



**CITY OF**

**FLORIDA CITY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Prepared by the Department of Finance

# CITY OF FLORIDA CITY, FLORIDA

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## **INTRODUCTORY SECTION**

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March 31, 2014

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, 2013.

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, 2013 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 preparation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Florida City's financial statements for the fiscal year ended September 30, 2013, 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 mandated "Single Audit" designed to meet the special needs of federal agencies. The standards governing Single Audit engagements require the independent

To the Citizens of the City of Florida City  
And Other Interested Parties  
March 31, 2014

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 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 1<sup>st</sup> 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

To the Citizens of the City of Florida City  
And Other Interested Parties  
March 31, 2014

fiscal year. During fiscal year 2012-2013, 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 2012-2013 fiscal year at 7.75. 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 money market accounts. In November 2007 the State Board of Administration froze a substantial portion of its pool assets due to too many 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 \$80,534 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, 2013 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. The 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 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, 2012. This was the seventeenth 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.

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.

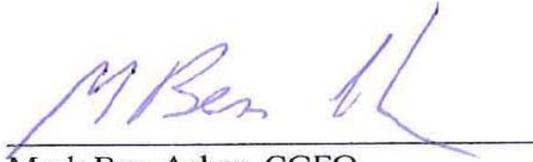
The presentation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. Special recognition is given

To the Citizens of the City of Florida City  
And Other Interested Parties  
March 31, 2014

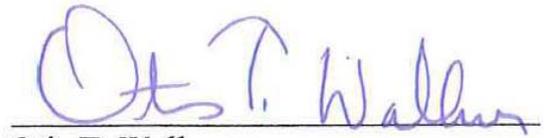
to Chad Burkhalter, Assistant Director of Finance of the Finance Department, for his many contributions leading to a successful audit and preparation of this report. We also wish to recognize the assistance provided by the firm of Marcum LLP.

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**

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**MAYOR-COMMISSION FORM OF GOVERNMENT**

**CITY COMMISSION**

Otis T. Wallace, Mayor

Avis Brown, Vice Mayor

Sharon Butler

Eugene D. Berry

R. S. Shiver

**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**

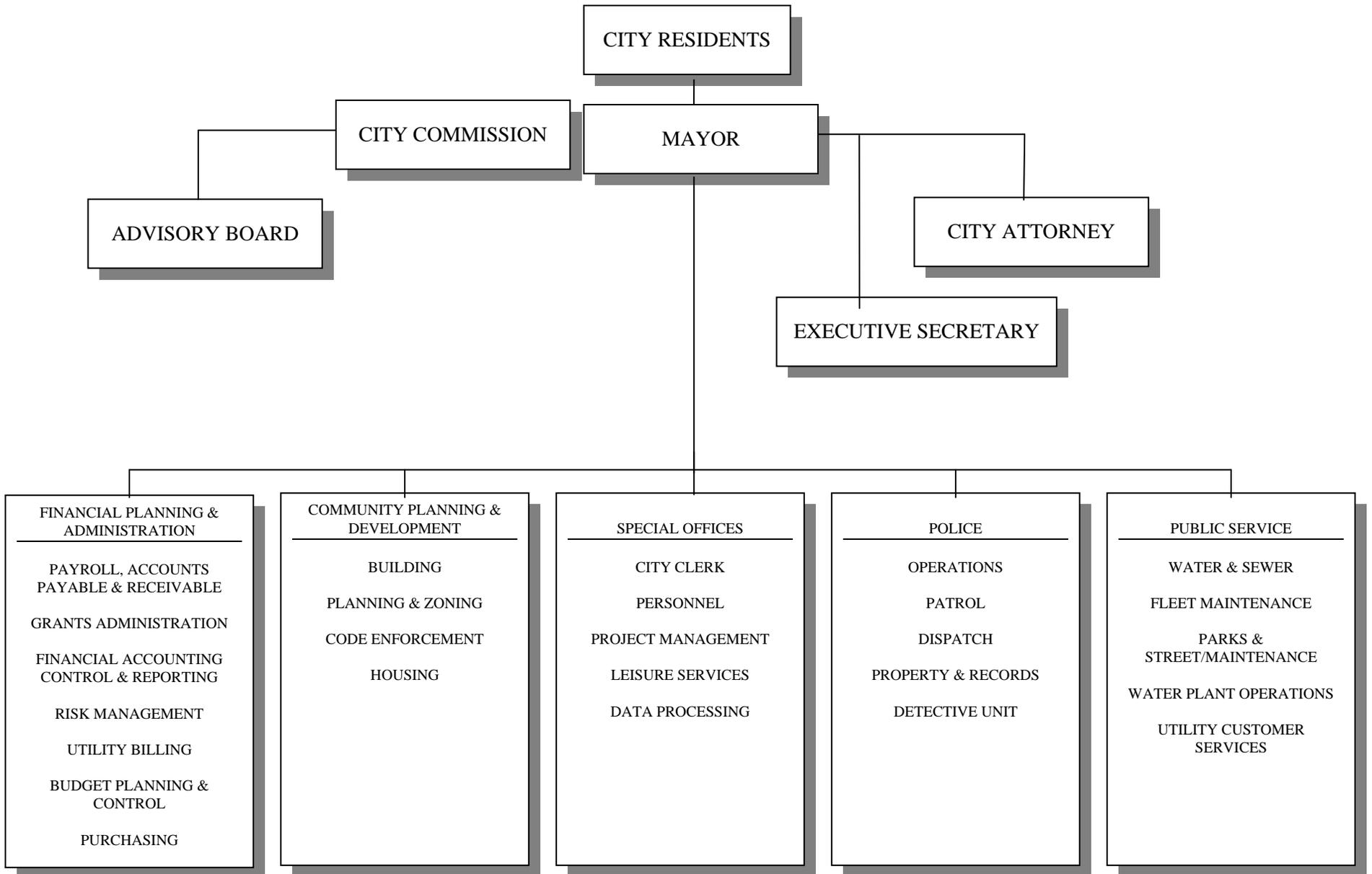
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# CITY OF FLORIDA CITY, FLORIDA

## ORGANIZATION CHART



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## **FINANCIAL SECTION**

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# **INDEPENDENT AUDITORS' REPORT**

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## 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, 2013, 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, 2013, 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. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2012. 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, schedules of funding progress and schedule of employer contributions on pages 4 through 12 and pages 59 through 64 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 March 28, 2014 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  
March 28, 2014

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

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# 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, 2013.

### FINANCIAL HIGHLIGHTS

In the government-wide financial statements, 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 \$62,987,437 (net position). Of this amount, \$17,662,469 (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 2012-2013.

In the government-wide financial statements, the City's total net position increased by \$124,585. This increase is attributable primarily to income derived through new water infrastructure replacing older lines.

For the fiscal year ended September 30, 2013, the City's governmental funds reported combined ending fund balances of \$18,493,467. This represents a decrease of \$1,557,740 from last year.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,677,903 or 121.49% 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 plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information on how 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) (a major fund) and the Florida City Foundation (a nonmajor fund) 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, a 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 two of its major governmental funds, its General Fund and for the CRA Fund. Budgetary comparison schedules have been provided for the General Fund and the CRA Fund to demonstrate compliance with these budgets. These schedules can be found on pages 59 and 60.

The basic governmental fund financial statements can be found on pages 15 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.

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 58.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

This required supplementary information can be found on pages 59 through 64.

### **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 of resources by \$62,987,437 at the close of the most recent fiscal year.

A portion of the City's net position, \$39,494,006 or 62.70 %, reflects its 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 investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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	
	2013	2012	2013	2012	2013	2012
Current assets and other assets	\$ 20,092,667	\$ 21,672,082	\$ 7,340,070	\$ 7,828,306	\$ 27,432,737	\$ 29,500,388
Capital assets, net	20,708,668	18,618,782	19,672,394	19,911,600	40,381,062	38,530,382
<b>Total Assets</b>	<u>40,801,335</u>	<u>40,290,864</u>	<u>27,012,464</u>	<u>27,739,906</u>	<u>67,813,799</u>	<u>68,030,770</u>
Current liabilities	1,541,308	1,601,058	865,126	822,742	2,406,434	2,423,800
Noncurrent liabilities	1,452,440	1,096,215	916,624	1,266,872	2,369,064	2,363,087
Deferred Inflows of Resources	50,864	--	--	--	50,864	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,044,612</u>	<u>2,697,273</u>	<u>1,781,750</u>	<u>2,089,614</u>	<u>4,826,362</u>	<u>4,786,887</u>
Net Investment in Capital Assets	20,600,344	18,618,782	18,893,662	18,768,900	39,494,006	37,387,682
Restricted	5,384,144	6,338,849	446,818	442,669	5,830,962	6,781,518
Unrestricted	11,772,235	12,635,960	5,890,234	6,057,692	17,662,469	18,693,652
<b>Total Net Position</b>	<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>

**Table 2**  
**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 4,751,485	\$ 5,026,525	\$ 2,712,231	\$ 2,651,685	\$ 7,463,716	\$ 7,678,210
Operating grants and contributions	174,183	357,988	--	--	174,183	357,988
Capital grants and contributions	2,440,842	3,959,800	--	--	2,440,842	3,959,800
General revenues:						
Property taxes	1,930,823	2,218,407	--	--	1,930,823	2,218,407
Utility taxes	737,749	698,784	--	--	737,749	698,784
Communication service taxes	257,366	265,274	--	--	257,366	265,274
Franchise fees based on gross receipts	650,210	659,738	--	--	650,210	659,738
Unrestricted intergovernmental revenue	1,546,817	1,412,896	--	--	1,546,817	1,412,896
Unrestricted state share revenue	224,173	177,259	--	--	224,173	177,259
Unrestricted investment earnings	70,800	136,182	52,503	27,229	123,303	163,411
Miscellaneous	--	71,972	--	--	--	71,972
<b>Total Revenues</b>	<u>12,784,448</u>	<u>14,984,825</u>	<u>2,764,734</u>	<u>2,678,914</u>	<u>15,549,182</u>	<u>17,663,739</u>
<b>Expenses</b>						
General government	5,185,940	4,842,342	--	--	5,185,940	4,842,342
Public works	2,586,344	2,516,237	--	--	2,586,344	2,516,237
Public safety	3,543,627	3,219,661	--	--	3,543,627	3,219,661
Parks and recreation	651,931	556,506	--	--	651,931	556,506
Water and sewer	--	--	3,456,755	3,305,656	3,456,755	3,305,656
<b>Total Expenses</b>	<u>11,967,842</u>	<u>11,134,746</u>	<u>3,456,755</u>	<u>3,305,656</u>	<u>15,424,597</u>	<u>14,440,402</u>
<b>Excess (Deficiency) Before Transfers</b>	816,606	3,850,079	(692,021)	(626,742)	124,585	3,223,337
<b>Transfers</b>	(653,474)	(1,644,347)	653,474	1,644,347	--	--
<b>Increase/Decrease in Net Position</b>	<u>163,132</u>	<u>2,205,732</u>	<u>(38,547)</u>	<u>1,017,605</u>	<u>124,585</u>	<u>3,223,337</u>
<b>Net Position - Beginning</b>	<u>37,593,591</u>	<u>35,387,859</u>	<u>25,269,261</u>	<u>24,251,656</u>	<u>62,862,852</u>	<u>59,639,515</u>
<b>Net Position - Ending</b>	<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>

The City's net position increased by \$124,585 during the current fiscal year. Last fiscal year, net position increased by \$3,223,337. The difference between this fiscal year, and last fiscal year, was caused by a decrease in revenue (primarily capital grants and contributions) and an increase in expenses. Key elements of this decrease are illustrated in the summary above.

