

**CITY OF BROOKSVILLE  
REGULAR CITY COUNCIL MEETING  
COUNCIL CHAMBERS  
201 HOWELL AVENUE  
BROOKSVILLE, FL 34601**

**AGENDA**

June 2, 2014

7:00 P.M.

**A. CALL TO ORDER**

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

**C. CERTIFICATES, PROCLAMATIONS AND PRESENTATIONS**

**1. Proclamation - Mary Elizabeth Preston Day**

Presentation of a proclamation designating June 4, 2014, as Mary Elizabeth Preston Day.

Presentation: Mayor  
Attachment: Proclamation

**2. 2014 Hurricane Season Update**

Advisory presentation regarding predictions and preparations for the 2014 hurricane season.

Presentation: Cecilia Patella, Hernando County  
Director of Emergency Management

**3. Proclamation - Code Enforcement Officers' Week**

Presentation of a proclamation designating June 1 - 7, 2014, as Code Enforcement Officers' Week.

Presentation: Mayor  
Attachment: Proclamation

**4. Emergency Communications 800 MHz Radio Upgrade**

Presentation of upcoming required upgrades to Emergency Communications System.

Presentation: Chief Bill Kicklighter.  
Hernando County Sheriff's Office

**D. CITIZEN INPUT**

## REGULAR COUNCIL MEETING – June 2, 2014

### E. CONSENT AGENDA

#### 1. Minutes

- a. February 26, 2013                      Financial Workshop
- b. May 21, 2013                              Workshop
- c. September 11, 2013                      1st Budget Hearing
- d. September 16, 2013                      Regular Meeting

#### 2. Police Department Vehicle Replacement

Consideration to surplus and replace vehicle involved in a motor vehicle crash and approval of appropriate budget amendment.

#### .                      **CONSENT AGENDA APPROVAL (√)**

Recommendation:      Approval of Consent Agenda  
Action:                      Motion to Approve  
Attachments:              1) Minutes; 2) Memo from Chief of Police dated 06/02/14, Gallagher Bassett Services Property Worksheet, AutoNation Quote, Motorola quote, Vehicle Crash Photo, Budget Amendment Form

### F. REGULAR AGENDA

#### 1. Audited Financial Statements

Review and acceptance of Annual Audit for Fiscal Year ended September 30, 2013.

Presentation:              Clifton Larson Allen, LLP  
Recommendation:        Acceptance of Audit  
Attachments:              Financial Presentation for the year ending September 30, 2014

#### 2. Mosquito Control MSTU

Discussion of available City options for Mosquito Control Services.

Presentation:              City Attorney  
Recommendation:        Direction to Staff  
Attachments:              Memo from City Manager dated 05/30/14, Memo from City Attorney dated 05/28/14, Memo from Director of Public Works dated 05/23/14

## REGULAR COUNCIL MEETING – June 2, 2014

- G. CITIZEN INPUT
- H. ITEMS BY COUNCIL
- I. ADJOURNMENT

### CORRESPONDENCE TO NOTE

*In accordance with the Americans with Disabilities Act, persons with disabilities needing a special accommodation to participate in this proceeding should contact the City Clerk's office 48 hours in advance of the meeting at (352) 540-3853. Meeting agendas and supporting documentation are available from the City Clerk's office and on line at [www.cityofbrooksville.us](http://www.cityofbrooksville.us).*

*Any person desiring to appeal any decision with respect to any matter considered at this meeting, may need a record of the proceedings including the testimony and evidence upon which the appeal is to be based, and therefore must make arrangements for a court reporter to ensure that a verbatim record of the proceedings is made.*

# City of Brooksville Proclamation

Whereas, Mary Elizabeth Preston, a gracious and petite woman raised in Pikeville, Kentucky, as an orphaned 16 year old, took on the job of caring for her brother and four sisters; and

Whereas, Mary Elizabeth Preston married an older gentleman of great means, yet unable to have children of her own, she joined the Pikeville Women's Club to volunteer with their youth programs, thus beginning a lifelong dedication to public service; and

Whereas, Mary Elizabeth Preston sat on a host of state boards, became president of the Kentucky Federation of Women's Clubs and finally, from 1978 to 1980, was president of the General Federation of Women's Clubs, headquartered just blocks from the White House, in Washington, D.C.; and

Whereas, Mary Elizabeth Preston visited China and Korea along with many other countries encouraging public service and promoting the creation of women's clubs throughout; and

Whereas, in her work, stressing the privileges and responsibilities of freedom, which she argued are impossible to enjoy without a strong free enterprise system and traditional family values, she caught the eye of President Ronald Reagan, and went on to serve for seven years as his liaison to national social service and volunteer groups; and;

Whereas, Mary Elizabeth Preston has lived in Brooksville since 2001 with her second husband Bill and has continued her volunteer work. She is involved with the Brooksville Woman's Club, Child Advocacy Council, and serves as Bylaws Chairwoman for the Family Motor Coach Association.

Now Therefore, We the Undersigned as City Council for and on Behalf of the City of Brooksville, in honor of her 75 years of public service, her dedication and many contributions to volunteerism, do wish to recognize

## **"Mary Elizabeth Preston"** and declare June 4th as Mary Elizabeth Preston Day

In Witness Whereof, we have hereunto set my hand and caused the seal of the City of Brooksville to be affixed this 2nd day of June, 2014.

City of Brooksville

Kevin Höhn, Mayor

Frankie Burnett, Vice Mayor

Joe Bernardini, Council Member

Joseph E. Johnston, III, Council Member

Lara Bradburn, Council Member

Attest: \_\_\_\_\_  
Janice L. Peters, CMC, City Clerk

# City of Brooksville Proclamation

**Whereas**, Code Enforcement Officers provide for the safety, health and welfare of the citizens in this community through the enforcement of building, zoning, housing, animal control, fire safety, environmental and other codes and ordinances; and

**Whereas**, too many times their efforts go unnoticed, even after code compliance has been accomplished due to their efforts and expertise; and

**Whereas**, Code Enforcement Officers are dedicated, well trained, and highly responsible individuals who take their jobs seriously and are proud of their department and the local government within which they serve; and

**Whereas**, the Florida Association of Code Enforcement (F.A.C.E.) has declared the first week of June be set aside by local government to honor and recognize their Code Enforcement Officers;

**Now Therefore, We the Undersigned as City Council for and on Behalf of the City Of Brooksville**, do hereby proclaim the week of June 1 through June 7, 2014,

## Code Enforcement Officers' Appreciation Week

in the City of Brooksville, in accordance with the statewide observance of the same and encourage citizens of Brooksville to join this Council in expressing appreciation for the dedication and outstanding service provided by the individual who serves as our Code Enforcement Officer.

**In Witness Whereof**, we have hereunto set our hand and caused to be affixed the seal of the City of Brooksville this 2<sup>nd</sup> day of June, 2014.

**City Of Brooksville**

\_\_\_\_\_  
Kevin Hohn, Mayor

\_\_\_\_\_  
Frankie Burnett, Vice Mayor

\_\_\_\_\_  
Joe Bernardini, Council Member

\_\_\_\_\_  
Joseph E. Johnston, III, Council Member

\_\_\_\_\_  
Lara Bradburn, Council Member

**Attest:** \_\_\_\_\_  
Janice L. Peters, CMC, City Clerk

**CITY OF BROOKSVILLE  
FINANCIAL WORKSHOP  
COUNCIL CHAMBERS  
201 HOWELL AVENUE  
BROOKSVILLE, FL 34601  
MINUTES**

**February 26, 2013**

**6:30 P.M.**

Brooksville City Council met in workshop session with Mayor Lara Bradburn, Vice Mayor Kevin Hohn and Council Members, Joe Bernardini, Frankie Burnett and Joseph E. Johnston, III present. Also present were James Fisher, City Attorney; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Jim Delach, Assistant Finance Director, and Tim Mossgrove, Fire Chief.

**FY2012/13 FINANCIAL WORKSHOP**

Discussion of the financial status of the City.

City Manager Norman-Vacha indicated this is a review of the first quarter of finances with any changes/updates to the FY2012/13 budget. She advised there are guests present tonight to talk about impact fees.

**Impact Fees**

Mayor Bradburn introduced Ron Pianta who reviewed that the Impact Fees had been cut in half for a 2-year period, then suspended, during which rates were updated based upon data and analysis as required by state statute, except for roads and education. They were then reinstated then presented to the Board of County Commissioners back in January, which were approved. It included new rates for the City of Brooksville Fire Department, based upon data received from the department, which will take effect August 14, 2013.

Relative to roads and education, there is currently a roads impact fee study being performed with an approach to discount certain targeted businesses according to land-use to encourage infill development. One of the targeted areas is around the City, its growth area. This was supported by the Board of County Commissioners, who asked the consultant to have a stakeholder interview, which was attended by Director Geiger and the Mayor. The attachment provided to Council was also given to the stakeholders group and gives examples on page 14 of what the 2008 rates were for different land use and shows what the rates would be if charged at 100%.

Mayor Bradburn asked Mr. Pianta to restate the purpose of impact fees. He advised it is to pay for public facilities based upon growth. The 100% rate means that 100% of the fee is contributed to new growth impacts.

Mr. Pianta advised, regarding education, the school district, at a cost of \$39,000 will have their own study done.

Council Member Burnett asked if the enterprise zone will be included in the area to be discounted. Mr. Pianta advised it would.

Vice Mayor Hohn asked what the sections were. Mr. Pianta reviewed, that roads and schools are currently under study. The others that have been adopted are fire and EMS, with a specific fee for the City of Brooksville for fire based upon data received; capital facilities impact fees, which include libraries, public buildings and law enforcement, the jail, and parks. Mayor Bradburn pointed out that traditionally, the County did collect for schools as well, before the fees were suspended.

## FINANCIAL WORKSHOP MINUTES – FEBRUARY 26, 2013

Mr. Pianta advised they plan to implement at 100% for the smaller fees. Roads will not be implemented at 100% and education is yet to be determined. Mayor Bradburn added that historically, transportation was the largest area of impact fees. Mr. Pianta agreed, adding education. He indicated the other smaller fees totaled about \$1,300 for a single-family home for all the fees.

Mayor Bradburn asked that they expand upon the rationale behind the discounts, specifically transportation. Mr. Pianta advised the long-range transportation plan as prepared by the MPO has a financially feasible cost affordable section after the needs plan and there is quite a disparity between the plans. Mayor Bradburn advised that for the City of Brooksville alone it is \$18-25 million, for the State of Florida it is a \$21 billion shortfall over the next 5 years for transportation needs.

Council Member Bernardini expressed concern over how much fees have been lost during the time the fee was suspended. He didn't feel the suspension of fees worked.

Mr. Pianta advised they will be involved in the whole process of the educational study, even though the School Board is managing it.

Council Member Burnett asked how the stakeholders (business people) were selected. Mr. Pianta advised the Mayor was involved and was an attempt to get some input from individuals in the business community as well as other governmental entities. He also clarified that those were not the only opinions taken into account when the study was prepared.

Mayor Bradburn stated she is encouraged by what has been presented as it put more of a responsibility upon those impacting new growth.

Mr. Pianta advised they will continue to coordinate with City staff as these studies are going forward.

### **Property Appraiser Outlook**

City Manager Norman-Vacha advised the Property Appraiser, Mr. Emerson, had a conflict with tonight's meeting. He has asked to appear before Council during the April 15<sup>th</sup> meeting. Council concurred. She advised the city has seen some construction, advising the Grand has done a major addition.

### **Report of 1<sup>st</sup> Quarter FY2012-13**

City Manager Norman-Vacha advised the 1<sup>st</sup> Quarter is typically when the majority of taxpayers pay their taxes.

Assistant Finance Director Jim Delach reviewed.

Vice Mayor Hohn, under building permits, asked how many pending permits we might have. Director Geiger advised there have been a lot of permit activity and inquiries for zoning and land use. There have been several indications of permitting for single-family residential homes, especially in Southern Hills and permits have been issued for the condominium project. The auto parts project on U.S. 41 is going on. It looks promising that 2013 will be a much better year than 2012.

Under total other revenues, Vice Mayor Hohn asked what is covered under other revenue. Assistant Finance Director Delach advised it is usually the miscellaneous revenues from different departments that do not fit in actual categories by themselves.

Council Member Johnston asked, on line 13, why total transfers in are more than budgeted. Assistant Finance Director Delach will find out. City Manager Norman-Vacha thought it could be the local option gas tax.

## FINANCIAL WORKSHOP MINUTES – FEBRUARY 26, 2013

Regarding current period budget variance, Council Member Bernardini asked what the parenthesis around total franchise fees of \$43,000. Assistant Finance Director Delach advised that is how much we are down from what was budget for the 1<sup>st</sup> quarter but in reality it's only for 2 months of revenue. With the additional month added we would actually be up about \$40,000 from what was budgeted.

### General Fund

Assistant Finance Director Delach advised revenues are up from last year and expenses are down. City Manager Norman-Vacha advised specific revenues from Parks & Recreation and Cemetery were extracted and expensed reviewed so Council could see some functions that are more in line with user fees or specific fees and how those revenues are doing.

On page 28, Vice Mayor Hohn indicated our water bill is awfully high. Director Walker advised there was a water leak, which has been fixed. Assistant Finance Director Delach advised the new system makes it easier to identify problems and Customer Service is very proactive in pointing out problems to customers.

### Utilities

Assistant Finance Director Delach advised revenues are up about \$12,000 over last year and expenses are down.

Vice Mayor Hohn asked why the On Call Beeper Pay is nearly half the budgeted amount in the first quarter. Assistant Finance Director Delach advised this was added into the budget this year. Director Radacky advised bringing the reuse facilities online is the cause. This line item should decrease for the remainder of the fiscal year. City Manager Norman-Vacha explained on-call pay versus overtime.

Vice Mayor Hohn asked about the increase in medical services on page 32. City Manager Norman-Vacha advised this increases with new hires and drug testing.

Vice Mayor Hohn asked about Bad Debt Expenses under the water division. Assistant Finance Director Delach reviewed.

Council Member Johnston, referencing page 34, Repair & Maintenance in the Sewer Division, asked why they are already \$17,000 over budget for the year. Vice Mayor Hohn pointed out that auto repair supplies are up 47%. Director Radacky advised three pumps went out around the first of the year. Two were at School Street and one was at the North Avenue pump station. The City Manager will get with staff for all other overages for clarification.

### Internal Services

Assistant Finance Director Delach reviewed.

### **Update of Refund/Refinance of 1999, 2002 bonds and 2008 Hancock loan**

Assistant Finance Director Delach advised these are the actual numbers from the closing, which he reviewed, advising \$1,344,518 was interest saved from refinancing. The final rate was 1.31%. The total overall savings by refinancing was \$4,336,488. Mayor Bradburn gave kudos to City Manager Norman-Vacha for insisting on a fixed rate.

Council Member Johnston asked, on an annual basis, what the savings is. Assistant Finance Director Delach advised that page 51 reflects an annual savings of \$369,000 in the first year.

## FINANCIAL WORKSHOP MINUTES – FEBRUARY 26, 2013

Council Member Hohn agreed with Council Member Bernardini that adding footnotes to explain variances in the budget would help. Assistant Finance Director Delach will provide for future updates.

### Update on Capital Projects for FY2012/13

City Manager Norman-Vacha gave an update on the status of current Capital Projects. She advised Value Exercising Equipment is actually Valve Exercising Equipment, for repair and maintenance in the Utilities Department.

- She advised the CIP MPO enhancement funds for Phase 2B of the Good Neighbor Trail is listed as a \$476,960 investment. Although it is not City of Brooksville money per se, it is money that has been derived through DOT funding and it is funds that will finish the Good Neighbor Trail within the City.
- The Police Department lobby is 85-90% finished and includes the HVAC system. The project is scheduled to be completed by the 2<sup>nd</sup> week in March.
- The Peck Sink (Horse Lake) project is at 100% completion.
- The pavement management program has \$300,000 allotted and will be discussed at next Tuesday's workshop.
- Additionally, the bond settlement money for Southern Hills is listed. Phase 3A and 3A-1 is coming along. The reuse plant is close to being finalized to provide reclaimed water to the ponds.
- A garbage truck is on order to be delivered around May. Council Member Johnston asked how many garbage trucks we own and how many are operable. Director Radacky advised there are 4 rear-loaders and 3 front-loaders, 1 recycling truck and 3 trucks with clam buckets for picking up limbs, leaves, furniture, etc. The new truck will replace a rear-loader which is 10-years old. Discussion of replacements followed.

### Update on Fire Assessment Collections

Fire Chief Mossgrove advised that as of February 20, 2013, 64%, or \$241,672 of the budgeted amount of \$380,000 has been received. He asked for direction as to proceeding with collection of unpaid assessments, with three directives as follows:

1. Should a second notice be sent out to the 1,809 parcels that haven't paid at a cost of about \$800?
2. Should the unpaid fire assessments be placed on the 2013 tax bill without further notice?
3. Does Council want to apply a penalty for those who have not yet paid?

Mayor Bradburn advised the cost for a second notice could be cut by using a postcard instead of another full letter. He advised this is the cost through the vendor but staff can look at that option.

City Manager Norman-Vacha advised the trend is property owners that are out of the area are, for the most part, the ones who haven't paid.

Council Member Johnston recommended re-noticing property owners of the debt and adding a penalty if not paid by March 31<sup>st</sup>. Council Member Hohn recommended offering a payment plan for those that can't pay. He advised putting off the penalty until June and attaching a 25% penalty. Council Member Bernardini agreed.

## FINANCIAL WORKSHOP MINUTES – FEBRUARY 26, 2013

Council Member Burnett agreed with sending a 2<sup>nd</sup> notice with a 10% penalty and look at the time frame.

Mayor Bradburn recommended mailing postcards in-house. She was not in favor of a penalty.

Council Member Johnston would not have a problem moving the deadline until June 1<sup>st</sup>. He would be in favor of a 10% or \$25 penalty.

Mayor Bradburn reviewed that the notices would be mailed with no penalty at this time.

City Manager Norman-Vacha advised any delinquent payments can be added to next year's tax bill and an update will be brought to Council after June 1<sup>st</sup>.

### Update on Red Light Traffic Camera funds

City Manager Norman-Vacha reviewed that funds collected between May and December 2012 is \$267,367. She reminded that \$100,000 was allocated to General Fund and \$100,000 to the Multi-Capital Fund (Pavement Improvement). The program also requires staffing and personnel, which requires a uniformed and certified officer to issue the actual citations. She asked for direction to allocate additional monies.

Mayor Bradburn advised she would like to allocate monies toward transportation and a portion to promote the City.

Council Member Bernardini was in favor of funding driver education.

Council Member Burnett asked about the split. Chief Turner advised \$83 goes to the state, \$75 comes to the City and is split with the camera company.

Council Member Hohn advised there are traffic safety officers in the Police Department that can teach safe drivers classes. He also would like to see the money go to fixing roads.

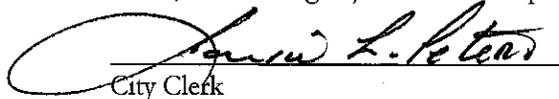
Council Member Johnston, for future should go to roads but would like to wait until August to allocate when revenue is in. He reminded all that the State is the reason the tickets are so high. He asked if there are problems like Pinellas has in collecting. Chief Turner reviewed, advising that the problem the City is having is people aren't getting the citations in a timely manner. They are allowing the citation to be paid without late charges if they come in. He also clarified that an affidavit requires identification of the person who was driving, if not the owner.

For confirmation, City Manager Norman-Vacha stated, as staff prepares the budget, she heard ideas on Drivers Education, Safety and Roads to allocate money to.

Council Member Hohn congratulated the City Manager and staff for their work on the budget.

### ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 8:30 p.m.

  
City Clerk

Attest: \_\_\_\_\_  
Mayor

**CITY OF BROOKSVILLE**  
**201 Howell Avenue**  
**Brooksville, FL 34601**

**WORKSHOP MINUTES**

**May 21, 2013**

**6:00 P.M.**

Brooksville City Council met in workshop session with Mayor Lara Bradburn, Vice Mayor Kevin Hohn and Council Members, Joe Bernardini and Joseph E. Johnston, III present. Also present were James Fisher, City Attorney; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Jim Delach, Assistant Finance Director, and Tim Mossgrove, Fire Chief. A member of the Hernando Times was in attendance.

The workshop was called to order by Mayor Bradburn, who advised this workshop is being held at the request of the Hernando County Health Department to discuss water fluoridation. She also advised that since the debate reignited she has been approached by many people concerned about this issue who do not want to attend a public meeting for fear of retribution.

Vice Mayor Hohn lead the invocation followed by the Pledge of Allegiance.

**WATER FLUORIDATION**

Dr. Pedro Lenz, a Dentist who works for the Hernando County Health Department, gave a presentation entitled What is Water Fluoridation: Saving Brooksville's Smile. It covered what fluoridation is and his belief of its effectiveness. Currently the recommended levels for optimal dental health is 0.7 ppm, which has been adjusted down because there are more sources of fluoride in the environment. Fluoridation started in 1945 in Grand Rapids, MI by the public Health Department. Dr. Lenz pointed out that many studies have been done which showed Fluoridation to be safe for the community and the water supply, pointing out that Brooksville had Fluoride in its water supply for 25 years. The possibility of any adverse health effects from continuous low-level consumption of Fluoride has been and continues to be extensively studied. Of the thousands of credible studies on Fluoridation, it is his belief that none have shown health problems with the levels recommended. He said the only risk that has been shown is what is called Fluorosis, which is minimum at the levels recommended. He advised the CDC has proclaimed Fluoridation as one of the 10 great public health achievements of the 20<sup>th</sup> Century. He stated that over 100 national and international entities support water fluoridation, as well as the Surgeon General.

Statistically, Dr. Lenz pointed out that the cost of lifetime fluoridation for one person is less than the cost of one filling. According to a 2001 economic feasibility study, every dollar invested in Fluoridation saves about \$38 in treatment costs. Here in Brooksville, the cost is around \$2 per person and benefits everyone. With tooth decay however, everyone pays in some way through increased insurance costs, higher taxes in support of public health benefits, etc. Currently about 73% of the United States is Fluoridated.

Dr. Johnny Johnson reiterated some of the points made by Dr. Lenz. He believes that no health issues have ever been proven from fluoride being ingested in optimum levels and it works

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

topically and systemically. He indicated that although it benefits adults and kids, it is especially important for kids because their teeth are developing below the gums, which fluoridates the tooth structure from the inside out. Dr. Johnson referenced a study from Australia, which indicated that for adults that never had fluoridated water growing up, only after they were adults, the long-term effect was up to 30% less cavities than those who were not receiving fluoridated water.

Dr. Johnson believes there have been no proven adverse health issues from optimally fluoridated water. He reiterated that the only proven thing that can occur is a cosmetic issue called Fluorosis. Severe Fluorosis, he believes, does not occur in the United States or where fluoridated water levels are below 2 ppm.

Council Member Burnett asked about mixing fluoridated water with baby formula. Dr. Johnson advised the ADA and CDC have never said not to use fluoridated water in baby formula. He did research on this in the 80's and what has always been said is that if you want to use fluoridated water in infant formulas you can, but what can happen is if the baby drinks optimally fluoridated water, they may show mild to moderate Fluorosis optimally fluoridated the baby teeth. This does not effect the permanent teeth.

Council Member Burnett referenced some research that indicated fluoridated water can cause problems for people with kidney disease. Dr. Johnson advised the National Kidney Foundation's (NKF) position is that optimally fluoridated water does not contribute to this. Only those on dialysis, with severe kidney disease above stage 4, should not use optimally fluoridated water. Dialysis patients get highly filtered water which removes contaminates.

Further, Council Member Burnett asked about Fluoride causing brown, pitted and stained teeth that costs thousands of dollars to repair. Dr. Johnson stated that this only happens in fluoridated water above 2 ppm, which does not happen in the US where Fluoridation is optimal. He indicated this is seen in other countries such as India, China, Mongolia, Iraq, etc. Dr. Johnson advised these areas have fluoride pollution as well as fluoride in their water and he has never seen a child with this condition. Further, he advised that, according to the National Academy of Science's National Research Council (NRC), who did a review in 2006, below 2 ppm this is non-existent in the United State. Council Member Burnett asked if Fluoride can make bones brittle. Dr. Johnson advised Skeletal Fluorosis can happen with high levels of fluoride, but again, according to the NRC's review, this only happens in levels above 4 ppm, which does not happen in the U.S.

Council Member Burnett asked about the Harvard study, which indicated fluoridated water can lower a person's I.Q. Dr. Johnny referenced that this evaluation has been done in the science circles a lot. Some have thought that Fluoridation is causing an I.Q. deficit. In the last 40 years I.Q. levels in the U.S. have gone up 20 points. He stated the Harvard researchers did not actually do the study, they looked at studies from China, Mongolia and Iraq with children in communities that have low fluoridated water similar to the U.S. and children in communities that have up to 10 times more fluoride in the water than we do. The higher group had up to 7 points lower I.Q. than children in the optimally fluoridated water. So the conclusion was that as the fluoridated water levels go up to 5 - 10 ppm the I.Q. may be effected, but was not definitively concluded. The studies did not measure arsenic and lead in the water, which could contribute as well.

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

He advised that even the Harvard Medical, Dental School and School of Public Health have all come out with statements recently favoring the continued use optimally fluoridated water.

Council Member Bernardini asked about the percentage of dental problems in Spring Hill, which is not fluoridated and Brooksville. Doctors Lenz and Johnson explained that it is hard to quantify.

Vice Mayor Hohn asked if Dr. Johnson is familiar with White Hill Laboratories, Dr. Bob White or Dr. Ira Hill, who developed floss and have the patents on most all toothpaste. Dr. White's opinion is that fluoride absolutely helps harden teeth. He stated that fluoride on its own reduces PH levels, which causes oral dysfunction that adversely effects the salivary production and mucosal tissue dehydration. This is a problem basically ignored by the ADA for the last 50 years. Vice Mayor Hohn felt fluoride is a toxic substance. Dr. Johnson advised not at optimum fluoridated water levels. Vice Mayor Hohn felt there are benefits to fluoride but also adverse effects. He believes there is a better way. Instead of spending \$7,000 on something which could be problematic, he felt educating children on the importance of brushing their teeth to be a better way. Dr. Johnson feels fluoridation is the only option there is right now. He also advised the Health Department does educate patients about proper dental health.

Mayor Bradburn asked if Dr. Johnson is aware of the survey that the U.S. Department of Health and Human Services did on dental carries nationwide in all 50 states and the District of Columbia. He advised he is. Mayor Bradburn indicated their findings show that there is no difference in today's society between fluoridated and un-fluoridated communities and oral health.

Vice Mayor Hohn referenced studies that show that in Kentucky and West Virginia, in the Appalachians fluoridation gets as high as 4.5 - 5 ppm naturally, which causes the Fluorosis. Dr. Johnson indicated there are areas that have 4 ppm and the EPA standards are still set at the maximum contaminate level of 4 ppm. If it is over 4 ppm you are supposed to have an alternate drinking water source.

Dr. Scott Tomar from the University of Florida College of Dentistry spoke of the evidence of the safety of community water fluoridation and the organizations that uphold water fluoridation. He reiterated that fluoridation is the process of adjusting the naturally occurring fluoride concentration to a level optimum for the prevention of dental carries. He felt it important to remember the history of fluoridation. It is a mineral that is naturally occurring in water. He offered that many systematic reviews have been done on water fluoridation, which he briefly reviewed, reiterating what Dr.'s Johnson & Lenz' statements, adding that references to all his statements are listed on his slide. In summary, based on the best scientific evidence, and how he would expect his students and graduates to practice, he felt there to be no association between community water fluoridation and cancer, bone fracture, or any other health effect, including impaired I.Q. The safety of community water fluoridation has been repeatedly upheld by virtually every leading medical and public health authority in the U.S. and the world.

In response to Dr. Johnson's reference to an NRC review panel statement that indicated Fluoride is absorbed topically and systemically, Mayor Bradburn stated the NRC review in 2006 said it's only absorbed topically, and not systemically. Dr. Tomar advised that sometimes people confuse the mechanism of action versus the root of administration. He stated the effect of fluoridation is primarily topical, but it can also be delivered through a systemic means. The

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

fluoride that's taken into the body, a portion of it is excreted through saliva, back into the oral cavity, where it is available to act topically. He noted there is actually evidence of the systemic effect as well, a number of studies from Australia demonstrated a protective effect from strictly pre-eruptive exposure. He felt the majority of studies would suggest the primary effect is topical. But, what makes community water fluoridation so effective is ingesting very low concentration of Fluoride, 0.7 ppm, concentrated at the interface between the dental plaque, the biofilm that has the bacteria that causes tooth decay and the enamel surface. That's exactly where Fluoride concentrates. So it acts topically, even though it's taken in systemically, providing a high level at the very place you want it to, the interface between where the biofilm is producing acids that cause enamel dissolution and the enamel surface.

Mayor Bradburn asked Dr. Tomar if he is aware that the Chair and the Co-Chair of the NRC review both said that, if there is any benefit to Fluoride it is minimal, and the benefit is topical, not systemic. Dr. Tomar stated that what he is aware of is that there is consistent evidence that exposure to community water fluoridation. . . . Mayor Bradburn interrupted, again asking if he is familiar with the NRC's report that states that. Dr. Tomar advised he will review that sentence but he happened to have written a review paper in Morbidity Mortality Weekly Report that actually reviewed the mechanisms so he is quite familiar with that body of literature. He stated that just because it acts topically, that's the mechanism of action, does not mean that ingesting it is somehow irrelevant. He said 7 years of epidemiologic studies show that drinking fluoridated community water is associated with a reduction in the risk for dental carries.

Dr. Tomar further stated that most recently, a study came out last month from Australia, showing the more years a person had been exposed to community water fluoridation, the lower their risk for dental carries.

Vice Mayor Hohn asked if water fluoridation is as effective in reducing plaque. Dr. Tomar offered that the available evidence suggests there is an independent effect of community water fluoridation above that of brushing with the fluoridated toothpaste. He advised the study he just mentioned concluded the same thing.

Mayor Bradburn, prior to her presentation, advised she is not a scientist or medical professional, but she took the time to read through more than fifty scientific studies on this issue, cross referencing with outside sources, read references to hundreds of other studies, and almost every one shows the harmful effects of fluoridation on various parts of the body.

Mayor Bradburn reviewed a series of "oops" on the part of pro-fluoridation advocates.

- 2002 - Fluoride Levels in Toothpaste Lowered. The federal government admits, kids are getting too much Fluoride. Better lower those levels, put warning on every single tube of toothpaste and instructions on how to use it. But even then, people are still getting too much and still getting sick.
- 2009 - The Poison Control Center received over 24,000 calls from frantic parents who were afraid their kids had overdosed from toothpaste. She indicated many of those people ended up in the hospital and one even died.

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

- 2006 - The Government says using fluoridated water to mix baby formula is harming our children. She indicated that is on the link of the websites and in the literature that agency hands out. She advised the federal government said parents need to be told to stop doing that because it's not safe for their children, it could stunt their mental capacity, cause Fluorosis and Thyroid Disease.
- 2012 - A warning was sent out that millions of people across the U.S. are showing harmful effects of fluoridated water. In response, the federal government cut the fluoridation level again, this time by 42%. She advised that the scientists reviewing that data asked for a total ban. She also advised that a few years ago, the same group of Fluoride supporters here today appeared before this Council and insisted the 1.2 ppm level was safe and effective for our citizens. But the federal government said no, reduce it by 42%.

She felt the bottom line is that federal health agencies have recognized evolved science only when they have no choice. People are getting sick. Highly respected universities across America and around the world have conducted hundreds of studies documenting the harmful effects of Fluoride and water fluoridation. She indicated that Harvard has done four separate studies showing the harmful effects of fluoridation, which cannot, in her opinion, be dismissed as myth. These are respected institutions of higher learning.

Mayor Bradburn then advised there are two ethic reviews of extensive research data of both the NRC and the Environmental Protection Agency (EPA), the agency that regulates water fluoridation. Both agencies have reviewed a multitude of studies that prove harmful effects of water fluoridation, regardless of dosage levels.

- Dr. Kathleen Thiessen, whose credentials are impeccable, co-authored the 2006 NRC report. She is an expert in toxicology and carcinogenics and is used worldwide for that expertise. The NRC has used her on at least four other studies. Dr. Thiessen says there has been a tendency in the U.S. to downplay or dismiss evidence of adverse health effects from Fluoride exposure due to the wide-spread belief that the benefits of Fluoride exposure outweigh any risks. Mayor Bradburn referenced Dr. Thiessen's statement that the committee for the 2006 NRC report unanimously agreed that Fluoride appears to have the potential to initiate or promote cancers, stating further that the evidence against water fluoridation is overwhelming. Dr. Thiessen added that Health and Human Services should act in the best interest of public health by eliminating community water fluoridation in the U.S. at the earliest possible date.
- News of the NRC and EPA reviews caught the eye of former United States Ambassador Andrew Young and Dr. Gerald Durley, both inductees in the International Civil Rights Walk of Fame. In 2011 they lobbied the Georgia lawmakers to end water fluoridation in all public health supplies. Mayor Bradburn quoted Dr. Durley as saying, "The NRC of the National Academy of Sciences, who by the way is the leading authority of scientific research in the United States of America, has designated kidney patients, diabetics, seniors, and babies as a 'susceptible subpopulations' that are especially vulnerable to harm from ingested fluorides. Black citizens are disproportionately affected by kidney disease and diabetes, and are therefore more impacted by fluorides." She referenced that Dr. Andrew Young is the son of a Dentist

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

who grew up believing that Fluoride in the water was a good thing that helped poor people live healthier lives before learning the truth. Mayor Bradburn quoted him as saying, "Many things that we began to do 50 or more years ago we now no longer do, because we have learned further information that changes our practices and policies. So it is with fluoridation. We have a cavity epidemic today in our inner cities that have been fluoridated for decades. This is an issue of fairness, civil rights, and compassion."

Mayor Bradburn referenced that Andrew Young states it hurts the poor the most. Mayor Bradburn felt that's because they don't have the means to buy bottled water or expensive filtration systems. They are forced to drink from the tap, ingesting an unregulated drug their doctor never prescribed. She advised that most all the filtration systems on the market don't remove fluoride because it is too small of a particle.

Backing up, she referenced that the ADA's manual on fluoridation facts neglects to mention any of the studies that show the harmful effects of fluoridation. It doesn't even mention the EPA's 2008 study, a compilation of 14 study analysis', or the 2006 review of the NRC on EPA fluoridation standards, that shows the harmful effects. Neither does the book provided by the Health Department in its quest to educate the public on the facts of fluoridation. She feels the industry simply fails to acknowledge the dangers that come from water fluoridation.

Mayor Bradburn quoted Dr. John Deuel, who lead the most comprehensive scientific analysis on water fluoridation, done on behalf of the NRC, who said, "Although Fluoride advocates have claimed for years the safety of Fluoride in dentistry, it is exhaustively documented and beyond debate, when we looked at the studies that have been done we found that many of these questions are unsettled and we have much less information than we should, considering how long this debate has been going on. That's why fluoridation is still being challenged so many years after it began."

Referencing the Health Department's book, Mayor Bradburn advised their book does not reflect the whole truth about water fluoridation. It is her belief that the intention may be good but the information is obsolete at best. She quoted a statement taken from the ADA Journal, "Studies of Dentist's attitudes about water fluoridation suggest a lack of knowledge and preparedness." They go on to state that "Dentists lack self-efficacy with respect to critically evaluating scientific literature". In other words, Mayor Bradburn said, they repeat what they were taught in school. She went on to say that the ADA puts out a document that it deems the authoritative summary on water Fluoridation pros, which bases its entire premise on data collected 50-100 years ago.

- 2009 - The University of Iowa released a study, 9 years in the making, which concluded that Fluoride does little to prevent tooth decay. Mayor Bradburn quoted from the study, "These findings suggests that achieving a carries-free status may have little to do with Fluoride intake, while Fluorosis is clearly more dependent on Fluoride intake". She advised the University of West Virginia, this year, released a study with the same conclusions.
- 2006 - Dr. Tangs findings are that China has done 27 studies on the effects of Fluoride and mental retardation; 26 showed adverse effects on I.Q. Mayor Bradburn indicated

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

the studies found a 5-fold increased risk of mental retardation for children living in fluoridated areas. She further quoted Dr. Tang as saying, "A qualitative review of the studies found consistent and strong association between the exposure to Fluoride and low I.Q.". Mayor Bradburn advised Harvard did yet another study which shows the adverse effects on I.Q. and brain function. She stated it hurts the poor the most.

- Mayor Bradburn referenced that the National Kidney Foundation does have information on their website about the adverse effects of Fluoride on kidney patients, saying that they actually have several links on their website referencing this as well as on pamphlets they hand out, which state, "Individuals with chronic kidney disease should be notified of the potential risk of Fluoride exposure". She indicated Fluoride has a cumulative effect, preventing chronic kidney disease patients the ability to flush out toxins, resulting in Osteomalacia, a bone-softening disease which frequently develops in patients with advanced kidney disease. According to Mayor Bradburn, this information lead the NKF to drop its support of fluoridation.
- Regarding brittle bones, Mayor Bradburn referenced that in 2008, the NRC concluded that this was greater in women of higher Fluoride communities than in women of controlled and higher calcium communities. The NCR Panel's conclusion is that Fluoride hurts women more than men.
- Regarding Bone cancer, Mayor Bradburn referenced a 2001 peer reviewed thesis at Harvard by Dr. Elise Bassin. She discovered that young boys, aged 6-8, displayed a very strong statistical relationship between Osteosarcoma cancer and exposure to Fluoride. Her research further found a 300-700% increase in Osteosarcoma cancer by age 20 in young males who were drinking fluoridated water. According to Mayor Bradburn another study in 2009 found similar results.

Mayor Bradburn stated that Rick North, the former Executive Vice President of the American Cancer Society in Oregon, told the Associated Press that you simply cannot put a drug into the water supply and expect that it is not going to have side effects.

- Regarding the Thyroid, Mayor Bradburn stated Fluoride exposure in humans to be associated with elevated TSH concentrations, increased goiter prevalence and altered T3 and T4 concentrations. That was part of the National Review Council's review of Fluoridation.
- Mayor Bradburn, based on an Australian study, noted that Fluoride avoidance reduced anemia in pregnant women, decreased pre-term births, and enhanced baby's birth weight. According to the ADA Journal, 2009, most if not all infant formula, whether concentrated or not, contains Fluoride that can discolor teeth. The U.S. Department of Health and Human Services indicated that a baby ingesting tap water or formula made with fluoridated water ingests 175 times more Fluoride than is found naturally in a mother's breast milk.

Referring to the effectiveness of water fluoridation, Mayor Bradburn, referencing a 2005 World Health Organization (WHO) study, quoted them as saying, "The rate of tooth decay around the world is declining, both in communities with fluoridated water and in those without."

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

The WHO did an in-depth, scientific, empirical look at countries around the world which showed the increase of fluoridation and the defined cavities in every nation that is fluoridated.

She then referred to a 2003 Health and Human Services 50-state survey between rich and poor children in fluoridated communities which showed no improvement in overall dental health with fluoridation.

Mayor Bradburn stated that because of the increased awareness of fluoridation, lawsuits are increasing around the nation because people realize they are being poisoned. She quoted an attorney, a NYSCOF President, as saying, "Fortunes are wasted on fluoridation schemes that fail to prevent cavities while unnecessarily exposing children to Fluoride's adverse drug effects."

In closing Mayor Bradburn offered the conclusion that the NRC calls Fluoride a toxin, the FDA calls it a drug, the EPA calls it hazardous waste, and in 2010, Time Magazine called it one of the ten most common household toxins. She stated that water with Fluoride in it is simply not good science. It never has been, it never will be. It is a failed experiment that universities and scientists around the world have proven, without question, harms the public.

Mayor Bradburn asked for public input.

Sandra Roth, referenced the NRC's 2006 report, advising it was based upon 3 years of studies of safe drinking water standard of fluoride at the level of 4 ppm, not a 0.7, but 4 ppm. It was her understanding from testimony is that EPA is concerned about naturally occurring levels of water, not community fluoridation. Mayor Bradburn advised that was the NRC Panel's original assignment, but the panel was so impressed by the studies they were reviewing that they went much further than that, looking at all dosage levels.

Dr. Doug Roth, advised he is a Dentist, practicing for 40 years. He has been an avid reader of dental journals, maintains over 100 hours of continuing education every year, considers himself to be well-read and well informed on many areas of dentistry procedures and somewhat in dental research. He indicated he has never in 40 years ever been aware of or read a credible peer reviewed article documenting any danger from fluoride in water that is optimally fluoridated. On the contrary, optimally fluoridated water has been well documented for decades. He referenced that in 2005 the ADA produced a statement commemorating the 60th Anniversary of community Fluoride, a 71 page report, which concluded that fluoridation in community water supplies is the single most effective public health measure to prevent dental decay. The report cites 359 references supporting its conclusion and lists 110 national and international organizations that recognize the public health benefits of community water fluoridation for preventing dental decay. In the opposition, an article produced by Dr. Paul Connett, a retired Chemistry Professor, entitled "50 Reasons to Oppose Fluoridation", purports to be a thorough review of the scientific literature as regards to risks and benefits of Fluoride. Dr. Connett's reasons, however, contradict the existing consensus of scientific medical and epidemiological evidence upheld by independent multi-disciplinary scientific reviews and many are statements without scientific content. It was refuted in a response authored by Terrance W. Kutrus, who has authored well over 100 peer reviewed journal articles on fluoridation and related areas of scientific inquiry. Moreover, Dr. Steven Barrett, M.D. has taken a critical look at Dr. Connett and his Fluoride Action Network. His conclusion is quote, "Over the years, anti Fluoridationist have offered hundreds of objections. By 1960 the number was so great that a team at the University of Michigan published an 85 page book that classified and rebutted more

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

than 200 of them. Since that time hundreds more have surfaced, but the sheer number should tell us something. If even one objection were valid, do you think fluoridation would still be with us?" He urged Council to return fluoridation to the city's water system.

Donna Waldron thanked Mayor Bradburn for her presentation. She asked what kind of fluoride is being added to the water. Her opinion is that it is not pharmaceutical grade but unprocessed industrial byproducts of the phosphate industry and undergo no purification procedures and may contain elevated levels of arsenic. She spoke against water fluoridation, citing various ailments that she felt could be attributed to water fluoridation.

Viennese Black advised she worked with children for 29 years for the Headstart Program, which is funded by the Department of Health and Human Services, and saw the benefits of Fluoride.

Angel Edfores, whose daughter suffers from Fluorosis, spoke against adding fluoride to the city's water.

Barbara Butler, of Spring Hill, spoke in opposition of fluoride.

Savannah Edfores spoke in opposition of fluoride, advising she suffers from Fluorosis, which has shattered her self-image and cannot afford to have it cosmetically corrected.

Sean Isaac, Fluoridation Program Administrator for the Florida Department of Health, in Tallahassee expressed the department's support of fluoridation, along with the Florida Surgeon General.

Council Member Burnett spoke in favor of fluoridation.

Council Member Johnston referencing toxicity of fluoride advised anything in excessive dosages can be toxic. Fluoride is a naturally occurring chemical when in regulated dosages diluted down to ppm it has been shown to be safe and effective in helping to prevent tooth decay. He stated that until a better, proven solution is available, he will support Fluoridation.

Mayor Bradburn responded by saying the NRC and EPA have both said that if there is any benefit it is minimal and topical, not ingested. She stated fluoride is slightly more toxic than lead and slightly less toxic than arsenic. She indicated she has heard nothing opposing the NRC and EPA statements and nothing that would change her stance on the issue.

Council Member Bernardini asked if citizens can receive water from the state if they don't want to drink the fluoridated water. City Manager Norman-Vacha advised it is available temporarily to people who find toxic levels of arsenic in their water source until a filtration system can be installed. Ann Gail Ellis, with the Hernando County Health Department elaborated, advising there is no availability regarding fluoridated water. She and Doctor Johnson reviewed the pre-fluoridation spigot offered in Kansas. Water filtration systems, for the purpose of filtering out fluoride, were discussed as well.

Council Member Bernardini asked about the cumulative effect of fluoride, which Dr. Johnson reviewed.

## FLUORIDATION WORKSHOP MINUTES – MAY 21, 2013

Mayor Bradburn, referencing the 2006 NRC Review, the 2008 review by the EPA, and other cumulative analysis\*, asked Dr. Johnson if he is negating all their findings showing the harmful effects to the thyroid, endocrine, brain, IQ, kidney function, etc. Dr. Johnson advised these were not studies done on optimally fluoridated water, but natural occurring fluoride in the water. He referenced their conclusion was that under 4 ppm is the natural acceptable level but set a goal to drop it to 2 ppm with no severe Fluorosis below that. Mayor Bradburn refuted his interpretation. Discussion continued of pharmaceutical versus non-pharmaceutical Fluoride.

Council Member Bernardini favored a referendum on the subject. Mayor Bradburn advised that government is banned by law to even give informational seminars on the truth (for referendum issues). You can't go house-to-house and you can't go to community groups. So it tends to be as it was in Pinellas County, a one-sided discussion. The media never presented all the information on the studies. Council Member Johnston advised a referendum question is limited to items directly related to expenditures by the municipality.

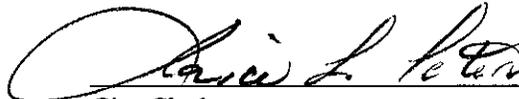
Mayor Bradburn asked where Council would like to go with the budget sessions coming up. Council Member Johnston recommended discussing during the budget sessions.

Council Member Burnett spoke in favor of water fluoridation.

Council Member Bernardini advised he would also like to know the cost of being able to provide pre-fluoridated water to citizens.

### ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 8:42 p.m.

  
City Clerk

Attest: \_\_\_\_\_  
Mayor

*\*The extensive discussions for and against fluoridation, as referenced in documents herein, are on file in the City Clerk's office.*

**CITY OF BROOKSVILLE  
FISCAL YEAR 2013/14 BUDGET  
FIRST PUBLIC HEARING  
COUNCIL CHAMBERS  
201 HOWELL AVENUE  
BROOKSVILLE, FL 34601**

**MINUTES**

**SEPTEMBER 11, 2013**

**6:30 P.M.**

Brooksville City Council met in regular session with Mayor Lara Bradburn and Council Members Joe Bernardini, and Frankie Burnett present. Also present were Jim Fisher, City Attorney; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Jim Delach, Assistant Finance Director; Mike Walker, Parks and Recreation Director; Bill Geiger, Community Development Director; Richard Radacky, Director of Public Works; George Turner, Police Chief and Tim Mossgrove, Fire Chief. Members of the Hernando Times and Hernando Today were also present.

The meeting was called to order by Mayor Bradburn, followed by an invocation and Pledge of Allegiance. There was a moment of silence to remember those who perished in 9/11.

Mayor Bradburn reviewed the process to be followed.

**PUBLIC HEARING - PRESENTATION OF PROPOSED BUDGET FOR FISCAL YEAR STARTING OCTOBER 1, 2013**

City Clerk Peters read the public announcement.

**Public Announcement** - Ad Valorem Tax Rate (TRIM Notice)

Pursuant to Section 200.069, F.S., "Notice of Proposed Property Taxes" (TRIM NOTICE) the proposed ad valorem rate for the Fiscal Year 2013/14 was advertised to be a maximum of 8.0000 mills. This millage rate would be an 18.84% increase over the current year's rolled-back rate of 6.7317 mills. After reviewing revenue projections and proposed expenditure levels for the 2013/14 Fiscal Year, the General Fund budget is balanced at a proposed rate of 6.7317 mills, which is 00.00% increase over the current year's rolled-back rate.

**Proposed FY2014 Budget**

Review proposed budget and points of discussion.

City Manager Norman-Vacha reviewed the proposed budget, which is balanced at a rate of 6.7317 or rolled-back.

She reviewed specifics of the proposed budget and a history of reduction from 8 mills in 2005 to the current 6.7317 rate, which required reductions and restructuring of staff. She noted a request of \$50,000 in improvements for drainage within Streets in the General Fund to come from the Multi-Capitol Project Accumulation Fund.

Council Member Bernardini asked for consideration that all employees earning over \$50,000 get a 1.5% raise and those earning below receive 3% as well as the \$10,000 to be returned to the budget for Fluoride, whether or not it is reinstated. City Manager Norman-Vacha advised it is listed under unfinished business on page 7 of the memorandum.

## FIRST BUDGET HEARING MINUTES – SEPTEMBER 11, 2013

Council Member Bernardini advised he is not in favor of the Tier 2 amount for vacant properties, which he feels to be excessive, but is in favor of the purchase of the street sweeper from Sanitation Vehicle Replacement.

Council Member Burnett agreed with \$10,000 being set aside for Fluoridation.

Mayor Bradburn advised staff has found a way to fund the street sweeper. She did not agree with the split of cost of living increase, supporting the full 3%.

Mayor Bradburn called for public input.

Bob Hager of Southern Hills Plantation commended City Manager Norman-Vacha for a very well thought out budget. He asked the primary difference of what the city provides versus what the county provides. He referenced tax comparisons between Hernando Oaks and Southern Hills Plantation taxes, which showed a 50-60% difference (increase) for city property.

Robert Buckner spoke regarding Fire Assessment, advising he is not in favor of the Tier 2 assessment for vacant lots. He proposed alternatives in a letter to Council. (Attachment 1).

Richard Lilliston referenced changes in the economy advising tax increases only create more economic hardship.

Vi Coogler agreed with Council Member Bernardini's proposal for pay increases for staff.

Sandra Roth spoke in favor of fluoridation being returned to the water and distributed her plea to Council (Attachment 2)

Dr. Doug Roth, DDS, spoke in favor of fluoridation.

