

City of Umatilla, Florida



**Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2019**



COVER NOTES

Pictures of the Cadwell Recreation Building after interior renovations were completed. New features such as coffeured ceilings, recessed lighting, ceiling fans, Italian floor tile, granite countertops, a rolling center island in the kitchen, drywall in the main room with two tone paint scheme and new windows throughout as well as new bathroom fixtures.

City of Umatilla, Florida

Comprehensive Annual Financial Report

For the Year Ended September 30, 2019



Prepared By
Finance Department

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INTRODUCTORY SECTION



CITY OF UMATILLA

"NATURE'S HOMETOWN"

June 26, 2020

To the Honorable Mayor and Members of the City Council
City of Umatilla, Florida

The Comprehensive Annual Financial Report for the City of Umatilla, Florida, for the fiscal year ended September 30, 2019 is hereby submitted pursuant to Florida Statutes Chapter 166.241(4) and Chapter 10.500 of the Rules of the Auditor General of the State of Florida. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data presented are accurate in all material aspects; the information is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and includes all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs.

Government Structure

The City of Umatilla is operated under Council-City Manager form of government.

The City Council is responsible, among other things, for enacting ordinances, and adopting the budget. In addition, the City Council has the duty of contracting with the City Attorney and the City's Independent Auditor. The City Manager, an appointed official, is responsible for carrying out the policies of the Council overseeing the day-to-day operations and appointing department heads.

The City

The City of Umatilla, incorporated in 1904, is located in central Florida. The City has a population of 4,081. The City's property tax millage rate is 7.1089. The City is continuing a rebirth of its downtown core area with many infrastructure and redevelopment projects completed or underway. The population has remained relatively stable with a 4% increase over the prior year.

Discussion on Operations of the Enterprise Funds

The Water and Sewer departments serve over 1,600 customers, providing water, sewer and irrigation. The City undertook a Rate Study for the Water and Wastewater Enterprise Fund in order to provide for future planning and funding necessary to properly maintain the System Infrastructure, improve the quality of the operation and provide for future needs. As a result of this study a new rate system was adopted and implemented during the last quarter of fiscal year 2014 with an ordinance providing for rate increases effective October 1st of 2015, 2016, and 2017 with increases based upon CPI adjustments in years 2018 and forward. This was a major rate change in the way the City bills for utility services. Each unit attached to the water and sewer system is required to pay a base fee even when the unit is not utilizing service.

Part of the reason that people live in this community is our ability to provide water and sewer services. As such, every property owner is obligated to help absorb the fixed costs associated with this portion of the infrastructure, even when consumptive services are not being provided. Therefore, a “Service Availability Fee” was established. The balance is a variable charge based on consumption.

During this fiscal year, operating revenues increased by 4.98% or \$73,164. Water and Sewer fund operating expenditures decreased \$41,141 or 0.5%, exclusive of depreciation and debt service. Airport Fund operating revenues increased by \$6,417, or 5.3% mainly due to fuel sales. Sanitation and Stormwater operating revenues remained relatively stable with nominal increases of \$2,764 and \$1,119, respectively, over the previous year.

Local Economic Condition & Outlook

The City is still experiencing recovery from the effects from the national economic slowdown, with several new major construction projects contributing to an improved outlook - the most significant of which was Lakeview Terrace which comprises 60.15 acres. Lakeview Terrace is a gated community which offers both independent and assisted living for senior citizens. Lakeview Terrace is continuing to grow and has submitted plans for another construction project, increasing the population of the facilities significantly as well as adding value to the property tax base. Construction began during FY 2019, financed by a private (conduit) bond issue.

Major Initiatives

The Community Redevelopment Agency (CRA) has continued participating in visible improvements and commercial redevelopment in the downtown core area of the City. These improvements were direct result of the CRA grant process functioning at its best. One grant was issued during fiscal year 2018 to a business for a window replacement project. An increase in taxable values of these properties is anticipated to continue over the next few years. During fiscal year 2019, the City was able to continue median improvements, landscaping and irrigation. We also continued the addition of chainsaw tree carvings at Cadwell Park with 4 more unique carvings.

The One-Cent Discretionary Infrastructure Surtax has been in place since 2002 and in 2017 the voters of Lake County extended the tax for another 15 year term. This funding source continues to provide for infrastructure and capital project needs. Among other projects, the City has utilized these revenues for street improvements, water and sewer system improvements, public safety equipment, and for parks and recreation improvements and equipment. This year the City also completed major renovations on the Cadwell Park recreation building which is utilized by the community for various activities.

During fiscal year 2019 the City did computer and server upgrades, purchased two police vehicles and two public works vehicles. A new emergency generator was purchased for the Fire Department and City Hall as well as new 800MHz radios for both the Police and Fire Departments. These radios are part of a Countywide radio system funded by the County and paid back by the City over 10 years. A new Fire Department Engine was also purchased with the assistance of USDA grant funds. During fiscal year 2019 the City also completed the replacement of the last manual read water meters so that now all meter readings are transmitted via electronic signal. The City Airport also purchased additional hangars to lease out and purchased land for both the runway extension project and the parallel taxiway project, which was primarily funded through FDOT grants.

Long-term Financial Planning

As part of the annual budget process, the City prepares a comprehensive capital budget for the next fiscal year and Capital Improvement Program for the following five fiscal years. Included in that process is a determination of the impact on future operating costs and a determination as to the appropriate funding mechanism for needed capital.

Accounting and Administrative Controls

In designing the City's accounting system consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of the control should not exceed the benefits likely to be derived; and
2. The evaluation of costs and benefits requires estimates and judgments of management.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City of Umatilla maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Council. Annual budgets are legally adopted for activities of the General Fund, the Discretionary Surtax Fund, the Community Redevelopment Fund (CRA), the Water and Sewer Enterprise Fund, the Sanitation Enterprise Fund, the Stormwater Enterprise Fund and the Airport Enterprise Fund, as well as non-major funds. Budgets are controlled at the department level by the City Manager who is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the net revenues, reserves, or expenditures of any department or fund must be approved by a majority vote of the City Council. The City Manager may amend the budget administratively to provide for grants awarded and insurance recoveries which result in no net change in revenues and expenditures.

Cash Management

Cash is invested in either money-market accounts or in certificates of deposit which are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool. The criteria used for placement of the City's funds include:

1. Minimize risk to the invested capital.
2. Maintain reasonable liquidity.
3. Maximize return.

Risk Management

The City of Umatilla participates in the Public Risk Management of Florida pools for property, auto, general and professional liability and workers compensation as well as the PRM Group Health Trust to provide health and life insurance to employees.

Financial Reporting Standards

Florida Statutes require that an annual financial audit be performed by an independent certified public accountant. This year the audit was performed by McDirmit Davis & Company, LLC, Certified Public Accountants. The audit process includes a thorough examination of the records of the Finance department, independent verification of transactions, review of bank statements and other original documents, and analysis of account balances and activities.

In addition to the detailed audit performed by an independent auditor, the City submits the completed CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) as part of their awards program.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2018. This was the seventh year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgement

This report represents numerous hours of preparation and is made possible by the dedicated efforts of the City Manager and Finance Department. I would like to express my appreciation to all staff members who contribute to and maintain the records upon which this report is based. I also thank the Mayor, and Council Members, and the City Clerk for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Scott Blankenship
City Manager