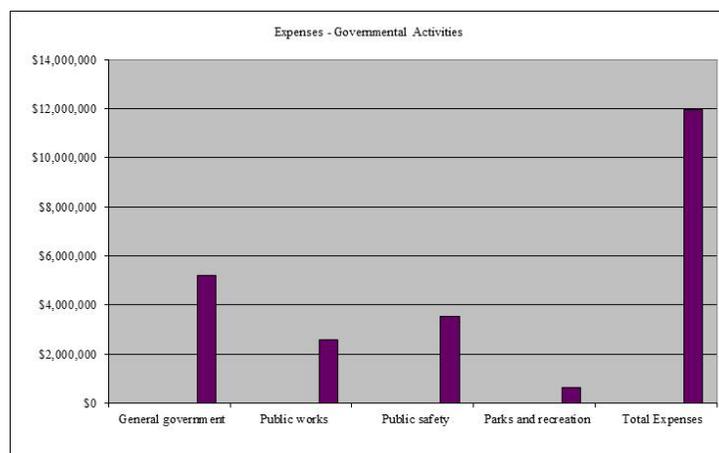
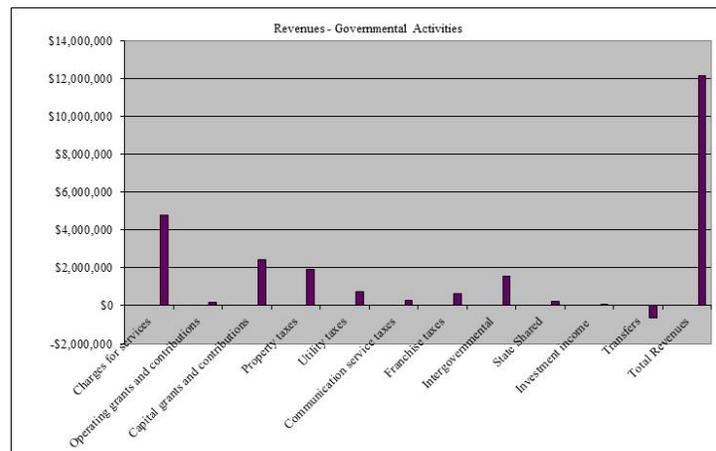
## Governmental Activities

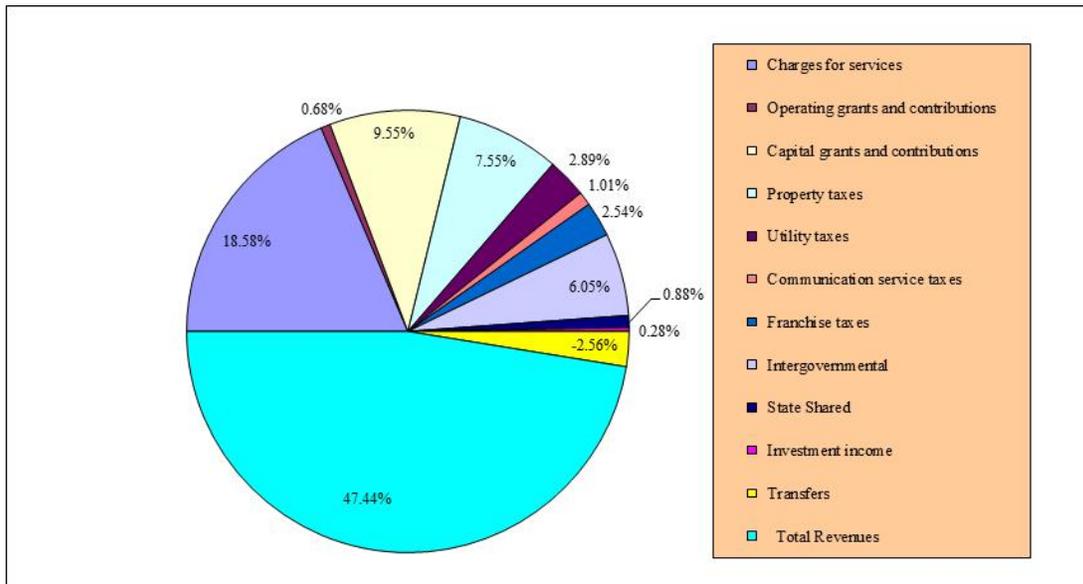
Net position of the City's governmental activities increased by \$163,132 or 0.43% from \$37,593,591 in the last fiscal year to \$37,756,723 in the current fiscal year.

General government, public works and public safety comprise 94.55% of the City's total governmental activities. General government program revenues fund just more than 48% 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 32%. General revenues, primarily property taxes, fund the balance of these activities.

Parks and recreation show program revenues in excess of expenses by slightly more than 119%. 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 \$7,366,510; the governmental activities total general revenues total \$5,417,938 and are reduced by a transfer to the business activities of \$653,474 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 41% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. Amounts decreased just less than 13% between 2013 and 2012 due primarily to a further decrease in property revenues in fiscal year 2013. This was caused by a significant decrease in assessed property values.





### Business-type Activities

Business-type activities decreased the City's net position by \$38,547 since 2012.

The City maintains a water & sewer fund that accounts for this reduction to net position. Operating expenses exceeded charges for services by \$744,524. \$52,503 was realized as a result of unrestricted investment earnings. Revenues, and transfers, decreased between 2013 and 2012 by \$905,053. Expenses, however, remained relatively constant. A potential rate increase is being examined.

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 \$15,068,053, a decrease of \$45,167 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 121.49% 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, 2013 and 2012, as follows:

**Table 3**  
**Condensed Balance Sheet**

<b>General Fund</b>	2013	2012
<b>Total Assets</b>	\$ 16,654,544	\$ 16,420,539
Total liabilities	\$ 1,535,627	\$ 1,307,319
Total deferred inflows of resources	50,864	--
Fund balance	15,068,053	15,113,220
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	\$ 16,654,544	\$ 16,420,539

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

<b>General Fund</b>	2013	2012
Total revenues	\$ 10,090,382	\$ 10,376,905
Total expenditures	10,435,549	10,041,644
Transfers	--	(109,573)
Note payable	300,000	--
<b>Net Change in Fund Balance</b>	\$ 20,825,931	\$ 20,308,976

**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 \$1,019,593 less than originally budgeted, and actual expenditures were \$75,517 less than the final budgeted amount. Budgeted revenues between original and final decreased by approximately \$1,342,096 due to changes in revenue estimates provided by the State of Florida, and actual revenues were more than the final budgeted amount by \$277,158. The City was able to closely monitor its expenditures and ultimately expended approximately \$75,517 less than budgeted. The following summary depicts this activity:

<b>General Fund</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Positive (Negative)</b>
Revenues	\$ 11,155,320	\$ 9,813,224	\$ 10,090,382	\$ (277,158)
Expenditures	11,530,659	10,511,066	10,435,549	75,517
Excess (deficiency) of revenues over expenditures	(375,339)	(697,842)	(345,167)	(201,641)
Other financing sources and uses	(1,084,259)	300,000	300,000	--
<b>Net Change in Fund Balance</b>	\$ (1,459,598)	\$ (397,842)	\$ (45,167)	\$ (201,641)

## Community Redevelopment Agency (CRA)

The CRA incurred the following expenditures during the fiscal year ended September 30, 2013 and September 30, 2012 respectively:

CRA	2013	2012
Expenditures, general government	\$ 1,143,402	\$ 922,583
Expenditures, capital outlay	<u>2,217,278</u>	<u>1,931,257</u>
	<u>\$ 3,360,680</u>	<u>\$ 2,853,840</u>

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

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

In 2012, the following projects were funded by CRA's Infrastructure Fund:

- \$1,503,813 - Streetscape Project.
- \$328,311 - Consulting and Engineering expenditures.
- \$226,590 - Community Policing.
- \$113,385 - Administrative Functions.

For the CRA budget, original and final amounts were the same in total, but overall expenditures were less than budgeted by approximately \$1,697,223.

### Capital Assets

As of September 30, 2013, the City's investment in capital assets for both governmental activities and business-type activities amounted to \$40,381,062 (\$20,708,668 in governmental activities and \$19,672,394 in business-type activities). The total increase in capital assets for the fiscal year (\$1,850,680) was primarily attributed to as follows:

Governmental activities' capital assets increased by \$2,089,886 due primarily to capital grants less depreciation on buildings and equipment. Business-type activities' capital assets decreased by \$239,206 due 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 40 and 41 of the Notes to Basic Financial Statements.

## **Long-Term Debt**

At September 30, 2013, the City had total debt outstanding of \$2,369,063 (\$1,452,440 for governmental activities and \$916,623 for business-type activities). Of this amount, \$279,100 represents total revenue bonds payable secured solely by specified revenue sources (water revenue). The remainder is comprised of compensated absences of \$665,672 in governmental activities, \$51,423 in business-type activities, \$499,632 notes payable in business-type activities, \$486,768 is Net Other Post Employment Benefits (OPEB) Obligations in governmental activities and \$86,469 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 41 through 43 of the Notes to Basic Financial Statements.

## **Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the City rose with the State of Florida rate and the National rate. The City's rate is expected to drop 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, however, with the general downturn in the economy, fewer visitors are booking stays as long as in the past. It is hoped this will change in the coming year.

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 2014 was reduced from 7.75 to 7.5899.

All of these factors were considered in preparing the City of Florida City's budget for the 2013-2014 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.

