

CITY OF NORTH PORT, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED SEPTEMBER 30, 2018

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
September 30, 2018**



CITY OF NORTH PORT, FLORIDA

Prepared by the Finance Department

***Kimberly Ferrell, CPA, CGFO, CPM
Finance Director***

**CITY OF NORTH PORT, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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City of North Port

4970 City Hall Boulevard
North Port, Florida 34286-4100
(941) 429-7000
www.cityofnorthport.com

April 24, 2019

The Honorable Mayor and Vice-Mayor,
Members of the City Commission,
Citizens of the City of North Port
North Port, Florida

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of North Port, Florida (the City) for the fiscal year ended September 30, 2018. The purpose of this report is to provide the City Commission, the citizens, financial institutions and other interested parties with detailed information concerning the financial condition and performance of the City of North Port. This report meets Florida Statute requirements that each local government entity publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants.

This report consists of management's representations concerning the finances of the City of North Port. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City 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's financial statements in conformity with GAAP. The City of North Port has designed internal controls to provide reasonable, not absolute, assurance that the financial statements are free from any material misstatement. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) that the evaluation of the costs and benefits requires estimates and judgments by management. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, and that all disclosures necessary to enable the reader to obtain a comprehensive understanding of the City's financial activity have been included.

The City's financial statements for the fiscal year ended September 30, 2018 have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor's report on the basic financial statements, the combining and individual fund statements, and the supporting schedules is presented as the first component of the financial section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with this communication.

Profile of the City

The City of North Port was incorporated on June 18, 1959. The City is managed under a Commission-City Manager form of government. The legislative and governing body of the City consists of five elected citizens who are qualified voters in the City. The five elected commissioners annually select a Mayor. Each commissioner is elected to a four-year staggered term. There is a limit of two terms that any commissioner may serve. The Commission appoints the City Manager, who is the chief administrative officer of the City and directs the business of the City and its various departments. The Commission determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Clerk, Deputy City Clerk and the City Attorney.

The City of North Port provides a range of municipal services. Public Safety operations include police and fire protection, as well as emergency medical services, building, code enforcement and zoning. Recreational services include neighborhood parks, a skate park facility and recreational centers. Public Works provides essential street and road maintenance, drainage, traffic signalization, landscape maintenance, as well as solid waste collection. Public Utilities provides water and sewer service and reuse water for irrigation. Other services provided include planning, engineering, economic development, as well as general administrative services.

The annual budget serves as the foundation for the City's financial planning and control functions. All departments of the City are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing a recommended budget. The City Manager then presents this recommended budget to the Commission for review during the month of July. The Commission is required to hold public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund as well as for major special revenue funds, the comparison is presented as required supplementary information. For other governmental funds, the budget-to-actual comparison is presented in the combining and individual fund statements and schedules subsection.

Local Economy

The City of North Port is the southernmost city in Sarasota County, midway between the cities of Tampa and Fort Myers, near the Gulf of Mexico. The City is comprised of 104.8 square miles, 813 miles of paved road and 81 miles of freshwater canals.

As of the 2010 census data, North Port is Sarasota County's largest municipality in population. The population of North Port has steadily increased from 55,759 in 2009 to 70,631 in 2018.

For the fiscal year 2018, the City adopted a millage rate of 3.407 mils. Ad valorem taxes make up approximately 34% of the budgeted General Fund revenues, excluding transfers and fund balance.

Long-term Financial Planning

The City of North Port's Capital Improvement Program (CIP) consists of capital projects that reflect the City's infrastructure needs over a five-year time frame and includes assets with long term value, such as buildings, roads, bridges and parks. The CIP not only includes on-going capital requirements but also includes capital additions that are necessary to comply with the Growth Management Act of 1985, as amended. The Growth Management Act requires the adoption of a Comprehensive Plan which details the additional infrastructure necessary to handle projected population increases. The CIP differentiates these capital projects from those of an on-going nature by designating them as level of service projects.

The primary objective of the City's investment program is the preservation of capital. Investment transactions are managed so as to avoid loss of principal, whether by security default or by erosion of market value. Generally, operating capital is invested locally in earnings-based checking accounts. The remainder of the City's funds are invested according to the City's investment policy, which is adopted by the Commission and may only be amended by the Commission. The most recent amendment was adopted on April 26, 2016 by City Ordinance 2016-10.

On July 24, 2018 the City adopted a new Fund Balance Policy with Resolution No. 2018-R-13. This policy established fund balance ranges for the following operating funds of the City: General Fund, Road and Drainage District, Fire Rescue District, Solid Waste District and Building Fund. The City is to retain a contingency/emergency/disaster relief reserve of 20% of each fund's operating expenditures. These funds are to be used, as declared appropriate by the City Commission, to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations. Additionally, the City is to maintain a budget stabilization and economic uncertainty reserve of a minimum of 5% and up to 10% of the fund's operating expenditures. These budget stabilization reserves are to be used for short-term cash flow purposes, unanticipated expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, or to maintain service levels in the event that an economic downturn should cause a shortfall in revenues. If utilized, these reserves must be replenished either through appropriation during the next budget cycle, or a Commission approved written plan for the restoration of the fund balance to an amount within the acceptable percentages. In the event of a surplus, appropriations of fund balance may be set aside for specific purposes such as anticipated budgetary shortfalls, reduction of long-term debt, pension contribution stabilization, capital projects, or capital asset renewal and replacement funds. Budget stabilization reserves and are not to be utilized for operating purposes.

Major Initiatives

- Emergency Operations Center project
- Price Boulevard widening project
- Park and facility enhancements and amenities
- Myakkahatchee Creek Trail improvements
- North Port Aquatic Center construction
- Warm Mineral Springs Park improvements
- Road maintenance and rehabilitation
- Drainage system improvements
- Water control structure rehabilitation program
- Sidewalks and pedestrian bridge construction
- Water transmission service improvements
- Bridge water pipeline replacements

Awards and Acknowledgements

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 North Port for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2017. This was the twenty-second consecutive year that the City received this prestigious award. We are pleased to continue to achieve this distinction. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR meets the Certificate of Achievement Program requirements, and as such, are submitting the report for GFOA consideration.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2017, the same period covered by this Comprehensive Annual Financial Report. This was the ninth consecutive year that the City received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium.

This Comprehensive Financial Report represents countless hours of preparation and could not have been accomplished without the dedicated efforts of the Finance Department. A special note of appreciation is extended to these employees for their work to ensure the timeliness and accuracy of this report.

The fiscal responsibility exhibited by the North Port City Commission throughout this fiscal year and over time is commendable. The Commission's leadership in the fiscal matters of the City combined with their dedication and commitment to the citizens truly set North Port apart.

Sincerely,

Handwritten signature of Peter D. Lear in blue ink.

Peter D. Lear, CPA, CGMA
City Manager

Handwritten signature of Kimberly Ferrell in blue ink.

Kimberly Ferrell, CPA, CGFO, CPM
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Port
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

City of North Port, Florida

Principal Officers
As of September 30, 2018

City Commission

Vanessa Carusone, Mayor
Linda Yates, Vice-Mayor
Christopher Hanks, Commissioner
Jill Luke, Commissioner
Debbie McDowell, Commissioner

City Manager

Peter D. Lear

Assistant City Manager

Cari Branco

Department Directors

Juliana B. Bellia	Public Works
Sandra Pfundheller	General Services
Charlina Lowrie	Finance
Christine McDade	Human Resources/Risk Management
Richard J. Newkirk	Public Utilities
Scott A. Titus	Fire Rescue/EMS
Todd R. Garrison	Police
Frank O. Miles	Neighborhood Development Services

City Clerk

Kathryn M. Peto

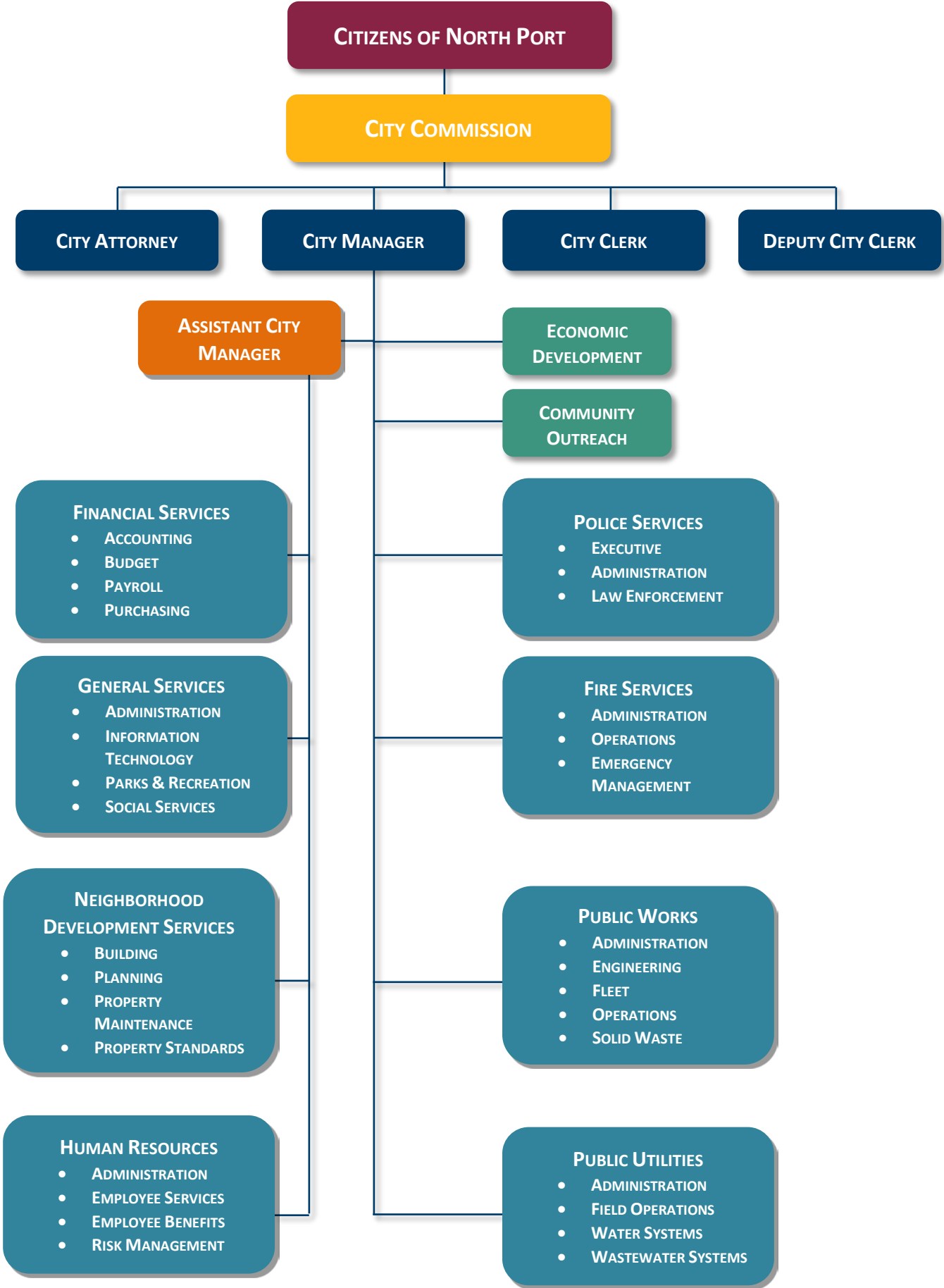
Deputy City Clerk

Vacant

City Attorney

Amber L. Slayton

CITY OF NORTH PORT, FLORIDA
ORGANIZATION CHART





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Commission
and City Manager
City of North Port, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Notes J and N, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, as of October 1, 2017. This standard significantly changed the accounting for the City's total other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund statements and schedules 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 and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Bradenton, Florida
April 24, 2019





Management's Discussion and Analysis

As management of the City of North Port (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report and the City's financial statements beginning on page 23.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$463,193,315 (*net position*). Of this amount, \$343,615,056 represents net investment in capital assets (*capital assets net of related debt*); \$95,198,231 is restricted for specific purposes (*restricted net position*) and the remaining portion represents *unrestricted net position* of \$24,380,028. The readers of this report should refer to the fund level statements to get a better understanding of which activities the unrestricted net position is applicable to.
- Total net position increased by \$14,192,581 during the year compared to a \$14,980,266 increase in the prior year.
- Total revenues were \$128,812,916, which was \$7,777,697 or 6.4 percent higher than last year.
- Total expenses were \$114,620,335, an increase of \$8,565,382 or 8.1 percent from last year.
- At the close of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$97,027,675, a decrease of \$6,016,227 in comparison with the prior year.
- At the close of fiscal year 2018, unassigned fund balance for the general fund was \$11,964,336 or 32.8% 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2018

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 private-sector financial statements.

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

The *Statement of Activities* presents revenue and expenses and shows how the government's net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by private sector business in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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 safety, physical environment, transportation, culture and recreation, human services and economic environment. The business-type activities of the City include the water and sewer utilities.

Effective October 1, 2014, the City implemented the provisions of GASB No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts by requiring that the total net pension liability and the deferred inflows and outflows of resources related to the net pension liability be reported in the government-wide financial statements. Specifically, the net pension liability is listed on the Statement of Net Position and the amount is explained in the related note disclosures.

Effective October 1, 2017, the City implemented the provisions of GASB No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – an amendment of GASB Statements No. 45 and 57*, requiring that the total net other postemployment benefits (OPEB) liability and the deferred inflows and outflows of resources related to this liability be reported in the government-wide financial statements. Specifically, the net OPEB liability is listed on the Statement of Net Position and the amount is explained in the related note disclosures.

The City's government-wide financial statements can be found on pages 23-25 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 North Port, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2018

of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of North Port maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Drainage District Special Revenue Fund, the Fire Rescue District Special Revenue Fund, the Solid Waste District Special Revenue Fund and the Surtax III Capital Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual budget as described in Note B to the financial statements. A budgetary comparison statement has been provided in the Required Supplementary Information for the General Fund and each major special revenue fund with a legally adopted budget in order to demonstrate compliance with this budget. Budgetary comparison schedules for nonmajor governmental funds and major capital projects funds are presented in the *combining and individual fund statements and schedules* section elsewhere in this report.

The basic governmental fund financial statements can be found on pages 26-32 of this report.

Proprietary Funds. The City maintains two types of proprietary funds. An *enterprise fund* is 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 Utilities.

An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses a separate internal service fund to account for its self-insurance program. Because this fund predominantly benefits

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2018

governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type information as reported as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the major enterprise fund, which is the Water and Sewer Utility System. The internal service fund is considered to be a non-major fund and is also separately presented on the proprietary funds financial statements.

The basic proprietary funds financial statements can be found on pages 33-37.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 40-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information.

Required and other supplementary information can be found on pages 85-135 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$463,193,315 at the close of the most recent fiscal year for the City of North Port.

A major portion of the City's net position (74%) reflects its investment in capital assets such as land, buildings, various infrastructure, equipment and construction in progress, less any related outstanding debt used to acquire those assets. The City of North Port uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of North Port, Florida
Management's Discussion and Analysis
September 30, 2018

Following is a summary chart of the City's net position for fiscal years ending 2018 and 2017:

City of North Port's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 110,576,280	\$ 111,685,618	\$ 45,083,844	\$ 38,998,650	\$ 155,660,124	\$ 150,684,268
Capital assets	281,677,941	274,351,591	130,561,885	125,692,372	412,239,826	400,043,963
Total assets	392,254,221	386,037,209	175,645,729	164,691,022	567,899,950	550,728,231
Deferred outflows of resources	20,509,667	20,642,569	2,229,792	2,268,257	22,739,459	22,910,826
Long-term liabilities	72,481,583	72,130,225	33,955,297	35,924,181	106,436,880	108,054,406
Other liabilities	10,795,394	9,921,768	1,487,531	834,052	12,282,925	10,755,820
Total liabilities	83,276,977	82,051,993	35,442,828	36,758,233	118,719,805	118,810,226
Deferred inflows of resources	8,392,758	4,834,864	333,531	194,268	8,726,289	5,029,132
Net position:						
Net investment						
in capital assets	243,253,519	244,303,830	100,361,537	94,222,893	343,615,056	338,526,723
Restricted	76,818,949	72,908,693	18,379,282	15,165,600	95,198,231	88,074,293
Unrestricted	1,021,685	2,580,398	23,358,343	20,618,285	24,380,028	23,198,683
Total net position	\$ 321,094,153	\$ 319,792,921	\$ 142,099,162	\$ 130,006,778	\$ 463,193,315	\$ 449,799,699

An additional portion of the City's net position (21%) represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position (\$24,799,089 or 5%) may be used to meet the government's ongoing obligations to citizens and creditors within the specified purposes of the individual funds.

As of September 30, 2018, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$7.1 million in restricted net position reported for fiscal year 2018. This increase was primarily due to the accumulation of funds for multi-year capital projects not yet completed.

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state shared revenues (\$161,930), service taxes (\$120,290) and the fuel taxes (\$197,240) increased in the current fiscal year due to the recovering economy and continued growth in the City. Miscellaneous revenues (\$343,904) increased mainly due to the \$242,232 excess of benefits paid by the departments and employees vs. what the City paid out in premiums. Also, miscellaneous revenues for fiscal year 2018 included a one-time developer contribution of \$141,646 for a pedestrian/bike path along the Myakkahatchee Creek.

- Charges for services increased \$1,091,721 (2.1%) during the current fiscal year. Due to the continuing rise in construction activity, permits revenue increased over \$100,000 in fiscal year 2018. Non-ad valorem revenues for two of the districts increased in FY 2018 compared to FY 17: the Road and Drainage District's revenues rose approximately \$330,850 due to a 7.5% rate increase and residential growth; the Fire Rescue District's revenues rose over \$227,000 due to increased building values and the increase in the number of developed properties. Also, construction traffic road fees increased over \$237,000 due to the rise in construction activity. Solid Waste commercial collections also rose over \$145,000 due to the growth in commercial accounts. Ambulance revenues increased over \$216,300 due to the rise in emergency responses. There was an increase of approximately \$303,300 in fuel charges associated with the in-house fleet fueling program due to higher fuel prices and increased gallons purchased. Warm Mineral Springs revenues rose over \$71,000 due to increased patrons and summer camp proceeds grew over \$50,000 due to the addition of a camp for middle school students and specialty camps for school age children during the times they were out of school. Offsetting the above increases, was the decrease in the Solid Waste District's non-ad valorem revenues of approximately \$316,100 due a \$19/household reduction in the rate (\$249 to \$230 per household).
- Capital grants and contributions increased over \$1,306,000 in fiscal year 2018 mainly due to the rise in impact fees of approximately \$1.3 million contributable to residential and commercial growth.
- Governmental activities expenses increased approximately \$6,957,443 (7.92%) during the current year. During fiscal year 2018 thirty-five new positions were added to maintain the City's current level of services; health insurance costs rose over \$456,000; Florida Retirement System (FRS) employer contributions increased over \$580,000 and pension employer contributions rose over \$316,000. In fiscal year 2018, a wage and classification study was implemented and the City's three union contracts were negotiated resulting in increased salaries and wages of over \$3.4 million. In comparison to last fiscal year, FRS pension expense (per the actuarial valuations) increased \$243,492, particularly for public safety (\$204,595), due to changes in the City's proportionate share. Along with the personnel and FRS pension increases mentioned above, public safety activities also rose due to the following increases: police fuel charges (\$47,390); general fund allocation, Fire Rescue (\$43,570); fire professional services including updates to the Master Plan and ten-year financial sustainability forecast (\$76,699); and general fund allocation, building (\$199,580). The major increase causing the rise in transportation expenditures other

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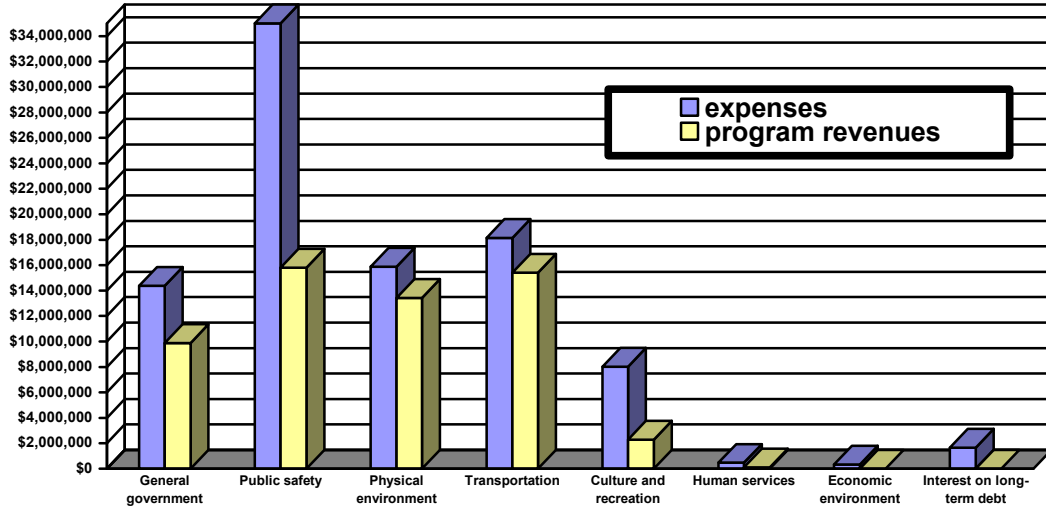
than the personnel increases was the \$895,350 increase in professional and contracted services for disaster relief due to Hurricane Irma. Landscaping rose over \$390,300 due to additional mowing contracts; routine road maintenance expenditures increased approximately \$647,000; fuel charges increased over \$64,000 due to higher fuel prices and increased gallons purchased; and the general fund allocation increased \$165,690. Finally, culture and recreation expenses increased due to the City's \$4.7 million contribution to the construction of the Atlanta Braves Spring Training Facility. A notable decrease occurred in Physical environment activities; in fiscal year 2017 over \$1.9 million was expended to purchase recycling totes for the new Solid Waste Recycling Program that was rolled out in January 2018. Offsetting the large decrease were the following increases in the Solid Waste District other than personnel: tipping fees (\$99,300); fuel charges (\$123,500); fleet allocation (\$143,180); and the Capital Acquisition Fund contribution (\$460,910). There were three notable decreases in the general government expenditures that occurred in fiscal year 2018. Planning and zoning consultant and surveying professional services were reduced approximately \$117,300. Fewer ULDC updates occurred in fiscal year 2018 accounting for the decrease in consultant services. In fiscal year 2018 permits for right of way use and culverts were transferred to the Road and Drainage District; therefore, surveying professional services for right of way permits were no longer needed by planning and zoning. Election costs decreased \$74,500; a special election was held in fiscal year 2017. The City Manager's personnel expenditures declined approximately \$148,000 due to employee turnover and attrition. Another notable decrease occurred in the Road and Drainage District; drainage expenditures decreased over \$368,400. The majority of the drainage supplies purchased in fiscal year 2018 were used in the rehabilitation and replacement of the City's stormwater drainage system infrastructure, a capital project that will be on-going for several years. Long-term interest decreased \$78,711 as there was no additional debt in fiscal year 2018. Overtime expenditures declined in the current year by approximately \$235,000 due to the addition of several new positions to assist with the workload. Finally, capital outlay decreased approximately \$2.7 million compared to the last fiscal year, particularly in the Road Reconstruction Fund. In fiscal year 2014, a project to rehabilitate approximately 266 miles of sub-standard public roads began and was expected to last three years. In the current fiscal year, capital expenditures decreased in this fund because the project is nearing completion.

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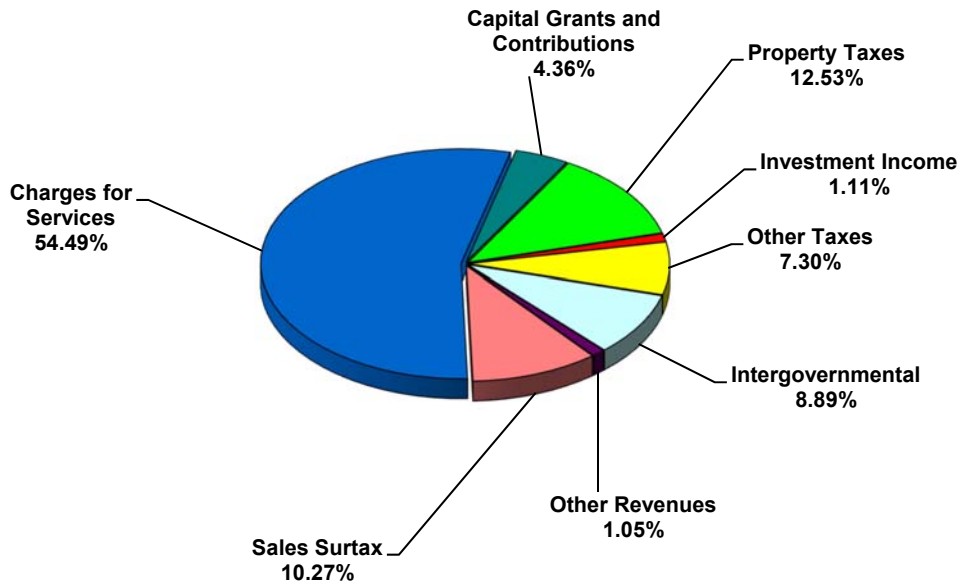
City of North Port's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$52,518,568	\$51,426,847	\$22,221,715	\$21,213,468	\$74,740,283	\$72,640,315
Operating grants and contributions	153,524	251,976	-	-	153,524	251,976
Capital grants and contributions	4,206,564	2,899,662	9,823,272	8,835,408	14,029,836	11,735,070
General Revenues:						
Ad valorem taxes	12,079,877	11,017,060	-	-	12,079,877	11,017,060
Discretionary sales surtaxes	9,901,615	9,131,513	-	-	9,901,615	9,131,513
Other taxes	7,035,227	6,612,725	-	-	7,035,227	6,612,725
Intergovernmental	8,570,871	7,977,419	-	-	8,570,871	7,977,419
Other	1,925,267	1,426,074	376,416	243,067	2,301,683	1,669,141
Total Revenues	96,391,513	90,743,276	32,421,403	30,291,943	128,812,916	121,035,219
Expenses:						
Governmental Activities:						
General government	14,376,510	14,099,333	-	-	14,376,510	14,099,333
Public safety	35,883,205	33,404,665	-	-	35,883,205	33,404,665
Physical environment	15,875,586	17,504,341	-	-	15,875,586	17,504,341
Transportation	18,137,765	16,821,250	-	-	18,137,765	16,821,250
Culture & recreation	8,014,001	3,546,622	-	-	8,014,001	3,546,622
Human services	465,085	368,544	-	-	465,085	368,544
Economic environment	328,608	299,851	-	-	328,608	299,851
Interest on long-term debt	1,671,000	1,749,711	-	-	1,671,000	1,749,711
Business-type Activities:						
Water and sewer	-	-	19,868,575	18,260,636	19,868,575	18,260,636
Total Expenses	94,751,760	87,794,317	19,868,575	18,260,636	114,620,335	106,054,953
Change in net position before transfers	1,639,753	2,948,959	12,552,828	12,031,307	14,192,581	14,980,266
Transfers	420,260	412,690	(420,260)	(412,690)	-	-
Change in Net Position	2,060,013	3,361,649	12,132,568	11,618,617	14,192,581	14,980,266
Net Position-beginning (restated)	319,034,140	316,431,272	129,966,594	118,388,161	449,000,734	434,819,433
Net Position-end of year	\$321,094,153	\$319,792,921	\$142,099,162	\$130,006,778	\$463,193,315	\$449,799,699

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

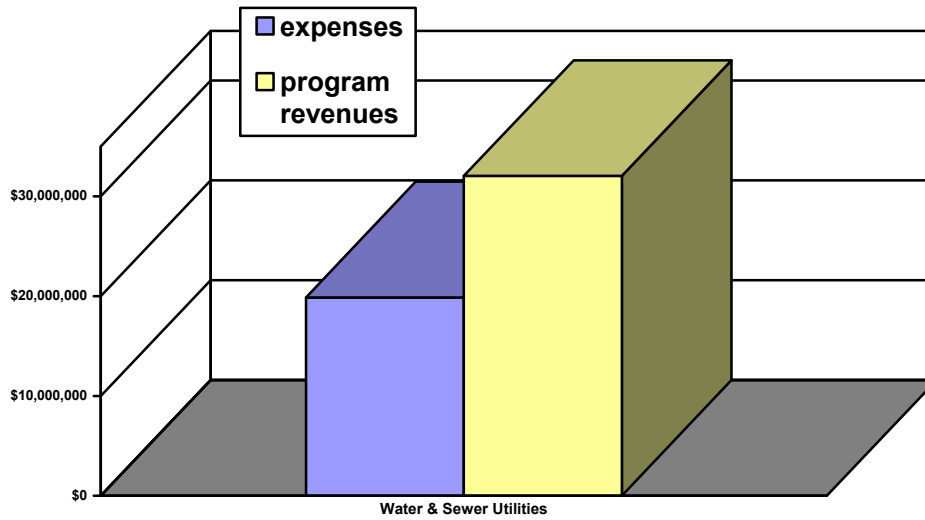


**Excludes transfers-in*

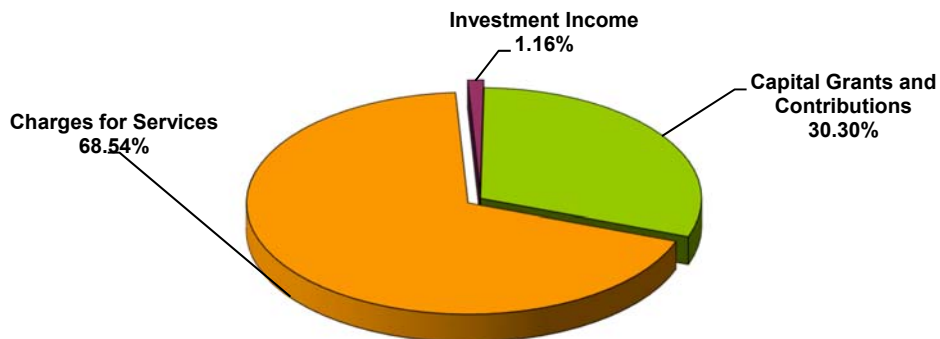
Business-type Activities. Business-type activities were responsible for an increase of \$12,132,568 in the total change of net position as the result of current fiscal year activities. The key elements causing the increase in the current fiscal year are:

- Developer contributed assets of \$3,403,145 were capitalized during the fiscal year.
- Water and sewer impact fees collected for the fiscal year were \$5,597,460.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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Financial Analysis of the City's Funds

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

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

At the close of fiscal year 2018, the City's governmental funds reported combined ending fund balances of \$97,027,675, a decrease of \$6,016,227 in comparison with the prior year. Approximately 12.33% of this total amount (\$11,964,336) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance available for spending is restricted, committed or assigned; these totaled \$84,151,039 or 86.73% of ending fund balance. Of this amount, \$69,355,038 is restricted by law or externally imposed requirements, \$13,705,333 is committed for specific purposes by the Commission and \$1,090,668 is assigned for various purposes. There was also an amount of non-spendable fund balance totaling \$912,300 or 0.94% of ending fund balance.