Government Finance Officers Association

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

Presented to

**City of Umatilla
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

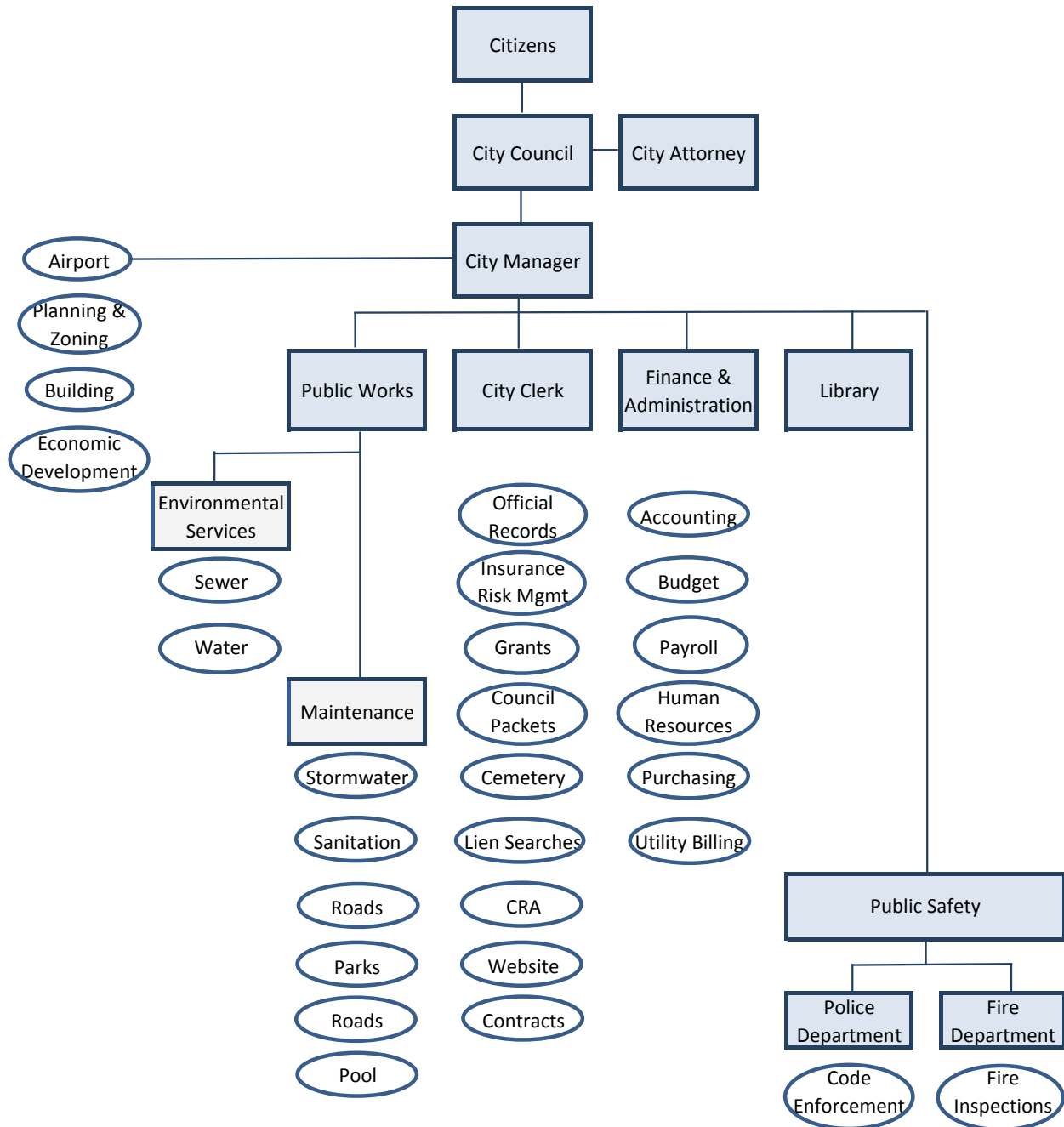
September 30, 2018

Christopher P. Morill

Executive Director/CEO



Organizational Chart



CITY OF UMATILLA, FLORIDA

CITY COUNCIL AND OFFICIALS

SEPTEMBER 30, 2019

Mayor.....Eric Olson
Vice Mayor..... Kent Adcock
City Council Seat #1.....Brian Butler
City Council Seat #2.....Laura Wright
City Council Seat #3.....Eric Olson
City Council Seat #4.....Kent Adcock
City Council Seat #5.....Katherine Adams
City Manager.....Scott Blankenship
City Attorney.....Kevin Stone
City Clerk.....Karen Howard, MMC
Finance Director.....Regina Frazier, CFGO, CPM

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Umatilla, 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 Umatilla, Florida (the City)*, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 accounting policies used and significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, community redevelopment agency fund and discretionary tax special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis and the pension and OPEB disclosures on pages 3 through 12 and 58 through 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of State Financial Assistance, as required by the audit requirements of Chapter 10.550, *Rules of the Auditor General*, is presented for purposes of additional analysis and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules of budgetary comparison information, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and related 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 taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2020 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Orlando, Florida
June 26, 2020

As management of the City of Umatilla, we offer readers of the City of Umatilla's financial statements this narrative overview and analysis of the financial activities of the City of Umatilla for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iii of this report.

Financial Highlights

- The assets and deferred outflows of the City of Umatilla exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$28,689,315 (net position). Of this amount, \$2,161,492 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,759,990 or 10.6%.
- As of the close of the current fiscal year, the City of Umatilla's governmental funds reported combined ending fund balances of \$1,576,603. Approximately 52.8% of this total amount, \$832,353, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$832,353, or 29.8% of total general fund expenditures.
- The City of Umatilla's total debt increased by \$125,698 (10.47%) during the current fiscal year. All required debt service payments were made.

Overview of the Financial Statements

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the City of Umatilla's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements.

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

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

The *Statement of Activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Umatilla 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 of Umatilla include general government, public safety, physical environment, transportation (which includes roads and street maintenance), culture and recreation and economic environment. The business-type activities of the City of Umatilla include enterprise funds to account for water and sewer utility services, sanitation services, airport activities, and stormwater utility.

The government-wide financial statements include only the City of Umatilla itself (known as the *primary government*) and one blended component unit (The City of Umatilla Community Redevelopment Fund). The Water and Sewer Utility, the Sanitation Utility, the Stormwater Utility, and Airport function as departments of the City of Umatilla, and therefore, have been included as an integral part of the primary government.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Umatilla, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Umatilla can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Umatilla maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Discretionary Surtax Fund, and the Community Redevelopment Fund. Data from the other five 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* elsewhere in this report.

The City of Umatilla adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for those funds to demonstrate budgetary compliance. Budgetary comparison statements have been provided for the General Fund, Discretionary Tax Fund, and Community Redevelopment Agency to demonstrate compliance with this budget on pages 18-20. Budgetary comparison schedules for the nonmajor funds are presented on pages 66-70.

The basic governmental fund financial statements can be found on pages 15-17 of this report.

Proprietary Funds

The City of Umatilla maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Umatilla uses enterprise funds to account for the Water and Sewer Utility, Sanitation Utility, Stormwater Utility and Airport activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, Sanitation Fund, Stormwater Utility, and Airport activities.

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary Funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Umatilla's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-57 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 58-63 of this report.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 64-70 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Umatilla, assets exceeded liabilities by \$28,689,315 at the close of the most recent fiscal year.

Of the City of Umatilla's net position \$25,370,423 (or 88.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Umatilla uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Umatilla's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position that is subject to external restrictions as to how it may be used totals \$1,157,400 (4.0%). The remaining balance of *unrestricted net position* (\$2,161,492 or 7.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2019, the City of Umatilla is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

The following table reflects the condensed *Statement of Net Position* for the current and prior year. For more detail see the *Statement of Net Position* on page 13.

City of Umatilla Statement of Net Position As of September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 2,588,751	\$ 2,221,003	\$ 3,000,531	\$ 2,235,932	\$ 5,589,282	\$ 4,456,935
Capital assets	4,664,449	3,858,370	22,032,252	20,390,971	26,696,701	24,249,341
Total assets	7,253,200	6,079,373	25,032,783	22,626,903	32,285,983	28,706,276
Deferred Outflows of Resources	365,832	407,904	86,657	87,625	452,489	495,529
Liabilities:						
Current liabilities	333,319	180,303	561,108	314,904	894,427	495,207
Long term liabilities	1,806,194	1,587,537	1,060,614	995,521	2,866,808	2,583,058
Total liabilities	2,139,513	1,767,840	1,621,722	1,310,425	3,761,235	3,078,265
Deferred Inflows of Resources	262,153	163,412	25,769	30,803	287,922	194,215
Net Position:						
Net investment in capital assets	4,075,657	3,858,370	21,294,766	19,670,391	25,370,423	23,528,761
Restricted	690,710	458,396	466,690	396,966	1,157,400	855,362
Unrestricted	450,999	239,259	1,710,493	1,305,943	2,161,492	1,545,202
Total net position	\$ 5,217,366	\$ 4,556,025	\$ 23,471,949	\$ 21,373,300	\$ 28,689,315	\$ 25,929,325