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# **BASIC FINANCIAL STATEMENTS**

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# CITY OF FLORIDA CITY, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 15,620,555	\$ 6,042,175	\$ 21,662,730
Receivables, net	1,957,331	310,503	2,267,834
Investments	383,929	--	383,929
Internal balances	(52,892)	52,892	--
Restricted cash and cash equivalents	2,061,475	934,500	2,995,975
Prepaid items	56,605	--	56,605
Other assets	58,636	--	58,636
Net pension asset	7,028	--	7,028
Capital assets not being depreciated	6,250,835	2,767,258	9,018,093
Capital assets being depreciated, net	<u>14,457,833</u>	<u>16,905,136</u>	<u>31,362,969</u>
<b>Total Assets</b>	<u>40,801,335</u>	<u>27,012,464</u>	<u>67,813,799</u>
<b>Liabilities and Deferred Inflows of Resources</b>			
Accounts payable	841,993	364,931	1,206,924
Accrued liabilities	438,474	12,512	450,986
Customer deposits	124,393	487,682	612,075
Unearned revenue	136,448	--	136,448
Noncurrent liabilities:			
Due within one year	66,567	72,442	139,009
Due in more than one year	<u>1,385,873</u>	<u>844,183</u>	<u>2,230,056</u>
<b>Total Liabilities</b>	2,993,748	1,781,750	4,775,498
<b>Deferred Inflows of Resources</b>			
Unearned revenue - business taxes	<u>50,864</u>	<u>--</u>	<u>50,864</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,044,612</u>	<u>1,781,750</u>	<u>4,826,362</u>
<b>Net Position</b>			
Net Investment in capital assets	20,600,344	18,893,662	39,494,006
Restricted:			
Transportation projects	1,873,730	--	1,873,730
Grants and contributions	1,740,031	--	1,740,031
Capital projects	1,695,524	--	1,695,524
Impact fees - public safety	74,859	--	74,859
Sewer system capital improvements	--	326,627	326,627
Reserve fund	--	120,191	120,191
Unrestricted	<u>11,772,235</u>	<u>5,890,234</u>	<u>17,662,469</u>
<b>Total Net Position</b>	<u>\$ 37,756,723</u>	<u>\$ 25,230,714</u>	<u>\$ 62,987,437</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, 2013**

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
<b>Governmental Activities</b>							
General government	\$ 5,185,940	\$ 624,835	\$ 116,968	\$ 1,779,284	\$ (2,664,853)	\$ --	\$ (2,664,853)
Public works	2,586,344	2,259,034	--	661,558	334,248	--	334,248
Public safety	3,543,627	1,089,815	57,215	--	(2,396,597)	--	(2,396,597)
Parks and recreation	651,931	777,801	--	--	125,870	--	125,870
<b>Total Governmental Activities</b>	<u>11,967,842</u>	<u>4,751,485</u>	<u>174,183</u>	<u>2,440,842</u>	<u>(4,601,332)</u>	<u>--</u>	<u>(4,601,332)</u>
<b>Business-type Activities</b>							
Water and sewer	3,456,755	2,712,231	--	--	--	(744,524)	(744,524)
<b>Total Business-type Activities</b>	<u>3,456,755</u>	<u>2,712,231</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(744,524)</u>	<u>(744,524)</u>
<b>Total</b>	<u>\$ 15,424,597</u>	<u>\$ 7,463,716</u>	<u>\$ 174,183</u>	<u>\$ 2,440,842</u>	<u>(4,601,332)</u>	<u>(744,524)</u>	<u>(5,345,856)</u>
<b>General Revenues</b>							
Property taxes					1,930,823	--	1,930,823
Utility taxes					737,749	--	737,749
Communication services tax					257,366	--	257,366
Franchise fees based on gross receipts					650,210	--	650,210
Unrestricted intergovernmental revenue					1,546,817	--	1,546,817
Unrestricted state shared revenues					224,173	--	224,173
Unrestricted investment earnings					70,800	52,503	123,303
<b>Transfers</b>					(653,474)	653,474	--
<b>Total General Revenues and Transfers</b>					<u>4,764,464</u>	<u>705,977</u>	<u>5,470,441</u>
<b>Change in Net Position</b>					<u>163,132</u>	<u>(38,547)</u>	<u>124,585</u>
<b>Net Position - Beginning</b>					<u>37,593,591</u>	<u>25,269,261</u>	<u>62,862,852</u>
<b>Net Position- Ending</b>					<u>\$ 37,756,723</u>	<u>\$ 25,230,714</u>	<u>\$ 62,987,437</u>

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

**CITY OF FLORIDA CITY, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2013**

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	11,601,411	\$ 2,221,834	\$ 1,537,209	\$ 260,101	\$ 15,620,555
Receivables:					
Billed and other	431,103	--	--	45,365	476,468
Unbilled	83,822	--	--	--	83,822
Taxes	618,614	--	--	--	618,614
Intergovernmental	--	--	778,427	--	778,427
Investments	383,929	--	--	--	383,929
Due from other funds	1,462,512	--	--	-	1,462,512
Restricted cash and cash equivalents	1,998,123	--	--	63,352	2,061,475
Prepaid items	56,605	--	--	--	56,605
Other assets	18,425	40,211	--	--	58,636
<b>Total Assets</b>	<b>\$ 16,654,544</b>	<b>\$ 2,262,045</b>	<b>\$ 2,315,636</b>	<b>\$ 368,818</b>	<b>\$ 21,601,043</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
<b>of Resources</b>					
Accounts payable	\$ 836,763	\$ --	\$ 180	\$ 5,050	841,993
Accrued liabilities	428,714	--	7,033	2,727	438,474
Due to other funds	52,892	566,521	870,408	25,583	1,515,404
Customer deposits	124,393	--	--	--	124,393
Unearned revenue	92,865	--	--	43,583	136,448
<b>Total Liabilities</b>	<b>1,535,627</b>	<b>566,521</b>	<b>877,621</b>	<b>76,943</b>	<b>3,056,712</b>
<b>Deferred Inflows of Resources</b>					
Unearned revenue - business taxes	50,864	--	--	--	50,864
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,586,491</b>	<b>566,521</b>	<b>877,621</b>	<b>76,943</b>	<b>3,107,576</b>
<b>Fund Balances</b>					
Non-spendable:					
Prepaid items	56,605	--	--	--	56,605
Restricted:					
Transportation projects	1,873,730	--	--	--	1,873,730
Grants and contributions	--	--	1,438,015	302,016	1,740,031
Impact fees - public safety	67,421	--	--	7,438	74,859
Capital projects	--	1,695,524	--	--	1,695,524
Committed:					
Stormwater	392,394	--	--	--	392,394
Unassigned:					
General fund	12,677,903	--	--	--	12,677,903
Trust fund	--	--	--	(17,579)	(17,579)
<b>Total Fund Balances</b>	<b>15,068,053</b>	<b>1,695,524</b>	<b>1,438,015</b>	<b>291,875</b>	<b>18,493,467</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 16,654,544</b>	<b>\$ 2,262,045</b>	<b>\$ 2,315,636</b>	<b>\$ 368,818</b>	<b>\$ 21,601,043</b>

*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, 2013**

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

Fund Balances - Total Governmental Funds (page 15)		\$	18,493,467
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Governmental capital assets	\$	28,463,919	
Less accumulated depreciation		<u>(7,755,251)</u>	20,708,668
Net pension asset resulting from over funding in pension plan			7,028
Long-term liabilities, including notes payable, are not due and payable in current period and, therefore, not reported in the funds			
Compensated absences	\$	(665,672)	
Note payable		(300,000)	
Net OPEB obligation		<u>(486,768)</u>	<u>(1,452,440)</u>
Net Position of Governmental Activities (page 13)		\$	<u><u>37,756,723</u></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, 2013**

	General	CRA	Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 3,576,149	\$ --	\$ --	\$ --	\$ 3,576,149
Intergovernmental	1,770,990	1,746,629	--	--	3,517,619
Charges for services	3,069,658	--	--	--	3,069,658
Investment earnings	45,440	12,804	11,739	817	70,800
Licenses and permits	277,841	--	--	--	277,841
Fines and forfeitures	1,041,552	--	--	48,263	1,089,815
Grants	--	--	718,773	--	718,773
Miscellaneous	308,752	32,655	1,983	120,403	463,793
<b>Total Revenues</b>	<u>10,090,382</u>	<u>1,792,088</u>	<u>732,495</u>	<u>169,483</u>	<u>12,784,448</u>
<b>Expenditures</b>					
Current:					
General government	3,399,084	1,143,402	44,278	127,899	4,714,663
Public safety	3,382,184	--	--	--	3,382,184
Public works	2,566,960	--	--	--	2,566,960
Parks and recreation	471,430	--	--	--	471,430
Capital outlay	615,891	2,217,278	673,782	--	3,506,951
<b>Total Expenditures</b>	<u>10,435,549</u>	<u>3,360,680</u>	<u>718,060</u>	<u>127,899</u>	<u>14,642,188</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(345,167)</u>	<u>(1,568,592)</u>	<u>14,435</u>	<u>41,584</u>	<u>(1,857,740)</u>
<b>Other Financing Sources</b>					
Note payable issued	300,000	--	--	--	300,000
<b>Total Other Financing Sources</b>	<u>300,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>300,000</u>
<b>Net Change in Fund Balances</b>	(45,167)	(1,568,592)	14,435	41,584	(1,557,740)
<b>Fund Balances - Beginning</b>	<u>15,113,220</u>	<u>3,264,116</u>	<u>1,423,580</u>	<u>250,291</u>	<u>20,051,207</u>
<b>Fund Balances - Ending</b>	<u>\$ 15,068,053</u>	<u>\$ 1,695,524</u>	<u>\$ 1,438,015</u>	<u>\$ 291,875</u>	<u>\$ 18,493,467</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, 2013**

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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) \$ (1,557,740)

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	\$ 3,501,686	
Depreciation expense	<u>(758,326)</u>	
Net adjustment		2,743,360

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. (653,474)

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:

Note payable	(300,000)	
Compensated absences	20,210	
Change in net OPEB obligation	(76,435)	
Change in net pension asset	<u>(12,789)</u>	
Net adjustment		<u>(369,014)</u>

Change in net position of governmental activities (Page 14) \$ 163,132

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

**CITY OF FLORIDA CITY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

**SEPTEMBER 30, 2013**

	<u>Enterprise Fund Water and Sewer</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 6,042,175
Receivables, net	310,503
Due from other funds	52,892
Restricted cash	<u>934,500</u>
<b>Total Current Assets</b>	<u>7,340,070</u>
<b>Noncurrent Assets</b>	
Capital assets:	
Land	1,578,818
Construction in progress	1,188,440
Machinery and equipment	647,035
Plant distribution system	32,955,792
Less accumulated depreciation	<u>(16,697,691)</u>
Total capital assets (net of accumulated depreciation)	<u>19,672,394</u>
<b>Total Assets</b>	<u>27,012,464</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	364,932
Accrued liabilities	12,512
Customer deposits	487,682
Current portion of revenue bonds payable	67,300
Current portion of compensated absences	<u>5,142</u>
<b>Total Current Liabilities</b>	<u>937,568</u>
<b>Noncurrent Liabilities</b>	
Notes payable	499,632
Revenue bonds payable	211,800
Net OPEB obligation	86,469
Compensated absences	<u>46,281</u>
<b>Total Noncurrent Liabilities</b>	<u>844,182</u>
<b>Total Liabilities</b>	<u>1,781,750</u>
<b>Net Position</b>	
Net Investment in capital assets	18,893,662
Restricted for sewer system capital improvements	326,627
Restricted for reserve fund	120,191
Unrestricted	<u>5,890,234</u>
<b>Total Net Position</b>	<u>\$ 25,230,714</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, 2013**

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	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
<b>Operating Revenues</b>	
Charges for services	<u>\$ 2,712,231</u>
<b>Operating Expenses</b>	
General and administrative	2,512,572
Depreciation	<u>911,529</u>
<b>Total Operating Expenses</b>	<u>3,424,101</u>
<b>Operating Loss</b>	<u>(711,870)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	52,503
Interest expense	<u>(32,654)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>19,849</u>
<b>Loss before Capital Contributions</b>	(692,021)
<b>Contribution of Capital Assets</b>	<u>653,474</u>
<b>Change in Net Position</b>	(38,547)
<b>Net Position - Beginning</b>	<u>25,269,261</u>
<b>Net Position - Ending</b>	<u>\$ 25,230,714</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, 2013**