Gail Samples, regarding fire assessment, felt exempt properties should pay as well.

Ann-Gale , FDOH, spoke in favor of Fluoridation.

John Dennison spoke in favor of Fluoridation.

Dr. Jessica Stilley, Periodontist, spoke in favor of Fluoride

Dr. Johnny Johnson, DDS, spoke in favor of fluoridation, referring to Dr. Kumar.

Dr. Pedro Lenz, of the Health Department, spoke in favor of fluoridation.

Council Member Bernardini was in favor of giving Dr. Johnson the additional 3 minutes given by others. Council Member Burnett agreed. Dr. Johnson continued his oration on Fluoride.

City Manager Norman-Vacha addressed the question of the differences of taxes in county only residences and city residences, pointing out the higher quality and level of services the residents of the City receive.

Council Member Bernardini asked if the Police Department is supposed to patrol private communities. City Manager Norman-Vacha advised yes.

Mayor Bradburn, regarding the fire assessment, advised the consultant will reevaluate the process to resolve the gaps and she is supporting it with that understanding.

## FIRST BUDGET HEARING MINUTES – SEPTEMBER 11, 2013

She reiterated she is not in favor of fluoridation, pointing out that proponents of fluoridation have yet to adequately address the scientific data that shows the harmful effects of water fluoridation. Further, the ADA, the EPA, and the Centers for Disease Control each admit that Fluoride is absorbed topically and that 98% of all toothpaste has Fluoride, which makes ingesting it unnecessary.

City Manager Norman-Vacha reviewed the millage. She reviewed the following points for clarification and consensus of Council:

- Fluoride – \$10,000 from Water/Wastewater Reserves for Contingencies fund to the operating structure of the budget in the Water Department should Council decide to move forward with Fluoridation.
- Street Sweeper - Funds to Sanitation Vehicle Replacement Fund from Reserves for Contingencies.
- Cola Increase - 3% Increase for all of staff.
- Tier 2 - Proceed as proposed.

### Ad Valorem Tax Rate for Fiscal Year 2014

Consideration of establishing ad valorem tax rate.

In review, Assistant Finance Director Delach stated the City's roll-back rate is 6.7317 mils, a 0.0% increase over roll-back rate. The proposed rate is 6.7317, which is the same as the roll-back rate. Staff recommendation was to approve the current millage rate.

### Motion:

Motion was made by Council Member Burnett for adoption of a 6.7317 millage with changes as noted to funds for fluoridation, street sweeper and 3% cola and seconded by Council Member Bernardini for discussion.

Council Member Bernardini stated he couldn't vote for approval with the inclusion of the fire assessment Tier 2.

Motion carried 2-1 upon roll-call vote as follows:

Council Member Bernardini	Nay
Council Member Burnett	Aye
Council Member Johnston	Absent
Vice Mayor Hohn	Absent
Mayor Bradburn	Aye

### Resolution No. 2013-08 for FY2014 Fire Assessment

Consideration of Resolution for the imposition and collection of Special Assessments to fund Fire Protection Services.

Mayor Bradburn read Resolution No. 2013-08 by title, as follows:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BROOKSVILLE, FLORIDA, APPROVING THE FISCAL YEAR 2013-14 NON-AD VALOREM ASSESSMENT ROLL FOR FIRE PROTECTION SERVICES, FACILITIES AND PROGRAMS; DIRECTING CERTIFICATION OF THE ASSESSMENT ROLL TO THE HERNANDO COUNTY TAX COLLECTOR; AND PROVIDING AN EFFECTIVE DATE.**

# FIRST BUDGET HEARING MINUTES – SEPTEMBER 11, 2013

## Motion:

Motion was made by Council Member Burnett and seconded by Mayor Bradburn, after passing the gavel to Council Member Bernardini, for approval of Resolution No. 2013-08.

Mayor Bradburn reiterated her agreement that all be included in the assessment. Council Member Burnett agreed.

Motion carried 2-1 upon roll call vote, as follows:

Council Member Bernardini	Nay
Council Member Burnett	Aye
Council Member Johnston	Absent
Vice Mayor Hohn	Absent
Mayor Bradburn	Aye

## Ordinance No. 838 – Council Salary

Consideration of first reading of proposed ordinance to increase Council salary by 3% effective October 1, 2013.

Council briefly reviewed the issue.

Mayor Bradburn asked for public input.

Vi Coogler was in agreement of the increase.

Bob Hagar endorsed the raise. He also endorsed a task force to review for a reasonable level.

Bill Lub was in favor for future council members

Pat Miketinac advised the quote Mayor Bradburn was looking for was, "All that is necessary for evil to triumph is for good men to do nothing".

## Motion:

Motion was made by Council Member Burnett and seconded by Council Member Bernardini for approval of Ordinance No. 838.

City Clerk Peters read Ordinance No. 838 by title, as follows:

### **AN ORDINANCE ALLOWING FOR A 3% COLA INCREASE TO THE SALARY OF THE MAYOR, VICE MAYOR, AND COUNCIL MEMBERS, OF THE CITY OF BROOKSVILLE, FLORIDA; PROVIDING AN EFFECTIVE DATE**

Motion carried 3-0 upon roll call vote, as follows:

Council Member Burnett	Aye
Council Member Bernardini	Aye
Council Member Johnston	Absent
Vice Mayor Hohn	Absent
Mayor Bradburn	Aye

# FIRST BUDGET HEARING MINUTES – SEPTEMBER 11, 2013

## Ordinance No. 839 - Recommended Budget for Fiscal Year 2014

Consideration of first reading of proposed budget effective October 1, 2013.

City Manager Norman-Vacha reviewed the changes to the Budget per earlier Council consensus as follows:

- Under D - Proprietary Funds - Public Works, Water and Waste Water. The expenditure line item will change from \$4,190,748 to \$4,200,748. Reserves will then reflect the subtraction of the \$10,000, which would change from \$2,770,113 to \$2760,113.
- Vehicle Replacement Internal Services Fund. The expenditures would change from \$160,029 to \$334,479 while reserves would be reduced, changing from \$1,447,864 to \$1,273,414.

Mayor Bradburn asked for public input; there was none.

### Motion:

Motion was made by Council Member Burnett and seconded by Mayor Bradburn, who passed the gavel to Council Member Bernardini, for approval of Ordinance No. 839 as amended.

City Clerk Peters read Ordinance No. 839 by title, as follows:

**AN ORDINANCE APPROPRIATING CERTAIN MONIES FOR THE GENERAL OPERATIONS OF THE CITY OF BROOKSVILLE, FLORIDA, FROM ITS SEVERAL FUNDS FOR THE TWELVE MONTH PERIOD BEGINNING OCTOBER 1, 2013 AND ENDING SEPTEMBER 30, 2014.**

Motion carried 2-1 upon roll call vote, as follows:

Council Member Bernardini	Nay
Council Member Burnett	Aye
Council Member Johnston	Absent
Vice Mayor Hohn	Absent
Mayor Bradburn	Aye

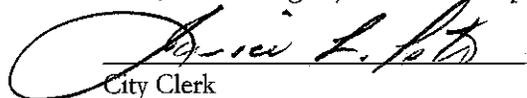
City Manager Norman-Vacha advised the Ordinances tonight have been for first reading. Second readings will take place at the Final Budget Hearing on September 25th.

Mayor Bradburn reviewed the next hearing and thanked staff. She advised the City offers free curb-side recycling.

Council Member Burnett asked that those having concerns about the budget bring those concerns before Council ahead of time.

### ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 8:05 p.m.

  
City Clerk

Attest: \_\_\_\_\_  
Mayor

ATTACHMENT 1

Date: September 9, 2013  
To: City of Brooksville Council Members  
Jennene Norman-Vacha, City Manager  
From: Robert A. Buckner  
Re: Fire Assessment  
Valuation inequity

Dear Council Members:

The proposed budget may include an increase in the fire assessment, but I contend the tier 1 apportionment in relation to the relative value of improvements had inequities last year for certain property types, and an increase in the tier 1 computation will escalate the inequity. The primary inequity is based on the difference between cost approach figures from the Hernando County Property Appraiser utilized by the City of Brooksville to compute the tier 1 assessment versus the final assessment value. I have discussed the issue with City administration, but unfortunately no resolution or remedy has been determined. The contended inequity is difficult to explain and somewhat challenging to fully comprehend, but I hereby attempt to proffer the information in layman's language.

Property Appraiser Valuation:

Real estate valuation involves three (3) methods; cost approach, sales comparison approach and the income capitalization approach. The Hernando County Property Appraiser (PA), along with the majority of other jurisdictional property appraisers, evaluates real property by the mass appraisal method. The mass method is primarily the cost approach to value, whereby the value of the land, the depreciated value of building improvements and feature values are combined and/or a mathematical summation for the value figure. The cost approach method typically sets the upper limit of value, and generally recognized as a respected value method for special use properties. The sales comparison approach is recognized as the best and/or more accurate method. The income capitalization approach to value is applicable to commercial properties and the PA incorporates the method for the ultimate assessed value.

The income capitalization method of value is derived by a capitalization rate applied to the actual or proforma net operating income of a property. Higher vacancy rates and lower rental rates, combined with static or increased expenses, has reduced the net operating income of properties. Cap rates have increased, thus the resulting value of commercial properties has dramatically digressed in recent years per the income capitalization approach to value. Subsequently, the cost approach to value has evolved into an obsolete method for estimating value in recent years.

However, the City of Brooksville is strictly using the improvement figures from the cost approach from the PA for the mathematical computation of the tier 1 assessment, even though the ultimate value is based upon the sales approach and income approach which often yield a lower final assessment. The PA has the ability via the computer program to override the cost approach figures for the final value, but the PA cost approach data for the land and improvements remain "in the system," even though the figures may not summate the final assessed value. The PA has no intention to recalculate the cost figures to equate the final value, and it is my understanding City staff and the PA office has discussed the issue, but an equitable resolution has yet to be resolved by the City. Most property owners are only interested in the final value since millage rates are historically applied for taxation. However, the actual "relative value" of the improvements is inflated in comparison to the final assessed value, and the City is computing the

tier 1 assessment based upon inflated improvement values for various parcels. Example below (# 1 of attachment):

PA Cost Approach Figures

Land	\$ 771,330
Buildings	\$ 586,315
Features	<u>\$ 60,154</u>
Total	\$1,417,799

Actual assessed value of the example is \$622,957, or \$794,842 lower than the PA cost approach figures. The cost approach figure of the buildings and features (\$646,469) is actually higher than the actual assessed value. This is just one example, but I have attached a summary of the figures for a sample of commercial shopping centers, apartments and a couple of storage facilities. Many general commercial buildings experience the same disparities, but are not included in the sample. The sample has cost approach figures of approximately **\$24 million dollars in excess** of the actual assessed values.

The original intent of the fire assessment was to incorporate a reduction in the City millage rate, but last year the millage rate was actually increased plus the fire assessment. And, the inflated improvement value is yet another frustrating element of contended unfairness. Frustration is compounded by the fact feature values (parking lot, sidewalks, etc.) are part of the City assessment computation, and I am not aware of any parking lots ever needing fire extinguishment. The proposed budget may increase the tier 1 figures, and such will only exacerbate the unfairness. Please note the inflated assessment is generally passed along to tenants of larger shopping centers, thereby increasing the cost of doing business in Brooksville.

The inflated improvement value is an issue of principle and the City should attempt to compute the tier 1 assessment using more accurate or equitable improvement value figures. Historically, taxes are derived from value and millage rates, but now the fire assessment (TAX) is based upon inflated value figures. The issue has been discussed with City staff and I believe they understand my argument, and I offered some suggestions to attempt more fairness. However, I have come to the unfortunate conclusion City staff either does not know how to address and/or amend the disparity, or simply taking a perceived "oh well" position. I am willing to discuss the issue or make a few suggestions for an equitable solution, but I contend an "oh well" perceived position to this and other unfair elements of the fire assessment may broaden the chorus to dissolve the City fire department. Thus far I have not promoted abolishment of the fire department, but continued frustration regarding the fire assessment may cause a change my position.

Unfortunately, I have a conflict event the same time as the first budget workshop but I respectfully request the opportunity to discuss the issue personally before the final budget and fire assessment decision.

Sincerely,



Robert A. Buckner

### Examples of Cost Approach figures greater than actual assessed value

(2013 TRIM Notices)

2013 Figures Key #	Property	PA		PA		PA		Total		Actual Assessed Value	Difference Cost to Actual Ass.	% Land to Cost App		% Imp Cost App		% Actual Ass. Val. To Cost App.		
		Cost App. Land Value	Cost App. Building	Cost App. Features	Cost App. PA	Cost Approach	Cost App. Improve Value	Total Cost	Total Cost App			Total Cost App	Total Cost App	Total Ass. Val.	Total Cost App.			
<b>Plazas or strip plazas</b>																		
359445	Pradise Plaza	\$771,330	\$586,315	\$60,154	\$1,417,799	\$646,469	\$622,957	\$794,842	54.40%	45.60%	43.94%							
359310	Big Lots Plaza	\$2,387,809	\$4,488,302	\$455,034	\$7,331,145	\$4,943,336	\$1,848,327	\$5,482,818	32.57%	67.43%	25.21%							
1061549	"Prior Publix"	\$1,680,000	\$5,352,707	\$341,282	\$7,373,989	\$5,693,989	\$4,028,919	\$3,345,070	22.78%	77.22%	54.64%							
1098225	Killingsworth	\$269,426	\$1,239,256	\$62,105	\$1,570,787	\$1,301,361	\$982,193	\$588,594	17.15%	82.85%	62.53%							
984732	Crossroads	\$214,922	\$719,662	\$29,176	\$963,760	\$748,838	\$502,307	\$461,453	22.30%	77.70%	52.12%							
143972	Brook Plaza	\$704,684	\$962,609	\$104,916	\$1,772,209	\$1,067,525	\$1,161,600	\$610,609	39.76%	60.24%	65.55%							
146292	"Old Publix"	\$1,184,106	\$1,716,130	\$164,858	\$3,065,094	\$1,880,988	\$1,883,517	\$1,181,577	38.63%	61.37%	61.45%							
359472	Current Publix	\$1,576,286	\$3,723,277	\$262,340	\$5,561,903	\$3,985,617	\$5,475,529	\$86,374	28.34%	71.66%	98.45%							
147736	422 Jefferson	\$72,657	\$302,514	\$20,000	\$395,171	\$322,514	\$322,836	\$72,335	18.39%	81.61%	81.70%							
1150603	Horse Lake	\$1,435,880	\$777,353	\$78,114	\$2,291,347	\$855,467	\$1,295,310	\$996,037	62.67%	37.33%	56.53%							
1034801	Diamond Creek	\$125,132	\$421,014	\$18,493	\$564,639	\$439,507	\$444,419	\$120,220	22.16%	77.84%	78.71%							
992643	Candlelight	\$42,027	\$222,292	\$12,255	\$276,574	\$234,547	\$255,734	\$20,840	15.20%	84.80%	92.46%							
359365	South Plaza	\$1,960,674	\$4,675,022	\$452,594	\$7,088,290	\$5,127,616	\$6,410,147	\$678,143	27.66%	72.34%	90.43%							
359472	Existing Publix	\$1,576,286	\$3,723,277	\$262,340	\$5,561,903	\$3,985,617	\$5,475,529	\$86,374	28.34%	71.66%	98.45%							
147709	400 Broad	\$100,829	\$767,554	\$6,730	\$875,113	\$774,284	\$595,898	\$279,215	11.52%	88.48%	68.09%							
											\$14,804,501			68.68%				
<b>Apartments</b>																		
1597150	Brook Haven	\$836,225	\$8,904,083	\$198,054	\$9,938,362	\$9,102,137	\$4,448,317	\$5,490,045	8.41%	91.59%	44.76%							
733095	Greenbriar	\$347,693	\$1,332,665	\$45,992	\$1,726,350	\$1,378,657	\$473,795	\$1,252,555	20.14%	79.86%	27.44%							
997577	Lemon Tree	\$172,614	\$957,292	\$36,807	\$1,166,713	\$994,099	\$700,185	\$466,528	14.79%	85.21%	60.01%							
6996	Hickory Crest	\$69,880	\$459,130	\$9,768	\$538,778	\$468,898	\$456,180	\$82,598	12.97%	87.03%	84.67%							
144144	Oak Park	\$135,023	\$1,085,795	\$26,441	\$1,247,259	\$1,112,236	\$638,000	\$609,259	10.83%	89.17%	51.15%							
358339	Shady Oak	\$197,204	\$1,100,907	\$46,100	\$1,344,211	\$1,147,007	\$565,066	\$779,145	14.67%	85.33%	42.04%							
858432	Villas-Oakdale	\$149,269	\$747,705	\$17,442	\$914,416	\$765,147	\$752,517	\$161,899	16.32%	83.68%	82.29%							
420477	385 Union	\$151,239	\$700,320	\$54,809	\$906,368	\$755,129	\$478,163	\$428,205	16.69%	83.31%	52.76%							
											\$9,270,234			55.64%				
<b>Storage Facilities</b>																		
607052	Candlelight	\$49,135	\$93,742	\$37,400	\$180,277	\$131,142	\$144,151	\$36,126	27.26%	72.74%	79.96%							
359276	Storeroight (41)	\$889,620	\$973,825	\$93,473	\$1,956,918	\$1,067,298	\$1,649,903	\$307,015	45.46%	54.54%	84.31%							
											\$343,141							

My name is Sandy Roth. I am not a scientist. But neither is anyone else in this room, because a scientist is one who uses the scientific method to acquire knowledge. What we non-scientists must rely on is the integrity and diligence of those who do use the scientific method and the peer review process during which qualified professionals assess the results of different studies in order to identify patterns.

Were I to go to the internet, I could easily find a whole host of self-declared "experts" who argue that aliens have landed, that the polar ice cap isn't really melting, that the Earth is flat, that Mickey Mouse voted sixteen times in the last election, that President Obama was born in Kenya, and, alas, that fluoride is poison. That's the disservice the internet has done - make unqualified people look credible to the ill-informed, the fearful, and the conspiracy-minded.

*Consumer's Report, 1978* - "The simple truth is that there's no 'scientific controversy' over the safety of fluoridation. The practice is safe, economical, and beneficial. The survival of

this fake controversy represents, in Consumer's Union's opinion, one of the major triumphs of quackery over science in our generation." That's what you have heard tonight from this opponent of fluoridation brought in by the Mayor - pure quackery. You see, the Mayor thinks that you should be scientific reviewers. That's why she organized this supposed debate - to suggest that the proponents and the opponents stand on equal footing, which is simply not true.

But scientific evaluation is not your role. Your role is public policy. Your role is to take action to provide services and every possible advantage to your citizens. With the unequivocal support of legitimately qualified organizations - American Dental Association, American Medical Association, American Academy of Pediatrics, American Association of Dental Research, American Cancer Society, US Public Health Service and dozens of others - your public policy answer is clear. Return fluoride to Brooksville for the benefit of all our citizens.

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# American Dental Association<sup>®</sup>

America's leading advocate for oral health

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## Fluoridation Facts Compendium

Fluoridation Facts  
Compendium

### National and International Organizations That Recognize the Public Health Benefits of Community Water Fluoridation for Preventing Dental Decay

- Academy of Dentistry International
- Academy of General Dentistry
- Academy for Sports Dentistry
- Alzheimer's Association
- America's Health Insurance Plans
- American Academy of Family Physicians
- American Academy of Nurse Practitioners
- American Academy of Oral and Maxillofacial Pathology
- American Academy of Orthopaedic Surgeons
- American Academy of Pediatrics
- American Academy of Pediatric Dentistry
- American Academy of Periodontology
- American Academy of Physician Assistants
- American Association for Community Dental Programs
- American Association for Dental Research
- American Association for Health Education
- American Association for the Advancement of Science
- American Association of Endodontists
- American Association of Oral and Maxillofacial Surgeons
- American Association of Orthodontists
- American Association of Public Health Dentistry
- American Association of Women Dentists
- American Cancer Society
- American College of Dentists
- American College of Physicians—American Society of Internal Medicine
- American College of Preventive Medicine
- American College of Prosthodontists
- American Council on Science and Health
- American Dental Assistants Association
- American Dental Association
- American Dental Education Association
- American Dental Hygienists' Association
- American Dietetic Association
- American Federation of Labor and Congress of Industrial Organizations
- American Hospital Association
- American Legislative Exchange Council
- American Medical Association
- American Nurses Association
- American Osteopathic Association
- American Pharmacists Association
- American Public Health Association
- American School Health Association
- American Society for Clinical Nutrition

American Society for Nutritional Sciences  
 American Student Dental Association  
 American Water Works Association  
 Association for Academic Health Centers  
 Association of American Medical Colleges  
 Association of Clinicians for the Underserved  
 Association of Maternal and Child Health Programs  
 Association of State and Territorial Dental Directors  
 Association of State and Territorial Health Officials  
 Association of State and Territorial Public Health  
 Nutrition Directors  
 British Fluoridation Society  
 Canadian Dental Association  
 Canadian Dental Hygienists Association  
 Canadian Medical Association  
 Canadian Nurses Association  
 Canadian Paediatric Society  
 Canadian Public Health Association  
 Child Welfare League of America  
 Children's Dental Health Project  
 Chocolate Manufacturers Association  
 Consumer Federation of America  
 Council of State and Territorial Epidemiologists  
 Delta Dental Plans Association  
 FDI World Dental Federation  
 Federation of American Hospitals  
 Hispanic Dental Association  
 Indian Dental Association (U.S.A.)  
 Institute of Medicine  
 International Association for Dental Research  
 International Association for Orthodontics  
 International College of Dentists  
 March of Dimes Birth Defects Foundation  
 National Association of Community Health Centers  
 National Association of County and City Health Officials  
 National Association of Dental Assistants  
 National Association of Local Boards of Health  
 National Association of Social Workers  
 National Confectioners Association  
 National Dental Assistants Association  
 National Dental Association  
 National Dental Hygienists' Association  
 National Down Syndrome Congress  
 National Down Syndrome Society  
 National Foundation of Dentistry for the Handicapped  
 National Head Start Association  
 National Health Law Program  
 National Healthy Mothers, Healthy Babies Coalition  
 Oral Health America  
 Robert Wood Johnson Foundation  
 Society for Public Health Education  
 Society of American Indian Dentists  
 Special Care Dentistry  
 Academy of Dentistry for Persons with Disabilities  
 American Association of Hospital Dentists  
 American Society for Geriatric Dentistry  
 The Children's Health Fund  
 The Dental Health Foundation (of California)  
 U.S. Department of Defense  
 U.S. Department of Veterans Affairs  
 U.S. Public Health Service

**CITY OF BROOKSVILLE  
REGULAR CITY COUNCIL MEETING  
COUNCIL CHAMBERS  
201 HOWELL AVENUE  
BROOKSVILLE, FL 34601**

**AGENDA**

**September 16, 2013**

**7:00 P.M.**

Brooksville City Council met in regular session with Mayor Lara Bradburn, Vice Mayor Kevin Hohn, Council Members Joe Bernardini and Frankie Burnett present. Also present were James Fisher, City Attorneys; T. Jennene Norman-Vacha, City Manager; Janice L. Peters, City Clerk; Mike Walker, Parks and Recreation Director; Bill Geiger, Community Development Director; Richard Radacky, Director of Public Works; George Turner, Police Chief and Tim Mossgrove, Fire Chief. Members of the Hernando Today and Hernando Times were also present. Council Member Joseph E. Johnston, III was not present.

The meeting was called to order by Mayor Bradburn, followed by an invocation and Pledge of Allegiance.

**PRESENTATION & REQUESTS FOR WAIVERS**

**Junior Service League of Brooksville Fee Waiver Request**

Consideration of request for fee waiver in the amount of \$280.80 for the Masquerade Mini Marathon scheduled for October 12, 2013.

Joann Terry reviewed the event and what the funds raised are used for and requested Council waive the fees associated with the event. Mayor Bradburn thanked the Junior Service League for providing food and beverages for the art gallery receptions.

Council Member Bernardini asked for an explanation of costs. City Manager Norman-Vacha reviewed.

**Motion:**

Motion was made by Council Member Burnett and seconded by Vice Mayor Hohn for approval of the waiver in the amount of \$280.80. Motion carried 4-0.

**Veteran's Appreciation Parade Fee Waiver Request**

Consideration of request for fee waiver in the amount of \$624.50 for the annual Veteran's Appreciation Parade scheduled for November 9, 2013.

Anna Liisa Covell & Cristi Charlow were in attendance. Anna Liisa advised Hernando County will be sponsoring the event going forward.

Vice Mayor Hohn asked why the County can't provide security. Ms. Charlow did not know the answer.

Council Member Burnett was in favor of the waiver for the benefit of Veterans.

## REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

Council Member Bernardini asked what Hernando County Board of County Commissioners sponsoring the event entails. Mayor Bradburn advised they are providing the insurance. She recommended in the future the City and County work together to provide security.

### **Motion:**

Motion was made by Vice Mayor Hohn and seconded by Council Member Burnett for approval of the waiver in the amount of \$624.50. Motion carried 4-0.

### **Brooksville Cycling Classic Fee Waiver Request**

Consideration of request for fee waiver in the amount of \$3,177.40 for the annual Brooksville Cycling Classic event scheduled for October 19, 2013.

Laura Dewitt, organizer of the event, reviewed.

### **Motion:**

Motion was made by Council Member Bernardini and seconded by Vice Mayor Hohn for approval of the waiver in the amount of \$3,177.40. Motion carried 4-0.

### **Bluesapalooza Music Festival Fee Waiver Request**

Consideration of request for fee waiver in the amount of \$706 for the event scheduled for September 21, 2013.

Christie Williams, Hernando County Recreation reviewed the event.

### **Motion:**

Motion was made by Vice Mayor Hohn and seconded by Council Member Bernardini for approval of the waiver in the amount of \$706 subject to budget approval for the funds. Motion carried 5-0.

## CERTIFICATES, PROCLAMATIONS AND PRESENTATIONS

### **Constitution Week Proclamation**

Proclamation in honor of the 58<sup>th</sup> Annual Constitution Week to be presented to representatives of the Daughters of the American Revolution.

Members of the Daughters of the American Revolution were present to receive the proclamation. Mayor Bradburn read the proclamation in its entirety and presented.

Council Member Bernardini recited the preamble.

### **CRA Project Update**

The CRA Consultant will provide an update of current CRA work that is underway including gateway & way-finding signage, downtown beautiful, CRA stormwater and recreation master plan projects.

Director of Community Development Bill Geiger and Consultant, Don Lacy reviewed the CRA Plan Implementation (Attachment 1).

## REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

Regarding the Downtown Beautiful project, Mayor Bradburn asked, to proceed to the next phase, how is Mr. Lacy envisioning this occurring. Mr. Lacy advised the conceptual design was part of their task, which they are preparing, then eventually, complete designs for the particular projects that are chosen for the first phase of improvements. That will be brought back. Site plan layouts have not been done. He noted staff and the attorney will probably be involved once framework for development agreements with the property owners begin.

Given the current course, Mayor Bradburn asked when implementation of the first project could occur. Mr. Lacy felt next year, 2014, of which tree planting could be first. He advised they could meet with Council Members individually if needed.

Council Member Bernardini asked if there was any thought of taking the street lighting on Main Street and moving them outward, the ones wreaths are hung on, maybe a block on either side.

Mayor Bradburn asked if he is talking about putting them up on the poles. Council Member Bernardini said no, taking the actual street lamp and extending to Orange Avenue. Mayor Bradburn indicated she understood, not the decorations, but the street lamp. Council Member Bernardini confirmed it is the lamps the decorations are put on. He was referring to extending to both sides of Main. Mr. Lacy advised that is another item. It is not something they have looked at within the CRA Plan.

Mayor Bradburn advised, and Director Geiger agreed it is in the Master Plan for future streetscape projects.

Cliff Manuel reviewed the Stormwater Management Plan.

David Nelson with Renaissance Planning Group continued, reviewing Gateway Signage. Council in general preferred the wrought iron/traditional style.

Vice Mayor Hohn asked about the progress of doing away with the one-way pairs. Cliff Manuel advised City and County staff is working on this, which has to have cooperation of the MPO Board.

### **City Sculpt Project**

Update of the sculpture walk project and program being planned for October 5, 2013.

Michael Heard, Coordinator, reviewed the sculpture project and walk.

City Manager Norman-Vacha advised the sculptures will only be on display for 1 year.

A new board member has been selected for the Florida Blueberry Festival, the President of the Florida Blueberry Growers Association. Discussions are to make Brooksville the official home of the Florida Blueberry Growers Association. They are hoping to acquire land for a permanent venue for the festival.

# REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

## Brooksville–Hernando Web Museum

Presentation on new website that contains many interesting features, including old stories and photos about our community, as well as links to the draft Brooksville 20/50 Vision document, City Comprehensive Plan and other useful planning related information.

Virginia Bensen reviewed the web museum.

## CITIZEN INPUT

Mayor Bradburn called for citizen input.

Paul Douglas, of the NAACP, advised he'd been to Washington and visited the Tuskegee Airmen, who want to be involved in the Veteran's Appreciation Parade. He advised they are involved in keeping the voting precincts as they currently are.

Vi Coogler advised it is an interesting evening with review of all the happening going on. He advised he is interested in the City reacquiring the city park with the teen hall being reestablished.

Pat and Shirley Miketinac referred to the red light cameras.

Dr. Johnny Johnson addressed an e-mail from Dr. Connett.

Sandy Roth referred to an article about Lime Disease and the two sides who are split on a cure.

Jimmy Lodato advised Corporate Jet Solutions are opening business at the Brooksville/Tampa Airport and invited Council to their grand opening on September 28th at 12 Noon. They are located at 15421 Technology Drive.

## Drive 4 Pledges Day Proclamation

Proclamation designating September 19, 2013, as "Drive 4 Pledges Day", which encourages citizens to not text and drive.

Having postponed the reading of the proclamation, Mayor Bradburn read the proclamation in its entirety. No one was available to receive. She reviewed the new law regarding texting while driving.

## CONSENT AGENDA

### Minutes

February 7, 2011	Regular Meeting
March 4, 2013	Regular Meeting

### Motion:

Motion was made by Council Member Burnett and seconded by Vice Mayor Hohn for approval of Consent Agenda. Motion carried 4-0.

# REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

## PUBLIC HEARING

- Entry of Proof of Publication into the Record

Mayor Bradburn Mayor Bradburn called for proof of publication. City Clerk Peters indicated Item G1 was published on Friday, September 6, 2013, in the Hernando Times legal section of the St. Pete Times and there is a copy of the affidavit for the record.

### **Ordinance No. 754-E – Firefighters’ Retirement Trust Fund Amendments**

Consideration of approval of ordinance amending Sections 1 and 15 of the City of Brooksville Firefighters’ Retirement Trust Fund.

**[First Reading 8/19/13]**

Attorney Scott Christianson and Fire Chief Tim Mossgrove reviewed the Ordinance citing revisions to Sections 1 and 15, advising these changes need to be made by September 30, 2013, to ensure the continuation of the plan’s tax qualified status. Attorney Christianson advised these are IRS compliance issues.

Mayor Bradburn asked for public input; there was none.

### **Motion:**

Motion was made by Council Member Bernardini and seconded by Vice Mayor Hohn for approval of Ordinance No. 754-E.

City Clerk Peters read Ordinance No. 754-E by title, as follows:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BROOKSVILLE, FLORIDA, AMENDING THE CITY OF BROOKSVILLE FIREFIGHTERS’ RETIREMENT TRUST FUND, ADOPTED PURSUANT TO ORDINANCE NO. 525-I, AS SUBSEQUENTLY AMENDED; AMENDING SECTION 1, DEFINITIONS; AMENDING SECTION 15, MAXIMUM PENSION; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING AN EFFECTIVE DATE.**

Motion carried 4-0 upon roll call vote, as follows:

Council Member Bernardini	Aye
Council Member Burnett	Aye
Council Member Johnston	Absent
Vice Mayor Hohn	Aye
Mayor Bradburn	Aye

# REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

## REGULAR AGENDA

### Resolution No. 2013-09 – Florida Department of Transportation (FDOT) – Annual Veteran’s Appreciation Parade Route

Consideration of approval of Resolution supporting the Annual Veteran’s Appreciation Parade route and closing of State Road 50/Jefferson Street and U.S. Highway 41/Broad Street on November 9, 2013.

City Clerk Peters briefly reviewed the resolution to submit to the State for their approval.

#### Motion:

Motion was made by Council Member Bernardini and seconded by Council Member Burnett for approval of Resolution No. 2013-09.

City Clerk Peters read Resolution No. 2013-09 by title, as follows:

**A RESOLUTION OF THE CITY OF BROOKSVILLE, FLORIDA SUPPORTING A REQUEST TO CLOSE JEFFERSON STREET AND BROAD STREET BETWEEN ORANGE STREET AND MAGNOLIA AVENUE IN DOWNTOWN BROOKSVILLE ON SATURDAY, NOVEMBER 9, 2013; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.**

Motion carried 4-0 upon roll call vote as follows:

Council Member Burnett	Aye
Council Member Johnston	Absent
Council Member Bernardini	Aye
Vice Mayor Hohn	Aye
Mayor Bradburn	Aye

## CITIZEN INPUT

Mayor Bradburn called for citizen input.

Shirley Miketinac asked what is the term of the contract with Sensus and addressed the flashing of the cameras.

Kojack Burnett requested the date for the hay bales to be decorated for Halloween.

## ITEMS BY COUNCIL

### Joe Bernardini, Council Member

#### Street Closure Permit Costs

Council Member Bernardini requested more of a breakdown on costs for departments.

## REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

### Red Light Cameras

He read a letter received by County Commissioner Jim Adkins into the record (Attachment 2).

### Sensys Contract

Council Member Bernardini asked for information regarding the term with Sensys and whether it is per light or all.

### **Frankie Burnett, Council Member**

#### Red Light Cameras Flashes

Council Member Bernardini advised all the cameras have flashing activity.

#### Fee Waivers

He reminded Council that \$7,000 was set aside for fee waivers and as of this evening there is only \$1,683.90 left, and that the Christmas Parade is coming up.

He thanked the City Manager and staff for their work on the budget.

### **Kevin Hohn, Vice Mayor**

#### Red Light Cameras Flashes

Vice Mayor Hohn felt that if the flashing of the cameras cannot be fixed they should be shut off at night. He appreciated that citizens come in to give their opinions but asked that arguments be sensible.

#### Budget

He expressed disappointment that the best we could do was to come up with the roll-back rate and did not agree with giving employees raises in a year in which taxes are being raised, which he elaborated on.

Council Member Bernardini advised he will be changing his vote regarding Council pay and commented on the flashing of the red light cameras.

Vice Mayor Hohn stated he would like more discussion on the red light cameras.

### **T. Jennene Norman-Vacha, City Manager**

#### Final Budget Hearing

City Manager Norman-Vacha advised the Final Budget Hearing is on Sept. 25th at 6:30.

### **Lara Bradburn, Mayor**

#### Bridal Show

Mayor Bradburn advised a bridal show will be taking place at Saxon House on September 22nd.

# REGULAR COUNCIL MEETING MINUTES – SEPTEMBER 16, 2013

## House Fire

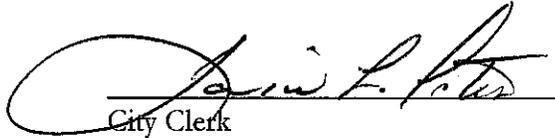
She asked that the condition of the house that burnt on Zoller Street be addressed.

Vi Coogler advised Cocoa Beach High School will have a ballgame against Hernando High School on Friday night at 7:00 p.m.

Kojack Burnett advised September 26th is Council Member Burnett's birthday.

## ADJOURNMENT

There being no further business to bring before Council, the meeting adjourned at 9:55 p.m.

  
\_\_\_\_\_  
City Clerk

Attest: \_\_\_\_\_  
Mayor

# CRA PLAN IMPLEMENTATION



1. Downtown Beautiful
2. Recreation Master Plan
3. Stormwater Master Plan
4. Gateway and Wayfinding Signage

"ATTACHMENT 1"

Prepared By:

**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.

# DOWNTOWN BEAUTIFUL

**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.



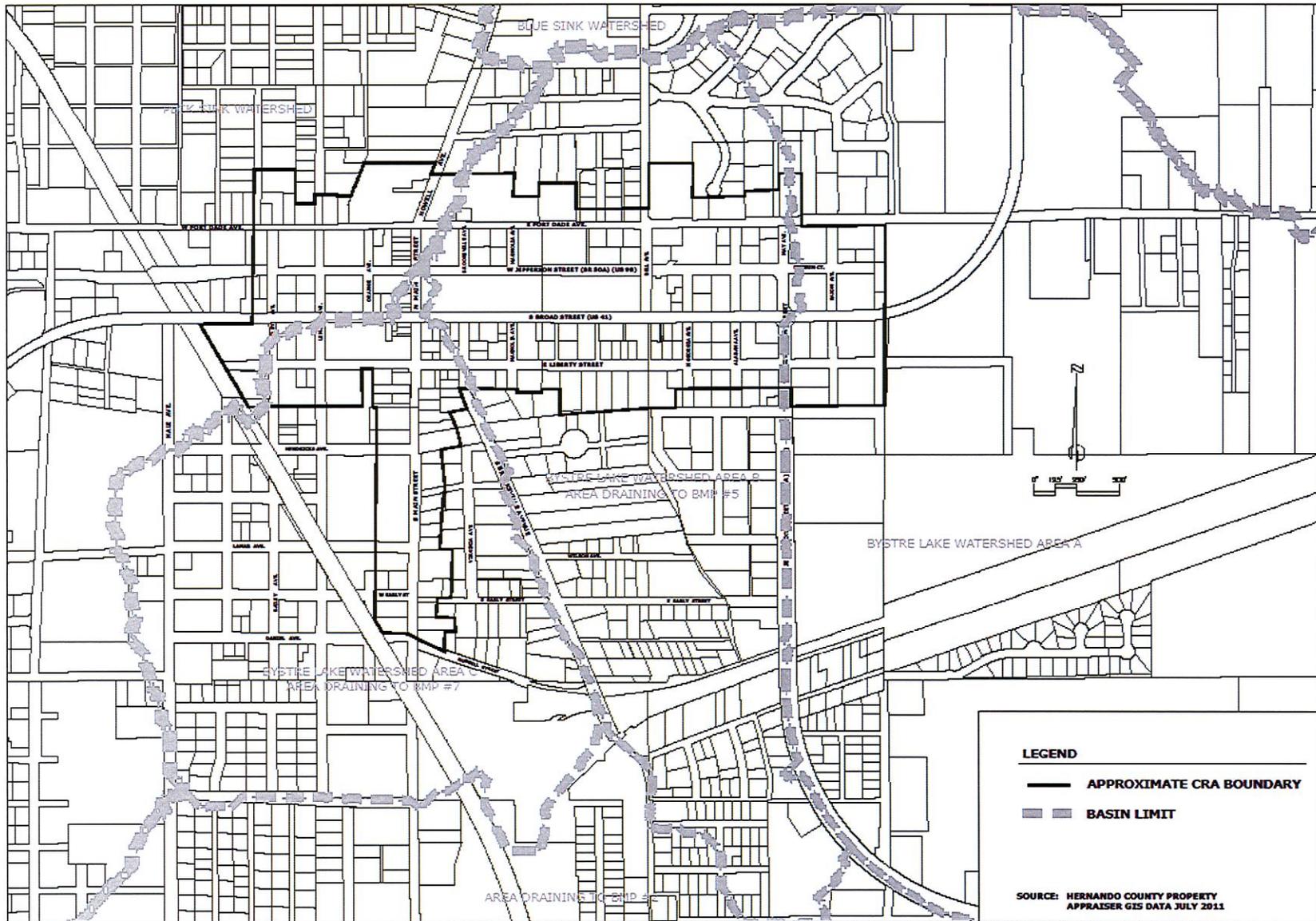
# RECREATION MASTER PLAN

**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.

# STORMWATER MASTER PLAN

**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.

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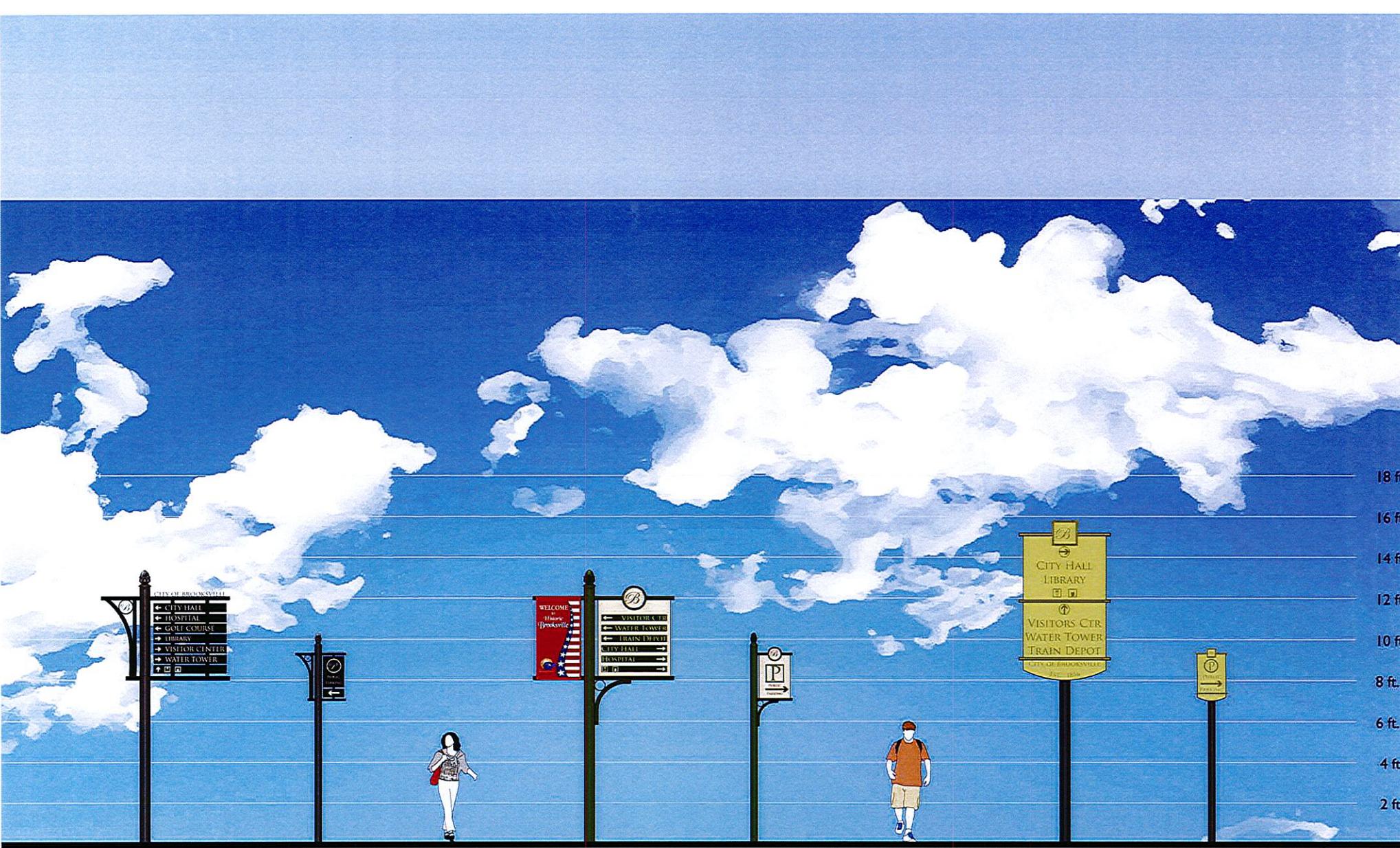


# GATEWAY AND WAYFINDING SIGNAGE

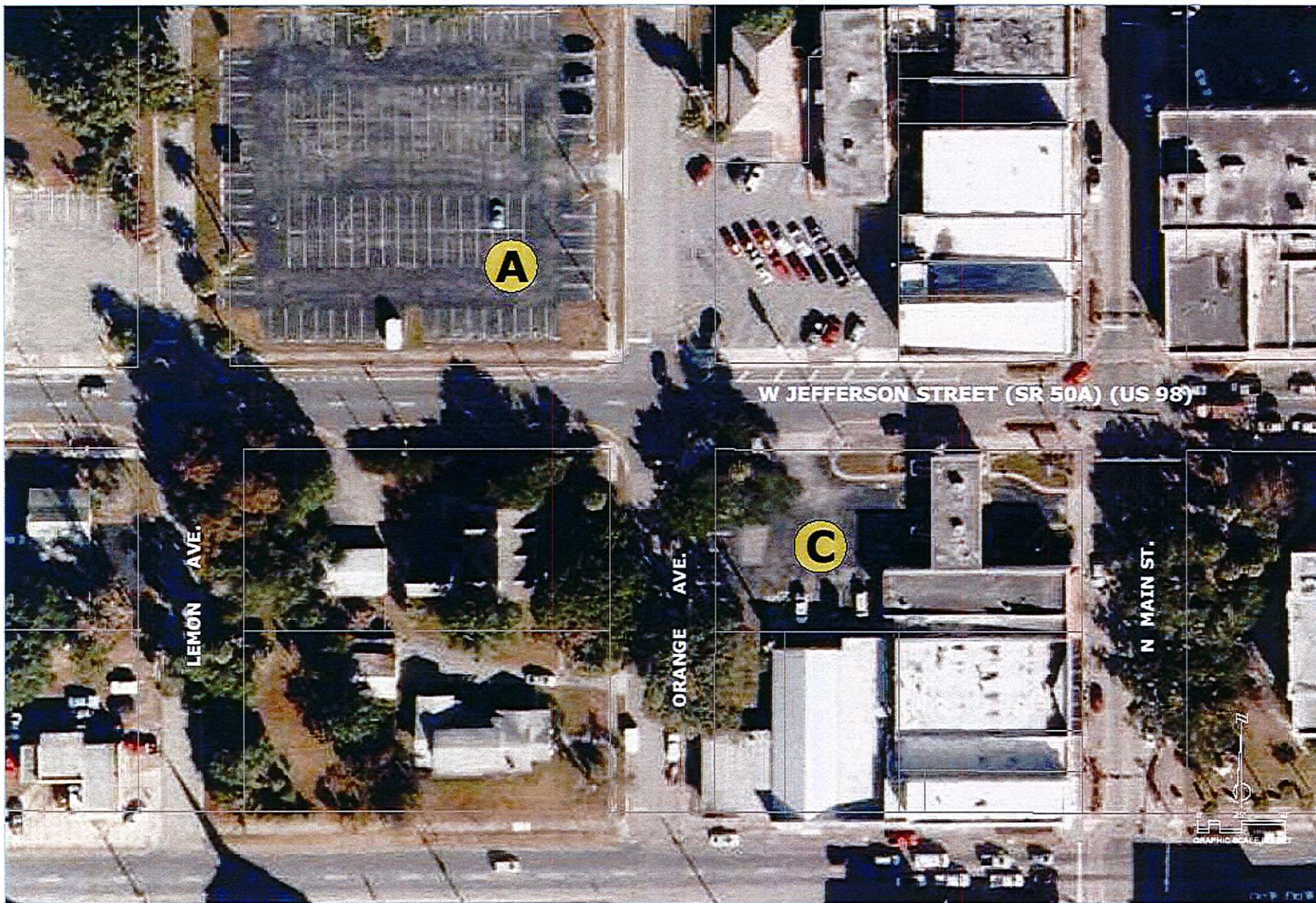
**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.

RENAISSANCE  
PLANNING GROUP

**Coastal** Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates inc.







LEMON AVE.

ORANGE AVE.

N MAIN ST.

W JEFFERSON STREET (SR 50A) (US 98)

A

C



DOWNTOWN BEAUTIFUL PROGRAM  
PROJECT LOCATIONS  
CITY OF BRACKENRIDGE  
COMMUNITY REDEVELOPMENT AREA

FORWARD THESE PLANS TO THE CITY ENGINEER BY THE DATE OF THE FINAL SUBMITTAL.  
DATE: \_\_\_\_\_  
PROJECT NO.: \_\_\_\_\_  
DRAWN BY: \_\_\_\_\_  
CHECKED BY: \_\_\_\_\_  
DATE: \_\_\_\_\_

**Coastal**  
ENGINEERS, ARCHITECTS & PLANNERS  
1000 W. UNIVERSITY BLVD., SUITE 100  
BRACKENRIDGE, TN 37020  
(615) 799-0000 • FAX: (615) 799-0001  
www.coastal-engineers.com

DATE OF COMMITMENT: \_\_\_\_\_  
DATE OF REVISION: \_\_\_\_\_

REV.	DATE	DESCRIPTION

SHEET  
**A**  
OF  
10096



LEFT TURN  
YIELD TO  
PEDESTRIANS  
& BICYCLES

N. ORANGE AVE

← ONEWAY

**Coastal**  
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Planning  
Surveying  
Environmental  
Transportation  
Construction Management  
engineering associates, inc.