The General Fund is the chief operating fund of the City. The General Fund manages approximately 37% of the total governmental revenues. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,964,336 while the total fund balance was \$13,281,732. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.81% of total General Fund expenditures, while total fund balance represents 36.42% of that same amount.

The fund balance of the City's General Fund increased \$636,098 during the current fiscal year. Key factors for this increase were: ad valorem taxes increased over \$1,000,000 due to the upturn in assessed property values and the rise in the number of developed properties; municipal sales tax and the one-half cent local sales tax increased by \$131,455 and \$424,215, respectively, due to the recovering economy and continued growth of North Port.

In the governmental funds, a final budget to actual comparison is done. A favorable budget variance is referred to as a positive variance or gain, while an unfavorable budget variance is referred to as a negative variance or loss. Budget variances occur because budget forecasting is a plan and the City is unable to predict the future with complete accuracy. The General Fund had some noteworthy positive variances in City Attorney (\$123,512), City Clerk (\$110,410), Planning and Zoning (\$336,423), Information Technology (\$116,324), City Manager (\$167,236), Building (\$127,868), Police (\$1,094,994), Emergency Medical Services (\$422,637) and Economic Development (\$238,022). The City Attorney's budget had savings in outside legal litigation as the use of outside counsel was lower than anticipated. Funding for two public record technician positions was added to the City Clerk's budget for FY 18; only one of the positions was filled in the current year. Also, \$50,000 to fund a public records project was moved to the City Clerk's budget in FY 18, but the project will not

City of North Port, Florida
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commence until FY 19. Planning and Zoning consultant fees were lower than budgeted because only a small portion of the ULDC update occurred in fiscal year 2018. Also, the \$50,000 budgeted for community assistance-housing and the \$50,000 budgeted for wayfinding signs was not utilized in FY18. The department also had some savings in personnel due to employee turnover and attrition. Information technology (IT) had savings in minor operating equipment purchases of approximately \$25,000 and in subscriptions of approximately \$88,000 due to efforts to control costs. The City Manager department had over \$133,000 savings in personnel due to employee turnover and attrition. Also, the City Manager's department did not employ an intern in FY 18. Finally, the department showed savings of over \$20,000 in Professional Services; the expenditures for the "North Port Currents", a publication printed 3-4 times a year to update the citizens on what is happening in the City, were lower than anticipated. The building department, Property Standards, had savings in contracted services of approximately \$94,000. An allotment of \$160,000 was budgeted in FY 18 for impinging growth; a large portion of this budget was not utilized in FY 18. Additionally, the department had savings of approximately \$29,000 in personnel due to employee turnover. The Police Department had savings of over \$1,000,000 in personnel due to employee turnover and attrition. Also, \$202,050 was budgeted in Contracted Services for the Crossing Guard Program; in past years the crossing guards were employees of the City. The transition to using outside services did not occur until February 2018, rather than at the beginning of the fiscal year as budgeted. Emergency Medical Services (EMS) personnel expenditures were lower than budgeted due to employee turnover and attrition; additionally, ten new positions were added to the department in FY 18, but due to the length of the hiring process, not all the positions were filled as budgeted. Also, savings of over \$200,000 occurred in the paramedic differential account due to the fact that it was eliminated and instead added to the base salary as negotiated in the new union contract. Finally, Economic Development had budgeted \$200,000 in FY 18 for a hospital consultant knowledgeable in the Certificate of Need process in anticipation of recruiting a medical facility to the City. This allotment was not used as the City did not hire a hospital consultant. The remainder of the professional services budget included costs for market research and business attraction; these expenditures were lower than anticipated.

The fund balance of the Road and Drainage District decreased \$1,651,049 in fiscal year 2018. The District's non-ad valorem revenues collected in fiscal year 2018 rose over \$570,000 due mainly to a rate increase of 7.5%; construction traffic road fees increased over \$237,000 due to the rise in construction activity; and other charges for services increased over \$200,000 also due to increased construction activity. But offsetting the increase in revenues was the large increase in expenditures of over \$2,000,000. Landscaping expenditures rose over \$390,000 due to additional contracted mowing services; professional and contracted services increased over \$850,000 for disaster relief services due to Hurricane Irma; the District's general fund allocation increased \$165,690; and fuel costs rose over \$60,000. Finally, the District transferred \$1,320,000 to the Capital Acquisitions Fund for future capital purchases versus the \$380,000 transferred last fiscal year.

The fund balance of the Fire Rescue District decreased \$390,131 during the current fiscal year. The District's non-ad valorem revenues rose over \$307,000 due to increased building values and the increase in the number of developed properties. Although the District's capital outlay expenditures decreased approximately \$400,000 compared to the prior year,

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personnel expenditures rose approximately \$800,000 due to the ten new positions added in FY 18. Finally, the District transferred \$860,000 to the Capital Acquisitions Fund for future capital purchases versus the \$655,000 transferred last fiscal year.

The fund balance of the Solid Waste District increased by \$408,469 during the current fiscal year. Although the District's non-ad valorem revenues decreased over \$316,000 due to the \$19 per residential unit reduction in the assessment rate, the District expenditures decreased over \$1.6 million in the current year. In the prior year, the District expended over \$1.9 million for recycling totes for the new Solid Waste Recycling Program that began in January 2018.

The fund balance of the Surtax III Fund decreased \$2,579,659 in the current fiscal year. Two major projects account for this decrease: \$4.7 million was contributed to the construction of the Braves spring training stadium and approximately \$2.6 million was expended in the current year for the construction of the North Port Aquatic Center.

Proprietary funds. The fund financial statements for the City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in greater detail.

Unrestricted net position of the Water and Sewer Utilities increased \$2,740,058. The Self Insurance Fund has an unrestricted net position of \$628,279, an increase of \$164,489 from last fiscal year. Other factors concerning the finances of the proprietary funds have been addressed in the discussion of the City's business-type activities (Water and Sewer Utilities) and the City's governmental activities (Self Insurance).

General Fund Budgetary Highlights

During the current fiscal year, there was a \$2,621,862 increase in appropriations between the original and final amended General Fund budget. Following are the four components of the increase that were adopted using available fund balance:

- Increased the original budget by \$503,290 to fund the implementation of the Wage and Classification Plan.
- Increased the original budget by \$53,640 to fund two Public Record Technician positions.
- Increased the original budget by \$1,825,362 to budget for: the implementation of the IAFF Contract for FY 18 (EMS) \$426,120; the replacement of the Firehouse Software System including a Records Management System \$36,880; the removal of cisterns and the repair/replacement of driveway section affected at Fire Station 84 \$12,500; and the implementation of the PBA Contract for FY 18 \$1,349,862.
- Increased the original budget by \$239,570 to fund the \$226,480 purchase of several police vehicles and one month's salary of a second Assistant City Manager position for FY 18 totaling \$13,090.

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Actual revenues, particularly taxes, intergovernmental, charges for services and miscellaneous revenues, were more than the final budget by \$1,011,347. The annual state contribution of insurance premium taxes for police and the electric utility services tax received were higher than budget by \$130,284 and \$59,180, respectively. Municipal sales tax and the one-half cent local sales tax were both more than the final budget by \$63,800 and \$57,433, respectively. Police services were underestimated by \$61,551; ambulance transport fees by \$270,366; police special detail fees by \$44,761; lot mowing administrative fees by \$54,050; and SDR Application fees by \$102,030. Gains on disposal of assets were under budgeted by \$41,169; contributions and donations by \$51,934; and the P-Card rebate by \$21,223.

Actual expenditures were less than the final budget by \$3,317,223. Following are some of the significant items causing a positive variance: \$1,883,576 less-than-expected salaries and wages due to employee turnover, attrition and unfilled positions; \$268,965 less-than-expected professional services; \$201,060 less-than expected contracted services; \$412,047 less-than-expected capital outlay; diligent efforts by City departments to control costs and find savings throughout the year.

Capital Asset and Debt Administration

Capital assets. As of September 30, 2018, the City's investment in capital assets for its governmental and business-type activities amounts to \$412,239,826 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings, improvements, various infrastructure, utility systems and equipment. The overall total increase in the City's capital assets for the current fiscal year was 3.05% (a 2.67% increase for governmental activities and a 3.87% increase for business-type activities).

Some of the major capital asset additions during the current fiscal year included the following:

- Roads
- Sidewalks
- Neighborhood park refurbishments
- Water and sewer line improvements
- Lift station rehabilitation
- Reclaimed water improvements
- Fire, police, solid waste, road and drainage and utilities vehicles and equipment
- Water control structure rehabilitation

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City of North Port's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 19,480,964	\$ 18,581,548	\$ 948,266	\$ 948,266	\$20,429,230	\$19,529,814
Buildings	36,990,670	38,828,089	2,180,274	2,252,489	39,170,944	41,080,578
Infrastructure	198,699,818	196,018,814	119,192,868	114,932,518	317,892,686	310,951,332
Equipment	21,370,981	18,720,598	6,916,845	6,548,879	28,287,826	25,269,477
Construction in progress	5,135,508	2,202,542	1,323,632	1,010,220	6,459,140	3,212,762
Total	\$281,677,941	\$274,351,591	\$130,561,885	\$125,692,372	\$412,239,826	\$400,043,963

Additional information on the City's capital assets can be found in Note F - Capital Assets on pages 55-56 of this report.

Long term debt. As of year-end, the City had \$67,162,318 in total bonded debt outstanding compared to the \$70,225,877 last year.

	<u>2018</u>	<u>2017</u>
Governmental:		
Transportation Improvement Assessment Bonds	\$ 34,245,000	\$ 35,200,000
Bond Premium	852,662	921,772
State Revolving Loan Funds	2,634,627	2,634,627
Subtotal	<u>37,732,289</u>	<u>38,756,399</u>
Business-type:		
State Revolving Loan Funds	18,572,478	19,247,015
Utility System Refunding		
Revenue Bonds, Series 2005	5,763,612	5,950,164
Utility System Refunding		
Revenue Bonds, Series 2014	5,513,000	6,819,000
Deferred loss on defeasance of debt	(419,061)	(546,701)
Subtotal	<u>29,430,029</u>	<u>31,469,478</u>
Total	<u>\$ 67,162,318</u>	<u>\$ 70,225,877</u>

Additional information on the City's long-term debt can be found in Note H - Long-Term Liabilities found on pages 58-63 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City of North Port had an unemployment rate of 3.0% at fiscal year-end. The City's unemployment rate was the same as the unemployment rate for Florida but was lower than the nation's rate of 3.6% during the same time period.
- The General Fund property tax millage remained at 3.4070 mills for fiscal year 2019.

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- The City's population increased by 5.11% during the fiscal year from 67,196 to 70,631.
- The taxable value of real estate located in the City rose to \$4.14 billion in the current fiscal year, which is an increase of approximately \$461.8 million or 12.56% over the prior fiscal year.
- Single family home starts are continuing to increase.

All these factors were considered in preparing the City's budget for the 2019 fiscal year.

Financial Contact

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to:

City of North Port, Florida
Finance Department
4970 City Hall Boulevard
North Port, FL 34286-4100

Or visit our website: <http://www.cityofnorthport.com>

BASIC

FINANCIAL STATEMENTS



CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 100,574,377	\$ 22,823,075	\$ 123,397,452
Receivables (net)	3,394,491	3,595,534	6,990,025
Internal balances	194,260	(194,260)	-
Inventories	55,187	383,024	438,211
Prepaid items	937,787	-	937,787
Restricted assets:			
Cash and investments	3,309,238	18,031,746	21,340,984
Receivables (net)	-	444,725	444,725
Net pension asset	2,110,940	-	2,110,940
Capital assets:			
Non-depreciable	24,616,472	2,271,898	26,888,370
Depreciable (net)	257,061,469	128,289,987	385,351,456
Total Assets	<u>392,254,221</u>	<u>175,645,729</u>	<u>567,899,950</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refundings	-	419,061	419,061
Deferred amount on OPEB	143,751	9,196	152,947
Deferred amount on pensions	20,365,916	1,801,535	22,167,451
Total Deferred Outflows of Resources	<u>20,509,667</u>	<u>2,229,792</u>	<u>22,739,459</u>
LIABILITIES			
Accounts payable	7,003,931	1,258,414	8,262,345
Accrued liabilities	2,608,582	-	2,608,582
Payable from restricted assets:			
Accounts payable	693,921	123,689	817,610
Interest payable	477,264	105,428	582,692
Unearned revenue	11,696	-	11,696
Noncurrent liabilities:			
Due within one year	4,087,246	3,050,129	7,137,375
Due in more than one year	68,394,337	30,905,168	99,299,505
Total Liabilities	<u>83,276,977</u>	<u>35,442,828</u>	<u>118,719,805</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on OPEB	74,912	4,792	79,704
Deferred amount on pensions	8,317,846	328,739	8,646,585
Total Deferred Inflows of Resources	<u>8,392,758</u>	<u>333,531</u>	<u>8,726,289</u>
NET POSITION			
Net investment in capital assets	243,253,519	100,361,537	343,615,056
Restricted for:			
Renewal and replacement	-	1,325,682	1,325,682
Capital projects	49,233,695	17,053,600	66,287,295
Debt service	1,501,704	-	1,501,704
Public safety	11,855,815	-	11,855,815
Physical environment	6,993,703	-	6,993,703
Transportation	7,234,032	-	7,234,032
Unrestricted	1,021,685	23,358,343	24,380,028
Total Net Position	<u>\$ 321,094,153</u>	<u>\$ 142,099,162</u>	<u>\$ 463,193,315</u>

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 14,376,510	\$ 9,680,366		\$ 186,019
Public safety	35,883,205	15,266,048	17,452	519,363
Physical environment	15,875,586	13,190,296	29,202	195,914
Transportation	18,137,765	12,736,785		2,661,997
Economic environment	328,608	-		
Human services	465,085	-	106,870	
Culture and recreation	8,014,001	1,645,073		643,271
Interest on long-term debt	1,671,000	-	-	-
Total governmental activities	<u>94,751,760</u>	<u>52,518,568</u>	<u>153,524</u>	<u>4,206,564</u>
Business type activities:				
Water and sewer utilities	<u>19,868,575</u>	<u>22,221,715</u>	-	<u>9,823,272</u>
Total business-type activities	<u>19,868,575</u>	<u>22,221,715</u>	-	<u>9,823,272</u>
Total government	<u>\$ 114,620,335</u>	<u>\$ 74,740,283</u>	<u>\$ 153,524</u>	<u>\$ 14,029,836</u>

General revenues:

Taxes:

Ad Valorem

Insurance premium

Service

Local business

Fuel

Discretionary sales surtax

Intergovernmental - unrestricted

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning (restated)

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (4,510,125)	\$ -	\$ (4,510,125)
(20,080,342)	-	(20,080,342)
(2,460,174)	-	(2,460,174)
(2,738,983)	-	(2,738,983)
(328,608)	-	(328,608)
(358,215)	-	(358,215)
(5,725,657)	-	(5,725,657)
(1,671,000)	-	(1,671,000)
<u>(37,873,104)</u>	<u>-</u>	<u>(37,873,104)</u>
-	12,176,412	12,176,412
-	12,176,412	12,176,412
<u>(37,873,104)</u>	<u>12,176,412</u>	<u>(25,696,692)</u>
12,079,877	-	12,079,877
868,421	-	868,421
2,851,977	-	2,851,977
137,009	-	137,009
3,177,820	-	3,177,820
9,901,615	-	9,901,615
8,570,871	-	8,570,871
1,070,053	376,416	1,446,469
855,214	-	855,214
420,260	(420,260)	-
<u>39,933,117</u>	<u>(43,844)</u>	<u>39,889,273</u>
2,060,013	12,132,568	14,192,581
<u>319,034,140</u>	<u>129,966,594</u>	<u>449,000,734</u>
<u>\$ 321,094,153</u>	<u>\$ 142,099,162</u>	<u>\$ 463,193,315</u>

**CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	<u>General Fund</u>	<u>Road and Drainage District</u>	<u>Fire Rescue District</u>	<u>Solid Waste District</u>
ASSETS:				
Cash and investments	\$ 14,050,901	\$ 12,883,136	\$ 4,490,431	\$ 3,558,823
Receivables (net of allowance for uncollectibles)	1,344,897	6,528	-	36,411
Due from other funds	915,528	-	-	-
Due from other governments	639,620	263,658	18,989	22
Prepaid items	-	-	-	-
Inventories	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>16,950,946</u>	<u>13,153,322</u>	<u>4,509,420</u>	<u>3,595,256</u>
LIABILITIES:				
Accounts payable	1,381,334	1,855,780	62,571	305,216
Due to other funds	-	189,639	365,910	80,729
Due to other governments	380	-	-	-
Accrued liabilities	1,889,044	21,500	-	177,511
Unearned revenue	4,412	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,275,170</u>	<u>2,066,919</u>	<u>428,481</u>	<u>563,456</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - other receivables	394,044	3,850	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>394,044</u>	<u>3,850</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	11,082,553	4,080,939	3,031,800
Committed	226,728	-	-	-
Assigned	1,090,668	-	-	-
Unassigned	11,964,336	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>13,281,732</u>	<u>11,082,553</u>	<u>4,080,939</u>	<u>3,031,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,950,946</u>	<u>\$ 13,153,322</u>	<u>\$ 4,509,420</u>	<u>\$ 3,595,256</u>

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

<u>Surtax III</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 28,264,243	\$ 39,472,765	\$ 102,720,299
150,716	1,144	1,539,696
-	-	915,528
896,406	23,519	1,842,214
-	857,113	857,113
-	55,187	55,187
<u>29,311,365</u>	<u>40,409,728</u>	<u>107,930,037</u>
2,728,510	1,330,588	7,663,999
-	97,678	733,956
-	6,382	6,762
-	-	2,088,055
-	7,284	11,696
<u>2,728,510</u>	<u>1,441,932</u>	<u>10,504,468</u>
-	-	397,894
-	-	397,894
-	912,300	912,300
26,582,855	24,576,891	69,355,038
-	13,478,605	13,705,333
-	-	1,090,668
-	-	11,964,336
<u>26,582,855</u>	<u>38,967,796</u>	<u>97,027,675</u>
<u>\$ 29,311,365</u>	<u>\$ 40,409,728</u>	<u>\$ 107,930,037</u>



**CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Fund balances - total governmental funds \$ 97,027,675

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Non-depreciable capital assets	\$ 24,616,472	
Depreciable capital assets	257,061,469	281,677,941

Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Prepaid bond insurance (net of accumulated amortization)	80,674	
Net pension asset	2,110,940	2,191,614

An internal service fund is used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

640,967

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

Interest payable	(477,264)	
Loans payable	(2,634,627)	
Assessment bonds payable plus bond premium	(35,097,662)	
Compensated absences payable	(2,775,161)	
Net pension liability	(28,659,172)	
Other postemployment benefits (OPEB) liability	(3,314,961)	(72,958,847)

Certain deferred inflows in governmental funds are susceptible to full accrual on the entity-wide statements.

397,894

Deferred outflows and inflows of resources related to pensions and OPEB are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Deferred outflows related to pensions and OPEB	20,509,667	
Deferred inflows related to pensions and OPEB	(8,392,758)	12,116,909

Net position of governmental activities **\$ 321,094,153**

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

CITY OF NORTH PORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>General Fund</u>	<u>Road and Drainage District</u>	<u>Fire Rescue District</u>	<u>Solid Waste District</u>
REVENUES:				
Taxes	\$ 15,676,147	\$ 3,177,820	\$ 261,137	\$ -
Permits, fees and special assessments	3,605,875	-	19,704	-
Intergovernmental	8,035,902	580,415	37,525	-
Charges for services	8,214,658	13,556,245	8,896,093	8,734,491
Fines and forfeiture	164,096	-	-	-
Investment income	167,247	140,719	58,611	42,251
Miscellaneous	803,438	95,200	33,635	3,264
Total revenues	<u>36,667,363</u>	<u>17,550,399</u>	<u>9,306,705</u>	<u>8,780,006</u>
EXPENDITURES:				
Current:				
General government	11,690,815	-	-	-
Public safety	21,660,532	-	8,806,854	-
Physical environment	-	5,417,245	-	6,968,767
Transportation	-	10,998,650	-	-
Economic environment	325,099	-	-	-
Human services	367,555	-	-	-
Culture and recreation	1,248,565	-	-	-
Capital outlay	857,214	1,466,478	29,982	-
Debt service	-	-	-	-
Total expenditures	<u>36,149,780</u>	<u>17,882,373</u>	<u>8,836,836</u>	<u>6,968,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>517,583</u>	<u>(331,974)</u>	<u>469,869</u>	<u>1,811,239</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	420,260	-	-	-
Transfers out	(320,000)	(1,320,000)	(860,000)	(1,402,770)
Insurance recoveries	18,255	925	-	-
Total other financing sources and (uses)	<u>118,515</u>	<u>(1,319,075)</u>	<u>(860,000)</u>	<u>(1,402,770)</u>
Net change in fund balances	636,098	(1,651,049)	(390,131)	408,469
Fund balances - beginning	<u>12,645,634</u>	<u>12,733,602</u>	<u>4,471,070</u>	<u>2,623,331</u>
Fund balances - ending	<u>\$ 13,281,732</u>	<u>\$ 11,082,553</u>	<u>\$ 4,080,939</u>	<u>\$ 3,031,800</u>

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

<u>Surtax III</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,901,615	\$ -	\$ 29,016,719
-	10,940,240	14,565,819
29,202	-	8,683,044
128,137	5,716,353	45,245,977
-	120,978	285,074
249,727	403,175	1,061,730
141,646	2,116	1,079,299
<u>10,450,327</u>	<u>17,182,862</u>	<u>99,937,662</u>
-	4,468,713	16,159,528
88,519	2,586,422	33,142,327
-	186,924	12,572,936
2,767,367	32,853	13,798,870
-	-	325,099
-	-	367,555
4,753,592	862,251	6,864,408
6,242,675	10,131,328	18,727,677
-	4,460,054	4,460,054
<u>13,852,153</u>	<u>22,728,545</u>	<u>106,418,454</u>
<u>(3,401,826)</u>	<u>(5,545,683)</u>	<u>(6,480,792)</u>
822,167	3,992,770	5,235,197
-	(912,167)	(4,814,937)
-	25,125	44,305
<u>822,167</u>	<u>3,105,728</u>	<u>464,565</u>
(2,579,659)	(2,439,955)	(6,016,227)
<u>29,162,514</u>	<u>41,407,751</u>	<u>103,043,902</u>
<u>\$ 26,582,855</u>	<u>\$ 38,967,796</u>	<u>\$ 97,027,675</u>

**CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds \$ (6,016,227)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 18,727,677	
Less current year depreciation	<u>(10,682,871)</u>	8,044,806

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, asset transfers to/from enterprise funds). (718,456)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Also, revenue related to prior periods that became available during the current period are reported in the funds but are eliminated in the statement of activities. This amount is the net adjustment. 38,734

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	955,000	
Amortization of bond premium	69,110	
Amortization of prepaid bond insurance costs	<u>(6,539)</u>	1,017,571

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in government funds.