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 2,728,059
Payments to suppliers	(1,657,171)
Payments to employees	(804,969)
Payments to other funds	<u>(433,923)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(168,004)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal paid on note	(300,368)
Principal paid on bonds	(63,600)
Interest paid on bonds	(32,654)
Acquisition of capital assets	<u>(18,849)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(415,471)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>52,503</u>
<b>Net Cash Provided by Investing Activities</b>	<u>52,503</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(530,972)
<b>Cash and Cash Equivalents, Beginning (Including Restricted)</b>	<u>7,507,647</u>
<b>Cash and Cash Equivalents, Ending (Including Restricted)</b>	<u>\$ 6,976,675</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>	
Operating loss	<u>\$ (711,870)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	911,529
Changes in operating assets and liabilities:	
(Increase) decrease in:	
Receivables	10,157
Increase (decrease) in:	
Accounts payable and accrued liabilities	36,711
Customer deposits	5,671
Compensated absences	(20)
Net OPEB obligation	13,741
Due to other funds	<u>(433,923)</u>
Total adjustments	<u>543,866</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ (168,004)</u>
<b>Noncash Investing, Capital and Related Financing Activities</b>	
Contribution of capital assets from grants fund	<u>\$ 653,474</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, 2013**

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	<u>Pension Trust</u>
<b>Assets</b>	
<b>Cash</b>	<u>\$ 1,831,508</u>
<b>Investments</b>	
Money market mutual funds	103,419
Common stock	2,031,627
Corporate bonds	362,158
Government securities	<u>601,207</u>
<b>Total Investments</b>	<u>3,098,411</u>
<b>Receivables</b>	
Accrued interest	<u>7,289</u>
<b>Total Assets</b>	<u>4,937,208</u>
<b>Net Position Restricted for Pension Benefits</b>	<u><u>\$ 4,937,208</u></u>

*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, 2013**

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	<u>Pension Trust</u>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 394,963
<b>Total Contributions</b>	<u>394,963</u>
<b>Investment Earnings</b>	
Net appreciation in fair value of investments	298,513
Interest and dividends	<u>67,932</u>
<b>Total Investments Earnings</b>	<u>366,445</u>
<b>Total Additions</b>	<u>761,408</u>
<b>Deductions</b>	
Benefits paid	74,281
Administrative expenses	<u>35,566</u>
<b>Total Deductions</b>	<u>109,847</u>
<b>Change in Net Position</b>	651,561
<b>Net Position Restricted for Pension Benefits- Beginning</b>	<u>4,285,647</u>
<b>Net Position Restricted for Pension Benefits - Ending</b>	<u>\$ 4,937,208</u>

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

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**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. Based upon the application of the criteria described above, the financial activity of the blended component units listed below has 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, 2013**

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**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 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 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, 2012.

***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, 2013**

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**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.

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, 2013**

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**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 *Pension Trust 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, 2013

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### 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 and Fund B) 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 2013.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**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:

Assets	Years
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, 2013

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### 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.

##### ***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 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 unearned revenues 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, 2013

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### 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, 2013

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### 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.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***12. Unearned Revenue***

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

***13. Implementation of Governmental Accounting Standards Board Statements***

*GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of net position. Implementation did have a significant impact on the financial statements.

*GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources of deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation did not have a significant on the financial statements.

**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.

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### *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.

The State Board of Administration (SBA) administers the Florida PRIME and the Fund B Surplus Funds Trust Fund. (Fund B), both of which are 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 and Fund B. 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 Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2013, the fair value factor for Fund B was \$1.13262284 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENTS (CONTINUED)***

As of September 30, 2013, the City had the following investments subject to interest rate risk:

	Fair Value	Weighted Average Maturity
SBA - Florida PRIME	\$ 303,395	44 days
SBA - Fund B	80,534	4.04 years
<b>Total Investments - City</b>	<b>\$ 383,929</b>	

***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; the Fund B is not rated by an NRSRO.

***INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND***

As of September 30, 2013, 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	\$ 362,158	\$ 97,827	\$ 187,092	\$ 77,239
Government Securities	601,207	47,001	336,677	217,529
<b>Total Fixed Income Investments</b>	<b>\$ 963,365</b>	<b>\$ 144,828</b>	<b>\$ 523,769</b>	<b>\$ 294,768</b>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENTS – POLICE OFFICERS’ SUBSTITUTE PENSION TRUST FUND (CONTINUED)***

***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.

***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, 2013, the value of each position held in the Plan's portfolio comprised less than 5% of Plan net position.

***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 plan 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.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 3 - RECEIVABLES**

Receivables as of September 30, 2013 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	\$ 649,799	\$ --	\$ 506,609	\$ --	\$ 1,156,408
Customers unbilled	83,822	--	104,356	--	188,178
Taxes	618,614	--	--	--	618,614
Intergovernmental	--	778,427	--	--	778,427
Other receivables	4,982	--	--	45,365	50,347
Gross receivables	1,357,217	778,427	610,965	45,365	2,791,974
Less: allowance	(223,678)	--	(300,462)	--	(524,140)
<b>Total Receivables, Net</b>	<b><u>\$ 1,133,539</u></b>	<b><u>\$ 778,427</u></b>	<b><u>\$ 310,503</u></b>	<b><u>\$ 45,365</u></b>	<b><u>\$ 2,267,834</u></b>

**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, 2013 is 7.75%.

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 September 30, 2013.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES**

The composition of interfund balances as of September 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Grants	\$ 870,408
General	CRA	566,521
Water and Sewer	General	52,892
General	Law Enforcement Trust Fund Federal	15,349
General	Law Enforcement Trust Fund State	<u>10,234</u>
<b>Total Interfund Balances</b>		<b><u>\$ 1,515,404</u></b>

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 AND CASH EQUIVALENTS**

<b>General Fund</b>	
Transportation	\$ 1,873,730
Customer deposits	<u>124,393</u>
<b>Total General Fund</b>	<b><u>\$ 1,998,123</u></b>
<b>Other Governmental Funds</b>	
Law enforcement trust fund	<u>\$ 63,352</u>
<b>Water and Sewer</b>	
Customer deposits	\$ 487,682
Sewer system capital improvements	326,627
Reserve fund	<u>120,191</u>
<b>Total Water and Sewer</b>	<b><u>\$ 934,500</u></b>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 6 – RESTRICTED CASH AND CASH EQUIVALENTS (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, 2013 the balance is \$120,191. 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, 2013, \$649,060 had been deposited; however, based on sewer system capital expenditures over the years, the balance is currently \$326,627.

***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, 2013**

### NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 5,486,538	\$ 110,035	\$ --	\$ 5,596,573
Construction in progress (1)	<u>1,745,558</u>	<u>930,267</u>	<u>(2,021,563)</u>	<u>654,262</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>7,232,096</u>	<u>1,040,302</u>	<u>(2,021,563)</u>	<u>6,250,835</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	16,245,958	3,713,871	(19,381)	19,940,448
Equipment and machinery	<u>2,176,614</u>	<u>115,602</u>	<u>(19,580)</u>	<u>2,272,636</u>
<b>Total Capital Assets Being Depreciated</b>	<u>18,422,572</u>	<u>3,829,473</u>	<u>(38,961)</u>	<u>22,213,084</u>
Less accumulated depreciation for:				
Buildings	(5,134,806)	(619,161)	19,381	(5,734,586)
Equipment and machinery	<u>(1,901,080)</u>	<u>(139,165)</u>	<u>19,580</u>	<u>(2,020,665)</u>
<b>Total Accumulated Depreciation</b>	<u>(7,035,886)</u>	<u>(758,326)</u>	<u>38,961</u>	<u>(7,755,251)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>11,386,686</u>	<u>3,071,147</u>	<u>--</u>	<u>14,457,833</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 18,618,782</u>	<u>\$ 4,111,449</u>	<u>\$ (2,021,563)</u>	<u>\$ 20,708,668</u>
(1) Increases and decreases include assets acquired and constructed by governmental activities of \$653,474 contributed to the water and sewer fund.				
<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 1,578,818	\$ --	\$ --	\$ 1,578,818
Construction in progress (1)	<u>2,623,569</u>	<u>653,474</u>	<u>(2,088,603)</u>	<u>1,188,440</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>4,202,387</u>	<u>653,474</u>	<u>(2,088,603)</u>	<u>2,767,258</u>
<b>Capital Assets Being Depreciated</b>				
Machinery and equipment	647,035	--	--	647,035
Plant distribution system	<u>30,848,340</u>	<u>2,107,452</u>	<u>--</u>	<u>32,955,792</u>
<b>Total Capital Assets Being Depreciated</b>	<u>31,495,375</u>	<u>2,107,452</u>	<u>--</u>	<u>33,602,827</u>
Less accumulated depreciation for:				
Machinery and equipment	(559,989)	(5,348)	--	(565,337)
Plant distribution system	<u>(15,226,173)</u>	<u>(906,181)</u>	<u>--</u>	<u>(16,132,354)</u>
<b>Total Accumulated Depreciation</b>	<u>(15,786,162)</u>	<u>(911,529)</u>	<u>--</u>	<u>(16,697,691)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>15,709,213</u>	<u>1,195,923</u>	<u>--</u>	<u>16,905,136</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 19,911,600</u>	<u>\$ 1,849,397</u>	<u>\$ (2,088,603)</u>	<u>\$ 19,672,394</u>

(1) Increases include assets contributed from governmental activities of \$653,474.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

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

<b>Governmental Activities</b>	
General government	\$ 457,974
Public safety	120,220
Public works	15,090
Parks and recreation	<u>165,042</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<u><u>\$ 758,326</u></u>
 <b>Business-Type Activities</b>	
Water and sewer	<u><u>\$ 911,529</u></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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Notes payable	\$ --	\$ 300,000	\$ --	\$ 300,000	\$ --
Compensated absences	685,882	373,975	(394,185)	665,672	66,567
Net OPEB obligation	410,333	76,435	--	486,768	--
Net pension obligation	<u>--</u>	<u>12,172</u>	<u>(12,172)</u>	<u>--</u>	<u>--</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u><u>\$ 1,096,215</u></u>	<u><u>\$ 762,582</u></u>	<u><u>\$ (406,357)</u></u>	<u><u>\$ 1,452,440</u></u>	<u><u>\$ 66,567</u></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 1<sup>st</sup> 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. Interest is payable monthly and principal is due at maturity. As of September 30, 2013, the principal balance was \$300,000.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

**NOTE 8 – LONG-TERM DEBT (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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
<b>Bonds Payable</b>					
Water revenue bonds, Series 1977	\$ 163,000	\$ --	\$ (51,000)	\$ 112,000	\$ 54,000
Water revenue bonds, Series 1981	<u>179,700</u>	<u>--</u>	<u>(12,600)</u>	<u>167,100</u>	<u>13,300</u>
<b>Total Bonds Payable</b>	342,700	--	(63,600)	279,100	67,300
Note payable	800,000	--	(300,368)	499,632	--
Compensated absences	51,444	29,649	(29,670)	51,423	5,142
Net OPEB obligation	<u>72,728</u>	<u>13,741</u>	<u>--</u>	<u>86,469</u>	<u>--</u>
<b>Business-Type Activities</b>					
<b>Long-Term Liabilities</b>	<u>\$ 1,266,872</u>	<u>\$ 43,390</u>	<u>\$ (393,638)</u>	<u>\$ 916,624</u>	<u>\$ 72,442</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.