**Coastal**  
engineering associates inc.

Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management



**DOWNTOWN BEAUTIFUL PROGRAM  
PROJECT LOCATIONS**  
CITY OF BROOKSVILLE  
COMMUNITY REDEVELOPMENT AREA

FOR MORE INFORMATION, CONTACT:  
CITY OF BROOKSVILLE  
COMMUNITY DEVELOPMENT DEPARTMENT  
1000 W. 10TH ST., BROOKSVILLE, FL 34401

**Coastal**  
COMMUNITY DEVELOPMENT  
1000 W. 10TH ST., BROOKSVILLE, FL 34401  
(352) 796-0300  
E-MAIL: info@coastalcd.com

**NAME OF PROJECT:**  
**OWNER:**  
**ADDRESS:**  
**CITY:**  
**STATE:**  
**ZIP:**  
**DATE:**

DATE	BY	REVISIONS

**SHEET**  
**A**  
OF **10096**



**Coastal**  
Engineering Associates, Inc.

Engineering  
Planning  
Surveying  
Environmental  
Traffic Studies  
Construction Management





**Coastal**

- การก่อสร้าง
- การตกแต่ง
- การขุดเจาะ
- การถมดิน
- การวางท่อ
- การติดตั้งระบบปรับอากาศ
- การติดตั้งระบบไฟฟ้า
- การติดตั้งระบบประปา

บริการด้วยหัวใจและรอยยิ้ม





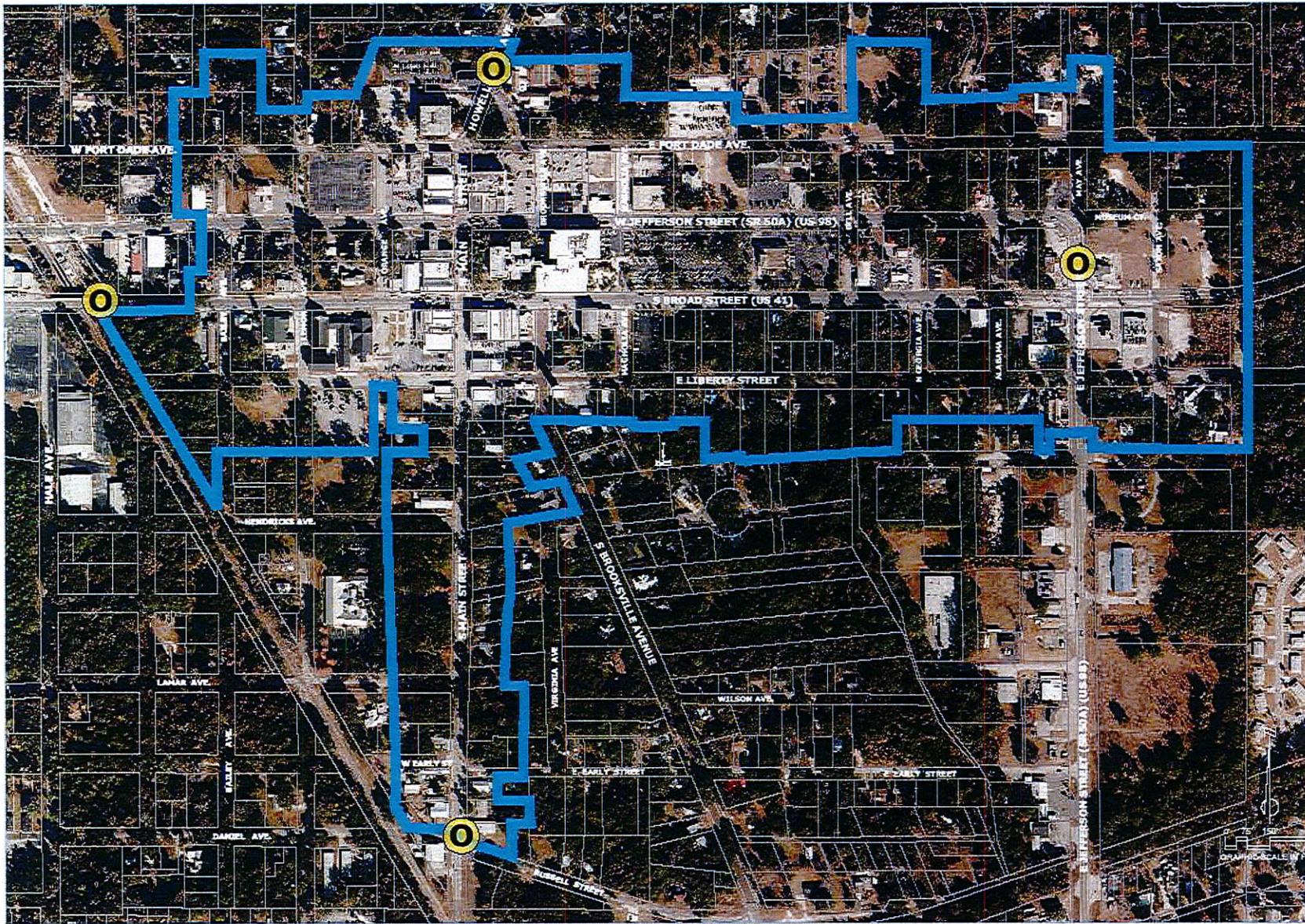
SUNTRUST  
BANK

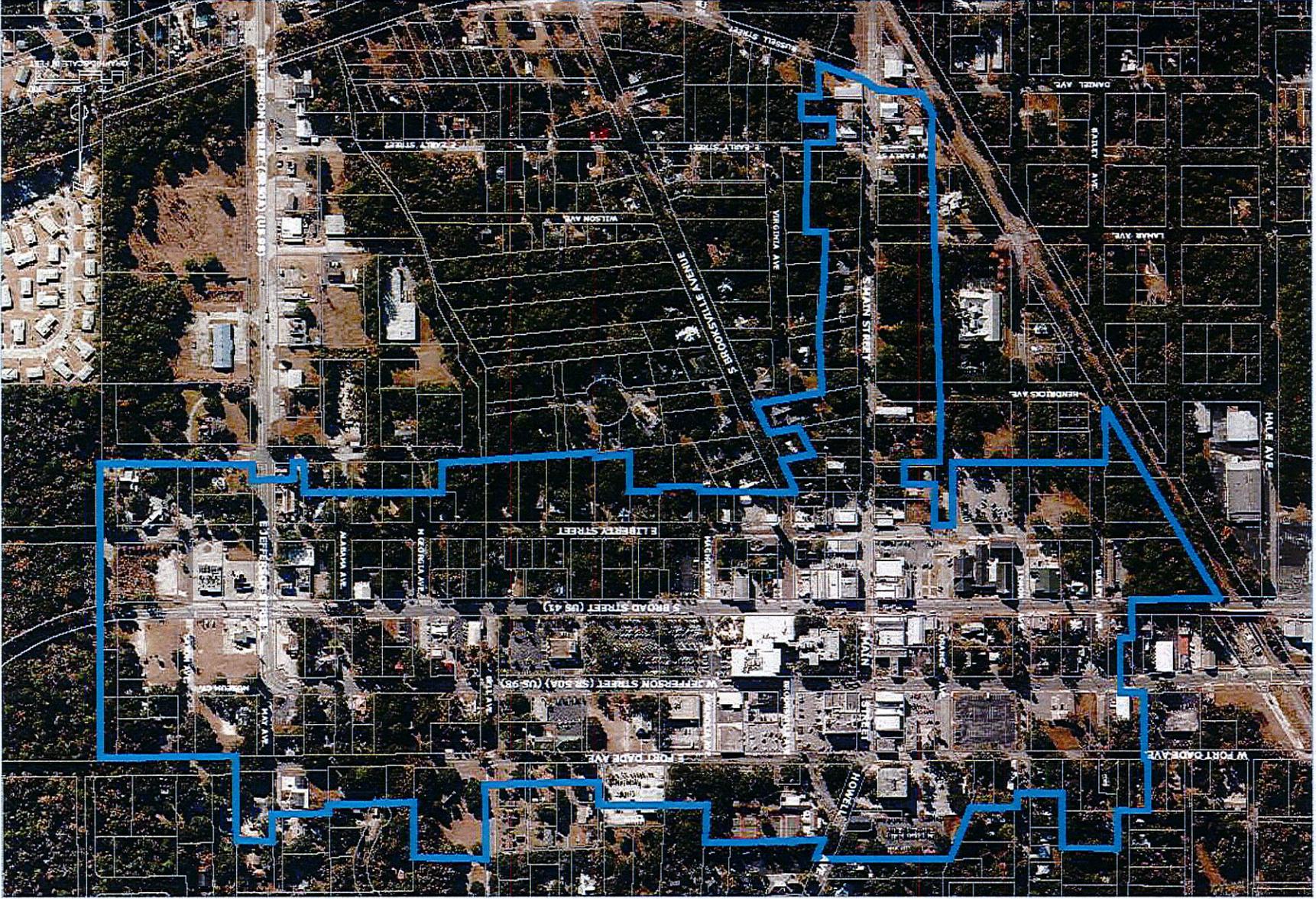
SunTrust

Coastal

บริการทางการเงิน  
หลากหลาย  
บริการทางการเงิน  
บริการสินเชื่อ  
บริการประกันภัย  
บริการการลงทุน

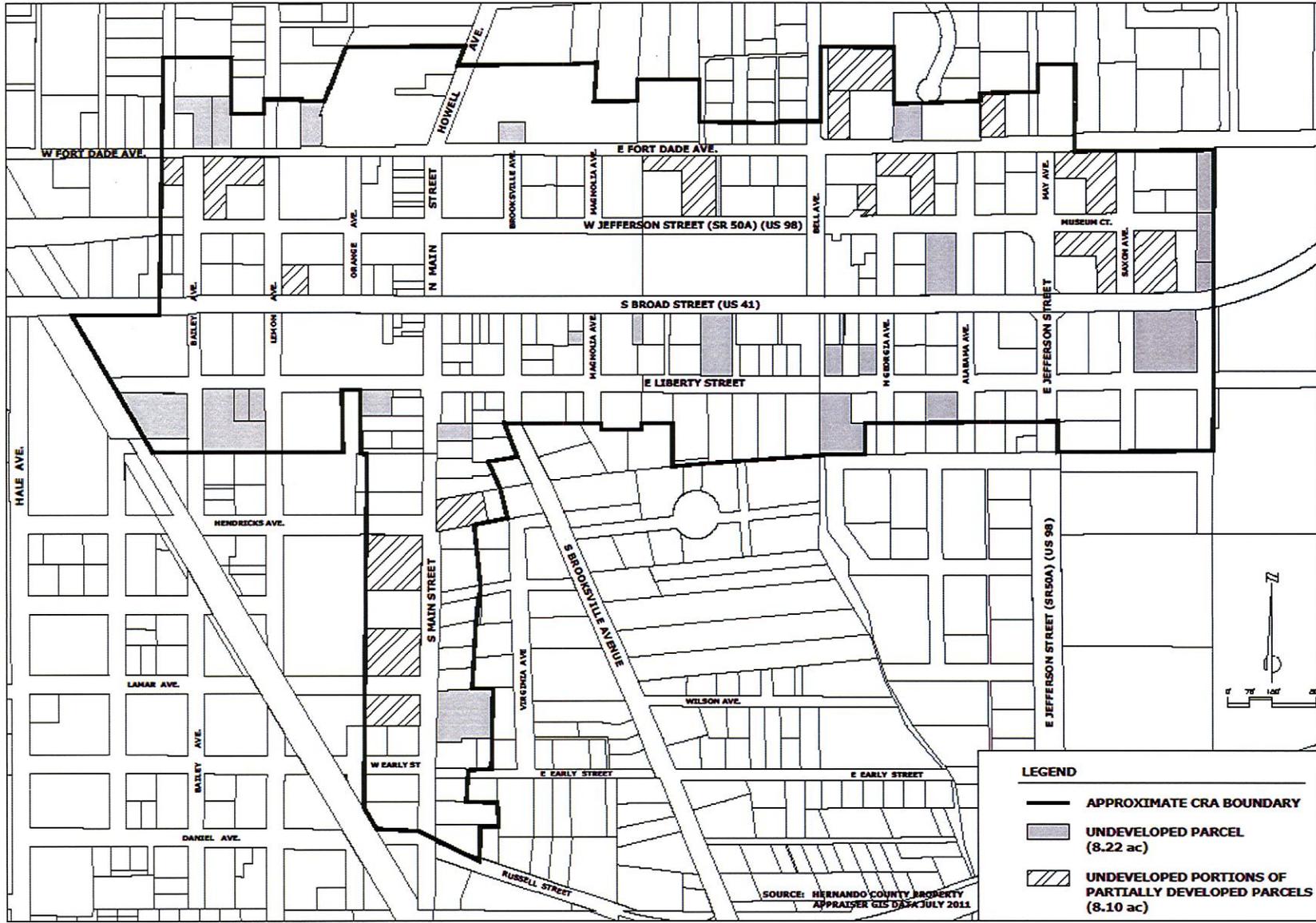
บริการทางการเงินครบวงจร



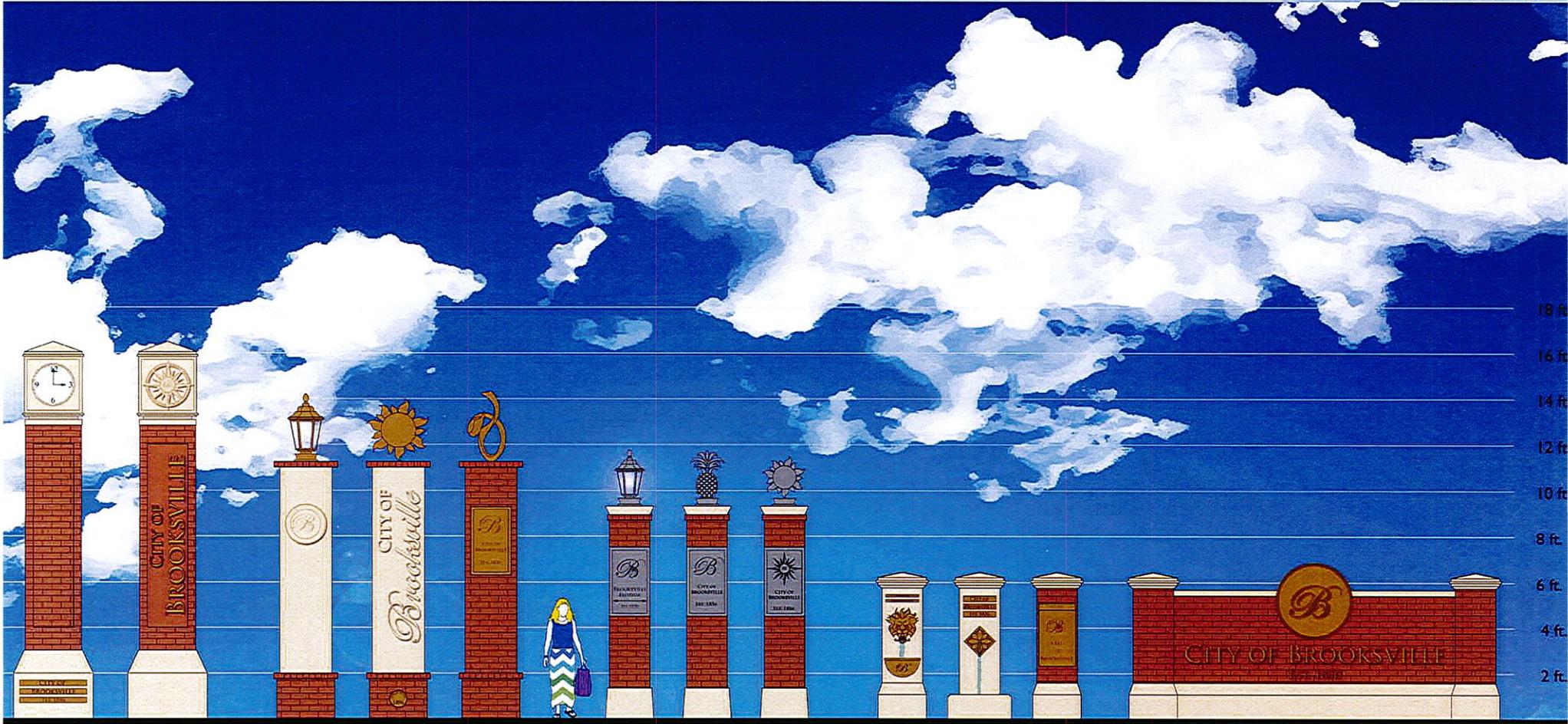


<p><b>CRA BOUNDARY</b></p> <p>CITY OF BROOKSVILLE COMMUNITY REDEVELOPMENT AREA</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>
<p>FOR THE CITY OF BROOKSVILLE</p> <p>COMMUNITY DEVELOPMENT DEPARTMENT</p> <p>1000 W. BROAD STREET, SUITE 100</p> <p>BROOKSVILLE, FL 34401</p> <p>PH: 352.391.1234</p> <p>WWW.BROOKSVILLEFLORIDA.GOV</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>
<p><b>Coastal</b></p> <p>COMMUNITY DEVELOPMENT</p> <p>1000 W. BROAD STREET, SUITE 100</p> <p>BROOKSVILLE, FL 34401</p> <p>PH: 352.391.1234</p> <p>WWW.BROOKSVILLEFLORIDA.GOV</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>
<p>NAME OF OCCUPANT</p> <p>ADDRESS</p> <p>CITY</p> <p>STATE</p> <p>ZIP</p> <p>DATE OF OCCUPANCY</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>
<p>DATE OF OCCUPANCY</p> <p>ADDRESS</p> <p>CITY</p> <p>STATE</p> <p>ZIP</p> <p>DATE OF OCCUPANCY</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>
<p>DATE OF OCCUPANCY</p> <p>ADDRESS</p> <p>CITY</p> <p>STATE</p> <p>ZIP</p> <p>DATE OF OCCUPANCY</p>		<p>DATE: 11/11/2024</p> <p>BY: [Signature]</p>

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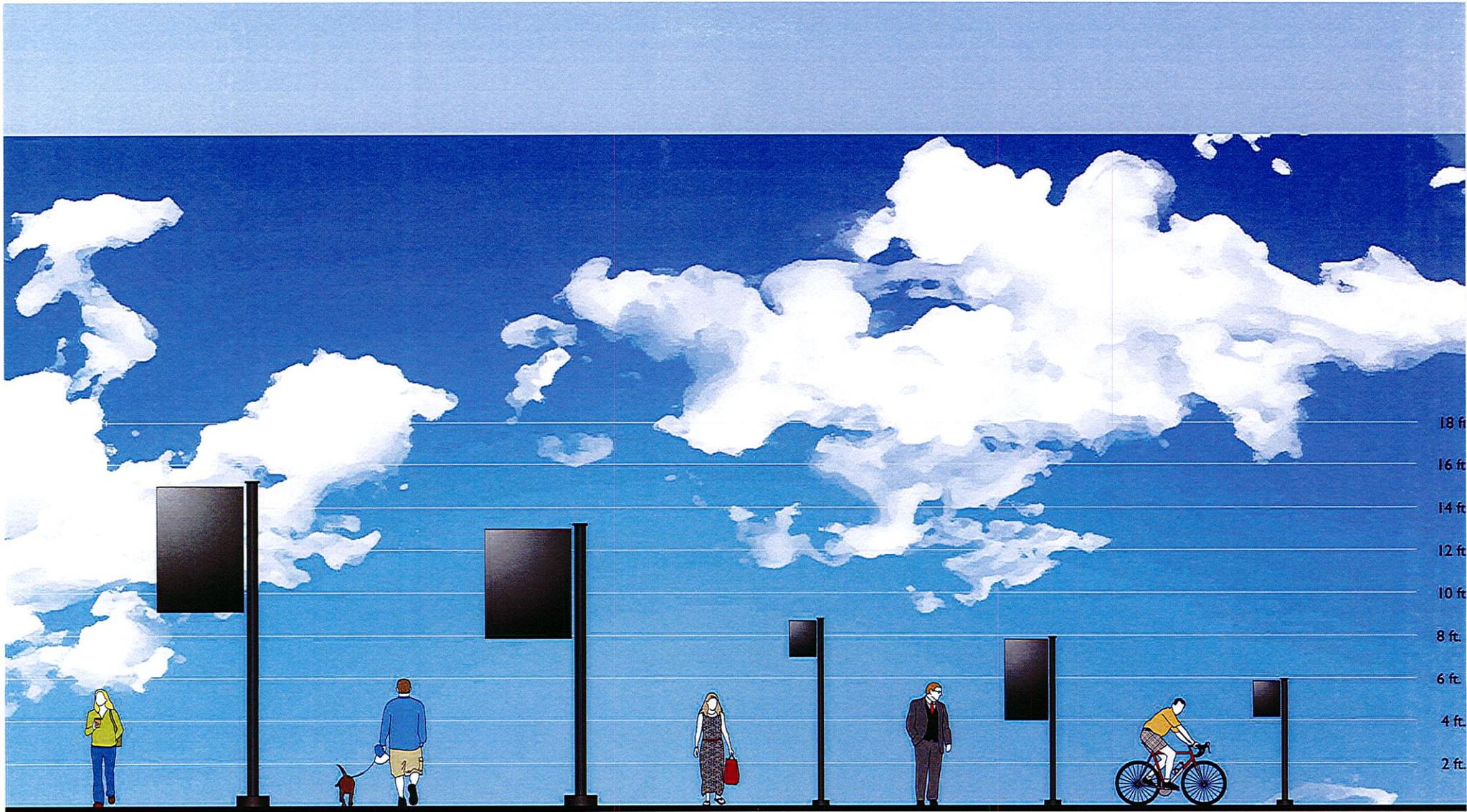






RENAISSANCE  
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Environmental  
Transportation  
Construction Management  
engineering associates inc.



Trailblazer  
Signage

Vehicular  
Signage

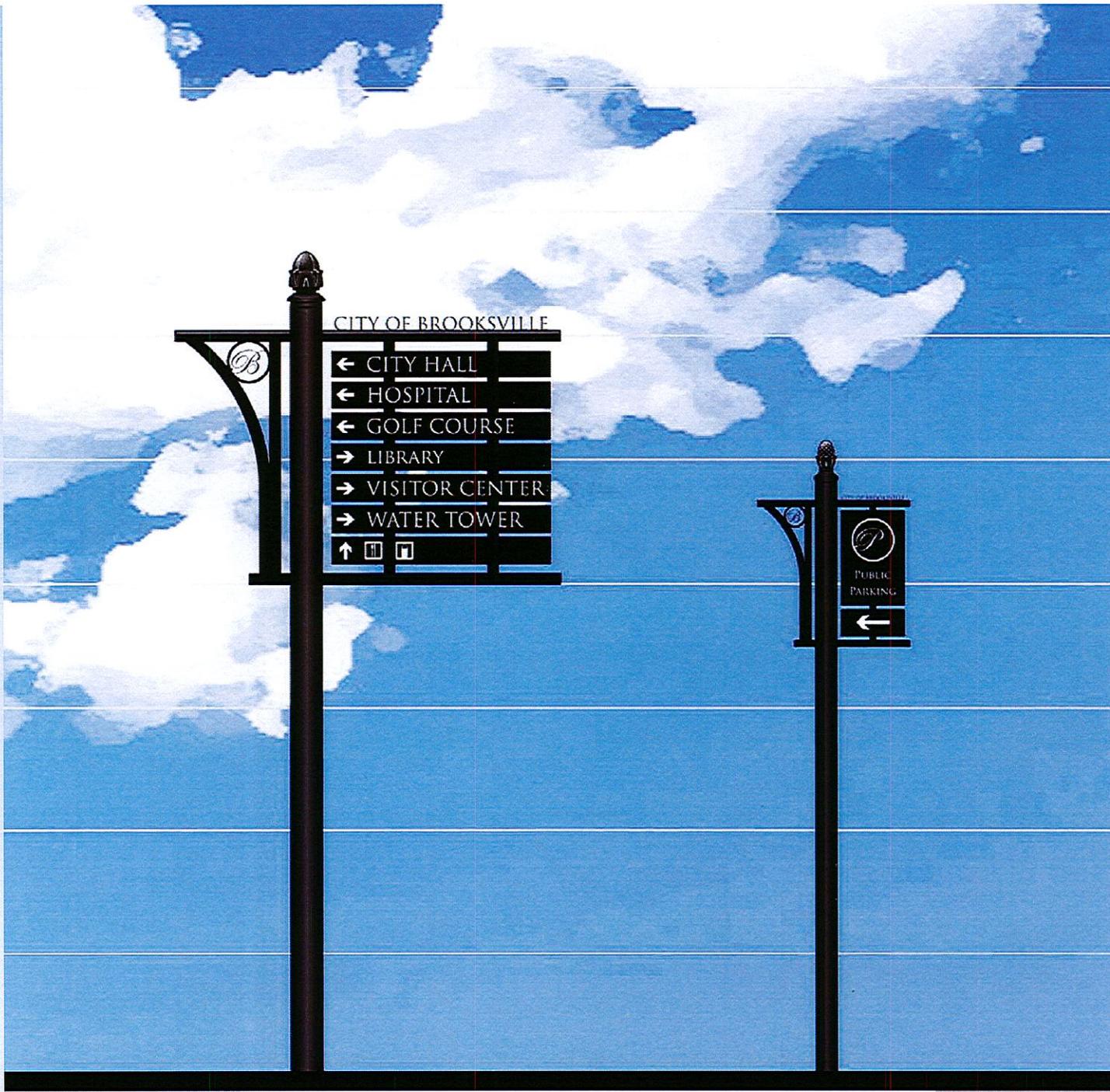
Parking  
Signage

Pedestrian  
Signage

Trail  
Signage

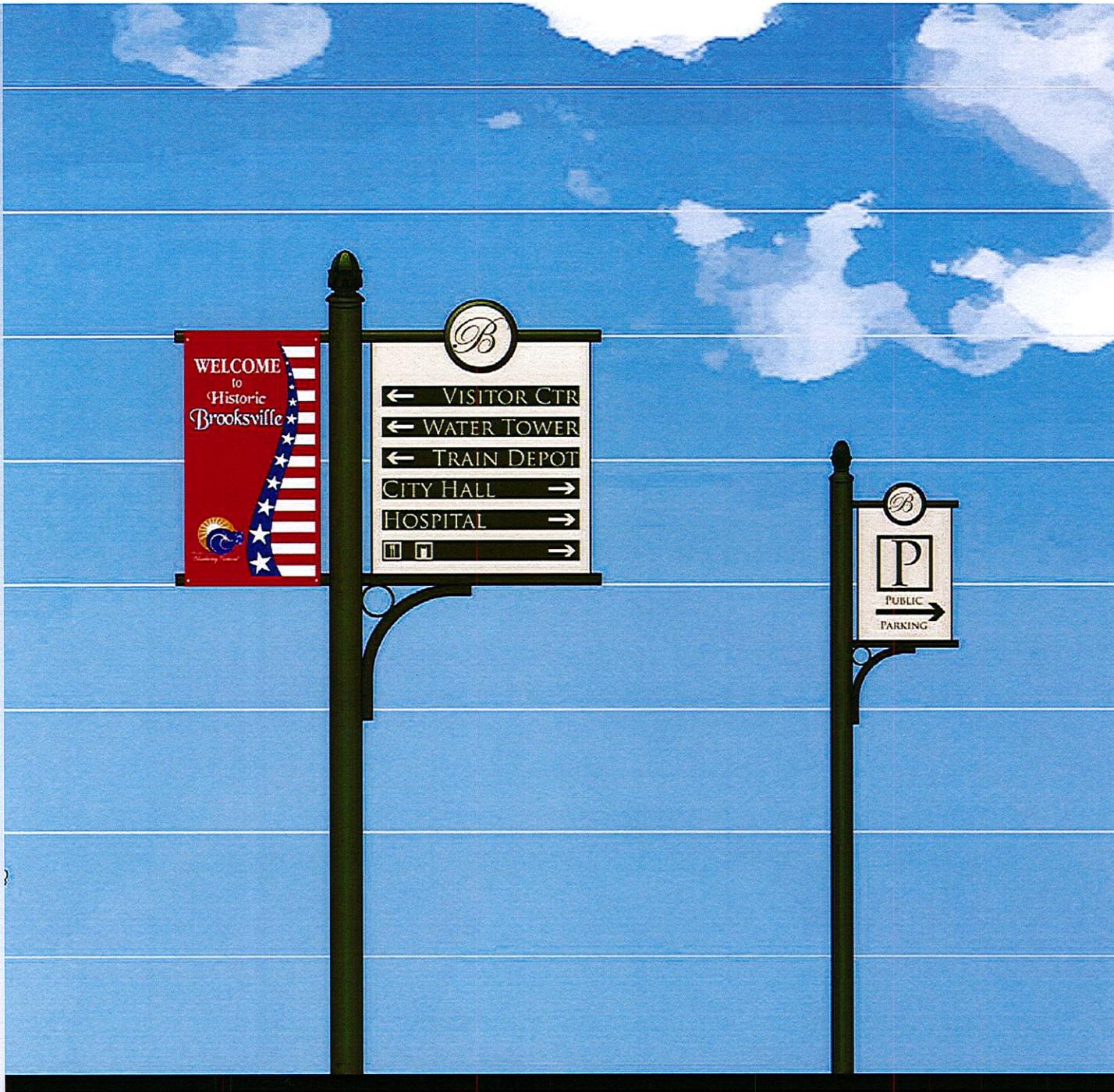
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PLANNING GROUP

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Transportation  
Construction Management



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Transportation  
Construction Management



RENAISSANCE  
PLANNING GROUP

**Coastal**  
engineering associates inc.  
Engineering  
Planning  
Surveying  
Environmental  
Transportation  
Construction Management



LOGO 1A



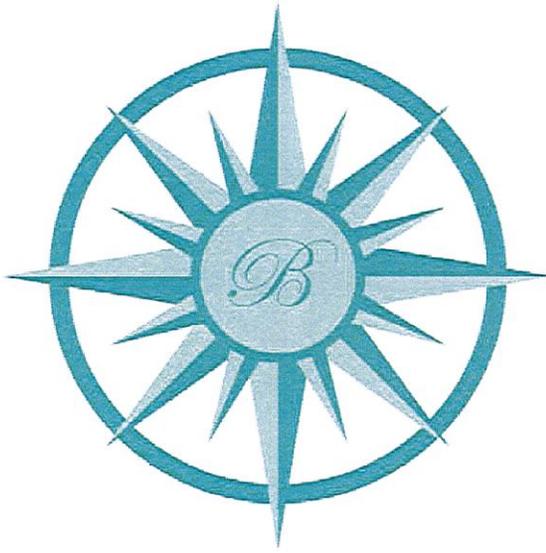
LOGO 1B



LOGO 1C



LOGO 1D



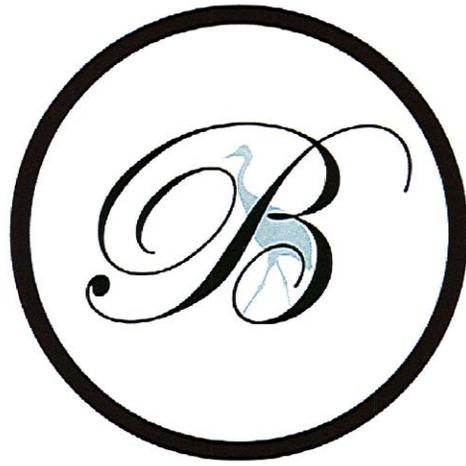
LOGO 2A



LOGO 2B/C



LOGO 2D



LOGO 3A



LOGO 3B/C



LOGO 3D

**From:** joebgrp1 <joebgrp1@bellsouth.net>;  
**To:** joeb <joeb433@bellsouth.net>;  
**Subject:** Fw: Redlight Camera  
**Sent:** Mon, Sep 16, 2013 2:48:52 PM

ATTACHMENT 2

**From:** James Adkins <JAdkins@co.hernando.fl.us>;  
**To:** Joe Bernardini <JBernardini@ci.brooksville.fl.us>;  
**Subject:** FW: Redlight Camera  
**Sent:** Thu, Sep 5, 2013 2:09:30 PM

FYI

---

**From:** Barbara Trent  
**Sent:** Tuesday, September 03, 2013 9:57 AM  
**To:** James Adkins  
**Subject:** Redlight Camera

Commissioner Adkins,

I am sending this to you because I know that you have been working to eliminate the red light cameras.

Last Monday I received a notice from the State of Florida saying that I have an unpaid ticket and that my license was going to be suspended September 11<sup>th</sup>. I had no idea what they were talking about so I called the Clerk's Traffic Division and they looked it up and said that it was a red light ticket. I went up there the next day to try to figure out what had happened. The ticket was issued May 12<sup>th</sup> (Sunday) and I am not sure if it was me or my husband driving but our vehicle slowed down at a red light, saw no traffic coming and turned right. At that time I was also told that the ticket was now \$285.00 because it was late. I was told that I could go to the City Police Department and they might be able to help me. I went down there and spoke with an officer who was not very nice but he was able to confirm that I did not get my notification because it was sent to my physical address, he removed the late fee reluctantly and I paid the \$158.00.

On top of this being frustrating, the officer told me they will only send the ticket to the physical address. I have never received mail at my physical address, I have used a post office box for 40 years. It upset me because if I hadn't received the notification from the State I could have had big trouble over a red light ticket. It doesn't make sense that the State can send mail to my post office box but this ticket could not be sent there. I know there are a lot of people that use post office boxes and I wanted you to be aware of this policy.

Thanks for listening

Barbara



## CONSENT AGENDA ITEM MEMORANDUM

**TO:** HONORABLE MAYOR AND CITY COUNCILMEN

**VIA:** T. JENNENE NORMAN-VACHA, CITY MANAGER

**FROM:** GEORGE TURNER, POLICE CHIEF

**SUBJECT:** PATROL CAR REPLACEMENT due to MVA.

**DATE:** JUNE 02, 2014

**GENERAL SUMMARY/BACKGROUND:** Staff requests approval for the purchase of a patrol vehicle to replace BPD Unit 146 that was damaged Tuesday, May 13, 2014, Case #2014-001858/HSMV 84118200. This crash resulted in the total loss of the 2010 Ford Crown Victoria, VIN 2FABP7BV0AX100467, with the equipment listed on the attached Gallagher Bassett property worksheet (Attachment 1). Staff requests to surplus the vehicle and said equipment, turning same over to the insurance company for salvage as per payout agreement. The replacement vehicle, Florida Sheriff's Association State Bid #13-11-04-13-21-04, a 2013 Dodge Charger from Auto Nation Chrysler Dodge Jeep, Pembroke Pines, Florida for a cost of \$23,408 (Attachment 2). Equipment will be purchased and installed by Dana Safety Supply, Inc., Tampa Fl, as per City of Tallahassee Contract RFP#0233-06-BM-TC., in the amount of \$5,456.11 (Attachment 3). Additional equipment cost: Motorola radio \$3,282.15, Dell Computer \$1,146.61, Graphics \$700 for a total replacement cost of \$33,992.87 (Attachment 4).

**BUDGET IMPACT:** Public Risk Management claim #119716253 has been filed. As per Gallagher Bassett Services, the City will receive coverage in the amount of \$27,103.16. The at fault driver's auto insurance, State Farm Claim #594J33049 will be pursued by PRM. The balance of \$6,889.71 can be transferred from the Law Enforcement Trust Fund #109, as revenue exceeding that amount has been realized in the FY2013/2014 budget. The transfer out of Fund 109 will be a transfer in to Fund 502 Vehicle Replacement Fund - General Fund monies.

**LEGAL REVIEW:** The City Council has home- rule authority (Article VII, (2), Florida Constitution / Section 166.011, Florida Statutes) to consider matters of fiscal and intergovernmental benefit. Pursuant to Section 5.04 of the City Charter, competitive bidding is required except to the extent Council authorizes otherwise by ordinance. Pursuant to Section 2-304, (a), (1) and (2), of the Code of Ordinances, the amount of expenditures for which the City may obligate itself without competitive bidding by the City is increased provided: (1) the City Manager recommends to the City Council that a specific purchase be made by piggybacking on an award by another governmental entity's competitive bidding process; and (2) the other governmental entity's competitive process provides substantially equivalent guarantees of fairness and competitiveness to those of the City.

Pursuant to Subsection 274.05, Florida Statutes, titled Surplus Property, the City Council has the authority and discretion to classify as surplus any of its property that is obsolete or the continued use of which is uneconomical or inefficient, or which serves no useful function. In addition, within the reasonable exercise of its discretion and having consideration for the best interest of the City, the value and condition of property classified as surplus, and the probability of such property's being desired by a prospective bidder in the event of surplus, the City Council may offer surplus property to other governmental units in the County for sale or donation or sale at a recycling center.

**STAFF RECOMMENDATION:** Staff recommends that City Council approve the surplus of vehicle/equipment as listed within Attachment 5, and further approve for the replacement/purchases of vehicle and equipment, through the Florida Sheriff's Association State Bid #13-11-04-13-21-04, utilizing insurance monies together with allocating funds from the Law Enforcement Fund #109 in the amount of \$6,889.71 for a total cost for the vehicle of \$33,992.87. Staff further requests the approval of the appropriate budget amendment as outlined within the above Budget Note and provided as Attachment 6.

**ATTACHMENT:**

1. Gallagher Bassett Services Property Worksheet
2. AutoNation Quote
3. Dana Safety Supply Quote
4. Motorola Quote.
5. Vehicle Crash Photo
6. Budget Amendment Form

\*\*MVA report available upon request for review.

# Attachment 1



# Attachment 2



# Attachment 3

DANA SAFETY SUPPLY, INC  
 5221 W. MARKET ST  
 GREENSBORO, NC 27409

# Sales Quote

Telephone: 800-845-0405

Sales Quote No.	132170-C
Customer No.	BROOKPD

**Bill To**

BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

**Ship To**

BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By	Salesperson	Ordered By	Resale Number		
Kevin Brennan	TOM SABO	GEORGE TURNER	85-8012740085c2		
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	INSTALL U of M : EACH INSTALLATION OF VEHICLE EQUIPMENT (PATROL CHARGER) Warehouse: INSTT ***** SPECIFICS: TO BE DONE AT DSS TAMPA FACILITY (3810-A WEST OSBORNE AVE). INSTALLATION OF EQUIPMENT LISTED BELOW PLUS CUSTOMER SUPPLIED RADIO, ANTENNAS, AND GPS. PRICE INCLUDES WIRE, LOOM, CONNECTORS, FUSES, HARDWARE, CIRCUIT BREAKER, ETC. INSTALLATION WARRANTY COVERS WORKMANSHIP FOR THE DURATION OF THE EQUIPMENT MANUFACTURER'S WARRANTY. ***** TRUNK MOUNTED EQUIPMENT IS TO BE INSTALLED ON THE UNDERSIDE OF THE REAR DECK. OEM HEADLIGHT & TAILLIGHT FLASHER WILL BE WIRED TO SIREN CONTROLLER.	1,050.0000	1,050.00
1	1	Y	INSTALL KIT U of M : EACH MISC INSTALLATION SUPPLIES I.E. Warehouse: INSTT LOOM, WIRE, HARDWARE, CONNECTORS, BREAKER, ETC	50.0000	50.00
1	1	Y	SA315P U of M : EACH WHELEN 100W COMPACT BLACK COMPOSITE 122dB SPEAKER Warehouse: INSTT (LIST \$310.00)	115.0000	115.00
1	1	Y	SAK37 U of M : EACH	18.0000	18.00

Print Date	05/23/14
Print Time	05:43:17 PM
Page No.	1

Printed By: TOM SABO

Continued on Next Page

DANA SAFETY SUPPLY, INC  
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Entered By		Salesperson	Ordered By	Resale Number	
Kevin Brennan		TOM SABO	GEORGE TURNER	85-8012740085c2	
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	WHELEN SA315 BRACKET FOR 2011+ CHARGER Warehouse: INSTT (LIST \$35.50) 295SLSA6 U of M : EACH	269.0000	269.00
2	2	Y	WHELEN 100/200W SCAN-LOCK SIREN/PA/SWITCH CONTROLLER Warehouse: INSTT (LIST \$638.00) VTX609J U of M : EACH	58.0000	116.00
2	2	Y	WHELEN VERTEX SPLIT RED/BLUE Warehouse: INSTT (LIST \$132.00) FOR FRONT FENDERS VTXFB U of M : EACH	4.5500	9.10
1	1	Y	WHELEN BLACK FLANGE FOR VERTEX-SURFACE MOUNT Warehouse: INSTT (LIST \$8.50) AVNIR U of M : EACH	95.0000	95.00
1	1	Y	WHELEN SINGLE AVENGER RED Warehouse: INSTT (LIST \$194.00) REAR DECK AVN1B U of M : EACH	95.0000	95.00
			WHELEN SINGLE AVENGER BLUE Warehouse: INSTT		

Print Date	05/23/14
Print Time	05:43:17 PM
Page No.	2

Printed By: TOM SABO

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DANA SAFETY SUPPLY, INC  
 5221 W. MARKET ST  
 GREENSBORO, NC 27409

# Sales Quote

Telephone: 800-845-0405

Sales Quote No.	132170-C
Customer No.	BROOKPD

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BROOKSVILLE POLICE DEPT. 87 VETERANS AVE BROOKSVILLE, FL 34601

Ship To
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 Telephone: (352) 754-6800

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05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By	Salesperson	Ordered By	Resale Number		
Kevin Brennan	TOM SABO	GEORGE TURNER	85-8012740085c2		
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	(LIST \$194.00) REAR DECK 14.0553 U of M : EACH ABLE2 TRIPLE 12V OUTLET BOX Warehouse: INSTT	14.0000	14.00
1	1	Y	TH400 U of M : EACH THOR 400 WATT 12VDC TO 120VAC INVERTER Warehouse: INSTT	33.0000	33.00
1	1	Y	10-XL-C U of M : EACH SETINA #10 SPACE-SAVER CAGE W/ OFFSET PASSENGER SIDE Warehouse: INSTT	519.3500	519.35
1	1	Y	(LIST \$799.00) COATED SCRATCH RESISTANT LEXAN, SLIDER WINDOW W/ MESH INSERT, RECESSED SPACE-SAVER CENTER PANEL, OFFSET (MORE LEGROOM FOR PRISONERS BEHIND PASSENGER), INCLUDES LOWER EXTENSION PANELS. DUALWEAPONMOUNT U of M : EACH SETINA DUAL WEAPON MOUNT Warehouse: INSTT	272.3500	272.35
1	1	Y	(LIST \$419.00) TO BE MOUNTED IN DODGE CHARGER - CENTER SECTION OF XL PARTITION. TWO LARGE UNIVERSAL ELECTRONIC LOCKS TO FIT ANY WEAPONS, HANDCUFF KEY OVERRIDE. RE7019 U of M : EACH MAGLITE RECHARGABLE FLASHLIGHT W/ CHARGER	85.0000	85.00

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05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By	Salesperson	Ordered By	Resale Number		
Kevin Brennan	TOM SABO	GEORGE TURNER	85-8012740085c2		
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	Warehouse: INSTT (LIST \$142.22) 50B02ZCR U of M : EACH WHELEN BLUE 500 SERIES LINEAR SUPER LED	89.8800	89.88
1	1	Y	Warehouse: INSTT (LIST \$168.00) 50R02ZCR U of M : EACH WHELEN RED 500 SERIES LINEAR SUPER LED	89.8800	89.88
2	2	Y	Warehouse: INSTT (LIST \$168.00) 5BKT1 U of M : EACH WHELEN 500 SERIES SUPER LED SINGLE MTG BRACKET	6.9600	13.92
2	2	Y	Warehouse: INSTT (LIST \$13.00) 5FLANGEB U of M : EACH WHELEN BLACK FLANGE FOR 500 SERIES	4.8200	9.64
1	1	Y	Warehouse: INSTT (LIST \$9.00) SXD8BBRRPC U of M : EACH WHELEN LIBERTY FSA PREMIUM 15-MODULE LIGHTBAR 48.5 R/B  Warehouse: INSTT ALL LED LIGHTBAR W/ CLEAR LENSES. RED DRIVER SIDE, BLUE PASSENGER SIDE, WHITE LED TAKEDOWN & ALLEY LIGHTS, SPLIT R/B FRONT CENTER MODULE.	1,179.0000	1,179.00

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DANA SAFETY SUPPLY, INC  
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Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

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 Telephone: (352) 754-6800

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By	Salesperson	Ordered By	Resale Number		
Kevin Brennan	TOM SABO	GEORGE TURNER	85-8012740085c2		
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	MKEZ82 U of M : EACH WHELEN LIGHT BAR STRAP KIT FOR 2011+ DODGE CHARGER Warehouse: INSTT	0.0000	0.00
1	1	Y	7160-0327 U of M : PKG GJ CONSOLE PKG FOR 2011+ DODGE CHARGER Warehouse: INSTT PACKAGE INCLUDES CONSOLE, DUAL CUPHOLDER, FLIP-UP ARMREST, & THE FOLLOWING EQUIPMENT FACEPLATES & WHATEVER FILLER PLATES NECESSARY TO COMPLETE THE INSTALLATION --- 1- 1- 1- 1- ***** ***** *****	399.0000	399.00
1	1	Y	3130-0361 U of M : EACH GJ FACEPLATE WITH 12V OUTLET KNOCK-OUTS Warehouse: INSTT 12V OUTLETS ARE NOT INCLUDED WITH THIS FACEPLATE *****	16.0000	16.00
1	1	Y	7160-0329 U of M : EACH GJ COMPUTER MOUNTING BASE FOR 2011 DODGE CHARGER	79.0000	79.00

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Print Time	05:43:17 PM
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Printed By: TOM SABO

Continued on Next Page

DANA SAFETY SUPPLY, INC  
 5221 W. MARKET ST  
 GREENSBORO, NC 27409

# Sales Quote

Telephone: 800-845-0405

Sales Quote No.	132170-C
Customer No.	BROOKPD

**Bill To**

BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

**Ship To**

BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By		Salesperson	Ordered By	Resale Number	
Kevin Brennan		TOM SABO	GEORGE TURNER	85-8012740085c2	
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	Warehouse: INSTT NO HOLES BORED DESIGN ***** DS-LOWER-9 U of M : EACH GJ 9 LOWER POLE BASE (BOTTOM OF DS-POLE)	36.0000	36.00
1	1	Y	Warehouse: INSTT QADJ-UPPER-M U of M : EACH GJ QUICK ADJUST UPPER POLE ASSY W/8.0 TOP PLATE	75.0000	75.00
1	1	Y	Warehouse: INSTT 7160-0284 U of M : EACH GJ QUAD MOTION TS3 ATTACHMENT - 3.5" SLIDE	79.0000	79.00
1	1	Y	Warehouse: INSTT 7160-0250 U of M : EACH GJ NOTEPAD-5 UNIVERSAL COMPUTER CRADLE	250.0000	250.00
1	1	Y	Warehouse: INSTT WILL ADJUST FOR COMPUTERS WITH THE FOLLOWING: WIDTH - 10.62 TO 16.5 INCHES THICKNESS - UP TO 1.50 INCHES DEPTH - 9.00 TO 12.38 INCHES ***** 7160-0251 U of M : EACH GJ SCREEN SUPPORT FOR NOTEPAD V	29.9900	29.99
4	4	Y	Warehouse: INSTT RR-ICCA U of M : EACH	36.0000	144.00

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Printed By: TOM SABO

Continued on Next Page

DANA SAFETY SUPPLY, INC  
 5221 W. MARKET ST  
 GREENSBORO, NC 27409

# Sales Quote

Telephone: 800-845-0405

Sales Quote No.	132170-C
Customer No.	BROOKPD

**Bill To**  
 BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

**Ship To**  
 BROOKSVILLE POLICE DEPT.  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

Contact: JASON MATHENSIN  
 Telephone: (352) 754-6800

Quote Date	Ship Via	F.O.B.	Customer PO Number	Payment Method	
05/20/14	GROUND	PPAY & ADD TO	REPLACEMENT CHARGER	CASH	
Entered By	Salesperson	Ordered By	Resale Number		
Kevin Brennan	TOM SABO	GEORGE TURNER	85-8012740085c2		
Order Quantity	Approve Quantity	Tax	Item Number / Description	Unit Price	Extended Price
1	1	Y	AVT CAMERA WIRING HARNESS FOR SPARE CAMERA Warehouse: INSTT FL-80RFI U of M : EACH BI REAR INTERFACE WITH CENTER PANEL AND AUX. OUTPUTS Warehouse: INSTT (THIS UNIT COMPLETELY ISOLATES FLASHING OEM HEADLIGHTS & TAILLIGHTS FROM THE OEM LIGHTING CONTROL MODULE. THIS PREVENTS BACKFEEDS AND OTHER ELECTRICAL ISSUES WHICH OCCUR COMMONLY WITH DODGE'S FLASHER CIRCUIT. THIS FLASHER ENABLES THE REAR CENTER LED STRIP TO FLASH ALTERNATELY WITH THE TAILLIGHTS. ALSO ALLOWS FOR PROPER FUNCTION OF BRAKE AND TURN INDICATORS BY INTERRUPTING THE FLASH PATTERN DURING USE OF BRAKES AND TURN SIGNALS)	225.0000	225.00
			Approved By: _____		
			<input type="checkbox"/> Approve All Items & Quantities		

Print Date	05/23/14
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Subtotal	5,456.11
Freight	0.00
<b>Order Total</b>	<b>5,456.11</b>

Printed By: TOM SABO

# Attachment 4



Quote Number: QU0000277947  
 Effective: 28 MAY 2014  
 Effective To: 27 JUL 2014

**Bill-To:**

BROOKSVILLE POLICE DEPT, CITY OF  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601  
 United States

**Ultimate Destination:**

BROOKSVILLE POLICE DEPT, CITY OF  
 87 VETERANS AVE  
 BROOKSVILLE, FL 34601  
 United States

**Attention:**

**Name:** Captain Rick Hankins  
**Email:** rhankins@ci.brooksville.fl.us  
**Phone:** 352-540-3800

**Sales Contact:**

**Name:** Jimmy Graves  
**Email:** jimmy.graves@tri-co.us  
**Phone:** 352-726-9389

**Request For Quote:** XTL2500 Mobile Dash Mount  
**Contract Number:** BROWARD COUNTY SHERIFF'S OFFICE  
**Freight terms:** FOB Destination  
**Payment terms:** Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
el	1	M21URM9PW1AN	XTL 2500 764-870MHZ, 10-35W	\$1,497.00	\$1,272.45	\$1,272.45
la	1	G66AF	ADD: DASH MOUNT, NO CONTROL HEAD	\$125.00	\$106.25	\$106.25
lb	1	W22AR	ADD: PALM MICROPHONE	\$72.00	\$61.20	\$61.20
lc	1	G174AA	ADD: ANTENNA 3DB LOW-PROFILE 764-870MHZ	\$43.00	\$36.55	\$36.55
ld	1	G806BD	ENH: XTL SOFTWARE ASTRO DIGITAL CAI OPERATION	\$515.00	\$437.75	\$437.75
le	1	G444AA	ADD: ADD: CONTROL HEAD SOFTWARE	-	-	-
lf	1	G442AA	ADD: XTL2500 CONTROL HEAD	\$292.00	\$248.20	\$248.20
lg	1	G51AR	ENH: SOFTWARE SMARTZONE/SINGLE TONE	\$975.00	\$828.75	\$828.75
lh	1	B18CL	ADD: AUXILARY SPKR SPECTRA 7.5 WATT	\$60.00	\$51.00	\$51.00
li	1	G361AE	ENH: ASTRO PROJECT 25 TRUNKING SOFTWARE	\$300.00	\$240.00	\$240.00

**Total Quote in USD**

**\$3,282.15**

Please issue po to Motorola Solutions Inc. and email to jimmy.graves@tri-co.us for processing. Programming & Installation is not included.