Pension expense	(1,660,540)	
OPEB expense	(154,530)	
Change in accrued interest	(56,316)	
Change in compensated absences	<u>(381,473)</u>	(2,252,859)

A prior year prepaid debt service expensed in the current year in the governmental funds is not reported as an expense in governmental activities. 1,821,260

An internal service fund is used by management to charge the cost of self-insurance to individual funds. The net expense of the internal service fund is reported with governmental activities. 125,184

Change in net position of governmental activities \$ 2,060,013

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Fund	Government-type Activities - Internal Service Fund
	Water & Sewer Utilities	Self Insurance
ASSETS		
Current assets:		
Cash and investments	\$ 22,823,075	\$ 1,163,316
Accounts receivable (net of allowance for uncollectibles)	3,258,962	12,581
Due from other governments	336,572	-
Inventories	383,024	-
Total current assets	26,801,633	1,175,897
Noncurrent assets:		
Restricted assets:		
Cash and investments	18,031,746	-
Accounts receivable (net of allowance for uncollectibles)	444,725	-
Capital assets:		
Land	948,266	-
Buildings	3,333,759	-
Infrastructure	166,991,746	-
Equipment	14,282,895	-
Construction in progress	1,323,632	-
Less: accumulated depreciation	(56,318,413)	-
Total noncurrent assets	149,038,356	-
Total assets	175,839,989	1,175,897
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on debt refundings	419,061	-
Deferred amount on OPEB	9,196	-
Deferred amount on pension	1,801,535	-
Total deferred outflows of resources	2,229,792	-

(Continued)

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Fund	Government-type Activities - Internal Service Fund
	Water & Sewer Utilities	Self Insurance
LIABILITIES		
Current liabilities:		
Accounts payable	1,258,414	27,091
Liability for unpaid claims	-	520,527
Payable from restricted assets:		
Accounts payable	123,689	-
Customer deposits payable	46,358	-
Due to other funds	181,572	-
Loans payable	1,233,660	-
Revenue bonds payable	1,714,957	-
Interest payable	105,428	-
Accrued compensated absences	55,154	-
Total current liabilities	4,719,232	547,618
Noncurrent liabilities:		
Customer deposits payable	50,831	-
Loans payable	17,338,818	-
Revenue bonds payable	9,561,655	-
Accrued compensated absences	275,703	-
Other postemployment benefits payable	212,070	-
Net pension liability	3,466,091	-
Total noncurrent liabilities	30,905,168	-
Total liabilities	35,624,400	547,618
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on OPEB	4,792	-
Deferred amount on pension	328,739	-
Total deferred inflows of resources	333,531	-
NET POSITION		
Net investment in capital assets	100,361,537	-
Restricted for renewal and replacement requirements	1,325,682	-
Restricted for capital projects	17,053,600	-
Unrestricted	23,371,031	628,279
Total net position	\$ 142,111,850	\$ 628,279
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.	(12,688)	
Net position of business-type activities (page 23)	\$ 142,099,162	

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

CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Fund	Government-type Activities - Internal Service Fund
	Water & Sewer Utilities	Self Insurance
OPERATING REVENUES		
Charges for services:		
Water charges	\$ 11,108,589	\$ -
Sewer charges	10,543,535	-
Self-insurance fees	-	1,545,430
Miscellaneous	569,591	99,527
Total operating revenues	22,221,715	1,644,957
OPERATING EXPENSES		
General and administrative	3,383,731	1,488,791
Water treatment and distribution	4,612,279	-
Sewer collection and treatment	1,622,069	-
Field operations	4,658,645	-
Depreciation	4,592,846	-
Total operating expenses	18,869,570	1,488,791
Operating income	3,352,145	156,166
NONOPERATING REVENUES (EXPENSES)		
Investment income	376,416	8,323
Interest expense	(1,038,119)	-
Loss on asset disposals	(191)	-
Total nonoperating revenues (expenses)	(661,894)	8,323
Income before capital contributions and transfers	2,690,251	164,489
Capital contributions	9,823,272	-
Transfers out	(420,260)	-
Change in net position	12,093,263	164,489
NET POSITION - BEGINNING OF YEAR (RESTATED)	130,018,587	463,790
NET POSITION - END OF YEAR	142,111,850	\$ 628,279
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time.	(12,688)	
Net position of business-type activities	\$ 142,099,162	

Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Position to the Statement of Activities:
Amounts reported as business-type activities in the Statement of Activities are different because:

Net change in net position - enterprise funds	\$ 12,093,263
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund.	39,305
Changes in net position of business-type activities (page 25)	\$ 12,132,568

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Fund	Government-type Activities - Internal Service Fund
	Water & Sewer Utilities	Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 22,418,791	\$ 1,650,024
Payments to vendors for goods and services	(8,757,237)	(761,535)
Payments to employees and benefit programs	(5,168,395)	-
Claims paid	-	(842,811)
	<u>8,493,159</u>	<u>45,678</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash transfers to other funds	(420,260)	-
	<u>(420,260)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(5,845,103)	-
Proceeds from sale of capital assets	19,508	-
Capital grants	465,299	-
Proceeds from state revolving loan	523,594	-
Principal paid on bonds and loans	(2,690,684)	-
Interest paid on bonds and loans	(916,116)	-
Special assessments	34,359	-
Capacity fees received	5,573,243	-
	<u>(2,835,900)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	376,416	8,323
	<u>376,416</u>	<u>8,323</u>
Net increase in cash and cash equivalents	5,613,415	54,001
Cash and cash equivalents, October 1	35,241,406	1,109,315
Cash and cash equivalents, September 30	<u>\$ 40,854,821</u>	<u>\$ 1,163,316</u>
Classified as:		
Current assets	\$ 22,823,075	\$ 1,163,316
Restricted assets	18,031,746	-
Total	<u>\$ 40,854,821</u>	<u>\$ 1,163,316</u>

(Continued)

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018**

	Business-type Activities - Enterprise Fund	Government-type Activities - Internal Service Fund
	Water & Sewer Utilities	Self Insurance
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,352,145	\$ 156,166
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	4,592,846	-
Increase in accounts receivable	180,450	5,067
Increase in due from other governments	(32)	-
Increase in inventories	4,202	-
Increase in deferred outflows - OPEB	(9,196)	-
Increase in deferred outflows - pensions	(79,978)	-
Increase in accounts payable	127,529	27,091
Increase in due to other funds	22,977	-
Increase in customer deposits payable	16,626	-
Increase in compensated absences	21,032	-
Increase in benefits payable	4,932	-
Increase in net OPEB liability	48,345	-
Increase in net pension liability	72,018	-
Increase in deferred inflows - OPEB	4,792	-
Increase in deferred inflows - pensions	134,471	-
Total adjustments	5,141,014	(110,488)
Net cash provided by operating activities	\$ 8,493,159	\$ 45,678
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of deferred amount on defeasance of debt	\$ 127,639	\$ -
Capital asset contributions	3,403,145	-

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

CITY OF NORTH PORT, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	<u>PENSION TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
ASSETS		
Cash and equivalents	\$ 1,316,559	\$ 29,920
Receivables:		
Contributions receivable	664,793	-
Interest and dividends receivable	112,157	-
Total receivables	<u>776,950</u>	<u>-</u>
Investments, at fair market value:		
U.S. Government and agency securities	5,270,678	-
Mortgage/asset-backed securities	375,536	-
Equity securities	58,666,495	-
Corporate obligations	1,657,744	-
Fixed income mutual funds	18,203,116	-
Commingled real estate funds	9,273,626	-
International equity securities	254,061	-
Total investments	<u>93,701,256</u>	<u>-</u>
Total assets	<u>95,794,765</u>	<u>29,920</u>
LIABILITIES		
Accounts payable and accrued expenses	36,058	-
Due to other entities	<u>-</u>	<u>29,920</u>
Total liabilities	<u>36,058</u>	<u>29,920</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 95,758,707</u>	<u>\$ -</u>

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

**CITY OF NORTH PORT, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>PENSION TRUST FUNDS</u>
ADDITIONS	
Contributions:	
Plan members	\$ 873,014
State of Florida	868,421
City of North Port	<u>2,720,803</u>
Total contributions	<u>4,462,238</u>
Investment income	
Net change in fair value of investments	5,538,172
Interest and dividends	<u>2,844,114</u>
Investment income	8,382,286
Less investment expenses	<u>(305,601)</u>
Net investment income	<u>8,076,685</u>
Total additions	<u>12,538,923</u>
DEDUCTIONS	
Benefits to participants	4,215,778
Share account distributions	215,136
Administrative expenses	182,439
Refund of participant contributions	<u>227,961</u>
Total deductions	<u>4,841,314</u>
NET INCREASE	7,697,609
NET POSITION - BEGINNING	<u>88,061,098</u>
NET POSITION - ENDING	<u><u>\$ 95,758,707</u></u>

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

CITY OF NORTH PORT, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of North Port, Florida (the City) have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America 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.

1. THE FINANCIAL REPORTING ENTITY

The City of North Port, Florida was created, as of June 18, 1959, pursuant to the provisions of the Constitution of the State of Florida, the laws of the State of Florida and the Special Legislative Enactment of Chapter 59-1617 as amended by Chapter 59-1618. The City operates under a form of government that is comprised of five elected City Commissioners and a commission appointed City Manager. The following services are provided: public safety, road improvements, planning and zoning, building permitting and inspections, water and sewer service, refuse collection service, stormwater management, and related general administrative services.

As required by GAAP, these financial statements present the activities of the City of North Port, Florida.

Blended Component Units: The financial statements also include three special districts, which are reported as blended component units. The districts operate under the guidance of the City Commission, which meets separately as the districts' governing body to approve the adoption of the annual budget and subsequent amendments, the issuance of debt and the execution of contracts. The financial transactions of these component units are merged in with similar transactions of the City as part of the primary government. Blended component units of the City of North Port include the Road and Drainage District, the Fire Rescue District and the Solid Waste District. Separate financial statements of the three districts are not available.

2. 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 the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 *road and drainage district special revenue fund* is used to account for proceeds of the local option gas taxes and district assessments that are restricted to transportation and/or stormwater drainage services.

The *fire rescue district special revenue fund* is used to account for proceeds of district assessments that are restricted for fire rescue emergency services and public safety.

The *solid waste district special revenue fund* is used to account for proceeds of district assessments that are restricted for solid waste collection and transportation of refuse, yard waste and recyclable material.

The *surtax III capital projects fund* is used to account for resources that are restricted for the acquisition and/or construction of specific capital projects. This fund represents the fifteen (15) year extension of the one cent sales surtax program.

The City reports the following major proprietary fund:

The *water and sewer utilities fund* accounts for the activities associated with providing water and sewer services to the residents of the City. The City operates a sewage treatment plant, sewage pumping stations and collection systems, and a water treatment/distribution plant.

Additionally, the City reports the following fund types:

The *self-insurance fund* (internal service fund) accounts for the activity of the workers' compensation self-insurance, the auto self-insurance and the general liability self-insurance provided to other departments on a cost reimbursement basis.

The *pension trust funds* (fiduciary funds) account for the activities of the City's firefighters' and police officers' pension trust funds, which accumulate resources for pension benefit payments to qualified pension participants.

The *county road impact fees agency fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *county justice impact fees agency fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *county general government impact fees agency fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County.

The *education impact fees agency fund* (fiduciary fund) accounts for the impact fees collected for and disbursed to Sarasota County School Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services between the City's various funds. Elimination of these charges would distort the direct costs and program revenues reported for the 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, including special assessments. 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned and unassigned resources as they are needed.

4. ASSETS, LIABILITIES, AND NET POSITION OR FUND BALANCE

a) Cash and investments

The City is authorized by City Ordinance 2016-10, adopted April 26, 2016, to invest surplus funds in accordance with Florida Statute 218.415. Investment guidelines have been defined in the policy and authorize the City to invest in the following:

- 1) U.S. Treasuries and Government Guaranteed Obligations

- 2) Federal Agencies and Government Sponsored Enterprises (GSE)
- 3) Supranationals
- 4) Corporates
- 5) Municipals
- 6) Agency Mortgage Backed Securities
- 7) Asset-backed securities
- 8) Non-Negotiable Certificates of Deposit and Savings Accounts
- 9) Commercial Paper
- 10) Repurchase Agreements
- 11) Money Market Funds
- 12) Fixed Income Mutual Funds
- 13) Local Government Investment Pools
- 14) The Florida Local Government Surplus Funds Trust Funds (“Florida Prime”)

The City maintains a cash and investment pool that is available for use by all funds. Investment income and loss is allocated to individual funds based upon their average daily balance in the cash pool. Each fund’s individual equity in the City’s cash and investment pool is considered to be a cash equivalent, since the funds can deposit or withdraw cash at any time without prior notice or penalty.

Investments for the City are reported at fair value based upon quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services.

b) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans.) All other outstanding balances between funds are reported 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.”

The non-current advances between funds, as reported in the fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

c) Inventories

Inventories are adjusted to annual counts and are valued at cost, using the first-in/first-out method. Inventory is accounted for using the consumption method, whereby inventories are recorded as expenditures when they are used.

d) Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

e) Restricted assets

The balances of restricted asset accounts in the governmental activities column at September 30, 2018 are as follows:

Bond proceeds restricted for road rehabilitation	\$ 3,309,238
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The balances of restricted asset accounts in the business-type activities column at September 30, 2018 are as follows:

Customer deposits	\$ 97,189
Renewal and replacement funds	1,325,682
Capital project construction funds	16,608,875
	<u>\$ 18,031,746</u>
Capacity fees receivables	\$ 444,725

f) Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more (amount not rounded) 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 acquisition 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 asset lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	5-50
Furniture and fixtures	5-10
Equipment	7-30
Vehicles	5

g) Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of net position and the governmental funds balance sheet will sometimes report separate sections for deferred outflows/inflows of resources. *Deferred outflows of resources* represent 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 that period. *Deferred inflows of resources* represent 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 period. The City has various items

that qualify for reporting in these categories. In the business-type activities column of the government-wide statement of net position, a deferred charge on debt refunding is reported as a deferred outflow, resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item, unavailable revenue, arises only under the modified accrual basis and accordingly, the unavailable revenue is reported as a deferred inflow only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: other receivables. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Additionally, the City has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by actuaries, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

h) Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay and other employee benefit amounts. These amounts are accrued when incurred in the government-wide and proprietary fund financial statements. In the case of governmental funds, the only portion of the liability reported would be the amount of reimbursable unused leave payable to employees who had terminated their employment as of the end of the fiscal year.

i) 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, discounts and insurance costs are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize debt proceeds, including capital leases, during the current period. The face amount of debt issued is reported as "other financing sources."

j) Net position

The government-wide and business-type fund financial statements utilize a net position presentation.

Net position is presented in three components – net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – this component of net position has constraints placed on them either externally by third parties (creditors, grantors, contributors or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Unrestricted – this component consists of net position that does not meet the definition of “net investment in capital assets” and “restricted”.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as *restricted* net position on the balance sheet because their use is limited by applicable bond covenants. District revenues and impact fee revenues are set aside to be used for their respective purposes in accordance with state statutes, regulations, and City ordinances.

k) Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Classifications of fund balance are established as authorized by City Resolution No. 2011-R-14. Fund balance is reported in up to five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance – consists of funds that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid items) and long-term loans and notes receivable.

Restricted Fund Balance – consists of funds 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.

Committed Fund Balance – consists of funds that are set aside for a specific purpose by the City’s highest level of decision making authority (ordinance). Formal action must be taken prior to the end of the fiscal year, but the amount, which will be subject to the constraint, may be determined in the subsequent period. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance – consists of funds that are set aside with the intent to be used for a specific purpose. The intended use can be established by the City Commission, delegated to a group (Management Team) or delegated to an individual City Manager or Finance Director. Projects that have been budgeted in prior fiscal years but are not complete are assigned the resources necessary to

complete if not committed under contract. This amount would represent the portion of fund balance to be used in the subsequent year's budget or to accumulate resources for a future capital project. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance – consists of excess funds that have not been classified in the previous four categories. The City reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in the other funds.

When a governmental fund has multiple classifications of fund balance, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

The City's formal General Fund fund balance policy establishes a targeted minimum spendable fund balance range between 25% and 30% of the ensuing year's General Fund budgeted expenditures. The unassigned portion of the fund balance is targeted at 5% to 10% of the ensuing year's General Fund budgeted expenditures. The formal fund balance policy also includes the City's three dependent districts (Road & Drainage, Fire Rescue and Solid Waste) and the City's Building Department. The targeted minimum fund balance range of these three districts and the Building Department is 25% - 30% of the ensuing year's annual budgeted expenditures of each respective fund.

The composition of nonspendable, restricted, committed, assigned and unassigned fund balances at September 30, 2018 is following:

	Major Funds			
	General Fund	Road and Drainage District	Fire Rescue District	Solid Waste District
Governmental Fund Balance Components:				
Nonspendable:				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-
Total nonspendable	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Enabling legislation - dependent districts	-	11,082,553	4,080,939	3,031,800
Law enforcement	-	-	-	-
Building Department construction standards info:	-	-	-	-
Impact fees	-	-	-	-
Environmental management	-	-	-	-
Total restricted	-	11,082,553	4,080,939	3,031,800
Committed:				
Capital projects	223,288	-	-	-
Building inspectors' education	-	-	-	-
Tree replacement	-	-	-	-
Parks and recreation	-	-	-	-
General government	-	-	-	-
Fleet maintenance	-	-	-	-
Other - contractual	3,440	-	-	-
Total committed	226,728	-	-	-
Assigned:				
Subsequent year expenditures	740,550	-	-	-
Other purposes	350,118	-	-	-
Total assigned	1,090,668	-	-	-
Unassigned				
	11,964,336	-	-	-
Total fund balances	<u>\$ 13,281,732</u>	<u>\$ 11,082,553</u>	<u>\$ 4,080,939</u>	<u>\$ 3,031,800</u>

	<u>Major Funds</u>		
	<u>Surtax III</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Governmental Fund Balance Components:			
Nonspendable:			
Prepaid items	\$ -	\$ 857,113	\$ 857,113
Inventories	-	55,187	55,187
Total nonspendable	-	912,300	912,300
Restricted:			
Debt service	-	1,913,102	1,913,102
Capital projects	26,582,855	2,657,025	29,239,880
Enabling legislation - dependent districts	-	-	18,195,292
Law enforcement	-	89,855	89,855
Building Department construction standards enforcement	-	6,158,949	6,158,949
Impact fees	-	13,230,109	13,230,109
Environmental management	-	527,851	527,851
Total restricted	26,582,855	24,576,891	69,355,038
Committed:			
Capital projects	-	8,507,102	8,730,390
Building inspectors' education	-	188,834	188,834
Tree replacement	-	1,100,715	1,100,715
Parks and recreation	-	1,535,738	1,535,738
General government	-	1,728,516	1,728,516
Fleet maintenance	-	417,700	417,700
Other - contractual	-	-	3,440
Total committed	-	13,478,605	13,705,333
Assigned:			
Subsequent year expenditures	-	-	740,550
Other purposes	-	-	350,118
Total assigned	-	-	1,090,668
Unassigned			
	-	-	11,964,336
Total fund balances	<u>\$ 26,582,855</u>	<u>\$ 38,967,796</u>	<u>\$ 97,027,675</u>

5. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1. BUDGETARY INFORMATION

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

- During the month of July, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1st for the purpose of determining millage requirements. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments during September.
- On or before September 30th, the budget is legally enacted for funds through passage of an ordinance.
- The City Commission must approve any revisions altering the budgeted amounts of total expenditures of any fund.

- Budgets have been adopted for the governmental and enterprise funds on a basis consistent with generally accepted accounting principles (GAAP). Expenditures may not legally exceed appropriations plus accumulated fund equity at the fund level. All annual appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as reservations of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year-end; however, it is the City's intention to substantially honor these encumbrances under authority provided in the subsequent year's budget. Encumbrances outstanding at year-end were \$275,926 for the General Fund, \$1,223,250 for the Road and Drainage District, \$41,355 for the Fire Rescue District, \$10,979,628 for the Surtax III Fund, \$4,538,338 for nonmajor funds, and \$1,715,752 for the Water and Sewer Utilities Fund.

Appropriations of various City projects are also recorded as reservations of budget and employed as an extension of the statutorily required budgetary process. All project appropriations lapse at year-end; however, it is the City's intention to substantially honor these appropriations under authority provided in the subsequent year's budget. Project appropriations outstanding at year-end were \$300,920 for the General Fund, \$3,832,497 for the Road and Drainage District, \$17,500 for the Fire Rescue District, \$12,096,383 for the Surtax III Fund, \$3,337,968 for nonmajor funds, and \$5,618,751 for the Water and Sewer Utilities Fund.

Budgeted amounts are as originally adopted or amended by the City. Supplemental appropriations made during the fiscal year are included in the "Final Budgeted Amount" columns on the *Budgetary Comparison Schedules*. Supplemental budgetary appropriations for major funds made during the year included the following:

- The General Fund expenditure budget increased \$2,724,263 to fund the implementation of a Pay and Classification Plan, the addition of two Public Records Technician positions, one month's salary of a second Assistant City Manager position, and additional funding for the implementation of the IAFF and PBA contracts; to purchase four police traffic vehicles; to replace Firehouse Software; to fund the removal of cisterns and the repair and replacement of the driveway section affected; and to budget for the receipt of two grants, a reimbursement for services and two donations.
- The Road and Drainage District expenditure budget was increased \$2,048,414 to fund the implementation of a Pay and Classification Plan and a Methodology and Rate Study review and implementation; to provide additional funding related to Hurricane Irma and contracted mowing services; and to budget for the receipt of a donation and a \$1,337,351 grant for bike lanes.
- The Fire Rescue District expenditure budget was increased \$873,750 to fund the implementation of the Pay and Classification Plan, the hiring and equipping of a temporary Fire and Life Safety Inspector position and the additional funding for the implementation of the IAFF contract; to replace Firehouse Software; and to fund the removal of cisterns and the repair and replacement of the driveway section affected.
- The Solid Waste District expenditure budget was increased \$131,880 to fund the implementation of a Pay and Classification Plan.
- The Surtax III Fund expenditure budget was increased \$2,582,070 to provide additional funding for the Eldron Sidewalk and Community Education Center Parking Lot Improvements construction projects; to purchase an armored vehicle and twelve patrol vehicles for the Police Department; and due to the transfer of monies for the Fire/Police Training Tower project from the Surtax II Fund to the Surtax III Fund.

All other supplementary budgetary appropriations in the major funds were not material in relation to the original budget.

NOTE C – DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its securities that are in possession of an outside party.

At September 30, 2018, City's book balance of cash was \$8,562,467 and the bank balances were \$9,023,633. The difference between the book balance and the bank balance is deposits in transit and uncleared checks. The bank balances are insured by the Federal Depository Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. The remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. The City's investment policy requires that securities be secured through third-party custody in the City's name.

Interest Rate Risk

As of September 30, 2018, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-9</u>
U.S. Treasuries	\$ 24,843,357	\$ -	\$ 24,843,357	\$ -
Federal Instrumentalities	6,038,511	2,597,952	2,345,873	1,094,686
Supra-national bonds	7,745,720	2,059,831	5,685,889	-
Municipal bonds	1,619,766	651,305	968,461	-
Corporate notes	31,737,289	13,101,088	18,636,201	-
Asset backed securities	15,227,640	-	15,227,640	-
SBA - LGIP	26,536,526	26,536,526	-	-
FEITF	22,258,511	22,258,511	-	-
Money Markets	182,569	182,569	-	-
	<u>\$ 136,189,889</u>	<u>\$ 67,387,782</u>	<u>\$ 67,707,421</u>	<u>\$ 1,094,686</u>

Following is a reconciliation of the investment schedule above to cash and investments reported on the entity-wide statement of net position:

Reconciliation with Statement of Net Position:

Cash and investments	\$ 123,397,452
Cash and investments - restricted	21,340,984
	<u>144,738,436</u>
Add agency funds' cash	29,920
Less cash book balance	(8,562,467)
Less cash on hand	(16,000)
Fair value total	<u>\$ 136,189,889</u>

In compliance with the City's investment policy, as of September 30, 2018, the City minimized the interest rate risk by limiting the effective duration of security types not to exceed five years and structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations.

Credit Risk

The City’s investment policy limits credit risk by restricting the authorized investments to those stated in Note A, Section 4(a). The following table illustrates the credit quality distribution with credit exposure as a percentage of the City’s investment securities:

<u>Investment Type</u>	<u>Rating</u>	<u>Portfolio</u>
U.S. Treasury Notes	AA+	18%
Federal Instrumentalities:		
Federal National Mortgage Association	AA+	3%
Federal Home Loan Mortgage Corporation	AA+	1%
Federal Home Loan Bank	AA+	1%
Supra-national agencies	AAA	6%
Corporate notes	BBB+ to AAA	23%
Asset backed securities	NR/AAA	11%
Municipal bonds	AA- to AA	1%
Principal stability funds:		
Florida Educational Investment Trust Fund	AAAm	16%
SBA Florida Prime	AAAm	20%

The City’s investment policy establishes limitations on portfolio composition by investment type in order to control concentration of credit risk. The following maximum limits are guidelines established for diversification by instrument:

U.S. Government Guaranteed Securities	100%
Federal Agencies/GSE	75%
Supranationals	25%
Corporates	50%
Municipals	25%
Agency Mortgage Backed Securities	25%
Asset Backed Securities	25%
Non-Negotiable Collateralized Bank Deposits or Savings Accounts	50%
Commercial Paper	50%
Repurchase Agreements	40%
Money Market Funds	50%
Fixed Income Mutual Funds	20%
Intergovernmental Pools (LGIPs)	50%
Florida Local Government Surplus Funds Trust Funds	25%

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City’s own assumptions, as there is little, if any, related market activity.

Investments that are measured at fair value using the net asset value (NAV) per share, or its equivalent, as a practical expedient are not classified in the fair value hierarchy.

The City had the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2018:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
U.S. Treasuries	\$ 24,843,357	\$ -	\$ 24,843,357
Federal Instrumentalities	-	6,038,511	6,038,511
Supra-national bonds	-	7,745,720	7,745,720
Municipal bonds	-	1,619,766	1,619,766
Corporate notes	-	31,737,289	31,737,289
Asset backed securities	-	15,227,640	15,227,640
Money Markets	182,569	-	182,569
	<u>\$ 25,025,926</u>	<u>\$ 62,368,926</u>	<u>\$ 87,394,852</u>
SBA Florida Prime LGIP			26,536,526
FL Education Investment Trust Fund			22,258,511
			<u>\$ 136,189,889</u>

See separate disclosures in Note I for the investments held in the City’s Fire and Police pension funds.

NOTE D- RECEIVABLES

Receivables as of year-end for the City’s individual major funds, nonmajor funds in the aggregate and proprietary fund, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road & Drainage District	Fire Rescue District	Solid Waste District	Surtax III
Receivables:					
Taxes	\$ 80,336	\$ -	\$ -	\$ -	\$ -
Franchise fees	621,660	-	-	-	-
Accounts	2,798,150	6,528	-	36,411	150,716
Intergovernmental	639,620	263,658	18,989	22	896,406
Special assessments	-	-	-	-	-
Gross receivables	4,139,766	270,186	18,989	36,433	1,047,122
Less: allowance for uncollectibles	(2,155,249)	-	-	-	-
Net total receivables	\$ 1,984,517	\$ 270,186	\$ 18,989	\$ 36,433	\$ 1,047,122

	Self-Insurance Fund	Water & Sewer Utilities	Nonmajor Funds	Total (all columns)
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ 80,336
Franchise fees	-	-	-	621,660
Accounts	12,581	3,904,303	1,144	6,909,833
Intergovernmental	-	336,572	23,519	2,178,786
Special assessments	-	71,741	-	71,741
Gross receivables	12,581	4,312,616	24,663	9,862,356
Less: allowance for uncollectibles	-	(272,357)	-	(2,427,606)
Net total receivables	\$ 12,581	\$ 4,040,259	\$ 24,663	\$ 7,434,750

NOTE E- PROPERTY TAX

Property taxes are levied on November 1 of each year and are due and payable upon receipt of the notice of levy. The Sarasota County, Florida, Tax Collector's Office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services for the fiscal year ended September 30, 2018 was \$3.4070 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are later sold at public auction and the proceeds thus collected are remitted to the City.