\$ 112,000

***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.

167,100

\$ 279,100

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, 2013, 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, 2013**

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**NOTE 8 – LONG-TERM DEBT (CONTINUED)**

***REVENUE BONDS PAYABLE (CONTINUED)***

Debt service requirements to maturity for the bonds at September 30, 2013 are as follows:

Fiscal Year Ending September 30	Water Revenue Bonds		
	Principal	Interest	Total
2014	\$ 67,300	13,955	81,255
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 – 2023	<u>93,700</u>	<u>14,505</u>	<u>108,205</u>
<b>Total Debt Service Requirements</b>	<b><u>\$ 279,100</u></b>	<b><u>\$ 57,795</u></b>	<b><u>\$ 336,895</u></b>

***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, 2013, \$499,632 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, 2013**

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**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 coverage in 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, 2013 were \$ 2,521; the City's contribution was \$23,639.

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**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, 2013.

**Police Officers' Substitute Pension Trust Fund**  
**Statement of Fiduciary Net Position**  
**September 30, 2013**

<b>Assets</b>	
<b>Investments</b>	
Money market mutual funds	\$ 103,419
Common stock	2,031,627
Corporate bonds	362,158
Government securities	<u>601,207</u>
<b>Total Investments</b>	3,098,411
<b>Receivables</b>	
Accrued interest	<u>7,289</u>
<b>Total Assets</b>	<u>3,105,700</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 3,105,700</u>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**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, 2013**

<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 12,172
<b>Total Contributions</b>	<u>12,172</u>
<b>Investment Earnings</b>	
Net appreciation in fair value of investments	298,513
Interest and dividends	<u>66,014</u>
<b>Total Investments Earnings</b>	<u>364,527</u>
<b>Total Additions</b>	<u>376,699</u>
<b>Deductions</b>	
Benefits paid	74,281
Administrative expenses	<u>35,566</u>
<b>Total Deductions</b>	<u>109,847</u>
<b>Change in Net Position</b>	266,852
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Beginning</b>	<u>2,838,848</u>
<b>Net Position Restricted for Pension</b>	
<b>Benefits - Ending</b>	<u>\$ 3,105,700</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:

Retirees and beneficiaries currently receiving benefits and terminated or inactive participants entitled to benefits but not yet receiving them	<u>47</u>
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# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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### 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.

#### *B. 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 year ended September 30, 2013. 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.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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

***B. CONTRIBUTIONS AND FUNDING POLICY (CONTINUED)***

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.

***C. 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 are recorded when paid. Administrative costs of the Plan are funded through investment earnings.

***D. 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 (asset) at beginning of year		--
<b>Net Pension Obligation (Asset) at End of Year</b>	<b>\$</b>	<b>--</b>

Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/2011	\$ 30,463	100%	\$ --
9/30/2012	26,384	100%	--
9/30/2013	12,172	100%	--

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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

***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	30 years
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return	7.0%
Projected salary increases	0.0%
Inflation rate	2.75%

**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.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 12 – ELECTED OFFICIALS RETIREMENT PLAN (CONTINUED)**

*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, 2013, \$382,791 was funded, which represented 185.11% of covered payroll, and is currently held in cash.

Plan documents are currently being prepared for the Plan.

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, 2013.

**Elected Officials Retirement Plan  
Statement of Fiduciary Net Position  
September 30, 2013**

<b>Assets</b>	
Cash	\$ <u>1,831,508</u>
<b>Total Assets</b>	<u>1,831,508</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 1,831,508</u>

**Elected Officials Retirement Plan  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended September 30, 2013**

<b>Additions</b>	
Employer contributions	\$ 382,791
Interest and dividends	<u>1,918</u>
<b>Total Additions</b>	<u>384,709</u>
<b>Change in Net Position</b>	384,709
<b>Net Position Restricted for Pension Benefits - Beginning</b>	<u>1,446,799</u>
<b>Net Position Restricted for Pension Benefits - Ending</b>	<u>\$ 1,831,508</u>

**CITY OF FLORIDA CITY, FLORIDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

**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	(991)
Adjustment to annual required contribution	<u>13,780</u>
Annual pension cost	395,580
Contributions made	<u>382,791</u>
Decrease in net pension asset	12,789
Net pension obligation (asset) at beginning of year	<u>(19,817)</u>
<b>Net Pension Obligation (Asset) at End of Year</b>	<b><u><u>\$ (7,028)</u></u></b>

**Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2011	\$ 473,694	100.0%	\$ --
09/30/2012	473,694	104.2%	(19,817)
09/30/2013	395,580	96.8%	(7,028)

***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, 2013

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### 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, 2013. That report may be obtained by writing to the state of Florida, Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 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, 2013

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### 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 year ended September 30, 2013 was approximately \$4,546,000.

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

Fiscal Year Ended September 30	Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 607,889	\$ 607,889	100%
2012	545,391	545,593	100%
2011	669,022	676,031	101%

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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### 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 2010 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, 2013**

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**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	\$	89,651
Interest on normal cost		13,996
Adjustment to the annual required contribution		<u>(13,471)</u>
Annual OPEB cost		90,176
Employer contribution		<u>--</u>
Increase in net OPEB obligation		90,176
Net OPEB obligation - beginning of year		<u>483,061</u>
<b>Net OPEB Obligation - End of Year</b>	<b>\$</b>	<b><u>573,237</u></b>

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
2013	\$ 90,176	0%	\$ 538,941
2012	168,870	0%	483,061
2011	160,900	0%	314,191

***FUNDED STATUS AND 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)
September 30, 2013	\$ --	\$ 657,014	\$ 657,014	0.0%	\$ 4,414,519	14.9%

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.

**CITY OF FLORIDA CITY, FLORIDA**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*FUNDED STATUS AND FUNDING PROGRESS (CONTINUED)*

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	\$90,176
Contributions made	\$0
Actuarial cost method	Entry age normal
Amortization method	Level percentage, closed
Remaining amortization	30 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	8.0%
* Includes inflation at	2.8%

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.

# CITY OF FLORIDA CITY, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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### NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

#### *METHODS AND ASSUMPTIONS (CONTINUED)*

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, 2013**

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**NOTE 15 – COMMUNITY REDEVELOPMENT COMMUNITY AGENCY (CRA)**

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

In 2013, the major project funded by CRA's Infrastructure Fund was expenditures of \$2,104,624 for the Streetscape Project.

In addition, expenditures were incurred for consulting and engineering of approximately \$437,537, administrative functions for approximately \$95,847, and Community Policing for approximately \$231,892.

**NOTE 16 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City had excess of expenditures over appropriations in the departments of Mayor and commissioners of \$38, Building and zoning of \$10,778, Vehicle maintenance of \$2,608, Public safety of \$71,134, and Parks and recreation of \$420. These overexpenditures were funded by greater than anticipated revenues and overall lower than expected expenditures.

**NOTE 17 – DEFICIT IN FUND BALANCE**

At September 30, 2013, the Federal Law Enforcement Forfeiture Fund had an unassigned fund deficit of \$17,579. The City believes the deficit will be eliminated in the ensuing fiscal year.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 4,969,012	\$ 3,145,000	\$ 3,576,149	\$ 431,149
Intergovernmental	1,632,037	1,787,000	1,770,990	(16,010)
Charges for services	3,067,500	3,152,000	3,069,658	(82,342)
Interest	11,000	21,600	45,440	23,840
Impact fees	52,000	--	--	--
Licenses and permits	251,097	275,000	277,841	2,841
Fines and forfeitures	836,000	1,014,500	1,041,552	27,052
Other	336,674	418,124	308,752	(109,372)
<b>Total Revenues</b>	<u>11,155,320</u>	<u>9,813,224</u>	<u>10,090,382</u>	<u>277,158</u>
<b>Expenditures</b>				
Current:				
General government:				
Mayor and commissioners	584,434	451,725	451,763	(38)
Administration	543,254	542,725	451,818	90,907
Finance department	499,625	715,675	500,928	214,747
Legal	51,100	55,800	54,502	1,298
Building and zoning	598,115	516,425	527,203	(10,778)
General government	1,963,101	1,334,365	1,287,237	47,128
Vehicle maintenance	124,273	123,025	125,633	(2,608)
<b>Total General Government</b>	4,363,902	3,739,740	3,399,084	340,656
Public safety	3,450,539	3,311,050	3,382,184	(71,134)
Public works	2,602,963	2,579,560	2,566,960	12,600
Parks and recreation	223,556	218,890	219,310	(420)
Campersite	232,851	254,726	252,120	2,606
Capital outlay	656,848	407,100	615,891	(208,791)
<b>Total Expenditures</b>	<u>11,530,659</u>	<u>10,511,066</u>	<u>10,435,549</u>	<u>75,517</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(375,339)</u>	<u>(697,842)</u>	<u>(345,167)</u>	<u>201,641</u>
<b>Other Financing Sources (Uses)</b>				
Prior year carryover	1,459,598	397,842	--	397,842
Transfers out	(1,084,259)	--	--	--
Proceeds from note payable	--	300,000	300,000	--
<b>Total Other Financing Sources and (Uses)</b>	<u>375,339</u>	<u>697,842</u>	<u>300,000</u>	<u>397,842</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (45,167)</u>	<u>\$ (45,167)</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, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 1,746,629	\$ 1,746,629	\$ 1,746,629	\$ --
Investment earnings	25,000	10,000	12,804	(2,804)
Other	<u>--</u>	<u>37,150</u>	<u>32,655</u>	<u>4,495</u>
<b>Total Revenues</b>	<u>1,771,629</u>	<u>1,793,779</u>	<u>1,792,088</u>	<u>1,691</u>
<b>Expenditures</b>				
Current:				
General government	1,180,282	2,711,284	1,143,402	1,567,882
Capital outlay	<u>3,796,000</u>	<u>2,346,619</u>	<u>2,217,278</u>	<u>129,341</u>
<b>Total Expenditures</b>	<u>4,976,282</u>	<u>5,057,903</u>	<u>3,360,680</u>	<u>1,697,223</u>
<b>Deficiency of Revenues over Expenditures</b>	<u>(3,204,653)</u>	<u>(3,264,124)</u>	<u>(1,568,592)</u>	<u>(1,695,532)</u>
<b>Other Financing Sources</b>				
Prior year carryover	<u>3,204,653</u>	<u>3,264,124</u>	<u>--</u>	<u>3,264,124</u>
<b>Total Other Financing Sources and Uses</b>	<u>3,204,653</u>	<u>3,264,124</u>	<u>--</u>	<u>3,264,124</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (1,568,592)</u>	<u>\$ (1,568,592)</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, 2013

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##### 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, 2013.
- 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  
PENSION TRUST FUNDS**

**SCHEDULE OF FUNDING PROGRESS**

**Police Officers Substitute Pension Trust Fund**

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, 2008	\$ 2,566,108	\$ 3,121,873	\$ 555,765	82.2%	\$ --	0.0%
October 1, 2009	2,365,827	2,314,592	(51,235)	102.2%	--	0.0%
October 1, 2010	2,519,253	2,369,541	(149,712)	106.3%	--	0.0%
October 1, 2012	2,830,029	2,479,441	(350,588)	114.1%	--	0.0%

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

**Elected Officials Retirement Plan**

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  
PENSION TRUST FUNDS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

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**Police Officers Substitute Pension Trust Fund**

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
September 30,		
2009	\$ 64,304	100%
2010	32,469	100%
2011	30,463	100%
2012	26,384	100%
2013	12,172	100%

**Elected Officials Retirement Plan**

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
September 30,		
2010	\$ 473,694	100%
2011	473,694	100%
2012	493,511	104%
2013	395,580	96.8%

**CITY OF FLORIDA CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST RETIREMENT BENEFITS**

**SCHEDULE OF FUNDING PROGRESS**

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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, 2012	\$ -	\$ 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.