PO Issued to Motorola Solutions Inc. must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola Solutions Inc." as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To).
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)

# Attachment 5



# Attachment 6

# BUDGET AMENDMENT FORM

## Fiscal Year 2013 - 2014

Account Name/Dept	Account Number	Approved Budget FY 2013-14*	Increase	Decrease	Amended Budget FY 2013-14
Fund 109 Transfer out (Expense)	109-000-581-56502	\$0.00	\$6,889.71		\$6,889.71
Fund 109 Reserves	109-000-271-30060	\$55,608.00		\$6,889.71	\$48,718.29
Fund 502 Vehicle Replacement Fund - GF (Revenue)					
Insurance Claims/Settlements	502-000-369-48895	\$0.00	\$27,103.16		\$27,103.16
Fund 502 Vehicle Replacement Fund - GF Transfers in (Revenue)	502-000-381-49109	\$0.00	\$6,889.71		\$6,889.71
Fund 502 Vehicle Replacement Fund - GF (GL-Expense) Machinery & Equipment	502-000-166-19037	\$0.00	\$33,992.87		\$33,992.87
<b>TOTAL</b>					

\*Approved budget as previously amended.

Reason for Amendment: Insurance replacement of Police Vehicle 146A Fix Asset Number 1781

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Department Director Signature \_\_\_\_\_ Date \_\_\_\_\_

Finance Director Signature \_\_\_\_\_ Date \_\_\_\_\_

City Manager Signature *[Handwritten Signature]* upon approved by City Council Date 05-29-2014

**Approved by City Council, during Regular Session:**

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**CITY OF BROOKSVILLE, FLORIDA**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2013**

**CITY OF BROOKSVILLE, FLORIDA  
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## **INTRODUCTORY SECTION**

**CITY OF BROOKSVILLE, FLORIDA  
GOVERNMENTAL OFFICIALS CONTENTS  
YEAR ENDED SEPTEMBER 30, 2013**

**CITY COUNCIL**

<b>MAYOR</b>	KEVIN HOHN
<b>VICE MAYOR</b>	FRANKIE BURNETT
<b>COUNCIL MEMBER</b>	LAURA BRADBURN
<b>COUNCIL MEMBER</b>	JOE JOHNSTON
<b>COUNCIL MEMBER</b>	JOE BERNARDINI

**CITY MANAGER**

T. JENNENE NORMAN-VACHA

**INTERIM FINANCE DIRECTOR**

JIM DELACH

**CITY CLERK**

JANICE L. PETERS

**CITY ATTORNEY**

THE HOGAN LAW FIRM

## **FINANCIAL SECTION**



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

City Council  
City of Brooksville, 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 Brooksville, Florida, (the "City") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in net 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 Regarding a Correction of an Error**

As described in Note 13 to the financial statements, the City has restated beginning net position as of September 30, 2013 to correct reporting of capital assets to account for capitalized interest in the amount of \$477,397 and to correct reporting and recognize the fire fighters' net pension asset. The net pension asset at the beginning of the year was \$78,836. Our opinions are not modified with respect to this matter.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

Lakeland, FL  
May 23, 2014

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

The City of Brooksville's (the "City") management discussion and analysis is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ending September 30, 2013.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Brooksville exceeded its liabilities at September 30, 2013 by \$43,874,643 (net position) and decreased \$1,495,769. Of this amount, \$3,441,676 of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- As of September 30, 2013, the City of Brooksville's governmental funds reported combining ending fund balances of \$5,162,282 which decreased \$600,367 from the previous fiscal year.
- General Fund expenditures and transfers out came in under final budget projections by \$874,698. General Fund expenditures excluding transfers out are down from September 30, 2012 by \$1,455,628. The major differences are that the Fire Department was moved to a Special Revenue Fund.
- Utility Fund Cash and Cash Equivalents decreased from \$3,121,712 at the beginning of the fiscal year to \$2,938,838 at the end of the fiscal year. The primary reason in the decrease is the construction of the reuse components at the City's Cobb Road Wastewater Treatment facility. Total capital expenditures for the fiscal year were \$644,309. Of the \$2,938,838 Cash and Cash Equivalents, \$1,098,696 is unrestricted.
- The Cash and Cash Equivalents for the Sanitation Fund decreased from \$550,534 at the beginning of the fiscal year to \$470,484 at the end of the fiscal year. The Sanitation Fund purchased equipment in the amount of \$213,197 by paying cash which accounted for the decrease in Cash Equivalents.
- Total net position of the Pension Trust Funds (Police and Fire) increased by \$1,157,300. The main reason for the increase was a gain on the total investment earnings of \$1,012,591. Net position of the two plans were \$9,769,558. This compares to \$8,612,258 for fiscal year ending September 30, 2012. The improvement in the equities market during September 30, 2013 improved our pension reserves considerably after the earlier serious economic downturn.
- City adopted an electric and propane Public Service Tax effective January 1, 2004. In the 2012-2013 fiscal year the tax brought in \$742,056 in revenues. This is a decrease of \$39,062 from the previous fiscal year.
- The City of Brooksville complied with the maximum millage levy allowed by Florida Department of Revenue Chapter 2007-321. The City's millage in 2013 was set at 6.7317 mills. The millage rate was 6.6000 in 2012.
- On April 28, 2011, the City Council approved the Guaranteed Energy Savings Performance Contract with Energy Systems (ESG). The City with ESG designed projects that are guaranteed to generate energy and operational savings. These energy projects are guaranteed by ESG to generate enough savings to offset the loan payments. The projects selected are City Hall and Public Works HVAC, City Hall roof, Public Works and Walking Trail Lighting, and radio-read meter change out. Through SunTrust, the City issued debt on May 20, 2011 in the amount of \$3,333,022 entitled "City of Brooksville, Florida Capital Improvement Revenue Note, Series 2011, and Financing Energy Performance Projects." The radio read meter project started in the summer of 2011 and was completed in October 2011. At the close of the fiscal year ending September 30, 2012, all the original projects

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

were completed. The remaining energy project that was added by City Council is the City Police Station HVAC budgeted for \$133,056 in the fiscal year 2012/2013 budget and was completed in fiscal year ending September 30, 2013.

- In October 2012, the City proceeded with the installation of the reuse components to their Cobb Road Water Reclamation Facility. The funding for the Cobb Road expansion is coming from Bond Settlement funds, Sewer Impact Fees, and the Southwest Florida Water Management District Reuse Cooperative Funding Agreement. At the close of our fiscal year ending September 30, 2012, the City had spent \$3,429,419 on the project. In December 2012, the City received confirmation from the Southwest Florida Water Management District that the City had met the contractual obligation that the reclaim portions of our Cobb Road Wastewater Treatment Plant were completed on time.
- The City's Sanitation Fund purchased in 2012-2013 a 2014 Peterbilt Model 320 Garbage truck at a cost of \$196,770. In addition, the Fund purchased a 2013 Ford F-150 4X2 pickup truck at a cost of \$16,427. The monies for both vehicles came out of the Sanitation reserves.
- Funding through the City's Vehicle Replacement Fund purchased two 2013 Dodge Charger police cars costing \$68,430. In addition, the City purchased a 2013 Dodge Charger for \$28,505 from the Federal Edward Byrne Memorial JAG Program Grant (Patrol Vehicle Program).
- The City's Multi-Capital Fund (a Capital Projects Fund) provided the funding and capitalized the Peck Sink Water Course Improvement Project at a cost of \$113,000.
- Our McKethan Capital Projects Fund funded resurfacing of our tennis courts located at McKethan Park at a cost of \$9,650.

**CITY HIGHLIGHTS**

- The City County adopted a special fire assessment for the fiscal year 2012/2013 budget year. The estimated revenue from the assessment is budgeted at \$380,000. The Fire Department Fund was created and moved from General Fund. The City's Fire Department will be funded via the special assessment and a transfer from General Fund.
- The South Brooksville Water, Sewer, and Storm water project is a joint project between Hernando County and the City of Brooksville. Hernando County issued the notice to proceed on July 12, 2011. The project was funded by a \$750,000 Community Development Block Grant. The project installed 5,359 linear feet of 8-inch water main to replace previously undersized lines to serve residents with potable water and provide adequate water pressure and volume for firefighting and property protection. The project installed 650 linear feet of 2-inch water main for providing potable water. The project installed 24 new fire hydrants and 47 new water service connections for existing customers. Remaining grant dollars of \$64,684 were used for building sidewalks which were completed in February 2013. The City will own the water and sewer lines when completed and add new sewer customers to their system which will increase our utility's revenues.
- The City's past annexations envisioned substantial growth; and with the world-wide economic crisis behind us, we see growth in our future. Southern Hills Plantation has plans for 1,163 residences in a gated golf community. In 2009, Hampton Ridge Developers (developer for Southern Hills Plantation) filed for bankruptcy reorganization. On October 25, 2010 Hampton Ridge Developers sold the Southern Hills Development to Greenpointe Communities, LLC and subsidiaries. The sale included the golf club, the amenity center, the platted lots not owned by private individuals, and the undeveloped parcels outside of the Southern Hills Plantation development.

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

- In fiscal year 2009-2010 one (1) single family residential permit was issued in the Southern Hills Plantation and was completed in November 2011. The value of the new home totaled \$625,000. In fiscal year 2010-2011 four (4) new single family residential permits were issued at a construction cost of \$1,194,370. In fiscal year 2011-2012 seven single family homes have been finalized at a total construction cost of \$826,020. In fiscal year 2012-2013, seven single family residential permits were issued in Southern Hills with a total valuation of \$2,500,260.
- Cascades at Southern Hills retirement development had plans to build out to 925 units. On November 9, 2007 Levitt & Sons Hernando County, LLC filed Chapter 11 Bankruptcy. Levitt & Sons were developing Cascades at Southern Hills. On October 31, 2009 this property was purchased by a development company with corporate names listed known as CASHP1, 2 & 3LLC's. In the Cascades, eleven (11) new homes were permitted and Certified for Occupancy in 2009-2010 totaling \$1,757,367. In 2010-2011 three (3) new residential homes were permitted and Certified for Occupancy with construction cost of \$392,240. In fiscal year 2011-2012 two new single family homes were finalized at a value of \$230,000. There were no single family home permits issued in the Cascades during October 1, 2012 through September 30, 2013.
- Majestic Oaks near the Brooksville County Club is proposing 900 units.
- In fiscal year 2009-2010, outside of the Southern Hills/Cascades development area there were two (2) single family residential homes permitted and Certified for Occupancy within the City with a total construction cost of \$136,500. In fiscal year 2010-2011, outside of the Southern Hills/Cascades developments, there were three new single family residential homes permitted of which all three have been certified for occupancy at a construction cost of \$212,950. There were no new construction homes permitted in fiscal year 2011-2012 outside of Southern Hills and Cascades area. In 2012-2013, there was one single family residence permit issued outside of Southern Hills valued at \$202,785.
- The old Brooksville Regional Hospital Facility was renovated into "The Grande" which is an adult living facility with 170 units which are leased. In fiscal year 2010, commercial renovations to the old hospital building were originally completed to provide 60,000 square feet of commercial space and the project was called Oaks Towne Centre. Due to the economic climate and the fact the residential portion of The Grande was at full capacity; the project owner of the commercial space elected to convert said commercial space (Oaks Towne Centre) into 95 additional residential units (Grande Phase II). The work to convert the commercial space into 95 residential units at a cost of \$1,100,000 was completed in late 2012.
- In fiscal year 2008-2009 there was limited commercial permit activity. The activity included the City fire station renovation and a renovation of the County animal control building. In fiscal year 2009-2010, McDonald's and L.R.E. Ground Services had commercial renovations. The total construction costs permitted in fiscal year 2009-2010 were \$250,000. In fiscal year 2010-2011 permits were issued for the Enrichment Center at the Quarry in the amount of \$1,000,000. Also, in fiscal year 2010-2011, there were 22 additional permits issued for commercial interior build outs, renovations, additions/expansions and ADA Compliance which totaled \$1,108,000. Alteration permits for 2011-2012 have been issued totaling \$29,400. Alteration permits for 2012-2013 have been issued totaling \$730,007. In 2012-2013, 4 new commercial permits were issued and included O'Reilly Auto Parts, a pavilion for Saxon Manor, a new addition to the Police Department and an "Ice House" business, all totaling \$710,340.

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- In 2006, the City took back the Building Division services function that was being provided by Hernando County. The City hired PDCS, LLC as the contractual company to handle the building inspections and the building permits activity for the City.

**USING THIS ANNUAL REPORT**

The financial statements focus is on both the City as a whole (government-wide) and on the major individual funds. In this audit report, the financial statements are presented in compliance with pronouncement 34 of the Governmental Accounting Standards Board (GASB 34). 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.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to private-sector statements. The focus is on major funds, rather than fund types.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the governmental general taxes and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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, streets, parks and recreation, and transportation for vehicle maintenance and vehicle replacement. The business-type activities of the City consist of the water, sewer, and sanitation services. The business type activities reflect a private sector type of operation where a fee for services covers the cost of operation.

The government-wide financial statements include the City of Brooksville (the primary government) and the component unit, Brooksville Community Redevelopment Agency. The City formed the Brooksville Fire District, but the District was dissolved in 2012.

The government-wide financial statements can be found on pages 21-22 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial transactions of the City are

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recorded in individual funds and each fund has a self-balancing set of accounts. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The City maintains multiple funds; however certain funds are combined for presentation purpose as presented in these financial statements. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Brooksville Community Redevelopment Agency, the Fire Department Fund, the Traffic Camera Fund, the Utility Fund, and the Sanitation Fund, which are considered to be major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget and are presented as required supplemental information.

**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 focus is 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 the City's near-term financing requirements. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

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 City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 21-26 of this report.

**Proprietary funds.** The City maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and sanitation services. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes internal service funds for its fleet maintenance operations, vehicle replacement, and equipment replacement. Services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been allocated between the governmental activities and the business-type activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 27-31 of this report.

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**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The seven fiduciary funds are Butterweck Bond Fund, Donor Memorial Wall, HRA Fund, Brooksville Fire District, Payroll, Police Retirement and the Firefighters' Retirement.

The basic fiduciary fund financial statements can be found on pages 32-33 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. These notes can be found on pages 34-69 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension benefits to its employees. Combining and individual fund statements can be found on pages 73-109 of this report. The schedule of funding progress and contributions of the pension trust funds can be found on pages 71-72 of this report.

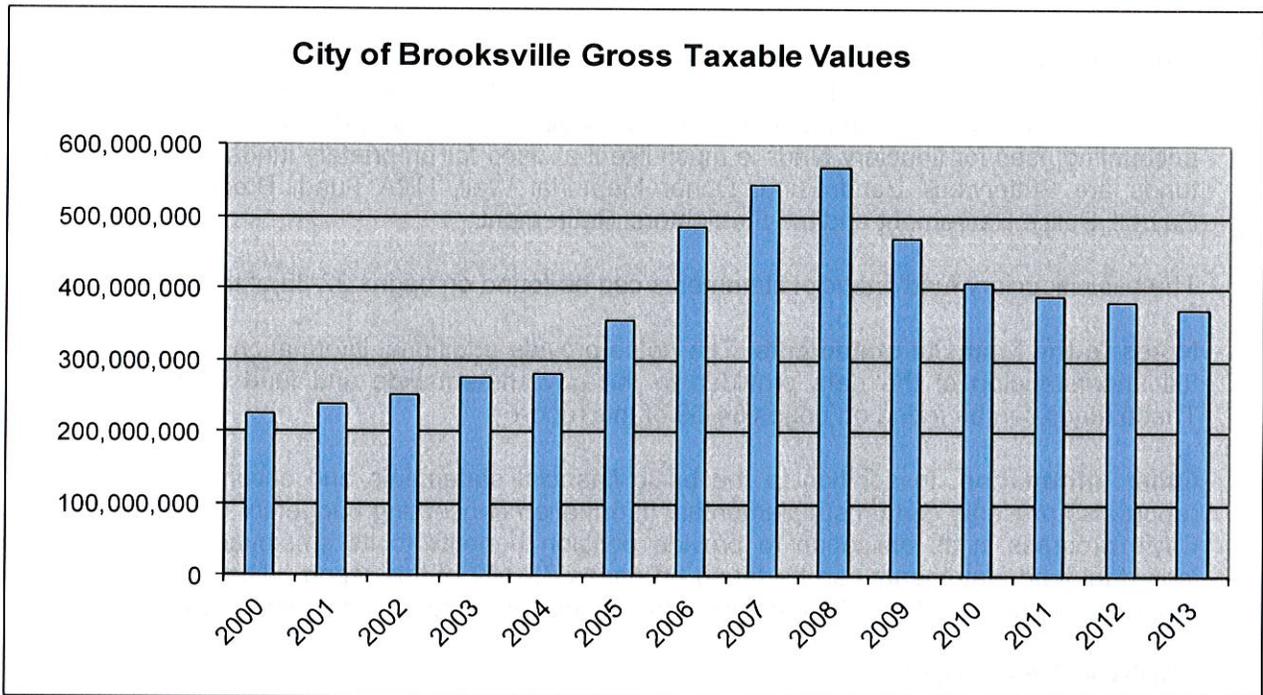
## **ECONOMIC FACTORS**

The City of Brooksville, the County Seat of Hernando County, has experienced a period of growth over the last decade. The Greater Tampa metropolitan area is expanding northward, due in part to limited available land for development in the southern regions and the completion of the Suncoast Parkway toll road which links Tampa with the northern counties of Pasco, Hernando, and Citrus. As a result, new development is taking interest in Brooksville because of its ideal proximity to Tampa (50 miles), Orlando (55 miles), and Ocala (60 miles).

The annual estimates for the population of Brooksville were identified as being 7,711 which was used in the fiscal year 2012-2013 State Revenue Sharing calculations. The City of Brooksville's Community Development Department estimates that the City will experience growth in population of 14.3% over the next 10 years. This estimate is based on the 2010 U.S. Census and the growth in the last decade within the City.

Although, the official data from the Hernando County Property Appraisers for 2014 is not yet available it is expected that the City's taxable values may increase. In the 2013 Tax Year the current year gross taxable value is \$371,205,008. In the 2012 Tax Year the current year gross taxable values for operating purposes were \$381,485,556. This is a drop in taxable values of \$10,280,548 and a 2.7% decline in values in one year. In 2008, the final gross taxable values were \$568,431,915 (the highest in the City's history); this is a decline of \$194,688,672 from 2008 to 2013 and over a 34.7% loss in values in that period. At the 2013 millage rate of 6.7317mills, the decline of \$194,688,672 represents a decrease in annual Ad Valorem revenues of approximately \$1,245,056 (at 95%) in the span from the high in 2008 to 2013. This has been a challenge for many Florida cities as their property values drop. However, we believe that the City of Brooksville property values for 2014-15 will start to increase after the 5 year decline. Values are increasing; the City's has increased new single family home permits. The Chart below shows the City's gross taxable values from 2000 to 2013.

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Hernando County's unemployment stood at 9.4% in December 2012 and down from 12.7% one year ago. It is also higher than the state rate of 7.9% and the 7.7% national rate. The highest unemployment rate in Hernando County in the last 20 years was 15.4% recorded in November 2010. The halt in residential and commercial construction hit the County hard. As an indicator, the City in 06-07 collected \$183,685 in Building permits. In 07-08 the City collected \$128,932 in Building permits; and in 08-09 the City collected 123,831—a 33% decline from 06-07. In 2009-2010, the City collected \$112,109 Building permits revenues and in 2010-2011 the City collected \$95,835. In 2011-2012 the City collected \$97,583 Building permits revenues. In 2012-2013 the City collected \$97,211 Building permit revenues.

Amendment One passed by Florida voters in January 2008 raised the homestead from \$25,000 to \$50,000. The Amendment included a Save Our Homes portability feature of up to \$500,000. It created a \$25,000 exemption for all tangible personal property and provided a 10% annual assessment limitation cap for non-homestead real property. The City must adjust to these new factors mandated by the voters. The City is again experiencing a very likely decrease in property values due to the economic downturn and the added \$25,000 exemption as a result of Amendment One.

Approximately nine years ago, the City increased in size from approximately 5 square miles to approximately 10.68 square miles through voluntary annexations. These annexations increased the acreage of taxable property within City boundaries. The City is also helping improve the taxable property base by encouraging high quality development and redevelopment. Both of these measures should increase the City's future revenue streams that will assist economically for decades to come. The recent economic downturn has impacted the timing of the future revenue streams, however we believe in several years the economic cycle will improve and growth at a sustainable rate will begin again. Nationally franchised retail chains are noticing Brooksville's changing demographics and have moved to the area. To assist in promoting business, the City

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Council repealed the City Occupational Business License Tax in 2008 and maintaining a low millage of 6.7317 mills.

The list of national retailers who are in the City includes Wal-Mart, Lowe's Home Improvement, Tractor Supply, Applebee's, Dunkin Donuts and Baskin Robbins, McDonalds, Wendy's, Popeye's, CVS, and Walgreen's. Countless other established retailers and small local businesses continue to do business in our City. In 2009, Beef O' Brady's Restaurant was a new addition to the City and an Express Lube was completed on Cortez Boulevard. In 2009-2010 LRE Ground Services purchased the former Grubbs property on South Main Street for their operations. Under construction, in 2013 is the \$640,000 new O'Reilly Auto Parts on South Broad. Also, the renovation of the Old Brooksville Regional Hospital to The Grande (originally 75 assisted living units) which has turned a vacant building to a beautiful asset to the City. Due to the economic climate and the fact that the residential portion of The Grande is at full capacity; the project owner of the commercial space elected to convert the commercial space into 95 additional residential units. The Grande Phase II has been completed with the construction value of \$1,100,000.

The City is also being proactive in how it will accommodate new growth by planning in advance to upgrade City facilities. In particular, the City is currently making improvements to its water and sewer transmission lines so that existing and future customers can take advantage of the highest quality services. The City has also established a private-public partnership venture to expand its wastewater treatment facility, which will provide reuse water for irrigation purposes. The Developer and the City made a direct purchase of equipment for the Wastewater Treatment Plant and stored the equipment until actual construction begins. There was a delay in the construction due to the bankruptcy of the Developer. However, the City was able to settle its lawsuit with the bonding companies and proceeded with the planned improvements to their Cobb Road Water Reclamation Facility. The re-use component of our Cobb Road Waste Reclamation Facility will be a huge asset to the City and her residents for years to come. In addition to infrastructure improvements, the City is expanding and improving public areas like parks and landscaped right-of-ways so as to create an ideal environment for people to live, work and play.

Prominent businessman Dr. Dennis Wilfong is serving as Brooksville's Ambassador of Commerce and Employment to promote business and development in the City and Hernando County. Working with Dr. Wilfong is Mrs. Michael Heard who serves as the President/Festival Coordinator of the Florida Blueberry Festival which is now 3 years old. It was estimated that the inaugural festive brought upwards of 45,000 to 50,000 visitors to Brookville. Hernando County Commissioner Dave Russell was quoted in the January 31, 2013 *Hernando Today* that the Brookville Blueberry Festival is a priority because it attracts tourists and it raises the County's profile. This is part of the proactive approach of the City Council and the City Manager to encourage growth and promote our beautiful City along with being the county governmental seat.

The City is also taking on significant "green initiatives" by retrofitting lighting in City facilities to save electricity (and taxpayer dollars). On April 12, 2011, the City Council approved the Guaranteed Energy Savings Performance Contract. Council approved the conservation measures projects to move forward to be completed through the guaranteed energy Savings Performance contract. The selected conservation projects totaling \$3,333,022 are the City Hall HVAC, City Hall roof, Public Works HVAC, Public Works lighting, walking trail lighting, and radio-read water meter replacement. Those projects were completed and the remaining dollars were utilized for the City Police HVAC which was added to the fiscal year 2012-2013 Budget. Also, the City has partnered with the Brooksville Wal-Mart Distribution center to provide curbside recycling to City residents which began September 2, 2009. A recycling truck was purchased in 2011-2012 by our Sanitation Fund. There is no charge to the City residents for this program. The growth has slowed, but the

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City is optimistic that growth will come back with a City that offers many amenities to her residents. The following tables highlight some of the noteworthy development activities that has been planned in and around the City of Brooksville:

Project Name	Acreage	Land Use	Units	Comments/Status
GGW, LLC/BTM, LLC	75	Single Family Residential	131 Units proposed	Annexed. Land use and zoning approved
Brooksville Associates Wiscon Rd.	41.165	Townhouses	156 Units proposed	Zoning, Master Plan approved
Hometown America (Cloverleaf)	19	Manufactured Housing	Up to 68 lots	Rezoning, Master Plan approved and preliminary plat approved
State Road 50 West	N/A	Anticipated commercial development along SR 50 corridor	Expected growth due to Brooksville Regional Hospital	City providing supporting water and sewer on SR50
Innovators Investment Group	7.71	Commercial & Professional Development	Undetermined at present time	Land use, zoning & CPA approved
Malouf Enterprises- Horse Lake Rd.	25	Commercial PDP	Beef O'Brady's and undetermined additional commercial units	Commercial PDP approved; Beef O'Brady's has opened and other shops have opened and occupy the commercial center
Metro Bay Development (Old Hospital site redevelopment)	11	Residential & Commercial	75 units and with an additional 95 units built in 2012	Approved master plan/plat. Adult living units completed; commercial plan abandoned and 95 additional residential units were built within the previously planned commercial space
Southern Hills Plantation	1,189	Residential w/associated Recreational and commercial uses	1,163 residences proposed in gated golf course community; 240,000 sq. feet retail/office	Annexed May 2003; infrastructure is complete in Phase 1 & 2. Nearing completion in Phase 3 and 3A-1. Chapter 11 on 6/10/09. Purchased by Greenpointe October 2010. Infrastructure for approved phases being completed by City with bond proceeds in 2012
The Cascades	414	Residential	925 residences proposed in a age-restricted (senior) gated community	Annexed. Phase I infrastructure compl. in 2011. Filed Chapter 11 Bankruptcy in November 2007. Property assumed by Key Bank. Key Bank sold property to CASHP 1,2,&3 LLC's.
Majestic Oaks	428	Residential, Multi-family, Commercial and recreational	900 residences proposed	Annexed. CPA approved 2/12 /07. Zoning appr. 6/18/ 08.
Brooksville Country Club North and of Majesty Oaks	168	Residential Units and Townhouse Units	53 SRF 80 MFR units proposed	Annexed. CPA approved 2/12/07. Zoning approved 6/18/08.
Southern Pines	31	Multi-family residential	240 Condominiums proposed	Annexed March 2004, partial first phase constructed. Developer filed bankruptcy and has since deceased. Property has been taken over by lenders.
Southern Pines	9	Multi-family residential	64 Condominiums proposed	Developer filed bankruptcy and has since deceased. Property has been taken over by lenders.
Brook Haven Apartments	16	Multi-family residential with amenities	160 units	Project completed in 2006
SeaGate	77	Residential PDP	Vacant-proposed office with Multi-Family and Single Family	Annexed 1/3/11
Cornerstone Communities	9.7	Commercial; greater than 100,000 sq. feet.	Proposed Commercial PDP	Annexed 3/15/11; CPA 3/15/10

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**THE CITY AS A WHOLE**

The City's combined net position as of September 30, 2013 was \$43,874,643. Table 1 below reflects the condensed Statement of Net Position for the last two years:

The largest portion of the City's net position (80.6%) are its investment in capital assets such as land, buildings, and machinery and equipment, less the outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets.

Restricted net position, representing (11.5%) of total net position, are based on Government Accounting Standards Board Statement No. 54 for Governmental Activities. The restricted for business type activities is external restrictions on how the funds may be used. The remaining (7.8%) are unrestricted net position. The unrestricted net position total \$3,441,676 which may be used to meet the City's ongoing obligations to citizens and creditors. The City's overall financial position continues to be healthy.

Table 1	Governmental Activities		Business-Type Activities		Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 7,384,695	\$ 7,780,949	\$ 4,349,166	\$ 4,884,073	\$ 11,733,861	\$ 12,665,022
Capital Assets, net of deprec.	12,302,676	12,319,691	38,561,759	38,843,955	50,864,435	51,163,646
<b>Total Assets</b>	<b>19,687,371</b>	<b>20,100,640</b>	<b>42,910,925</b>	<b>43,728,028</b>	<b>62,598,296</b>	<b>63,828,668</b>
Long-Term Liabilities	3,765,369	3,849,838	12,554,275	12,923,809	16,319,644	16,773,647
Other Liabilities	1,112,763	863,713	1,291,246	1,377,129	2,404,009	2,240,842
<b>Total Liabilities</b>	<b>4,878,132</b>	<b>4,713,551</b>	<b>13,845,521</b>	<b>14,300,938</b>	<b>18,723,653</b>	<b>19,014,489</b>
Net Position:						
Net Investment in Capital Assets	8,667,791	8,467,182	26,699,269	26,274,774	35,367,060	34,741,956
Restricted	3,225,765	4,029,279	1,840,142	1,148,690	5,065,907	5,177,969
Unrestricted	2,915,683	2,890,628	525,993	2,003,626	3,441,676	4,894,254
<b>Total Net Assets</b>	<b>\$ 14,809,239</b>	<b>\$ 15,387,089</b>	<b>\$ 29,065,404</b>	<b>\$ 29,427,090</b>	<b>\$ 43,874,643</b>	<b>\$ 44,814,179</b>

Table 2 below is the condensed change in net position for the fiscal year ended September 30, 2013. This schedule compares the revenues and expenses for the primary government for the current and previous fiscal years.

Table 2 shows us the cost of governmental expense activities this fiscal year was \$10,617,260 going up 36.2% from last year. The City's total governmental activities revenues increased \$4,074,223 due to the Interfund transfers and other taxes. Property tax collections went down by \$265,524. Table 2 shows the cost of Business-type expense activities was \$5,014,609 (increase of 1.7% over last year). The Business-type accounts revenues decreased from 2012 to 2013 by \$4,075,782; this was due to the decrease of Capital Grants and Contributions of \$2,138,746 and Interfund transfers decreased by \$1,638,070. Business-type charges for services decreased by 4.3%.

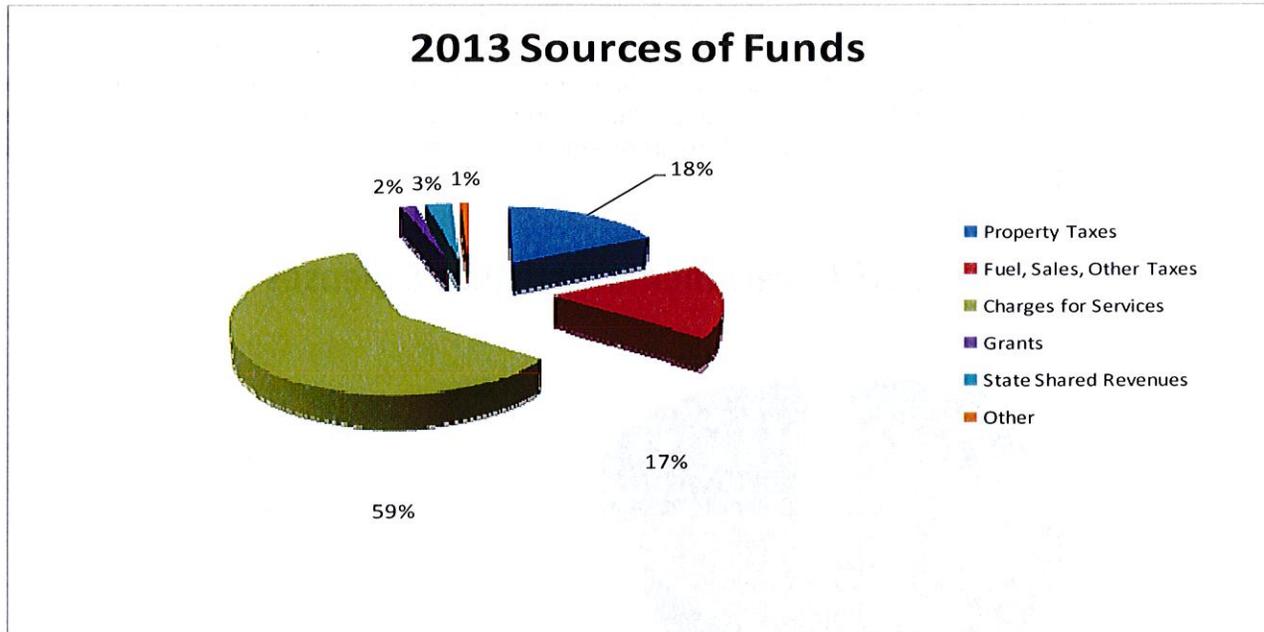
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On Table 2, the total primary government expenses were \$15,631,869. There was an increase from the previous year by \$2,907,880. Total primary government revenues were down slightly by \$1,559. Capital Grants and Contributions totaled \$156,209 which was down by \$2,185,710 mainly because of the contribution from the South Florida Water Management District taxes on the Cobb Road reuse facility in 2012. Taxes brought in to the City totaled \$5,325,204.

<b>Table 2</b>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
Charges for Services	\$ 3,606,462	\$ 1,508,606	\$ 4,775,747	\$ 4,985,739	\$ 8,382,209	\$ 6,494,345
Operating Grants and Contributions	81,155	65,098	-	-	81,155	65,098
Capital Grants and Contributions	28,775	75,739	127,434	2,266,180	156,209	2,341,919
Property Taxes	2,477,077	2,742,601	-	-	2,477,077	2,742,601
Fuel Taxes	247,184	256,284	-	-	247,184	256,284
Sales Taxes	344,948	334,343	-	-	344,948	334,343
Other Taxes	1,853,510	1,191,605	-	-	1,853,510	1,191,605
State Shared Revenues	402,485	402,499	-	-	402,485	402,499
Investment Earning	8,367	49,984	5,581	22,048	13,948	72,032
Miscellaneous	166,080	378,980	31,061	85,354	197,141	464,334
Sale of Capital Assets	4,804	-	-	18,214	4,804	18,214
Interfund Transfers	764,297	(1,119,388)	(764,297)	873,773	-	(245,615)
<b>Total Revenues</b>	<b>9,985,144</b>	<b>5,886,351</b>	<b>4,175,526</b>	<b>8,251,308</b>	<b>14,160,670</b>	<b>14,137,659</b>
<b>Expenses</b>						
General Government	2,765,333	1,916,941	-	-	2,765,333	1,916,941
Public Safety	5,978,979	3,959,562	-	-	5,978,979	3,959,562
Physical Environment	221,431	170,167	-	-	221,431	170,167
Transportation	688,842	583,431	-	-	688,842	583,431
Culture and Recreation	829,796	948,028	-	-	829,796	948,028
Interest on long-term debt	157,449	214,616	-	-	157,449	214,616
Utility Fund	-	-	3,769,413	3,896,209	3,769,413	3,896,209
Sanitation Fund	-	-	1,245,196	1,035,035	1,245,196	1,035,035
<b>Total Expenses</b>	<b>10,641,830</b>	<b>7,792,745</b>	<b>5,014,609</b>	<b>4,931,244</b>	<b>15,656,439</b>	<b>12,723,989</b>
Change in Net Position	(656,686)	(1,906,394)	(839,083)	3,320,064	(1,495,769)	1,413,670
Net Position, Beginning of Year	15,465,925	17,293,483	29,904,487	26,107,026	45,370,412	43,400,509
<b>Net Position, End of Year</b>	<b>\$ 14,809,239</b>	<b>\$ 15,387,089</b>	<b>\$ 29,065,404</b>	<b>\$ 29,427,090</b>	<b>\$ 43,874,643</b>	<b>\$ 44,814,179</b>

The pie chart below shows the 2013 Sources of Funds Government-wide with the data obtained from Table 2 above. Charges for Services provide 59% of our Revenues. Property taxes provide 18% and Fuel, Sales, and Other Taxes provide 17%. State Shared Revenues and miscellaneous provide 4%. Grants this year provided 2% of the City's revenues. The dependence on revenues, such as sales and use taxes and state revenue sharing limits the City's ability to change or improve revenue streams as part of managing resources. Also, the dependence on property taxes and State revenues create issues if the City's property values drop and if the State revenue collections drop due to the economic downturn. A bright spot is the long economic downturn appears to be over and in the future our property values will likely rise giving us higher ad valorem tax revenues.

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**The City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

Governmental funds are comprised of the general fund, special revenue funds, debt service funds, permanent funds and capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on the near-term inflows, outflows and balances of spendable resources. See page 23 which begins the governmental funds detail.

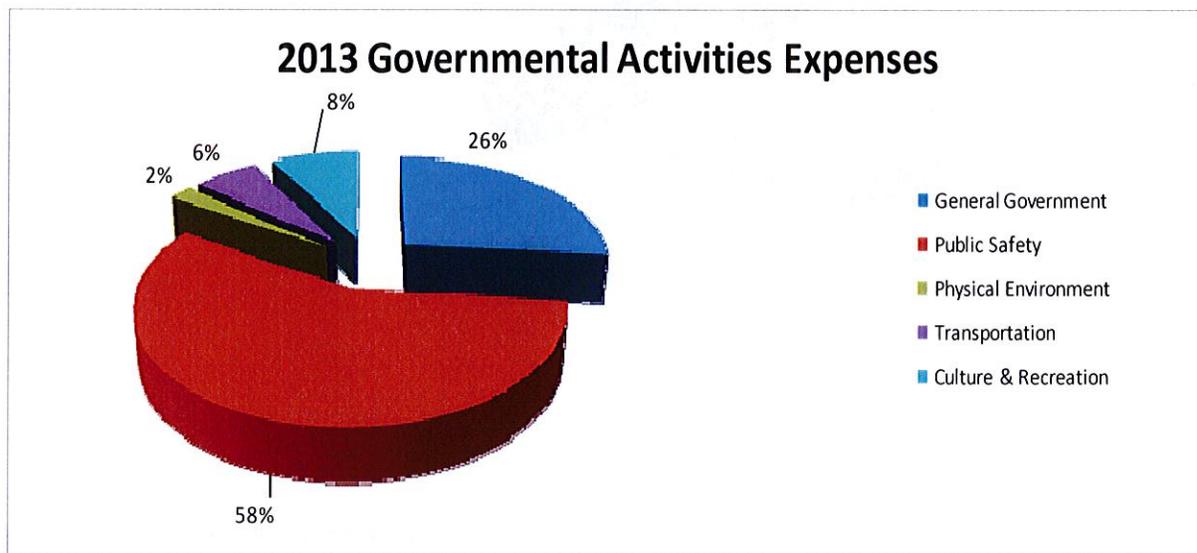
There are four major funds in the governmental fund group. The four major funds are the General Fund, Brooksville Community Redevelopment Agency, Traffic Camera Fund and Fire Department Fund. To determine a major fund, GASB 34 requires a two-step process based on 10% and 5% criteria. The General Fund is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the fiscal year, the fund balance of the General Fund was \$1,035,640. The fund balance increased from the previous year in the amount of \$318,475.

The Brooksville Community Redevelopment Agency (CRA) is considered a major fund based on Section 163.387(8) F.S. In meeting the statutory requirements, the CRA Fund must be treated as a major fund. The Brooksville CRA Fund Balance was \$478,416 at September 30, 2013.

The nonmajor governmental funds consist of Special Revenue Funds of \$2,275,013, Capital Projects Funds of \$505,429, Debt Service Funds of \$67,875 and a Permanent Fund of \$365,208. The nonmajor Government Funds had a year-end Fund Balance of \$3,213,525. Together the City had approximately \$5.16 million in Fund Balance Reserves as opposed to \$5.8 million in the previous year.

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

The pie chart below indicates the percentage of dollars spent on governmental activities. Public Safety makes up 57% of the City's governmental activities. General Government is 26% of the total governmental activities. General government includes City Manager's Office, Finance, Human Resources, Community Development, and Technology Services. Streets are 7% and Culture and Recreation activities are 8%. Physical Environment is 2%. The information is obtained from Table 2 on page 14.



### **Proprietary Funds**

The City's proprietary funds are comprised of enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. Also, included is Internal Service Funds, which provides services to other City departments.

The Utility Fund represents the City's water and sewer utility. The Fund experienced a negative change in net position of \$894,257. The change in capital grants and contributions and transfers In were the primary reason for the decrease. Current assets decreased by \$234,915 from the previous fiscal year. Total liabilities decreased by \$470,719 from the previous fiscal year. Charges for services decreased \$140,993 from the previous year. Operating expenses increased by \$83,692 from the previous year due to an increase in depreciation.

The Sanitation Fund sustained a negative change in net position of \$39,356. The Fund purchased a Ford 150 Pickup Truck and a 2014 Peterbilt Truck and Heil Body out of its cash reserves without the need to borrow the funds.

The Internal Service Funds reports activities that provide a service to the City's other operations for vehicle maintenance, vehicle replacement, and equipment replacement. Internal service funds are combined with governmental activities in the government-wide statements since they primarily benefit governmental activities.

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

The presentation below shows the reserves in Vehicle Replacement for each fund with additional detail presented in General Fund departments:

**VEHICLE REPLACEMENT RESERVES**

Administration and Finance	\$ 39,061
Police	3,258
Fire	439,008
Streets	71,675
Parks	4,227
General Fund Total	<u>557,229</u>

Utility Fund	181,915
Sanitation Fund	686,961
Proprietary Funds Total	<u>868,876</u>
Grand Total	<u>\$ 1,426,105</u>

**Capital Assets**

The City's capital assets (net of accumulated depreciation) as of September 30, 2013 reflect an investment of \$50,864,435 on Statement of Net Position. Please refer to Note 5 beginning on pages 50 and 51 to review detail of the Capital Asset activity for the fiscal year ended September 30, 2013. In compliance with GASB #34, the City report infrastructure assets, such as roads and bridges.

Significant increases in assets or Construction in Progress (CIP) this fiscal year include:

- The City's Vehicle Replacement Fund capitalized two police vehicles costing \$68,430. In addition, the City capitalized one police vehicle from the Federal Edward Byrne Memorial JAG Program Grant (Patrol Vehicle Program) for \$28,505.
- The Equipment Replacement Fund capitalized \$13,573 for a Tractor with Loader for the Parks Department.
- We capitalized \$11,889 for the remodel of Customer Service.
- \$64,393 was capitalized for the Police Department Lobby Expansion and Stom Windows and Doors.
- We capitalized \$14,192 for an in car Video System, DVR System, ATV Camera, and Rear Facing Camera for the Police Department.
- John Grubbs Boulevard and McKethan Park parking improvements was capitalized at a cost of \$199,936. Funding came from the Public Building Impact Fees.
- This fiscal year, the City received \$588,860 in U. S. Department of Housing and Urban Development CDBG funding for water lines and fire hydrants. We installed 5,359 linear feet of

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

8-inch water main to replace undersized lines to serve residents and also installed 1,650 linear feet of 2-inch water main. With the funding, we installed 24 new fire hydrants and installed 47 new water service connections for existing customers. The project was completed in February 2013.

- The Utility Fund capitalized \$44,758 for a Pot Hole Trailer and \$107,000 for a Ford F750 Truck with Manata and Crane.
- Approximately \$3.4 million was spent during the fiscal year on the City's Cobb Road Water Reclamation Facility reuse component. The funding was coming from the Southwest Florida Water Management District (SWFWMD), sewer impact fees, and the bond settlement funds based on the settlement of the surety bond litigation. In December 2013, the City received confirmation from the SWFWMD that the City had met the contractual obligations of the SWFWMD cooperative funding agreement on time.
- The Sanitation Fund purchased a 2014 Peterbilt Truck and Hail Body at a cost of \$196,770 and a Ford F150 Pickup Truck at a cost of \$16,427. This was purchased from Sanitation reserves with no debt attached.

**Long-term Debt**

The City purchased a new ladder truck for the fire department on November 10, 2005. SunTrust Bank issued the loan for \$633,659. The balance on the loan as of September 30, 2013 is \$378,041 interest rate of 4.23% maturing May 10, 2021. See Note 6 page 52 for further details.

The City obtained a \$258,800 (at 4.125%) Capital Improvement Revenue Bond in November 2006 with a maturity of 30 years. The loan was financed through USDA and included a grant portion of \$286,000. The loan/grant was utilized to purchase emergency generators and retrofit the City Hall and Police Department windows. Refer to Note 6 beginning on page 52. The balance as of September 30, 2013 is \$170,000. Mobile Home licenses are the assigned collateral for this USDA Bond Payable.

The City borrowed through SunTrust \$3,333,022 on May 20, 2011. The Note Payable is entitled City of Brooksville, Florida Capital Improvement Revenue Note, Series 2011 and Financing Energy Performance Projects. The Note Payable interest rate is at 4.136% maturing October 2026 with quarterly payments. The debt will fund energy conservation projects. The City has a Guaranteed Energy Savings Agreement with Energy Systems Group approved on April 28, 2011. This agreement guarantees that the debt service will be offset by the energy savings. See Note 6 beginning on page 52.

In 2011, the Utility Fund borrowed two loan payables via the State Revolving Fund to the State of Florida Department of Environmental Protection. Both are semiannual payments and are due February 15, 2031. The total debt at September 30, 2013 is \$942,517 at 2.3%. The project associated with the debt was sewer rehabilitation with a combination of grant/loan proceeds. See Note 6 page 52.

In 2013, the City Council approved the issuance of the 2013 SunTrust Water and Sewer Refunding Revenue Bond in the amount of \$9,510,366 for the Utility Fund. The loan has an interest rate of 2.442% and will mature on October 1, 2027. The total debt at September 30, 2013 is \$9,439,706. This action refunds the following two Revenue Bonds and Hancock Bank loan:

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

- The 1999 Water and Sewer Revenue Bond have a principal balance due of \$5,492,000 which was due in 2039. The bonds carry interest rates of 3.25%. The funds were used for the construction of the Cobb Road Wastewater Treatment Plant and transmission lines.
- In November 2002, the City issued \$6,610,000 in Water and Sewer Revenue Refunding Bonds to refund outstanding 1988A and 1992 Series bonds. As a result of the refunding, the City reduced their debt service requirements by \$1,257,216. The bonds carry interest rates varying from 2.50% to 4.60%.
- The Hancock Bank City of Brooksville, Florida Subordinated Water and Sewer Revenue Notes in the amount of \$1,558,656 were issued July 23, 2008. The loan had quarterly installments with 3.49% interest rate which would have matured in August 15, 2018. This loan financed certain improvements to the City-owned water and sewer system primarily along the State Road 50 West corridor. The Hancock Note paid out a SunTrust line of credit that was utilized during the construction phase from 2005 thru 2008.

**Performance Measured Against Expectations (Budget)**

General Fund revenues were under budget by \$764,765. The major difference was tax revenues when comparing budget to actual. General Fund expenditures were under budget by \$826,815 (excluding transfers out).

There were specific expenditures that exceeded budget for Traffic Camera Fund, Bond Settlement Fund and Law Enforcement Trust Fund during the year.

**2013 Millage Rate**

The City's elected and appointed officials considered many factors when adopting the fiscal year 2012-2013 Annual Budget. The State of Florida under s. 200.185, F.S, required that the City adopt a tax levy permitted under the law. If the City adopted a tax levy that exceeds the maximum tax levy, s. 200.185, F.S. requires that the municipality will lose their half-cent sales tax distribution. By majority vote, the tax authority could levy a maximum millage equal to their rolled-back rate adjusted for the change in per capita Florida personal income (.10447% for 2013). The City of Brooksville's maximum rate by majority vote was 10.4566 mills (exceeds the 10 mill cap). A two-thirds vote maximum millage allowed by law exceed was 12.6023 mills which exceeds the maximum millage allowed of 10 mills. The City of Brooksville complied with the requirements and did not lose their half-cent sales tax distribution. In 2013, the City adopted the millage rate of 6.6000. The current year rolled-back rate was 6.5834 which was only slightly over the adopted rate.

The rolled-back rate is a tax rate the county property appraiser determines is necessary to give a governmental agency the same amount of property tax dollars it received during the previous budget year.

The 2013 millage rate of 6.6000 was 3.8566 mills lower than required by the State of Florida with a majority vote. This is a testament to the City's elected officials and management by maintaining the same millage rate with property values that have dropped over the last four years.

**Acknowledgements**

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is also extended to the Mayor and City Council and the City Manager and Department Heads for their continuous commitment to the highest ethical standards in financial reporting and disclosure.