No accrual for the property tax levy becoming due in November 2018 is included in the accompanying financial statements since such taxes do not meet the necessary criteria. The major dates in the property tax process are listed on the following table.

PROPERTY TAX CALENDAR	
July 1	Assessment roll validated
September 30	Millage resolution approved
October 1	Beginning of fiscal year for which tax is to be levied
November 1	Tax bills rendered and due
November 1 - March 31	Property taxes due with various discount rates
April 1	Taxes delinquent
May 31	Tax certificates sold by County

NOTE F – CAPITAL ASSETS

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

	<u>Primary Government</u>			
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,581,548	\$ 899,416	\$ -	\$ 19,480,964
Construction in progress	2,202,542	4,156,981	1,224,015	5,135,508
Total capital assets not being depreciated	<u>20,784,090</u>	<u>5,056,397</u>	<u>1,224,015</u>	<u>24,616,472</u>
Other capital assets:				
Buildings	52,643,100	-	476,387	52,166,713
Improvements other than buildings	267,920,441	8,227,394	236,417	275,911,418
Equipment	40,399,764	6,295,269	1,552,039	45,142,994
Total other capital assets	<u>360,963,305</u>	<u>14,522,663</u>	<u>2,264,843</u>	<u>373,221,125</u>
Less accumulated depreciation for:				
Buildings	13,815,011	1,454,450	93,418	15,176,043
Improvements other than buildings	71,901,627	5,394,000	84,027	77,211,600
Equipment	21,679,166	3,834,421	1,741,574	23,772,013
Total accumulated depreciation	<u>107,395,804</u>	<u>10,682,871</u>	<u>1,919,019</u>	<u>116,159,656</u>
Total other capital assets, net of acc. depreciation	<u>253,567,501</u>	<u>3,839,792</u>	<u>345,824</u>	<u>257,061,469</u>
Governmental activities capital assets	<u>\$ 274,351,591</u>	<u>\$ 8,896,189</u>	<u>\$ 1,569,839</u>	<u>\$ 281,677,941</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 948,266	\$ -	\$ -	\$ 948,266
Construction in progress	1,010,220	1,171,273	857,861	1,323,632
Total capital assets not being depreciated	<u>1,958,486</u>	<u>1,171,273</u>	<u>857,861</u>	<u>2,271,898</u>
Other capital assets:				
Buildings	3,352,014	-	18,255	3,333,759
Improvements other than buildings	159,246,158	7,784,916	39,328	166,991,746
Equipment	13,020,496	1,371,759	109,360	14,282,895
Total other capital assets	<u>175,618,668</u>	<u>9,156,675</u>	<u>166,943</u>	<u>184,608,400</u>
Less accumulated depreciation for:				
Buildings	1,099,525	72,214	18,254	1,153,485
Improvements other than buildings	44,313,640	3,537,538	52,300	47,798,878
Equipment	6,471,617	983,094	88,661	7,366,050
Total accumulated depreciation	<u>51,884,782</u>	<u>4,592,846</u>	<u>159,215</u>	<u>56,318,413</u>
Total other capital assets, net of acc. depreciation	<u>123,733,886</u>	<u>4,563,829</u>	<u>7,728</u>	<u>128,289,987</u>
Business-type activities capital assets	<u>\$ 125,692,372</u>	<u>\$ 5,735,102</u>	<u>\$ 865,589</u>	<u>\$ 130,561,885</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 979,498
Public safety	1,874,282
Physical environment	2,975,393
Transportation	3,759,109
Human services	74,293
Culture and recreation	1,020,296
	<hr/>
Total governmental activities depreciation expense	\$ 10,682,871
	<hr/>
Business-type activities	
Water and sewer utility	\$ 4,592,846
	<hr/>
Total business-type activities depreciation expense	\$ 4,592,846
	<hr/>

Commitments

Uncompleted commitments at September 30, 2018 consist of the following:

<u>Project</u>	<u>Spent-to-Date Not yet Capitalized</u>	<u>Remaining Commitment</u>
Fire station construction/vehicles	\$ 36,335	\$ 102,065
Police department vehicles/equipment	-	1,435,141
Parks & recreation construction	3,092,847	8,563,218
Roads and drainage construction	1,121,622	6,363,019
Building department software	-	209,128
Water and sewer operations construction	1,172,013	1,542,842
Total	<hr/> <u>\$ 5,422,817</u>	<hr/> <u>\$ 18,215,413</u>

NOTE G – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-major governmental	\$ 97,678
	Road and Drainage District	189,639
	Fire Rescue District	365,910
	Solid Waste District	80,729
	Water and Sewer Utility	181,572
		<hr/> <u>\$ 915,528</u>

Balances resulted from the time lag between the dates that (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.

Interfund transfers:	<u>Transfers out:</u>			
	General Fund	Road and Drainage District	Fire Rescue District	Solid Waste District
<u>Transfers in:</u>				
General Fund	\$ -	\$ -	\$ -	\$ -
Other Governmental Funds	320,000	1,320,000	860,000	1,402,770
Total	\$ 320,000	\$ 1,320,000	\$ 860,000	\$ 1,402,770

<u>Transfers in:</u>	<u>Transfers out:</u>			
	Surtax III Funds	Nonmajor Governmental Funds	Water & Sewer Utilities	Total
General Fund	\$ -	\$ -	\$ 420,260	\$ 420,260
Other Governmental Funds	822,167	90,000	-	4,814,937
Total	\$ 822,167	\$ 90,000	\$ 420,260	\$ 5,235,197

Transfers are used to move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them.

NOTE H – LONG-TERM LIABILITIES

Long-term Liability Activity

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental activities:					
Bonds payable:					
Transportation improvement assessment bonds	\$ 35,200,000	\$ -	\$ (955,000)	\$ 34,245,000	\$ 990,000
Plus bond premium	921,772	-	(69,110)	852,662	-
Total bonds payable	36,121,772	-	(1,024,110)	35,097,662	990,000
State infrastructure loan	2,634,627	-	-	2,634,627	2,634,627
OPEB liability (restated)	3,091,591	348,951	(125,683)	3,314,859	-
Net pension liability**	26,384,521	21,299,881	(19,025,229)	28,659,173	-
Compensated absences	2,393,688	4,276,569	(3,895,096)	2,775,161	462,619
<i>Governmental activities long-term liabilities</i>	<u>\$ 70,626,199</u>	<u>\$ 25,925,401</u>	<u>\$ (24,070,118)</u>	<u>\$ 72,481,482</u>	<u>\$ 4,087,246</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 12,769,164	\$ -	\$ (1,492,552)	\$ 11,276,612	\$ 1,714,957
State revolving loans	19,247,015	523,594	(1,198,131)	18,572,478	1,233,660
OPEB liability (restated)	163,725	75,560	(27,215)	212,070	-
Net pension liability	3,394,073	1,955,917	(1,883,899)	3,466,091	-
Compensated absences	309,825	554,115	(533,083)	330,857	55,154
Deposits payable	80,563	55,154	(38,528)	97,189	46,358
<i>Business-type activities long-term liabilities</i>	<u>\$ 35,964,365</u>	<u>\$ 3,164,340</u>	<u>\$ (5,173,408)</u>	<u>\$ 33,955,297</u>	<u>\$ 3,050,129</u>

***Please note: due to the Firefighters Pension Plan ending the year with a net pension asset, its beginning balance of \$2,262,807 net pension liability has been removed from the above schedule.*

Liquidation - Governmental Funds

Bonds – In the governmental funds, the liability for bonds payable is paid by the Road Reconstruction Bond Debt Service Fund.

State infrastructure loan – In the governmental funds, the liability for the state infrastructure loan payable is liquidated from the Transportation Impact Fee Fund.

Other post-employment benefits - In the governmental funds, the OPEB liability is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Net pension liability - In the governmental funds, the net pension liability is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Compensated absences - In the governmental funds, the liability for compensated absences is liquidated from the General Fund, Road and Drainage District Fund, Fire Rescue District Fund, Solid Waste District Fund, Building Fund, Tree Replacement Fund and the Fleet Maintenance Fund.

Refunding Losses, Prepaid Bond Insurance and Bond Premium

A refunding loss of \$817,039 incurred in conjunction with the issuance of the Utility System Refunding Revenue Bonds, Series 2005, is being amortized over the life of the bonds (25 years) using the bonds outstanding method. Amortization of the refunding loss on the Series 2005 bonds was \$35,090 for the year ended September 30, 2018 and is included as a component of interest expense. Unamortized refunding loss of \$229,986 is recorded as deferred outflows on the statements of net position.

A refunding loss of \$820,427 incurred in conjunction with the issuance of the Utility System Refunding Revenue Bonds, Series 2014, is being amortized over the life of the bonds (9 years) using the bonds outstanding method. Amortization of the refunding loss on the Series 2014 bonds was \$92,549 for the year ended September 30, 2018 and is included as a component of interest expense. Unamortized refunding loss of \$189,075 is recorded as deferred outflows on the statement of net position.

Prepaid bond insurance costs of \$115,167 incurred in conjunction with the issuance of the Transportation Improvement Assessment Bonds, Series 2013, are being amortized over the life of the bonds (26 years) using the bonds outstanding method. Amortization of insurance costs on the Series 2013 bonds was \$6,539 for the year ended September 30, 2018. The unamortized balance at September 30, 2018 is \$80,674.

A bond premium of \$1,217,230 incurred in conjunction with the issuance of the Transportation Improvement Assessment Bonds, Series 2013, is being amortized over the life of the bonds (26 years) using the bonds outstanding method. Amortization of the bond premium on the Series 2013 bonds was \$69,110 for the year ended September 30, 2018 and is included as a component of interest expense. The unamortized balance of \$852,662 is netted against bonds payable on the statement of net position.

Refunding Revenue Notes

Utility System Refunding Private Placement Revenue Notes, Series 2014A and Series 2014B, dated April 15, 2014 were issued in the amount of \$10,000,000 and \$1,670,000, respectively, for the purposes of providing funds to currently refund the City's outstanding Utility System Refunding Revenue Bond, Series 2010 maturing on October 1, 2014 through October 1, 2022. The Series 2014 Notes are expected to be repaid over a period of nine years. At a true interest cost of 2.15% for 2014A and 2.1% for 2014B, total interest paid over the life of the Series 2014 notes will be \$1,160,562. The expected source of repayment is the pledged funds (water and sewer revenues). The Series 2014 notes shall be on parity in all respects and shall rank equally as to lien on and source and security form the pledged funds with the outstanding parity bonds. The City currently refunded the Series 2010 bonds to reduce its total debt service payments over the next nine years by \$622,257 and to obtain an economic gain (difference between the present value of the debt service payments of the old and new debt) of \$342,541.

Deposits Payable

Before rendering water or wastewater service, the City may require an applicant for service to satisfactorily establish credit by paying a cash deposit. The amount of the initial deposit shall be according to customer class and meter size. After the customer has established continuous utility service for a period of twenty-four months and meets the following requirements, the customer's security deposit will be refunded as a credit to their utility account: 1) customer has not been disconnected for nonpayment; 2) customer has not had a returned

payment in the last six months; 3) customer has not tampered with the meter; and 4) customer has not used service in a fraudulent or unauthorized manner.

Debt Maturity:

Debt service requirements at September 30, 2018 were as follows:

Governmental-type Activities - Assessment Bonds

Transportation Improvement Assessment Bonds

<u>Year Ended</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2019	990,000	1,645,593
2020	1,030,000	1,605,994
2021	1,085,000	1,554,494
2022	1,125,000	1,511,094
2023	1,185,000	1,454,844
2024-2028	6,850,000	6,339,619
2029-2033	8,590,000	4,594,125
2034-2038	10,880,000	2,312,750
2039	2,510,000	125,500
Total	<u>\$ 34,245,000</u>	<u>\$ 21,144,013</u>

Governmental-type Activities - State Infrastructure Bank Loan

Transportation

<u>Year Ended</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2019	2,634,627	87,847
Total	<u>\$ 2,634,627</u>	<u>\$ 87,847</u>

Business-type Activities - Revenue Bonds

Water and Sewer Utility

<u>Year Ended</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2019	1,714,957	353,050
2020	1,760,689	309,538
2021	1,808,280	263,521
2022	1,855,456	216,745
2023	449,333	168,626
2024-2028	2,527,420	554,377
2029-2030	1,160,477	71,441
Total	<u>\$ 11,276,612</u>	<u>\$ 1,937,298</u>

Business-type Activities - State Revolving Loans

Water and Sewer Utility

<u>Year Ended</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>
2019	1,233,660	496,108
2020	1,267,596	462,171
2021	1,302,487	427,281
2022	1,338,359	391,408
2023	1,375,242	354,526
2024-2028	7,466,840	1,181,999
2029-2033	4,476,349	202,533
2034-2037	111,945	1,994
Total	<u>\$ 18,572,478</u>	<u>\$ 3,518,020</u>

Description of Debt:

	<u>Governmental</u>	<u>Business-type</u>
<p>\$39,525,000 Series 2013 Transportation Improvement Assessment Bonds, due in annual installments of \$855,000 - \$2,510,000 beginning July 1, 2014 through July 1, 2039; interest between 1.00% - 5.00%; secured by a pledge of non-ad valorem capital assessments. Proceeds from the bonds provided financing for the reconstruction and rehabilitation of approximately 266 miles of existing roadways within the City. The total pledged revenue at 9/30/18, which equals remaining principal and interest, is \$55,389,013. Principal and interest paid for the current year and total capital assessments were \$2,638,794 and \$3,042,290, respectively.</p>	\$ 34,245,000	\$ -
<p>\$9,509,894 State Infrastructure Bank Loan, due in annual installments of \$1,821,260 beginning October 1, 2014 until loan is paid in full; interest at 2.5%; secured by transportation impact fees and the discretionary sales surtax revenues. Proceeds from the loan provided financing for the Sumter Boulevard widening: Heron Creek Boulevard to City Center Boulevard. The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$2,722,474. Principal and interest paid for the current year and total transportation impact fees and sales surtax revenue were \$1,821,260 and \$12,563,462, respectively.</p>	2,634,627	-
<p>\$6,211,908 Series 2005 Utility System Refunding Private Placement Revenue Bonds, due in annual installments of \$17,177 - \$592,317 beginning September 30, 2006 through September 30, 2030; interest at 4.02%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the bonds refunded a portion of the 2000 bonds, which provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$7,402,392. Principal and interest paid for the current year and total net revenues were \$429,072 and \$8,358,301, respectively.</p>	-	5,763,612
<p>\$11,670,000 Series 2014A (\$10,000,000) and 2014B (\$1,670,000) Utility System Private Placement Refunding Revenue Notes, due in annual installments of \$1,092,000 - \$1,423,000 beginning September 30, 2014 through September 30, 2022; interest at 2.15% for A and 2.1% for B; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the bonds refunded the 2010 bonds, which were issued to refund the remaining 2000 bonds (issued to provide financing for improvements to the wastewater treatment system) and the 2008 refunding bonds, which were issued to refund the 1998 refunding bonds (issued to refund the 1992 bonds issued to purchase the utility system from GDU). The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$5,811,518. Principal and interest paid for the current year and total net revenues were \$1,452,120 and \$8,358,301, respectively.</p>	-	5,513,000
<p>\$23,400,800 State Revolving Fund Loan, due in semi-annual installments of \$447,888 - \$768,979 beginning July 15, 2011 through January 15, 2031; interest between 2.49% and 3.12%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the fund loan provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$19,495,714. Principal and interest paid for the current year and total net revenues were \$1,559,657 and \$8,358,301, respectively.</p>	-	16,335,357

Description of Debt:

	<u>Governmental</u>	<u>Business-type</u>
<p>\$2,579,567 State Revolving Fund Loan, due in semi-annual installments of \$78,212 - \$162,860 beginning July 15, 2013 through July 15, 2027; interest at 2.32%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the fund loan provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$2,053,574. Principal and interest paid for the current year and total net revenues were \$141,626 and \$8,358,301, respectively.</p>	-	1,735,394
<p>\$576,035 State Revolving Fund Loan, due in semi-annual installments of \$14,242 - \$20,584 beginning December 15, 2017 through June 15, 2037; interest at 0.394%; secured by a pledge of the net revenues of the system operations and impact fees. Proceeds from the fund loan provided financing for improvements to the wastewater treatment system. The pledged revenue at 9/30/18, which equals remaining principal and interest, is \$541,209. Principal and interest paid for the current year and total net revenues were \$24,331 and \$8,358,301, respectively.</p>		501,727
TOTAL	<u>\$ 36,879,627</u>	<u>\$ 29,849,090</u>

Other Long-Term Debt Information

Total interest expense for the year ended September 30, 2018 was \$1,671,000 in the governmental activities and \$1,038,119 in the business-type activities.

In accordance with bond covenants and Section 148 of the Internal Revenue Code, the City is required to rebate to the U.S. Treasury, every five years, earnings on bond proceeds in excess of the bond yield. For the year ended September 30, 2018, no amounts were earned that will have to be rebated to the U.S. Treasury.

NOTE I – EMPLOYEE RETIREMENT SYSTEMS

The City has three pension plans covering all full-time employees after meeting appropriate age and service requirements. They are the Florida Retirement System, the Municipal Police Officers’ Pension Trust Fund and the Municipal Firefighters’ Pension Trust Fund.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two plans and the FRS plan and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FLORIDA RETIREMENT SYSTEM

General Information - All of the City’s full-time, non-uniform (general) employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state

university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available 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 from the website:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

PLAN DESCRIPTION

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers and firefighters, meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service, while employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

The DROP Program, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

BENEFITS PROVIDED

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CONTRIBUTIONS

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary on a pretax basis to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows:

<u>Membership Class</u>	<u>October 1, 2017 thru June 30, 2018</u>	<u>July 1, 2018 thru September 30, 2018</u>
<i>FRS, Regular</i>	7.92%	8.26%
<i>FRS, Elected Officers</i>	45.50%	48.70%
<i>FRS, Senior Management Service</i>	22.71%	24.06%
<i>FRS, Special Risk Administrative Support</i>	34.63%	34.98%
<i>FRS, Special Risk</i>	23.27%	24.50%
<i>FRS, DROP</i>	13.26%	14.03%

Note: Employer rates include 1.66 percent for the postemployment health insurance subsidy, October 1, 2017 thru September 30, 2018. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

The City's contributions, including employee contributions, to the Pension Plan totaled \$3,157,801 for the fiscal year ended September 30, 2018.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2018, the City reported a liability of \$22,078,832 for its proportionate share of the Pension Plan's net pension liability, an increase of \$2,775,711 over last year's liability of \$19,303,121. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was .073301635 percent, which was an increase of .008042817 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$3,580,051. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,870,409	\$ 67,887
Change of assumptions	7,214,289	-
Net difference between projected and actual earnings on Pension Plan investments	-	1,705,859
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	3,406,275	147,358
City Pension Plan contributions subsequent to the measurement date	576,209	-
Total	<u>\$ 13,067,182</u>	<u>\$ 1,921,104</u>

The deferred outflows of resources related to the Pension Plan, totaling \$576,209 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30:	<u> </u>
2019	\$ 4,095,212
2020	2,794,812
2021	389,679
2022	1,860,979
2023	1,244,360
Thereafter	184,827

Actuarial Assumptions – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.90%	2.90%	1.80%
Fixed Income	18.00%	4.40%	4.30%	4.00%
Global Equity	54.00%	7.60%	6.30%	17.00%
Strategic Investments	6.00%	6.00%	5.70%	8.60%
Private Equity	10.00%	10.70%	7.80%	26.50%
Real Estate (Property)	11.00%	6.60%	6.00%	11.30%
Total	<u>100.00%</u>			
Assumed Inflation - Mean		2.60%		1.90%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the net pension liability	\$ 40,294,795	\$ 22,078,832	\$ 6,949,398

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

PAYABLES TO THE PENSION PLAN

At September 30, 2018, the City reported a payable in the amount of \$129,292 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

HIS Plan

PLAN DESCRIPTION

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report which may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

BENEFITS PROVIDED

For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through September 30, 2018 was 1.66% pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City’s contributions to the HIS Plan totaled \$408,252 for the fiscal year ended September 30, 2018.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2018, the City reported a liability of \$7,698,585 for its proportionate share of the HIS Plan’s net pension liability, an increase of \$650,207 over last year’s liability of \$7,048,378. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City’s proportionate share of the net pension liability was based on the City’s 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was .072737184 percent, which was an increase of .006818047 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$780,879. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 117,862	\$ 13,080
Change of assumptions	856,178	813,959
Net difference between projected and actual earnings on HIS Plan investments	4,647	-
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	1,332,351	76,074
City HIS Plan contributions subsequent to the measurement date	98,885	-
Total	<u>\$ 2,409,923</u>	<u>\$ 903,113</u>

The deferred outflows of resources related to the HIS Plan, totaling \$98,885 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2019	\$ 983,321
2020	979,684
2021	686,335
2022	154,154
2023	(956,877)
Thereafter	(438,692)

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

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

The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate - The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
City’s proportionate share of the net pension liability	\$ 8,768,237	\$ 7,698,585	\$ 6,806,968

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

PAYABLES TO THE PENSION PLAN

At September 30, 2018, the City reported a payable in the amount of \$22,193 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%. The allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

Effective July 1, 2017, retirees of the Investment Plan are eligible for renewed membership in the Investment Plan. The retiree must be employed in an FRS-covered position on or after July 1, 2017 in order to gain renewed membership. This new provision does not afford renewed membership retroactively for the period of July 1, 2010 to June 30, 2017, nor does it grant disability benefits for renewed members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$892,776 for the fiscal year ended September 30, 2018.

MUNICIPAL POLICE OFFICERS' PENSION - LOCAL OPTION TRUST FUND

PLAN DESCRIPTION

Full-time police officers of the City of North Port Police Department participate in either the City of North Port, Florida Police Officers' Pension - Local Option Trust Fund (the "Plan") or the Florida Retirement System (FRS). Per Resolution passed by the City, effective July 1, 2016, police officers hired on or after this date participate solely in the FRS. Members active on July 1, 2016 had the option of participating prospectively in the FRS. The Florida Police Officers' Pension – Local Option Trust Fund is a single-employer defined benefit pension plan that was established December 14, 1979, pursuant to Florida Statutes, Chapter 185 and the City of North Port (City) Ordinance. Benefit provisions are established by City ordinances and the Florida Statutes and may be amended by the City Commission. The Plan is managed by a five-member Board of Trustees comprised of two members appointed by the Commission of the City of North Port, Florida (the City), two police officers elected by the Plan membership and one member elected by the other four members and subsequently appointed, as a ministerial duty, by the City Commission. The Plan is part of the City's financial reporting entity and is therefore included in these financial statements as a Pension Trust Fund. The City of North Port, Florida Police Officers' Pension – Local Option Trust Fund annually issues a publicly available financial report that includes financial statements and required supplementary information. The latest available report may be obtained by writing to the Board of Trustees, c/o Amber McNeill, Plan Administrator, Resource Centers, LLC, 4100 Center Pointe Drive, Ste. 108, Fort Myers, Florida 33916.

BENEFITS PROVIDED

Under the Plan, a member may retire with normal benefits after the earlier of age 55 with 10 years of credited service, or completion of 25 years of credited service, regardless of age. Normal retirement benefits for members hired prior to May 27, 2014 are 3.5% of the member's average final compensation times credited service years, plus a \$165 monthly benefit supplement. For members hired after May 27, 2014, the normal retirement benefit is 3.15% of average final compensation times credited service years, plus a \$165 monthly benefit supplement. Early retirement benefits are available for members who are age 45 and have ten years of credited service. For members hired prior to May 27, 2014, the monthly pension benefit calculated as the date of early retirement is reduced 3% per year for each year prior to normal retirement and the member has less than 15 years of credited service, 2% per year for members with at least 15 years of service but less than 20 years of service, and 1% per year for members with more than 20 years of service. For members hired after May 27, 2014, the monthly pension benefit calculated as of the date of early retirement is reduced 3% for each year by which the commencement of benefits precedes the normal retirement date. Additionally, the Plan has provisions for disability retirement, death benefits and deferred vested benefits.

Any member who is eligible for normal retirement may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. Upon participation in the DROP, the member becomes a retiree for all plan purposes so that he or she ceases to accrue any further benefits under the Plan. There was one member in the DROP at September 30, 2018.

CONTRIBUTIONS

Contribution requirements are established and may be amended by the City Commission and are based on the benefit structure established by the City. Plan members are required to contribute 8% of their annual covered salary. The payments are deducted from the members' salary and remitted by the City to the Plan at the end

of each pay period. The City makes quarterly contributions to the Plan based on the greater of an actuarially determined employer contribution based on a percentage of covered payroll or the minimum percentage of 18% as specified by City ordinance. In addition, the Plan receives an annual contribution of casualty insurance premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes (the state contribution). The City recognizes these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Police Officers' Pension Fund.

The City's contributions, including employee contributions, to the Pension Plan totaled \$2,520,490 for the fiscal year ended September 30, 2018.

GASB 68 IMPLEMENTATION

Effective October 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City's accounting treatment of pensions. The information which follows is presented in accordance with these standards.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2018, the City reported a net pension liability of \$2,347,847 for the Police Officers' Pension, a decrease of \$1,079,248 over last year's liability of \$3,427,095. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016, updated to September 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$2,047,263. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 393,535	\$ 1,204,736
Change of assumptions	996,003	-
Net difference between projected and actual earnings on Pension Plan investments	-	253,338
City Pension Plan contributions subsequent to the measurement date	<u>2,499,200</u>	<u>-</u>
Total	<u>\$ 3,888,738</u>	<u>\$ 1,458,074</u>

The deferred outflows of resources related to the Pension Plan, totaling \$2,499,200 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30:	<u>Amount</u>
2019	\$ 199,993
2020	211,834
2021	(310,646)
2022	(343,300)
2023	173,583
Thereafter	-

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2016, updated to September 30, 2017, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	2% - 17%
Investment rate of return	7.65%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated September 5, 2013.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce long term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2017, are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic equity	7.5%
International equity	8.5%
Intermediate fixed income	2.5%
Global bond	3.5%
Real estate	4.5%
GTAA	3.5%

Discount rate: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability of the City: The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/17	\$ 38,983,111	\$ 35,556,016	\$ 3,427,095
Changes for the year:			
Service cost	1,882,560	-	1,882,560
Interest on total pension liability	3,103,881	-	3,103,881
Differences between expected and actual experience	472,241	-	472,241
Change in assumptions	569,256	-	569,256
Benefit payments, including refunds of employee contributions	(1,827,860)	(1,827,860)	-
Contributions - employer & employee	-	2,795,350	(2,795,350)
Net investment income	-	4,560,969	(4,560,969)
Administrative expenses	-	(70,413)	70,413
Other changes	178,720	-	178,720
Net change	4,378,798	5,458,046	(1,079,248)
Balances at 9/30/18	\$ 43,361,909	\$ 41,014,062	\$ 2,347,847

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.65%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.65%	7.65%	8.65%
City's net pension liability	\$ 7,800,205	\$ 2,347,847	\$ (2,240,412)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Plan’s fiduciary net position is available in the separately issued City of North Port, Florida Police Officers’ Pension – Local Option Trust Fund financial report.