Statement of Activities

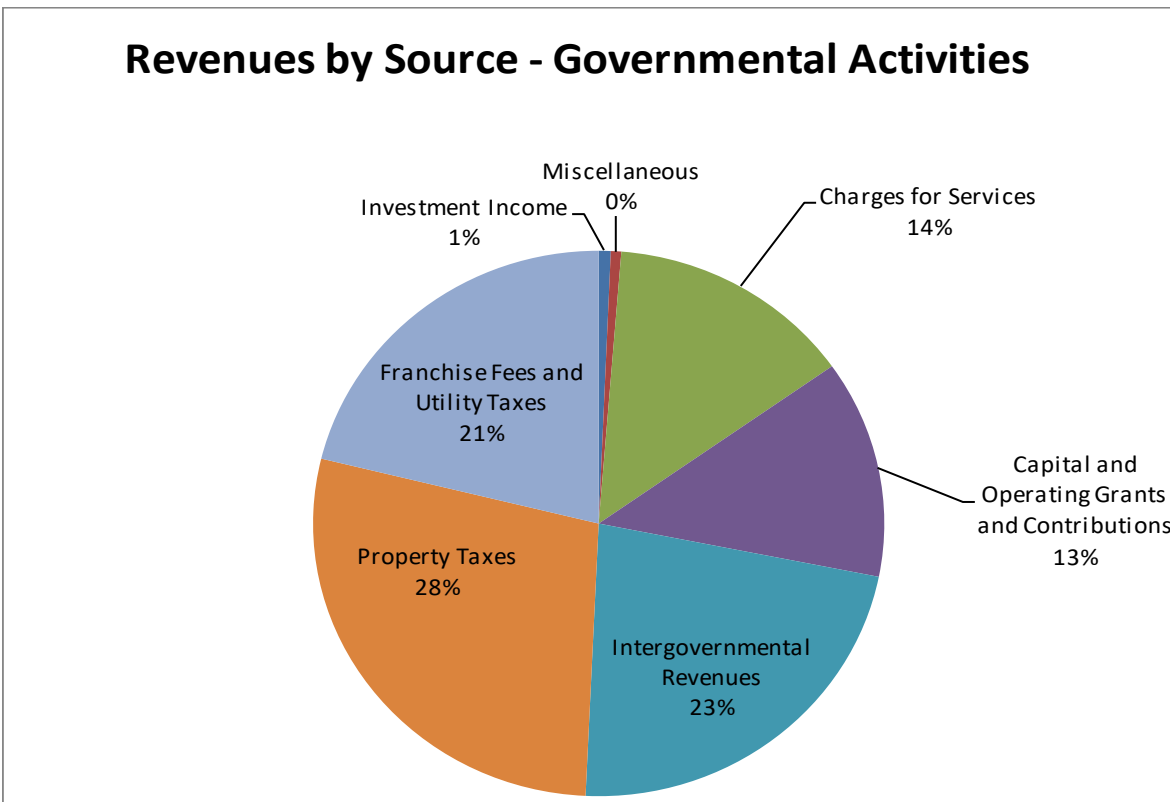
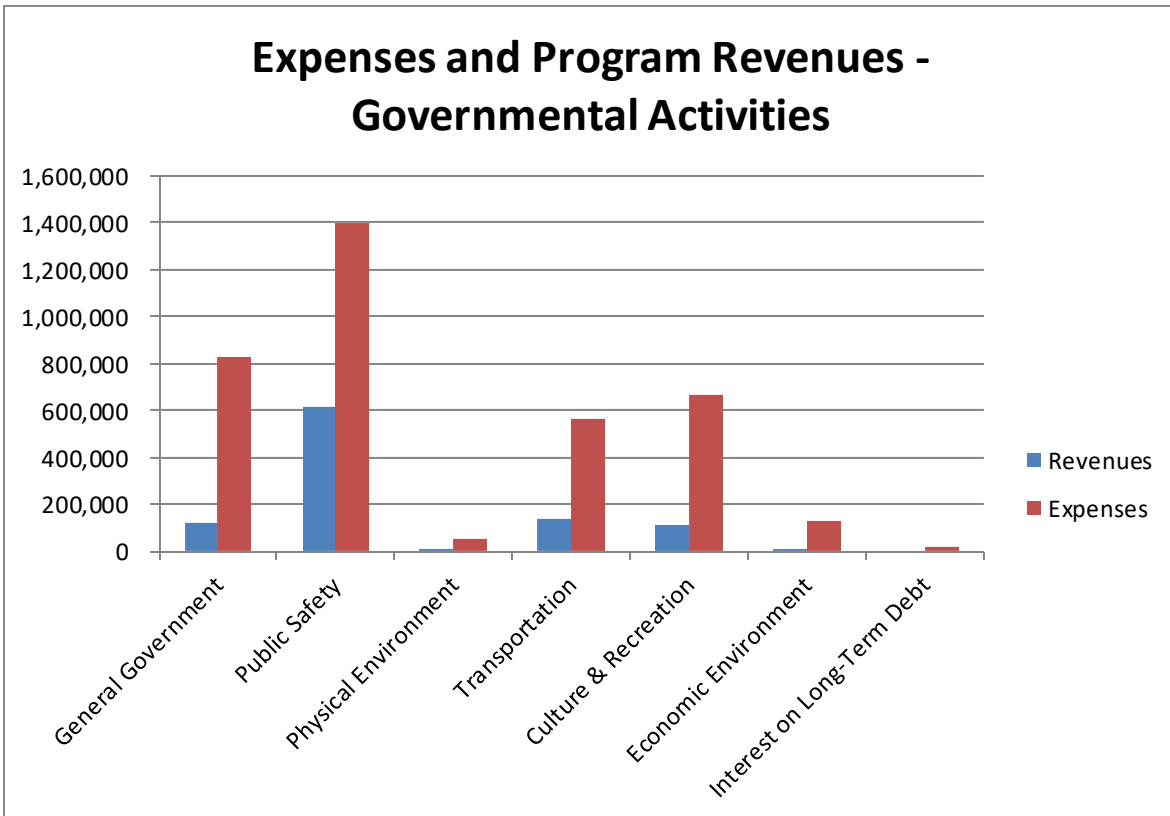
The following table reflects the condensed *Statement of Activities* for the current and prior year. For more detailed information see the *Statement of Activities* on page 14. Note that the government's total net position increased by \$2,759,990 or 10.6% in fiscal year 2019. For the previous fiscal year, 2018, net position increased by \$1,036,478.

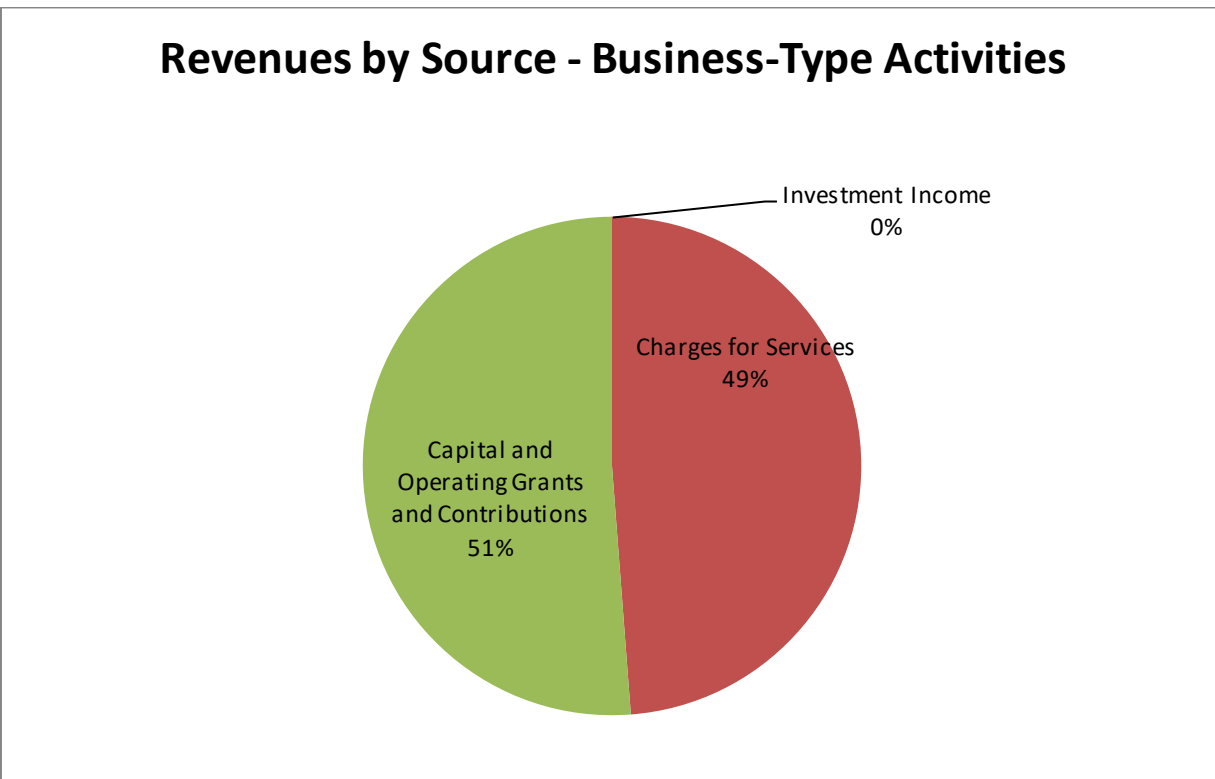
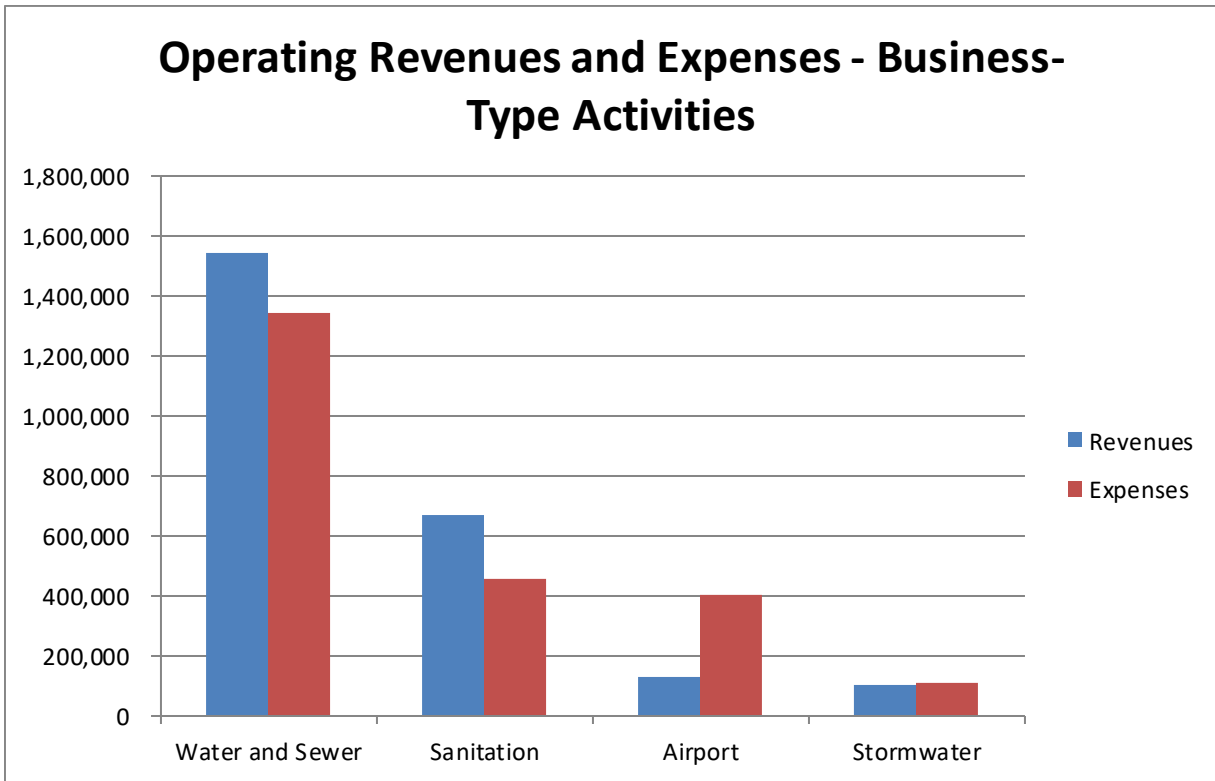
City of Umatilla Florida
Management's Discussion and Analysis