**CITY OF BROOKSVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2013**

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Finance Director or Assistant Finance Director, CITY OF BROOKSVILLE, 201 Howell Avenue, Brooksville, Florida 34601.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 6,297,095	\$ 1,569,180	\$ 7,866,275
Accounts Receivable, Net	365,079	363,604	728,683
Internal Balances	(92,827)	92,827	-
Due from Other Governments	153,125	348,347	501,472
Inventories	6,855	132,515	139,370
Prepaid Items	17,572	2,551	20,123
Net Pension Asset	75,370	-	75,370
Restricted Assets:			
Cash and Investments	562,426	1,840,142	2,402,568
Capital Assets not being Depreciated	4,042,235	3,520,610	7,562,845
Capital Assets Net of Accumulated Depreciation	8,260,441	35,041,149	43,301,590
Total Assets	<u>19,687,371</u>	<u>42,910,925</u>	<u>62,598,296</u>
<b>LIABILITIES</b>			
Accounts Payable	380,494	134,707	515,201
Accrued Interest Payable	34,767	118,580	153,347
Accrued Wages Payable	117,022	28,450	145,472
Deposits	63,291	381,960	445,251
Other Current Liabilities	200,600	13,303	213,903
Unearned Revenue	7,802	-	7,802
Non-Current Liabilities:			
Due Within One Year:			
Accrued Compensated Absences	82,163	20,063	102,226
Notes Payable	220,624	44,303	264,927
Revenue Bonds Payable	6,000	549,880	555,880
Due in More Than One Year:			
Accrued Compensated Absences	180,845	32,334	213,179
Notes Payable	3,244,261	898,214	4,142,475
Revenue Bonds Payable	164,000	8,889,826	9,053,826
Other Long-Term Liabilities	176,263	2,733,901	2,910,164
Total Liabilities	<u>4,878,132</u>	<u>13,845,521</u>	<u>18,723,653</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,667,791	26,699,269	35,367,060
Restricted:			
Restricted - Business Type Activities	-	1,840,142	1,840,142
Restricted - Governmental Activities	3,225,765	-	3,225,765
Unrestricted	2,915,683	525,993	3,441,676
Total Net Position	<u>\$ 14,809,239</u>	<u>\$ 29,065,404</u>	<u>\$ 43,874,643</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2013**

Functional/Program Activities	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Primary Government							
General Government	\$ 2,765,333	\$ 151,634	\$ 264	-	\$ (2,613,435)	\$ -	\$ (2,613,435)
Public Safety	5,978,979	3,365,781	3,809	28,775	(2,580,614)	-	(2,580,614)
Physical Environment	221,431	-	-	-	(221,431)	-	(221,431)
Transportation	688,842	(3,356)	-	-	(692,198)	-	(692,198)
Culture and Recreation	829,796	92,403	77,082	-	(660,311)	-	(660,311)
Debt Service							
Interest on Long-Term Debt	157,449	-	-	-	(157,449)	-	(157,449)
Total Governmental Activities	10,641,830	3,606,462	81,155	28,775	(6,925,438)	-	(6,925,438)
<b>Business-Type Activities:</b>							
Utility	3,769,413	3,472,726	-	127,434	-	(169,253)	(169,253)
Sanitation	1,245,196	1,303,921	-	-	-	57,825	57,825
Total Business-Type Activities	5,014,609	4,775,747	-	127,434	-	(111,428)	(111,428)
<b>Totals Primary Government</b>	<b>\$ 15,656,439</b>	<b>\$ 8,382,209</b>	<b>\$ 81,155</b>	<b>\$ 156,209</b>	<b>(6,925,438)</b>	<b>(111,428)</b>	<b>(7,036,866)</b>
<b>General Revenues:</b>							
Taxes							
Property Taxes					2,477,077	-	2,477,077
Utility Taxes					1,238,733	-	1,238,733
Fuel Taxes					247,184	-	247,184
Franchise Taxes					609,301	-	609,301
Sales Taxes					344,948	-	344,948
Other Taxes					5,476	-	5,476
State Shared Revenue					402,485	-	402,485
Investment Earnings					8,367	5,581	13,948
Miscellaneous					166,080	31,061	197,141
Gain (Loss) on Sale of Capital Assets					4,804	-	4,804
Transfers, Net					764,297	(764,297)	-
Total General Revenues, Contribution of CIP and Transfers					6,268,752	(727,655)	5,541,097
Change in Net Position					(656,686)	(839,083)	(1,495,769)
Net Position - Beginning of Year, as Previously Reported					15,387,089	29,427,090	44,814,179
Prior Period Adjustment					78,836	477,397	556,233
Net Position - Beginning of year, as Restated					15,465,925	29,904,487	45,370,412
Net Position, End of Year					\$ 14,809,239	29,065,404	\$ 43,874,643

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Major Funds					Total Governmental Funds
	General Fund	City of Brooksville Community Redevelopment Agency	Traffic Camera Fund	Fire Department Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>						
Pooled Cash and Investments	\$ 901,287	\$ 478,416	\$ 453,734	\$ 20,852	\$ 3,014,042	\$ 4,868,331
Restricted Pool Cash and Investments	-	-	-	-	562,426	562,426
Accounts Receivable	204,526	-	55,662	103,826	1,065	365,079
Due from Other Funds	39,875	-	-	-	17,811	57,686
Advance to Other Funds	97,516	-	-	-	-	97,516
Due from Other Governments	69,864	-	5,325	730	77,206	153,125
Inventories	1,925	-	-	-	-	1,925
Prepaid Items	17,572	-	-	-	-	17,572
<b>Total Assets</b>	<b>\$ 1,332,565</b>	<b>\$ 478,416</b>	<b>\$ 514,721</b>	<b>\$ 125,408</b>	<b>\$ 3,672,550</b>	<b>\$ 6,123,660</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 118,015	\$ -	\$ 3,388	\$ 13,437	\$ 242,914	\$ 377,754
Accrued Wages Payable	88,752	-	-	27,098	-	115,850
Unearned Revenue	1,609	-	-	103,826	6,193	111,628
Due to Other Funds	17,811	-	-	24,440	15,435	57,686
Deposits	63,291	-	-	-	-	63,291
Other Current Liabilities	7,447	-	28,680	4,559	194,483	235,169
<b>Total Liabilities</b>	<b>296,925</b>	<b>-</b>	<b>32,068</b>	<b>173,360</b>	<b>459,025</b>	<b>961,378</b>
<b>FUND BALANCE</b>						
<b>Nonspendable:</b>						
Inventories	1,925	-	-	-	-	1,925
Prepaid Items	17,572	-	-	-	-	17,572
Long-Term Accounts Receivable	67,500	-	-	-	-	67,500
Advance to Other Funds	97,516	-	-	-	-	97,516
<b>Restricted:</b>						
Special Revenue Funds	-	478,416	-	-	2,234,011	2,712,427
Capital Project Funds	-	-	-	-	80,255	80,255
Debt Service Funds	-	-	-	-	67,875	67,875
Permanent Funds	-	-	-	-	365,208	365,208
<b>Committed:</b>						
Special Revenue Funds	-	-	482,653	-	41,002	523,655
<b>Assigned:</b>						
General Fund	160,420	-	-	-	-	160,420
Capital Project Funds	-	-	-	-	425,174	425,174
Unassigned (deficit)	690,707	-	-	(47,952)	-	642,755
<b>Total Fund Balance (Deficit)</b>	<b>1,035,640</b>	<b>478,416</b>	<b>482,653</b>	<b>(47,952)</b>	<b>3,213,525</b>	<b>5,162,282</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,332,565</b>	<b>\$ 478,416</b>	<b>\$ 514,721</b>	<b>\$ 125,408</b>	<b>\$ 3,672,550</b>	<b>\$ 6,123,660</b>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

**Fund Balances - Total Governmental Funds** **\$ 5,162,282**

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

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

Governmental Capital Assets	17,214,576	
Less: Accumulated Depreciation	<u>(5,413,182)</u>	11,801,394

The net pension asset is not an available resource and, therefore, is not reported in the governmental funds		75,370
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued Compensated Absences	(259,529)	
Notes Payable	(3,464,885)	
Bond Payable	(170,000)	
Other Long-Term Liabilities	<u>(176,263)</u>	(4,070,677)

Internal service funds are used by management to charge the costs of certain activities to the individual funds.

Assets and liabilities of the internal service funds that are reported in the governmental activities portion of the statement of net position.		1,927,387
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Operating income of the internal service funds is allocated between governmental activities and business-type activities. Internal service fund operating income allocated to business-type activities.		(190,343)
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Unearned Revenue is recognized as revenue in the government-wide statement of activities.		<u>103,826</u>
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**Net Position of Governmental Activities** **\$ 14,809,239**

**CITY OF BROOKSVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Major Funds						Total Governmental Funds
	General Fund	City of Brooksville Community Redevelopment Agency	Traffic Camera Fund	Fire Department Fund	Nonmajor Governmental Funds		
<b>REVENUES</b>							
Taxes	\$ 3,638,233	\$ 77,577	\$ -	\$ 301,972	\$ 247,184	\$ 4,264,966	
Licenses and Permits	745,146	-	-	375	31,563	777,084	
Intergovernmental Revenue	754,718	-	-	3,250	105,857	863,825	
Charges for Services	182,484	-	-	-	21,214	203,698	
Fines and Forfeits	63,156	-	2,713,342	-	47,644	2,824,142	
Net Investment Earnings	1,307	563	-	-	6,832	8,702	
Miscellaneous Revenues	150,133	-	9	4,804	19,993	174,939	
Total Revenues	5,535,177	78,140	2,713,351	310,401	480,287	9,117,356	
<b>EXPENDITURES</b>							
Current:							
General Government	1,628,963	-	-	-	77,082	1,706,045	
Culture and Recreation	649,583	-	-	-	15,469	665,052	
Public Safety	1,993,564	-	2,123,046	1,419,380	30,537	5,566,527	
Physical Environment	102,649	29,498	-	-	-	132,147	
Transportation	552,175	-	-	-	25,967	578,142	
Debt Service:							
Principal	-	-	-	39,976	176,837	216,813	
Interest	-	-	-	19,558	137,891	157,449	
Aids to Private Organizations	-	21,943	-	-	896,366	918,309	
Capital Outlay	52,656	21,337	37,536	-	592,466	703,995	
Total Expenditures	4,979,590	72,778	2,160,582	1,478,914	1,952,615	10,644,479	
Excess (Deficiency) of Revenues Over Expenditures	555,587	5,362	552,769	(1,168,513)	(1,472,328)	(1,527,123)	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	1,062,064	-	-	1,239,366	739,627	3,041,057	
Transfers Out	(1,299,176)	-	(200,250)	(4,500)	(610,375)	(2,114,301)	
Total Other Financing Sources (Uses)	(237,112)	-	(200,250)	1,234,866	129,252	926,756	
<b>NET CHANGE IN FUND BALANCES</b>	318,475	5,362	352,519	66,353	(1,343,076)	(600,367)	
Fund Balances, Beginning of Year	717,165	473,054	130,134	(114,305)	4,556,601	5,762,649	
<b>FUND BALANCES, END OF YEAR</b>	\$ 1,035,640	\$ 478,416	\$ 482,653	\$ (47,952)	\$ 3,213,525	\$ 5,162,282	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2013**

**Net Changes in Fund Balances - Total Governmental Funds** **\$ (600,367)**

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for Capitalized Assets	\$ 606,886	
Less: Current Year Depreciation	<u>(541,326)</u>	65,560

Net pension asset is not a current financial resource and consequently is not reported in the funds. The current year change in this asset on the statement of net position. (3,466)

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the carrying value of the capital asset sold. (59,907)

Repayment of principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net assets. 216,813

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The amounts below represent the change in these accounts.

Accrued Compensated Absences	(12,632)	
Other Long-Term Liabilities	<u>(176,263)</u>	(188,895)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service fund is reported with governmental activities. (190,250)

Some revenues reported in the statement of activities will not be collected for several months after the fiscal year and, therefore, are not reported as revenue in the governmental funds 103,826

**Change in Net Position of Governmental Activities** **\$ (656,686)**

*See accompanying Notes to Financial Statements.*

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013**

	<u>Business-Type Activities</u>			Governmental
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>	Activities - Internal Service Fund
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 1,098,696	\$ 470,484	\$ 1,569,180	\$ 1,428,764
Accounts Receivable, Net	363,604	-	363,604	-
Due from Other Governments	347,576	771	348,347	-
Inventories	132,515	-	132,515	4,930
Prepaid Items	1,913	638	2,551	-
Total Current Assets	<u>1,944,304</u>	<u>471,893</u>	<u>2,416,197</u>	<u>1,433,694</u>
Non-Current Assets:				
Restricted Assets:				
Cash and Investments	1,840,142	-	1,840,142	-
Capital Assets, Net:				
Land	1,148,912	47,020	1,195,932	-
Construction In Progress	2,324,678	-	2,324,678	-
Building	92,679	273,395	366,074	-
Improvement Other than Building	50,080,237	57,040	50,137,277	-
Machinery and Equipment	<u>1,739,827</u>	<u>1,888,935</u>	<u>3,628,762</u>	<u>1,453,084</u>
	55,386,333	2,266,390	57,652,723	1,453,084
Less: Accumulated Depreciation	<u>18,005,751</u>	<u>1,085,213</u>	<u>19,090,964</u>	<u>951,802</u>
Net Capital Assets	<u>37,380,582</u>	<u>1,181,177</u>	<u>38,561,759</u>	<u>501,282</u>
Total Non-Current Assets	<u>39,220,724</u>	<u>1,181,177</u>	<u>40,401,901</u>	<u>501,282</u>
Total Assets	<u>\$ 41,165,028</u>	<u>\$ 1,653,070</u>	<u>\$ 42,818,098</u>	<u>\$ 1,934,976</u>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF NET POSTION (CONTINUED)  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 82,696	\$ 52,011	\$ 134,707	\$ 2,740
Accrued Interest Payable	118,580	-	118,580	-
Accrued Wages Payable	23,175	5,275	28,450	1,172
Deposits	381,960	-	381,960	-
Accrued Compensated Absences - Current	14,646	5,417	20,063	-
Note Payable - Due within One Year	44,303	-	44,303	-
Bond Payable - Due within One Year	549,880	-	549,880	-
Other Current Liabilities	12,307	996	13,303	198
Total Current Liabilities	1,227,547	63,699	1,291,246	4,110
Non-Current Liabilities:				
Accrued Compensated Absences	23,379	8,955	32,334	3,479
Advance from Other Funds	97,516	-	97,516	-
Notes Payable	898,214	-	898,214	-
Bond Payable	8,889,826	-	8,889,826	-
Other Long-Term Liabilities	2,733,901	-	2,733,901	-
Total Non-Current Liabilities	12,642,836	8,955	12,651,791	3,479
Total Liabilities	13,870,383	72,654	13,943,037	7,589
<b>NET POSITION</b>				
Net Investment in Capital Assets	25,518,092	1,181,177	26,699,269	501,282
Restricted	1,840,142	-	1,840,142	-
Unrestricted (deficit)	(63,589)	399,239	335,650	1,426,105
Total Net Position	\$ 27,294,645	\$ 1,580,416	28,875,061	\$ 1,927,387
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			190,343	
Net Position of Business-Type Activities			\$ 29,065,404	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	<u>Business-Type Activities</u>			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
<b>OPERATING REVENUE</b>				
Charges for Services	\$ 3,472,726	\$ 1,303,021	\$ 4,775,747	\$ 273,384
Miscellaneous Revenues	21,908	9,153	31,061	386
Total Operating Revenues	<u>3,494,634</u>	<u>1,312,174</u>	<u>4,806,808</u>	<u>273,770</u>
<b>OPERATING EXPENSES</b>				
Personal Services	1,086,095	437,174	1,523,269	64,568
Other Services and Charges	1,035,611	672,875	1,708,486	22,653
Depreciation	1,490,038	149,090	1,639,128	103,402
Total Operating Expenses	<u>3,611,744</u>	<u>1,259,139</u>	<u>4,870,883</u>	<u>190,623</u>
<b>OPERATING INCOME (LOSS)</b>	(117,110)	53,035	(64,075)	83,147
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Net Investment Earnings	5,150	431	5,581	(333)
Interest Expense	(189,767)	-	(189,767)	-
Issuance Costs	(48,489)	-	(48,489)	-
Gain on Sale of Capital Assets	-	-	-	8,497
Total Nonoperating Revenues (Expenses)	<u>(233,106)</u>	<u>431</u>	<u>(232,675)</u>	<u>8,164</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(350,216)	53,466	(296,750)	91,311
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital Grants and Contributions	127,434	-	127,434	-
Transfers Out	(671,475)	(92,822)	(764,297)	(187,031)
Total Contributions and Transfers	<u>(544,041)</u>	<u>(92,822)</u>	<u>(636,863)</u>	<u>(187,031)</u>
<b>CHANGE IN NET POSITION</b>	(894,257)	(39,356)	(933,613)	(95,720)
Net Position Beginning of Year, as Previously Reported	27,711,505	1,619,772		2,023,107
Prior Period Adjustment	<u>477,397</u>	<u>-</u>		<u>-</u>
Net Position Beginning of Year, as Restated	<u>28,188,902</u>	<u>1,619,772</u>		<u>2,023,107</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 27,294,645</u>	<u>\$ 1,580,416</u>		<u>\$ 1,927,387</u>
Adjustment to Reflect Consolidation of Internal Service Fund Activities Related to Enterprise Funds.			<u>94,530</u>	
<b>CHANGE IN POSITION OF BUSINESS-TYPE ACTIVITIES</b>			<u>\$ (839,083)</u>	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 3,479,144	\$ 1,325,489	\$ 4,804,633	\$ 277,454
Payments to Suppliers	(1,023,587)	(436,523)	(1,460,110)	(64,667)
Payments to Employees	(1,081,987)	(663,428)	(1,745,415)	(22,684)
Net Cash Provided by Operating Activities	1,373,570	225,538	1,599,108	190,103
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to Other Funds	(676,608)	(92,822)	(769,430)	(187,031)
Net Cash (Used) by Noncapital Financing Activities	(676,608)	(92,822)	(769,430)	(187,031)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Grants and Contributions	483,247	-	483,247	-
Acquisition and construction of capital assets	(644,309)	(213,197)	(857,506)	(82,002)
Proceeds from sale of assets	-	-	-	8,497
Principal paid on long term debt	(1,115,438)	-	(1,115,438)	-
Debt Retired	(8,902,000)	-	(8,902,000)	-
Debt Issued	9,510,366	-	9,510,366	-
Interest paid	(168,363)	-	(168,363)	-
Issuance Costs	(48,489)	-	(48,489)	-
Net Cash (Used) by Capital and Related Financing Activities	(884,986)	(213,197)	(1,098,183)	(73,505)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipt of Interest and Dividends	5,150	431	5,581	(333)
Net Cash Provided by Investing Activities	5,150	431	5,581	(333)
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(182,874)	(80,050)	(262,924)	(70,766)
Cash and Cash Equivalents, Beginning of Year	3,121,712	550,534	3,672,246	1,499,530
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,938,838	\$ 470,484	\$ 3,409,322	\$ 1,428,764
<b>CLASSIFIED AS:</b>				
Unrestricted	\$ 1,098,696	\$ 470,484	\$ 1,569,180	\$ 1,428,764
Restricted	1,840,142	-	1,840,142	-
Total Cash and Cash Equivalents	\$ 2,938,838	\$ 470,484	\$ 3,409,322	\$ 1,428,764

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Business-Type Activities			Governmental Activities - Internal Service Fund
	Utility Fund	Sanitation Fund	Total	
<b>RECONCIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (117,110)	\$ 53,035	\$ (64,075)	\$ 83,147
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense and Amortization	1,490,038	149,090	1,639,128	103,402
(Increase) Decrease in:				
Accounts Receivable	11,895	13,315	25,210	3,685
Inventories	(9,242)	-	(9,242)	(963)
Prepaid Items	(64)	(17)	(81)	-
Increase (Decrease) in:				
Accounts Payable	12,373	9,430	21,803	1,000
Accrued Wages Payable	3,644	(90)	3,554	(612)
Other current Liabilities	8,957	34	8,991	(69)
Deposits	1,760	-	1,760	-
Accrued Compensated Absences	464	741	1,205	513
Other Long-Term Liabilities	(29,145)	-	(29,145)	-
	<b>\$ 1,373,570</b>	<b>\$ 225,538</b>	<b>\$ 1,599,108</b>	<b>\$ 190,103</b>

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2013**

	Private Purpose Trust Funds	Pension Trust Funds	Agency Funds
<b>ASSETS</b>			
Pooled Cash	\$ 12,698	\$ 304,676	\$ 27,845
Investment in Debt Securities	-	2,997,314	-
Investment in Marketable Equity Securities	-	6,435,523	-
Accounts Receivable	-	32,045	-
	<u>\$ 12,698</u>	<u>\$ 9,769,558</u>	<u>\$ 27,845</u>
Total Assets	<u>\$ 12,698</u>	<u>\$ 9,769,558</u>	<u>\$ 27,845</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Account Payable	-	-	2,600
Other Current Liabilities	5,825	-	25,245
	<u>5,825</u>	<u>-</u>	<u>27,845</u>
Total Liabilities	<u>5,825</u>	<u>-</u>	<u>\$ 27,845</u>
 <b>NET POSITION</b>			
Held in Trust for Retirement and Other Purposes	6,873	9,769,558	
	<u>6,873</u>	<u>9,769,558</u>	
Total Net Position	<u>\$ 6,873</u>	<u>\$ 9,769,558</u>	

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2013**

	Private Purpose Trust Funds	Pension Trust Funds
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ -	\$ 310,845
Plan Members	-	31,532
Other	24,440	205,592
Total Contributions	24,440	547,969
<b>INVESTMENT EARNINGS</b>		
Net Increase (Decrease) in Fair Value	23	267,398
Gain on Sale of Investments	-	509,973
Interest and Dividends	7	235,220
Total Investment Earnings	30	1,012,591
<b>TRANSFERS IN</b>	31,925	-
<b>MISCELLANEOUS REVENUES</b>	-	241
Total Additions	56,395	1,560,801
<b>DEDUCTIONS</b>		
<b>BENEFIT PAYMENTS</b>	-	304,630
<b>ADMINISTRATIVE EXPENSES</b>	38,465	98,871
<b>TRANSFERS OUT</b>	7,355	-
Total Deductions	45,820	403,501
<b>CHANGE IN NET POSITION</b>	10,575	1,157,300
Net Position (Deficit), Beginning of Year	(3,702)	8,612,258
<b>NET POSITION (DEFICIT), END OF YEAR</b>	\$ 6,873	\$ 9,769,558

See accompanying Notes to Financial Statements.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 1 REPORTING ENTITY**

The City of Brooksville is an incorporated municipality, established in 1880, when the officers of the Town of Brooksville adopted ordinances declaring administrative and criminal laws. In 1931 the legislature of the State of Florida approved the Proposed Home Rule Charter for the City of Brooksville as contained in Chapter 15103 of the 1931 Acts of Florida. This chapter legalized and validated the charter election, which was held in the City on April 21, 1931. The City operates under a City Council-Manager form of government and provides the following municipal services: general administrative, public safety, permitting and zoning, development, public improvements, recreation, water and sewer, sanitation and cemetery services.

The accompanying financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

As required by the Governmental Accounting Standards Board (GASB), these financial statements include the Council (the primary government) and its component units, entities for which the Council is considered to be financially accountable. The Council is financially accountable if (a) it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Council; (b) the organization is fiscally dependent upon the Council; or (c) it would cause the financial statements to be misleading by excluding the organization.

The reporting entity's financial statements should allow users to distinguish between the primary government (the Council) and its component units. However, some component units, because of the closeness of their relationships with the Council should be blended as though they were part of the City. Otherwise, component units should be discretely presented. To accomplish this goal, the City's financial statements present the fund types of the City, including component units that have been blended.

**City of Brooksville Community Redevelopment Agency**

The City of Brooksville Community Redevelopment Agency (CRA), a public body corporate and politic created pursuant to Florida Statutes, Section 163.356 was created to oversee and implement the City's redevelopment plan and to supervise and control the expenditures of tax increment financing funds placed in the Community Redevelopment Area Trust Fund. The members of the City Council serve as the members of the CRA Board and approve the annual budget. The CRA satisfies the criteria in for blending and is reported as a major Special Revenue Fund of the City. The CRA must be treated as a major fund, pursuant to Florida Statutes, Section 163.387(8).

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 1 REPORTING ENTITY (CONTINUED)**

**Brooksville Housing Authority**

The Brooksville Housing Authority has not been included as part of the City for financial statement purposes. The governing board is selected by the City Council, but then the governing board is responsible for the hiring and firing of management; the budget, which is then approved by the federal government; and all fiscal matters. The City has no responsibility for any surplus or deficits of the Brooksville Housing Authority.

**Brooksville Fire District**

The Brooksville Fire District was created by action of City Council on November 15, 2004. The members of the City Council serve as the members of the Brooksville Fire District Board. Resolution 2012-05 established a fire assessment to fund fire protection and related essential services within the City commencing fiscal year 2012-2013. The Brooksville Fire District satisfies the criteria for treatment as a blended component unit. A special revenue fund was established to account for these funds.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basic Financial Statements - Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, public works, and general administrative services are classified as governmental activities. The City's water, sewer, and sanitation services are classified as business-type activities.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position are reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports functional categories of programs provided by the City and demonstrates how and to what degree those programs are supported by specific revenue. The "Expenses" column reports direct expenses that are clearly identifiable with a specific function or program. "Program Revenues" are directly attributable to a specific function or program and are categorized as charges for services, operating grants and contributions, and capital grants and contributions. The net of program expenses less program revenues reflects the net cost of each function or program. The general revenues section includes revenues that are not program specific such as taxes and investment earnings.

CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Basic Financial Statements - Government-Wide and Fund Financial Statements (Continued)**

**Government-Wide Financial Statements (Continued)**

As a general rule, the effect of interfund balances and transfers has been removed from the government-wide financial statements, except for the residual amounts between governmental and business-type activities reported as "internal balances", which are eliminated in the total column. These statements distinguish between governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

**Fund Financial Statements**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (or expenses), as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds of the City are divided into three categories: governmental, proprietary and fiduciary.

The emphasis in fund financial statements is on the major funds, as defined by GASB, in either the governmental or business-type activities categories. The nonmajor funds are combined in a column in the fund financial statements.

The City operates the following major governmental funds:

**Government Funds**

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

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **City of Brooksville Community Redevelopment Agency**, a major special revenue fund, accounts for expenditures associated with oversight and implementation of the City's redevelopment plan and control of the expenditures of tax increment financing funds placed in the City of Brooksville Community Redevelopment Agency.

CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic Financial Statements - Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

- The **Traffic Camera Fund**, a major special revenue fund, accounts for the funding of red light camera and expenditures associated with police protection.
- The **Fire Department Fund**, a major special revenue fund, accounts for the funding of fire protection and related essential services within the City.

**Proprietary Funds**

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

The City reports the following major proprietary funds:

- The **Utility Fund** accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers.
- The **Sanitation Fund** accounts for the fiscal activity of providing collection and disposal of solid waste to residential and commercial customers.

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

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal service (vehicle maintenance, vehicle replacement and equipment replacement) are the City's governmental activities, the financial statement of the internal service funds is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

**Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City activities or obligations. As a result, they are excluded from the government-wide financial statements.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fiduciary Funds (Continued)

The City reports the following fiduciary funds:

- The **Butterweck Bond Fund**, a private purpose trust fund, accounts for the fiscal activity to maintain Butterweck Crypt at Brooksville Cemetery.
- The **HRA Fund** accounts for the health reimbursement for City of Brooksville employees, retirees and employees families if participating in City medical insurance.
- The **Donor Memorial Wall Fund**, a private purpose trust fund, accounts for the Donor Memorial Wall at the Brooksville Cemetery.
- The **Fireman's Retirement Fund**, a pension trust fund, accounts for the firefighter's pension benefits, contractual services and investment services.
- The **Police Retirement Fund**, a pension trust fund, accounts for the poice pension benefits, contractual services and investment services.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability has been incurred except for (1) principal and interest on long-term debt, which is recorded when due, and (2) the noncurrent portion of accrued vacation and sick leave.

Property taxes, sales taxes and franchise taxes 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. Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Net Position is segregated into three components: net investment in capital assets; restricted net position; and unrestricted net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

The fiduciary funds consist of pension trust, private-purpose trust and agency funds. Pension trust and private-purpose trust funds are prepared on a full accrual basis, which is a flow of economic resources measurement focus. Agency funds are also prepared on a full accrual basis, but do not have a measurement focus.

**Budgets and Budgetary Accounting**

The City follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

1. All funds have legally adopted annual budgets. Prior to the inception of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of funding them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. City policy permits amendments to the budget during the fiscal year and subsequent to year-end.
5. Budgets for the General Fund, Special Revenue Funds and Capital Projects Funds are principally prepared on the modified accrual basis of accounting. Encumbrances, which do not lapse at the end of a fiscal year, are carried over to the next fiscal year.

As of September 30, 2013, the City's actual expenditures exceeded the budget for three funds, the Traffic Camera Fund, Law Enforcement Investigative Trust Fund, and the Bond Settlement Fund which is presented in the Nonmajor Governmental funds on the statement of revenues, expenditures and changes in fund balance. Upon legislative approval, the expenditure requests in the budget become binding appropriations, which may not legally be exceeded unless subsequently amended by the legislative body.

**Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under GAAP.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pooled Cash and Investments**

All of the City's cash and investments except pension funds and certain bond related investments, are combined in a pooled cash accounting system to allow the investment of idle cash for short periods of time, thereby maximizing interest earnings for the City as a whole. Interest earned on pooled cash is allocated to each fund participating in the pool on a pro-rata basis.

**Allowances For Uncollectibles**

The City calculates its allowances for uncollectibles using historical collection data, specific account analysis and management's judgment.

**Investments**

All investments, except non-participating investments, (i.e., certificates of deposits, and repurchase agreements), and investments in the "2a-7 like external investments pools" are reported at fair value.

**Inventories**

Supplies inventories are valued at cost on a first-in, first-out basis. Supplies inventory consists of supplies held for consumption that are expensed at the time of consumption, rather than at the time a liability is incurred.

Confiscated property inventory is valued at estimated fair market value at the date confiscated. Confiscated property inventory consists of tangible property confiscated from persons due to the properties' connection to alleged illegal activity.

**Prepaid Items**

Payments made to vendors in the governmental funds for services that will benefit periods beyond September 30 are recorded as prepaid items. Prepaid expenses in the enterprise funds are reported on the accrual basis and are expensed as the related benefits expire.

**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 as well as the proprietary fund financial statements.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value on date of donation. Capital assets in the proprietary funds are stated at cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided using the straight-line method. The estimated useful lives are as follows:

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Buildings	40 Years
Utility Plant in Service	20 - 40 Years
Equipment	5 - 10 Years
Infrastructure	10 - 50 Years

The City is not required to report infrastructure assets acquired prior to October 1, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. As infrastructure is added, the assets are capitalized and depreciated appropriately.

**Compensated Absences**

City employees accumulate vacation pay in varying amounts as services are provided. All outstanding vacation time is payable upon termination of employment.

Additionally, City employees accumulate sick leave in varying amounts as services are provided. Effective with the first pay period each October, employees are given the option to convert up to 50% of the unused sick leave earned for the previous 12 months to cash payment based upon the employee's current rate of pay. The remaining balance is accrued for the employee's use. The exception to the 50% sick buy-back is members of the Brooksville Professional Firefighters' Local #4661; the annual 50% sick buy-back payment to the Firefighters' Local members is paid at the option of the City Manager if deemed in the best interest of the City. Upon separation or retirement of employment with the City, the balance of unused sick leave by City employees, with the exception of the Brooksville Professional Firefighters' Local #4661, has no value.

Based on the Labor Agreement between the City of Brooksville and the Brooksville Professional Firefighters' Local #4461, members of the Local #4461 are allowed a payment of sick leave upon termination unless an employee is terminated for gross misconduct. Members are paid 25% of their sick leave balance with 3 years but not including 7 years of service; members are paid 35% of their sick leave balance with 7 years but not including 15 years of service; and members are paid 50% of their sick leave balance with 15 or more years of service.

The cost of accumulated vacation and sick leave pay expected to be paid in the future is accounted for as a liability in the government-wide financial statements.

**Governmental Fund Balances**

Effective for the year ended September 30, 2011, the City adopted a Fund Balance Policy to comply with Governmental Accounting and Financial Standards Board Statement (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances (Continued)**

The governmental fund types classify fund balance as follows:

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

Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance - amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision making authority. Commitments may only be removed or changed by the City Council taking the same formal action that imposed the constraint. The commitment action should occur by the end of the fiscal year.

Assigned fund balance - amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council delegated the City Manager the authority to assign amounts to be used for specific purposes.

Unassigned fund balance - the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City has formally adopted a fund balance and spending policy to clearly define the process for tracking the various classifications of fund balance. When a fund expenditure is incurred which restricted, committed, assigned, or unassigned amounts are available to be used, the City will first use restricted amounts, then committed amounts, then assigned amounts, and finally unassigned amounts.

At September 30, 2013, the Fire Department fund had a fund balance deficit of \$47,952. The deficit in the Fire Department fund will be eliminated through future receipts of fire assessments.

**Stabilization Arrangements**

The City Council established a stabilization amount by formally requiring – in accordance with its Fund Balance Policy – that the City will maintain a minimum unassigned fund balance in its General Fund of 3% of the current year's budgeted expenditures and outgoing transfers. If fund balance falls below the minimum 3%, the City will replenish shortages/deficiencies over a period not to exceed one year using one or the combination of the following:

- The City will reduce recurring expenditures to eliminate any structural deficit
- The City will increase revenues or pursue other funding sources

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Stabilization Arrangements (continued)**

The City's Fund Balance Policy also states an unassigned fund balance in its General Fund over 20% of the subsequent year's budgeted expenditures and outgoing transfers will be considered a surplus. If fund balance rises above 20%, the City will consider such fund balance surpluses for one-time expenditures that are non-recurring in nature and which will not require additional future expense outlays for maintenance, additional staffing or other recurring expenditures.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the City has included checking accounts, certificates of deposit, and cash on hand as part of cash and cash equivalents. Cash equivalents are defined as those with original maturities of 90 days or less.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

**Implementation of New Accounting Standards**

During the year the City implemented GASBS 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, supersedes GASBS 20. GASBS 20 gave governments the choice to elect to follow only GASB's authoritative literature, or to follow FASB and AICPA pronouncements that did not conflict with GASB pronouncements. Upon adoption of GASBS 62, all governmental accounting guidance is codified into the GASB literature.

During the year the City implemented GASBS 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance on deferred outflows and inflows of resources. It also renames the residual amounts from "net assets" to "net position". These financial statements include the statement of net position, which reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as applicable.

During the year the City implemented GASBS 65, *Items Previously Reported as Assets and Liabilities*. GASBS 65 reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term deferred in financial statement presentations. The implementation of this Statement eliminated deferred charges from the statement of net position as a result of expensing debt issuance costs (excluding debt insurance costs).

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 3 CASH AND INVESTMENTS**

**Cash Deposits**

As of September 30, 2013, the City's cash deposits were entirely covered by federal depository insurance or by the banking network provided by Chapter 280 of the Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans, and limit local government deposits to "authorized depositories." Therefore, all cash deposits held by banks can be classified as fully insured. Customer deposits, renewal and replacement and debt retirement funds are shown as restricted cash due to the legal limitations imposed on them. At September 30, 2013, the carrying amount of the City's deposits was \$1,556,994 and the total book balances was \$1,468,624.

**Custodial 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 deposits and securities that are in the possession of an outside party. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. To mitigate custodial risk, broker/dealers must meet established capital requirements as set forth by the Securities Exchange Commission, be registered in the State of Florida, provide proof of registration, complete a broker/dealer questionnaire, certify understanding of the City's investment policy, and provide a copy of most recent audit report.

**Investments**

The City's investment policy allows the City to invest surplus money in instruments provided by Florida Statutes Chapter 218.40 - 218.415. Among them are:

- a. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act, as provided in Section 163.01, Florida Statutes;
- b. Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- c. Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes;
- d. Direct obligations of the U.S. Treasury;
- e. Federal Agencies and instrumentalities;
- f. Repurchase Contracts secured by U.S. Treasury or U.S. Government Agency Securities when market value shall be not less than 5% more than the amount of the contract. The 5% margin shall be maintained for the term of the contract. If the market value falls below the 5% margin, the issuer of the contract shall pledge additional collateral to restore the margin.

City ordinance authorizes investments for the pension trust funds, as follows:

- a. Annuity and life insurance contracts;
- b. Time and savings accounts of National Bank and a State of Florida bank insured by FDIC;

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

- c. Obligations of the United States;
- d. State and local government bonds (as restricted); and
- e. Corporate stocks and bonds (as restricted).

Pension trust fund investments are made up primarily of trust company and equity funds (bank common funds). The investments are insured or registered securities that are held by the City or its agent, in the City's name. As of September 30, 2013, pension trust fund investments totaled \$9,432,837.

**Credit Risk**

Credit risk is the risk resulting from potential default of investments that are not financially sound. To mitigate credit risk, the City primarily invests in U.S. government securities and the State of Florida local government surplus trust fund pool. Money market accounts are held with qualified public depositories who meet the State of Florida requirements.

The following illustrates the credit quality distribution with credit exposure as a percentage of the City's investment securities.

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
LGIP - SBA Florida PRIME	AAA/m	\$ 2,298,443	26.13%
LGIP - SBA B	No Rating	71,373	0.81%
LGIP -FMIvT: 0-2 Year High Quality Bond	AAA/V1	4,364,391	49.61%
LGIP -FMIvT: 1-3 Year High Quality Bond	AAA/V2	1,434,499	16.31%
LGIP -FMIvT: Intermediate High Quality Bond Fund	AAA/V3	628,818	7.15%
Total		<u>\$ 8,797,524</u>	<u>100.00%</u>

The police and fire pension funds limit their credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

The following illustrates the credit quality distribution with credit exposure as a percentage of the police pension fund investment securities.

<u>Investment Type</u>	<u>Credit Ratings</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Pooled Investments</u>
Domestic Equity	No Rating	\$ 1,785,567	41.77%
International Equity	No Rating	1,059,805	24.79%
Real Estate Investment Trust (REIT)	No Rating	129,183	3.02%
Fixed Income Mutual Funds	B	126,089	2.95%
Fixed Income Mutual Funds	AA	482,073	11.28%
Fixed Income Mutual Funds	AA	481,521	11.27%
Fixed Income Mutual Funds	B	126,821	2.97%
Fixed Income Mutual Funds	A	83,293	1.95%
		<u>\$ 4,274,352</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)**

The following illustrates the credit quality distribution with credit exposure as a percentage of the fire pension fund investment securities.

Investment Type	Credit Ratings	Concentration Risk at Fair Value	Percentage of Total Pooled Investments
<b>Fixed Income</b>			
US Government Obligations	Aaa	\$ 227,666	4.41%
Mortgage/Asset Back Securities	No Ratings	402,716	7.81%
Collateralized MTGE Obligations	Aaa	91,175	1.77%
Collateralized MTGE Obligations	Aa2	16,776	0.33%
Collateralized MTGE Obligations	A2	9,628	0.19%
Collateralized MTGE Obligations	A-	9,130	0.18%
Corporate Bonds	A1	52,198	1.01%
Corporate Bonds	A2	71,944	1.39%
Corporate Bonds	A3	183,833	3.56%
Corporate Bonds	Aa2	16,905	0.33%
Corporate Bonds	Aa3	9,944	0.19%
Corporate Bonds	Ba1	5,415	0.10%
Corporate Bonds	Baa1	194,460	3.77%
Corporate Bonds	Baa2	226,079	4.38%
Corporate Bonds	Baa3	46,253	0.90%
Corporate Bonds	BBB	10,436	0.20%
Foreign Bonds NTS	A2	22,154	0.43%
Foreign Bonds NTS	A3	21,008	0.41%
Foreign Bonds NTS	Aa2	23,890	0.46%
Foreign Bonds NTS	Baa1	31,329	0.61%
Foreign Bonds NTS	Baa2	18,448	0.36%
Foreign Bonds NTS	Baa3	6,131	0.12%
Domestic Equities	No Rating	2,670,977	51.78%
International Equities	No Rating	789,992	15.31%
Total		<u>\$ 5,158,487</u>	<u>100.00%</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the quality of investments in a single user. The City's investment policy requires that investments be diversified by security type and institution. Approximately 72.82% of the City's investments are in Florida Municipal Investment Trust. Approximately 26.85% of the City's Investments are in the Local Government Surplus Trust Fund Investment Pools.

To limit this risk, the fire pension fund requires that not more than 65% of the plan's assets may be invested in corporate, common stock and convertible bonds. Investment in real estate must not exceed 10% of the cost value of the fund. In addition, foreign securities shall not exceed 25% of the market value of the Plans' assets.

To limit this risk, the police pension fund has established allocation ranges by asset classed as followed:

<u>Asset Classes</u>	<u>Ranges</u>
Domestic Equity	25 - 45 %
International Equity	15 - 25 %
Real Estate Investment Trust (REIT)	0 - 10 %
Inflation Hedge	0 - 5 %
Fixed Income Mutual Funds	25 - 60 %
Cash Equivalent	0 - 20 %

**Interest Rate Risk**

To mitigate interest rate risk, the City's investment policy requires that the investment portfolio structure maturities to the City's cash needs for ongoing operations and that operating funds be invested primarily in short-term securities. The City's policy requires that investments have maturities no greater than five years.

<u>Investment Type</u>	<u>Average Duration</u>	<u>Total Fair Value</u>
LGIP - SBA Florida PRIME	0.12	\$ 2,298,443
LGIP - SBA B	4.04	71,373
LGIP -FMIVT: 0-2 Year High Quality Bond	0.68	4,364,391
LGIP -FMIVT: 1-3 Year High Quality Bond	1.52	1,434,250
LGIP -FMIVT: Intermediate High Quality Bond Fund	3.71	628,818
		<u>\$ 8,797,275</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk (Continued)**

The City's pension trust funds do not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the police and fire pension funds are measured against various nationally recognized benchmarks depending on the category.

The police pension fund maturities are as follow:

	Fixed Income Mutual Funds
One to Five	\$ 734,983
Five to Ten	564,814
Total Fair Value	\$ 1,299,797

The fire pension fund maturities are as follow:

	Fixed Income Investments
One to Five	\$ 358,855
Five to Ten	651,096
More than Ten	687,567
Total Fair Value	\$ 1,697,518

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Due from Other Funds**

The balances due from other funds were as follows at September 30, 2013:

General Fund	\$ 39,875
Cemetary Perpetual Care Fund	17,811
Total	\$ 57,686

**Due to Other Funds**

The balances due to other funds were as follows at September 30, 2013:

General Fund	\$ 17,811
Fire Department Fund	24,440
Nonmajor Governmental Fund	15,435
Total	\$ 57,686

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

Advance to Other Funds

The balance advanced to other funds was as follows at September 30, 2013:

General Fund	\$ 97,516
Total	<u>\$ 97,516</u>

Advance from Other Funds

The balance advanced from other funds was as follows at September 30, 2013:

Utilities Fund	\$ 97,516
Total	<u>\$ 97,516</u>

Interfund receivables and payables represent recurring activities between funds as well as temporary deficit cash balances. All interfund payables are expected to be repaid within one year, with the exception of the advance due between the General Fund and Utility Fund.

Interfund Transfers In/Transfers Out

Individual interfund transfers were as follows for the fiscal year ended September 30, 2013:

	Transfers In	Transfers Out
General Fund	\$ 1,062,064	\$ 1,299,176
Traffic Camera Fund	-	200,250
Fire Department Fund	1,239,366	4,500
Utility Fund	-	671,473
Sanitation Fund	-	92,822
Internal Service Funds	-	187,031
Nonmajor Governmental Funds	739,627	610,375
Private Purpose Trust Fund	31,925	7,355
Total Transfers In/Transfers Out	<u>\$ 3,072,982</u>	<u>\$ 3,072,982</u>

Transfers between funds are primarily to move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 5 CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2013 is as follows:

	Balance September 30, 2012	Additions	Deletions	Balance September 30, 2013
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 1,510,978	\$ -	\$ -	\$ 1,510,978
Construction in Progress	2,595,803	158,872	223,418	2,531,257
<b>Total Non-Depreciable</b>	4,106,781	158,872	223,418	4,042,235
Depreciable:				
Buildings	5,965,884	81,463	-	6,047,347
Improvements Other Than Buildings	4,363,696	412,720	59,907	4,716,509
Equipment	3,771,390	257,985	167,803	3,861,572
<b>Total Depreciable</b>	14,100,970	752,168	227,710	14,625,428
Less: Accumulated Depreciation:				
Buildings	1,416,899	211,491	-	1,628,390
Improvements Other Than Buildings	2,038,723	194,454	-	2,233,177
Equipment	2,432,438	238,784	167,802	2,503,420
<b>Total Accumulated Depreciation</b>	5,888,060	644,729	167,802	6,364,987
<b>Total Capital Assets, Being Depreciated, Net</b>	8,212,910	107,439	59,908	8,260,441
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 12,319,691</b>	<b>\$ 266,311</b>	<b>\$ 283,326</b>	<b>\$ 12,302,676</b>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	Balance September 30, 2012	Prior Period Adjustment	Additions	Deletions	Balance September 30, 2013
<b>Business-Type Activities (Includes Utility and Sanitation)</b>					
Non-Depreciable:					
Land	\$ 1,195,933	\$ -	\$ -	\$ -	\$ 1,195,933
Construction in Progress	8,392,975	477,397	518,309	7,064,004	2,324,677
Total Non-Depreciable	9,588,908	477,397	518,309	7,064,004	3,520,610
Depreciable:					
Buildings	366,074	-	-	-	366,074
Improvements Other Than Buildings	43,073,274	-	7,064,006	-	50,137,280
Machinery and Equipment	3,263,805	-	364,952	-	3,628,757
Total Depreciable	46,703,153	-	7,428,958	-	54,132,111
Less: Accumulated Depreciation:					
Buildings	167,199	-	11,612	-	178,811
Improvements Other Than Buildings	15,555,517	-	1,295,110	-	16,850,627
Machinery and Equipment	1,849,862	-	211,662	-	2,061,524
Total Accumulated Depreciation	17,572,578	-	1,518,384	-	19,090,962
Total Capital Assets, Being Depreciated, Net	29,130,575	-	5,910,574	-	35,041,149
Business-Type Activities Capital Assets, Net	<u>\$ 38,719,483</u>	<u>\$ 477,397</u>	<u>\$ 6,428,883</u>	<u>\$ 7,064,004</u>	<u>\$ 38,561,759</u>

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

<b>Governmental Activities</b>	
General Government	\$ 127,306
Public Safety	144,721
Physical Environment	64,689
Culture and Recreation	159,166
Transportation	45,444
Total Depreciation for Governmental Activities	<u>\$ 541,326</u>
<b>Business-Type Activities:</b>	
Utility Fund	1,369,295
Sanitation Fund	149,090
Physical Environment	<u>\$ 1,518,385</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 6 LONG-TERM LIABILITIES**

Long-term liability activity of the City for the year ended September 30, 2013 was as follows:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013	Amounts Due Within One Year
<b>PRIMARY GOVERNMENT</b>					
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds Payable:					
2006 Capital Improvement Revenue Bonds	\$ 176,000	\$ -	\$ 6,000	\$ 170,000	\$ 6,000
Notes Payable:					
Promissory Note	418,017	-	39,976	378,041	41,766
2011 Capital Improvement Revenue Note	3,258,492	-	171,648	3,086,844	178,858
Total Notes Payable	3,676,509	-	211,624	3,464,885	220,624
Accrued Compensated Absences	250,376	297,071	284,439	263,008	82,163
Other Long-Term Liabilities	-	176,263	-	176,263	-
Governmental Activity-Long Term Liabilities	<u>\$ 4,102,885</u>	<u>\$ 297,071</u>	<u>\$ 502,063</u>	<u>\$ 4,074,156</u>	<u>\$ 308,787</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds Payable:					
1999A Water and Wastewater Bond	\$ 3,806,000	\$ -	\$ 3,806,000	\$ -	\$ -
1999B Water and Wastewater Bond	1,686,000	-	1,686,000	-	-
2002 Water and Wastewater Bond	3,410,000	-	3,410,000	-	-
Less: Deferred Charges on Refunding	(21,268)	-	21,268	-	-
Less: Unamortized Bond Discount	(760)	-	760	-	-
2013 Water and Sewer Refunding Revenue Bond	-	9,510,366	70,660	9,439,706	549,880
Total Bonds Payable	8,879,972	9,510,366	8,994,688	9,439,706	549,880
Notes Payable:					
Wastewater /ARRA Loan	593,377	-	26,063	567,314	26,666
Direct State Revolving Fund Loan	392,440	-	17,237	375,203	17,637
Hancock Bank Loan	1,001,478	-	1,001,478	-	-
Total Notes Payable	1,987,295	-	1,044,778	942,517	44,303
Accrued Compensated Absences	51,192	85,926	84,721	52,397	20,063
Other Long-Term Liabilities	2,763,046	-	29,145	2,733,901	-
Governmental Activity-Long Term Liabilities	<u>\$ 10,918,459</u>	<u>\$ 9,596,292</u>	<u>\$ 10,124,187</u>	<u>\$ 13,168,521</u>	<u>\$ 614,246</u>

Below is a summary of scheduled debt service charges until maturity for the bonds payable.