MUNICIPAL FIREFIGHTERS’ PENSION - LOCAL OPTION TRUST FUND

PLAN DESCRIPTION

Full-time firefighters of the City of North Port Fire Department participate in either the City of North Port, Florida Firefighters’ Pension - Local Option Trust Fund (the “Plan”) or the Florida Retirement System (FRS). Firefighters hired after July 1, 2016 participate solely in the FRS. Members active on July 1, 2016 had the option of participating prospectively in the FRS. The Plan is a single-employer defined benefit pension fund that was established November 5, 1974, pursuant to Florida Statutes, Chapter 175, and City Ordinance 74-13. The Plan was amended most recently by Ordinance 2012-18. Benefit provisions are established by City ordinances and the Florida Statutes and may be amended by the City Commission. The Plan is managed by a five-member Board of Trustees comprised of two members appointed by the Commission of the City of North Port, Florida (the City), two members elected by the Plan membership and one member elected by the other four members and subsequently appointed, as a ministerial duty, by the City Commission. The Plan is part of the City’s financial reporting entity and is therefore included in these financial statements as a Pension Trust Fund. The City of North Port, Florida Firefighters’ Pension – Local Option Trust Fund annually issues a publicly available financial report that includes financial statements and required supplementary information. The latest available report may be obtained by writing to the Board of Trustees, c/o David A. Carroll, Plan Administrator, 492 River Hills Drive, Max Meadows, Virginia 24360.

BENEFITS PROVIDED

Under the Plan, a member may retire with normal benefits after the earlier of age 55 with 10 years of credited service, or age 52 with 25 years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service. Normal retirement benefits are 3.5% (3.0% for members hired on or after October 12, 2012) of the member’s average final compensation times credited service years. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which the commencement of benefits precedes the normal retirement date. Additionally, the Plan has provisions for disability retirement, death benefits and deferred vested benefits.

Any member hired before October 1, 2012, who is eligible for normal retirement may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the member becomes a retiree for all plan purposes so that he or she ceases to accrue any further benefits under the Plan. Members hired on or after October 1, 2012, are not eligible to participate in the DROP. The DROP balance as of September 30, 2018, was \$827,738.

Effective September 1, 2012, a supplemental retirement benefit in the form of individual share accounts was created for each active firefighter, living retiree (including DROP participants) and disability benefit recipients and beneficiary survivors receiving a survivor retirement benefit. For plan years beginning October 1, 2012 and later, all premium tax revenues received by the City in excess of \$250,000 will be allocated to the share accounts based on years of credited service. Effective December 31, 2013, and each December 31 thereafter, each share account will be credited or debited with earnings or losses based upon the amount in the share account at the close of the immediately preceding plan year at a rate equal to the Plan's actual net rate of investment return for the preceding plan year. An active firefighter (including DROP participants) with ten or more years of credited service upon termination of employment shall be eligible to receive a distribution of 100% of the balance in their respective share account, together with all earnings and losses and interest credited to the share account through the date of termination of employment. Retiree participants (including disability benefit recipients and beneficiary survivors) shall receive distribution of the annual share allocation in the form of a thirteenth monthly check equal to the annual crediting described above. Vested terminated members shall be entitled to participate in this supplemental retirement benefit upon commencing of retirement benefits from the Plan.

CONTRIBUTIONS

Contribution requirements are established and may be amended by the City of North Port Commission and are based on the benefit structure established by the City. Members are required to contribute 10.6% of their salary (effective March 1, 2016). Pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on North Port properties is collected by the state and remitted to the Fund for the state's annual contribution amount. The City recognizes these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they are recorded as contributions in the Firefighters' Pension Fund. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Administrative costs are financed through investment earnings.

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,073,327 for the fiscal year ended September 30, 2018.

GASB 68 IMPLEMENTATION

Effective October 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the City's accounting treatment of pensions. The information which follows is presented in accordance with these new standards.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2018, the City reported a net pension asset of \$2,110,940 for the Firefighters' Pension, a decrease of \$4,373,747 over last year's liability of \$2,262,807. The net pension asset was measured as of September 30, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2016, updated to September 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$698,150. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 370,243	\$ 3,740,758
Change of assumptions	1,072,512	623,536
Net difference between projected and actual earnings on Pension Plan investments	268,829	-
City Pension Plan contributions subsequent to the measurement date	1,090,024	-
Total	<u>\$ 2,801,608</u>	<u>\$ 4,364,294</u>

The deferred outflows of resources related to the Pension Plan, totaling \$1,090,024 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending Year Ended September 30:	Amount
2019	\$ (597,990)
2020	(545,251)
2021	(1,071,853)
2022	(266,547)
2023	(36,453)
Thereafter	(134,616)

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.50%
Salary increases	Service based
Investment rate of return	7.50%

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB.
Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The most recent actuarial experience study used to review the other significant assumptions was dated May 10, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce long term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic equity	7.5%
International equity	8.5%
Domestic core fixed income	2.5%
Global fixed income	3.5%
Real estate	4.5%
GTAA	3.5%

Discount rate. The discount rate used to measure the total pension asset was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Changes in the net pension liability of the City: The changes in the components of the net pension asset of the City for the fiscal year ended September 30, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balances at 9/30/17	\$ 44,597,899	\$ 42,335,092	\$ 2,262,807
Changes for the year:			
Service cost	1,264,321	-	1,264,321
Interest on total pension liability	3,620,964	-	3,620,964
Differences between expected and actual experience	(2,641,499)	-	(2,641,499)
Change in assumptions	(831,381)	-	(831,381)
Benefit payments, including refunds of employee contributions	(1,200,337)	(1,200,337)	-
Contributions - employer & employee	-	1,441,326	(1,441,326)
Net investment income	-	4,557,086	(4,557,086)
Administrative expenses	-	(86,131)	86,131
Other changes	126,129	-	126,129
Net change	338,197	4,711,944	(4,373,747)
Balances at 9/30/18	\$ 44,936,096	\$ 47,047,036	\$ (2,110,940)

Sensitivity of the net pension asset to changes in the discount rate: The following presents the net pension asset of the City, calculated using the discount rate of 7.50%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension asset	\$ 3,872,766	\$ (2,110,940)	\$ (7,006,146)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information regarding the Plan’s fiduciary net position is available in the separately issued City of North Port, Florida Firefighters’ Pension – Local Option Trust Fund financial report.

Applicable totals for all of the City’s defined benefit pension plans are reflected below:

	Police Officers' Pension	Firefighters' Pension	FRS Pension	HIS Pension	Total
City's net pension (asset) liability	\$ 2,347,847	\$ (2,110,940)	\$ 22,078,832	\$ 7,698,585	\$ 30,014,324
Deferred outflows of resources	3,888,738	2,801,608	13,067,182	2,409,923	22,167,451
Deferred inflows of resources	1,458,074	4,364,294	1,921,104	903,113	8,646,585
Pension expense/expenditure	2,047,263	698,150	4,472,827	780,879	7,999,119

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City of North Port has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement sets forth rules for how governmental employers should account for Other Postemployment Benefits (“OPEB”).

Plan Description – Retired Police Officers, Firefighters and general employees, as well as their dependents, are permitted to remain covered under the City’s single-employer defined benefit medical plan as long as they pay the premium not exceeding the rate developed by blending the claims experience of all plan members for the plan and coverage elected. The plan does not issue a stand-alone financial report.

Benefits Provided - The City subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at the blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City has assumed an obligation to pay for the implicit subsidy for the covered lifetimes of the current retirees and their spouses, as well for the covered lifetimes of the current employees after they retire in the future.

The plan also provides all retirees and their dependents with dental, vision and life benefits at a subsidized cost.

Funding Policy – Currently, the City’s OPEB benefits are unfunded. Since this OPEB is directly tied to insurance coverage for active employees, a separate single employer benefit plan has not been established to account for the benefits and obligations related to the implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the ultimate subsidies which are provided over time are financed directly by general assets of the City, which are invested in short-term fixed income instruments

according to its investment policy.

Employees Covered by Benefit Terms

At September 30, 2018, the following employees were covered by the benefits terms:

Active employees	550
Inactive employees or spouses currently receiving benefits	<u>21</u>
	571

Total OPEB Obligation

The City's total OPEB liability of \$3,526,929 and \$3,255,316 at September 30, 2018 and 2017, respectively, was measured as of September 30, 2018 and was determined by an actuarial valuation as of October 1, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%
Discount rate	3.64%
Healthcare cost trend rates	6.00% for 2019 to 2020, decreasing to an ultimate rate of 5.00% for 2028 and later years
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2018.

Mortality rates were based on the RP-2000 Combined Healthy Mortality, Sex-Distinct table.

The actuarial assumptions used in the October 1, 2017 valuation were based on census data as of September 30, 2018.

Changes in the Net OPEB Liability

Changes in the net OPEB liability were as follows:

Net OPEB obligation, September 30, 2017	<u>\$ 3,255,316</u>
Service cost	238,046
Interest	106,492
Changes in assumptions and other inputs	57,988
Benefit payments	(152,898)
Other changes	21,985
Net changes	<u>271,613</u>
Net OPEB obligation, September 30, 2018	<u>\$ 3,526,929</u>

Changes of assumptions reflects a change in the discount rate from 3.35% for 2017 to 3.64% for 2018.

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

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

	1% Decrease 2.64%	Current Discount Rate 3.64%	1% Increase 4.64%
Net OPEB liability	\$ 3,839,826	\$ 3,526,929	\$ 3,248,216

The following represents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (2.64%) or 1% higher (4.64%) than the current healthcare cost trend rates:

	1% Decrease 5.00% decreasing to 4.00%	Current Discount Rate 6.00% decreasing to 5.00%	1% Increase 7.00% decreasing to 6.00%
Total OPEB liability	\$ 3,177,394	\$ 3,526,929	\$ 3,937,848

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2018, the City recognized OPEB expense of \$351,270. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 152,947	\$ 79,704
Total	\$ 152,947	\$ 79,704

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

Fiscal Year Ending Year Ended September 30:	Amount
2019	\$ 6,733
2020	6,733
2021	6,733
2022	6,733
2023	6,733
Thereafter	39,578

NOTE K – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Plan amendments have been made, so that the plan is in compliance with IRC Section 457, as amended by the 1996 changes to the tax code. The assets are now held in various custodial accounts. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the various participants of the plan.

NOTE L - RISK MANAGEMENT AND SELF-INSURANCE PROGRAM

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

During fiscal year 2016, the City established a self-insurance retention program for workers' compensation, automobile liability and general liability (including employee benefits, law enforcement, public officials' and employment practices liability). Workers' compensation risks in excess of \$350,000 per occurrence, automobile liability risks in excess of \$100,000 per person/per accident, and general liability risks in excess of \$100,000 per occurrence are co-insured with an outside carrier.

The program is accounted for using an internal service fund. Revenues for this fund consists of amounts contributed by other City funds. Both revenues and the related charges are recorded as interfund services. Accordingly, the related charges are reflected as expenditures, or expense items, in the appropriate funds.

Liabilities of the self-insurance fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities typically include an amount for claims that have been incurred but not reported (IBNRs). There were no material amounts of IBNR claims recorded as of fiscal year-end.

Self-insurance claims expense for fiscal year ending September 30, 2018 were as follows: workers' compensation (\$365,568); automobile (\$42,053) and general liability (\$292,545).

NOTE M – CONTINGENT LIABILITIES

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE N – RESTATEMENT OF NET POSITION

For the current year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred inflows/outflows of resources, and expenses/expenditures. This statement required the restatement of the September 30, 2017 net position in governmental activities, business-type activities and enterprise funds. The change is in accordance with generally accepted accounting principles.

The following tables present the details of the restatements:

	Governmental Activities	Business-type Activities	Total
Net position, September 30, 2017 as previously reported	\$ 319,792,921	\$ 130,006,778	\$ 449,799,699
Cumulative effect of application of GASB 75	<u>(758,781)</u>	<u>(40,184)</u>	<u>(798,965)</u>
Net position, September 30, 2017 as restated	<u>\$ 319,034,140</u>	<u>\$ 129,966,594</u>	<u>\$ 449,000,734</u>

	Water & Sewer Utilities
Net position, September 30, 2017 as previously reported	\$ 130,058,771
Cumulative effect of application of GASB 75	<u>(40,184)</u>
Net position, September 30, 2017 as restated	<u>\$ 130,018,587</u>

NOTE O – SUBSEQUENT EVENTS

Effective October 1, 2018, the City implemented a self-insured program for group medical claims.

On October 1, 2018, the City paid off the entire remaining principal amount due of \$2,634,627 for the Florida Department of Transportation State Infrastructure Bank (SIB) loan. This was one year in advance of the original final due date of October 1, 2020.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements.

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Taxes	\$ 15,579,380	\$ 15,579,380	\$ 15,676,147	\$ 96,767
Permits and special assessments	3,594,020	3,594,020	3,605,875	11,855
Intergovernmental	7,850,250	7,915,620	8,035,902	120,282
Charges for services	7,600,650	7,625,680	8,214,658	588,978
Fines and forfeiture	170,960	170,960	164,096	(6,864)
Investment income	95,000	95,000	167,247	72,247
Miscellaneous	427,250	439,250	803,438	364,188
Total revenues	<u>35,317,510</u>	<u>35,419,910</u>	<u>36,667,363</u>	<u>1,247,453</u>
EXPENDITURES				
Current:				
General government:				
City Commission	412,600	412,600	399,571	13,029
City Attorney	717,200	718,860	595,348	123,512
City Clerk	688,300	816,275	705,865	110,410
Finance	1,485,488	1,545,808	1,536,403	9,405
Planning & Zoning	1,354,211	1,380,605	1,044,182	336,423
I&T	2,054,677	2,120,657	2,004,333	116,324
Human Resources	875,176	913,986	867,335	46,651
City Manager	969,350	991,820	824,584	167,236
Property Maintenance	2,868,260	2,908,835	2,915,600	(6,765)
General Services Administration	328,300	331,950	334,717	(2,767)
Non-Departmental	520,140	469,971	462,877	7,094
Total General government	<u>12,273,702</u>	<u>12,611,367</u>	<u>11,690,815</u>	<u>920,552</u>
Public safety:				
Building	778,210	789,600	661,732	127,868
Police	15,683,220	17,227,811	16,132,817	1,094,994
Emergency Medical Services	4,796,180	5,288,620	4,865,983	422,637
Total Public safety	<u>21,257,610</u>	<u>23,306,031</u>	<u>21,660,532</u>	<u>1,645,499</u>
Economic environment:				
Economic Development	557,371	563,121	325,099	238,022
Human services:				
Social Services	\$ 299,110	\$ 374,760	\$ 367,555	\$ 7,205

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and recreation:				
Parks & Recreation	\$ 1,291,969	\$ 1,342,462	\$ 1,248,565	\$ 93,897
Capital outlay	1,062,977	1,269,261	857,214	412,047
Total expenditures	36,742,739	39,467,002	36,149,780	3,317,222
Excess (deficiency) of revenues over (under) expenditures	(1,425,229)	(4,047,092)	517,583	4,564,675
OTHER FINANCING SOURCES (USES)				
Transfers in	420,260	420,260	420,260	-
Transfers out	(320,000)	(320,000)	(320,000)	-
Insurance recoveries	15,000	15,000	18,255	3,255
Total other financing sources	115,260	115,260	118,515	3,255
Net change in fund balances	(1,309,969)	(3,931,832)	636,098	4,567,930
Fund balances - beginning	12,645,634	12,645,634	12,645,634	-
Fund balances - ending	<u>\$ 11,335,665</u>	<u>\$ 8,713,802</u>	<u>\$ 13,281,732</u>	<u>\$ 4,567,930</u>

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ROAD AND DRAINAGE DISTRICT SPECIAL REVENUE FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Taxes	\$ 3,034,220	\$ 3,034,220	\$ 3,177,820	\$ 143,600
Intergovernmental	567,640	1,904,991	580,415	(1,324,576)
Charges for services	13,343,780	13,343,780	13,556,245	212,465
Investment income	80,000	80,000	140,719	60,719
Miscellaneous	46,800	56,800	95,200	38,400
Total revenues	<u>17,072,440</u>	<u>18,419,791</u>	<u>17,550,399</u>	<u>(869,392)</u>
EXPENDITURES:				
Current:				
Physical environment	6,382,634	6,615,748	5,417,245	1,198,503
Transportation	12,958,680	13,431,972	10,998,650	2,433,322
Capital outlay	2,817,915	4,159,923	1,466,478	2,693,445
Total expenditures	<u>22,159,229</u>	<u>24,207,643</u>	<u>17,882,373</u>	<u>6,325,270</u>
Deficiency of revenues under expenditures	<u>(5,086,789)</u>	<u>(5,787,852)</u>	<u>(331,974)</u>	<u>5,455,878</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,320,000)	(1,320,000)	(1,320,000)	-
Insurance recoveries	14,950	14,950	925	(14,025)
Total other financing uses	<u>(1,305,050)</u>	<u>(1,305,050)</u>	<u>(1,319,075)</u>	<u>(14,025)</u>
Net change in fund balances	(6,391,839)	(7,092,902)	(1,651,049)	5,441,853
Fund balances - beginning	<u>12,733,602</u>	<u>12,733,602</u>	<u>12,733,602</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,341,763</u>	<u>\$ 5,640,700</u>	<u>\$ 11,082,553</u>	<u>\$ 5,441,853</u>

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE RESCUE DISTRICT SPECIAL REVENUE FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Taxes	\$ 246,000	\$ 246,000	\$ 261,137	\$ 15,137
Permits, fees and special assessments	20,000	20,000	19,704	(296)
Intergovernmental	42,720	42,720	37,525	(5,195)
Charges for services	9,109,750	9,109,750	8,896,093	(213,657)
Investment income	35,000	35,000	58,611	23,611
Miscellaneous	30,990	30,990	33,635	2,645
Total revenues	9,484,460	9,484,460	9,306,705	(177,755)
EXPENDITURES:				
Current:				
Public safety	8,436,749	9,310,499	8,806,854	503,645
Capital outlay	191,388	191,388	29,982	161,406
Total expenditures	8,628,137	9,501,887	8,836,836	665,051
Excess (deficiency) of revenues over (under) expenditures	856,323	(17,427)	469,869	487,296
OTHER FINANCING USES:				
Transfers out	(860,000)	(860,000)	(860,000)	-
Total other financing uses	(860,000)	(860,000)	(860,000)	-
Net change in fund balances	(3,677)	(877,427)	(390,131)	487,296
Fund balances - beginning	4,471,070	4,471,070	4,471,070	-
Fund balances - ending	\$ 4,467,393	\$ 3,593,643	\$ 4,080,939	\$ 487,296

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SOLID WASTE DISTRICT SPECIAL REVENUE FUND - GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Charges for services	\$ 8,531,460	\$ 8,531,460	\$ 8,734,491	\$ 203,031
Investment income	25,000	25,000	42,251	17,251
Miscellaneous	4,000	4,000	3,264	(736)
Total revenues	<u>8,560,460</u>	<u>8,560,460</u>	<u>8,780,006</u>	<u>219,546</u>
EXPENDITURES:				
Current:				
Physical environment	<u>6,826,180</u>	<u>6,958,060</u>	<u>6,968,767</u>	<u>(10,707)</u>
Total expenditures	<u>6,826,180</u>	<u>6,958,060</u>	<u>6,968,767</u>	<u>(10,707)</u>
Excess of revenues over expenditures	<u>1,734,280</u>	<u>1,602,400</u>	<u>1,811,239</u>	<u>208,839</u>
OTHER FINANCING USES:				
Transfers out	<u>(1,902,770)</u>	<u>(1,902,770)</u>	<u>(1,402,770)</u>	<u>500,000</u>
Total other financing uses	<u>(1,902,770)</u>	<u>(1,902,770)</u>	<u>(1,402,770)</u>	<u>500,000</u>
Net change in fund balances	(168,490)	(300,370)	408,469	708,839
Fund balances - beginning	<u>2,623,331</u>	<u>2,623,331</u>	<u>2,623,331</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,454,841</u>	<u>\$ 2,322,961</u>	<u>\$ 3,031,800</u>	<u>\$ 708,839</u>

The budget basis is in accordance with accounting standards generally accepted in the United States of America.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM**

Reporting Period Ending Measurement Date	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
City's proportion of the net pension liability	0.073301635%	0.065258818%	0.045151798%	0.046986625%	0.046039515%
City's proportionate share of the net pension liability	\$ 22,078,832	\$ 19,303,121	\$ 11,400,864	\$ 6,068,953	\$ 2,809,087
City's covered payroll during the measurement period	\$ 23,757,517	\$ 21,020,634	\$ 17,307,411	\$ 16,803,308	\$ 16,641,254
City's proportionate share of the net pension liability as a percentage of its covered payroll	92.93%	91.83%	65.87%	36.12%	16.88%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM**

Reporting Period Ending	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required contribution	\$ 2,089,038	\$ 1,698,848	\$ 1,101,099	\$ 1,145,574	\$ 1,008,461
Contributions in relation to the contractually determined contributions	<u>2,089,038</u>	<u>1,698,848</u>	<u>1,101,099</u>	<u>1,145,574</u>	<u>1,008,461</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	24,593,513	20,856,232	18,171,274	16,856,399	16,516,607
Contributions as a percentage of covered payroll	8.49%	8.15%	6.06%	6.80%	6.11%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
HEALTH INSURANCE SUBSIDY PROGRAM**

Reporting Period Ending Measurement Date	9/30/2018 6/30/2018	9/30/2017 6/30/2017	9/30/2016 6/30/2016	9/30/2015 6/30/2015	9/30/2014 6/30/2014
City's proportion of the net pension liability	0.072737184%	0.065919137%	0.055995879%	0.055413179%	0.056009210%
City's proportionate share of the net pension liability	\$ 7,698,585	\$ 7,048,378	\$ 6,526,088	\$ 5,651,273	\$ 5,236,998
City's covered payroll during the measurement period	\$ 23,757,517	\$ 21,020,634	\$ 17,307,411	\$ 16,803,308	\$ 16,641,254
City's proportionate share of the net pension liability as a percentage of its covered payroll	32.40%	33.53%	37.71%	33.63%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
HEALTH INSURANCE SUBSIDY PROGRAM**

Reporting Period Ending	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required contribution	\$ 394,456	\$ 348,863	\$ 287,015	\$ 211,824	\$ 191,869
Contributions in relation to the contractually determined contributions	<u>394,456</u>	<u>348,863</u>	<u>287,015</u>	<u>211,824</u>	<u>191,869</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	24,593,513	20,856,232	18,171,274	16,856,399	16,516,607
Contributions as a percentage of covered payroll	1.60%	1.67%	1.58%	1.26%	1.16%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

Reporting Period Ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement Date	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Total pension liability					
Service cost	\$ 1,780,290	\$ 1,882,560	\$ 1,693,377	\$ 1,991,280	\$ 1,967,848
Interest on total pension liability	3,364,267	3,103,881	2,867,478	2,731,953	2,485,396
Change in excess state money	-	-	(688,670)	162,203	127,413
Share plan allocation	173,918	125,720	159,765	-	-
Changes of benefit terms	-	-	4,812	-	-
Differences between expected and actual experience	(582,492)	472,241	(860,314)	(1,104,588)	-
Changes of assumptions	528,699	569,256	782,433	-	-
Contributions - buy back	1,225	53,000	71,560	24,568	-
Benefit payments, including refunds of employee contributions	(2,329,700)	(1,827,860)	(1,878,394)	(1,323,724)	(1,267,557)
Net change in total pension liability	<u>2,936,207</u>	<u>4,378,798</u>	<u>2,152,047</u>	<u>2,481,692</u>	<u>3,313,100</u>
Total pension liability - beginning	<u>43,361,909</u>	<u>38,983,111</u>	<u>36,831,064</u>	<u>34,349,372</u>	<u>31,036,272</u>
Total pension liability - ending (a)	<u>\$ 46,298,116</u>	<u>\$ 43,361,909</u>	<u>\$ 38,983,111</u>	<u>\$ 36,831,064</u>	<u>\$ 34,349,372</u>
Plan fiduciary net position					
Contributions - employer	\$ 2,045,282	\$ 1,831,771	\$ 2,270,516	\$ 2,374,183	\$ 2,254,752
Contributions - state	453,918	405,720	378,333	341,432	306,642
Contributions - employee	475,208	557,859	500,840	517,932	528,422
Net investment income (loss)	3,758,327	4,560,969	2,445,510	(212,104)	2,200,982
Benefit payments, including refunds of employee contributions	(2,352,282)	(1,827,860)	(1,880,377)	(1,323,724)	(1,267,557)
Administrative expenses	(94,350)	(70,413)	(78,881)	(68,912)	(70,301)
Net change in plan fiduciary net position	<u>4,286,103</u>	<u>5,458,046</u>	<u>3,635,941</u>	<u>1,628,807</u>	<u>3,952,940</u>
Plan fiduciary net position - beginning	<u>41,014,062</u>	<u>35,556,016</u>	<u>31,920,075</u>	<u>30,291,268</u>	<u>26,338,328</u>
Plan fiduciary net position - ending (b)	<u>45,300,165</u>	<u>41,014,062</u>	<u>35,556,016</u>	<u>31,920,075</u>	<u>30,291,268</u>
Net pension liability - ending (a) - (b)	<u>\$ 997,951</u>	<u>\$ 2,347,847</u>	<u>\$ 3,427,095</u>	<u>\$ 4,910,989</u>	<u>\$ 4,058,104</u>
Plan fiduciary net position as a percentage of the total pension liability	97.84%	94.59%	91.21%	86.67%	88.19%
Covered payroll	\$ 5,940,108	\$ 6,310,736	\$ 6,260,499	\$ 6,550,454	\$ 6,605,273
City's net pension liability as a percentage of covered payroll	16.80%	37.20%	54.74%	74.97%	61.44%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

Reporting Period Ending Measurement Date	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Actuarially determined contributions	\$ 2,325,282	\$ 2,111,771	\$ 2,449,745	\$ 2,553,412	\$ 2,429,885
From excess state monies reserve	-	-	528,906	-	-
Contributions in relation to the actuarially determined contributions	2,325,282	2,111,771	2,550,516	2,553,412	2,429,885
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (629,677)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	5,940,108	6,310,736	6,260,499	6,550,454	6,605,273
Contributions as a percentage of covered payroll	39.15%	33.46%	40.74%	38.98%	36.79%

Valuation Date 10/1/2016
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Mortality rate	<p><i>Healthy Lives:</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB. <i>Disabled Lives:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male set back four years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p>The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS) for special risk participants. The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report. We feel these assumptions sufficiently accommodate future mortality improvements</p>	
Inflation	2.50% per year	
Salary increases	<u>Credited Service</u>	<u>Assumption</u>
	First 2 years	17.0%
	2 - 10 years	8.5%
	11 - 20 years	6.0%
	More than 20 years	2.0%
Interest rate	7.75% per year compounded annually, net of investment related expenses	
Payroll growth	5.00% per year	
Final year salary load	Projected salary at retirement is increased 20% to account for non-regular compensation (no load for members hired after January 1, 2012).	
Normal retirement	Years Eligible	Percent
	<u>for Normal Ret.</u>	<u>Retiring</u>
	0	66.7%
	1	50.0%
	2 or more	100.0%
Early retirement	Commencing with attainment of early retirement status (age 45 with 10 years of service). Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year	
Termination rates	<u>Credited Service</u>	<u>Assumption</u>
	First year	24.0%
	1 - 4 years	6.0%
	5 - 19 years	3.0%
	20 or more years	0.0%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated

**CITY OF NORTH PORT, FLORIDA
 NORTH PORT POLICE OFFICERS' PENSION TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION INVESTMENT RETURN**