Governmental activities increased by \$661,341 in fiscal year 2019 compared to an increase of \$99,468 in 2018. Revenues increased by \$674,261 from the previous year and total expenses increased by \$212,388. Charges for services increased \$300,957. On the expense side, public safety expenses increased \$136,557. Business-type activities increased net position by \$2,098,649 in fiscal year 2019 compared to an increase of \$937,010 in 2018. This is primarily the result of an increase in grants received from outside agencies.

City of Umatilla
 Changes in Net Position
 For the Year Ended September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for services	\$ 518,956	\$ 217,999	\$ 2,447,536	\$ 2,364,072	\$ 2,966,492	\$ 2,582,071
Operating grants and contributions	228,475	193,886	-	-	228,475	193,886
Capital grants and contributions	251,812	48,035	2,568,704	1,506,290	2,820,516	1,554,325
General Revenues:						
Property taxes	1,044,923	959,644	-	-	1,044,923	959,644
Utility taxes and franchise fees	787,513	762,299	-	-	787,513	762,299
Intergovernmental, unrestricted	840,816	818,056	-	-	840,816	818,056
Unrestricted investment earnings	25,252	8,645	194	128	25,446	8,773
Miscellaneous	21,812	36,734	-	-	21,812	36,734
Total revenues	3,719,559	3,045,298	5,016,434	3,870,490	8,735,993	6,915,788
Expenses:						
General government	830,168	848,842	-	-	830,168	848,842
Public safety	1,396,021	1,259,464	-	-	1,396,021	1,259,464
Physical environment	50,924	40,458	-	-	50,924	40,458
Transportation	565,552	570,917	-	-	565,552	570,917
Culture and recreation	666,910	568,952	-	-	666,910	568,952
Economic environment	131,432	132,582	-	-	131,432	132,582
Interest on long-term debt	17,211	24,615	-	-	17,211	24,615
Water and sewer	-	-	1,340,564	1,360,938	1,340,564	1,360,938
Sanitation	-	-	458,970	419,796	458,970	419,796
Airport	-	-	405,421	371,517	405,421	371,517
Stormwater	-	-	112,830	281,229	112,830	281,229
Total expenses	3,658,218	3,445,830	2,317,785	2,433,480	5,976,003	5,879,310
Increase (Decrease) in Net Position Before Transfers	61,341	(400,532)	2,698,649	1,437,010	2,759,990	1,036,478
Transfers	600,000	500,000	(600,000)	(500,000)	-	-
Increase (Decrease) in Net Position	661,341	99,468	2,098,649	937,010	2,759,990	1,036,478
Net position, October 1	4,556,025	4,456,557	21,373,300	20,436,290	25,929,325	24,892,847
Net position, September 30	\$ 5,217,366	\$ 4,556,025	\$ 23,471,949	\$ 21,373,300	\$ 28,689,315	\$ 25,929,325





Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of September 30, 2019, the City of Umatilla's governmental funds reported combined ending fund balances of \$1,576,603, an increase of \$43,209 from the prior year. Approximately 52.8% or \$832,353 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, community redevelopment, public safety, inventories, prepaid costs, and subsequent year's expenditures.

The general fund is the chief operating fund of the City of Umatilla. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$832,353, while total fund balance was \$885,893. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represent 29.8% and 31.7%, respectively, of total General Fund expenditures. General fund revenues increased \$113,143 over previous year and expenses decreased \$299,005, a combined improvement of \$412,148 over 2018. Including transfers in from enterprise funds, general fund balance increased \$290,895.

Proprietary funds

The City of Umatilla's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Water and Sewer Utility Fund at the end of the year amounted to \$1,118,666 and total net position increased \$942,109. Operating revenue increased by \$73,164 or 5%, and operating expenses increased by \$27,367 for a net operating result improvement of \$45,797 when compared to 2018 and net operating income of \$206,169. That increase was further improved by impact fees of \$86,894 and grant revenue of \$1,003,483, which is the primary reason that the Water and Sewer Fund had an increase in net position of \$942,109.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$30,250 and total net position decreased \$36,725. An operating result of \$213,275 was offset by a transfer to the general fund of \$250,000.

Unrestricted net position of the Airport Fund at the end of the year amounted to \$82,781 and total net position increased by \$1,118,516 which is an increase from the 2018 result, primarily due to higher grant revenues.

Unrestricted net position of the Stormwater Fund at the end of the year amounted to \$478,796 and total net position increased \$74,749 of which \$82,420 came from grant revenues. Stormwater fees are collected for the purpose of maintenance and improvement of drainage structures as funds become available.

General Fund Budgetary Highlights

During the year revenues were higher than budgetary estimates by \$89,479, primarily due to higher than expected intergovernmental revenues (\$35,957). Expenditures were less than budgetary estimates by \$822,330 as a result of conservative spending by all departments.

The original General Fund appropriations increased \$248,678 mostly for general government due to increased allowance for contingencies.

The comparison of budgeted results to actual results for the General Fund is shown on page 18.

Capital Asset and Debt Administration

Capital assets

The City of Umatilla's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$26,696,701 (net of accumulated depreciation), for an increase of \$2,447,360 from the prior year. This investment in capital assets includes land, buildings, water system, infrastructure, improvements and equipment. The total increase in the City of Umatilla's investment in capital assets for the current fiscal year was 10.0% (a 20.9% increase for governmental activities, and a 8.1% increase for business-type activities).

Major capital asset events included the following:

- Purchase of a new fire truck.
- Sewer line rehabilitation.
- Property acquisition at the airport.

Additional information on the City of Umatilla's capital assets can be found in Note 6 on pages 37-38 of this report.

City of Umatilla
Capital Assets (Net of Depreciation)
 As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 562,538	\$ 494,347	\$ 1,713,732	\$ 1,029,452	\$ 2,276,270	\$ 1,523,799
Buildings	1,627,249	1,640,102	5,180,985	5,207,331	6,808,234	6,847,433
Improvements/Infrastructure	1,034,654	1,153,768	13,564,634	13,365,628	14,599,288	14,519,396
Machinery and Equipment	1,300,180	570,153	269,776	144,460	1,569,956	714,613
Construction in Progress	139,828	-	1,303,125	644,100	1,442,953	644,100
Total	\$ 4,664,449	\$ 3,858,370	\$ 22,032,252	\$ 20,390,971	\$ 26,696,701	\$ 24,249,341

Long-term debt

At September 30, 2019, the City of Umatilla had total debt outstanding of \$1,326,278, an increase of \$125,698 (10.5%) from \$1,200,580 at September 30, 2018.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes.

Additional information on the City of Umatilla's long-term debt can be found in Notes 7 and 8 on pages 38-40 of this report.

City of Umatilla
 Long Term Debt
 As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
SRF Notes Payable	\$ -	\$ -	\$ 625,279	\$ 596,555	\$ 625,279	\$ 596,555
Capital Improvement Revenue Note, Series 2018	438,322	480,000	-	-	438,322	480,000
Capital Leases	150,470	-	112,207	124,025	262,677	124,025
Total	\$ 588,792	\$ 480,000	\$ 737,486	\$ 720,580	\$ 1,326,278	\$ 1,200,580

Requests for Information

This financial report is designed to provide a general overview of the City of Umatilla's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Post Office Box 2286, Umatilla, Florida, 32784.