Year	Governmental Activities		Business-Type Activities	
	2006 Capital Improvement Revenue Bonds		2013 Water and Sewer Refunding Revenue Bond	
	Principal	Interest	Principal	Interest
2014	\$ 6,000	\$ 7,013	\$ 549,880	\$ 227,194
2015	7,000	6,765	563,400	213,684
2016	7,000	6,476	576,690	200,379
2017	7,000	6,188	591,410	185,673
2018	7,000	5,899	605,940	171,143
2019 - 2023	42,000	24,709	3,260,040	625,356
2024 - 2028	51,000	15,387	3,292,346	204,518
2029 - 2033	43,000	4,249	-	-
	<u>\$ 170,000</u>	<u>\$ 76,686</u>	<u>\$ 9,439,706</u>	<u>\$ 1,827,947</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

The following bonds payable and notes payable were outstanding at September 30, 2013:

**2006 Capital Improvement Revenue Bonds**

In November 2006, the City issued \$258,800 in Capital Improvement Revenue Bonds, Series 2006 for the purpose of providing a part of the funds required to finance a part of the cost of acquiring and installing certain capital improvements to the City Hall Building and wastewater utility lift stations. The City established an advance between the General Fund and the Utility Fund for the Utility Fund's portion due for the cost of improvements at the wastewater utility lift stations. The balance of the advance at September 30, 2013 was \$97,516.

Interest on the 2006 bonds is payable annually on September 1 of each year. The bonds carry an interest rate of 4.125%. Bonds maturing on or before September 1, 2015 are not subject to redemption prior to their respective stated dates of maturity. Bonds maturing September 1, 2016 and thereafter shall be redeemable, at the option of the Issuer, in whole or in part, in inverse numerical and maturity order, on September 1, 2015 or on any interest payment date thereafter at par and accrued interest, plus the following premiums, expressed as percentages of the par value of the Bonds so redeemed, if redeemed in the following years:

- 5% if redeemed on September 1, 2015 or thereafter, to and including September 1, 2018;
- 4% if redeemed on September 1, 2019 or thereafter, to and including September 1, 2022;
- 3% if redeemed on September 1, 2023 or thereafter, to and including September 1, 2026;
- 2% if redeemed on September 1, 2027 or thereafter, to and including September 1, 2030;
- 1% if redeemed on September 1, 2031 or thereafter, to and including September 1, 2034;

Without premium, if redeemed on September 1, 2035 or thereafter, but prior to maturity. The bonds matures on September 1, 2036.

**2013 Water and Sewer Refunding Revenue Bonds**

During 2013, City Council approved Resolution 2013-03 authorizing the issuance of the Water and Sewer Refunding Revenue Bond, Series 2013 of \$9,510,366. This action refunds the Water and Sewer Systems Bonds Series 1999, Water and Sewer Revenue Refunding Bonds Series 2002, and the Hancock Bank Subordinated Water and Sewer Revenue Note Series 2008. The 2013 Bonds have an interest rate of 2.442% and will mature on October 1, 2017. The cash flow savings is \$1,344,518 and the present value of the savings is \$657,542.

The loan requires the City to set aside the annual debt service for three years in the amount of \$777,087. After the three years are up based on meeting certain debt ratios, the \$777,087 will be available for capital or operating expenses. The new loan freed up Renewal and Replacement and Debt Service Fund reserves in the amount of approximately \$390,000 for capital expenditures which will be used for drilling wells at PHCC. In addition, old Renewal and Replacement (R&R) requirements on the old debt freed up annual required contributions from Water and Sewer Operating funds in the amount of \$65,712 to the year 2039.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**Notes Payable**

The notes payable included in Long-Term Liabilities as of September 30, 2013 consist of the following:

<u>Description</u>	<u>Amount</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
4.136% note payable to SunTrust Bank; principal and interest payable quarterly beginning January 1, 2012 until October 2026; subject to prepayment penalties; financing energy performance projects.	\$ 3,086,844
4.23% note payable to SunTrust Bank; interest only payable for the first two quarters; principal and interest payable quarterly beginning July 26, 2007 until May 10, 2021; used to purchase a 2006 Sutphan Fire Aerial Platform Truck.	378,041
Total	<u>\$ 3,464,885</u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	\$ 375,203
2.3% state revolving fund note payable to the State of Florida Department of Environmental Protection; secured by and payable from the pledged funds; principal and interest payable in semiannual installments beginning August 15, 2011 until February 15, 2031	567,314
	<u>\$ 942,517</u>

Below is a summary of scheduled debt service charges until maturity for the notes payable.

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 220,624	\$ 140,469	\$ 44,303	\$ 21,426
2015	229,952	131,099	45,329	20,399
2016	239,643	121,407	46,376	19,352
2017	249,782	111,268	47,448	18,278
2018	260,349	100,701	48,547	17,180
2019 - 2023	1,345,164	334,092	260,105	68,532
2024 - 2028	919,371	67,912	291,612	37,021
2029 - 2033	-	-	158,799	5,520
	<u>\$ 3,464,885</u>	<u>\$ 1,006,948</u>	<u>\$ 942,519</u>	<u>\$ 207,708</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 6 LONG-TERM LIABILITIES (CONTINUED)**

**Other Long-term Liabilities**

The City has recorded a liability for the water and sewer impact fee credits in the Southern Hill Plantation development. As of September 30, 2013 the liability is \$2,733,901

The City has entered into an agreement with a vendor to monitor and enforced red light violations in accordance wit applicable laws and ordinance. Per the agreement a monthly fee is charged based on number of traffic cameras per month per installed camera. However the City only pays a maximum of 50% per month of the monthly photo enforcement revenue generated by operation of the camera systems per the contract. Any payment shortfalls related to the difference between the fees and the enforcement revenue for the month is accumulates from month to month until paid in full. As of September 30, 2013, there was a shortfall of \$176,263. This amount was accrued in the governmental activities in the government-wide financial statements.

**NOTE 7 PENSION**

**Retirement System**

Plan Description: Pursuant to Chapter 95-338, Laws of Florida, the City of Brooksville declared as its policy and purpose, a revocation of election to participate in the Florida Retirement System for all employees or officers hired on or after January 1, 1996. Effective January 1, 2002, the City elected to again participate in the Florida Retirement System for general employees and officers.

The Florida Retirement System (FRS) is a cost-sharing multiple-employer defined benefit public employee retirement system administered by the State of Florida Department of Administration. The FRS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The FRS issues a publicly available financial report that incorporates the financial statements and required supplementary information for the FRS. That report may be obtained by writing to State of Florida, Division of Retirement, Research Education Section, 1317 Winewood Blvd., Bldg 8, Tallahassee, Florida 32399-1560 or by calling (877) 377-1737.

FRS provides for vesting of benefits after 6 years of credit services. Normal retirement benefits are available to employees who retire at or after age 62 with 6 or more years of service. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Benefits are based upon age, years-of-service credit and average compensation, which are computed using the individual's 5 highest yearly earnings. Benefits are established by Chapter 121, Florida Statutes and Chapter 22B, Florida Administrative Code.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 7 PENSION (CONTINUED)**

Effective July 1, 1998, the FRS instituted the Deferred Retirement Option Program (DROP), which provides an alternative method for payment of retirement benefits for up to 60 months after a member reaches his normal retirement date. DROP allows eligible employees to save all retirement benefits plus interest for up to 60 months while continuing employment with a participating employer and receiving a salary. Regular monthly retirement benefits are determined at the time the employee enters DROP. At termination of employment, the employee will receive payment of the accumulated DROP benefits, and begin receiving their monthly retirement benefits.

Funding Policy: The Florida Retirement System requires a 3% contribution for members effective July 1, 2011. Employer contributions are based upon state-wide rates established by the State of Florida. From October 1, 2012 through June 30, 2013, the employer rates, which include the health insurance subsidy contributions of 1.11%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 5.18%; senior management – 6.30%; and deferred retirement option plan – 5.44%. The employer contribution rates, effective July 1, 2013, which include the health insurance subsidy of contributions of 1.20%, and the 0.03% administrative/education fee, are applied to employee salaries as follows: regular employees – 6.95%; senior management – 18.31%; and deferred retirement option plan – 12.84%. The City's contributions to FRS for the three years ended September 30, 2013, 2012 and 2011 were \$174,651, \$125,598 and \$281,450 respectively, equal to the required contribution for each year.

**Firefighters' Retirement Trust Fund**

The City provides a retirement plan covering substantially all full time firefighters employed by the City. The plan was amended and restated by Ordinance 754-D, adopted by City Council on January 7, 2011. The plan is a defined benefit plan with actuarial valuations performed annually. The most recent valuation was done as of October 1, 2012.

Membership in the plan as of the date of the valuation was as follows:

Active Employees	19
Service Retirees	13
Beneficiaries	-
DROP Retirees	3
Terminated Vested	9
Disability Retirees	-
Total Participants	44

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 7 PENSION (CONTINUED)**

**Firefighters' Retirement Trust Fund (Continues)**

The following is a summary of eligibility, contribution methods, and plan provisions:

Eligibility	Employees who are classified as full-time and volunteer firefighters shall participate in the System as a condition of employment
Vesting Schedule	100% after 10 years of credited service
Member Contributions	3.29% of salary effective 10/1/2010
Contribution Rate as of September 30, 2013	
City and State	51.74%
Plan Member	3.29%
Valuation Date	10/1/2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	28 Years (As of 10/1/12)
Actuarial Asset Valuation Method	4 Year Smooth
Actuarial Assumptions:	
Investment Rate of Return	7.75% (as of 10/1/12)
Projected Salary Increase	6.5%
Including Inflation at	3.0%
Post Retirement COLA	3.0%
(Beginning at age 56)	

The funding activity of the Firefighters' Retirement Trust Fund for the current and preceding two years is as follows:

<u>Year Ending September 30,</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Assets)
2013	\$ 320,441	99%	\$ (75,370)
2012	295,135	99%	(78,836)
2011	223,141	98%	(82,346)

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 7 PENSION (CONTINUED)**

**Firefighters' Retirement Trust Fund (Continued)**

The City's annual pension costs and net pension obligation (assets) to the Firefighter's Retirement Trust Fund for the current year is show below:

Annual required contributions	\$ 316,975
Interest on net pension obligation (assets)	(6,110)
Adjustment to annual required contribution	<u>9,576</u>
Annual pension cost	320,441
Contributions made	<u>316,975</u>
Increase (decrease ) in net pension obligation (assets)	3,466
Net pension obligation (assets) - beginning	<u>(78,836)</u>
Net pension obligation (assets) - ending	<u><u>\$ (75,370)</u></u>

\*The actual determined contributions and the contributions made included both City and State Contributions beginning fiscal year September 30, 2012

The following represents funding progress for the Firefighter's Retirement Trust Fund funding status as of the most recent actuarial valuation date, is as follow:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annualized Covered Payroll	UAAL as a Percentage of Covered Payroll
10/01/12	\$ 4,810,525	\$ 6,488,945	\$ 1,678,420	74.13%	\$ 651,086	257.8%
10/01/11	4,484,550	6,219,138	1,734,588	72.11%	687,564	252.3%
10/01/10	4,527,289	5,896,346	1,369,057	76.78%	750,916	182.3%

**Police Retirement Chapter 185**

The City Council adopted Ordinance No. 552 on December 18, 1995, providing for the establishment of a Chapter 185 Local Law Municipal Police Officers' Pension Trust Fund effective for all police officers hired after January 1, 1996. The plan was amended and restated by Ordinance No. 770-A, adopted by City Council on May 3, 2010. The plan is a defined benefit plan.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 7 PENSION (CONTINUED)**

**Police Retirement Chapter 185 (Continued)**

Membership in the plan as of the date of the valuation was as follows:

Active Employees	22
Service Retirees	-
Beneficiaries	-
DROP Retirees	-
Terminated Vested	7
Disability Retirees	-
Total Participants	29

The following is a summary of eligibility, contribution methods, and plan provisions:

Eligibility	Employee who are classified as full-time Police Offices hired after January 1, 1996 shall participate in the system as a condition of employment
Vesting Schedule	100% after 6 years of credited service
Member Contributions	1% of salary
Contribution Rate as of September 30, 2013	
City and State	34.90%
Plan Member	1.00%
Valuation Date	10/1/2012
Actuarial Cost Method	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A
Actuarial Asset Valuation Method	4 Year Smoth
Actuarial Assumptions:	
Investment Rate of Return	7.75% (as of 10/1/12)
Projected Salary Increase	Graduated
Including Inflation at	3.8%
Post Retirement COLA	3.0%
(Age 55 to 65)	

The valuation method used to determine the required contribution is known as the "Aggregate Actuarial Cost" funding method. Under this method of actuarial valuation, the present value of benefits, less all assets, are equated to the present value of future employer contributions, and of future employee contributions, if any. The required contribution is then expressed as a percentage of current payroll.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 7 PENSION (CONTINUED)**

**Police Retirement Chapter 185 (Continued)**

The funding activity of the Firefighters' Retirement Trust Fund for the current and preceding two years is as follows:

<u>Year Ending September 30,</u>	<u>Annual Pension Cost (APC)*</u>	<u>Percentage of APC Contributed **</u>	<u>Net Pension Obligation</u>
2013	\$ 397,020	100%	\$ -
2012	292,599	100%	-
2011	277,567	100%	-

\* Beginning September 30, 2012, this amount includes both City and State contributions.

\*\*Plan drew required contribution from the surplus contribution account.

As of September 30, 2012, the Accumulated Funding Credit was \$715,882.

The following represents funding progress for the Polices' Retirement Trust Fund funding status as of the most recent actuarial valuation date, is as follow:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annualized Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/01/12	\$ 3,524,461	\$ 3,560,524	\$ 36,063	99.0%	\$ 1,155,943	3.1%
10/01/11	3,208,199	3,477,532	269,333	92.3%	1,162,664	23.2%
10/01/10	3,102,669	3,239,304	136,635	95.8%	959,684	14.2%

Schedule above discloses the funded ration the plan would have if it were utilizing the entry age normal cost method rather than the aggregate actuarial cost method as required by GASB 50.

For more information pertaining to the Firefighters' Retirement Plan and the Police Retirement Plan refer to the City of Brooksville, Florida's stand-alone financial statements for each plan, which can be obtained by contacting the City of Brooksville, Finance Department, 201 Howell Avenue. Brooksville, Florida 34601-2041.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 8 TRUST FUNDS**

**Health Reimbursement Account (HRA) Fund**

Effective October 1, 2008, the City established an HRA Fund in the Trust and Agency Funds in order to pay the annual HRA reimbursement to eligible employees. The annual maximum reimbursement is \$500 for each eligible employee; however, the employee must provide receipts of out-of-pocket medical expenses in order to receive reimbursement. The City has been providing an HRA benefit for a number of years; however, the HRA benefit was charged to an expense account in each Department. Based on the 2012-2013 budget, monies are being transferred from each Department to the HRA Fund to reimburse employees directly out of the HRA Fund. In 2012-2013, the City Funds transferred \$31,932 to the HRA Fund and the HRA Fund paid out to employees \$38,472. Reserve funds as accumulated will likely be used for health related initiatives for City employees based on direction from the City Manager and the City Council. Future budgets will likely have expenditures budgeted for those initiatives. Carryover reserves in the HRA Fund from the 2012-2013 year are \$4,640.

**Donor Memorial Wall Trust Fund**

In fiscal year 1993, a Donor Memorial Wall Trust Fund was established by Brooksville City Council action. This fund was established to account for the construction of a wall at the Brooksville Cemetery that would allow individuals and groups to memorialize deceased individuals by having the deceased individual's name permanently engraved upon the wall. The fund was designed so that all contributions collected for the memorializing of a deceased individual would be used only for construction and engraving cost. Any excess funds are to be classified as corpus and to remain perpetually intact, with interest income thereon going to the general fund.

During the fiscal year ended September 30, 2013, no money was collected for construction and engraving, nor was any money expended. A transfer of \$7,335 was done to close the corpus to the cemetery perpetual care fund and the general fund.

**Butterweck Bond Fund**

This Fund is used for the future maintenance of the Butterweck Crypt of the Brooksville Cemetery. As of September 30, 2013, the balance remaining is \$2,233.

**Brooksville Fire District Trust**

This Fund was formed for the future maintenance and operation of the Brooksville Fire District. As of September 30, 2013, the fund was closed.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 9 PROPERTY TAXES**

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

Property tax collections, sales, and liens are governed by Chapter 197 of the Florida Statutes.

All property taxes are levied and become due and payable on November 1 of each year, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4%, 3%, 2% and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest of 18% per annum. For all real property with delinquent taxes, the Tax Collector advertises as required by Statute and sells tax certificates. All unsold certificates are issued to the County.

Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the Tax Collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate. After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien, superior to all other liens, as of January 1, of the year the taxes are levied.

**NOTE 10 RESTRICTED NET POSITION**

As of September 30, 2013, restricted assets in the enterprise funds were held for the following purposes:

Utility Fund:

Debt Retirement	\$ 788,825
Capital Improvement Reserves	671,117
Customers' Meter Deposits	380,200
Total Utility Fund	<u>\$ 1,840,142</u>

**NOTE 11 RISK MANAGEMENT**

The City's risk management activities are spread through several funds including the General, Utility, and Sanitation funds. Significant losses are covered by commercial insurance, workers' compensation, unemployment, and disability insurance. Settlement amounts have not exceeded insurance coverage for the current year or prior three years.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 11 RISK MANAGEMENT (CONTINUED)**

The City carries such insurance as is ordinarily carried by private or public corporations owning and operating similar utilities. The City, in addition to general liability and personal liability for auto accidents and property damage of autos, buildings and equipment, carries an umbrella policy for an additional \$1,000,000. The City does not carry insurance against loss or damage to the Utility Fund's water meters, fire hydrants or water and sewer lines, but self-funds these expenses.

On September 20, 2005 the Hernando County Board of County Commissioners voted to extend the prepayment of impact fees from one to three years. County property owners were allowed to prepay their impact fees prior to an increase on July 5, 2005. County property owners who prepaid impact fees were given until June 2, 2008 to obtain a building permit. If a building permit was not pulled by June 2, 2008, the increased impact fees would be charged. Subsequently, the Hernando County Board of Commissioners extended the prepaid program through June 2012. Through Interlocal Agreement, the City opted to assess the same impact fees for roads, public buildings, police, fire, parks, and schools as Hernando County. The City stopped collecting Impact Fees effective November 2011. As of September 30, 2013, the City had the following in prepaid impact fees: Road Impact Fees \$4,779; Public Building Impact Fees \$525; Police Impact Fees \$341; Fire Impact Fees \$230; and Parks Impact Fees \$318. The amounts are reflected as unearned revenues in the accompanying financial statements.

**NOTE 12 INTERNAL SERVICE FUNDS**

The three Internal Service Funds are used for two purposes: maintenance and replacement. The Fleet Maintenance Fund provides maintenance and repairs to the City's vehicles and equipment. The Vehicle Replacement Fund and the Equipment Replacement Fund are used to accumulate funds in advance for the purchase of vehicles and equipment. The Vehicle Replacement Fund sets aside cash to purchase a portion of the City's future vehicles. These vehicles are also depreciated within this Fund. The Equipment Replacement Fund reserves cash to purchase equipment for the four General Fund departments or divisions which are Cemetery, Parks, Streets, and the Quarry Golf Course. As of September 30, 2013, the reserves for Fleet Maintenance, Vehicle Replacement and Equipment Replacement Funds were \$10,879, \$1,885,562 and \$30,946, respectively. If necessary, the annual payments for services transfers are adjusted to maintain adequate, but not excessive cash reserves in the Fleet Maintenance Fund.

The maintenance and replacement schedule is allocated among the City as follows:

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Total
General Fund	\$ 6,384	\$ 548,212	\$ 2,633	\$ 557,229
Utility Fund	2,661	179,254	-	181,915
Sanitation Fund	1,834	685,127	-	686,961
Total	<u>\$ 10,879</u>	<u>\$ 1,412,593</u>	<u>\$ 2,633</u>	<u>\$ 1,426,105</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 12 INTERNAL SERVICE FUNDS (CONTINUED)**

The Utility and Sanitation Funds began participating in the Vehicle Replacement Program during the fiscal year ended September 30, 2004.

The maintenance and replacement schedule is allocated among the following General Fund departments:

	Fleet Maintenance	Vehicle Replacement	Equipment Replacement	Total
Administration and Finance	\$ 37	\$ 39,065	\$ -	\$ 39,102
Police	1,417	1,843	-	3,260
Fire	604	438,859	-	439,463
Streets	2,959	67,211	1,575	71,745
Parks	1,269	1,234	1,058	3,561
Cemetery	98	-	-	98
Total	<u>\$ 6,384</u>	<u>\$ 548,212</u>	<u>\$ 2,633</u>	<u>\$ 557,229</u>

**NOTE 13 PRIOR PERIOD ADJUSTMENTS**

The City has restated beginning net position as of September 30, 2013 to a) correct reporting of capital assets to account for capitalized interest of \$477,397 b) to correct reporting and recognized the fire fighters' net pension asset. The net pension asset at the beginning of the year was \$82,346.

	Governmental Activities	Business-Type Activities	Utility Fund
Fund balance/Net position, as Previously Reported	\$ 15,387,089	\$ 29,427,090	\$ 27,711,505
Restated for			
a) Capital Assets	-	477,397	477,397
b) Net Pension Asset	78,836	-	-
Fund balance/Net Position as Restated	<u>\$ 15,465,925</u>	<u>\$ 29,904,487</u>	<u>\$ 28,188,902</u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**Agreement between the Southwest Florida Water Management District and the City of Brooksville for Reuse and Encore Contract for Completion of Reuse Facility**

On November 19, 2007, the Council authorized staff to request a three-year extension of the construction completion date in our Reuse Cooperative Funding Agreement with the Southwest Florida Water Management District (SWFMD) and the City of Brooksville for the Construction of the US 41 South Service Area Reuse System, The 4<sup>th</sup> Amendment to the Reuse Cooperative Agreement changed the completion date for construction to December 31, 2012 and was approved by City Council on April 21, 2008. The 4<sup>th</sup> Amendment allowed for the completion of the expansion of the Cobb Road wastewater treatment plant for reuse to April 30, 2012. The City's ability to meet its obligations under this agreement was impeded by the bankruptcy of Hampton Ridge Developers, LLC and the surety bond litigation. The City reached a settlement with its surety bond litigation approved by City Council on June 6, 2011.

The City entered into a contract with Encore Construction at a cost of \$3,285,000. Ordinance No. 822 entitled Encore Contract Amendment approved on 2<sup>nd</sup> reading by City Council on August 15, 2011 which set forth the authority to proceed with Encore Construction Company as the contractor for completion of the Cobb Road Water Reclamation Facility.

In October, 2012, the City proceeded with the installation of the reuse components to its Cobb Road Water Reclamation Facility (Cobb). This was done to take advantage of a funding agreement with the SWFWMD before it expired. The improvements did not add any treatment capacity to the Wastewater Treatment Plant; the improvements only improved the quality of water discharged from the plant. The funding for the Cobb Road expansion is coming from the Bond Settlement Funds, Sewer Impact Fees, and the Southwest Florida Water Management District Reuse Cooperative Funding Agreement.

As of September 30, 2013, the construction contract with Encore Construction for the modification is closed. The modifications to the Cobb Road Water Reclamation Facility were completed on time and on budget. This satisfied the contract requirements for the funding portion of the SWFWM grant agreement. There are continuing reporting requirements in the grant agreement. The plant is providing reclaim water to the Southern Hills Plantation for use on the golf course, common landscape areas and individual homes. The Southern Hills Plantation is no longer using water directly from the aquifer.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Sather v. City of Brooksville and American Traffic Solutions, LLC**

The City was served with a Class Action complaint on November 16, 2009 which was brought by a vehicle owner who received a Florida Uniform Traffic Citation on September 19, 2009 for his violation of City of Brooksville Code of Ordinances No. 758.

Attorneys from Public Risk Management are defending the City in regard to this matter. Public Risk Management (PRM) is the City's public entity pool for property, casualty and workers' compensation coverage. This civil lawsuit is currently pending in the Hernando County Circuit Court. PRM has stated they have a duty to defend this claim. However, PRM has reserved their rights as to coverage defenses to certain counts of the complaint. The PRM Coverage document has exclusion against the Member gaining in fact any personal profit or advantage to which they are not legally entitled including remuneration paid in violation of law as determined by the Courts.

**Energy Systems Group Project**

On April 28, 2011, the City Council approved the Guaranteed Energy Savings Performance Contract with Energy Systems Group. Council approved the conservation measures projects to move forward to be completed through the Guaranteed Energy Savings Performance contract. The selected conservation projects are the following: City Hall HVAC, City Hall Roof, Public Works HVAC, Public Works Lighting, Walking Trail Lighting, and radio-read water meters.

Through SunTrust, the City issued debt on May 20, 2011 in the amount of \$3,333,022 entitled "City of Brooksville, Florida Capital Improvement Revenue Note, Series 2011, Financing Energy Performance Projects". The proceeds of this debt have been used to fund the energy savings projects as discussed in the above paragraph.

During 2012, the City had drawn from the SunTrust Escrow account \$3,193,849 for energy projects. The remaining project which was added to the 2012-2013 budget is an upgrade for the Brooksville Police Department HVAC.

The Brooksville Police Department HVAC project was completed July 31, 2013. This satisfied the "City of Brooksville, Florida Capital Improvement Revenue Note, Series 2011, and Financing Energy Performance Projects."

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Southern Hills Phase 3A-1, Phase 3, Final Asphalt Lift, and Southern Hills Boulevard Mill and Resurface Bid No. PW 2012-03**

On November 21, 2011, City Council were provided an engineering analysis for the work required to complete civil improvements and infrastructure for Phases 3A-1, Phase 3, and roadway repairs to Southern Hills Boulevard and Phase 2 for the Southern Hills Plantation subdivision. Phase 2 was bid separately by the Southern Hills Homeowners Association. City gave the Southern Hills Homeowners Association the \$78,931 to complete Phase 2 from the Bond Settlement monies. On November 21, 2011 the City Council approved bidding the projects. The City's budget for these Southern Hills Plantation projects is based on the proceeds from the bond settlement involving infrastructure commitments taken on by Hampton Ridge Developers, LLC and affiliates in the process of developing the overall project (less legal fees and budgeted allocation of the Cobb Road Water Reuse facility). The money available for the repairs was approximately \$1,291,000. On March 13, 2012 City Council approved the bid to Goodwin Brothers Construction for \$880,678 for the Southern Hills Phase 3A-1, Phase 3, and Southern Hills Boulevard. Approximately \$60,000 was spent on Bond Settlement funds in Southern Hills in the 2011-2012 fiscal year.

*Phase 3a-1*

*Extension of Summit View and construction of Real Tree Lane:*

This project began in May of 2012 and included roadway construction, installation and availability to thirteen residential lots, potable water, reuse water irrigation, sanitary sewer service, storm water drainage and all other necessary utilities. There was installed more than 1900 feet of potable water lines, 1500 feet of reuse water lines and 1500 feet of sanitary sewer lines.

Additionally storm drains and infrastructure was provided, sidewalks installed and grass sod placement at common areas and between the curbs and sidewalks. Completion of the project was in early April 2013. That included additional construction time of about 6 months due to an exceptionally wet spring in 2012. The City was satisfied with the contractors work performance and completion of the project.

*Phase 3 -Final asphalt lift*

This project consisted mainly of paving the remainder of roadways in phase 3. This included the existing section of Evening Ray Drive, portions of Summit View and portions of Creek Ridge Drive. Road bases where damaged were repaired prior to paving. Sod, sidewalks and handrails were installed per plans. This project was completed successfully and within the extended time allowances due to wet weather. The City was satisfied with the work done.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Southern Hills Phase 3A-1, Phase 3, Final Asphalt Lift, and Southern Hills Boulevard Mill and Resurface Bid No. PW 2012-03 (Continued)**

*Southern Hills Boulevard  
Mill and resurface roadway*

The existing pavement was removed up to 2 inches. The roadway was proof rolled for compaction and was found to be structurally sound. New asphalt in one application was completed. This project was finished successfully and on time in the spring of 2013. It should be noted that after completion of the project, there were concerns about a couple of areas of pavement that seemed to indicate a washboard type surface. The contractor met with the Project Engineer and City staff on location where a Rolling Straight Edge device was used to determine if the road surface was level. Testing revealed that the ride-ability of the roadway was well within Florida Department of Transportation requirements. The City was satisfied with this test and conclusion of the project.

**Good Neighbor Trail Phase 2B**

Construction on the Good Neighbor Trail Phase 2B through Majestic Oaks was completed via MPO enhancement funding in the 2012-13 fiscal year. The City has assumed maintenance responsibility for all of the segments of the Good Neighbor Trail project that are within the incorporated area.

**Acceptance of EPA Brownfields Assessment Grant of \$400,000**

On October 15, 2012 the City Council approved acceptance of a United States Environmental Protection Agency (EPA) Brownfields Assessment \$400,000 Grant. The notice of award by the EPA was sent to the City on September 27, 2012. The City of Brooksville was one of four Florida cities to be named as an EPA grant recipient. The EPA Brownfields Assessment Grant funds may be used for community engagement and outreach, identification of priority sites, conducting Phase I and Phase II Environmental Site Assessments at priority sites that qualify, and conducting cleanup and redevelopment planning of assessed Brownfield properties.

The City received confirmation from the Southwest Florida Water Management District on December 21, 2012 that the City has met the contractual obligation of December 31, 2012, that the reclaim portions of our Cobb Road Wastewater Treatment Plant (WTP) were completed on time.

As of September 30, 2013, the Cobb Road Water Reclamation Facility is now providing reclaim water to the Southern Hills Plantation for use on the golf course, common landscape areas and individual homes. The Southern Hills Plantation is no longer using water directly from the aquifer.

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 15 GOVERNMENTAL FUND BALANCE CLASSIFICATION**

Certain funds reported as special revenue funds in the prior year did not meet the criteria, as defined in GASB Statement No. 54, for treat as special revenue funds. These funds have been incorporated into the general fund for financial reporting purposes.

As a result of this the City's governmental fund balances as of September 30, 2013 were classified as follows:

	Major Funds					Total Governmental Funds
	City of Brooksville Community Redevelopment Agency	Traffic Camera Fund	Fire Department Fund	Nonmajor Governmental Funds	General Fund	
<b>Nonspendable:</b>						
Inventories	\$ 1,925	\$ -	\$ -	\$ -	\$ -	\$ 1,925
Prepaid Items	17,572	-	-	-	-	17,572
Long-Term Receivable	67,500	-	-	-	-	67,500
Advance to Other Funds	97,516	-	-	-	-	97,516
<b>Total nonspendable</b>	<b>184,513</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,513</b>
<b>Restricted:</b>						
Community Redevelopment	-	478,416	-	-	-	478,416
Local Option Gas Tax	-	-	-	16,390	-	16,390
Law Enforcement	-	-	-	84,956	-	84,956
Impact Fees	-	-	-	2,099,682	-	2,099,682
Law Enforcement Grants and Donations	-	-	-	28,655	-	28,655
Enrichment Center	-	-	-	4,328	-	4,328
Capital Project Funds	-	-	-	80,255	-	80,255
Debt Service Funds	-	-	-	67,875	-	67,875
Cemetery Perpetual Care	-	-	-	365,208	-	365,208
<b>Total restricted</b>	<b>-</b>	<b>478,416</b>	<b>-</b>	<b>2,747,349</b>	<b>-</b>	<b>3,225,765</b>
<b>Committed:</b>						
Traffic Camera	-	-	482,653	-	-	482,653
First Tee	-	-	-	41,002	-	41,002
<b>Total Committed</b>	<b>-</b>	<b>-</b>	<b>482,653</b>	<b>-</b>	<b>41,002</b>	<b>523,655</b>
<b>Assigned:</b>						
Good Neighbor Trail Project	2,138	-	-	-	-	2,138
Major Storm Readiness	73,195	-	-	-	-	73,195
Tree and Streetscaping	85,087	-	-	-	-	85,087
Capital Project Funds	-	-	-	425,174	-	425,174
<b>Total assigned</b>	<b>160,420</b>	<b>-</b>	<b>-</b>	<b>425,174</b>	<b>-</b>	<b>585,594</b>
<b>Unassigned (deficit)</b>	<b>690,707</b>	<b>-</b>	<b>-</b>	<b>(47,952)</b>	<b>-</b>	<b>642,755</b>
<b>Total Fund Balance (deficit)</b>	<b>\$ 1,035,640</b>	<b>\$ 478,416</b>	<b>\$ 478,416</b>	<b>\$ (47,952)</b>	<b>\$ 3,373,945</b>	<b>\$ 5,162,282</b>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL- GENERAL FUND  
SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,574,763	\$ 3,574,763	\$ 3,638,233	\$ 63,470
Licenses and Permits	769,145	769,145	745,146	(23,999)
Intergovernmental Revenue	1,189,496	1,189,496	754,718	(434,778)
Charges for Services	168,500	168,500	182,484	13,984
Fines and Forfeits	67,250	67,250	63,156	(4,094)
Net Investment Earnings	19,500	19,500	1,307	(18,193)
Miscellaneous Revenues	152,750	153,750	150,133	(3,617)
Balances Carried Forward	357,538	357,538	-	(357,538)
Total Revenues	<u>6,298,942</u>	<u>6,299,942</u>	<u>5,535,177</u>	<u>(764,765)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,749,804	1,770,773	1,628,963	141,810
Culture and Recreation	739,388	739,388	649,583	89,805
Public Safety	2,068,818	2,072,496	1,993,564	78,932
Physical Environment	103,223	103,223	102,649	574
Transportation	583,191	584,242	552,175	32,067
Capital Outlay	536,283	536,283	52,656	483,627
Total Expenditures	<u>5,780,707</u>	<u>5,806,405</u>	<u>4,979,590</u>	<u>826,815</u>
Excess (Deficiency) of Revenues Over Expenditures	518,235	493,537	555,587	62,050
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,064,299	1,064,299	1,062,064	(2,235)
Transfers Out	(1,347,059)	(1,347,059)	(1,299,176)	47,883
Reserves	(235,475)	(210,777)	-	210,777
Total Other Financing Sources (Uses)	<u>(518,235)</u>	<u>(493,537)</u>	<u>(237,112)</u>	<u>256,425</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	318,475	318,475
Fund Balances, Beginning of Year	-	-	717,165	717,165
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,035,640</u>	<u>\$ 1,035,640</u>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL- COMMUNITY REDEVELOPMENT AGENCY  
SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 80,148	\$ 80,148	\$ 77,577	\$ (2,571)
Net Investment Earnings	650	650	563	(87)
Balances Carried Forward	460,988	460,988	-	(460,988)
Total Revenues	<u>541,786</u>	<u>541,786</u>	<u>78,140</u>	<u>(463,646)</u>
<b>EXPENDITURES</b>				
Current:				
Physical Environment	36,825	36,825	29,498	7,327
Aids to Private Organizations	80,000	80,000	21,943	58,057
Capital Outlay	60,000	60,000	21,337	38,663
Total Expenditures	<u>176,825</u>	<u>176,825</u>	<u>72,778</u>	<u>104,047</u>
Excess (Deficiency) of Revenues Over Expenditures	364,961	364,961	5,362	(359,599)
<b>OTHER FINANCING SOURCES (USES)</b>				
Reserves	(364,961)	(364,961)	-	364,961
Total Other Financing Sources (Uses)	<u>(364,961)</u>	<u>(364,961)</u>	<u>-</u>	<u>364,961</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	5,362	5,362
Fund Balances, Beginning of Year	-	-	473,054	473,054
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,416</u>	<u>\$ 478,416</u>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL- TRAFFIC CAMERA FUND  
SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Fines and Forfeits	2,449,632	2,706,911	2,713,342	6,431
Miscellaneous Revenues	-	3,829	9	(3,820)
Balances Carried Forward	39,235	39,235	-	(39,235)
Total Revenues	<u>2,488,867</u>	<u>2,749,975</u>	<u>2,713,351</u>	<u>(36,624)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,949,731	2,100,186	2,123,046	(22,860)
Capital Outlay	30,000	30,000	37,536	(7,536)
Total Expenditures	<u>1,979,731</u>	<u>2,130,186</u>	<u>2,160,582</u>	<u>(30,396)</u>
Excess (Deficiency) of Revenues Over Expenditures	509,136	619,789	552,769	(67,020)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(200,250)	(200,250)	(200,250)	-
Reserves	(308,886)	(419,539)	-	419,539
Total Other Financing Sources (Uses)	<u>(509,136)</u>	<u>(619,789)</u>	<u>(200,250)</u>	<u>419,539</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	352,519	352,519
Fund Balances, Beginning of Year	-	-	130,134	130,134
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,653</u>	<u>\$ 482,653</u>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL- FIRE DEPARTMENT FUND  
SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 380,000	\$ 380,000	\$ 301,972	\$ (78,028)
Licenses and Permits	-	-	375	375
Intergovernmental Revenue	-	-	3,250	3,250
Miscellaneous Revenues	-	-	4,804	4,804
Total Revenues	<u>380,000</u>	<u>380,000</u>	<u>310,401</u>	<u>(69,599)</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	1,444,580	1,469,982	1,419,380	50,602
Debt Service:				
Principal	40,027	40,027	39,976	51
Interest	17,243	17,243	19,558	(2,315)
Capital Outlay	2,050	2,050	-	2,050
Total Expenditures	<u>1,503,900</u>	<u>1,529,302</u>	<u>1,478,914</u>	<u>50,388</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,123,900)	(1,149,302)	(1,168,513)	(19,211)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,239,366	1,239,366	1,239,366	-
Transfers Out	(9,526)	(9,526)	(4,500)	5,026
Reserves	(105,940)	(80,538)	-	80,538
Total Other Financing Sources (Uses)	<u>1,123,900</u>	<u>1,149,302</u>	<u>1,234,866</u>	<u>85,564</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	66,353	66,353
Fund Balances (Deficit), Beginning of Year	-	-	(114,305)	(114,305)
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,952)</u>	<u>\$ (47,952)</u>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF FUNDING PROGRESS  
SEPTEMBER 30, 2013**

**Supplementary Schedule of Funding Progress  
(in thousands of dollars)**

Actuarial Valuation Date	Entry Age Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<b>Firefighters' Retirement Trust Fund</b>						
10/1/2004	\$ 3,638,910	\$ 4,212,509	\$ 573,599	86.38%	\$ 447,703	128.1%
10/1/2005	\$ 3,790,259	\$ 4,497,765	\$ 707,506	84.27%	\$ 603,701	117.2%
10/1/2006	\$ 4,029,916	\$ 4,672,236	\$ 642,320	86.25%	\$ 676,103	95.0%
10/1/2007	\$ 4,335,385	\$ 5,071,858	\$ 736,473	85.48%	\$ 721,491	102.1%
10/1/2008	\$ 4,330,318	\$ 5,486,712	\$ 1,156,394	78.92%	\$ 805,384	143.6%
10/1/2009	\$ 4,421,906	\$ 5,732,264	\$ 1,310,358	77.14%	\$ 831,397	157.6%
10/1/2010	\$ 4,527,289	\$ 5,896,346	\$ 1,369,057	76.8%	\$ 750,916	182.3%
10/1/2011	\$ 4,484,550	\$ 6,219,138	\$ 1,734,588	72.1%	\$ 687,564	252.3%
10/1/2012	\$ 4,810,525	\$ 6,488,945	\$ 1,678,420	74.1%	\$ 651,086	257.8%
<b>Police Officers' Retirement Chapter 185</b>						
10/1/2004	\$ 1,436,530	\$ -	\$ -	0%	\$ 381,485	0%
10/1/2005	\$ 1,793,050	\$ -	\$ -	0%	\$ 447,677	0%
10/1/2006	\$ 2,124,194	\$ -	\$ -	0%	\$ 630,818	0%
10/1/2007	\$ 2,543,399	\$ -	\$ -	0%	\$ 722,141	0%
10/1/2008	\$ 2,767,031	\$ 2,596,143	\$ (170,888)	106.6%	\$ 884,446	-19.3%
10/1/2009	\$ 2,942,336	\$ 2,892,544	\$ (49,792)	101.7%	\$ 947,749	-5.3%
10/1/2010	\$ 3,102,669	\$ 3,239,304	\$ 136,635	95.8%	\$ 959,684	14.2%
10/1/2011	\$ 3,208,199	\$ 3,477,532	\$ 269,333	92.3%	\$ 1,162,664	23.2%
10/1/2012	\$ 3,524,461	\$ 3,560,524	\$ 36,063	99.0%	\$ 1,155,943	3.1%

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
SEPTEMBER 30, 2013**

**Supplementary Schedule of Employer Contributions**

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<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Percentage Contributed</u>
<b>Firefighters' Retirement Trust Fund</b>				
2004	\$ 146,006	\$ 60,422	\$ 87,158 (1)	101.1%
2005	\$ 193,387	\$ 99,914	\$ 93,473	100.0%
2006	\$ 199,876	\$ 120,301	\$ 95,088 (1)	107.8%
2007	\$ 225,402	\$ 136,406	\$ 95,088 (1)	102.7%
2008	\$ 245,722	\$ 165,510	\$ 98,795	107.6%
2009	\$ 279,598	\$ 187,821	\$ 103,671	104.3%
2010	\$ 299,293	\$ 196,922	\$ 102,371	100.0%
2011	\$ 310,150	\$ 218,000	\$ 92,150	100.0%
2012	\$ 291,625	\$ 227,759	\$ 63,866	100.0%

(1) "Frozen" pursuant to the provisions of Chapter 175, Florida Statutes, as amended.

**Police Officers' Retirement Chapter 185**

2004	\$ 133,457	\$ -	\$ 181,704 (2)	100.0%
2005	\$ 145,651	\$ -	\$ 180,300 (2)	100.0%
2006	\$ 138,387	\$ -	\$ 180,300 (2)	100.0%
2007	\$ 180,894	\$ 594	\$ 180,300 (2)	100.0%
2008	\$ 188,896	\$ 8,596	\$ 180,300 (2)	100.0%
2009	\$ 292,030	\$ 142,846	\$ 149,184	100.0%
2010	\$ 340,473	\$ 221,129	\$ 119,344	100.0%
2011	\$ 401,006	\$ 277,567	\$ 123,439	100.0%
2012	\$ 394,875	\$ 292,599	\$ 102,276	100.0%

(2) "Frozen" pursuant to the provisions of Chapter 185, Florida Statutes, as amended.

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	Special Revenue Funds									
	Police Special Education Fund	Law Enforcement Trust Fund	Local Option Gas Tax	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees		
<b>ASSETS</b>										
Pooled Cash and Investments	\$ 26,980	\$ 39,695	-	\$ 33,373	\$ 3,941	\$ 182,035	\$ 48,933	\$ 44,540		
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-	-		
Accounts Receivable	-	-	-	-	-	-	-	-		
Due from Other Funds	-	-	-	-	-	-	-	-		
Due from Other Governments	560	-	19,086	-	-	-	-	-		
<b>Total Assets</b>	<b>\$ 27,540</b>	<b>\$ 39,695</b>	<b>\$ 19,086</b>	<b>\$ 33,373</b>	<b>\$ 3,941</b>	<b>\$ 182,035</b>	<b>\$ 48,933</b>	<b>\$ 44,540</b>		
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ 2,695	\$ 15,652	\$ -	\$ 130,641	\$ -	\$ -		
Unearned Revenue	-	-	-	-	341	525	230	318		
Due to Other Funds	-	-	-	-	-	-	-	-		
Other Current Liabilities	-	-	-	-	-	-	-	-		
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,695</b>	<b>15,652</b>	<b>341</b>	<b>131,166</b>	<b>230</b>	<b>318</b>		
Fund Balance:										
Restricted	27,540	39,695	16,391	17,721	3,600	50,869	48,703	44,222		
Committed	-	-	-	-	-	-	-	-		
Assigned	-	-	-	-	-	-	-	-		
<b>Total Fund Balance</b>	<b>27,540</b>	<b>39,695</b>	<b>16,391</b>	<b>17,721</b>	<b>3,600</b>	<b>50,869</b>	<b>48,703</b>	<b>44,222</b>		
<b>Total Liabilities and Fund Balance</b>	<b>\$ 27,540</b>	<b>\$ 39,695</b>	<b>\$ 19,086</b>	<b>\$ 33,373</b>	<b>\$ 3,941</b>	<b>\$ 182,035</b>	<b>\$ 48,933</b>	<b>\$ 44,540</b>		

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2013**

	Special Revenue Funds							Total Special Revenue Funds
	Justice Assistance Grant	Road Impact Fees	Fire Grants and Donations	Police Grants and Donation	First Tee	Enrichment Center Premises Maintenance	Brownfields Assessment Grant	
<b>ASSETS</b>								
Pooled Cash and Investments	-	\$ 2,119,047	\$ 10,982	\$ 17,868	\$ 41,002	\$ 3,610	-	\$ 2,572,006
Restricted Pooled Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	1,065	-	1,065
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governments	2,430	-	-	-	-	-	55,103	77,179
<b>Total Assets</b>	<b>\$ 2,430</b>	<b>\$ 2,119,047</b>	<b>\$ 10,982</b>	<b>\$ 17,868</b>	<b>\$ 41,002</b>	<b>\$ 4,675</b>	<b>\$ 55,103</b>	<b>\$ 2,650,250</b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts Payable	-	-	-	\$ 195	-	\$ 347	\$ 42,098	\$ 191,628
Unearned Revenue	-	4,779	-	-	-	-	-	6,193
Due to Other Funds	2,430	-	-	-	-	-	13,005	15,435
Other Current Liabilities	-	161,981	-	-	-	-	-	161,981
<b>Total Liabilities</b>	<b>2,430</b>	<b>166,760</b>	<b>-</b>	<b>195</b>	<b>-</b>	<b>347</b>	<b>55,103</b>	<b>375,237</b>
<b>Fund Balance:</b>								
Restricted	-	1,952,287	10,982	17,673	-	4,328	-	2,234,011
Committed	-	-	-	-	41,002	-	-	41,002
Assigned	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>1,952,287</b>	<b>10,982</b>	<b>17,673</b>	<b>41,002</b>	<b>4,328</b>	<b>-</b>	<b>2,275,013</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,430</b>	<b>\$ 2,119,047</b>	<b>\$ 10,982</b>	<b>\$ 17,868</b>	<b>\$ 41,002</b>	<b>\$ 4,675</b>	<b>\$ 55,103</b>	<b>\$ 2,650,250</b>

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2013**

	Capital Project Funds						Total Capital Project Funds
	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note- Loan - 2011	Capital Improvement Loan - Capital Projects	Bond Settlement		
<b>ASSETS</b>							
Pooled Cash and Investments	\$ 24,215	\$ 10,720	\$ -	\$ 6,142	\$ -	\$ 442,036	
Restricted Pooled Cash and Investments	-	2,504	-	-	112,148	114,652	
Accounts Receivable	-	-	-	-	-	-	
Due from Other Funds	-	-	-	-	-	-	
Due from Other Governments	-	27	-	-	-	27	
<b>Total Assets</b>	<b>\$ 24,215</b>	<b>\$ 13,251</b>	<b>\$ -</b>	<b>\$ 6,142</b>	<b>\$ 112,148</b>	<b>\$ 556,715</b>	
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 51,286	\$ 51,286	
Unearned Revenue	-	-	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	
Other Current Liabilities	-	-	-	-	-	-	
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,286</b>	<b>51,286</b>	
<b>Fund Balance:</b>							
Restricted	-	13,251	-	6,142	60,862	80,255	
Committed	-	-	-	-	-	-	
Assigned	24,215	400,959	-	-	-	425,174	
<b>Total Fund Balance</b>	<b>24,215</b>	<b>400,959</b>	<b>-</b>	<b>6,142</b>	<b>60,862</b>	<b>505,429</b>	
<b>Total Liabilities and Fund Balance</b>	<b>\$ 24,215</b>	<b>\$ 400,959</b>	<b>\$ -</b>	<b>\$ 6,142</b>	<b>\$ 112,148</b>	<b>\$ 556,715</b>	

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2013**

	Debt Service Funds		Permanent Fund		Total Nonmajor Governmental Funds
	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds	Cemetery Perpetual Care	
<b>ASSETS</b>					
Pooled Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 3,014,042
Restricted Pooled Cash and Investments	75,952	24,425	100,377	347,397	562,426
Accounts Receivable	-	-	-	-	1,065
Due from Other Funds	-	-	-	17,811	17,811
Due from Other Governments	-	-	-	-	77,206
<b>Total Assets</b>	<b>\$ 75,952</b>	<b>\$ 24,425</b>	<b>\$ 100,377</b>	<b>\$ 365,208</b>	<b>\$ 3,672,550</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 242,914
Unearned Revenue	-	-	-	-	6,193
Due to Other Funds	-	-	-	-	15,435
Other Current Liabilities	31,918	584	32,502	-	194,483
<b>Total Liabilities</b>	<b>31,918</b>	<b>584</b>	<b>32,502</b>	<b>-</b>	<b>459,025</b>
Fund Balance:					
Restricted	44,034	23,841	67,875	365,208	2,747,349
Committed	-	-	-	-	41,002
Assigned	-	-	-	-	425,174
<b>Total Fund Balance</b>	<b>44,034</b>	<b>23,841</b>	<b>67,875</b>	<b>365,208</b>	<b>3,213,525</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 75,952</b>	<b>\$ 24,425</b>	<b>\$ 100,377</b>	<b>\$ 365,208</b>	<b>\$ 3,672,550</b>

