

ENTERPRISE FLORIDA, INC.  
RETIREMENT SAVINGS PLAN  
FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2018 AND 2017

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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## INDEPENDENT AUDITORS' REPORT

To the Plan Administrators, Trustees and Participants of  
Enterprise Florida, Inc. Retirement Savings Plan  
Orlando, Florida

We were engaged to audit the accompanying financial statements of Enterprise Florida, Inc. Retirement Savings Plan which is comprised of the statements of net assets available for benefits as of December 31, 2018 and 2017, the related statement of changes in net assets available for benefits for the year ended December 31, 2018, the related notes to the financial statements and the supplemental schedule of Schedule H, line 4i - Schedule of Assets (Held At End of Year) for the year ended December 31, 2018.

### **Management's Responsibility for the Financial Statements and Supplemental Schedule**

Management is responsible for the preparation and fair presentation of these financial statements and supplemental schedule 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 an opinion on these financial statements and supplemental schedule based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Principal Life Insurance Company, the custodian of the Plan,

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2018 and 2017 and for the year ended December 31, 2018, that the information provided to the plan administrator by the custodian is complete and accurate.

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements and supplemental schedule.

### **Other Matter**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Orlando, Florida  
July 30, 2019

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2018 AND 2017

	2018	2017
Assets:		
Investments at fair value (Notes B, C and D):		
Mutual funds	\$ 674,100	\$ 883,604
Pooled separate accounts	10,414,352	11,701,308
Guaranteed interest accounts	46,210	48,775
Total investments	11,134,662	12,633,687
Receivables:		
Employer contributions		19,822
Participant contributions		10,266
Participant notes receivable	189,588	131,090
Total receivables	189,588	161,178
Net assets available for benefits	\$ 11,324,250	\$ 12,794,865

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2018

Additions to net assets attributed to:	
Investment income:	
Net depreciation in fair value of investments (Note C)	<u>\$ (836,805)</u>
Interest from participant notes receivable	<u>10,193</u>
Contributions:	
Employer	501,034
Participants	275,121
Rollovers	<u>269,124</u>
	<u>1,045,279</u>
Total additions	<u>218,667</u>
Deductions from net assets attributed to:	
Benefits paid to participants	1,680,971
Administrative expenses	<u>8,311</u>
Total deductions	<u>1,689,282</u>
Net decrease	(1,470,615)
Net assets available for benefits:	
Beginning of year	<u>12,794,865</u>
End of year	<u>\$ 11,324,250</u>

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

A. Description of the plan:

The following description of the Enterprise Florida, Inc. Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering all employees of Enterprise Florida, Inc. (the "Company") that are age 21 or older and not a leased employee. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions:

Participants may contribute up to 100% of compensation, as defined in the Plan, subject to Internal Revenue Code limitations. Participants who have attained the age of fifty before the end of the Plan year are eligible to make catch-up contributions. Currently the Company matches 25% of the first 4% of all wages the employee contributes and makes bi-weekly discretionary contributions equal to 7% of employee wages excluding bonuses. The Plan includes a Safe Harbor provision which requires the Company to make minimum qualified non-elective contributions in accordance with requirements of the Internal Revenue Code. Currently the Company contributes 3% of all employee wages. Investments of contributions are self-directed by participants within investments provided for by the Plan. Forfeitures of terminated participants' non vested accounts are used first to reduce any reasonable Plan expenses and then to reduce the company contributions.

Voluntary "rollover" contributions may be accepted by the Plan under certain terms and conditions.

Participant accounts:

Each participant's account is credited with Employee contributions and allocations of (a) the Company's contributions, (b) forfeitures of terminated participants' non vested accounts and (c) Plan earnings. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is equal to the vested balance of the participant's account.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

A. Description of the plan (continued):

Vesting:

Participants are immediately vested in all of their contributions and the Company's qualified non-elective contributions plus actual earnings. Vesting in the Company's match and discretionary contributions plus actual earnings is based on years of service as defined in the Plan. A participant vests at 33.33% annually until fully vested upon completion of three years of credited service. Any participant employed at the date of total and permanent disability, death or the attainment of normal retirement age, as defined, is deemed to be 100% vested.