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BASIC FINANCIAL STATEMENTS

City of Umatilla, Florida
Statement of Net Position
September 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 1,679,911	\$ 1,622,720	\$ 3,302,631
Investments	53,540	-	53,540
Receivables, net	71,050	271,273	342,323
Inventories	-	23,429	23,429
Due from other Governments	87,514	583,093	670,607
Internal balances	2,339	(2,339)	-
Restricted assets:			
Cash and cash equivalents	-	97,932	97,932
Investments	-	404,423	404,423
Net pension asset	694,397	-	694,397
Capital assets not being depreciated	702,366	3,016,857	3,719,223
Capital assets, net of accumulated depreciation	3,962,083	19,015,395	22,977,478
Total capital assets	4,664,449	22,032,252	26,696,701
Total assets	7,253,200	25,032,783	32,285,983
Deferred Outflows of Resources:			
Deferred outflows of pension earnings	365,832	86,657	452,489
Liabilities:			
Accounts payable and accrued liabilities	235,191	344,187	579,378
Accrued interest payable	15,568	5,759	21,327
Due to other governments	81,288	-	81,288
Unearned revenue	-	5,460	5,460
Customer deposits payable	1,272	205,702	206,974
Noncurrent Liabilities:			
Due within one year	75,432	46,556	121,988
Due in more than one year	1,730,762	1,014,058	2,744,820
Total liabilities	2,139,513	1,621,722	3,761,235
Deferred Inflows of Resources:			
Deferred inflows of pension earnings	262,153	25,769	287,922
Net Position:			
Net investment in capital assets	4,075,657	21,294,766	25,370,423
Restricted for:			
Community redevelopment	290,107	-	290,107
Public safety	112,349	-	112,349
Capital projects	288,254	466,690	754,944
Unrestricted	450,999	1,710,493	2,161,492
Total net position	\$ 5,217,366	\$ 23,471,949	\$ 28,689,315

City of Umatilla, Florida
Statement of Activities
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental activities							
General government	\$ 830,168	\$ 117,885	\$ -	\$ -	\$ (712,283)	\$ -	\$ (712,283)
Public safety	1,396,021	330,373	35,832	251,812	(778,004)	-	(778,004)
Physical environment	50,924	9,225	-	-	(41,699)	-	(41,699)
Transportation	565,552	17,382	116,285	-	(431,885)	-	(431,885)
Culture and recreation	666,910	38,936	76,358	-	(551,616)	-	(551,616)
Economic environment	131,432	5,155	-	-	(126,277)	-	(126,277)
Interest on long-term debt	17,211	-	-	-	(17,211)	-	(17,211)
Total governmental activities	3,658,218	518,956	228,475	251,812	(2,658,975)	-	(2,658,975)
Business-type activities							
Water and sewer	1,340,564	1,542,102	-	1,090,377	-	1,291,915	1,291,915
Sanitation	458,970	672,245	-	-	-	213,275	213,275
Airport	405,421	128,030	-	1,395,907	-	1,118,516	1,118,516
Stormwater	112,830	105,159	-	82,420	-	74,749	74,749
Total business-type activities	2,317,785	2,447,536	-	2,568,704	-	2,698,455	2,698,455
Total primary government	\$ 5,976,003	\$ 2,966,492	\$ 228,475	\$ 2,820,516	(2,658,975)	2,698,455	39,480
General Revenues:							
Property taxes					1,044,923	-	1,044,923
Franchise fees and utility taxes					787,513	-	787,513
Intergovernmental-unrestricted					840,816	-	840,816
Unrestricted investment earnings					25,252	194	25,446
Miscellaneous					21,812	-	21,812
Transfers					600,000	(600,000)	-
Total general revenues and transfers					3,320,316	(599,806)	2,720,510
Change in net position					661,341	2,098,649	2,759,990
Net position, beginning					4,556,025	21,373,300	25,929,325
Net position, ending					\$ 5,217,366	\$ 23,471,949	\$ 28,689,315

City of Umatilla, Florida
Balance Sheet - Governmental Funds
September 30, 2019

	General Fund	Discretionary Tax	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 898,415	\$ 340,197	\$ 325,163	\$ 116,136	\$ 1,679,911
Investments	53,540	-	-	-	53,540
Receivables, net	71,050	-	-	-	71,050
Due from other governments	49,308	38,206	-	-	87,514
Due from other funds	2,473	-	-	-	2,473
Total assets	\$ 1,074,786	\$ 378,403	\$ 325,163	\$ 116,136	\$ 1,894,488
Liabilities and Fund Balances:					
Accounts payable	\$ 40,281	\$ 90,149	\$ 35,056	\$ 3,787	\$ 169,273
Accrued liabilities	65,918	-	-	-	65,918
Due to other funds	134	-	-	-	134
Due to other governments	81,288	-	-	-	81,288
Deposits	1,272	-	-	-	1,272
Total liabilities	188,893	90,149	35,056	3,787	317,885
Fund Balances:					
Restricted	-	288,254	290,107	112,349	690,710
Assigned	53,540	-	-	-	53,540
Unassigned	832,353	-	-	-	832,353
Total fund balances	885,893	288,254	290,107	112,349	1,576,603
Total liabilities and fund balances	\$ 1,074,786	\$ 378,403	\$ 325,163	\$ 116,136	

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	4,664,449
Net pension assets are not current financial resources and therefore are not reported in the funds.	694,397
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting.	103,679
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,821,762)
Net Position of Governmental Activities	\$ 5,217,366

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2019

	General Fund	Discretionary Tax	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property taxes	\$ 842,122	\$ -	\$ 202,801	\$ -	\$ 1,044,923
Franchise and utility taxes	787,513	-	-	-	787,513
Licenses and permits	117,885	-	-	-	117,885
Intergovernmental revenues	684,962	576,948	-	26,155	1,288,065
Charges for services	61,810	-	5,155	316,585	383,550
Impact fees	-	-	-	33,038	33,038
Fines and forfeitures	16,891	-	-	630	17,521
Investment income	24,907	-	-	345	25,252
Miscellaneous	20,032	-	-	1,780	21,812
Total revenues	2,556,122	576,948	207,956	378,533	3,719,559
Expenditures:					
Current:					
General government	735,389	-	-	-	735,389
Public safety	1,005,867	711,560	-	429,753	2,147,180
Physical environment	36,699	-	-	-	36,699
Transportation	440,736	113,129	-	-	553,865
Economic environment	-	-	214,410	-	214,410
Culture and recreation	576,600	113,941	-	-	690,541
Debt service:					
Principal	-	50,911	-	10,403	61,314
Interest and fiscal charges	-	6,761	-	297	7,058
Total expenditures	2,795,291	996,302	214,410	440,453	4,446,456
Excess (Deficiency) of Revenues Over Expenditures	(239,169)	(419,354)	(6,454)	(61,920)	(726,897)
Other Financing Sources (Uses):					
Transfers in	600,000	-	-	69,936	669,936
Transfers out	(69,936)	-	-	-	(69,936)
Capital leases	-	79,982	-	90,124	170,106
Total other financing sources (uses)	530,064	79,982	-	160,060	770,106
Net Change in Fund Balances	290,895	(339,372)	(6,454)	98,140	43,209
Fund balances, beginning	594,998	627,626	296,561	14,209	1,533,394
Fund balances, ending	\$ 885,893	\$ 288,254	\$ 290,107	\$ 112,349	\$ 1,576,603

Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2019

Net Change in Fund Balances - Total Governmental Funds: \$ 43,209

Amounts reported for Governmental Activities in the Statement of Activities are different because:

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

Expenditures for capital assets	\$ 1,202,837	
Less: current year depreciation	<u>(391,727)</u>	811,110

Repayments of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		61,314
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Proceeds from issuance of long-term debt are reported in the governmental funds as revenues. Such proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Position		(170,106)
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Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		(5,031)
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Governmental funds report cash contributions to pensions as expenditures because they consume current financial resources. The Statement of Activities reports the change in pension liability and related deferrals as pension expense. This is the amount of the difference between the two amounts.		(57,764)
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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 governmental funds.

Change in accrued interest	\$ (10,153)	
Change in other post employment benefits	(3,278)	
Change in long-term compensated absences	<u>(7,960)</u>	<u>(21,391)</u>

Change in net position of governmental activities		<u>\$ 661,341</u>
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Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 850,328	\$ 850,328	\$ 842,122	\$ (8,206)
Franchise and utility taxes	764,715	764,715	787,513	22,798
Licenses and permits	89,300	116,800	117,885	1,085
Intergovernmental revenues	608,005	649,005	684,962	35,957
Charges for services	54,895	54,895	61,810	6,915
Fines and forfeitures	14,900	14,900	16,891	1,991
Investment income	5,000	5,000	24,907	19,907
Miscellaneous	11,000	11,000	20,032	9,032
Total revenues	2,398,143	2,466,643	2,556,122	89,479
Expenditures:				
Current:				
General government	1,237,599	1,410,562	735,389	675,173
Public safety	1,016,082	1,044,797	1,005,867	38,930
Physical environment	43,217	43,217	36,699	6,518
Transportation	515,675	485,675	440,736	44,939
Culture and recreation	556,370	633,370	576,600	56,770
Total expenditures	3,368,943	3,617,621	2,795,291	822,330
Excess (deficiency) of revenues over expenditures	(970,800)	(1,150,978)	(239,169)	911,809
Other Financing Sources (Uses):				
Transfers in	600,000	600,000	600,000	-
Transfers out	(40,350)	(44,020)	(69,936)	(25,916)
Total other financing sources (uses)	559,650	555,980	530,064	(25,916)
Net Change in Fund Balance	(411,150)	(594,998)	290,895	885,893
Fund balance, beginning	594,998	594,998	594,998	-
Fund balance, ending	\$ 183,848	\$ -	\$ 885,893	\$ 885,893