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the City's pension plan	9.13%	12.74%	7.41%	-0.62%	8.12%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF NORTH PORT, FLORIDA
NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY
AND RELATED RATIOS

Reporting Period Ending Measurement Date	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
Total pension liability					
Service cost	\$ 904,670	\$ 1,264,321	\$ 1,693,631	\$ 1,716,153	\$ 1,686,083
Interest on total pension liability	3,351,560	3,620,964	3,400,658	3,048,515	2,767,378
Share plan allocation	164,503	126,129	121,775	126,215	137,316
Changes of benefit terms	-	-	174,592	-	-
Differences between expected and actual experience	876,960	(2,641,499)	(2,262,386)	555,367	-
Changes of assumptions	-	(831,381)	1,378,943	-	-
Contributions - buy back	-	-	2,808	-	-
Benefit payments, including refunds of employee contributions	(2,306,593)	(1,200,337)	(1,104,257)	(1,288,806)	(924,447)
Net change in total pension liability	<u>2,991,100</u>	<u>338,197</u>	<u>3,405,764</u>	<u>4,157,444</u>	<u>3,666,330</u>
Total pension liability - beginning	44,936,096	44,597,899	41,192,135	37,034,691	33,368,361
Total pension liability - ending (a)	<u>\$ 47,927,196</u>	<u>\$ 44,936,096</u>	<u>\$ 44,597,899</u>	<u>\$ 41,192,135</u>	<u>\$ 37,034,691</u>
Plan fiduciary net position					
Contributions - employer	\$ 675,521	\$ 670,404	\$ 1,000,835	\$ 1,079,568	\$ 1,250,193
Contributions - state	414,503	376,129	371,775	376,215	387,316
Contributions - employee	397,806	394,793	529,101	554,392	585,968
Net investment income	4,318,358	4,557,086	2,867,698	430,037	3,008,184
Benefit payments, including refunds of employee contributions	(2,306,593)	(1,200,337)	(1,108,103)	(1,288,806)	(924,447)
Administrative expenses	(88,089)	(86,131)	(83,371)	(66,053)	(64,072)
Net change in plan fiduciary net position	<u>3,411,506</u>	<u>4,711,944</u>	<u>3,577,935</u>	<u>1,085,353</u>	<u>4,243,142</u>
Plan fiduciary net position - beginning	47,047,036	42,335,092	38,757,157	37,671,804	33,428,662
Plan fiduciary net position - ending (b)	<u>\$ 50,458,542</u>	<u>\$ 47,047,036</u>	<u>\$ 42,335,092</u>	<u>\$ 38,757,157</u>	<u>\$ 37,671,804</u>
Net pension liability - ending (a) - (b)	<u>\$ (2,531,346)</u>	<u>\$ (2,110,940)</u>	<u>\$ 2,262,807</u>	<u>\$ 2,434,978</u>	<u>\$ (637,113)</u>
Plan fiduciary net position as a percentage of the total pension liability	105.28%	104.70%	94.93%	94.09%	101.72%
Covered payroll	\$ 3,752,890	\$ 3,724,458	\$ 5,136,900	\$ 5,806,134	\$ 5,689,014
City's net pension liability as a percentage of covered payroll	-67.45%	-56.68%	44.05%	41.94%	-11.20%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS**

Reporting Period Ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement Date	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contributions	\$ 925,520	\$ 920,402	\$ 1,250,835	\$ 1,353,147	\$ 1,500,193
Contributions in relation to the actuarially determined contributions	925,521	901,310	1,269,928	1,353,147	1,500,193
	<u>\$ (1)</u>	<u>\$ 19,092</u>	<u>\$ (19,093)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	3,752,890	3,724,458	5,136,900	5,806,134	5,689,014
Contributions as a percentage of covered payroll	24.66%	24.20%	24.72%	23.31%	26.37%

Valuation Date 10/1/16

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method
Amortization method	Level percentage of pay, closed
Remaining amortization period	29 years (as of 10/01/2016)
Asset valuation method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.
Mortality	RP-2000 Table with no projection. Disabled lives set forward 5 years. We believe this assumption sufficiently accommodates expected future mortality improvements.
Inflation	2.50% per year
Salary increases	7.5% per year until the assumed retirement age. Projected salary at retirement is increased by the frozen dollar value of sick and annual leave as of July 5, 2012.
Interest rate	8.00% per year compounded annually
Payroll growth	0.00% per year. This assumption is supported given that the Plan is closed to new hires.
Post retirement COLA	3.00% from age 55 until 63
Retirement age	Earlier of age 55 with 10 years of credited service or age 52 with 25 years of credited service. Also, any active member who is eligible for normal retirement is assumed to continue employment for one additional year.
Early retirement	Commencing with the earliest early retirement age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability rates	See table below. It is assumed that 75% of disablements are service related.
Termination rates	See table below.

Termination and disability rate table

Age	% Becoming Disabled During the Year	% Terminating During the Year
20	0.03%	6.00%
30	0.04%	5.00%
40	0.07%	2.60%
50	0.18%	0.80%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
 NORTH PORT FIREFIGHTERS' PENSION TRUST FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION INVESTMENT RETURN**

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the City's pension plan	9.32%	10.78%	7.24%	1.09%	8.84%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

**CITY OF NORTH PORT, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

Measurement Date	<u>9/30/2018</u>
Total OPEB liability	
Service cost	\$ 238,046
Interest on total OPEB liability	106,492
Changes of assumptions and other inputs	57,988
Benefit payments	(152,898)
Other changes	21,985
Net change in total OPEB liability	<u>271,613</u>
Total OPEB liability - beginning	3,255,316
Total OPEB liability - ending	<u><u>\$ 3,526,929</u></u>
 Covered payroll	 \$ 31,678,389
 City's total OPEB liability as a percentage of covered payroll	 11.13%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.



COMBINING & INDIVIDUAL FUND STATEMENTS AND SCHEDULES

This section includes financial statements and schedules which are not part of the basic financial statements, but are presented for purposes of additional analysis.

**CITY OF NORTH PORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

Special Revenue

	Inspector Education	Special Law Enforcement	Police Education	Tree Replacement
ASSETS:				
Cash and investments	\$ 209,245	\$ 91,819	\$ 15,401	\$ 1,103,797
Receivables (net of allowance for uncollectibles)	-	-	-	600
Due from other governments	-	-	560	-
Prepaid items	-	-	-	-
Inventories	-	-	-	-
	<u>209,245</u>	<u>91,819</u>	<u>15,961</u>	<u>1,104,397</u>
Total assets	<u>\$ 209,245</u>	<u>\$ 91,819</u>	<u>\$ 15,961</u>	<u>\$ 1,104,397</u>
LIABILITIES:				
Accounts payable	\$ 20,411	\$ 9,145	\$ 1,496	\$ 1,434
Due to other funds	-	-	-	2,248
Due to other governments	-	-	-	-
Unearned revenue	-	7,284	-	-
	<u>20,411</u>	<u>16,429</u>	<u>1,496</u>	<u>3,682</u>
Total liabilities	<u>20,411</u>	<u>16,429</u>	<u>1,496</u>	<u>3,682</u>
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	-	75,390	14,465	-
Committed	188,834	-	-	1,100,715
	<u>188,834</u>	<u>75,390</u>	<u>14,465</u>	<u>1,100,715</u>
Total fund balances	<u>188,834</u>	<u>75,390</u>	<u>14,465</u>	<u>1,100,715</u>
Total liabilities and fund balances	<u>\$ 209,245</u>	<u>\$ 91,819</u>	<u>\$ 15,961</u>	<u>\$ 1,104,397</u>

Special Revenue

Warm Mineral Springs	Building Department	Escheated Lots - Land & Future Projects	Escheated Lots - Parks	Environmental Management
\$ 1,616,332	\$ 6,366,443	\$ 1,759,666	\$ 11,203	\$ 527,851
544	-	-	-	-
-	17	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,616,876</u>	<u>\$ 6,366,460</u>	<u>\$ 1,759,666</u>	<u>\$ 11,203</u>	<u>\$ 527,851</u>
\$ 85,959	\$ 144,296	\$ 31,150	\$ -	\$ -
-	63,215	-	-	-
6,382	-	-	-	-
-	-	-	-	-
<u>92,341</u>	<u>207,511</u>	<u>31,150</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	6,158,949	-	-	527,851
<u>1,524,535</u>	<u>-</u>	<u>1,728,516</u>	<u>11,203</u>	<u>-</u>
<u>1,524,535</u>	<u>6,158,949</u>	<u>1,728,516</u>	<u>11,203</u>	<u>527,851</u>
<u>\$ 1,616,876</u>	<u>\$ 6,366,460</u>	<u>\$ 1,759,666</u>	<u>\$ 11,203</u>	<u>\$ 527,851</u>

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Fleet Maintenance</u>	<u>Road Reconstruction Bond Debt Service</u>	<u>Law Enforcement Impact Fees</u>	<u>Fire Impact Fees</u>
ASSETS:				
Cash and investments	\$ 579,750	\$ 1,907,551	\$ 581,495	\$ 911,758
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	17,391	5,551	-	-
Prepaid items	-	-	-	-
Inventories	55,187	-	-	-
Total assets	<u>\$ 652,328</u>	<u>\$ 1,913,102</u>	<u>\$ 581,495</u>	<u>\$ 911,758</u>
LIABILITIES:				
Accounts payable	\$ 147,226	\$ -	\$ -	\$ -
Due to other funds	32,215	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>179,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Nonspendable	55,187	-	-	-
Restricted	-	1,913,102	581,495	911,758
Committed	417,700	-	-	-
Total fund balances	<u>472,887</u>	<u>1,913,102</u>	<u>581,495</u>	<u>911,758</u>
Total liabilities and fund balances	<u>\$ 652,328</u>	<u>\$ 1,913,102</u>	<u>\$ 581,495</u>	<u>\$ 911,758</u>

Capital Projects

Parks and Recreation Impact Fees	Transportation Impact Fees	Solid Waste Impact Fees	General Government Impact Fees	Surtax II
\$ 3,060,175	\$ 7,606,228	\$ 507,182	\$ 602,079	\$ 41,708
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,060,175</u>	<u>\$ 7,606,228</u>	<u>\$ 507,182</u>	<u>\$ 602,079</u>	<u>\$ 41,708</u>
\$ -	\$ 38,808	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>38,808</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
3,060,175	7,567,420	507,182	602,079	41,708
-	-	-	-	-
<u>3,060,175</u>	<u>7,567,420</u>	<u>507,182</u>	<u>602,079</u>	<u>41,708</u>
<u>\$ 3,060,175</u>	<u>\$ 7,606,228</u>	<u>\$ 507,182</u>	<u>\$ 602,079</u>	<u>\$ 41,708</u>

(continued)

**CITY OF NORTH PORT, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018**

	Capital Projects		
	Capital Acquisition	Road Reconstruction	Total Nonmajor Governmental Funds
ASSETS:			
Cash and investments	\$ 8,663,844	\$ 3,309,238	\$ 39,472,765
Receivables (net of allowance for uncollectibles)	-	-	1,144
Due from other governments	-	-	23,519
Prepaid items	857,113	-	857,113
Inventories	-	-	55,187
	<u>\$ 9,520,957</u>	<u>\$ 3,309,238</u>	<u>\$ 40,409,728</u>
LIABILITIES:			
Accounts payable	\$ 156,742	\$ 693,921	\$ 1,330,588
Due to other funds	-	-	97,678
Due to other governments	-	-	6,382
Unearned revenue	-	-	7,284
	<u>156,742</u>	<u>693,921</u>	<u>1,441,932</u>
FUND BALANCES:			
Nonspendable	857,113	-	912,300
Restricted	-	2,615,317	24,576,891
Committed	8,507,102	-	13,478,605
	<u>9,364,215</u>	<u>2,615,317</u>	<u>38,967,796</u>
Total fund balances	<u>9,364,215</u>	<u>2,615,317</u>	<u>38,967,796</u>
Total liabilities and fund balances	<u>\$ 9,520,957</u>	<u>\$ 3,309,238</u>	<u>\$ 40,409,728</u>



**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Special Revenue			
	Inspector Education	Special Law Enforcement	Police Education	Tree Replacement
REVENUES:				
Permits, fees and special assessments	\$ 48,162	\$ -	\$ -	\$ 312,165
Charges for services	-	-	-	-
Fines and forfeiture	-	101,368	9,790	9,820
Investment income	1,803	562	222	9,804
Miscellaneous	-	-	-	-
Total revenues	49,965	101,930	10,012	331,789
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	27,000	45,381	14,000	-
Physical environment	-	-	-	186,454
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	39,990	-	-
Debt service	-	-	-	-
Total expenditures	27,000	85,371	14,000	186,454
Excess (deficiency) of revenues over (under) expenditures	22,965	16,559	(3,988)	145,335
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	22,965	16,559	(3,988)	145,335
Fund balances - beginning	165,869	58,831	18,453	955,380
Fund balances - ending	\$ 188,834	\$ 75,390	\$ 14,465	\$ 1,100,715

Special Revenue

Warm Mineral Springs	Building Department	Escheated Lots - Land & Future Projects	Escheated Lots - Parks	Environmental Management
\$ -	\$ 3,331,208	\$ -	\$ -	\$ -
1,251,676	51,138	-	-	-
-	-	-	-	-
13,103	57,158	-	-	4,763
-	2,016	-	-	-
<u>1,264,779</u>	<u>3,441,520</u>	<u>-</u>	<u>-</u>	<u>4,763</u>
-	-	-	-	-
-	2,418,361	-	-	-
-	-	-	-	-
-	-	-	-	-
862,251	-	-	-	-
-	397,676	382,538	20,000	3,217
-	-	-	-	-
<u>862,251</u>	<u>2,816,037</u>	<u>382,538</u>	<u>20,000</u>	<u>3,217</u>
<u>402,528</u>	<u>625,483</u>	<u>(382,538)</u>	<u>(20,000)</u>	<u>1,546</u>
-	-	-	-	-
-	(40,000)	-	-	-
-	-	-	-	-
<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
402,528	585,483	(382,538)	(20,000)	1,546
<u>1,122,007</u>	<u>5,573,466</u>	<u>2,111,054</u>	<u>31,203</u>	<u>526,305</u>
<u>\$ 1,524,535</u>	<u>\$ 6,158,949</u>	<u>\$ 1,728,516</u>	<u>\$ 11,203</u>	<u>\$ 527,851</u>

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Fleet Maintenance</u>	<u>Road Reconstruction Bond Debt Service</u>	<u>Law Enforcement Impact Fees</u>	<u>Fire Impact Fees</u>
REVENUES:				
Permits, fees and special assessments	\$ -	\$ 3,042,290	\$ 251,860	\$ 267,503
Charges for services	4,413,539	-	-	-
Fines and forfeiture	-	-	-	-
Investment income	3,694	23,105	4,940	7,955
Miscellaneous	100	-	-	-
Total revenues	<u>4,417,333</u>	<u>3,065,395</u>	<u>256,800</u>	<u>275,458</u>
EXPENDITURES:				
Current:				
General government	4,468,591	-	-	-
Public safety	-	-	47,853	10,773
Physical environment	-	-	-	-
Transportation	-	32,575	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	176,373	41,306
Debt service	-	2,638,794	-	-
Total expenditures	<u>4,468,591</u>	<u>2,671,369</u>	<u>224,226</u>	<u>52,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,258)</u>	<u>394,026</u>	<u>32,574</u>	<u>223,379</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(50,000)	-	-	-
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(101,258)	394,026	32,574	223,379
Fund balances - beginning	<u>574,145</u>	<u>1,519,076</u>	<u>548,921</u>	<u>688,379</u>
Fund balances - ending	<u>\$ 472,887</u>	<u>\$ 1,913,102</u>	<u>\$ 581,495</u>	<u>\$ 911,758</u>

Capital Projects

Parks and Recreation Impact Fees	Transportation Impact Fees	Solid Waste Impact Fees	General Government Impact Fees	Surtax II
\$ 643,271	\$ 2,661,848	\$ 195,914	\$ 186,019	\$ -
-	-	-	-	-
-	-	-	-	-
26,278	63,212	4,116	5,180	-
-	-	-	-	-
<u>669,549</u>	<u>2,725,060</u>	<u>200,030</u>	<u>191,199</u>	<u>-</u>
-	-	-	117	-
-	-	-	-	-
-	-	-	-	-
-	55	-	-	-
-	-	-	-	-
33,828	47,667	-	45,829	15,819
-	1,821,260	-	-	-
<u>33,828</u>	<u>1,868,982</u>	<u>-</u>	<u>45,946</u>	<u>15,819</u>
<u>635,721</u>	<u>856,078</u>	<u>200,030</u>	<u>145,253</u>	<u>(15,819)</u>
-	-	-	-	-
-	-	-	-	(822,167)
-	-	-	-	-
-	-	-	-	<u>(822,167)</u>
635,721	856,078	200,030	145,253	(837,986)
<u>2,424,454</u>	<u>6,711,342</u>	<u>307,152</u>	<u>456,826</u>	<u>879,694</u>
<u>\$ 3,060,175</u>	<u>\$ 7,567,420</u>	<u>\$ 507,182</u>	<u>\$ 602,079</u>	<u>\$ 41,708</u>

(continued)

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Acquisition</u>	<u>Road Reconstruction</u>	
REVENUES:			
Permits, fees and special assessments	\$ -	\$ -	\$ 10,940,240
Charges for services	-	-	5,716,353
Fines and forfeiture	-	-	120,978
Investment income	86,132	91,148	403,175
Miscellaneous	-	-	2,116
Total revenues	<u>86,132</u>	<u>91,148</u>	<u>17,182,862</u>
EXPENDITURES:			
Current:			
General government	5	-	4,468,713
Public safety	23,054	-	2,586,422
Physical environment	470	-	186,924
Transportation	223	-	32,853
Culture and recreation	-	-	862,251
Capital outlay	2,742,616	6,184,469	10,131,328
Debt service	-	-	4,460,054
Total expenditures	<u>2,766,368</u>	<u>6,184,469</u>	<u>22,728,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,680,236)</u>	<u>(6,093,321)</u>	<u>(5,545,683)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	3,992,770	-	3,992,770
Transfers out	-	-	(912,167)
Insurance recoveries	25,125	-	25,125
Total other financing sources (uses)	<u>4,017,895</u>	<u>-</u>	<u>3,105,728</u>
Net change in fund balances	1,337,659	(6,093,321)	(2,439,955)
Fund balances - beginning	<u>8,026,556</u>	<u>8,708,638</u>	<u>41,407,751</u>
Fund balances - ending	<u>\$ 9,364,215</u>	<u>\$ 2,615,317</u>	<u>\$ 38,967,796</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 INSPECTOR EDUCATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Permits, fees and special assessments	\$ 71,000	\$ 71,000	\$ 48,162	\$ (22,838)
Investment income	400	400	1,803	1,403
Total revenues	<u>71,400</u>	<u>71,400</u>	<u>49,965</u>	<u>(21,435)</u>
EXPENDITURES:				
Current:				
Public safety	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Total expenditures	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net change in fund balances	44,400	44,400	22,965	(21,435)
Fund balances - beginning	<u>165,869</u>	<u>165,869</u>	<u>165,869</u>	<u>-</u>
Fund balances - ending	<u>\$ 210,269</u>	<u>\$ 210,269</u>	<u>\$ 188,834</u>	<u>\$ (21,435)</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL LAW ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ -	\$ 11,782	\$ 101,368	\$ 89,586
Investment income	450	450	562	112
Total revenues	450	12,232	101,930	89,698
EXPENDITURES:				
Current:				
Public safety	47,951	52,449	45,381	7,068
Capital outlay	80,000	47,284	39,990	7,294
Total expenditures	127,951	99,733	85,371	14,362
Net change in fund balances	(127,501)	(87,501)	16,559	104,060
Fund balances - beginning	58,831	58,831	58,831	-
Fund balances - ending	\$ (68,670)	\$ (28,670)	\$ 75,390	\$ 104,060

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 POLICE EDUCATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ 5,980	\$ 5,980	\$ 9,790	\$ 3,810
Investment income	50	50	222	172
Total revenues	<u>6,030</u>	<u>6,030</u>	<u>10,012</u>	<u>3,982</u>
EXPENDITURES:				
Current:				
Public safety	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Total expenditures	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Net change in fund balances	(7,970)	(7,970)	(3,988)	3,982
Fund balances - beginning	<u>18,453</u>	<u>18,453</u>	<u>18,453</u>	<u>-</u>
Fund balances - ending	<u>\$ 10,483</u>	<u>\$ 10,483</u>	<u>\$ 14,465</u>	<u>\$ 3,982</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 TREE REPLACEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 350,000	\$ 350,000	\$ 312,165	\$ (37,835)
Fines and forfeiture	12,000	12,000	9,820	(2,180)
Investment income	4,000	4,000	9,804	5,804
Total revenues	<u>366,000</u>	<u>366,000</u>	<u>331,789</u>	<u>(34,211)</u>
EXPENDITURES:				
Current:				
Physical environment	<u>289,440</u>	<u>291,990</u>	<u>186,454</u>	<u>105,536</u>
Total expenditures	<u>289,440</u>	<u>291,990</u>	<u>186,454</u>	<u>105,536</u>
Net change in fund balances	76,560	74,010	145,335	71,325
Fund balances - beginning	<u>955,380</u>	<u>955,380</u>	<u>955,380</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,031,940</u>	<u>\$ 1,029,390</u>	<u>\$ 1,100,715</u>	<u>\$ 71,325</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 WARM MINERAL SPRINGS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 1,358,270	\$ 1,358,270	\$ 1,251,676	\$ (106,594)
Investment income	2,000	2,000	13,103	11,103
Total revenues	<u>1,360,270</u>	<u>1,360,270</u>	<u>1,264,779</u>	<u>(95,491)</u>
EXPENDITURES:				
Current:				
Culture and recreation	964,300	1,464,300	862,251	602,049
Capital outlay	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,464,300</u>	<u>1,464,300</u>	<u>862,251</u>	<u>602,049</u>
Net change in fund balances	(104,030)	(104,030)	402,528	506,558
Fund balances - beginning	<u>1,122,007</u>	<u>1,122,007</u>	<u>1,122,007</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,017,977</u>	<u>\$ 1,017,977</u>	<u>\$ 1,524,535</u>	<u>\$ 506,558</u>

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Permits, fees and special assessments	\$ 3,152,560	\$ 3,152,560	\$ 3,331,208	\$ 178,648
Charges for services	30,100	30,100	51,138	21,038
Investment income	5,000	5,000	57,158	52,158
Miscellaneous	4,000	4,000	2,016	(1,984)
Total revenues	3,191,660	3,191,660	3,441,520	249,860
EXPENDITURES:				
Current:				
Public safety	2,341,120	2,510,627	2,418,361	92,266
Capital outlay	629,250	676,353	397,676	278,677
Total expenditures	2,970,370	3,186,980	2,816,037	370,943
Excess of revenues over expenditures	221,290	4,680	625,483	620,803
OTHER FINANCING USES:				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing uses	(40,000)	(40,000)	(40,000)	-
Net change in fund balances	181,290	(35,320)	585,483	620,803
Fund balances - beginning	5,573,466	5,573,466	5,573,466	-
Fund balances - ending	\$ 5,754,756	\$ 5,538,146	\$ 6,158,949	\$ 620,803

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ESCHEATED LOTS - LAND AND FUTURE PROJECTS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General government	\$ 195,020	\$ 195,020	\$ -	\$ 195,020
Capital outlay	1,888,000	1,888,000	382,538	1,505,462
Total expenditures	2,083,020	2,083,020	382,538	1,700,482
Net change in fund balances	(2,083,020)	(2,083,020)	(382,538)	1,700,482
Fund balances - beginning	2,111,054	2,111,054	2,111,054	-
Fund balances - ending	\$ 28,034	\$ 28,034	\$ 1,728,516	\$ 1,700,482

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ESCHEATED LOTS - PARKS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES:				
Capital outlay	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total expenditures	20,000	20,000	20,000	-
Net change in fund balances	(20,000)	(20,000)	(20,000)	-
Fund balances - beginning	31,203	31,203	31,203	-
Fund balances - ending	\$ 11,203	\$ 11,203	\$ 11,203	\$ -

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ENVIRONMENTAL MANAGEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Investment income	\$ 1,000	\$ 1,000	\$ 4,763	\$ 3,763
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>4,763</u>	<u>3,763</u>
EXPENDITURES:				
Current:				
Culture and recreation	19	19	-	19
Capital outlay	<u>524,556</u>	<u>524,556</u>	<u>3,217</u>	<u>521,339</u>
Total expenditures	<u>524,575</u>	<u>524,575</u>	<u>3,217</u>	<u>521,358</u>
Net change in fund balances	(523,575)	(523,575)	1,546	525,121
Fund balances - beginning	<u>526,305</u>	<u>526,305</u>	<u>526,305</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,730</u>	<u>\$ 2,730</u>	<u>\$ 527,851</u>	<u>\$ 525,121</u>

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FLEET MAINTENANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 3,877,520	\$ 4,297,520	\$ 4,413,539	\$ 116,019
Investment income	1,000	1,000	3,694	2,694
Miscellaneous	500	500	100	(400)
Total revenues	<u>3,879,020</u>	<u>4,299,020</u>	<u>4,417,333</u>	<u>118,313</u>
EXPENDITURES:				
Current:				
General government	<u>4,127,480</u>	<u>4,561,940</u>	<u>4,468,591</u>	<u>93,349</u>
Total expenditures	<u>4,127,480</u>	<u>4,561,940</u>	<u>4,468,591</u>	<u>93,349</u>
Deficiency of revenues under expenditures	<u>(248,460)</u>	<u>(262,920)</u>	<u>(51,258)</u>	<u>211,662</u>
OTHER FINANCING USES:				
Transfer out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balances	(298,460)	(312,920)	(101,258)	211,662
Fund balances - beginning	<u>574,145</u>	<u>574,145</u>	<u>574,145</u>	<u>-</u>
Fund balances - ending	<u>\$ 275,685</u>	<u>\$ 261,225</u>	<u>\$ 472,887</u>	<u>\$ 211,662</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ROAD RECONSTRUCTION BOND DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Permits and special assessments	\$ 3,002,480	\$ 3,002,480	\$ 3,042,290	\$ 39,810
Investment income	12,000	12,000	23,105	11,105
Total revenues	3,014,480	3,014,480	3,065,395	50,915
EXPENDITURES:				
Current:				
Transportation	37,500	37,500	32,575	4,925
Debt service	2,638,800	2,638,800	2,638,794	6
Total expenditures	2,676,300	2,676,300	2,671,369	4,931
Net change in fund balances	338,180	338,180	394,026	55,846
Fund balances - beginning	1,519,076	1,519,076	1,519,076	-
Fund balances - ending	\$ 1,857,256	\$ 1,857,256	\$ 1,913,102	\$ 55,846

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 LAW ENFORCEMENT IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Permits, fees and special assessments	\$ 286,300	\$ 286,300	\$ 251,860	\$ (34,440)
Investment income	2,500	2,500	4,940	2,440
Total revenues	288,800	288,800	256,800	(32,000)
EXPENDITURES:				
Current:				
Public safety	-	19,320	47,853	(28,533)
Capital outlay	271,550	252,230	176,373	75,857
Total expenditures	271,550	271,550	224,226	47,324
Net change in fund balances	17,250	17,250	32,574	15,324
Fund balances - beginning	548,921	548,921	548,921	-
Fund balances - ending	\$ 566,171	\$ 566,171	\$ 581,495	\$ 15,324