Participant notes receivable:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participants' vested account balances. The receivables are secured by the balance in the participants' accounts and bear interest at a rate commensurate with the prime lending rate effective when the receivable was originated. Principal and interest are paid ratably through bi-weekly payroll deductions.

Payment of benefits:

Upon termination of service, death, disability or retirement, a participant may elect to receive a lump-sum payment equal to the vested value of his or her account.

Participants who continue in the employment of the Company may request a pre-retirement distribution of defined amounts under certain hardship conditions, as defined in the Plan.

The Plan also allows for in-service distributions of the participant's vested accounts upon reaching the age of 59 1/2, as defined in the Plan.

Forfeited accounts:

For the years ended December, 31, 2018 and 2017, forfeited non vested accounts were used to reduce employer contributions by \$38,755 and \$36,255, respectively, and pay plan expenses of \$352 and \$8, respectively.



ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

A. Description of the plan (continued):

Forfeited accounts (continued):

At December 31, 2018, forfeited non-vested accounts had been fully utilized. At December, 31, 2017, there was \$339 of forfeited non-vested accounts available to reduce employer contributions and plan expenses.

B. Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual method of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment valuation and income recognition:

The Plan's investments are stated at fair value based upon quoted market prices, as determined by the custodian of the Plan's assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

The Plan's investment contracts (Guaranteed Interest Accounts) are not fully benefit-responsive and are stated at fair value as determined by the custodian of the Plan's assets.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

B. Summary of significant accounting policies (continued):

Investment valuation and income recognition (continued):

The change in fair value of investments and realized gains (losses) are reflected in the accompanying statement of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments. The realized gains or losses on investments are the difference between the proceeds received and the fair value of the investment sold at the beginning of the Plan year.

Participant notes receivable:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest.

Payment of benefits:

Benefits are recorded when paid.

C. Information prepared and certified by the custodian:

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

The investment information included in the accompanying financial statements and supplemental schedule was obtained from data that has been certified as complete and accurate to the plan administrator by Principal Life Insurance Company (Principal), the custodian of the Plan, at December 31, 2018 and 2017. Incorporation of this financial information in the accompanying financial statements and supplemental schedule is based solely on those certifications.

The investment income reported in the statement of changes in net assets available for benefits for the year ended December 31, 2018 was also certified by Principal.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

D. Fair value measurements:

The Fair Value Measurements and Disclosures Topic of FASB ASC requires disclosure of a fair value hierarchy of inputs the Plan uses to value an asset or a liability.

The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date. For the Plan, Level 1 inputs include marketable securities that are actively traded.
- Level 2: Inputs other than Level 1 that are observable for the asset or liability, either directly or indirectly. The Plan did not have any Level 2 assets at December 31, 2018 or 2017.
- Level 3: Inputs that represent financial assets or liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The determination of where assets and liabilities fall within this fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Mutual Funds:* Valued at the daily closing price as reported by the funds. Mutual funds held by the Plan are open-ended funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Pooled Separate Accounts:* Valued at the net asset value of shares held by the plan at year end.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

D. Fair value measurements (continued):

*Guaranteed Interest Accounts:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 674,100		\$ 674,100
Pooled separate accounts	10,414,352		10,414,352
Guaranteed interest		<u>\$ 46,210</u>	<u>46,210</u>
Investments at fair value	<u>\$ 11,088,452</u>	<u>\$ 46,210</u>	<u>\$11,134,662</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 883,604		\$ 883,604
Pooled separate accounts	11,701,308		11,701,308
Guaranteed interest		<u>\$ 48,775</u>	<u>48,775</u>
Investments at fair value	<u>\$ 12,584,912</u>	<u>\$ 48,775</u>	<u>\$ 12,633,687</u>