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds									
	Police Special Education Fund	Law Enforcement Trust Fund	Local Option Gas Tax	Law Enforcement Investigative Trust	Law Enforcement Impact Fees	Public Building Impact Fees	Fire Impact Fees	Parks Impact Fees		
<b>REVENUES</b>										
Taxes	-	\$ -	247,184	\$ -	\$ -	\$ -	\$ -	\$ -		
Licenses and Permits	-	-	-	-	162	1,047	432	747		
Intergovernmental Revenue	-	-	-	-	-	-	-	-		
Charges for Services	-	-	-	-	-	-	-	-		
Fines and Forfeits	7,890	4,400	-	35,354	-	-	-	-		
Net Investment Earnings	31	17	-	145	12	944	105	135		
Miscellaneous Revenues	-	9,740	-	-	-	-	-	-		
Total Revenues	7,921	14,157	247,184	35,499	174	1,991	537	882		
<b>EXPENDITURES</b>										
Current:										
General Government	-	-	-	-	-	-	-	-		
Culture and Recreation	-	-	-	-	-	-	-	-		
Public Safety	-	-	-	27,543	-	-	-	-		
Transportation	-	-	-	-	-	-	-	-		
Debt Services:										
Principal	-	-	-	-	-	-	-	-		
Interest and Fiscal Charges	-	-	-	-	-	-	-	-		
Aids to Private Organizations	-	-	-	-	-	-	-	-		
Capital Outlay	-	4,267	-	83,543	2,641	214,631	-	-		
Total Expenditures	-	4,267	-	111,086	2,641	214,631	-	-		
Excess (Deficiency) of Revenues Over Expenditures	7,921	9,890	247,184	(75,587)	(2,467)	(212,640)	537	882		
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-	-	-	-	-		
Transfers Out	-	-	(248,583)	-	-	-	-	-		
Total Other Financing Sources (Uses)	-	-	(248,583)	-	-	-	-	-		
<b>NET CHANGE IN FUND BALANCES</b>	7,921	9,890	(1,399)	(75,587)	(2,467)	(212,640)	537	882		
Fund Balances, Beginning of Year	19,619	29,805	17,790	93,308	6,067	263,509	48,166	43,340		
<b>FUND BALANCES, END OF YEAR</b>	\$ 27,540	\$ 39,695	\$ 16,391	\$ 17,721	\$ 3,600	\$ 50,869	\$ 48,703	\$ 44,222		

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds							Total Special Revenue Funds
	Justice Assistance Grant	Road Impact Fees	Fire Grants and Donations	Police Grants and Donations	First Tee	Enrichment Center Premises Maintenance	Brownfields Assessment Grant	
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,184
Licenses and Permits	-	(3,518)	-	-	-	-	-	(1,130)
Intergovernmental Revenue	28,775	-	-	-	-	77,082	-	105,857
Charges for Services	-	-	-	-	21,214	-	-	21,214
Fines and Forfeits	-	-	-	-	-	-	-	47,644
Net Investment Earnings	-	1,779	9	37	45	-	-	3,259
Miscellaneous Revenues	-	-	2,070	2,000	-	6,183	-	19,993
Total Revenues	28,775	(1,739)	2,079	2,037	21,259	6,183	77,082	444,021
<b>EXPENDITURES</b>								
Current:								
General Government	-	-	-	-	-	-	77,082	77,082
Culture and Recreation	-	-	-	-	4,873	10,422	-	15,295
Public Safety	-	-	253	2,741	-	-	-	30,537
Transportation	-	-	-	-	-	-	-	-
Debt Services:								
Principal	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Aids to Private Organizations	-	-	-	-	-	-	-	-
Capital Outlay	31,449	-	-	-	-	-	-	336,531
Total Expenditures	31,449	-	253	2,741	4,873	10,422	77,082	459,445
Excess (Deficiency) of Revenues Over Expenditures	(2,674)	(1,739)	1,826	(704)	16,386	(4,239)	-	(15,424)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	2,674	-	-	-	-	6,949	-	9,623
Transfers Out	-	-	-	-	(2,073)	-	-	(250,656)
Total Other Financing Sources (Uses)	2,674	-	-	-	(2,073)	6,949	-	(241,033)
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,739)	1,826	(704)	14,313	2,710	-	(256,457)
Fund Balances, Beginning of Year	-	1,954,026	9,156	18,377	26,689	1,618	-	2,531,470
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ 1,952,287	\$ 10,982	\$ 17,673	\$ 41,002	\$ 4,328	\$ -	\$ 2,275,013

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**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Capital Project Funds						Total Capital Project Funds
	Multi-Year Capital Project Accumulation	Capital Improvement Revenue 2006 Bond	Capital Improvement Revenue Note - 2011	Capital Improvement Loan - Capital Projects	Bond Settlement		
<b>REVENUES</b>							
Taxes	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and Permits	-	32,693	-	-	-	-	32,693
Intergovernmental Revenue	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-
Net Investment Earnings	87	11	-	254	1,144	-	2,273
Miscellaneous Revenues	-	-	-	-	-	-	-
Total Revenues	87	32,704	-	254	1,144	-	34,966
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Culture and Recreation	174	-	-	-	-	-	174
Public Safety	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Debt Services:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Aids to Private Organizations	-	-	-	-	-	-	-
Capital Outlay	9,650	-	-	133,285	896,366	-	896,366
Total Expenditures	9,824	-	-	133,285	896,366	-	1,178,442
Excess (Deficiency) of Revenues Over Expenditures	(9,737)	32,704	-	(133,031)	(895,222)	(1,143,476)	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	303,780	-	-	-	403,780
Transfers Out	-	(55,939)	(303,780)	-	-	-	(359,719)
Total Other Financing Sources (Uses)	-	(55,939)	-	-	-	-	44,061
<b>NET CHANGE IN FUND BALANCES</b>	(9,737)	(23,235)	-	(133,031)	(895,222)	(1,099,415)	
Fund Balances, Beginning of Year	33,952	36,486	-	139,173	956,084	1,604,844	
<b>FUND BALANCES, END OF YEAR</b>	\$ 24,215	\$ 13,251	\$ -	\$ 6,142	\$ 60,862	\$ 505,429	

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Debt Service Funds		Permanent Fund		Total Nonmajor Governmental Funds
	Capital Improvement Revenue Note - 2011	Capital Improvement Revenue Bond 2006	Total Debt Service Funds	Cemetery Perpetual Care	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 247,184
Licenses and Permits	-	-	-	-	31,563
Intergovernmental Revenue	-	-	-	-	105,857
Charges for Services	-	-	-	-	21,214
Fines and Forfeits	-	-	-	-	47,644
Net Investment Earnings	-	29	29	1,271	6,832
Miscellaneous Revenues	-	-	-	-	19,993
Total Revenues	-	29	29	1,271	480,287
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	77,082
Culture and Recreation	-	-	-	-	15,469
Public Safety	-	-	-	-	30,537
Transportation	-	-	-	-	25,967
Debt Services:					
Principal	171,648	5,189	176,837	-	176,837
Interest and Fiscal Charges	130,080	7,811	137,891	-	137,891
Aids to Private Organizations	-	-	-	-	896,366
Capital Outlay	-	-	-	-	592,466
Total Expenditures	301,728	13,000	314,728	-	1,952,615
Excess (Deficiency) of Revenues Over Expenditures	(301,728)	(12,971)	(314,699)	1,271	(1,472,328)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	303,780	12,435	316,215	10,009	739,627
Transfers Out	-	-	-	-	(610,375)
Total Other Financing Sources (Uses)	303,780	12,435	316,215	10,009	129,252
<b>NET CHANGE IN FUND BALANCES</b>	2,052	(536)	1,516	11,280	(1,343,076)
Fund Balances, Beginning of Year	41,982	24,377	66,359	353,928	4,556,601
<b>FUND BALANCES, END OF YEAR</b>	\$ 44,034	\$ 23,841	\$ 67,875	\$ 365,208	\$ 3,213,525

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds									
	Police Special Education Fund					Law Enforcement Trust Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			Original	Final			Original	Final	
<b>REVENUES</b>										
Fines and Forfeits	\$ 4,000	\$ 4,000	\$ 7,890	\$ 3,890	\$ 10,000	\$ 10,000	\$ 4,400	\$ 10,000	\$ 10,000	\$ 4,400
Net Investment Earnings	-	-	31	31	10	10	17	10	10	17
Miscellaneous Revenues	-	-	-	-	-	-	-	-	-	9,740
Total Revenues	4,000	4,000	7,921	3,921	10,010	10,010	14,157	10,010	10,010	14,157
<b>EXPENDITURES</b>										
Current:										
Public Safety	10,000	10,000	-	10,000	1,000	1,000	-	1,000	1,000	1,000
Capital Outlay	-	-	-	-	4,500	4,500	4,267	4,500	4,500	233
Total Expenditures	10,000	10,000	-	10,000	5,500	5,500	4,267	5,500	5,500	1,233
Excess (Deficiency) of Revenues Over Expenditures	(6,000)	(6,000)	7,921	13,921	4,510	4,510	9,890	4,510	4,510	5,380
<b>OTHER FINANCING SOURCES (USES)</b>										
Reserves	6,000	6,000	-	(6,000)	(4,510)	(4,510)	-	(4,510)	(4,510)	4,510
Total Other Financing Sources (Uses)	6,000	6,000	-	(6,000)	(4,510)	(4,510)	-	(4,510)	(4,510)	4,510
<b>NET CHANGE IN FUND BALANCES</b>	-	-	7,921	7,921	-	-	9,890	-	-	9,890
Fund Balances, Beginning of Year	-	-	19,619	19,619	-	-	29,805	-	-	29,805
<b>FUND BALANCES, END OF YEAR</b>	-	-	\$ 27,540	\$ 27,540	-	-	\$ 39,695	-	-	\$ 39,695

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds						Variance with Final Budget Positive (Negative)
	Local Option Gas Tax			Law Enforcement Investigative Trust			
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	
Original	Final		Original	Final		Variance with Final Budget Positive (Negative)	
<b>REVENUES</b>							
Taxes	\$ 250,820	\$ 250,820	\$ 247,184	\$ -	\$ -	\$ -	\$ -
Fines and Forfeits	-	-	-	60,000	60,000	35,354	(24,646)
Net Investment Earnings	-	-	-	-	-	145	145
Total Revenues	<u>250,820</u>	<u>250,820</u>	<u>247,184</u>	<u>60,000</u>	<u>60,000</u>	<u>35,499</u>	<u>(24,501)</u>
<b>EXPENDITURES</b>							
Current:							
Public Safety	-	-	-	25,000	25,000	27,543	(2,543)
Capital Outlay	-	-	-	86,000	86,000	83,543	2,457
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,000</u>	<u>111,000</u>	<u>111,086</u>	<u>(86)</u>
Excess (Deficiency) of Revenues Over Expenditures	250,820	250,820	247,184	(51,000)	(51,000)	(75,587)	(24,587)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers Out	(250,820)	(250,820)	(248,583)	-	-	-	-
Reserves	-	-	-	51,000	51,000	-	(51,000)
Total Other Financing Sources (Uses)	<u>(250,820)</u>	<u>(250,820)</u>	<u>(248,583)</u>	<u>51,000</u>	<u>51,000</u>	<u>-</u>	<u>(51,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(1,399)	-	-	(75,587)	(75,587)
Fund Balances, Beginning of Year	-	-	17,790	-	-	93,308	93,308
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,721</u>	<u>\$ 17,721</u>

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds									
	Law Enforcement Impact Fees					Public Building Impact Fees				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final			Original	Final					
<b>REVENUES</b>										
Licenses and Permits	\$ -	\$ -	\$ 162	\$ 162	\$ -	\$ -	\$ -	\$ 1,047	\$ 1,047	\$ 1,047
Net Investment Earnings	20	20	12	(8)	650	650	650	944	294	294
Total Revenues	20	20	174	154	650	650	650	1,991	1,341	1,341
<b>EXPENDITURES</b>										
Capital Outlay	-	5,967	2,641	3,326	197,700	216,301	216,301	214,631	1,670	1,670
Total Expenditures	-	5,967	2,641	3,326	197,700	216,301	216,301	214,631	1,670	1,670
Excess (Deficiency) of Revenues Over Expenditures	20	(5,947)	(2,467)	3,480	(197,050)	(215,651)	(215,651)	(212,640)	3,011	3,011
<b>OTHER FINANCING SOURCES (USES)</b>										
Reserves	(20)	5,947	-	(5,947)	197,050	215,651	215,651	-	(215,651)	(215,651)
Total Other Financing Sources (Uses)	(20)	5,947	-	(5,947)	197,050	215,651	215,651	-	(215,651)	(215,651)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(2,467)	(2,467)	-	-	-	(212,640)	(212,640)	(212,640)
Fund Balances, Beginning of Year	-	-	6,067	6,067	-	-	-	263,509	263,509	263,509
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,600</b>	<b>\$ 3,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,869</b>	<b>\$ 50,869</b>	<b>\$ 50,869</b>

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds											
	Fire Impact Fees					Parks Impact Fees						
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final			
<b>REVENUES</b>												
Licenses and Permits	\$ -	\$ -	\$ 432	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 747	\$ 747
Net Investment Earnings	180	180	105	(75)	190	190	135	(55)	190	190	135	(55)
Total Revenues	180	180	537	357	190	190	882	692	190	190	882	692
<b>EXPENDITURES</b>												
Capital Outlay	6,000	6,000	-	6,000	30,000	30,000	-	30,000	30,000	30,000	-	30,000
Total Expenditures	6,000	6,000	-	6,000	30,000	30,000	-	30,000	30,000	30,000	-	30,000
Excess (Deficiency) of Revenues Over Expenditures	(5,820)	(5,820)	537	6,357	(29,810)	(29,810)	882	30,692	(29,810)	(29,810)	882	30,692
<b>OTHER FINANCING SOURCES (USES)</b>												
Reserves	5,820	5,820	-	(5,820)	29,810	29,810	-	(29,810)	29,810	29,810	-	(29,810)
Total Other Financing Sources (Uses)	5,820	5,820	-	(5,820)	29,810	29,810	-	(29,810)	29,810	29,810	-	(29,810)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	537	537	-	-	882	882	-	-	882	882
Fund Balances, Beginning of Year	-	-	48,166	48,166	-	-	43,340	43,340	-	-	43,340	43,340
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 48,703	\$ 48,703	\$ -	\$ -	\$ 44,222	\$ 44,222	\$ -	\$ -	\$ 44,222	\$ 44,222

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds										
	Justice Assistance Grant			Road Impact Fees							
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Final	Actual Amounts		Variance with Final Budget Positive (Negative)		
Original	Final	Final	Original	Final	Final	Original	Final	Original	Final	Final	
<b>REVENUES</b>											
Intergovernmental Revenue	\$ 25,831	\$ 28,775	\$ 28,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	(3,518)
Net Investment Earnings	-	-	-	11,000	11,000	11,000	11,000	1,779	1,779	1,779	(9,221)
Total Revenues	<u>25,831</u>	<u>28,775</u>	<u>28,775</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>(1,739)</u>	<u>(1,739)</u>	<u>(1,739)</u>	<u>(12,739)</u>
<b>EXPENDITURES</b>											
Capital Outlay	28,505	31,449	31,449	-	200,000	200,000	-	-	-	-	200,000
Total Expenditures	<u>28,505</u>	<u>31,449</u>	<u>31,449</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,674)	(2,674)	(2,674)	-	(189,000)	(189,000)	(1,739)	(1,739)	(1,739)	(1,739)	187,261
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	2,674	2,674	2,674	-	-	-	-	-	-	-	-
Reserves	-	-	-	189,000	189,000	189,000	-	-	-	-	(189,000)
Total Other Financing Sources (Uses)	<u>2,674</u>	<u>2,674</u>	<u>2,674</u>	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(189,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-	(1,739)	(1,739)	(1,739)	(1,739)	(1,739)
Fund Balances, Beginning of Year	-	-	-	-	-	-	1,954,026	1,954,026	1,954,026	1,954,026	1,954,026
<b>FUND BALANCES, END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,952,287</u>	<u>\$ 1,952,287</u>	<u>\$ 1,952,287</u>	<u>\$ 1,952,287</u>	<u>\$ 1,952,287</u>

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds								
	Fire Grants and Donations				Police Grants and Donations				
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
Original	Final	Original	Final	Original	Final	Original	Final	Final Budget Positive (Negative)	
<b>REVENUES</b>									
Net Investment Earnings	\$ -	-	\$ 9	9	\$ -	-	\$ 37	37	\$ 37
Miscellaneous Revenues	2,300	2,300	2,070	(230)	1,000	1,000	2,000	1,000	1,000
Total Revenues	<u>2,300</u>	<u>2,300</u>	<u>2,079</u>	<u>(221)</u>	<u>1,000</u>	<u>1,000</u>	<u>2,037</u>	<u>1,037</u>	<u>1,037</u>
<b>EXPENDITURES</b>									
Current:									
Public Safety	1,150	1,150	253	897	5,000	5,000	2,741	2,259	2,259
Capital Outlay	500	500	-	500	8,500	8,500	-	8,500	8,500
Total Expenditures	<u>1,650</u>	<u>1,650</u>	<u>253</u>	<u>1,397</u>	<u>13,500</u>	<u>13,500</u>	<u>2,741</u>	<u>10,759</u>	<u>10,759</u>
Excess (Deficiency) of Revenues Over Expenditures	650	650	1,826	1,176	(12,500)	(12,500)	(704)	11,796	11,796
<b>OTHER FINANCING SOURCES (USES)</b>									
Reserves	(650)	(650)	-	650	12,500	12,500	-	(12,500)	(12,500)
Total Other Financing Sources (Uses)	<u>(650)</u>	<u>(650)</u>	<u>-</u>	<u>650</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>	<u>(12,500)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	1,826	1,826	-	-	(704)	(704)	(704)
Fund Balances, Beginning of Year	-	-	9,156	9,156	-	-	18,377	18,377	18,377
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,982</u>	<u>\$ 10,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,673</u>	<u>\$ 17,673</u>	<u>\$ 17,673</u>

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds									
	First Tee			Enrichment Center			Premises Maintenance			
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>	Original	Final	Actual Amounts	Original	Final	Actual Amounts	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Charges for Services	\$ 12,500	\$ 12,500	\$ 21,214	\$ -	\$ -	\$ 8,714	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	3,000	3,000	-	5,300	7,091	(3,000)	5,300	6,183	6,183	(908)
Net Investment Earnings	-	-	45	-	-	45	-	-	-	-
Total Revenues	15,500	15,500	21,259	5,300	7,091	5,759	5,300	6,183	6,183	(908)
<b>EXPENDITURES</b>	Original	Final	Actual Amounts	Original	Final	Actual Amounts	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	19,350	19,350	4,873	10,300	11,770	14,477	10,300	11,770	10,422	1,348
Total Expenditures	19,350	19,350	4,873	10,300	11,770	14,477	10,300	11,770	10,422	1,348
Excess (Deficiency) of Revenues Over Expenditures	(3,850)	(3,850)	16,386	(5,000)	(4,679)	20,236	(5,000)	(4,679)	(4,239)	440
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	5,000	6,949	-	5,000	6,949	6,949	-
Transfers Out	(125)	(2,073)	(2,073)	-	-	-	-	-	-	-
Reserves	3,975	5,923	-	(5,923)	(2,270)	(5,923)	(5,923)	(2,270)	6,949	2,270
Total Other Financing Sources (Uses)	3,850	3,850	(2,073)	5,000	4,679	(5,923)	5,000	4,679	6,949	2,270
<b>NET CHANGE IN FUND BALANCES</b>	-	-	14,313	-	-	14,313	-	-	2,710	2,710
Fund Balances, Beginning of Year	-	-	26,689	-	-	26,689	-	-	1,618	1,618
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 41,002	\$ -	\$ -	\$ 41,002	\$ -	\$ -	\$ 4,328	\$ 4,328

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds				Capital Project Funds			
	Brownfields Assessment Grant				Mickethan Park			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final			
<b>REVENUES</b>								
Intergovernmental Revenue	\$ 400,000	\$ 400,000	\$ 77,082	\$ (322,918)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	-	-	87	87
Miscellaneous Revenues	-	-	-	-	2,500	2,500	-	(2,500)
Total Revenues	400,000	400,000	77,082	(322,918)	2,500	2,500	87	(2,413)
<b>EXPENDITURES</b>								
Current:								
General Government	400,000	400,000	77,082	322,918	-	-	174	(174)
Culture and Recreation	-	-	-	-	-	-	9,650	20,350
Capital Outlay	-	-	-	-	30,000	30,000	-	-
Total Expenditures	400,000	400,000	77,082	322,918	30,000	30,000	9,824	20,176
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	(27,500)	(27,500)	(9,737)	17,763
<b>OTHER FINANCING SOURCES (USES)</b>								
Reserves	-	-	-	-	27,500	27,500	-	(27,500)
Total Other Financing Sources (Uses)	-	-	-	-	27,500	27,500	-	(27,500)
<b>NET CHANGE IN FUND BALANCES</b>								
	-	-	-	-	-	-	(9,737)	(9,737)
Fund Balances, Beginning of Year	-	-	-	-	-	-	33,952	33,952
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,215	\$ 24,215

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Capital Project Funds									
	Multi-Year Capital Project Accumulation					Capital Improvement Revenue Note - 2011				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			Original	Final				
<b>REVENUES</b>										
Licenses and Permits	\$ -	\$ -	\$ 777	\$ 777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	777	777	-	-	-	-	-	-
Total Revenues										
<b>EXPENDITURES</b>										
Current:										
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	25,967	(25,967)	-	-	-	-	-	-
Capital Outlay	430,515	430,515	113,000	317,515	-	-	-	-	-	-
Total Expenditures	430,515	430,515	138,967	291,548	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(430,515)	(430,515)	(138,190)	292,325	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	100,000	100,000	100,000	-	303,780	303,780	303,780	303,780	-	-
Transfers Out	-	-	-	-	(303,780)	(303,780)	(303,780)	(303,780)	-	-
Reserves	330,515	330,515	-	(330,515)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	430,515	430,515	100,000	(330,515)	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>										
Fund Balances, Beginning of Year	-	-	(38,190)	(38,190)	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 400,959	\$ 400,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Capital Project Funds									
	Capital Improvement Revenue 2006 Bond					Capital Improvement Loan - Capital Projects				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
Original	Final				Original	Final				
<b>REVENUES</b>										
Licenses and Permits	\$ 32,500	\$ 32,500	\$ 32,693	\$ 193						
Net Investment Earnings	-	-	11	11						
Total Revenues	<u>32,500</u>	<u>32,500</u>	<u>32,704</u>	<u>204</u>						
<b>EXPENDITURES</b>										
Capital Outlay	-	-	-	-	133,056	133,285	133,285	133,285	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,056</u>	<u>133,285</u>	<u>133,285</u>	<u>133,285</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	32,500	32,500	32,704	204	(133,056)	(133,285)	(133,031)	(133,031)	254	254
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	-	-	-	-						
Transfers Out	(55,939)	(55,939)	(55,939)	-						
Reserves	23,439	23,439	-	(23,439)	133,056	133,285	-	-	(133,285)	(133,285)
Total Other Financing Sources (Uses)	<u>(32,500)</u>	<u>(32,500)</u>	<u>(55,939)</u>	<u>(23,439)</u>	<u>133,056</u>	<u>133,285</u>	<u>-</u>	<u>-</u>	<u>(133,285)</u>	<u>(133,285)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(23,235)	(23,235)	-	-	(133,031)	(133,031)	(133,031)	(133,031)
Fund Balances, Beginning of Year	-	-	36,486	36,486	-	-	139,173	139,173	139,173	139,173
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,251</u>	<u>\$ 13,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,142</u>	<u>\$ 6,142</u>	<u>\$ 6,142</u>	<u>\$ 6,142</u>

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Capital Project Funds			Debt Service Fund		
	Bond Settlement			Capital Improvement Revenue Note - 2011		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		Original	Final		
<b>REVENUES</b>						
Net Investment Earnings	\$ -	\$ -	\$ 1,144	\$ -	\$ -	\$ -
Total Revenues	-	-	1,144	-	-	-
<b>EXPENDITURES</b>						
Debt Service:						
Principal	-	-	-	173,422	171,648	1,774
Interest	-	-	-	130,358	130,080	278
Aids to Private Organizations	-	-	(896,366)	-	-	-
Capital Outlay	895,846	895,846	895,846	-	-	-
Total Expenditures	895,846	895,846	(520)	303,780	301,728	2,052
Excess (Deficiency) of Revenues Over Expenditures	(895,846)	(895,846)	624	(303,780)	(301,728)	2,052
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	303,780	303,780	-
Reserves	895,846	895,846	(895,846)	-	-	-
Total Other Financing Sources (Uses)	895,846	895,846	(895,846)	303,780	303,780	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(895,222)	-	2,052	2,052
Fund Balances, Beginning of Year	-	-	956,084	-	41,982	41,982
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 60,862	\$ -	\$ 44,034	\$ 44,034

**CITY OF BROOKSVILLE, FLORIDA**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Debt Service Fund				Permanent Fund			
	Capital Improvement Revenue Bond - 2006				Cemetery Perpetual Care			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final			
<b>REVENUES</b>								
Net Investment Earnings	100	100	\$ 29	\$ (71)	850	\$ 1,271	\$ 421	
Total Revenues	100	100	29	(71)	850	1,271	421	
<b>EXPENDITURES</b>								
Debt Service:								
Principal	6,000	6,000	5,189	811	-	-	-	
Interest	6,435	7,000	7,811	(811)	-	-	-	
Total Expenditures	12,435	13,000	13,000	-	-	-	-	
Excess (Deficiency) of Revenues Over Expenditures	(12,335)	(12,900)	(12,971)	(71)	850	1,271	421	
<b>OTHER FINANCING SOURCES (USES)</b>								
Reserves	12,435	12,435	12,435	-	(10,850)	-	10,850	
Transfers In	(100)	465	-	(465)	10,000	10,009	9	
Total Other Financing Sources (Uses)	12,335	12,900	12,435	(465)	(850)	10,009	10,859	
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(536)	(536)	-	11,280	11,280	
Fund Balances, Beginning of Year	-	-	24,377	24,377	-	353,928	353,928	
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 23,841	\$ 23,841	\$ -	\$ 365,208	\$ 365,208	

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2013**

	General Fund	Good Neighbor Trail Project	Major Storm Readiness	Tree and Streetscaping	Total General Fund
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 740,867	\$ 2,138	\$ 73,195	\$ 85,087	\$ 901,287
Restricted Pool Cash and Investments	-	-	-	-	-
Accounts Receivable	204,526	-	-	-	204,526
Due from Other Funds	39,875	-	-	-	39,875
Advance to Other Funds	97,516	-	-	-	97,516
Due from Other Governments	69,864	-	-	-	69,864
Inventories	1,925	-	-	-	1,925
Prepaid Items	17,572	-	-	-	17,572
Total Assets	<u>\$ 1,172,145</u>	<u>\$ 2,138</u>	<u>\$ 73,195</u>	<u>\$ 85,087</u>	<u>\$ 1,332,565</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 118,015	\$ -	\$ -	\$ -	\$ 118,015
Accrued Wages Payable	88,752	-	-	-	88,752
Unearned Revenue	1,609	-	-	-	1,609
Due to Other Funds	17,811	-	-	-	17,811
Deposits	63,291	-	-	-	63,291
Other Current Liabilities	7,447	-	-	-	7,447
Total Liabilities	<u>296,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,925</u>
Fund Balance:					
Nonspendable:					
Inventories	1,925	-	-	-	1,925
Prepaid Items	17,572	-	-	-	17,572
Long-Term Accounts Receivable	67,500	-	-	-	67,500
Advance to Other Funds	97,516	-	-	-	97,516
Assigned	-	2,138	73,195	85,087	160,420
Unassigned (deficit)	690,707	-	-	-	690,707
Total Fund Balance (Deficit)	<u>875,220</u>	<u>2,138</u>	<u>73,195</u>	<u>85,087</u>	<u>1,035,640</u>
Total Liabilities and Fund Balance	<u>\$ 1,172,145</u>	<u>\$ 2,138</u>	<u>\$ 73,195</u>	<u>\$ 85,087</u>	<u>\$ 1,332,565</u>

**CITY OF BROOKSVILLE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2013**

	General Fund	Good Neighbor Trail Project	Major Storm Readiness	Tree and Streetscaping	Total General Fund
<b>REVENUES</b>					
Taxes	\$ 3,638,233	\$ -	\$ -	\$ -	\$ 3,638,233
Licenses and Permits	741,049	-	-	4,097	745,146
Intergovernmental Revenue	754,718	-	-	-	754,718
Charges for Services	182,484	-	-	-	182,484
Fines and Forfeits	63,156	-	-	-	63,156
Net Investment Earnings	759	-	284	264	1,307
Miscellaneous Revenues	150,133	-	-	-	150,133
Total Revenues	<u>5,530,532</u>	<u>-</u>	<u>284</u>	<u>4,361</u>	<u>5,535,177</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,628,963	-	-	-	1,628,963
Culture and Recreation	649,583	-	-	-	649,583
Public Safety	1,993,564	-	-	-	1,993,564
Physical Environment	102,649	-	-	-	102,649
Transportation	552,175	-	-	-	552,175
Aids to Private Organizations	-	-	-	-	-
Capital Outlay	35,726	4,250	12,680	-	52,656
Total Expenditures	<u>4,962,660</u>	<u>4,250</u>	<u>12,680</u>	<u>-</u>	<u>4,979,590</u>
Excess (Deficiency) of Revenues Over Expenditures	567,872	(4,250)	(12,396)	4,361	555,587
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,062,064	-	-	-	1,062,064
Transfers Out	(1,299,176)	-	-	-	(1,299,176)
Total Other Financing Sources (Uses)	<u>(237,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,112)</u>
<b>NET CHANGE IN FUND BALANCES</b>	330,760	(4,250)	(12,396)	4,361	318,475
Fund Balances, Beginning of Year	<u>544,460</u>	<u>6,388</u>	<u>85,591</u>	<u>80,726</u>	<u>717,165</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 875,220</u>	<u>\$ 2,138</u>	<u>\$ 73,195</u>	<u>\$ 85,087</u>	<u>\$ 1,035,640</u>

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2013**

	General Fund			Treescaping			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	
	Original	Final		Original	Final		
<b>REVENUES</b>							
Taxes	\$ 3,574,763	\$ 3,574,763	\$ 3,638,233	\$ 63,470	\$ -	\$ -	\$ -
Licenses and Permits	766,645	766,645	741,049	(25,596)	2,500	4,097	1,597
Intergovernmental Revenue	712,536	712,536	754,718	42,182	-	-	-
Charges for Services	168,500	168,500	182,484	13,984	-	-	-
Fines and Forfeits	67,250	67,250	63,156	(4,094)	-	-	-
Net Investment Earnings	19,350	19,350	759	(18,591)	150	264	114
Miscellaneous Revenues	152,750	153,750	150,133	(3,617)	-	-	-
Balances Carried Forward	357,538	357,538	-	(357,538)	-	-	-
Total Revenues	5,819,332	5,820,332	5,530,532	(289,800)	2,650	4,361	1,711
<b>EXPENDITURES</b>							
Current:							
General Government	1,749,804	1,770,773	1,628,963	141,810	-	-	-
Culture and Recreation	739,388	739,388	649,583	89,805	-	-	-
Public Safety	2,068,818	2,072,496	1,993,564	78,932	-	-	-
Physical Environment	103,223	103,223	102,649	574	-	-	-
Transportation	568,191	559,242	552,175	7,067	25,000	-	25,000
Capital Outlay	46,323	46,323	35,726	10,597	-	-	-
Total Expenditures	5,265,747	5,291,445	4,962,660	328,785	25,000	-	25,000
Excess (Deficiency) of Revenues Over Expenditures	553,585	528,887	567,872	38,985	(22,350)	4,361	26,711
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	1,064,299	1,064,299	1,062,064	(2,235)	-	-	-
Transfers Out	(1,347,059)	(1,347,059)	(1,299,176)	47,883	-	-	-
Reserves	(270,825)	(246,127)	-	246,127	22,350	-	(22,350)
Total Other Financing Sources (Uses)	(553,585)	(528,887)	(237,112)	291,775	22,350	-	(22,350)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	330,760	330,760	-	4,361	4,361
Fund Balances, Beginning of Year	-	-	544,460	544,460	-	80,726	80,726
<b>FUND BALANCES, END OF YEAR</b>	\$ -	\$ -	\$ 875,220	\$ 875,220	\$ -	\$ 85,087	\$ 85,087

**CITY OF BROOKSVILLE, FLORIDA**  
**COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE --**  
**BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Good Neighbor Trail Project				Major Storm Readiness			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Intergovernmental Revenue	\$ 476,960	\$ 476,960	\$ -	\$ (476,960)	\$ -	\$ -	\$ -	\$ -
Net Investment Earnings	-	-	-	-	-	284	284	284
Total Revenues	<u>476,960</u>	<u>476,960</u>	<u>-</u>	<u>(476,960)</u>	<u>-</u>	<u>284</u>	<u>284</u>	<u>284</u>
<b>EXPENDITURES</b>								
Current:								
Public Safety	-	-	-	-	-	-	-	-
Capital Outlay	476,960	476,960	4,250	472,710	13,000	12,680	320	320
Total Expenditures	<u>476,960</u>	<u>476,960</u>	<u>4,250</u>	<u>472,710</u>	<u>13,000</u>	<u>12,680</u>	<u>320</u>	<u>320</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(4,250)	(4,250)	(13,000)	(12,396)	604	604
<b>OTHER FINANCING SOURCES (USES)</b>								
Reserves	-	-	-	-	13,000	-	(13,000)	(13,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>(13,000)</u>	<u>(13,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(4,250)	(4,250)	-	(12,396)	(12,396)	(12,396)
Fund Balances, Beginning of Year	-	-	6,388	6,388	-	85,591	85,591	85,591
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,138</u>	<u>\$ 2,138</u>	<u>\$ -</u>	<u>\$ 73,195</u>	<u>\$ 73,195</u>	<u>\$ 73,195</u>

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE --  
BUDGET AND ACTUAL  
GENERAL FUND (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Total General Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Final	Actual Amounts	
	Original	\$			
<b>REVENUES</b>					
Taxes	\$ 3,574,763	\$ 3,574,763	\$ 3,638,233	\$ 63,470	(23,999)
Licenses and Permits	769,145	769,145	745,146	(23,999)	(434,778)
Intergovernmental Revenue	1,189,496	1,189,496	754,718	(434,778)	13,984
Charges for Services	188,500	188,500	182,484	(6,016)	(4,094)
Fines and Forfeits	67,250	67,250	63,156	(4,094)	(18,193)
Net Investment Earnings	19,500	19,500	1,307	(18,193)	(3,617)
Miscellaneous Revenues	152,750	153,750	150,133	(3,617)	(357,538)
Balances Carried Forward	357,538	357,538	-	(357,538)	(764,765)
Total Revenues	<u>6,298,942</u>	<u>6,299,942</u>	<u>5,535,177</u>	<u>5,535,177</u>	<u>(764,765)</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,749,804	1,770,773	1,628,963	1,628,963	141,810
Culture and Recreation	739,388	739,388	649,583	649,583	89,805
Public Safety	2,068,818	2,072,496	1,993,564	1,993,564	78,932
Physical Environment	103,223	103,223	102,649	102,649	574
Transportation	583,191	584,242	552,175	552,175	32,067
Capital Outlay	536,283	536,283	52,656	52,656	483,627
Total Expenditures	<u>5,780,707</u>	<u>5,806,405</u>	<u>4,979,590</u>	<u>4,979,590</u>	<u>826,815</u>
Excess (Deficiency) of Revenues Over Expenditures	518,235	493,537	555,587	555,587	62,050
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,064,299	1,064,299	1,062,064	1,062,064	(2,235)
Transfers Out	(1,347,059)	(1,347,059)	(1,299,176)	(1,299,176)	47,883
Reserves	(235,475)	(210,777)	-	-	210,777
Total Other Financing Sources (Uses)	<u>(518,235)</u>	<u>(493,537)</u>	<u>(237,112)</u>	<u>(237,112)</u>	<u>256,425</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	318,475	318,475	318,475
Fund Balances, Beginning of Year	-	-	717,165	717,165	717,165
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,035,640</u>	<u>\$ 1,035,640</u>	<u>\$ 1,035,640</u>
			(100)		

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2013**

	Internal Service Funds			Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 13,538	\$ 1,412,593	\$ 2,633	\$ 1,428,764
Inventories	4,930	-	-	4,930
Total Current Assets	<u>18,468</u>	<u>1,412,593</u>	<u>2,633</u>	<u>1,433,694</u>
Non-Current Assets:				
Machinery and Equipment	32,403	1,383,558	37,123	1,453,084
Less: Accumulated Depreciation	<u>32,403</u>	<u>910,589</u>	<u>8,810</u>	<u>951,802</u>
Net Capital Assets	<u>-</u>	<u>472,969</u>	<u>28,313</u>	<u>501,282</u>
Total Assets	<u>\$ 18,468</u>	<u>\$ 1,885,562</u>	<u>\$ 30,946</u>	<u>\$ 1,934,976</u>
<b>LIABILITIES AND NET POSITION</b>				
Current Liabilities:				
Accounts Payable	\$ 2,740	\$ -	\$ -	\$ 2,740
Accrued Wages Payable	1,172	-	-	1,172
Other Current Liabilities	198	-	-	198
Total Current Liabilities	<u>4,110</u>	<u>-</u>	<u>-</u>	<u>4,110</u>
Non-Current Liabilities:				
Accrued Compensated Absences	<u>3,479</u>	<u>-</u>	<u>-</u>	<u>3,479</u>
Total Liabilities	7,589	-	-	7,589
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	472,969	28,313	501,282
Unrestricted	<u>10,879</u>	<u>1,412,593</u>	<u>2,633</u>	<u>1,426,105</u>
Total Net Position	<u>10,879</u>	<u>1,885,562</u>	<u>30,946</u>	<u>1,927,387</u>
Total Liabilities and Net Position	<u>\$ 18,468</u>	<u>\$ 1,885,562</u>	<u>\$ 30,946</u>	<u>\$ 1,934,976</u>

**CITY OF BROOKSVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2013**

	Internal Service Funds			Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	
<b>OPERATING REVENUE</b>				
Charges for Services	\$ 87,014	\$ 186,370	\$ -	\$ 273,384
Miscellaneous Revenues	386	-	-	386
Total Operating Revenues	<u>87,400</u>	<u>186,370</u>	<u>-</u>	<u>273,770</u>
<b>OPERATING EXPENSES</b>				
Personal Services	64,568	-	-	64,568
Other Services and Charges	22,653	-	-	22,653
Depreciation	-	97,561	5,841	103,402
Total Operating Expenses	<u>87,221</u>	<u>97,561</u>	<u>5,841</u>	<u>190,623</u>
<b>OPERATING INCOME (LOSS)</b>	179	88,809	(5,841)	83,147
<b>NONOPERATING REVENUES</b>				
Net Investment Earnings (Loss)	19	(404)	52	(333)
Gain on Sale of Capital Assets	-	8,497	-	8,497
Total Nonoperating Revenues (Expenses)	<u>19</u>	<u>8,093</u>	<u>52</u>	<u>8,164</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	198	96,902	(5,789)	91,311
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Transfers Out	(373)	(186,658)	-	(187,031)
Total Transfers In (Out)	<u>(373)</u>	<u>(186,658)</u>	<u>-</u>	<u>(187,031)</u>
<b>CHANGE IN NET POSITION</b>	(175)	(89,756)	(5,789)	(95,720)
Net Position, Beginning of Year	<u>11,054</u>	<u>1,975,318</u>	<u>36,735</u>	<u>2,023,107</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 10,879</u>	<u>\$ 1,885,562</u>	<u>\$ 30,946</u>	<u>\$ 1,927,387</u>

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED SEPTEMBER 30, 2013**

	Internal Service Funds			Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 87,399	\$ 189,318	\$ 737	\$ 277,454
Payments to Suppliers	(64,667)	-	-	(64,667)
Payments to Employees	(22,684)	-	-	(22,684)
Net Cash Provided by Operating Activities	48	189,318	737	190,103
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to Other Funds	(373)	(186,658)	-	(187,031)
Net Cash (Used) by Noncapital Financing Activities	(373)	(186,658)	-	(187,031)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of Machinery and Equipment	-	(68,429)	(13,573)	(82,002)
Gain on Disposal of Assets	-	8,497	-	8,497
Net Cash (Used) by Capital and Related Financing Activities	-	(59,932)	(13,573)	(73,505)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net Investment Income (Loss)	19	(404)	52	(333)
Net Cash Provided (Used) by Investing Activities	19	(404)	52	(333)
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(306)	(57,676)	(12,784)	(70,766)
Cash and Cash Equivalents, Beginning of Year	13,844	1,470,269	15,417	1,499,530
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 13,538</b>	<b>\$ 1,412,593</b>	<b>\$ 2,633</b>	<b>\$ 1,428,764</b>

**CITY OF BROOKSVILLE, FLORIDA  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2013**

	Internal Service Funds				Total Internal Service Funds
	Fleet Maintenance Fund	Vehicle Replacement Fund	Equipment Replacement Fund	Total Internal Service Funds	
\$	179	\$ 88,809	\$ (5,841)	\$ 83,147	
	-	97,561	5,841	103,402	
	-	2,948	737	3,685	
	(963)	-	-	(963)	
	1,000	-	-	1,000	
	(612)	-	-	(612)	
	(69)	-	-	(69)	
	513	-	-	513	
	(131)	100,509	6,578	106,956	
	\$ 48	\$ 189,318	\$ 737	\$ 190,103	

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income (Loss)	
Depreciation and Amortization	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in:	
Accounts Receivable	
Inventories	
Increase (Decrease) in:	
Accounts Payable	
Accrued Wages Payable	
Other Current Liabilities	
Accrued Compensated Absences	
Total Adjustments	
Net Cash Provided by Operating Activities	

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2013**

	Private Purpose Trust Funds				Total Private Purpose Trust Funds	Pension Trust Funds				Total Pension Trust Funds
	Butterweck Bond Fund	HRA Fund	Donor Memorial Wall Fund	Brooksville Fire District		Fireman's Retirement Fund	Police Retirement Fund	Fireman's Retirement Fund	Police Retirement Fund	
<b>ASSETS</b>										
Pooled Cash	\$ 2,233	\$ 10,465	\$ -	\$ -	\$ 12,698	\$ 292,012	\$ 12,664	\$ 292,012	\$ 12,664	\$ 304,676
Investment in Debt Securities	-	-	-	-	-	1,697,518	1,299,796	1,697,518	1,299,796	2,997,314
Investment in Marketable Equity Securities	-	-	-	-	-	3,460,969	2,974,554	3,460,969	2,974,554	6,435,523
Accounts Receivable	-	-	-	-	-	25,491	6,554	25,491	6,554	32,045
Total Assets	\$ 2,233	\$ 10,465	\$ -	\$ -	\$ 12,698	\$ 5,475,990	\$ 4,293,568	\$ 5,475,990	\$ 4,293,568	\$ 9,769,558
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Current Liabilities	-	5,825	-	-	5,825	-	-	-	-	-
Total Liabilities	-	5,825	-	-	5,825	-	-	-	-	-
<b>NET POSITION</b>										
Held in Trust for Retirement and Other Purposes	2,233	4,640	-	-	6,873	5,475,990	4,293,568	5,475,990	4,293,568	9,769,558
Total Net Position	\$ 2,233	\$ 4,640	\$ -	\$ -	\$ 6,873	\$ 5,475,990	\$ 4,293,568	\$ 5,475,990	\$ 4,293,568	\$ 9,769,558

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)  
SEPTEMBER 30, 2013**

	<u>Agency Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>		
Pooled Cash and Investments	27,845	\$ 27,845
Total Assets	<u>\$ 27,845</u>	<u>\$ 27,845</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts Payable	2,600	\$ 2,600
Other Current Liabilities	25,245	25,245
Total Liabilities	<u>\$ 27,845</u>	<u>\$ 27,845</u>

**CITY OF BROOKSVILLE, FLORIDA  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED SEPTEMBER 30, 2013**

	Private Purpose Trust Funds				Pension Trust Funds			Total Pension Trust Funds
	Butterweck Bond Fund	HRA Fund	Donor Memorial Wall Fund	Brooksville Fire	Private Purpose Trust Funds	Fireman's Retirement Fund	Police Retirement Fund	
<b>ADDITIONS:</b>								
<b>CONTRIBUTIONS</b>								
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,662	\$ 51,183	\$ 310,845
Plan Members	-	-	-	-	-	20,156	11,376	31,532
Other	-	-	-	24,440	24,440	103,782	101,810	205,592
Total Contributions	-	-	-	24,440	24,440	383,600	164,369	547,969
<b>INVESTMENT EARNINGS</b>								
Net Increase (Decrease) in Fair Value	5	-	18	-	23	57,232	210,166	267,398
Gain/(Loss) on Sales of Investments	-	-	-	-	-	350,781	159,192	509,973
Interest/Dividends	5	-	2	-	7	141,443	93,777	235,220
Total Investment Earnings	10	-	20	-	30	549,456	463,135	1,012,591
<b>TRANSFERS IN</b>								
	-	31,925	-	-	31,925	-	-	-
<b>MISCELLANEOUS REVENUES</b>								
	-	-	-	-	-	141	100	241
Total Additions	10	31,925	20	24,440	56,395	933,197	627,604	1,560,801
<b>DEDUCTIONS:</b>								
<b>BENEFIT PAYMENTS</b>								
	-	-	-	-	-	304,630	-	304,630
<b>ADMINISTRATIVE EXPENSES</b>								
	-	38,465	-	-	38,465	64,986	33,885	98,871
<b>TRANSFERS OUT</b>								
	-	-	7,355	-	7,355	-	-	-
Total Deductions	-	38,465	7,355	-	45,820	369,616	33,885	403,501
<b>CHANGE IN NET POSITION</b>								
	10	(6,540)	(7,335)	24,440	10,575	563,581	593,719	1,157,300
Net Assets, Beginning of Year	2,223	11,180	7,335	(24,440)	(3,702)	4,912,409	3,699,849	8,612,258
<b>NET POSITION, END OF YEAR</b>								
	\$ 2,233	\$ 4,640	\$ -	\$ -	\$ 6,873	\$ 5,475,990	\$ 4,293,568	\$ 9,769,558

**CITY OF BROOKSVILLE, FLORIDA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED SEPTEMBER 30, 2013**

Grantor Pass-Through Grantor Program/Project Title	Contract #	CFDA/ CSFA #	Grant Funds Expended
<b><u>FEDERAL AWARDS</u></b>			
<b>U.S. Department of Justice</b>			
Bureau of Justice Assistance:			
Patrol Vehicle Replacement Grant	2013-JAGC-HERN-1-D7-055	16.738	\$ 25,831
Project Night Vision	2013-JAGD-HERN-1-D8-118	16.738	<u>2,944</u>
			28,775
<b>U.S. Department of Housing and Urban Development</b>			
Office of Community Planning and Development:			
CDBG-NR	11DB-C5-05-37-02-N 11	14.228	131,776
<b>U.S. Department of Environmental Protection</b>			
Brownfields Assessment and Cleanup Cooperative Agreement			
	5 SP016561	66.818	<u>77,082</u>
Total Federal Awards			<u><u>\$ 237,633</u></u>

**CITY OF BROOKSVILLE, FLORIDA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SEPTEMBER 30, 2013**

**NOTE 1 GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs for the City of Brooksville. The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2013.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements for the year ended September 30, 2013.

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

City Council  
City of Brooksville, 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 City of Brooksville, Florida, (the "City") as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City of Brooksville, Florida's basic financial statements, and have issued our report thereon dated May 23, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider findings 2013-001 and 2013-002 described in the accompanying schedule of findings and responses to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

**City of Brooksville, Florida's Response to Findings**

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

**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 result 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.



**CliftonLarsonAllen LLP**

Lakeland, FL  
May 23, 2014

CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2013

**MATERIAL WEAKNESSES**

**Finding 2013-001**

Criteria

Management is responsible for maintaining adequate internal control over accounting and financial reporting related to non-recurring transactions.

Condition

Misstatements were not prevented or detected by the City's system of internal control relating to its net pension as well as interest costs subject to capitalization within the Utility Fund. Adjustments were required correct these misstatements.

Cause

The City did not record the correct amount of annual pension cost and adjustment to the net pension asset based upon an actuarial valuation relating to the firefighters' retirement plan. Furthermore, the City did not perform a detailed calculation of capitalized interest in order to adequately gauge how material the interest costs were subject to capitalization.

Effect

The City's general ledger did not reflect the proper accounting treatment for pension and assets within the City's Utility Fund. Correcting adjustments were subsequently made after audit inquiry.

Recommendation

We recommend that the City establish, as part of its year end closing protocol of its accounting records, an additional procedure specifically designed to identify unusual, infrequent or non-recurring transactions. Once identified, the accounting treatment for such transactions should be researched and, if appropriate, discussed with designated audit committee members and advisors with relevant financial knowledge, to ensure proper treatment in accordance with GAAP.

Views of Responsible Officials

Management agrees that the City did not record the correct amount of annual pension cost and adjustment to the net pension asset based on the actuarial valuation for the firefighters' pension fund. We further agree that the City did not perform a detailed calculation of capitalized interest within the utility fund to gauge how material the interest costs were subject to the capitalization. The City will prepare the adjusting entry related to the annual pension cost and the net pension asset based on the actuarial valuation for the firefighters' retirement plan at year end. Historically, the City of Brooksville has not capitalized interest cost into the asset value; however, we agree that this should have been the regular practice of the City. We will assure that this will be the regular practice of the City's year end closing protocol of its accounting records. We will assure that it will be our regular practice to identify unusual, infrequent or non-recurring transactions and treat such transactions appropriately.