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Discretionary Tax

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 918,545	\$ 918,545	\$ 576,948	\$ (341,597)
Investment income	100	100	-	(100)
Total revenues	918,645	918,645	576,948	(341,697)
Expenditures:				
Current:				
General government	343,122	222,818	-	222,818
Public safety	106,795	652,775	711,560	(58,785)
Transportation	525,500	495,500	113,129	382,371
Culture and recreation	77,000	127,000	113,941	13,059
Debt Service:				
Principal	41,679	41,679	50,911	(9,232)
Interest	6,499	6,499	6,761	(262)
Total expenditures	1,100,595	1,546,271	996,302	549,969
Excess (deficiency) of revenues over expenditures	(181,950)	(627,626)	(419,354)	208,272
Other Financing Sources (Uses):				
Capital leases	-	-	79,982	79,982
Total other financing sources (uses)	-	-	79,982	79,982
Net Change in Fund Balance	(181,950)	(627,626)	(339,372)	288,254
Fund balance, beginning	627,626	627,626	627,626	-
Fund balance, ending	\$ 445,676	\$ -	\$ 288,254	\$ 288,254

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Redevelopment Agency

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes and impact fees	\$ 202,952	\$ 202,952	\$ 202,801	\$ (151)
Charges for services	6,000	6,000	5,155	(845)
Total revenues	<u>208,952</u>	<u>208,952</u>	<u>207,956</u>	<u>(996)</u>
Expenditures:				
Current:				
Economic environment	476,770	505,513	214,410	291,103
Total expenditures	<u>476,770</u>	<u>505,513</u>	<u>214,410</u>	<u>291,103</u>
Excess (deficiency) of revenues over expenditures	<u>(267,818)</u>	<u>(296,561)</u>	<u>(6,454)</u>	<u>290,107</u>
Net Change in Fund Balance	(267,818)	(296,561)	(6,454)	290,107
Fund balance, beginning	<u>296,561</u>	<u>296,561</u>	<u>296,561</u>	<u>-</u>
Fund balance, ending	<u>\$ 28,743</u>	<u>\$ -</u>	<u>\$ 290,107</u>	<u>\$ 290,107</u>

City of Umatilla, Florida
Statement of Net Position - Proprietary Funds
September 30, 2019

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,080,998	\$ 78,655	\$ -	\$ 463,067	\$ 1,622,720
Restricted cash	97,932	-	-	-	97,932
Restricted investments	404,423	-	-	-	404,423
Receivables, net	162,513	72,503	21,893	14,364	271,273
Due from other governments	238,136	-	344,957	-	583,093
Due from other funds	270,886	4,967	-	4,833	280,686
Inventories	-	-	23,429	-	23,429
Total current assets	2,254,888	156,125	390,279	482,264	3,283,556
Capital assets:					
Land	522,849	-	1,190,883	-	1,713,732
Improvements	15,349,428	-	4,268,244	3,267,210	22,884,882
Buildings	3,578,160	-	2,504,787	-	6,082,947
Equipment	1,046,380	127,418	112,600	71,297	1,357,695
Construction in progress	520,172	-	782,953	-	1,303,125
Less: accumulated depreciation	(6,540,863)	(127,418)	(3,456,606)	(1,185,242)	(11,310,129)
Total capital assets (net of depreciation)	14,476,126	-	5,402,861	2,153,265	22,032,252
Total noncurrent assets	14,476,126	-	5,402,861	2,153,265	22,032,252
Total assets	16,731,014	156,125	5,793,140	2,635,529	25,315,808
Deferred Outflows of Resources:					
Deferred outflows of pension earnings	68,361	15,577	2,719	-	86,657
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	256,689	28,370	58,628	500	344,187
Due to other funds	7,319	46,922	228,740	44	283,025
Customer deposits payable	195,981	2,081	7,640	-	205,702
Unearned revenue	-	-	5,460	-	5,460
Compensated absences	1,876	525	-	-	2,401
Accrued interest payable	2,835	-	-	2,924	5,759
Capital lease payable	12,272	-	-	-	12,272
Notes payable	1,016	-	-	30,867	31,883
Total current liabilities	477,988	77,898	300,468	34,335	890,689
Noncurrent liabilities:					
Compensated absences	16,888	4,720	-	-	21,608
Capital lease payable	99,935	-	-	-	99,935
Notes payable	58,171	-	-	535,225	593,396
Net OPEB liability	11,215	2,988	-	-	14,203
Net pension liability	224,762	51,214	8,940	-	284,916
Total noncurrent liabilities	410,971	58,922	8,940	535,225	1,014,058
Total liabilities	888,959	136,820	309,408	569,560	1,904,747
Deferred Inflows of Resources:					
Deferred inflows of pension earnings	20,328	4,632	809	-	25,769
Net Position:					
Net investment in capital assets	14,304,732	-	5,402,861	1,587,173	21,294,766
Restricted for utility capital projects	466,690	-	-	-	466,690
Unrestricted	1,118,666	30,250	82,781	478,796	1,710,493
Total net position	\$ 15,890,088	\$ 30,250	\$ 5,485,642	\$ 2,065,969	\$ 23,471,949

The accompanying Notes to Financial Statements are an integral part of these statements.

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2019

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Operating Revenues:					
Charges for services	\$ 1,538,652	\$ 672,245	\$ 128,030	\$ 105,159	\$ 2,444,086
Miscellaneous operating revenues	3,450	-	-	-	3,450
Total operating revenues	1,542,102	672,245	128,030	105,159	2,447,536
Operating Expenses:					
Personal services	383,177	103,253	13,059	-	499,489
Contract services	78,360	334,285	9,138	7,580	429,363
Utilities	130,651	-	25,852	-	156,503
Insurance	61,883	-	15,403	-	77,286
Operating supplies	66,877	-	-	-	66,877
Depreciation and amortization	537,882	8,648	313,087	96,282	955,899
Other operating expenses	32,091	12,784	4,275	1,152	50,302
Repairs and maintenance	45,012	-	24,607	-	69,619
Total operating expenses	1,335,933	458,970	405,421	105,014	2,305,338
Operating income (loss)	206,169	213,275	(277,391)	145	142,198
Nonoperating Revenue (Expenses):					
Investment income	194	-	-	-	194
Grant revenue	1,003,483	-	1,395,907	82,420	2,481,810
Interest expense	(4,631)	-	-	(7,816)	(12,447)
Total nonoperating revenue (expenses)	999,046	-	1,395,907	74,604	2,469,557
Income (loss) before contributions and transfers	1,205,215	213,275	1,118,516	74,749	2,611,755
Capital Contributions:					
Impact fees	86,894	-	-	-	86,894
Transfers out	(350,000)	(250,000)	-	-	(600,000)
Change in net position	942,109	(36,725)	1,118,516	74,749	2,098,649
Net Position, beginning	14,947,979	66,975	4,367,126	1,991,220	21,373,300
Net Position, ending	\$ 15,890,088	\$ 30,250	\$ 5,485,642	\$ 2,065,969	\$ 23,471,949

Statement of Cash Flows - Proprietary Funds

For The Year Ended September 30, 2019

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 1,543,956	\$ 673,165	\$ 106,192	\$ 104,304	\$ 2,427,617
Payments to suppliers	(220,703)	(332,667)	(33,935)	(21,759)	(609,064)
Payments to employees	(361,265)	(79,405)	(11,002)	-	(451,672)
Net cash provided by operating activities	961,988	261,093	61,255	82,545	1,366,881
Cash Flows from Non-Capital Financing Activities:					
Transfers out	(350,000)	(250,000)	-	-	(600,000)
Decrease (increase) in due from other funds	(251,592)	(2,295)	-	(2,589)	(256,476)
Increase (decrease) in due to other funds	3,347	25,482	228,740	41	257,610
Net cash provided (used) by non-capital financing activities	(598,245)	(226,813)	228,740	(2,548)	(598,866)
Cash Flows from Capital and Related Financing Activities:					
Capital grants	765,347	-	1,086,715	82,420	1,934,482
Proceeds from notes payable	59,187	-	-	-	59,187
Acquisition of capital assets	(1,168,819)	-	(1,419,341)	(9,020)	(2,597,180)
Principal paid on revenue bonds, notes and leases	(11,818)	-	-	(30,463)	(42,281)
Interest paid on revenue bonds, notes and leases	(4,930)	-	-	(7,892)	(12,822)
Impact fees	86,894	-	-	-	86,894
Net cash provided (used) by capital and related financing activities	(274,139)	-	(332,626)	35,045	(571,720)
Cash Flows from Investing Activities:					
Investment income	194	-	-	-	194
Net cash provided by investing activities	194	-	-	-	194
Net Increase (Decrease) in Cash and Cash Equivalents	89,798	34,280	(42,631)	115,042	196,489
Cash and cash equivalents, beginning	1,089,132	44,375	42,631	348,025	1,524,163
Cash and cash equivalents, end	\$ 1,178,930	\$ 78,655	\$ -	\$ 463,067	\$ 1,720,652
Classified As:					
Cash and cash equivalents	\$ 1,080,998	\$ 78,655	\$ -	\$ 463,067	\$ 1,622,720
Restricted cash and cash equivalents	97,932	-	-	-	97,932
Total	\$ 1,178,930	\$ 78,655	\$ -	\$ 463,067	\$ 1,720,652

