA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units	17	18	18	18	21	21	21	21	22	23
Other Public Works										
Streets (miles)	42	42	42	42	42	42	42	42	42	42
Streetlights	460	460	460	460	460	460	460	460	460	460
Traffic signals	6	6	6	6	6	6	6	6	6	6
Park and Recreation										
Acreage	40	40	40	40	40	40	40	40	40	40
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis court	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	2	2
Water										
Water mains (miles)	43	43	43	43	43	43	43	43	43	43
Fire hydrants	662	662	662	662	662	662	662	662	662	662
Store capacity (thousands of gallons)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Sewer										
Sanitary sewer (miles)	23	23	23	23	23	23	23	23	23	23
Storm sewers (miles)	4	4	4	4	4	4	4	4	4	4

N/A - Not Available

Note: Obtained from City of Florida City Records

REPORTING SECTION

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

To the Honorable Mayor and City Commission
City of Florida City, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Florida City, Florida (the City) as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 10, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Marcum LLP

Miami, Florida
April 10, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and City Commission
City of Florida City, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Florida City's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2014. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Miami, Florida
April 10, 2015

CITY OF FLORIDA CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Federal Grantor Program	CFDA No.	Contract/Grant Number	Expenditures
<i>United States Department of Housing & Urban Development</i>			
Indirect Programs:			
Pass-through the Miami-Dade - Office of Housing and Community Development - Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DB-D3-11-23-01-A-01	\$ 177,879
Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	14.228	12-DB-P5-11-23-01-K-58	<u>157,116</u>
<i>Total United States Department of Housing & Urban Development</i>			<u>334,995</u>
<i>United States Department of Justice</i>			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2175	421
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0449	<u>22,041</u>
			22,462
Indirect Programs:			
Pass-through Miami-Dade County - Edward Byrne Memorial Justice Assistance Grant	16.738	2014-JAGC-DADE-32-E5-076	<u>1,050</u>
<i>Total United States Department of Justice</i>			<u>23,512</u>
<i>United States Department of the Treasury</i>			
Direct Program:			
Federal Equitable Sharing Program	21.000	FL0130300	<u>192,535</u>
<i>Total United States Department of the Treasury</i>			<u>192,535</u>
Total Expenditures of Federal Awards			<u>\$ 551,042</u>

See notes to schedule of expenditures of federal awards.

CITY OF FLORIDA CITY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City of Florida City (the City) under programs of the federal government for the fiscal year ended September 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Federal Single Audit Act and OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, where certain types of expenditures are not allowable or are limited as a reimbursement, except for the equitable sharing program, which follows the *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

CITY OF FLORIDA CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over the major program:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditors' report issued on compliance for the major federal program:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

 Yes X No

Identification of the major program:

Federal Program

CFDA No.

United States Department of the Treasury

Federal Equitable Sharing Program

21.000

Dollar threshold used to distinguish between

Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

 X Yes No

CITY OF FLORIDA CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Financial Statement Findings

None reported.

Federal Awards Findings and Questioned Costs

None reported.

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and City Commission
City of Florida City, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Florida City, Florida (the City) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated April 10, 2015.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required By OMB Circular A-133; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 10, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have any such findings.

Purpose of this Letter

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

Marcum LLP

Miami, Florida
April 10, 2015

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

To The Honorable Mayor and City Commission
City of Florida City, Florida

We have examined the City of Florida City's (the City's) compliance with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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 of Florida City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

This report is intended solely for the information and use of management, the Mayor, City Commission and others within the City and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Miami, FL
April 10, 2015