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2013**

**2013-002 - Fund Type Classifications**

Criteria

Fund Type Classification

Special revenue funds should be established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Per GASB 54 guidance, special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Special revenue funds should not be used to account for resources held in trust for individuals, private organizations, or other governments. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Committed Fund Balances

Per GASB 54 guidance, amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The formal action of the government's highest level of decision-making authority that commits fund balance to a specific purpose should occur prior to the end of the reporting period, but the amount, if any, which will be subject to the constraint, may be determined in the subsequent period. The following additional guidance was provided in the implementation guidance for GASB 54:

54.13. Q—What effect does the legal adoption of budget and appropriation documents for the subsequent year have on fund balance classification? (Q&A2010-Z.54.13)

A—An adopted appropriation ordinance, resolution, or similar legislation generally authorizes a government to spend budgeted revenues and other financing sources and, therefore, does not impose constraints on the use of existing resources. However, if a portion of existing fund balance is included as a budgetary resource in the subsequent year's budget to eliminate a projected excess of expected expenditures over expected revenues, then that portion of fund balance (in an amount no greater than is necessary to eliminate the excess) should be classified as assigned. The amount should not be classified as committed because the governing body does not have to take formal action to remove or modify that specific use—the purpose assignment expires with the appropriation.

**CITY OF BROOKSVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2013**

**2013-002 - Fund Type Classifications (continued)**

Condition

The City incorrectly classified the following funds as special revenue funds: Good Neighbor Trail Project Fund, Major Storm Readiness Fund, and the Tree and Streetscaping Fund. The cumulative revenue for those funds was material and was not from a specific restricted or committed source. In addition, we noted during year end testing that several fund balances were identified as committed based on the subsequent budget. However, the committed fund balances were not formally approved by specific Council resolution or ordinance.

Cause

The City's year end procedures did not address review of fund type classifications.

Effect

The City's financial statements did not reflect the proper presentation of governmental funds.

Recommendation

We recommend the City establish procedures to ensure all funds are appropriately classified. This will help ensure that all funds are properly recorded in the City's financial statements. In addition, we recommend that the Council establish procedures to formally approve via resolution or ordinance any committed fund balances. This will help ensure that all funds are properly recorded in the City's financial statements.

Views of Responsible Officials

Management agrees and we have taken immediate steps as recommended by the Auditor. The City Council has already passed two (2) resolutions specifically to formally commit, through resolution action, monies for the Traffic Camera Fund (Resolution 2014-07) and First Tee Fund (Resolution 2014-08) outlining and designating each fund's use for a specific purpose, as historically directed by City Council. As directed by the Auditors, management agrees that the Good Neighbor Trail Project Fund, Major Storm Readiness Fund, and the Tree and Streetscaping Fund will be absorbed into the General Fund or as appropriate for financial and budgeting purposes beginning immediately. Procedures and practices have already been implemented by staff to ensure all funds are classified appropriately and recognize that City Council will approve, through resolution or ordinance, any committed fund balances.

## MANAGEMENT LETTER

City Council  
City of Brooksville, Florida

We have audited the financial statements of the City of Brooksville, Florida, (the "City") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated May 23, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*. Disclosures in that report, which is dated May 23, 2014, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the Management Letter any recommendations to improve financial management. Refer to Appendix A for recommendations to improve financial management.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings..
- Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been included in the notes to the basic financial statements.
- Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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 City Council, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, FL  
May 23, 2014

**CITY OF BROOKSVILLE, FLORIDA  
APPENDIX A - RECOMMENDATIONS - CONTINUED  
SEPTEMBER 30, 2013**

**2013-003 - City Council Minutes**

Criteria

The City Council meetings should be documented in written minutes in order to provide verification of the actions and decisions related to the City's resolutions, policies, procedures, intentions or actions.

Condition

The minutes for the Council were not transcribed and approved timely for several meetings during the year. We noted that the Council minutes from July 2013 through December 2013 were not available during year end testing as of January 2014.

Cause

There was a delay in transcribing council minutes due to staffing changes.

Effect

Untimely transcription of minutes could result in Council actions not being properly documented.

Recommendation

Historical summarization of the Council's decision is critical. The Council's meetings provide a verification of the actions and decisions relating to the City's policies, procedures or intentions. In addition, we recommend that all minutes be formally approved on a timely basis at the subsequent council meeting.

Views of Responsible Officials

Management agrees that the timely adoption of City Council minutes is critical. Preparation of minutes during the time of the budget process time for the City (July to September) is many times delayed due to the sheer number of Council meetings and workshops that require transcription. Additionally the City's practice for review and approval of Council minutes has recently slowed beyond an acceptable level. City will work to improve this process and seek to establish a policy that requires Council approval within an acceptable timeframe.

**2013-004 - Journal Entry Approval**

Criteria

Journal entries should show evidence of proper approval by a responsible employee.

Condition

Journal entries did not include written approval signature. Auditor performed additional inquiry of staff and noted all department heads including the city manager have viewing access to the general ledger; however, no formal written approval requirement exists.

Cause

The City does not have a policy in place for approver to sign journal entries.

Effect

Financial statements could be material misstated due to fraud or error.

**CITY OF BROOKSVILLE, FLORIDA  
APPENDIX A - RECOMMENDATIONS - CONTINUED  
SEPTEMBER 30, 2013**

**2013-004 - Journal Entry Approval (continued)**

Recommendation

We recommend that all journal entries be approved by separate individual by evidence of written approval signatures. All entries should be initialed by the preparer and the individual approving them in order to attribute responsibility to the appropriate individuals.

Views of Responsible Officials

Management agrees. Historically, journal entries have been reviewed by a separate staff member than the staff preparer; however, we have not documented our records to reflect this practice. Management has already implemented that regular practice will appropriately document the signature/initials of both the preparer and the reviewer of each journal entry.

**2013-005 - Investment Policy**

Criteria

The investment policy did not address diversification or allocation strategy for the City as required by Florida Statutes.

Condition

The City allocated their funds between different investments. However, there was no specific diversification or allocation policy per review of the Investment Policy.

Cause

The investment policy did not make clear reference to diversification or allocation.

Effect

Funds could be invested outside of the parameters established by management.

Recommendation

We recommend the City update their investment policy and establish guidelines to include an acceptable diversification strategy. In addition, we recommend that management periodically review their investment policy and revise as deemed necessary.

Views of Responsible Officials

Management agrees. Staff will prepare an amendment to the City's current investment policy to include an acceptable diversification strategy for the review and approval of City Council.

**2013-006 - Retainages**

Criteria

The general ledger account should capture all activity during the year.

Condition

The City did not track and record retainages related to construction in progress projects.

CITY OF BROOKSVILLE, FLORIDA  
APPENDIX A - RECOMMENDATIONS - CONTINUED  
SEPTEMBER 30, 2013

**2013-006 - Retainages (continued)**

Cause

The City does not have a policy to track and record construction retainages.

Effect

Financial statements could be materially misstated.

Recommendation

We recommend the City establish procedures to track retainages for construction projects. This will help ensure that liabilities and net position are properly recorded in the City's financial statements.

Views of Responsible Officials

Management agrees. We have already implemented procedures to assure that all construction projects track and record related retainages timely and as appropriate. A written procedure will be developed for proper tracking and recording of construction retainages.

**2013-007 - Information Technology Monitoring**

Criteria

The City should establish controls to ensure adequate monitoring of information technology service provider.

Condition

The City does not have adequate monitoring controls in place over the service provider who provides certain information technology network administration and other support services.

Cause

The City is not provided adequate reports for monitoring information technology services.

Effect

Inadequate monitoring of controls could result in the intentional or unintentional loss of data.

Recommendation

We recommend that the City increase monitoring of information technology controls. As a best practice, we recommend the City update its technology services agreement that includes but is not limited to the following requested reports for adequate monitoring purposes:

- Report on the service provider's annual penetration testing.
- Confirmations from the Service provider related to terminating employee access from the City's system.
- Report on the service provider's disaster recovery plan and how they will support the City in case of a disaster.
- A report on the number of service/help tickets completed by the service provider during the year.
- A report on whether the service provider's antivirus is up to date.

**CITY OF BROOKSVILLE, FLORIDA  
APPENDIX A - RECOMMENDATIONS - CONTINUED  
SEPTEMBER 30, 2013**

**2013-007 - Information Technology Monitoring (continued)**

Views of Responsible Officials

Management agrees that although there are regular communications/discussions for monitoring information technology controls, additional reporting and monitoring information could be provided to the City in writing for best practices. Staff will seek additional reporting provisions within our agreement with Hernando County Board of County Commissioners.

**2013-008 - Budget Violation**

Criteria

Expenditures may not legally exceed appropriations for each fund as required by Florida Statutes 166.241(2).

Condition

The City's actual expenditures exceeded budget for the Traffic Camera Fund, Bond Settlement Fund and Law Enforcement Trust Fund.

Cause

As a result of adjustments posted subsequent to year-end, expenditures for the special revenue funds exceeded budget.

Effect

The City is not in compliance with Florida Statutes 166.241(2).

Recommendation

We recommend the City review year-end procedures to ensure all expenditures are appropriately recorded in their accounting system at year end. This will aid in the City completing timely budget amendments in accordance with legal requirements required by Florida Statutes 166.241(2).

Views of Responsible Officials

Management agrees. The specific expenditures that exceeded approved budget amounts for the Traffic Camera Fund were related to an untimely payment of required disbursement expenses due from offsetting revenues that the City had already received. The Law Enforcement Trust Fund was over the approved expenditure line of FY2013 budget by \$86.00 and the Bond Settlement Fund was over the approved expenditure line of FY2013 budget by \$520.00 due to minor cost overruns of City Council approved expenditures. Although it has been the practice of the City to ensure that all expenditures are appropriately recorded in the accounting system at year end and timely budget amendments are prepared/approved in accordance with the Florida Statutes, we will closely review our procedures and adjust as necessary for improvement in this area.



**AGENDA ITEM  
MEMORANDUM**

**TO: HONORABLE MAYOR AND CITY COUNCILMEN**  
**FROM: T. JENNENE NORMAN-VACHA, CITY MANAGER**  
**SUBJECT: MOSQUITO CONTROL SERVICES**  
**DATE: MAY 30, 2014**

**GENERAL SUMMARY/BACKGROUND:** Historically, mosquito control services have been provided for Hernando County (which included services to the City of Brooksville) by the Hernando County Board of County Commissioners. Prior to fiscal year 2011-12, funding for countywide mosquito control services was provided from the County's General Fund that includes ad valorem taxes that are collected countywide (certainly inclusive of the City of Brooksville), along with grant/state match monies received from the State of Florida.

As early as August 2010, County Staff began publically discussing concerns to proposed budget cuts that were being considered by the County Commissioners. Staff reported to the County Commissioners that if the budget for mosquito control services was reduced as proposed in the fiscal year (FY) 2011 budget, County residents could "suffer from more mosquito bites which will expose them to a higher risk of mosquito-borne diseases." Staff discussed the proposed budget cuts and indicated that, as proposed, mosquito control services would be reduced by over 50%, both time in the field inspection/treatment and a reduction in spray coverage. Staff also stated that public education and mosquito awareness programs would have to be reduced or eliminated.

Faced with many budget difficulties, the Board of County Commissioners reduced the Mosquito Control Division budget of FY2011. With State and local funding, the departmental budget reduced from \$652,627 to \$648,876. Although the funding level reduction seemed minimal (\$3,751 less), the County staffing levels were reduced from about 9.6 FTEs to 6 FTEs, according to County budget documents.

Early in the budget process for FY2012 (May/June 2011), the County began discussing the creation of a Mosquito Control Municipal Services Taxing Unit (MSTU) for funding mosquito control services. The County Commissioners created and adopted a new MSTU for mosquito control services on June 14, 2011. Provisions within the Mosquito Control MSTU Ordinance (No. 2011-11) limited the ad valorem tax millage not to exceed

0.1 mil. The new MSTU as adopted allowed for municipality inclusion with consent and under the provisions of Florida Statutes.

During the summer of 2011, County Budget Services Manager, George Zoettlein presented the County's General Fund budget stating that there were "five major conditions, overriding factors, which should be addressed in order to balance this budget." The third condition discussed mosquito control services. He proposed, "the third condition involves the elimination of the Mosquito Control budget from the General Fund in FY2012, with staff recommendation to reduce Environmentally Sensitive Land millage to zero and establish an MSTU for Mosquito Control."

County budget discussions continued throughout the summer of 2011. There was off and on discussion of whether the County Commissioners could utilize the millage of the voter-approved Bond Referendum for Environmentally Sensitive Lands to fund the Mosquito Control Division. During their July discussions, the County Commissioners stated that they wanted to ask the voters about the continuance of the Environmentally Sensitive Lands millage and whether they supported an additional millage, up to 0.1 mils, for mosquito control services. According to the official minutes for the same Commission workshop, County Administrator David Hamilton stated the following:

"... the funds allocated for the Mosquito Control Division had evaporated due to the decline in property values which necessitated a reduction in the General Fund. He clarified that there were no funds budgeted for the Mosquito Control Division for FY2011-12 or in the future. He stated that other reductions had also been recommended including issuance of layoff notices for July 19, 2011."

In the final budget meetings/hearings (September) for the fiscal year 2011-12, the Hernando County Board of County Commissioners approved to fund mosquito control services through the separately created MSTU in the amount of 0.0844 mils.

The County's decision to change the way that countywide mosquito control services are funded was not communicated to the City of Brooksville until we received an email on October 26, 2011. The email stated that the "We would appreciate a response on the Mosquito Control services by 11/09/11. Please let us know if the City is in agreement with having HCUD provide mosquito control to the City for the current fiscal year for the annual fee of \$31,601." City staff followed up with the County staff to understand

the requests for monies that were not budgeted or information provided prior to this time.

On January 24, 2012, the Hernando County Board of County Commissioners adopted Resolution 2012-25 calling for a ballot referendum asking the voters if the County Commissioners should continue to levy a property tax of up to one-tenth of one mil to fund mosquito control activities. The question appeared on the November 6, 2012 General Election ballot. Hernando County voters overwhelmingly voted "yes" to the question; 68.83% voting in support.

The City of Brooksville was asked to opt into the County's MSTU and tax City residents and businesses the additional millage for use in funding mosquito control services for fiscal year 2012-13. On May 21, 2012 the Brooksville City Council adopted Ordinance Number 829 to participate in the funding of mosquito control services by opting into the County's MSTU for one (1) year. Council wanted to see the results of the November ballot referendum and hear from the County as to how they would be funding mosquito control services in the future. The City was included as a part of the County's MSTU for services for fiscal year 2012-13 and Ordinance Number 829 expired with the end of fiscal end 2012-13.

Around September 5, 2012, the County Utilities Department sent the City an invoice for mosquito control services. The invoice amount was \$30,656.15. This letter and invoice was placed on City Council Correspondence to Note on October 1, 2012. City Council directed that no payment would be made.

On May 6, 2013, the City Council approved Ordinance Number 835 to participate in the County's MSTU for mosquito control services. The Ordinance required that the City and County enter into an interlocal agreement or the Ordinance would become null and void by July 1, 2013. The City's Ordinance also stated that "consent shall be automatically revoked if the millage levied by the County exceeds 0.1000."

City staff (including the City Attorney/Hogan Law Firm) worked closely with County staff to put together an interlocal agreement. The agreement outlined service provisions and regular reporting to the City on the mosquito control activities that would have been provided within the incorporated boundaries of the City. The City was asking only for the same service levels as the unincorporated area of the County. We formally submitted a draft agreement that we felt was very close to "final" on June 6, 2013 to County Administrator Len Sossamon.

Although the agreement between the City and County was not completed by July 1, 2013, the City Attorney continued to work with the County Attorney's Office to finalize an agreement. We believed that we could reach an agreement prior to the new fiscal year and understood an amendment to the City's Ordinance (null and void at this time) would also be required. On September 9, 2013, the City Attorney's Office received an email from the Deputy County Attorney, Jon Jouben that reads as follows:

"I am in receipt of the City's final offer regarding the proposed mosquito control interlocal agreement and thank you for the same.

I have presented the City's offer to my clients, County Administrator Len Sossamon and Assistant County Administrator Brian Malmberg, for their consideration. Unfortunately, my clients have determined that they are unable to agree to the City's final offer.

The County will continue to provide the City with mosquito control services through the end of the upcoming fiscal year, September 30, 2014."

At no time during discussions of the agreement did the City state that it was providing a "final" offer/agreement. We are unsure of what provisions of the agreement were not found acceptable to the County.

On February 28, 2014, County Administrator Len Sossamon provided a letter to the City stating: "Please be advised that Hernando County has ceased all of its mosquito control activities within the City of Brooksville as of February 26, 2014." This was transmitted to City Council on the March 17, 2014 Correspondence to Note.

Provided as Attachment 1 is a memorandum from the City Attorney/Hogan Law Firm for your review that discusses mosquito control services and the use of a municipal service taxing unit for mosquito control services.

Provided as Attachment 2 is a memorandum from Richard Radacky, Public Works Director that discusses options for service delivery for mosquito control services within the City boundaries.

**BUDGET IMPACT:** To be determined.

Page 5 of 5

RE: Mosquito Control Services

**LEGAL REVIEW:** The City is vested with home rule authority pursuant to Article VII, Section 2, of the Constitution of the State of Florida and Chapter 166, Florida Statutes, to enact ordinances; and, pursuant to Section 1.03 and Section 2.13 of the Charter, the City has the power to enable it to conduct municipal functions.

**STAFF RECOMMENDATION:** Staff seeks direction from City Council.

# Attachment 1

**MEMORANDUM**

**TO:** T. JENNENE NORMAN-VACHA  
CITY MANAGER  
CITY OF BROOKSVILLE

**FROM:** CLIFFORD A. TAYLOR, ESQ.  
THE HOGAN LAW FIRM AS CITY ATTORNEY

**SUBJECT:** MUNICIPAL SERVICE TAXING UNIT FOR MOSQUITO  
CONTROL

**DATE:** MAY 28, 2014

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**Issue Raised:** (1) Whether mosquito control is a function of county government?  
(2) Whether a Municipal Service Taxing Unit is designed to serve a county-wide mosquito control program?

**Short Answer:** (1) YES.  
(2) NO.

**Discussion:**

**HISTORY and BACKGROUND OF  
MOSQUITO CONTROL IN FLORIDA AND HERNANDO COUNTY**

Legislation allowing for the creation of mosquito control districts (MCDs) first began in 1925 by allowing any city, town, or county to tax for and create a mosquito control district. <sup>1</sup> In 1929 the Florida Legislature allowed for any county to be created into an Anti-Mosquito District. <sup>2</sup> In 1959 the mosquito control laws were consolidated into Chapter 388, *Florida Statutes*. <sup>3</sup> Over 55 MCDs were created from special acts and local ordinances as a result of the original implementation legislation passed in 1925 and 1929.

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<sup>1</sup> Chapter 10178, L.O.F. (1925) and Chapter 11380, L.O.F. (1925).

<sup>2</sup> Chapter 13569 L.O.F. (1929)

<sup>3</sup> Chapter 59-195, L.O.F. (1959)

There are two types of MCDs in existence today: districts authorized by general law and created by the local population via a referendum and provided for by county ordinance; <sup>4</sup> and districts created by special act. In 1980, the Florida Legislature amended section 388.021, *Florida Statutes*, to stop the creation of any more MCD(s) pursuant to Chapter 388, F.S. <sup>5</sup> Many of the original MCDs created since 1925 have ceased operation and the functions have become part of the county they served. <sup>6</sup>

Mosquito Control is regulated pursuant to Chapter 388, *Florida Statutes* and is overseen by the Department of Agriculture and Consumer Services (DACS). <sup>7</sup> According to DACS, there are 61 units of government that provide mosquito control in the State of Florida. <sup>8</sup> This includes counties and special districts. Out of the 61 providers of mosquito control service there are currently 18 special district MCDs in Florida as listed on the official special district list maintained by the Department of Economic Opportunity (DEO). <sup>9</sup> Of the 18 special districts, 15 are independent districts (not controlled by the county where located) and 3 are dependent districts (controlled by the county where located) <sup>10</sup>

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<sup>4</sup> Examples include Amelia Island MCD, Beach MCD, Buckhead Ridge MCD, East Flagler MCD, Moore Haven MCD, and South Walton County MCD.

<sup>5</sup> It is important to note that this statutory provision provides that mosquito control districts may be created only under section 125.01, *Florida Statutes*. Chapter 125 is devoted to county organization and provides for the creation of Municipal Service Taxing Units and Municipal Service Benefit Units. This provision is confusing due to the sentence just preceding it. Mosquito Control Districts, created before July 1, 1980, were grandfathered in. No other district created by the petition process would be allowed. Are mosquito control districts created by other means, still available? The statutory paragraph preceding this limitation seems to suggest that any city, town, or county, or any portions thereof, may be created into a mosquito control special taxing district.

<sup>6</sup> Examples include: the Martin County Anti-Mosquito District, Northeast Duval MCD and East Duval County MCD and Pinellas County MCD.

<sup>7</sup> The Office of Entomology Services was transferred from the Department of Health and Rehabilitative Services to the Department of Agriculture and Consumer Affairs in 1992. See Chapter 1992-203, L.O.F.

<sup>8</sup> Although there are 61 governmental units participating in mosquito control, there **are not** 61 mosquito control districts. These governmental units are participating in **mosquito programs**.

<sup>9</sup> DEO is tasked with providing the definition, creation, and operation of special districts. Further DEO is required to maintain lists of the special districts and non-district lists. [See Chapter 189, *Florida Statutes*] Bay County Mosquito Control District, East Volusia Mosquito Control District, North Walton Mosquito Control District, Jacksonville Mosquito Control and Hendry County Mosquito Control were determined not to be special districts by the DEO. See <http://dca.deo.myflorida.com/fhcd/sdip/Official Listdeo/nondistrictreport.cfm>.

<sup>10</sup> A dependent special district shall be created at the prerogative of the counties and municipalities. An independent special district shall only be created by legislative authorization as provided herein. [See section 189.402, *Florida Statutes*]

## **HERNANDO COUNTY**

During fiscal year 2010-2011 Hernando County was operating mosquito control service to the whole county within its regular general fund budget. In the same fiscal year Hernando County decided to shift monies from the Sensitive Land Fund and place the monies into the mosquito control budget. In 2011 Hernando County Government created a Municipal Service Taxing Unit (MSTU) for mosquito control. The county ordinance for mosquito control identifies its organization as a MSTU and a special district under Chapter 388, Florida Statutes. In 2013 the City of Brooksville conditionally consented to being part of the MSTU for mosquito control with the county.

11

### **THE ROLE OF A COUNTY IN MOSQUITO CONTROL**

Section 388.011, *Florida Statutes* defines “board of commissioners” as the governing body of any mosquito control district, and may include boards of county commissioners when context so indicates. The Board of County Commissioners has the sole authority to approve the change of the boundaries of any mosquito control district within the county when requested by the mosquito control district. [See Section 388.211, *Florida Statutes*]

Section 388.201, Florida Statutes refers to mosquito district budgets. When the mosquito district is the county, subsection 5 reads: “County commissioners’ mosquito and arthropod control budgets shall be made and adopted as prescribed by subsections (1) and (2); summary figures shall be incorporated into the county budgets as prescribed by the Department of Financial Services.” The Board of County Commissioners is empowered with the task of calling for the election of mosquito control board. [See Section 388.101, *Florida Statutes*] In counties where there has not been a separate mosquito control district created, all the rights, powers and duties of a mosquito control board of commissioners conferred under Chapter 388, *Florida Statutes*, are vested in the Board of County Commissioners of said county. [See section 388.241, *Florida Statutes*] The Board of County Commissioners may authorize the county health department to administer and direct arthropod control. [See section 388.251, *Florida Statutes*]

### **CONCEPT BEHIND MUNICIPAL SERVICE TAXING UNITS AND MUNICIPAL SERVICE BENEFIT UNITS**

A Municipal Service Taxing Unit or a Municipal Service Benefit Unit is created under the authority of section 125.01(1)(q), *Florida Statutes*.<sup>12</sup> While the authorized

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<sup>11</sup> The City of Brooksville restricted its participation in the MSTU with the stipulation that the millage rate would not exceed 0.1000 of a mill.

<sup>12</sup> Chapter 189, Florida Statutes involves the creation of special districts. While a MSTU and a MSBU are classified as a special district, they are not the only special districts that can be created. Dependent special districts can be created by a county or municipality. [See section 189.402, *Florida Statutes*] A dependent special district is a district that: (2) “Dependent special district” means a special district that meets at least one of the following criteria:

(a) The membership of its governing body is identical to that of the governing body of a single county or a single municipality.

functions of a MSTU or a MSBU are enumerated, the list is not exhaustive and a county is allowed wide latitude. However, there are limitations on the use of either a MSTU or a MSBU.<sup>13</sup> There must be a logical relationship between the services provided and the benefit to real property. [See *Whisnant v. Stringfellow*, 50 So.2d 885 (Fla. 1951)] In *Whisnant*, the Florida Supreme Court used examples of providing general law enforcement activities, providing services to the courts and providing indigent health care, provide no direct benefit to real property and cannot be subject to a special assessment. Here mosquito control provided to the whole county does not provide a direct service that benefits the real property, the benefit is to the general health and welfare of the whole population. Therefore, the use of a MSTU for mosquito control for the whole county is not the proper vehicle to provide mosquito control.

There may be a circumstance where a MSTU is the proper vehicle to assess property and a municipality such as the City of Brooksville could join. However, the consequence to the city of joining a MSTU, is that the 10 mill of taxable assessments is reduced by the millage used by the MSTU.

### **CONFUSION IN THE LAW AND QUESTIONS UNANSWERED**

Chapter 388, Florida Statutes provides for a special ad valorem tax, not to exceed 10 mills, to fund mosquito control within a mosquito control district. [See section 388.221(1), *Florida Statutes*] Many of the early mosquito control special districts were set up to attack specific breeding grounds within its district. Some counties provide no mosquito control. Other counties could provide mosquito control to the whole county under its original ad valorem taxing power or under a special mosquito control district under 388. It is unclear whether Hernando County created a mosquito control district. It appears that Hernando County has the authority to do so. Section 388.021, paragraphs (1) and (2), *Florida Statutes* may be in conflict with each other and may only allow a county to create any new mosquito control district. If so, that interpretation would be in conflict with some of the provisions of Chapter 125 and Chapter 189, Florida Statutes. The Hogan Law Firm will continue to research this area and discuss with the county legal department their positions and options available to both the county and the city.

- 
- (b) All members of its governing body are appointed by the governing body of a single county or a single municipality.
  - (c) During their unexpired terms, members of the special district's governing body are subject to removal at will by the governing body of a single county or a single municipality.
  - (d) The district has a budget that requires approval through an affirmative vote or can be vetoed by the governing body of a single county or a single municipality. [See section 189.403(2), *Florida Statutes*]

<sup>13</sup> This memorandum will concentrate on a MSTU since a MSBU is not a vehicle utilized by the county for mosquito control.



# Attachment 2



**AGENDA ITEM**  
**MEMORANDUM**

**TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS**

**VIA: T. JENNENE NORMAN-VACHA, CITY MANAGER**

**FROM: RICHARD W. RADACKY, PUBLIC WORKS DIRECTOR**

**SUBJECT: MOSQUITO CONTROL MSTU**

**DATE: May 23, 2014**

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**GENERAL SUMMARY/BACKGROUND:** The Department of Public Works has researched mosquito control by using city forces or by contracting the service to a private firm.

Mosquito Control by City Forces- Staff estimates it would take one (1) spray unit and one (1) individual to provide larviciding and adulticiding within the city. There are two (2) basic types of mosquito control. The first is larviciding and the second is adulticiding.

Larviciding is when mosquitoes are controlled when they are aquatic and reside within water structures i.e. containers, tires, ditches, small ponds, and plants that hold water. A common name for mosquito larvae in this growth phase are "wiggly tails." The most common tactics are spraying or placement of chemicals or oils in standing water. This can be easily accomplished with backpack sprayers. Another control method is removal of containers that can hold standing water.

The second control method is adulticiding. Adulticiding is when mosquitoes have emerged from the water phase and are controlled by aerial sprays. Most familiar is by spraying from a pick-up truck. The most common spraying times are from dusk until approximately midnight when most species are at peak activity. The prime season for adulticiding is from May to mid November. The rainy season and high temperature months, present challenges for mosquito control.

If any type of chemical application is performed, the person overseeing and directing the spray program must be state certified. In order to become certified, an individual must have experience with mosquito control and favorably complete coursework and an examination. Certification is by the Florida Department of Agriculture and Consumer Services.

In 2012, staff was considering mosquito control options. This was a result of the county adopting a Municipal Service Taxing Unit (MSTU) for mosquito control. The Hernando County Board of County Commissioners had a question placed on the 2012 ballot asking voters if they would agree to an MSTU, not to exceed 0.1 mil, for mosquito control services. Voters overwhelmingly approved the question. The question was nonbinding and the County Commission last fiscal year considered exceeding the 0.1 mil cap and it

is staff's understanding that the millage will be considerably higher for the proposed Fiscal Year 2015 Budget.

City staff has received correspondence of the mosquito control activities provided to the city by the county in Fiscal Year 2013. The control methods employed were:

- Traps to determine the numbers and species of mosquitoes present. As some mosquito species are carriers of disease, it is valuable to determine what species is prevalent in the community. According to the county staff, three (3) traps were used in Brooksville.
- A sentinel chicken coop was provided. Blood samples were collected to determine to if the chickens had been infected with viruses causing West Nile Disease, or Eastern Equine, Chikungunya, or St. Louis Encephalitis. (These viruses can be life threatening to humans and horses).
- Biological control by placing minnows in water bodies for control of mosquito larvae.
- Chemical control for invasive aquatic plant control in water bodies harboring mosquitoes.
- Placing chemicals in semi-permanent water bodies and ditches containing mosquito larvae.
- Adulticiding by spray trucks on streets during peak mosquito activity.
- Complaint investigation by visiting residential and commercial properties.
- Obtaining and keeping current permits and providing monthly activity reports to the Florida Departments of Environmental Protection and the Florida Department of Agriculture and Consumer Services.

It is staff's opinion that the city may not need all the services listed above. For the 10-square mile area of Brooksville, it is believed that control should be limited to larviciding year round. Aerial spraying would be by truck every 7-10 days during the months of May through November. Therefore, the cost of providing very basic mosquito control service would be as follows:

- Pickup truck for providing the service. Staff envisions utilizing an existing pickup truck.
- Hand sprayer for larvaciding \$1,000.
- One (1) ultra-low-volume spray unit for mounting in a pickup truck \$12,000.
- Chemicals \$25,000.
- One full-time personnel \$28,000.
- Training and licensing \$5,000.
- Fuel \$5,000.

The total start-up costs would be approximately \$76,000. The recurring cost would be approximately \$58,000 annually.

Staff has explored available state funding and has been in contact with Mike Page, Special Projects Coordinator, Bureau of Entomology and Consumer Services, Florida Department of Agriculture and Consumer Services (FDACS). Mr. Page advises that if

the city wishes to begin a mosquito control service, by creating a mosquito control district, that the city could qualify for three (3) years funding of up to \$50,000 each year of no-match funds, from the FDACS. These funds would be available if the City began and administered its own in-house mosquito control program or contracting services with the private sector. In order to qualify as a mosquito control district, the Council would have to declare such and obtain the approval of the Hernando County Board of County Commissioners.

Providing the Service by Contracting with a Private Firm-Staff has met with two (2) firms that provide mosquito control services and both were interested in providing quotes for review by city staff. The two (2) firms were Clarke Entomology Services, Orlando, Florida, and Vector Disease Control, Jackson, Mississippi. Clarke provides service to Dunnellon and has provided services throughout Florida and the Caribbean. Vector provides services to the City of Sarasota and has provided aerial spraying to Hernando County after Hurricane Sandy. Both firms appear to have excellent credentials.

Both provide all services for the control of mosquitoes or a client can pick and choose the control method(s). Staff is of the opinion of whether the Council chooses in-house control or a combination of in-house supplemental services that services by contract will be needed. Staff has asked that both firms provide proposals by the end of the week for an idea of the anticipated costs. Staff has asked for proposals by providing all services, a combination of in-house and contract services and emergency services. The proposals will be presented at the Council Meeting of June 2, 2014.

The City of Brooksville and Hernando County are in the beginnings of mosquito season which will run into November. It may be prudent to contract mosquito services for this fiscal year. By the time the city sets up a district, petitions the County Commissioners for its approval to establish a district, purchase equipment, and receive certification, the fall season will be at a close. Staff believes any in-house program be set up for Fiscal Year 2015.

**BUDGET IMPACT:** It is unknown of the costs to provide service. This will be further evaluated at the Council meeting of June 2, 2014.

**LEGAL REVIEW:** The City is vested with home rule authority pursuant to Article VII, Section 2, of the Constitution of the State of Florida and Chapter 166, Florida Statutes, to enact ordinances; and, pursuant to Section 1.03 and Section 2.13 of the Charter, the City has the power to enable it to conduct municipal functions.

**STAFF RECOMMENDATION:** The Public Works Department staff recommends that the City Council contracts with a private service for mosquito control services, if Hernando County will not provide the service to the city. If the county refuses to provide service, proceed with establishing a special mosquito control district and evaluate whether service should be contracted or provided in-house.

**CORRESPONDENCE-TO-NOTE**  
**REGULAR COUNCIL MEETING – June 2, 2014**

1.    **TYPE:**                   Letter  
      **RECEIVED:**         May 5, 2014  
      **RECEIVED FROM:**  Todd Weidley, TECO  
      **ADDRESSED TO:**   Public Officials  
      **SUBJECT:**           Request for Data
  
2.    **TYPE:**                   Letter  
      **DATED:**             May 16, 2014  
      **RECEIVED FROM:**  Scott Brizendine, Southern Hills Plantation  
      **ADDRESSED TO:**   City Manager  
      **SUBJECT:**           FY2014/15 Proposed Budget
  
3.    **TYPE:**                   Letter  
      **DATED:**             May 16, 2013  
      **RECEIVED FROM:**  Shannon Sokolowski, Dawn Center  
      **ADDRESSED TO:**   Council Members  
      **SUBJECT:**           Tom Varn Park Waiver of Fee
  
4.    **TYPE:**                   Memo  
      **DATED:**             May 19, 2013  
      **RECEIVED FROM:**  Michael Sittig, Florida League of Cities  
      **ADDRESSED TO:**   Municipal Key Officials  
      **SUBJECT:**           88th Annual FLC Conference



05-05-14 P05:31 RCVD

Dear Public Official,

In accordance with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration Pipeline Safety Regulations, TECO Peoples Gas is requesting information regarding **identified sites** as defined in 49 Code of Federal Regulations Part 192. TECO Peoples Gas collects data from a variety of sources including routine operation and maintenance activities. However, we are requesting your help in identifying areas where the public congregates, so we can properly define **High Consequence Areas** and appropriately focus our pipeline integrity management activities.

Pipeline safety regulations use the concept of high-consequence areas (HCAs) to identify those specific locales and areas where a natural gas release could potentially have the most significant adverse consequences. Once these areas are identified, operators are required to devote additional focus, efforts and analyses in these areas to ensure the integrity of the pipeline, which we do in your area.

This process is part of TECO Peoples Gas' Integrity Management Program. Our plan complies with the U.S Department of Transportation rules that Congress enacted in December 2003 for natural gas transmission pipelines.

We've always placed a high priority on safety and compliance, so we embrace DOT's goals of improving pipeline safety and raising the public confidence in the natural gas industry. To obtain a summary of the basic requirements and components of TECO's Integrity Management Plan please call 1-877-832-6747 (1-877-TECO-PGS)

In general, identified sites are outside areas and buildings where people regularly congregate or meet. These areas include but are not limited to, beaches, camping areas, playgrounds, recreational facilities, outdoor theaters, stadiums, recreational areas near bodies of water or areas outside a rural building such as a religious facility. Also, buildings such as religious facilities, office buildings, community centers, general stores, 4-H facilities of skating rinks would be considered identified sites. Places occupied by persons who are confined or of impaired mobility are also important to pipeline companies. Examples include medical facilities, day care facilities, nursing homes, prisons, schools, retirement and assisted living facilities or any other areas that may be difficult to evacuate. If the areas described above are close to a pipeline, they may be classified by the pipeline company as **High Consequence Areas** and subject to additional safety and awareness activities.

We have a website to provide first responders and public officials with easy access to help pinpoint these areas called the **Identified Site Registry**. The **Identified Site Registry** is a quick and easy way for emergency response officials like you to provide information about these 'Identified Sites'. It will only take minutes for you to provide this vital information. And your assistance will help us keep people safe. You can access the Identified Site Registry here: <http://isr.pipelineportal.com>

Sincerely,

Todd Weidley  
Manager, Standards and Mapping,  
TECO Peoples Gas

CTN  
06.02.14  
cc: Chief G. Turner  
Chief T. Massimone  
Mike Walker  
R. Radachey  
B. Guipow  
H

**SOUTHERN HILLS PLANTATION II  
COMMUNITY DEVELOPMENT DISTRICT** CT 20-14 P04:12 RCVD

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

May 16, 2014

City Manager  
City of Brooksville  
201 Howell Avenue  
Brooksville, FL 34601-2041

Dear Sir/Madam:

Enclosed please find the Fiscal Year 2014/2015 budget (the "Proposed Budget") approved by the Board of Supervisors of the Southern Hills Plantation II Community Development District (the "Board") for the purpose of setting a hearing to consider public comment and testimony on same. The public hearing on the Proposed Budget has been scheduled for **July 17, 2014, at 10:00 a.m.** at the **Southern Hills Plantation Clubhouse located at 4200 Summit View Drive, Brooksville, FL 34601.** Transmittal of the enclosed Proposed Budget is being made for purposes of disclosure and information, in accordance with the requirement set forth in Section 190.008(b), *Florida Statutes*, a digital copy of the budget will also be posted on the Hernando County website (at least two days prior to the public hearing) pursuant to Section 189.418(4), *Florida Statutes*.

Should you have any questions, please do not hesitate to contact me at your earliest convenience.

Sincerely,



Scott Brizendine  
District Manager

Enclosures: FY 14-15 Budget

CTN  
06.02.14  
JW

**Southern Hills Plantation II  
Community Development District  
Proposed General Fund Budget  
Fiscal Year 2014/2015**

Chart of Accounts Classification	Actual YTD through 03/31/14	Projected Annual Totals 2013/2014	Annual Budget for 2013/2014	Projected Budget variance for 2013/2014	Proposed Budget for 2014/2015	Budget Increase (Decrease) vs 2013/2014	Comments
1							
2	<b>REVENUES</b>						
3	<b>Interest Earnings</b>						
4	\$ 41	\$ 82	\$ -	\$ 82	\$ -	\$ -	
5	<b>Special Assessments</b>						
6	\$ 20,082	\$ 20,082	\$ 18,319	\$ 1,763	\$ 17,618	\$ (701)	
7	\$ 69,028	\$ 69,028	\$ 69,030	\$ (2)	\$ 66,277	\$ (2,753)	
8	<b>Other Miscellaneous Revenues</b>						
9	\$ 47,502	\$ 47,502	\$ -	\$ 47,502	\$ -	\$ -	Previous developer bankruptcy settlement
10	\$ 136,653	\$ 136,694	\$ 87,349	\$ 49,345	\$ 83,895	\$ (3,454)	
11	<i>*Allocation of assessments between the Tax Roll and Off Roll are estimates only and subject to change prior to certification.</i>						
12							
13							
14	<b>EXPENDITURES - ADMINISTRATIVE</b>						
15	<b>Legislative</b>						
16	\$ 400	\$ 800	\$ 800	\$ -	\$ 1,600	\$ 800	2 paid Supervisors, est. 4 meetings
17	\$ -	\$ -	\$ 140	\$ 140	\$ -	\$ (140)	
18	<b>Financial &amp; Administrative</b>						
19	\$ 7,292	\$ 13,292	\$ 12,000	\$ (1,292)	\$ 12,000	\$ -	
20	\$ 1,250	\$ 2,500	\$ 2,500	\$ -	\$ 2,500	\$ -	
21	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	
22	\$ -	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ -	
23	\$ -	\$ 3,400	\$ 3,400	\$ -	\$ 3,400	\$ -	
24	\$ -	\$ 650	\$ 650	\$ -	\$ 650	\$ -	
25	\$ 1,614	\$ 3,431	\$ 3,427	\$ (4)	\$ 3,774	\$ 347	estimate, 10% increase
26	\$ 120	\$ 400	\$ 500	\$ 100	\$ 500	\$ -	
27	\$ 151	\$ 302	\$ 450	\$ 148	\$ 310	\$ (140)	
28	\$ 175	\$ 175	\$ 175	\$ -	\$ 175	\$ -	Annual DEO fee
29	<b>Legal Counsel</b>						
30	\$ 1,503	\$ 3,006	\$ 4,000	\$ 994	\$ 4,000	\$ -	
31	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)	
32	\$ 17,505	\$ 36,456	\$ 38,542	\$ 2,086	\$ 37,409	\$ (1,133)	
33							
34	<b>EXPENDITURES - FIELD OPERATIONS</b>						
35	<b>Electric Utility Services</b>						
36	\$ 8,022	\$ 16,044	\$ 16,664	\$ 620	\$ 16,525	\$ (139)	estimate 3% fuel increase
37	<b>Stormwater Control</b>						
38	\$ 452	\$ 904	\$ -	\$ (904)	\$ 904	\$ 904	cost share for two ponds
39	<b>Other Physical Environment</b>						
40	\$ 477	\$ 477	\$ 485	\$ 8	\$ 549	\$ 64	estimate, 15% increase
41	\$ -	\$ -	\$ 600	\$ 600	\$ 600	\$ -	
42	\$ 9,055	\$ 18,110	\$ 18,600	\$ 490	\$ 16,908	\$ (1,692)	cost share for SH Blvd. maintenance
43	\$ 1,726	\$ 3,452	\$ 3,000	\$ (452)	\$ 3,500	\$ 500	as-needed repairs - SH Blvd.
44	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	
45	<b>Contingency</b>						
46	\$ -	\$ -	\$ 4,458	\$ 4,458	\$ 2,500	\$ (1,958)	
47	\$ 19,732	\$ 38,987	\$ 48,807	\$ 9,820	\$ 46,486	\$ (2,321)	
48	<b>Contingency for County TRIM Notice</b>						
49	\$ 37,237	\$ 75,443	\$ 87,349	\$ 11,906	\$ 83,895	\$ (3,454)	
50							
51	\$ 99,416	\$ 61,251	\$ -	\$ 61,251	\$ 0	\$ 0	
52							



Our Mission: "To end the cycle of family violence, abuse and sexual assault... where home is a safe place."

May 16, 2014

Dear Council Members, City of Brooksville,

Thank you so much for waiving the Tom Varn Park Use Fee for our 5k Dash for Dawn Center event. The funds raised at this event benefit the women and children at the Dawn Center shelter. Your contribution helps support the Center in fulfilling our mission.

As you know, Dawn Center is Hernando County's only certified domestic and sexual violence agency. We provide safe shelter for women and children in our 40 bed facility that sits on approximately six acres in a confidential location within Hernando County. Additional services are provided through two Outreach offices located at the Brooksville Enrichment Center and the Hernando County Courthouse.

Everything the women and children need while residing at the shelter is provided for them. This includes food, clothing, toiletry items, and transportation. In 2012, we provided emergency safe shelter to 302 survivors of abuse, including 131 children. That is over 54,000 meals served in our shelter last year! We were also able to serve over 800 more women and children through our outreach departments by providing services such as supportive counseling, case management, legal advocacy and support groups.

Domestic violence is an epidemic that affects Americans in all communities, regardless of age, economic status, race, religion, nationality, or education. Since the Dawn Center is a non-profit organization, we rely heavily on community support and contributions. Because of the generosity of friends like you, we are able to continue to provide the very important service to those in need. Again, thank you for your support!

Sincerely,

Shannon Sokolowski  
Executive Director

*We so appreciate your support!  
Thank you!*

PO Box 6179, Spring Hill, FL 34611 352-684-7191-Phone, 352-684-7941- Fax  
www.dawncenter.org



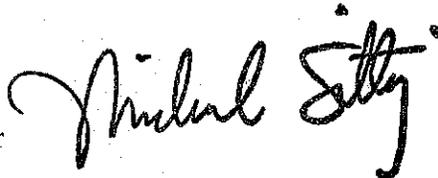
*CTN  
06.02.14  
JW*



05-23-14P05:06 RCVD

301 South Bronough Street • Suite 300 • P.O. Box 1757 • Tallahassee, FL 32302-1757 • (850) 222-9684 • Fax (850) 222-3806 • www.floridaleagueofcities.com

TO: Municipal Key Official

FROM: Michael Sittig, Executive Director 

DATE: May 19, 2014

SUBJECT: 88th Annual FLC Conference –“*Cities take on Technology*”  
VOTING DELEGATE AND RESOLUTION INFORMATION  
August 14-16, 2014 – Westin Diplomat, Hollywood

As you know, the Florida League of Cities’ Annual Conference will be held at the Westin Diplomat, Hollywood, Florida on August 14-16. This year we are celebrating “*Cities take on Technology*”, which will provide valuable educational opportunities to help Florida’s municipal officials serve their citizenry more effectively.

It is important that each municipality designate one official to be the voting delegate. Election of League leadership and adoption of resolutions are undertaken during the business meeting. One official from each municipality will make decisions that determine the direction of the League.

In accordance with the League’s by-laws, each municipality’s vote is determined by population, and the League will use the Estimates of Population from the University of Florida for 2013.

Registration materials will be sent to each municipality in the month of June. Materials will also be posted on-line. Call us if you need additional copies. The League adopts resolutions each year to take positions on commemorative, constitutional or federal issues. We have attached the procedures your municipality should follow for proposing resolutions to the League membership. A resolution is not needed to become a voting delegate. If you have questions regarding resolutions, please call Allison Payne at the League at (850) 701-3602 or (800) 616-1513, extension 3602. **Proposed resolutions must be received by the League no later than July 9, 2014.**

If you have any questions on voting delegates, please call Gail Dennard at the League (850) 701-3619 or (800) 616-1513, extension 3619. **Voting delegate forms must be received by the League no later than August 11, 2014.**

Attachments: Form Designating Voting Delegate  
Procedures for Submitting Conference Resolution

CTM  
06.02.14

President **P.C. Wu**, Councilmember, Pensacola

First Vice President **Lori C. Moseley**, Mayor, Miramar • Second Vice President **Matthew D. Surrency**, Mayor, Hawthorne

Executive Director **Michael Sittig** • General Counsel **Harry Morrison, Jr.**

**88th Annual Conference  
Florida League of Cities, Inc.  
August 14-16, 2014  
Hollywood, Florida**

It is important that each member municipality sending delegates to the Annual Conference of the Florida League of Cities, designate one of their officials to cast their votes at the Annual Business Session. League By-Laws requires that each municipality select one person to serve as the municipalities voting delegate. Municipalities do not need to adopt a resolution to designate a voting delegate.

Please fill out this form and return it to the League office so that your voting delegate may be properly identified.

**Designation of Voting Delegate**

Name of Voting Delegate: \_\_\_\_\_

Title: \_\_\_\_\_

Municipality of: \_\_\_\_\_

**AUTHORIZED BY:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Return this form to:

Gail Dennard  
Florida League of Cities, Inc.  
Post Office Box 1757  
Tallahassee, FL 32302-1757  
Fax to Gail Dennard at (850) 222-3806 or email [gdennard@flcities.com](mailto:gdennard@flcities.com)

**Procedures for Submitting Resolutions**  
**Florida League of Cities' 88th Annual Conference**  
**Westin Diplomat**  
**Hollywood, Florida**  
**August 14-16, 2014**

In order to fairly systematize the method for presenting resolutions to the League membership, the following procedures have been instituted:

- (1) Proposed resolutions must be submitted in writing, to be received in the League office by July 9, 2014, to guarantee that they will be included in the packet of proposed resolutions that will be submitted to the Resolutions Committee.
- (2) Proposed resolutions will be rewritten for proper form, duplicated by the League office and distributed to members of the Resolutions Committee. (Whenever possible, multiple resolutions on a similar issue will be rewritten to encompass the essential subject matter in a single resolution with a listing of original proposers.)
- (3) Proposed resolutions may be submitted directly to the Resolutions Committee at the conference; however, a favorable two-thirds vote of the committee will be necessary to consider such resolutions.
- (4) Proposed resolutions may be submitted directly to the business session of the conference without prior committee approval by a vote of two-thirds of the members present. In addition, a favorable weighted vote of a majority of members present will be required for adoption.
- (5) Proposed resolutions relating to state legislation will be referred to the appropriate standing policy committee. Such proposals will not be considered by the Resolutions Committee at the conference; however, all state legislative issues will be considered by the standing policy councils and the Legislative Committee, prior to the membership, at the annual Legislative Conference each fall. At that time, a state Legislative Action Agenda will be adopted.
- (6) Proposed resolutions must address either federal issues, state constitutional issues, matters directly relating to the conference, matters recognizing statewide or national events or service by League officers. All other proposed resolutions will be referred for adoption to either the Florida League of Cities Board of Directors or FLC President.

Municipalities unable to formally adopt a resolution before the deadline may submit a letter to the League office indicating their city is considering the adoption of a resolution, outlining the subject thereof in as much detail as possible, and this letter will be forwarded to the Resolutions Committee for consideration in anticipation of receipt of the formal resolution.

## **Important Dates**

### **May 2014**

Notice to Local and Regional League Presidents and Municipal Associations  
regarding the Resolutions Committee

### **June 2014**

Appointment of Resolutions Committee Members

### **July 9th**

Deadline for Submitting Resolutions to the League office

### **August 14th**

League Standing Council Meetings  
Resolutions Committee Meeting  
Voting Delegates Registration

### **August 16th**

Immediately Following Breakfast – Pick Up Voting Delegate Credentials  
Followed by Annual Business Session