	Enterprise Funds				
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	Total
Reconciliation of Operating Income to					
Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 206,169	\$ 213,275	\$ (277,391)	\$ 145	\$ 142,198
Adjustments Not Affecting Cash:					
Depreciation and amortization	537,882	8,648	313,087	96,282	955,899
Change in Assets and Liabilities:					
(Increase) decrease in accounts receivable	(9,906)	920	(21,893)	(855)	(31,734)
(Increase) decrease in inventories	-	-	9,818	-	9,818
(Increase) decrease deferred outflows of pension earnings	7,007	(5,719)	(320)	-	968
Increase (decrease) in accounts payable	194,171	14,402	35,522	(13,027)	231,068
Increase (decrease) in accrued liabilities	3,696	-	-	-	3,696
Increase (decrease) in unearned revenues	-	-	(85)	-	(85)
Increase (decrease) in customer deposits	11,760	-	140	-	11,900
Increase (decrease) in compensated absences	(666)	2,614	-	-	1,948
Increase (decrease) in OPEB liability	(1,603)	1,400	-	-	(203)
Increase (decrease) in net pension liability	19,645	24,386	2,411	-	46,442
Increase (decrease) in deferred inflows of pension earnings	(6,167)	1,167	(34)	-	(5,034)
Total adjustments	217,937	39,170	25,559	(13,882)	268,784
Net Cash Provided By Operating Activities	\$ 961,988	\$ 261,093	\$ 61,255	\$ 82,545	\$ 1,366,881

City of Umatilla, Florida
Statement of Fiduciary Net Position - Fiduciary Fund
September 30, 2019

	Police Pension Trust Fund
Assets:	
Cash and cash equivalents	\$ 18,473
Investments, at fair value:	
Fixed income	609,802
Equity	1,288,397
Real estate	<u>206,594</u>
Total Investments	<u>2,104,793</u>
Total assets	<u>2,123,266</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 2,123,266</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

For the Year Ended September 30, 2019

	Police Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 5,393
Plan members	1,965
State	<u>35,832</u>
Total contributions	<u>43,190</u>
Investment income:	
Net increase in fair value of investments	106,627
Less: investment expense	<u>(3,989)</u>
Net investment income	<u>102,638</u>
Total additions	<u>145,828</u>
Deductions:	
Benefit payments	46,876
Administrative expenses	<u>12,228</u>
Total deductions	<u>59,104</u>
Change in net position	86,724
Net position, beginning	<u>2,036,542</u>
Net position, ending	<u><u>\$ 2,123,266</u></u>



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Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. The City's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Receivables and Payables

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

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable bond covenants. Assets so designated are identified as restricted assets on the balance sheet.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

The assets of the City's police pension fund are invested in the pooled investment fund for the Florida Municipal Pension Trust Fund (FMPTF). Investments held in this fund consist of corporate bonds and stocks and cash equivalents. The fund is stated at fair value, and investment earnings are allocated to participants in the fund based on their equity in this pooled investment account as provided by the Florida Municipal Pension Fund. The Fund is not subject to U.S. Securities Exchange Commission or other regulatory oversight; the Fund's Board of Trustees provides oversight.

Investments made by the *City of Umatilla* at September 30, 2019 are summarized below. Defined benefit pension plan investments, are included below. In accordance with GASB 31, investments are reported at fair value, except certificates of deposit, which are reported at amortized cost, which approximates fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Certificates of Deposit	\$ 457,963	Unrated	299 days
FMIvT Broad Market HQ Bond Fund	306,387	AAf/S4	6.43 years
FMIvT Core Plus Fixed Income	303,415	Unrated	5.16 years
	\$ 1,067,765		

The City and the Police Pension Trust Fund have the following recurring fair value measurements as of September 30, 2019:

	Fair Value Measurements Using			
	9/30/2019	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Police Officers' Pension				
Mutual Funds				
Equities				
FMIvT Diversified Large Cap Equity	\$ 736,773	\$ -	\$ 736,773	\$ -
FMIvT Diversified Small to Mid Cap	244,600	-	244,600	-
FMIvT International Equity	307,024	-	307,024	-
Fixed Income				
FMIvT Broad Market HQ Bond	306,387	-	306,387	-
FMIvT Core Plus Fixed Income	303,415	-	-	303,415
Real Estate				
FMIvT Core Real Estate Fund	206,594	-	-	206,594
Total	\$ 2,104,793	\$ -	\$ 1,594,784	\$ 510,009

Investments categorized as Level 2 are reported at the net asset value of fund portfolio, whereby the underlying assets are valued based on quoted prices or market-corroborated input. Investments categorized as Level 3 are reported at the net asset value of the fund portfolio, which is invested in a variety of financial instruments, some of which are valued using significant unobservable inputs.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Credit Risk:

Credit risk exists when there is a possibility that the issuer, or the counterparty to an investment, may be unable to fulfill its obligations. The City's investment policy limits credit risk by restricting authorized investments to those described above. Pension investments, other than those identified above, are not rated by any nationally recognized organization.

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2019, all of the city's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2019, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The City's investment policy requires diversification but does not specify limits on types of investments.

Interest Rate Risk:

The City's investment policy does not specifically address interest rate risk; however, the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The City manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

NOTE 5 RECEIVABLES

Receivables as of year end for the City's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Fund	Sanitation Fund	Airport Fund	Stormwater Fund	Total
Receivables:						
Accounts	\$ 71,050	\$ 200,826	\$ 85,220	\$ 21,893	\$ 15,449	\$ 394,438
Less Allowance for Uncollectibles	-	(38,313)	(12,717)	-	(1,085)	(52,115)
	<u>\$ 71,050</u>	<u>\$ 162,513</u>	<u>\$ 72,503</u>	<u>\$ 21,893</u>	<u>\$ 14,364</u>	<u>\$ 342,323</u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 494,347	\$ 68,191	\$ -	\$ 562,538
Construction in progress	-	139,828	-	139,828
Total capital assets, not being depreciated	494,347	208,019	-	702,366
Capital Assets, being depreciated:				
Buildings	2,917,326	87,488	(8,891)	2,995,923
Improvements/infrastructure	2,425,144	7,500	(954)	2,431,690
Machinery and equipment	2,334,826	899,830	(214,605)	3,020,051
Total capital assets being depreciated	7,677,296	994,818	(224,450)	8,447,664
Less Accumulated Depreciation for:				
Buildings	(1,277,224)	(95,669)	4,219	(1,368,674)
Improvements/infrastructure	(1,271,376)	(126,255)	595	(1,397,036)
Machinery and equipment	(1,764,673)	(169,803)	214,605	(1,719,871)
Total accumulated depreciation	(4,313,273)	(391,727)	219,419	(4,485,581)
Total capital assets being depreciated, net	3,364,023	603,091	(5,031)	3,962,083
Governmental activities capital assets, net	\$ 3,858,370	\$ 811,110	\$ (5,031)	\$ 4,664,449

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,029,452	\$ 684,280	\$ -	\$ 1,713,732
Construction in progress	644,100	2,459,861	(1,800,836)	1,303,125
Total capital assets, not being depreciated	1,673,552	3,144,141	(1,800,836)	3,016,857
Capital Assets, being depreciated:				
Buildings	5,953,038	129,909	-	6,082,947
Improvements/infrastructure	21,958,435	926,647	(200)	22,884,882
Machinery and equipment	1,198,115	197,319	(37,739)	1,357,695
Total capital assets being depreciated	29,109,588	1,253,875	(37,939)	30,325,524
Less Accumulated Depreciation for:				
Buildings	(745,707)	(156,255)	-	(901,962)
Improvements/infrastructure	(8,592,807)	(727,641)	200	(9,320,248)
Machinery and equipment	(1,053,655)	(72,003)	37,739	(1,087,919)
Total accumulated depreciation	(10,392,169)	(955,899)	37,939	(11,310,129)
Total capital assets being depreciated, net	18,717,419	297,976	-	19,015,395
Business-type activities capital assets, net	\$ 20,390,971	\$ 3,442,117	\$ (1,800,836)	\$ 22,032,252

NOTE 6 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 40,737
Public safety	129,710
Physical environment	4,074
Transportation	110,486
Economic Environment	17,239
Culture and recreation	89,481
Total Depreciation Expense - governmental activities	\$ 391,727
Business-type Activities	
Water and Sewer	\$ 537,882
Sanitation	8,648
Airport	313,087
Stormwater	96,282
Total Depreciation Expense - business-type activities	\$ 955,899

NOTE 7 LONG-TERM DEBT

Capital Lease Obligation

The City has entered into lease agreements as lessee for financing the acquisition of certain equipment and infrastructure. These lease agreements qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the future minimum lease payments as of the inception date. The aggregate cost and accumulated depreciation of assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Assets		
Infrastructure	\$ -	\$ 164,502
Equipment	170,106	-
Less: Accumulated depreciation	(11,309)	(31,819)
Total	\$ 158,797	\$ 132,683

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019 are as follows:

	Governmental Activities	Business-type Activities
<u>Year Ending September 30</u>		
2020	\$ 19,636	\$ 16,521
2021	19,636	16,521
2022	19,636	16,521
2023	19,636	16,521
2024	19,636	16,521
2025-2028	78,542	49,568
Total Minimum Lease Payments	176,722	132,173
Less: Amount representing interest	(26,252)	(19,966)
Present Value of Minimum Lease Payments	\$ 150,470	\$ 112,207

NOTE 7 LONG-TERM DEBT

Notes Payable - Direct Borrowing

The City issued the Infrastructure Sales Surtax Revenue Note, Series 2018 for the acquisition of certain equipment in the amount of \$480,000. Annual payments of principal and interest commence in November 2018 through 2027. The Note bears interest at 2.99% and is secured by infrastructure sales surtax revenues. For the fiscal year, total principal and interest paid on the note was \$48,176, and total revenues pledged were \$388,248. In the event of default, the note holder may make the outstanding amount due and payable immediately.