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**COMBINING FUND FINANCIAL STATEMENTS**

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# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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

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**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, 2013**

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash	--	\$ --	\$ 260,101	\$ 260,101
Accounts receivable	--	--	45,365	45,365
Restricted cash and cash equivalents	<u>497</u>	<u>62,855</u>	<u>--</u>	<u>63,352</u>
<b>Total Assets</b>	<u>\$ 497</u>	<u>\$ 62,855</u>	<u>\$ 305,466</u>	<u>\$ 368,818</u>
<b>Liabilities and Fund Balances</b>				
Accounts payable	\$ --	\$ 1,600	3,450	\$ 5,050
Accrued liabilities	2,727	--	--	2,727
Due to other funds	15,349	10,234	--	25,583
Unearned revenue	<u>--</u>	<u>43,583</u>	<u>--</u>	<u>43,583</u>
<b>Total Liabilities</b>	<u>18,076</u>	<u>55,417</u>	<u>3,450</u>	<u>76,943</u>
<b>Fund Balances</b>				
Restricted	--	7,438	302,016	309,454
Unassigned	<u>(17,579)</u>	<u>--</u>	<u>--</u>	<u>(17,579)</u>
<b>Total Fund Balances</b>	<u>(17,579)</u>	<u>7,438</u>	<u>302,016</u>	<u>291,875</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 497</u>	<u>\$ 62,855</u>	<u>\$ 305,466</u>	<u>\$ 368,818</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, 2013**

	Law Enforcement Forfeiture - Federal	Law Enforcement Forfeiture - State	Florida City Foundation	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Investment earnings	\$ 238	\$ 408	\$ 171	\$ 817
Forfeitures	43,402	4,861	--	48,263
Other	--	3,435	116,968	120,403
<b>Total Revenues</b>	<u>43,640</u>	<u>8,704</u>	<u>117,139</u>	<u>169,483</u>
<b>Expenditures</b>				
Current:				
General government	<u>43,640</u>	<u>77,328</u>	<u>6,931</u>	<u>127,899</u>
<b>Total Expenditures</b>	<u>43,640</u>	<u>77,328</u>	<u>6,931</u>	<u>127,899</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	--	(68,624)	110,208	41,584
<b>Fund Balances - Beginning</b>	<u>(17,579)</u>	<u>76,062</u>	<u>191,808</u>	<u>250,291</u>
<b>Fund Balances - Ending</b>	<u><u>\$ (17,579)</u></u>	<u><u>\$ 7,438</u></u>	<u><u>\$ 302,016</u></u>	<u><u>\$ 291,875</u></u>

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## **FIDUCIARY FUNDS**

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## **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, 2013**

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
<b>Assets</b>			
<b>Cash</b>	\$ --	\$ 1,831,508	\$ 1,831,508
<b>Investments</b>			
Money market mutual funds	103,419	--	103,419
Common stock	2,031,627	--	2,031,627
Corporate bonds	362,158	--	362,158
Government securities	<u>601,207</u>	<u>--</u>	<u>601,207</u>
<b>Total Investments</b>	3,098,411	--	3,098,411
<b>Receivables</b>			
Accrued interest	<u>7,289</u>	<u>--</u>	<u>7,289</u>
<b>Total Assets</b>	<u>3,105,700</u>	<u>1,831,508</u>	<u>4,937,208</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 3,105,700</u>	<u>\$ 1,831,508</u>	<u>\$ 4,937,208</u>

**CITY OF FLORIDA CITY, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Police Officers' Substitute Pension Trust Fund	Elected Officials Retirement Plan	Total
<b>Additions</b>			
<b>Contributions</b>			
Employer	\$ 12,172	\$ 382,791	\$ 394,963
<b>Total Contributions</b>	<u>12,172</u>	<u>382,791</u>	<u>394,963</u>
<b>Investment Earnings</b>			
Net appreciation in fair value of investments	298,513	--	298,513
Interest and dividends	<u>66,014</u>	<u>1,918</u>	<u>67,932</u>
<b>Total Investments Earnings</b>	<u>364,527</u>	<u>1,918</u>	<u>366,445</u>
<b>Total Additions</b>	<u>376,699</u>	<u>384,709</u>	<u>761,408</u>
<b>Deductions</b>			
Benefits paid	74,281	--	74,281
Administrative expenses	<u>35,566</u>	<u>--</u>	<u>35,566</u>
<b>Total Deductions</b>	<u>109,847</u>	<u>--</u>	<u>109,847</u>
<b>Change in Net Position</b>	266,852	384,709	651,561
<b>Net Position Restricted for Pension Benefits - Beginning</b>	<u>2,838,848</u>	<u>1,446,799</u>	<u>4,285,647</u>
<b>Net Position Restricted for Pension Benefits - Ending</b>	<u>\$ 3,105,700</u>	<u>\$ 1,831,508</u>	<u>\$ 4,937,208</u>

## 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>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>69-72</b>
<b>Revenue Capacity</b>	
These schedules contain information to help the reader understand and assess the City's most significant local revenue source, the property tax.	<b>73-76</b>
<b>Debt Capacity</b>	
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.	<b>77-79</b>
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>80-82</b>
<b>Operating Information</b>	
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.	<b>83-84</b>