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 FIRE IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Permits, fees and special assessments	\$ 313,000	\$ 313,000	\$ 267,503	\$ (45,497)
Investment income	5,000	5,000	7,955	2,955
Total revenues	<u>318,000</u>	<u>318,000</u>	<u>275,458</u>	<u>(42,542)</u>
EXPENDITURES:				
Current:				
Public Safety	1,207	1,207	10,773	(9,566)
Capital outlay	49,325	96,825	41,306	55,519
Total expenditures	<u>50,532</u>	<u>98,032</u>	<u>52,079</u>	<u>45,953</u>
Net change in fund balances	267,468	219,968	223,379	3,411
Fund balances - beginning	<u>688,379</u>	<u>688,379</u>	<u>688,379</u>	<u>-</u>
Fund balances - ending	<u>\$ 955,847</u>	<u>\$ 908,347</u>	<u>\$ 911,758</u>	<u>\$ 3,411</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 PARKS AND RECREATION IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Permits, fees and special assessments	\$ 635,500	\$ 635,500	\$ 643,271	\$ 7,771
Investment income	8,000	8,000	26,278	18,278
Total revenues	<u>643,500</u>	<u>643,500</u>	<u>669,549</u>	<u>26,049</u>
EXPENDITURES:				
Capital outlay	1,204,773	1,204,773	33,828	1,170,945
Total expenditures	<u>1,204,773</u>	<u>1,204,773</u>	<u>33,828</u>	<u>1,170,945</u>
Net change in fund balances	(561,273)	(561,273)	635,721	1,196,994
Fund balances - beginning	<u>2,424,454</u>	<u>2,424,454</u>	<u>2,424,454</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,863,181</u>	<u>\$ 1,863,181</u>	<u>\$ 3,060,175</u>	<u>\$ 1,196,994</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Permits, fees and special assessments	\$ 3,118,100	\$ 3,118,100	\$ 2,661,848	\$ (456,252)
Investment income	30,000	30,000	63,212	33,212
Total revenues	<u>3,148,100</u>	<u>3,148,100</u>	<u>2,725,060</u>	<u>(423,040)</u>
EXPENDITURES:				
Current:				
Transportation	-	-	55	(55)
Capital outlay	5,720,407	5,720,407	47,667	5,672,740
Debt service	<u>1,821,270</u>	<u>1,821,270</u>	<u>1,821,260</u>	<u>10</u>
Total expenditures	<u>7,541,677</u>	<u>7,541,677</u>	<u>1,868,982</u>	<u>5,672,695</u>
Net change in fund balances	(4,393,577)	(4,393,577)	856,078	5,249,655
Fund balances - beginning	<u>6,711,342</u>	<u>6,711,342</u>	<u>6,711,342</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,317,765</u>	<u>\$ 2,317,765</u>	<u>\$ 7,567,420</u>	<u>\$ 5,249,655</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 SOLID WASTE IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Permits and special assessments	\$ 200,830	\$ 200,830	\$ 195,914	\$ (4,916)
Investment income	1,000	1,000	4,117	3,117
Total revenues	201,830	201,830	200,031	(1,799)
Net change in fund balances	201,830	201,830	200,031	(1,799)
Fund balances - beginning	307,152	307,152	307,152	-
Fund balances - ending	\$ 508,982	\$ 508,982	\$ 507,183	\$ (1,799)

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL GOVERNMENT IMPACT FEES CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Permits, fees and special assessments	\$ 217,670	\$ 217,670	\$ 186,019	\$ (31,651)
Investment income	1,500	1,500	5,180	3,680
Total revenues	<u>219,170</u>	<u>219,170</u>	<u>191,199</u>	<u>(27,971)</u>
EXPENDITURES:				
Current:				
General government	-	118	117	1
Capital outlay	<u>129,010</u>	<u>128,892</u>	<u>45,829</u>	<u>83,063</u>
Total expenditures	<u>129,010</u>	<u>129,010</u>	<u>45,946</u>	<u>83,064</u>
Excess of revenues over expenditures	<u>90,160</u>	<u>90,160</u>	<u>145,253</u>	<u>55,093</u>
Net change in fund balances	90,160	90,160	145,253	55,093
Fund balances - beginning	<u>456,826</u>	<u>456,826</u>	<u>456,826</u>	<u>-</u>
Fund balances - ending	<u>\$ 546,986</u>	<u>\$ 546,986</u>	<u>\$ 602,079</u>	<u>\$ 55,093</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 SURTAX II CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
EXPENDITURES:				
Current:				
Capital outlay	\$ 782,386	\$ 27,386	\$ 15,819	\$ 11,567
Total expenditures	<u>782,386</u>	<u>27,386</u>	<u>15,819</u>	<u>11,567</u>
OTHER FINANCING USES:				
Transfers out	(810,600)	(810,600)	(822,167)	(11,567)
Total other financing uses	<u>(810,600)</u>	<u>(810,600)</u>	<u>(822,167)</u>	<u>(11,567)</u>
Net change in fund balances	(1,592,986)	(837,986)	(837,986)	-
Fund balances - beginning	<u>879,694</u>	<u>879,694</u>	<u>879,694</u>	<u>-</u>
Fund balances - ending	<u>\$ (713,292)</u>	<u>\$ 41,708</u>	<u>\$ 41,708</u>	<u>\$ -</u>

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SURTAX III CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Local option sales taxes	\$ 9,893,410	\$ 9,893,410	\$ 9,901,615	\$ 8,205
Intergovernmental	-	-	29,202	29,202
Charges for services	-	-	128,137	128,137
Investment income	100,000	100,000	249,727	149,727
Miscellaneous	-	-	141,646	141,646
Total revenues	<u>9,993,410</u>	<u>9,993,410</u>	<u>10,450,327</u>	<u>456,917</u>
EXPENDITURES:				
Current:				
General government	4,700,000	-	-	-
Public safety	-	68,697	88,519	(19,822)
Physical environment	150,020	259,942	-	259,942
Transportation	3,917,930	3,592,911	2,767,367	825,544
Culture and recreation	-	4,919,173	4,753,592	165,581
Capital outlay	<u>26,853,208</u>	<u>29,362,505</u>	<u>6,242,675</u>	<u>23,119,830</u>
Total expenditures	<u>35,621,158</u>	<u>38,203,228</u>	<u>13,852,153</u>	<u>24,351,075</u>
Deficiency of revenues under expenditures	<u>(25,627,748)</u>	<u>(28,209,818)</u>	<u>(3,401,826)</u>	<u>24,807,992</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>815,100</u>	<u>815,100</u>	<u>822,167</u>	<u>7,067</u>
Total other financing sources	<u>815,100</u>	<u>815,100</u>	<u>822,167</u>	<u>7,067</u>
Net change in fund balances	(24,812,648)	(27,394,718)	(2,579,659)	24,815,059
Fund balances - beginning	<u>29,162,514</u>	<u>29,162,514</u>	<u>29,162,514</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,349,866</u>	<u>\$ 1,767,796</u>	<u>\$ 26,582,855</u>	<u>\$ 24,815,059</u>

**CITY OF NORTH PORT, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL ACQUISITION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Investment income	\$ 40,000	\$ 40,000	\$ 86,132	\$ 46,132
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>86,132</u>	<u>46,132</u>
EXPENDITURES:				
Current:				
General government	-	6	5	1
Public safety	-	34,023	23,054	10,969
Physical environment	-	471	470	1
Transportation	-	224	223	1
Capital outlay	<u>4,253,135</u>	<u>4,218,411</u>	<u>2,742,616</u>	<u>1,475,795</u>
Total expenditures	<u>4,253,135</u>	<u>4,253,135</u>	<u>2,766,368</u>	<u>1,486,767</u>
Deficiency of revenues under expenditures	<u>(4,213,135)</u>	<u>(4,213,135)</u>	<u>(2,680,236)</u>	<u>1,532,899</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,492,770	4,492,770	3,992,770	(500,000)
Transfers out	(4,500)	(4,500)	-	4,500
Insurance recoveries	-	-	25,125	25,125
Total other financing sources	<u>4,488,270</u>	<u>4,488,270</u>	<u>4,017,895</u>	<u>(470,375)</u>
Net change in fund balances	275,135	275,135	1,337,659	1,062,524
Fund balances - beginning	<u>8,026,556</u>	<u>8,026,556</u>	<u>8,026,556</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,301,691</u>	<u>\$ 8,301,691</u>	<u>\$ 9,364,215</u>	<u>\$ 1,062,524</u>

**CITY OF NORTH PORT, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 ROAD RECONSTRUCTION CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES:				
Investment income	\$ 35,000	\$ 35,000	\$ 91,148	\$ 56,148
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>91,148</u>	<u>56,148</u>
EXPENDITURES:				
Current:				
Transportation	4,532	4,532	-	4,532
Capital outlay	8,943,877	8,943,877	6,184,469	2,759,408
Total expenditures	<u>8,948,409</u>	<u>8,948,409</u>	<u>6,184,469</u>	<u>2,763,940</u>
Net change in fund balances	(8,913,409)	(8,913,409)	(6,093,321)	2,820,088
Fund balances - beginning	<u>8,708,638</u>	<u>8,708,638</u>	<u>8,708,638</u>	<u>-</u>
Fund balances - ending	<u>\$ (204,771)</u>	<u>\$ (204,771)</u>	<u>\$ 2,615,317</u>	<u>\$ 2,820,088</u>



TRUST AND AGENCY FUNDS

Trust funds are used to administer resources reserved and held by a governmental unit as the trustee or as the agent for others. Use of these trust funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other authority.

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

PENSION TRUST FUNDS:

POLICE OFFICERS' PENSION TRUST FUND - This fund is used to account for receipts and disbursements, as authorized by the respective pension board.

FIREFIGHTERS' PENSION TRUST FUND - This fund is used to account for receipts and disbursements, as authorized by the respective pension board.

AGENCY FUNDS:

COUNTY ROAD IMPACT FEES FUND - This fund is used to account for county road impact fees collected for and disbursed to Sarasota County.

EDUCATION IMPACT FEES FUND - This fund is used to account for education impact fees collected for and disbursed to the Sarasota County School Board.

COUNTY JUSTICE IMPACT FEES FUND - This fund is used to account for county justice impact fees collected for and disbursed to Sarasota County.

COUNTY GENERAL GOVERNMENT IMPACT FEES FUND - This fund is used to account for county general government impact fees collected for and disbursed to Sarasota County.

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	Pension Trust Funds		
	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Totals
ASSETS			
Cash and equivalents	\$ 989,579	\$ 326,980	\$ 1,316,559
Receivables:			
Contributions receivable	511,321	153,472	664,793
Interest and dividends receivable	87,067	25,090	112,157
Total receivables	598,388	178,562	776,950
Investments, at fair market value:			
U.S. Government and agency securities	5,270,678	-	5,270,678
Mortgage/asset-backed securities	375,536	-	375,536
Equity securities	28,023,795	30,642,700	58,666,495
Corporate obligations	1,657,744	-	1,657,744
Fixed income mutual funds	4,001,602	14,201,514	18,203,116
Commingled real estate funds	4,195,636	5,077,990	9,273,626
International equity securities	208,423	45,638	254,061
Total investments, at fair value	43,733,414	49,967,842	93,701,256
Total assets	45,321,381	50,473,384	95,794,765
LIABILITIES			
Accounts payable and accrued expenses	21,216	14,842	36,058
Total liabilities	21,216	14,842	36,058
NET POSITION RESTRICTED FOR PENSIONS	\$ 45,300,165	\$ 50,458,542	\$ 95,758,707

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Pension Trust Funds		
	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Totals
ADDITIONS			
Contributions:			
Plan members	\$ 475,208	\$ 397,806	\$ 873,014
State of Florida	453,918	414,503	868,421
City of North Port	2,045,282	675,521	2,720,803
Total contributions	<u>2,974,408</u>	<u>1,487,830</u>	<u>4,462,238</u>
Investment income:			
Net change in fair value of investments	2,631,224	2,906,948	5,538,172
Interest and dividends	1,284,242	1,559,872	2,844,114
Investment income	3,915,466	4,466,820	8,382,286
Less investment expenses	<u>(157,139)</u>	<u>(148,462)</u>	<u>(305,601)</u>
Net investment income	<u>3,758,327</u>	<u>4,318,358</u>	<u>8,076,685</u>
Total additions	<u>6,732,735</u>	<u>5,806,188</u>	<u>12,538,923</u>
DEDUCTIONS			
Benefits to participants	2,197,175	2,018,603	4,215,778
Share account distributions	-	215,136	215,136
Administrative expenses	94,350	88,089	182,439
Refunds of participant contributions	155,107	72,854	227,961
Total deductions	<u>2,446,632</u>	<u>2,394,682</u>	<u>4,841,314</u>
NET INCREASE	4,286,103	3,411,506	7,697,609
NET POSITION - BEGINNING	<u>41,014,062</u>	<u>47,047,036</u>	<u>88,061,098</u>
NET POSITION - ENDING	<u>\$ 45,300,165</u>	<u>\$ 50,458,542</u>	<u>\$ 95,758,707</u>

**CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
<u>COUNTY ROAD IMPACT FEES</u>				
ASSETS				
Cash	\$ 3,036	\$ 560,747	\$ 557,891	\$ 5,892
Total assets	<u>\$ 3,036</u>	<u>\$ 560,747</u>	<u>\$ 557,891</u>	<u>\$ 5,892</u>
LIABILITIES				
Due to other entities	\$ 3,036	\$ 560,747	\$ 557,891	\$ 5,892
Total liabilities	<u>\$ 3,036</u>	<u>\$ 560,747</u>	<u>\$ 557,891</u>	<u>\$ 5,892</u>
<u>EDUCATION IMPACT FEES</u>				
ASSETS				
Cash	\$ 18,288	\$ 1,517,904	\$ 1,530,096	\$ 6,096
Total assets	<u>\$ 18,288</u>	<u>\$ 1,517,904</u>	<u>\$ 1,530,096</u>	<u>\$ 6,096</u>
LIABILITIES				
Due to other entities	\$ 18,288	\$ 1,517,904	\$ 1,530,096	\$ 6,096
Total liabilities	<u>\$ 18,288</u>	<u>\$ 1,517,904</u>	<u>\$ 1,530,096</u>	<u>\$ 6,096</u>
<u>COUNTY JUSTICE IMPACT FEES</u>				
ASSETS				
Cash	\$ 10,422	\$ 1,193,361	\$ 1,188,311	\$ 15,472
Total assets	<u>\$ 10,422</u>	<u>\$ 1,193,361</u>	<u>\$ 1,188,311</u>	<u>\$ 15,472</u>
LIABILITIES				
Due to other entities	\$ 10,422	\$ 1,193,361	\$ 1,188,311	\$ 15,472
Total liabilities	<u>\$ 10,422</u>	<u>\$ 1,193,361</u>	<u>\$ 1,188,311</u>	<u>\$ 15,472</u>

CITY OF NORTH PORT, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Balance</u> <u>October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2018</u>
<u>COUNTY GENERAL</u>				
<u>GOVERNMENT IMPACT FEES</u>				
ASSETS				
Cash	\$ 1,023	\$ 180,686	\$ 179,249	\$ 2,460
Total assets	<u>\$ 1,023</u>	<u>\$ 180,686</u>	<u>\$ 179,249</u>	<u>\$ 2,460</u>
LIABILITIES				
Due to other entities	\$ 1,023	\$ 180,686	\$ 179,249	\$ 2,460
Total liabilities	<u>\$ 1,023</u>	<u>\$ 180,686</u>	<u>\$ 179,249</u>	<u>\$ 2,460</u>
 <u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$ 32,769	\$ 3,452,698	\$ 3,455,547	\$ 29,920
Total assets	<u>\$ 32,769</u>	<u>\$ 3,452,698</u>	<u>\$ 3,455,547</u>	<u>\$ 29,920</u>
LIABILITIES				
Due to other entities	\$ 32,769	\$ 3,452,698	\$ 3,455,547	\$ 29,920
Total liabilities	<u>\$ 32,769</u>	<u>\$ 3,452,698</u>	<u>\$ 3,455,547</u>	<u>\$ 29,920</u>



**Statistical Section
(Unaudited)**

This part of the City of North Port, Florida's (the City) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	144-149
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	150-153
Debt Capacity Information These schedules present information to help the reader assess the City's debt burden and its ability to issue additional debt in the future.	154-159
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place	160-161
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	162-164

Source: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Annual Financial Reports for the relevant year.

Schedule 1
City of North Port, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 190,796,752	\$ 206,830,147	\$ 218,575,683	\$ 223,775,300	\$ 230,333,540	\$ 234,882,721	\$ 237,026,274	\$ 241,472,557	\$ 244,303,830	\$ 243,253,519
Restricted	63,521,632	58,643,863	45,826,354	49,259,616	45,641,773	55,770,974	62,452,659	71,250,430	72,908,693	76,818,949
Unrestricted	32,406,379	23,088,158	24,128,719	16,955,264	16,468,879	12,727,589	2,702,120	3,708,285	2,580,398	1,021,685
Total governmental activities net position	<u>286,724,763</u>	<u>288,562,168</u>	<u>288,530,756</u>	<u>289,990,180</u>	<u>292,444,192</u>	<u>303,381,284</u>	<u>302,181,053</u>	<u>316,431,272</u>	<u>319,792,921</u>	<u>321,094,153</u>
Business-type activities										
Net investment in capital assets	72,132,453	65,459,190	66,903,408	79,479,072	83,727,413	84,974,490	86,998,132	89,029,570	94,222,893	100,361,537
Restricted	10,587,316	16,947,629	15,180,859	6,623,346	5,950,232	5,538,481	7,094,824	12,325,750	15,165,600	18,379,282
Unrestricted	12,967,775	15,048,541	16,937,270	14,012,517	14,139,200	14,743,672	14,623,995	17,032,841	20,618,285	23,358,343
Total business-type activities net position	<u>95,687,544</u>	<u>97,455,360</u>	<u>99,021,537</u>	<u>100,114,935</u>	<u>103,816,845</u>	<u>105,256,643</u>	<u>108,716,951</u>	<u>118,388,161</u>	<u>130,006,778</u>	<u>142,099,162</u>
Primary government										
Net investment in capital assets	262,929,205	272,289,337	285,479,091	303,254,372	314,060,953	319,857,211	324,024,406	330,502,127	338,526,723	343,615,056
Restricted	74,108,948	75,591,492	61,007,213	55,882,962	51,592,005	61,309,455	69,547,483	83,576,180	88,074,293	95,198,231
Unrestricted	45,374,154	38,136,699	41,065,989	30,967,781	30,608,079	27,471,261	17,326,115	20,741,126	23,198,683	24,380,028
Total primary government net position	<u>\$ 382,412,307</u>	<u>\$ 386,017,528</u>	<u>\$ 387,552,293</u>	<u>\$ 390,105,115</u>	<u>\$ 396,261,037</u>	<u>\$ 408,637,927</u>	<u>\$ 410,898,004</u>	<u>\$ 434,819,433</u>	<u>\$ 449,799,699</u>	<u>\$ 463,193,315</u>

Schedule 2
City of North Port, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 9,289,078	\$ 9,098,666	\$ 7,737,411	\$ 8,319,577	\$ 8,632,871	\$ 9,754,793	\$ 11,030,818	\$ 12,548,288	\$ 14,099,333	\$ 14,376,510
Public safety	27,594,695	26,684,201	27,112,638	27,432,173	27,591,686	28,688,863	28,523,541	28,963,557	33,404,665	35,883,205
Physical environment	11,418,026	11,595,816	11,889,847	11,121,362	12,308,823	11,890,530	13,366,178	13,501,369	17,504,341	15,875,586
Transportation	11,565,439	11,444,929	11,912,546	10,064,929	12,094,208	11,035,370	13,860,150	12,308,111	16,821,250	18,137,765
Economic environment	220,203	467,875	718,912	542,865	526,849	331,987	225,113	218,487	299,851	328,608
Human services	360,305	400,391	471,217	430,452	409,326	372,461	392,101	361,663	368,544	465,085
Culture and recreation	1,148,358	1,348,049	1,510,829	1,481,053	1,762,877	1,697,522	2,791,605	2,844,658	3,546,622	8,014,001
Interest on long-term debt	739,079	681,173	604,719	527,271	475,419	1,362,416	1,841,080	1,823,375	1,749,711	1,671,000
Total governmental activities expenses	<u>62,335,183</u>	<u>61,721,100</u>	<u>61,958,119</u>	<u>59,919,682</u>	<u>63,802,059</u>	<u>65,133,942</u>	<u>72,030,586</u>	<u>72,569,508</u>	<u>87,794,317</u>	<u>94,751,760</u>
Business-type activities:										
Water and Sewer	15,220,092	15,015,613	16,735,294	16,374,879	16,214,079	17,252,790	17,855,795	17,717,194	18,260,636	19,868,575
Total business-type activities expenses	<u>15,220,092</u>	<u>15,015,613</u>	<u>16,735,294</u>	<u>16,374,879</u>	<u>16,214,079</u>	<u>17,252,790</u>	<u>17,855,795</u>	<u>17,717,194</u>	<u>18,260,636</u>	<u>19,868,575</u>
Total primary government expenses	<u>77,555,275</u>	<u>76,736,713</u>	<u>78,693,413</u>	<u>76,294,561</u>	<u>80,016,138</u>	<u>82,386,732</u>	<u>89,886,381</u>	<u>90,286,702</u>	<u>106,054,953</u>	<u>114,620,335</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,060,963	6,015,910	6,133,422	5,791,610	6,077,812	7,588,456	7,240,904	9,037,324	9,607,257	9,680,366
Public safety	8,679,059	8,532,419	9,489,908	9,701,924	10,959,122	12,724,026	13,264,272	13,798,654	14,248,090	15,266,048
Physical environment	11,835,768	11,358,735	11,226,055	11,146,751	11,662,983	11,581,023	11,888,808	12,474,915	13,850,528	13,190,296
Transportation	8,631,685	7,354,268	7,031,970	6,981,639	7,602,325	10,641,111	11,163,721	11,765,016	12,196,139	12,736,785
Economic environment	-	-	-	1,850	-	-	-	-	-	-
Human services	15,505	35,671	36,464	31,153	35,745	29,071	11,441	-	-	-
Culture and recreation	134,569	137,396	190,284	349,013	336,658	817,973	1,452,399	1,530,529	1,524,833	1,645,073
Operating grants and contributions	296,932	225,683	474,855	327,977	171,456	142,159	123,435	146,689	251,976	153,524
Capital grants and contributions	2,454,715	2,483,735	2,411,883	939,286	1,233,594	3,678,035	1,746,577	3,732,510	2,899,662	4,206,564
Total governmental activities program revenues	<u>39,109,196</u>	<u>36,143,817</u>	<u>36,994,841</u>	<u>35,271,203</u>	<u>38,079,695</u>	<u>47,201,854</u>	<u>46,891,557</u>	<u>52,485,637</u>	<u>54,578,485</u>	<u>56,878,656</u>
Business-type activities:										
Charges for services:										
Water and Sewer	13,215,214	14,203,042	16,547,772	14,943,875	16,795,809	17,617,220	18,563,645	19,678,748	21,213,468	22,221,715
Operating grants and contributions	20,945	10,307	-	-	-	-	-	1,000	-	-
Capital grants and contributions	3,119,889	1,926,598	1,465,916	2,271,112	3,358,686	1,899,485	4,191,521	7,940,452	8,835,408	9,823,272
Total business-type activities program revenue:	<u>16,356,048</u>	<u>16,139,947</u>	<u>18,013,688</u>	<u>17,214,987</u>	<u>20,154,495</u>	<u>19,516,705</u>	<u>22,755,166</u>	<u>27,620,200</u>	<u>30,048,876</u>	<u>32,044,987</u>
Total primary government program revenue:	<u>55,465,244</u>	<u>52,283,764</u>	<u>55,008,529</u>	<u>52,486,190</u>	<u>58,234,190</u>	<u>66,718,559</u>	<u>69,646,723</u>	<u>80,105,837</u>	<u>84,627,361</u>	<u>88,923,643</u>
Net (Expense)/Revenue										
Governmental activities	(23,225,987)	(25,577,283)	(24,963,278)	(24,648,479)	(25,722,364)	(17,932,088)	(25,139,029)	(20,083,871)	(33,215,832)	(37,873,104)
Business type activities	1,135,956	1,124,334	1,278,394	840,108	3,940,416	2,263,915	4,899,371	9,903,006	11,788,240	12,176,412
Total primary government net expense	<u>\$ (22,090,031)</u>	<u>\$ (24,452,949)</u>	<u>\$ (23,684,884)</u>	<u>\$ (23,808,371)</u>	<u>\$ (21,781,948)</u>	<u>\$ (15,668,173)</u>	<u>\$ (20,239,658)</u>	<u>\$ (10,180,865)</u>	<u>\$ (21,427,592)</u>	<u>\$ (25,696,692)</u>

(continued)

Schedule 2 (continued)
City of North Port, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Government activities:										
Taxes										
Ad valorem	\$ 11,078,235	\$ 9,614,477	\$ 8,035,010	\$ 7,850,463	\$ 8,071,414	\$ 8,102,022	\$ 9,228,706	\$ 10,087,025	\$ 11,017,060	\$ 12,079,877
Insurance premium	-	-	-	708,123	701,173	693,958	717,647	750,107	781,849	868,421
Service	2,761,832	2,627,795	2,610,742	2,621,537	2,597,548	2,602,545	2,613,049	2,597,884	2,731,686	2,851,977
Local business	135,851	137,444	103,573	150,948	154,888	133,502	136,049	142,197	118,613	137,009
Fuel	2,435,089	2,466,786	2,453,271	2,519,605	2,575,867	2,648,684	2,722,094	2,857,991	2,980,577	3,177,820
Discretionary sales surtax	5,413,033	5,554,577	5,801,652	6,097,183	6,883,376	7,424,336	8,172,571	8,679,097	9,131,513	9,901,615
Intergovernmental	4,211,548	4,317,889	4,584,561	4,982,968	5,689,363	6,310,324	6,982,072	7,487,367	7,977,419	8,570,871
Investment income	4,138,086	2,478,223	988,455	765,900	359,012	340,457	898,718	898,381	914,764	1,070,053
Miscellaneous	165,770	217,497	354,602	411,176	812,484	263,442	410,035	446,111	511,310	855,214
Transfers in	-	-	-	-	331,251	349,910	357,530	387,930	412,690	420,260
Proceeds from sale of land	28,050	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>30,367,494</u>	<u>27,414,688</u>	<u>24,931,866</u>	<u>26,107,903</u>	<u>28,176,376</u>	<u>28,869,180</u>	<u>32,238,471</u>	<u>34,334,090</u>	<u>36,577,481</u>	<u>39,933,117</u>
Business-type activities:										
Investment income	803,261	643,482	287,783	253,290	92,745	56,352	208,289	196,305	243,067	376,416
Miscellaneous	1,760	-	-	-	-	3,304	19,237	(40,171)	-	-
Transfers out	-	-	-	-	(331,251)	(349,910)	(357,530)	(387,930)	(412,690)	(420,260)
Total business-type activities	<u>805,021</u>	<u>643,482</u>	<u>287,783</u>	<u>253,290</u>	<u>(238,506)</u>	<u>(290,254)</u>	<u>(130,004)</u>	<u>(231,796)</u>	<u>(169,623)</u>	<u>(43,844)</u>
Total primary government	<u>31,172,515</u>	<u>28,058,170</u>	<u>25,219,649</u>	<u>26,361,193</u>	<u>27,937,870</u>	<u>28,578,926</u>	<u>32,108,467</u>	<u>34,102,294</u>	<u>36,407,858</u>	<u>39,889,273</u>
Change in Net Position										
Governmental activities	7,141,507	1,837,405	(31,412)	1,459,424	2,454,012	10,937,092	7,099,442	14,250,219	3,361,649	2,060,013
Business-type activities	1,940,977	1,767,816	1,566,177	1,093,398	3,701,910	1,973,661	4,769,367	9,671,210	11,618,617	12,132,568
Total primary government	<u>\$ 9,082,484</u>	<u>\$ 3,605,221</u>	<u>\$ 1,534,765</u>	<u>\$ 2,552,822</u>	<u>\$ 6,155,922</u>	<u>\$ 12,910,753</u>	<u>\$ 11,868,809</u>	<u>\$ 23,921,429</u>	<u>\$ 14,980,266</u>	<u>\$ 14,192,581</u>

Schedule 3
City of North Port, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 661,649	\$ 1,269,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,578,244	14,076,054	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	47,720	8,724	8,658	230,664	-	-
Restricted	-	-	1,204,621	1,204,621	159,195	-	-	-	-	-
Committed	-	-	136,521	65,942	62,000	91,665	71,100	88,818	96,923	226,728
Assigned	-	-	2,522,608	2,607,519	1,920,189	1,274,111	549,008	582,848	1,250,037	1,090,668
Unassigned	-	-	8,359,530	7,048,977	8,515,309	8,911,526	10,324,089	10,566,834	11,298,674	11,964,336
Total general fund	<u>18,239,893</u>	<u>15,345,928</u>	<u>12,223,280</u>	<u>10,927,059</u>	<u>10,704,413</u>	<u>10,286,026</u>	<u>10,952,855</u>	<u>11,469,164</u>	<u>12,645,634</u>	<u>13,281,732</u>
All Other Governmental Funds										
Reserved	866,290	27,906	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	48,730,355	36,649,535	-	-	-	-	-	-	-	-
Capital projects funds	29,467,109	30,869,418	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	85,913	101,971	488,738	74,521	3,162,730	1,855,593	912,300
Restricted	-	-	45,415,254	44,754,105	40,512,146	82,515,916	84,037,531	80,582,096	75,590,794	69,355,038
Committed	-	-	14,475,560	12,253,091	13,005,335	11,538,200	12,397,414	13,148,982	12,951,881	13,478,605
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(396,848)	(37,429)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 79,063,754</u>	<u>\$ 67,546,859</u>	<u>\$ 59,493,966</u>	<u>\$ 57,055,680</u>	<u>\$ 53,619,452</u>	<u>\$ 94,542,854</u>	<u>\$ 96,509,466</u>	<u>\$ 96,893,808</u>	<u>\$ 90,398,268</u>	<u>\$ 83,745,943</u>

Note: Fund balance classifications have been revised due to the implementation of GASB Statement 54 in fiscal year 2011.