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

D. Fair value measurements (continued):

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2018:

	Guaranteed Interest Accounts
Balance, beginning of year	\$ 48,775
Unrealized loss relating to instruments still held at the reporting date	(958)
Purchases and sales:	
Purchases	19,099
Sales	(20,706)
Balance, end of year	\$ 46,210

E. Plan termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

F. Tax status:

The Internal Revenue Service has determined and informed Principal by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan has since been amended; however, the plan administrator believes the Plan is currently designed and being operated in accordance with the applicable requirements of the code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018 AND 2017

G. Administrative expenses:

Administrative expenses associated with custody and recordkeeping are paid by the Company. Loan and other transaction fees are charged to participants. The Company provides certain accounting and management services to the Plan at no charge and pays for the annual audit of the Plan.

H. Related party transactions:

Certain Plan investments are shares of mutual funds managed by Principal, the custodian as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions.

I. Risks and uncertainties:

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

J. Reclassification:

Certain amounts on the 2017 financial statements have been reclassified for comparative purposes.

K. Subsequent events:

Subsequent events were evaluated through July 30, 2019, the date in which the financial statements were available to be issued.

ENTERPRISE FLORIDA, INC. RETIREMENT SAVINGS PLAN  
FORM 5500 - SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
DECEMBER 31, 2018

E.I.N. 59-3165226  
Plan #001

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity level	(d) Cost	(e) Current Value
*	Principal Life Insurance Company	Principal Large Cap S&P 500 Index Separate Account	n/a	\$ 1,623,709
*	Principal Life Insurance Company	Principal Liquid Assets Separate Account	n/a	106,292
*	Principal Life Insurance Company	Principal Core Plus Bond Separate Account	n/a	233,640
*	Principal Life Insurance Company	Principal Equity Income Separate Account	n/a	284,313
*	Principal Life Insurance Company	Principal Large Cap Growth I Separate Account	n/a	232,054
*	Principal Life Insurance Company	Principal Diversified International Separate Account	n/a	406,007
*	Principal Life Insurance Company	Principal Lifetime Strategic Income Separate Account	n/a	286,790
*	Principal Life Insurance Company	Principal Lifetime 2010 Separate Account	n/a	55,162
*	Principal Life Insurance Company	Principal Lifetime 2020 Separate Account	n/a	1,462,413
*	Principal Life Insurance Company	Principal Lifetime 2030 Separate Account	n/a	2,215,321
*	Principal Life Insurance Company	Principal Lifetime 2040 Separate Account	n/a	704,260
*	Principal Life Insurance Company	Principal Lifetime 2050 Separate Account	n/a	581,847
*	Principal Life Insurance Company	Principal Lifetime 2060 Separate Account	n/a	6,494
*	Principal Life Insurance Company	Principal Mid Cap Separate Account	n/a	763,152
*	Principal Life Insurance Company	Principal Financial Group Inc. Stock Separate Account	n/a	17,915
*	Principal Life Insurance Company	Principal Small Cap S&P 600 Index Separate Account	n/a	504,930
*	Principal Life Insurance Company	Principal Small Cap Value II Separate Account	n/a	31,867
*	Principal Life Insurance Company	Principal Mid Cap Value III Separate Account	n/a	139,757
*	Principal Life Insurance Company	Principal Small Cap Growth I Separate Account	n/a	78,719
*	Principal Life Insurance Company	Principal Mid Cap S&P 400 Index	n/a	679,710
	T. Rowe Price Associates, Inc.	T. Rowe Price RealEst Adv Fund	n/a	242,977
	PIMCO	PIMCO Income Admin Fund	n/a	431,123
				<u>11,088,452</u>
*	Principal Life Insurance Company	Guaranteed Interest Accounts		46,210
*	Participant notes receivable	Interest rates between 5.25% and 7.5%. Maturity dates through 2023.		<u>189,588</u>
				<u>\$ 11,324,250</u>

\* Represents a party-in-interest to the Plan.