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 20,600,344	\$ 18,618,782	\$ 15,445,091	\$ 13,265,395	\$ 11,738,467	\$ 9,903,919	\$ 9,216,440	\$ 8,983,035	\$ 9,019,352	\$ 9,397,814
Restricted	5,384,144	6,338,849	7,534,643	2,697,968	2,423,478	2,672,279	3,415,653	2,552,596	2,144,379	964,776
Unrestricted	<u>11,772,235</u>	<u>12,635,960</u>	<u>12,408,125</u>	<u>18,368,238</u>	<u>18,036,360</u>	<u>16,157,755</u>	<u>13,518,231</u>	<u>11,099,191</u>	<u>7,730,177</u>	<u>6,468,821</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 37,756,723</u>	<u>\$ 37,593,591</u>	<u>\$ 35,387,859</u>	<u>\$ 34,331,601</u>	<u>\$ 32,198,305</u>	<u>\$ 28,733,953</u>	<u>\$ 26,150,324</u>	<u>\$ 22,634,822</u>	<u>\$ 18,893,908</u>	<u>\$ 16,831,411</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 18,893,662	\$ 18,768,900	\$ 17,693,353	\$ 17,569,157	\$ 17,240,977	\$ 13,424,540	\$ 11,229,432	\$ 11,379,596	\$ 10,196,352	\$ 9,383,443
Restricted	446,818	442,669	436,975	432,135	424,144	412,451	392,064	373,400	448,855	102,683
Unrestricted	<u>5,890,234</u>	<u>6,057,692</u>	<u>6,121,328</u>	<u>6,000,444</u>	<u>5,892,055</u>	<u>5,527,742</u>	<u>5,909,421</u>	<u>4,422,798</u>	<u>4,482,324</u>	<u>3,421,871</u>
<b>Total Business-type Activities Net Position</b>	<u>\$ 25,230,714</u>	<u>\$ 25,269,261</u>	<u>\$ 24,251,656</u>	<u>\$ 24,001,736</u>	<u>\$ 23,557,176</u>	<u>\$ 19,364,733</u>	<u>\$ 17,530,917</u>	<u>\$ 16,175,794</u>	<u>\$ 15,127,531</u>	<u>\$ 12,907,997</u>
<b>Primary government:</b>										
Net investment in capital assets	\$ 39,494,006	\$ 37,387,682	\$ 33,138,444	\$ 30,834,552	\$ 28,979,444	\$ 23,328,459	\$ 20,445,872	\$ 20,362,631	\$ 19,215,704	\$ 18,781,257
Restricted	5,830,962	6,781,518	7,971,618	3,130,103	2,847,622	3,084,730	3,807,717	2,925,996	2,593,234	1,067,459
Unrestricted	<u>17,662,469</u>	<u>18,693,652</u>	<u>18,529,453</u>	<u>24,368,682</u>	<u>23,928,415</u>	<u>21,685,497</u>	<u>19,427,652</u>	<u>15,521,989</u>	<u>12,212,501</u>	<u>9,890,692</u>
<b>Total Primary Government Net Position</b>	<u>\$ 62,987,437</u>	<u>\$ 62,862,852</u>	<u>\$ 59,639,515</u>	<u>\$ 58,333,337</u>	<u>\$ 55,755,481</u>	<u>\$ 48,098,686</u>	<u>\$ 43,681,241</u>	<u>\$ 38,810,616</u>	<u>\$ 34,021,439</u>	<u>\$ 29,739,408</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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,185,940	\$ 4,842,342	\$ 5,051,175	\$ 5,020,175	\$ 4,651,826	\$ 7,523,141	\$ 5,667,814	\$ 7,207,254	\$ 5,593,188	\$ 6,750,582
Public works	2,586,344	2,516,237	2,471,340	2,751,993	2,504,853	2,306,644	2,262,054	2,124,505	1,874,035	1,866,177
Public safety	3,543,627	3,219,661	3,335,702	3,103,892	3,072,338	2,762,759	2,721,738	2,519,888	2,082,175	1,891,913
Parks and recreation	651,931	556,506	563,291	576,549	576,109	472,468	483,585	495,524	320,202	348,558
Interest on long-term debt	--	--	--	--	2,907	--	--	--	--	--
<b>Total Governmental Activities Expenses</b>	<b>11,967,842</b>	<b>11,134,746</b>	<b>11,421,508</b>	<b>11,452,613</b>	<b>10,808,033</b>	<b>13,065,012</b>	<b>11,135,191</b>	<b>12,347,171</b>	<b>9,869,608</b>	<b>10,857,230</b>
<b>Business-type Activities</b>										
Water and sewer	3,456,755	3,305,656	3,037,330	3,012,668	2,789,256	3,109,161	2,897,951	2,730,591	2,396,457	2,280,435
<b>Total Business-type Activities Expenses</b>	<b>3,456,755</b>	<b>3,305,656</b>	<b>3,037,330</b>	<b>3,012,668</b>	<b>2,789,256</b>	<b>3,109,161</b>	<b>2,897,951</b>	<b>2,730,591</b>	<b>2,396,457</b>	<b>2,280,435</b>
<b>Total Primary Government Expenses</b>	<b>\$ 15,424,597</b>	<b>\$ 14,440,402</b>	<b>\$ 14,458,838</b>	<b>\$ 14,465,281</b>	<b>\$ 13,597,289</b>	<b>\$ 16,174,173</b>	<b>\$ 14,033,142</b>	<b>\$ 15,077,762</b>	<b>\$ 12,266,065</b>	<b>\$ 13,137,665</b>
<b>Program Revenue</b>										
Governmental activities:										
Charge for services:										
Refuse collection	\$ 2,208,676	\$ 2,171,831	\$ 2,164,331	\$ 2,118,146	\$ 2,168,138	\$ 2,070,686	\$ 2,048,653	\$ 1,833,499	\$ 1,768,283	\$ 1,617,067
Recycling fees	50,358	64,933	66,197	63,324	68,572	58,116	55,022	50,299	46,846	51,889
Public safety	1,089,815	1,574,803	393,234	529,790	104,893	145,873	49,140	79,359	488,016	112,369
Parks and recreation	777,801	767,224	662,055	634,142	623,469	645,184	734,439	801,138	657,420	617,641
Other activities	624,835	447,734	488,028	510,199	418,830	686,445	1,077,228	1,585,863	927,216	1,346,671
Operating grants and contributions	174,183	357,988	568,881	390,603	244,052	3,144,190	2,273,359	4,354,732	2,791,073	3,820,901
Capital grants and contributions	2,440,842	3,959,800	2,800,895	2,009,897	5,918,095	842,630	788,951	764,533	747,105	649,851
<b>Total Governmental Activities Programs Revenues</b>	<b>7,366,510</b>	<b>9,344,313</b>	<b>7,143,621</b>	<b>6,256,101</b>	<b>9,546,053</b>	<b>7,593,125</b>	<b>7,026,792</b>	<b>9,469,423</b>	<b>7,425,955</b>	<b>8,216,389</b>
<b>Business-type Activities</b>										
Charge for services:										
Water and sewer	2,712,231	2,651,685	2,580,149	2,519,473	2,473,213	2,164,536	2,525,153	2,480,959	2,419,733	2,796,755
Operating grants and contributions	--	--	--	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	2,588,502	1,449,731	1,115,457	2,089,371	--
<b>Total Business-type Activities Programs Revenues</b>	<b>2,712,231</b>	<b>2,651,685</b>	<b>2,580,149</b>	<b>2,519,473</b>	<b>2,473,213</b>	<b>4,753,038</b>	<b>3,974,884</b>	<b>3,596,416</b>	<b>4,509,104</b>	<b>2,796,755</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 10,078,741</b>	<b>\$ 11,995,998</b>	<b>\$ 9,723,770</b>	<b>\$ 8,775,574</b>	<b>\$ 12,019,266</b>	<b>\$ 12,346,163</b>	<b>\$ 11,001,676</b>	<b>\$ 13,065,839</b>	<b>\$ 11,935,063</b>	<b>\$ 11,013,144</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	(4,601,332)	(1,790,433)	(4,277,887)	(5,196,512)	(1,261,980)	(5,471,887)	(4,108,399)	(2,877,748)	(2,443,649)	(2,640,841)
Business-type activities	(744,524)	(653,971)	(457,181)	(493,195)	(316,043)	1,643,877	1,076,933	865,825	2,112,647	516,320
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (5,345,856)</b>	<b>\$ (2,444,404)</b>	<b>\$ (4,735,068)</b>	<b>\$ (5,689,707)</b>	<b>\$ (1,578,023)</b>	<b>\$ (3,828,010)</b>	<b>\$ (3,031,466)</b>	<b>\$ (2,011,923)</b>	<b>\$ (331,002)</b>	<b>\$ (2,124,521)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,930,823	\$ 2,218,407	\$ 2,513,413	\$ 4,390,868	\$ 5,834,352	\$ 5,046,491	\$ 4,680,375	\$ 3,324,341	\$ 2,432,713	\$ 2,073,163
Utility Taxes	737,749	698,784	650,087	629,105	605,045	592,559	503,507	507,071	497,209	495,558
Communication services tax	257,366	265,274	275,703	320,014	326,375	307,618	295,276	304,099	270,293	471,780
Franchise fees based on gross receipts	650,210	659,738	601,814	637,019	742,064	670,884	603,862	577,240	503,920	277,861
Unrestricted intergovernmental revenue	1,546,817	1,412,896	1,254,721	1,195,745	534,167	584,714	583,721	583,283	524,491	490,345
Unrestricted state shared revenues	224,173	177,259	157,197	145,554	--	--	--	--	--	--
Unrestricted investment earnings	70,800	136,182	401,293	706,281	735,173	649,354	823,122	387,365	87,033	218,875
Miscellaneous	--	71,972	35,700	98,969	237,062	203,895	134,039	414,940	190,487	183,286
Transfers	(653,474)	(1,644,347)	(555,783)	(793,747)	(4,287,906)	--	--	--	--	--
<b>Total Governmental Activities</b>	<b>4,764,464</b>	<b>3,996,165</b>	<b>5,334,145</b>	<b>7,329,808</b>	<b>4,726,332</b>	<b>8,055,515</b>	<b>7,623,902</b>	<b>6,098,339</b>	<b>4,506,146</b>	<b>4,210,868</b>
<b>Business-type Activities</b>										
Unrestricted Investment earnings	52,503	27,229	151,318	144,008	220,580	254,925	278,190	182,438	106,888	94,889
Transfers	653,474	1,644,347	555,783	793,747	4,287,906	--	--	--	--	--
<b>Total Business-type Activities</b>	<b>705,977</b>	<b>1,671,576</b>	<b>707,101</b>	<b>937,755</b>	<b>4,508,486</b>	<b>254,925</b>	<b>278,190</b>	<b>182,438</b>	<b>106,888</b>	<b>94,889</b>
<b>Total Primary Government</b>	<b>\$ 5,470,441</b>	<b>\$ 5,667,741</b>	<b>\$ 6,041,246</b>	<b>\$ 8,267,563</b>	<b>\$ 9,234,818</b>	<b>\$ 8,310,440</b>	<b>\$ 7,902,092</b>	<b>\$ 6,280,777</b>	<b>\$ 4,613,034</b>	<b>\$ 4,305,757</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 163,132	\$ 2,205,732	\$ 1,056,258	\$ 2,133,296	\$ 3,464,352	\$ 2,583,628	\$ 3,515,503	\$ 3,220,591	\$ 2,062,497	\$ 1,570,027
Business-type activities	(38,547)	1,017,605	249,920	444,560	4,192,443	1,898,802	1,355,123	1,048,263	2,219,535	611,209
<b>Total Primary Government</b>	<b>\$ 124,585</b>	<b>\$ 3,223,337</b>	<b>\$ 1,306,178</b>	<b>\$ 2,577,856</b>	<b>\$ 7,656,795</b>	<b>\$ 4,482,430</b>	<b>\$ 4,870,626</b>	<b>\$ 4,268,854</b>	<b>\$ 4,282,032</b>	<b>\$ 2,181,236</b>

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)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	\$ 1,014,121	\$ 1,770,249	\$ 1,278,122	\$ 2,234,868	\$ 1,611,948	\$ 1,944,008	\$ 1,606,214	\$ --	\$ --	\$ --
Unreserved	5,038,982	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
Restricted	--	--	--	--	--	--	--	1,554,119	1,400,862	1,941,151
Committed	--	--	--	--	--	--	--	218,692	358,373	392,394
Unassigned	--	--	--	--	--	--	--	13,114,469	13,299,783	12,677,903
<b>Total General Fund</b>	<u>\$ 6,053,103</u>	<u>\$ 6,886,357</u>	<u>\$ 9,259,982</u>	<u>\$ 11,671,279</u>	<u>\$ 12,974,237</u>	<u>\$ 14,606,825</u>	<u>\$ 14,820,613</u>	<u>\$ 14,887,532</u>	<u>\$ 15,113,220</u>	<u>\$ 15,068,053</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 89,299	\$ 272,197	\$ 44,771	\$ 44,771	\$ 44,771	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved, reported in:										
Special revenue funds	1,801,295	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
Unassigned	--	--	--	--	--	--	--	--	--	(17,579)
<b>Total All Other Governmental Funds</b>	<u>\$ 1,890,594</u>	<u>\$ 3,346,593</u>	<u>\$ 4,718,450</u>	<u>\$ 5,545,408</u>	<u>\$ 6,433,978</u>	<u>\$ 6,393,842</u>	<u>\$ 6,983,660</u>	<u>\$ 5,980,524</u>	<u>\$ 4,937,981</u>	<u>\$ 3,425,414</u>

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 3,318,362	\$ 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
Intergovernmental	1,596,708	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
Charges for services	2,128,659	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
Program income	6,415	68,841	11,467	6,751	4,665	--	--	--	--	--
Interest/Investment Earnings	218,875	87,033	387,365	823,122	649,354	735,173	706,281	401,293	136,182	70,800
Impact fees	495,137	254,765	591,756	256,263	141,041	46,526	88,865	35,700	71,972	--
Licenses and permits	809,898	523,472	771,320	645,951	363,774	285,958	355,720	386,001	278,495	277,841
Donations	10,725	2,328	1,900	20,535	2,100	--	--	--	--	--
Confiscated property	11,477	17,027	8,589	10,551	3,587	--	--	--	--	--
Fines and forfeitures	35,321	362,025	70,770	38,589	124,978	96,083	263,003	157,679	1,405,419	1,089,815
Grants	3,379,924	2,178,292	4,268,564	1,638,886	2,375,807	4,073,802	945,725	632,528	2,553,273	718,773
Other revenues	415,755	226,218	453,479	175,872	322,513	479,938	604,528	581,521	295,506	463,793
<b>Total Revenues</b>	<u>12,427,256</u>	<u>11,932,105</u>	<u>16,046,168</u>	<u>14,650,694</u>	<u>15,648,640</u>	<u>18,560,291</u>	<u>14,379,656</u>	<u>13,033,549</u>	<u>14,984,825</u>	<u>12,784,448</u>
<b>Expenditures</b>										
General government	4,992,062	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
Public safety	1,809,718	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
Public works	1,815,524	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
Parks and recreation	266,312	245,119	413,403	392,531	369,972	459,774	451,007	441,081	434,114	471,430
Capital outlay	1,843,754	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
Debt service:										
Principal	--	87,108	180,301	115,882	52,176	49,269	--	--	--	--
Interest	--	--	--	--	--	2,907	--	--	--	--
<b>Total Expenditures</b>	<u>10,727,370</u>	<u>9,818,163</u>	<u>12,810,583</u>	<u>11,560,408</u>	<u>13,457,112</u>	<u>16,967,839</u>	<u>13,576,051</u>	<u>13,969,766</u>	<u>15,801,674</u>	<u>14,642,188</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,699,886</u>	<u>2,113,942</u>	<u>3,235,585</u>	<u>3,090,286</u>	<u>2,191,528</u>	<u>1,592,452</u>	<u>803,605</u>	<u>(936,217)</u>	<u>(816,849)</u>	<u>(1,857,740)</u>
<b>Other Financing Sources (Uses)</b>										
Transfer in	487,156	758,368	783,094	1,130,053	1,441,320	2,031,361	1,998,075	37,816	109,573	--
Transfer out	(487,156)	(758,368)	(783,094)	(1,130,053)	(1,441,320)	(2,031,361)	(1,998,075)	(37,816)	(109,573)	--
Other financing source	150,000	251,993	--	147,969	--	--	--	--	--	300,000
<b>Total Other Financing Sources (Uses)</b>	<u>150,000</u>	<u>251,993</u>	<u>--</u>	<u>147,969</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>300,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,849,886</u>	<u>\$ 2,365,935</u>	<u>\$ 3,235,585</u>	<u>\$ 3,238,255</u>	<u>\$ 2,191,528</u>	<u>\$ 1,592,452</u>	<u>\$ 803,605</u>	<u>\$ (936,217)</u>	<u>\$ (816,849)</u>	<u>\$ (1,557,740)</u>
Debt service as a percentage of noncapital expenditures*	0.00%	1.03%	1.59%	1.26%	0.54%	0.45%	0.00%	0.00%	0.00%	0.00%

FY 1998-FY2003 Water and Sewer was included as Special Revenue Fund. As of 2004, water and sewer is reclassified as Enterprise Fund

\*See pg 17 for capital expenditure.