Schedule 4
City of North Port, Florida
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 21,824,040	\$ 20,401,079	\$ 19,004,248	\$ 19,947,859	\$ 20,984,266
Permits, fees and special assessments	5,622,777	4,870,703	4,268,359	4,301,775	4,329,926
Intergovernmental	5,717,048	5,394,013	7,139,199	5,489,049	6,319,650
Charges for services	36,938,417	34,744,416	35,302,253	34,164,683	36,446,062
Fines and forfeiture	364,937	238,264	188,921	179,809	288,529
Investment income	4,138,086	2,478,223	988,455	765,900	359,012
Miscellaneous	401,592	534,813	740,556	681,670	975,258
Total revenues	75,006,897	68,661,511	67,631,991	65,530,745	69,702,703
Expenditures					
General government	14,059,467	13,802,731	12,621,710	11,915,962	11,875,470
Public safety	25,569,235	25,292,455	25,600,876	26,343,281	26,204,602
Physical environment	9,675,910	9,715,681	10,065,323	9,017,469	9,954,925
Transportation	9,374,251	9,142,768	9,669,911	7,265,774	8,870,383
Economic environment	216,834	464,145	713,120	536,503	523,751
Human services	345,494	356,620	394,535	350,767	327,101
Culture and recreation	868,450	1,047,683	1,219,728	953,515	972,033
Capital outlay	20,403,841	21,213,361	15,669,821	10,871,277	3,856,905
Debt service					
Principal	2,872,297	2,460,756	2,247,789	1,553,021	10,984,758
Interest	739,079	681,171	604,719	527,271	475,419
Total expenditures	84,124,858	84,177,371	78,807,532	69,334,840	74,045,347
Excess (deficiency) of revenues over (under) expenditures	(9,117,961)	(15,515,860)	(11,175,541)	(3,804,095)	(4,342,644)
Other financing sources (uses)					
Proceeds from capital leases	1,197,500	1,105,000	-	-	159,036
Proceeds from bonds	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Proceeds from sale of land	28,050	-	-	-	-
Transfers in	4,996,504	2,118,007	2,093,590	6,539,495	2,190,908
Transfers out	(4,996,504)	(2,118,007)	(2,093,590)	(6,539,495)	(1,859,657)
Insurance recoveries	-	-	-	69,588	193,483
Total other financing sources	1,225,550	1,105,000	-	69,588	683,770
Net change in fund balances	\$ (7,892,411)	\$ (14,410,860)	\$ (11,175,541)	\$ (3,734,507)	\$ (3,658,874)
Debt service as a percentage of noncapital expenditures	5.67%	4.99%	4.52%	3.56%	16.33%

Note: Includes general, special revenue, capital projects and expendable trust funds

Fiscal Year				
2014	2015	2016	2017	2018
\$ 21,605,047	\$ 23,590,116	\$ 25,114,301	\$ 26,761,298	\$ 29,016,719
8,473,706	10,067,692	11,952,302	13,192,572	14,565,819
9,722,334	8,065,596	8,227,712	8,219,878	8,683,044
39,172,936	39,632,216	41,757,552	43,512,801	45,245,977
357,801	398,566	577,256	203,665	285,074
340,457	898,718	894,398	908,156	1,061,730
471,296	670,962	752,459	812,201	1,079,299
<u>80,143,577</u>	<u>83,323,866</u>	<u>89,275,980</u>	<u>93,610,571</u>	<u>99,937,662</u>
13,335,577	13,265,911	14,977,611	14,815,022	16,159,528
27,727,273	27,628,170	27,504,767	29,715,286	33,142,327
9,590,224	10,419,561	11,038,233	13,558,966	12,572,936
8,109,291	9,830,214	9,111,671	11,684,980	13,798,870
338,201	213,424	213,540	290,184	325,099
298,161	280,302	304,826	259,851	367,555
992,752	1,888,022	2,039,255	2,162,461	6,864,408
22,241,013	17,232,406	19,556,761	22,407,282	18,727,677
2,075,163	2,817,386	2,604,660	2,629,191	2,667,580
978,142	1,801,681	1,893,659	1,868,928	1,792,474
<u>85,685,797</u>	<u>85,377,077</u>	<u>89,244,983</u>	<u>99,392,151</u>	<u>106,418,454</u>
(5,542,220)	(2,053,211)	30,997	(5,781,580)	(6,480,792)
-	-	-	-	-
40,742,230	-	-	-	-
4,843,703	4,255,011	411,180	-	-
-	-	-	-	-
3,898,832	3,521,370	2,991,960	2,550,916	5,235,197
(3,548,922)	(3,163,840)	(2,604,030)	(2,138,226)	(4,814,937)
111,392	74,111	70,544	49,820	44,305
<u>46,047,235</u>	<u>4,686,652</u>	<u>869,654</u>	<u>462,510</u>	<u>464,565</u>
<u>\$ 40,505,015</u>	<u>\$ 2,633,441</u>	<u>\$ 900,651</u>	<u>\$ (5,319,070)</u>	<u>\$ (6,016,227)</u>
<u>4.81%</u>	<u>6.78%</u>	<u>6.45%</u>	<u>5.84%</u>	<u>5.09%</u>

Schedule 5
City of North Port, Florida
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property			Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property ^a				
2009	\$ 4,189,652,290	\$ 301,454,100	\$ 469,406,396	\$ 159,161,996	\$ 1,299,768,098	\$ 3,819,906,684	\$2.98
2010	3,130,336,274	320,552,300	472,924,386	151,302,935	1,112,774,502	2,962,341,393	\$3.34
2011	2,636,469,598	300,589,500	436,136,746	155,834,087	1,042,389,985	2,486,639,946	\$3.34
2012	2,446,786,570	275,872,800	420,725,155	150,852,852	1,015,462,006	2,278,775,371	\$3.57
2013	2,463,603,579	263,782,230	401,901,576	146,729,184	1,009,966,953	2,266,049,616	\$3.62
2014 ^b	-	-	-	154,015,443	1,009,895,744	2,421,145,761	\$3.45
2015	2,817,111,574	288,915,800	424,517,200	149,974,143	1,034,434,435	2,646,084,282	\$3.60
2016	2,987,267,151	312,499,500	511,460,900	159,553,703	1,083,308,501	2,887,472,753	\$3.60
2017	3,327,431,094	345,523,900	578,100,800	158,748,029	1,143,143,888	3,266,659,935	\$3.48
2018	3,732,427,469	355,551,900	642,928,000	158,375,711	1,223,791,242	3,665,491,838	\$3.41

Source: Sarasota County Property Appraiser

Note: Property is assessed at market value. The Save Our Homes Amendment caps homesteaded property at a maximum increase in the taxable value of 3% per year. Tax rate is per \$1,000 of assessed value.

^a Industrial property amount includes railroad properties classified as centrally assessed property.

^b Information for the breakdown of the real property not available from the County for 2014.

Schedule 6
City of North Port, Florida
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(Per \$1,000 of Assessed Value)

Fiscal Year Ended September 30,	City of North Port		Overlapping Rates ^a		Total Direct and Overlapping Rates
	Operating Miliage	Total City Millage	Sarasota County	School Board of Sarasota County	
2009	\$ 2.9805	\$ 2.9805	\$ 4.8538	\$ 7.0450	\$ 14.8793
2010	3.3400	3.3400	4.9991	7.4270	15.7661
2011	3.3400	3.3400	4.9895	7.9010	16.2305
2012	3.5681	3.5681	4.8569	7.6350	16.0600
2013	3.6167	3.6167	4.9097	7.8160	16.3424
2014	3.4474	3.4474	4.8987	7.9700	16.3161
2015	3.5974	3.5974	4.8827	7.7770	16.2571
2016	3.5974	3.5974	4.8319	7.7630	16.1923
2017	3.4770	3.4770	4.8148	7.4330	15.7248
2018	3.4070	3.4070	4.7857	7.2090	15.4017

Source: Sarasota County Tax Collector

Note: ^a Overlapping rates are those of county governments that apply to property owners within the City of North Port.

Schedule 7
City of North Port, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Benderson Properties	\$ 38,808,144	1	1.06%	\$ -	-	-
North Port Woodspring LLC	24,676,236	2	0.67	-	-	-
Lakes at North Port Realty LP	22,117,700	3	0.60	-	-	-
Lennar Homes LLC	19,063,194	4	0.52	-	-	-
ECHO Price Crossing LLC	16,189,200	5	0.44	-	-	-
Walmart Stores East LP	15,865,600	6	0.43	15,287,400	4	.52%
Heron Creek	14,094,200	7	0.38	-	-	-
Springs at South Biscayne LLC	14,082,400	8	0.38	-	-	-
American Momentum Bank	14,042,640	9	0.38	-	-	-
DiVosta Homes LP	12,432,228	10	0.34	16,913,766	3	0.57
Gran Paradiso I LLC	-	-	-	26,259,315	1	0.89
Marsh Creek Holdings Ltd	-	-	-	18,640,600	2	0.63
Lowes Home Centers Inc.	-	-	-	14,370,400	5	0.48
Lee Wetherington Develop Inc.	-	-	-	12,640,100	6	0.43
Walgreen Co.	-	-	-	11,752,700	7	0.40
North Port Park of Commerce	-	-	-	10,996,000	8	0.37
Centex Homes	-	-	-	10,524,290	9	0.35
Home Depot USA Inc.	-	-	-	8,756,600	10	0.30
	<u>\$ 191,371,542</u>		<u>5.20%</u>	<u>\$ 146,141,171</u>		<u>4.94%</u>

Source: Sarasota County Property Appraiser

**Schedule 8
City of North Port, Florida
Property Tax Levies and Tax Collections
Last Ten Fiscal Years**

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ^a	Percentage of Levy		Amount	Percentage of Levy
September 30,						
2009	\$ 11,373,053	\$ 10,961,655	96%	\$ 91,400	\$ 11,053,055	97%
2010	9,907,885	9,523,076	96%	138,782	9,661,858	98%
2011	8,306,731	7,896,228	95%	89,609	7,985,837	96%
2012	8,150,499	7,760,853	95%	130,625	7,891,478	97%
2013	8,201,835	7,939,111	97%	28,949	7,968,060	97%
2014	8,339,025	8,073,073	97%	25,255	8,098,328	97%
2015	9,551,208	9,203,451	96%	33,350	9,236,801	97%
2016	10,390,485	10,053,675	97%	36,046	10,089,721	97%
2017	11,347,328	10,981,013	97%	14,695	10,995,708	97%
2018	12,520,445	12,065,182	96%	-	12,065,182	96%

Source: Sarasota County Property Appraiser

Note: (a) Includes discount taken for early payment of property taxes.

Schedule 9

City of North Port, Florida

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Sales Tax Revenue Bonds	Capital Leases	Transportation Improvement Assessment Bonds ^d	Loans Payable	Water and Sewer Bonds ^e	Loans Payable			
2009	\$ 12,445,000	\$ 4,175,998	\$ -	\$ -	\$ 24,479,988	\$ 10,491,900	\$ 51,592,886	1.67 %	925
2010	11,765,000	3,500,244	-	-	23,393,043	20,843,500	59,501,787	1.91 %	1,065
2011	11,055,000	1,962,455	-	-	18,268,896	22,960,814	54,247,165	1.67 %	937
2012	10,320,000	1,144,434	-	-	17,395,327	22,367,183	51,226,944	1.62 %	873
2013 ^b	-	638,712	-	-	16,472,043	23,846,934	40,957,689	1.25 %	691
2014	-	238,550	38,989,628	4,843,703	15,557,247	22,726,833	82,355,961	2.41 %	1,366
2015	-	80,860	38,060,314	7,294,019	14,491,980	21,504,673	81,431,846	2.41 %	1,307
2016	-	40,771	37,107,679	4,347,208	13,380,988	20,391,364	75,268,010	2.07 %	1,167
2017 ^c	-	-	36,121,772	2,634,627	12,222,464	19,247,015	70,225,878	1.77 %	1,045
2018	-	-	35,097,662	2,634,627	10,857,551	18,572,477	67,162,317	1.55 %	951

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

^a Personal income and population data can be found in Schedule 14.

^b Sales Tax Revenue Bonds were defeased July, 2013.

^c Final lease payment made February 2017.

^d Includes bond premium.

^e Includes bond discount.

Schedule 10
City of North Port, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Sales Tax Revenue Bonds	Transportation Improvement Assessment Bonds^d	Total	Percentage of Actual Taxable Value of Property^a	Per Capita^b
2009	\$ 12,445,000	\$ -	\$ 12,445,000	0.33%	224
2010	11,765,000	-	11,765,000	0.40%	211
2011	11,055,000	-	11,055,000	0.44%	191
2012	10,320,000	-	10,320,000	0.45%	176
2013 ^c	-	-	-	0.00%	-
2014	-	38,989,628	38,989,628	1.61%	628
2015	-	38,060,314	38,060,314	1.44%	611
2016	-	37,107,679	37,107,679	1.29%	576
2017	-	36,121,772	36,121,772	1.11%	538
2018	-	35,097,662	35,097,662	0.96%	497

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

^aSee Schedule 5 for property value data.

^bPopulation data can be found in Schedule 14.

^cSales Tax Revenue Bonds were defeased July, 2013.

^dIncludes bond premium.

Schedule 11
City of North Port, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Overlapping debt			
Sarasota County School Board	\$ 156,415,572	16.92%	\$ 26,465,825
Sarasota County Board of County Commissioners	333,229,000	16.92%	56,383,008
Subtotal, overlapping debt			82,848,834
City of North Port, direct debt			37,732,289
Total direct and overlapping debt			\$ 120,581,123

Source: Assessed value data used to estimate applicable percentages provided by Sarasota County Property Appraiser.

Note: ^a The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Schedule 12
City of North Port, Florida
Legal Debt Margin Information

No general obligation bonds have been issued on behalf of the City of North Port, Florida.

Schedule 13
City of North Port, Florida
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water & Sewer Revenue Bonds/SRF Loans							
Fiscal Year	Utility	Less:	Net	Debt Service		Coverage	
Ended	Gross	Operating	Available	Principal	Interest		
September 30,	Revenues^a	Expenses^b	Revenue				
2009	\$ 14,039,420	\$ 11,078,730	\$ 2,960,690	\$ 1,280,643	\$ 1,154,407	1.22	
2010	14,846,524	10,337,404	4,509,120	1,330,029	1,101,198	1.85	
2011	16,835,555	11,509,610	5,325,945	1,515,858	1,016,987	2.10	
2012	15,197,165	10,884,361	4,312,804	1,700,682	1,601,181	1.31	
2013	16,888,554	11,325,211	5,563,343	2,240,324	1,254,345	1.59	
2014	17,673,572	12,334,234	5,339,338	2,234,757	1,196,568	1.56	
2015	18,771,934	12,720,355	6,051,579	2,543,340	947,457	1.73	
2016	19,875,053	12,343,867	7,531,186	2,390,179	1,033,571	2.20	
2017	21,456,535	12,686,632	8,769,903	2,449,862	974,039	2.56	
2018	22,598,131	14,276,724	8,321,407	2,690,684	916,116	2.31	

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

Note: ^a Excludes any government grants, water impact fees, sewer impact fees, and special assessments proceeds.

^b Excludes depreciation.

^c The sales tax revenue bonds were currently refunded with available funds.

^d The sales tax revenue bonds were defeased July, 2013.

^e A two-year moratorium on transportation impact fees was approved by the City Commission on January 30, 2012. The moratorium was extended until January 31, 2015 at the January 27, 2014 Commission meeting

^f No principal or interest payments due on the SIB loan until FY 2015.

Sales Tax Revenue Bonds				State Infrastructure Bank Loan					
Half-Cent	Debt Service			Coverage	Transportation	Discretionary	Debt Service		
Sales Tax	Principal	Interest	Impact		Sales	Principal	Interest	Coverage	
Revenues	Principal	Interest	Coverage	Fees	Surtax	Principal	Interest	Coverage	
\$ 3,367,902	\$ 660,000	\$ 543,221	2.80	\$ -	\$ -	\$ -	\$ -	-	
3,450,586	680,000	520,121	2.88	-	-	-	-	-	
3,620,781	710,000	494,621	3.01	-	-	-	-	-	
3,908,879	735,000	467,996	3.25	-	-	-	-	-	
4,235,193	10,320,000	442,271	0.39 ^c	-	-	-	-	-	
-	-	-	- ^d	-	7,424,336	-	-	- ^{e, f}	
-	-	-	-	305,963	8,172,571	1,804,695	16,565	4.66	
-	-	-	-	1,907,710	8,679,097	1,684,571	136,689	5.81	
-	-	-	-	1,790,894	9,131,513	1,673,420	147,840	6.00	
-	-	-	-	2,661,848	9,901,615	1,712,580	108,680	6.90	

Schedule 14
City of North Port, Florida
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population ^a	Personal Income	Per Capita Personal Income^b	Unemployment Rate^c
2009	55,759	\$ 3,097,914,281	\$ 55,559	12.5%
2010	55,828	3,118,328,768	55,856	12.9%
2011	57,893	3,251,155,094	56,158	12.0%
2012	58,674	3,154,842,306	53,769	9.1%
2013	59,231	3,282,700,482	55,422	7.2%
2014	60,295	3,416,374,995	56,661	6.2%
2015	62,325	3,374,711,775	54,147	5.6%
2016	64,472	3,637,897,072	56,426	5.2%
2017	67,196	3,965,437,548	59,013	3.6%
2018	70,631	4,345,431,013	61,523	3.0%

Source:

^a City of North Port Neighborhood Development Services Department

^b Bureau of Economic and Business Research, University of Florida; County data is used due to no city data being available.

^c U.S. Bureau of Labor Statistics

Schedule 15
City of North Port, Florida
Principal Employers in Sarasota County
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Sarasota County	5,788	1	3.12%	5,548	1	3.83%
Sarasota Memorial Hospital	4,563	2	2.46%	3,092	3	2.14%
Sarasota County Government	3,620	3	1.95%	3,335	2	2.30%
Publix Super Markets	3,490	4	1.88%	1,602	4	1.11%
PGT Industries	2,000	5	1.08%	913	5	0.63%
Venice Regional Medical Center	1,100	6	0.59%	830	6	0.57%
Sun Hydraulics Corporation	632	7	0.34%	640	9	0.44%
Tervis Tumbler	570	8	0.31%	-	-	-
Shared Services Center	455	9	0.25%	-	-	-
FCCI Insurance Group	426	10	0.23%	-	-	-
City of Sarasota	-	-	-	740	8	0.51%
SunTrust Bank	-	-	-	819	7	0.57%
Comcast Cablevision	-	-	-	595	10	0.41%
Total	22,644		12.21%	18,114		12.51%
Total Sarasota County Employment	185,232			144,763		

Source: Florida Agency for Workforce Innovation, Labor Market Statistics
 Statistics are for Sarasota County; not available for City of North Port

Schedule 16
City of North Port, Florida
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Commission	5	5	5	5	5	5	5	5	5	5
City Attorney	-	-	-	-	-	-	2	4	4	4
City Auditor and Clerk	8	8	8	7	6	6	6	6	7	10
Finance	22	17	14	13	13	13	13	14	15	17
Planning and Zoning	7	15	6	7	7	8	11	12	12	16
Building Department	19	18	18	17	18	20	24	26	28	31
General Services	20	21	22	22	21	24	24	17	19	20
City Manager's Office	6	6	11	5	5	5	6	7	7	8
Human Resources	-	-	-	-	-	-	-	7	8	10
Fleet Maintenance	12	12	11	12	12	12	12	12	12	13
Parks and Recreation	24	20	18	18	19	19	19	19	20	20
Public Safety										
Police - uniform	102	102	102	102	102	102	102	103	104	109
Police - general employees	31	31	31	31	30	30	30	33	37	41
Fire Rescue	93	93	92	92	92	92	92	93	100	110
Physical Environment										
Facilities Maintenance	21	21	20	22	21	20	20	18	17	18
Solid Waste Management	34	34	34	34	36	36	37	38	40	40
Transportation										
Road and Drainage	84	84	83	86	86	86	87	85	86	91
Engineering	9	-	-	-	-	-	-	-	-	-
Economic Environment										
Economic Development	1	2	2	2	2	2	1	2	2	2
Enterprise funds										
Utilities	53	58	57	57	59	59	63	67	70	77
Total	551	547	534	532	534	539	554	568	593	642

Source: City of North Port Budget

Note: Staffing level indicates the number of positions budgeted in each department. Figures include both full-time and part-time positions.

Schedule 17
City of North Port, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Physical arrests	984	1,039	1,611	1,840	1,827	1,439	1,075	930	814	606
Parking violations	295	237	128	106	387	209	144	184	227	132
Traffic violations	8,837	9,137	9,204	10,677	11,272	10,008	9,633	6,970	8,507	8,573
Fire										
Emergency Responses	5,476	4,202	5,683	5,849	6,018	6,100	6,556	7,093	7,669	7,876
Streets and highways										
Streets resurfaced (<i>miles</i>)	29	26.9	21	23	-	61	95	130	132	132
Paved Streets (<i>miles</i>)	813	813	813	813	813	813	813	813	813	813
Water										
New connections	60	66	97	167	249	424	687	709	757	1014
Water mains breaks	6	6	2	0	8	4	1	6	12	8
Average daily consumption (<i>millions of gallons</i>)	2.59	2.44	2.51	2.56	2.94	3.14	2.88	3.10	3.26	3.09
Peak daily consumption (<i>millions of gallons</i>)	3.17	2.94	4.12	3.66	4.16	3.26	4.19	3.85	4.16	4.40
Wastewater										
Average daily sewage treatment (<i>millions of gallons</i>)	1.72	1.54	1.77	2.13	2.18	2.30	2.24	2.42	2.37	2.49
Solid waste collection										
Solid waste collected (<i>tons per year</i>)	23,059	23,096	22,967	23,058	24,547	28,107	30,139	32,837	34,060	34,767
Recyclables collected (<i>tons per year</i>)	5,768	6,264	7,031	7,895	8,188	8,502	9,386	10,434	10,926	11,611

Source: Various City Departments

Note: Indicators are not available for the general government function.

Schedule 18
City of North Port, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Police										
Stations	1	2	2	2	2	2	2	2	2	2
Patrol units	72	68	69	74	74	74	73	74	72	72
Fire Stations	5	5	5	5	5	5	5	5	5	5
Streets and highways										
Streets (<i>miles</i>)	813	813	813	813	813	813	813	813	813	813
Traffic Signals	17	18	18	18	18	19	19	19	19	19
Water										
Water mains (<i>miles</i>)	307	292	293	295	300	304	306	320	328	338
Storage capacity (<i>millions of gallons</i>)	6	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Fire hydrants	1,750	1605	1608	1632	1685	1710	1728	1790	1896	1974
Wastewater										
Sanitary sewers (<i>miles</i>)	234	212	213	216	219	233	235	240	248	262
Treatment capacity (<i>thousands</i>)	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.90
Manholes	3,679	3127	3145	3184	3232	3271	3316	3420	3570	3775
Lift Stations	96	97	97	99	99	100	100	101	107	110
Solid waste collection										
Collection trucks	36	37	37	38	39	41	41	43	43	47

Source: Various city departments

Note: No capital asset indicators are available for the general government function.



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

Honorable Mayor, City Commission
and City Manager
City of North Port, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Port, Florida (the “City”), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 24, 2019. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of October 1, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bradenton, Florida
April 24, 2019

**CITY OF NORTH PORT, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____ yes <u> X </u> no
Significant deficiencies identified not considered to be material weaknesses?	____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	____ yes <u> X </u> no

Federal Programs and State Financial Assistance Projects

Federal and state single audits were not required as the City did not expend greater than \$750,000 of federal or state funds during its fiscal year ended September 30, 2018.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

There were no current year audit findings reported.

**SECTION III
FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE PROJECT
FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no prior year audit findings reported.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor, City Commission,
and City Manager
City of North Port, Florida

Report on the Financial Statements

We have audited the financial statements of the City of North Port, Florida (the "City"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 24, 2019.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 24, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

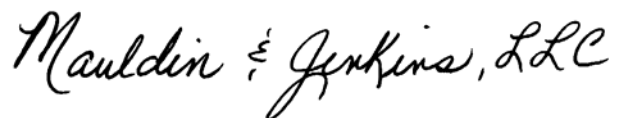
Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit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

Additional Matters

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

Purpose of this Letter

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



Bradenton, Florida
April 24, 2019



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor, City Commission,
and City Manager
City of North Port, Florida

We have examined the City of North Port, Florida's (the "City") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida
April 24, 2019