**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	Total Estimated Value		
	Assessed Value	Estimated Value	Assessed Value	Estimated Value							
2004	191,525	218,037	117,070	159,967	26,261	27,515	45,403	289,453	405,519	71.38%	8.9000
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

(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	Total City Millage	School District Millage	State Millage	Miami- Dade County	Special District Millages	
2004	8.9000	8.9000	8.6870	0.7355	6.2200	3.5912	28.1337
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

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

# CITY OF FLORIDA CITY, FLORIDA

## PRINCIPAL PROPERTY TAXPAYERS

**AS OF SEPTEMBER 30, 2013 AND NINE YEARS AGO  
(DOLLARS IN THOUSANDS)**

Taxpayer	Type of Business	2013			2004		
		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	\$ 21,200	1	5.65%	\$ 16,806	1	5.46%
Largo Motors Co LTD	Car Dealership	11,600	2	3.09%	--		0.00%
Florida Keys Factory Shops	Mall	10,244	3	2.73%	6,000	2	3.85%
Home Depot USA, Inc.	Retail Shopping	10,134	4	2.70%	9,013	3	3.24%
Bonita Pointe Associates	Real Estate	6,300	5	1.68%	--		0.00%
RA & RE Inc	Motel	6,100	6	1.63%	--		0.00%
Parlon Corporation	Motel	5,805	7	1.55%	4,500		0.00%
Hotel Two LLC	Hotel	4,300	8	1.15%	4,175	5	1.30%
Cameron Creek, Ltd	Rental	4,200	9	1.12%	4,900	10	1.05%
Zamora Corporation	Real Estate	3,960	10	1.06%	--		0.00%
River Oaks Holdings, Ltd.	Rental	3,800	11	1.01%	3,500	8	1.12%
Kunvarji Hotels LLC	Hotel	3,200	12	0.85%	--		0.00%
Peninsula Housing Development, Inc.	Rental	--		0.00%	4,375	4	1.30%
C.L. Leemon	Hotel	--		0.00%	3,500	7	1.22%
South Florida Motel Corp.	Motel	--		<u>0.00%</u>	<u>3,700</u>	9	<u>1.12%</u>
<b>Total</b>		<u>\$ 90,843</u>		<u>21.07%</u>	<u>\$ 59,876</u>		<u>20.94%</u>

(1) The total assessed valuation of taxable property for 2013 is \$374,978

(2) The total assessed valuation of taxable property for 2004 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
2004	2,562,967	2,036,150	79.4%	37,014	2,073,164	80.9%	20,035	0.8%
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%

(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*
2004	\$ --	\$ --	\$ 796,700	\$ 796,700	1.47%	\$ 11,730
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

N/A: Not Available

\*Information obtained from Zip Atlas.

**CITY OF FLORIDA CITY, FLORIDA**

**COMPUTATION OF OVERLAPPING BONDED DEBT  
GENERAL OBLIGATIONS BONDS  
(DOLLARS IN THOUSANDS)**

**SEPTEMBER 30, 2013**

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	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City of Florida City (2)	Amount Applicable to City of Florida City
School Board of Miami-Dade County	\$ 175,096	0.47%	\$ 829
Miami-Dade County (1)	<u>1,043,496</u>	0.47%	<u>4,847</u>
	<u>\$ 1,218,592</u>		<u>\$ 5,676</u>

(1) Information obtained from Miami-Dade County, Finance Department for 2012;  
2013 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)**

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Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2004	2,595	2,165	430	44	38	82	5.24
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)

- (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

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Year	Population	Household Income (Thousands of Dollars)	Per Capita Household Income	Unemployment Rate
2004	8,715	\$ 48,703	\$ 11,730	13.8%
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%

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, 2013**

Employer	2013			2004		
	Employees (1)	Rank	Percentage of Total City Employment	Employees (1)	Rank	Percentage of Total City Employment
Wal-Mart	775	1	25.83%	400	1	15.90%
Home Depot (Home Depot USA)	213	2	7.10%	182	3	7.23%
Cracker Barrel	200	3	6.67%	--	--	0.00%
Cemex Construction materials, L.P.	130	4	4.33%			
Fidelity Life Association	92	5	3.07%	--	--	0.00%
Applebee's Neighborhood Grill & Bar	85	6	2.83%	90	6	3.58%
Golden Corral	75	7	2.50%	83	7	3.30%
Branchwater Productions Inc.	69	8	2.30%			
Best Buy	64	9	2.13%	--	--	0.00%
McDonald's	60	10	2.00%	60	8	2.38%
Mutineer Restaurant	55	11	1.83%	60	10	2.38%
Largo Honda	50	12	1.67%	--	--	0.00%
Castonguay Farms Inc.	50	13	1.67%			
Capri Restaurant	50	14	1.67%	140	4	5.56%
Association For Retired Citizens	46	15	1.53%			
City of Florida City *	106	--	3.50%	101	5	4.01%
Florida Rock and Sand	--	--	0.00%	185	2	7.35%
Strano Brothers Partnership	--	--	0.00%	60	9	2.38%
	<u>2,120</u>		<u>70.64%</u>	<u>1,361</u>		<u>54.09%</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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administration	8	7	7	7	6	6	5	5	5	5
Finance	6	6	5	4	8	8	6	6	6	6
Police	39	39	40	36	44	46	41	39	40	42
Building and zoning	5	4	6	6	7	6	6	6	6	6
Public works	16	16	16	14	19	17	17	16	16	16
Park and recreation	2	6	5	5	6	6	5	6	5	5
Campersite	2	2	2	2	2	2	2	2	1	1
Water	12	14	12	15	16	16	15	14	15	14
Sewer	4	3	1	1	1	1	1	1	1	1
Vehicle maintenance	2	2	2	2	2	2	2	2	2	2
Housing	1	1	1	--	--	--	--	--	--	--
Grants	<u>8</u>	<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>
<b>Total Employees</b>	<u>105</u>	<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>

Note: Obtained from City of Florida City Human Resources

**CITY OF FLORIDA CITY, FLORIDA**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Physical arrest	1,690	1,664	1,496	1,348	1,666	1,635	1,617	1,312	978	994
Juvenile arrest	192	235	155	116	221	194	167	175	186	155
Traffic violations	3,402	2,035	2,135	2,169	2,010	1,770	2,048	1,327	1,047	913
<b>Water</b>										
Number of service connections	1,857	1,999	2,130	1,555	78	1,481	1,167	1,618	752	612
Average monthly consumption (thousands of dollar)	\$ 58,374	\$ 50,293	\$ 67,095	\$ 65,281	\$ 63,202	\$ 69,438	\$ 67,550	\$ 72,320	\$ 71,665	\$ 75,039
<b>Sewer</b>										
Number of service connections	1,630	1,780	1,950	2,009	122	1,711	1,498	1,708	844	663
Average monthly sewage treatment (thousands of dollar)	\$ 85,411	\$ 85,411	\$ 99,064	\$ 93,788	\$ 94,392	\$ 109,791	\$ 113,672	\$ 120,905	\$ 121,322	\$ 127,715
<b>Electric Distribution System</b>										
Number of customers	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3196
<b>Facilities and Services not Included in the Primary Government</b>										
Cable television system:										
Number of customers	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	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	85	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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	18	18	18	21	21	21	21	22
<b>Other Public Works</b>										
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
<b>Park and Recreation</b>										
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	1	2
<b>Water</b>										
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
<b>Sewer</b>										
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

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## **REPORTING SECTION**

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**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 year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2014.

**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  
March 28, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS ON  
EACH FEDERAL MAJOR 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 the City's major federal program for the fiscal year ended September 30, 2013. 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, 2013.

## **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  
March 28, 2014

**CITY OF FLORIDA CITY, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Federal Grantor Program	ARRA	CFDA No.	Contract/Grant Number	Expenditures
<b><i>U.S. Department of Housing &amp; Urban Development</i></b>				
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	No	14.228	08-DB-D3-11-23-01-A-01	\$ 251,195
Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	No	14.228	10DB-K4-11-23-01-K-23	387,316
Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	No	14.228	12-DB-P5-11-23-01-K-58	<u>14,963</u>
<b><i>Total U.S. Department of Housing &amp; Urban Development</i></b>				<u>653,474</u>
 <b><i>U.S. Department of Justice</i></b>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant	No	16.738	2011-DJ-BX-2175	4,500
Edward Byrne Memorial Justice Assistance Grant	No	16.738	2012-DJ-BX-0487	<u>21,150</u>
				25,650
Indirect Programs:				
Pass-through Miami-Dade County -				
Edward Byrne Memorial Justice Assistance Grant	No	16.738	2013-JAGC-DADE-6-D7-029	<u>2,453</u>
Subtotal				28,103
Direct Programs:				
Community Oriented Policing Services (COPS)				
Technology Grant	Yes	16.710	2009-RK-WX-0210	<u>29,112</u>
<b><i>Total U.S. Department of Justice</i></b>				<u>57,215</u>
 <b><i>Department of Treasury</i></b>				
Direct Program:				
Federal Equitable Sharing Program	No	21.000		<u>43,640</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 754,329</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, 2013

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### 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, 2013. 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 Florida 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, 2013**

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**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 major programs:

Material weakness(es) identified?

\_\_\_ Yes X No

Significant deficiency(ies) identified?

\_\_\_ Yes X None reported

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

*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 major programs:

Federal Program

CFDA No.

United States Department of Housing and Urban Development – Community Development Block Grants/ State's Program and Non-Entitlement Grants In Hawaii

14.228

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, 2013**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

No findings

**SECTION III– FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No findings

**CITY OF FLORIDA CITY, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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**Prior Year Financial Statement Findings**

Matter addressed:

2012-1 Financial Close Process

**Prior Year Federal Awards Findings and Questioned Costs**

Matters addressed:

2012-2 Preparation of Schedule of Expenditures of Federal Awards and State Financial Assistance

2012-3 Davis-Bacon Act

2012-4 Cash Management and Reporting

**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**

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, 2013, and have issued our report thereon dated March 28, 2014.

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*. 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 On Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133, and a schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated March 28, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- 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. . In connection with our audit, we determined that findings and recommendations were addressed.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., 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)4., 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.
- Section 10.554(1)(i)5., 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.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City 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. The assessment was done as of the fiscal year end.

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, 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  
March 28, 2014