The City entered into the State Revolving Fund Loan Agreement SW350720 for the purpose of constructing stormwater improvements. The City is authorized to borrow up to \$672,067 plus capitalized interest at an interest rate of 1.34%. The loan is secured by gross revenues of the stormwater utility after payment of operation and maintenance costs. For the fiscal year, total principal and interest paid on the note was \$38,356, and total revenues pledged were \$96,427.

The City entered into the State Revolving Fund Loan Agreement CW350750 for the design phase of sewer improvements. The City is authorized to borrow up to \$70,000 plus capitalized interest at an interest rate of 1.14%. The loan is secured by gross revenues of the water and sewer utility after payment of operation and maintenance costs. For the fiscal year, no principal and interest was scheduled to be paid on the note and total revenues pledged were \$744,051.

In the event of default on the State Revolving Fund Loans, the Florida Department of Environmental Protection may cause to establish rates and collect fees, require the City to account for all moneys received and used, appoint a receiver to manage the Water and Sewer Systems, intercept delinquent amounts plus a penalty due to the City under State Revenue Sharing, recover all amounts due including costs of collection and attorney fees, and accelerate the repayment schedule or increase the interest rate by a factor of up to 1.667.

The annual debt service payments as of September 30, 2019 on the notes, based on balances outstanding at year end are as follows:

<u>Year ending September 30,</u>	<u>Governmental Activities</u>		<u>Business - Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 42,970	\$ 13,106	\$ 31,883	\$ 8,141
2021	44,302	11,821	33,962	7,730
2022	45,676	10,496	34,413	7,278
2023	47,092	9,131	34,871	6,821
2024	48,551	7,723	35,334	6,358
2025 - 2029	209,731	15,916	183,836	24,618
2030 - 2034	-	-	196,380	12,075
2035 - 2039	-	-	72,945	1,375
2040	-	-	1,655	10
Total	\$ 438,322	\$ 68,193	\$ 625,279	\$ 74,406

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue notes payable	\$ 480,000	\$ -	\$ (41,678)	\$ 438,322	\$ 42,970
Capital lease	-	170,106	(19,636)	150,470	14,788
Compensated absences	168,777	104,494	(96,534)	176,737	17,674
Net OPEB liability	57,770	3,278	-	61,048	-
Net pension liability	880,990	98,627	-	979,617	-
Governmental activity long-term liabilities	\$ 1,587,537	\$ 376,505	\$ (157,848)	\$ 1,806,194	\$ 75,432
Business-type Activities					
SRF notes payable	\$ 596,555	\$ 59,187	\$ (30,463)	\$ 625,279	\$ 31,883
Capital lease	124,025	-	(11,818)	112,207	12,272
Compensated absences	22,061	15,985	(14,037)	24,009	2,401
Net OPEB liability	14,406	-	(203)	14,203	-
Net pension liability	238,474	46,442	-	284,916	-
Business-type activity long-term liabilities	\$ 995,521	\$ 121,614	\$ (56,521)	\$ 1,060,614	\$ 46,556

NOTE 8 CONDUIT DEBT

In 2012, 2016, and 2019, the City issued Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2019, there was an outstanding principal balance of \$43,625,000 of the \$75,455,000 originally issued.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the year ended September 30, 2019, the water and sewer fund transferred \$250,000 to the general fund and the sanitation fund transferred \$350,000 to the general fund. These transfers were authorized per the central service model for services provided by the general fund. The general fund transferred \$40,350 representing the cost of buying down the rate for nursing homes from \$1.12 to \$0.70 per square foot.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The composition of interfund balances as of September 30, 2019 is as follows:

	Receivable Fund				Amount
	General Fund	Stormwater Fund	Water and Sewer Fund	Sanitation Fund	
Payable fund:					
Water and sewer fund	\$ 929	\$ 1,483	\$ -	\$ 4,907	\$ 7,319
General fund	-	26	85	23	134
Sanitation fund	1,544	3,324	42,054	-	46,922
Airport fund	-	-	228,740	-	228,740
Stormwater fund	-	-	7	37	44
	<u>\$ 2,473</u>	<u>\$ 4,833</u>	<u>\$ 270,886</u>	<u>\$ 4,967</u>	<u>\$ 283,159</u>

Interfund receivables and payables are the result of transfers of resources resulting from utility billing transactions, as well as pooled cash transactions.

NOTE 10 RETIREMENT PLANS

Police Officers' Retirement Trust Fund

The City has established a defined benefit pension plan for Police Officers. The investment and administrative agent for the defined benefit plan is the Florida Municipal Pension Trust Fund, an agent of the multiple-employer Public Employee Retirement System.

Plan Administration

The City of Umatilla Municipal Police Officers' Retirement Trust Fund is independently governed by a separate board of trustees. The Board consists of five Trustees, two of whom are legal residents of the City who are appointed by the City Council, two of whom are Members of the plan who are elected by a majority of the police officers who are members of the plan and a fifth trustee who is chosen by a majority of the first four trustees. Assets may not be used for any purpose other than to benefit the plan's participants as defined in their authorizing ordinance. The board contracts with the Florida Municipal Pension Trust Fund (FMPTF), a private, not-for-profit corporation established by the Florida League of Cities (FLC) for FLC members who wish to use its services. The FMPTF acts as a common investment and administrative agent for its members, contracting with a bank custodian, investment manager, and actuary to provide a commingled investment fund and plan valuation services. The plan is included as part of the City's reporting entity in the Police Pension Trust Fund. The Umatilla City Council adopted and may amend plan provisions by resolution.

Stand-alone audited financial statements of the FMPTF are maintained on file at the FLC offices in Tallahassee, Florida, and are available upon request to the Pension Services Division.

Summary of Significant Accounting Policies

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Publicly available financial reports for each plan, that include detailed actuarial data, can be obtained from the City's Finance and Administrative Services Department.

Membership of the police officers' pension plan consisted of the following at September 30, 2019:

	<u>Police Officers</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	<u>9</u>
	<u><u>13</u></u>

Plan Description

The police officers' defined benefit pension plan is a local law, single employer, defined benefit pension plans as defined under Florida Statutes, Chapters 175 and 185, which covers all sworn police officers. Employees are eligible to participate after one year of service.

Benefits Provided

The plan provides retirement, termination, disability and death benefits. Retirement age is the earlier of the attainment of age 52 and 25 years of service, or attainment of age 55 and 10 years of service. The normal retirement benefit is the number of years of credited service multiplied by 2.5%, of average final compensation. Effective October 1, 2019, the retirement benefit is the number of years of credited service multiplied by 3%. Early retirement is available after age 50 and 10 years of service; however, the early retirement benefit is reduced by 3% for each year before the normal retirement date.

Members are 100% vested after 10 years of credited service. Vested members will receive the vested portion of accrued benefit payable at the otherwise normal retirement date.

Disability incurred in service is covered from the date of employment. Non-service incurred disability is covered after 10 years of credited service. Benefits are accrued to date of disability but not less than 42% of average final compensation for service incurred disability or 25% of average final compensation for non-service incurred disability.

Pre-retirement death benefits for vested employees is the monthly accrued benefit payable to the designated benefited beneficiary for 10 years at the otherwise normal or early retirement rate. Beneficiaries of nonvested employees will receive a refund of accumulated contributions without interest.

Contributions

Police officers make a minimum mandatory contribution of 0.5%, in order to take advantage of the insurance premium tax rebate provided for in the statutes. Effective October 1, 2019, the employee contribution increases to 3% of pensionable earnings. The City is required to contribute the amount required in order to pay current costs and amortization of the accrued past service liability, if any, as provided in Chapter 112, Florida Statutes.

Concentrations

The plan did not hold investments in any one organization that represents 5 percent or more of the plan's fiduciary net position.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Rate of Return

For the year ended September 30, 2019, the annual money-weighted rate of return on the plan investments, net of pension plan investment expense, was 5.26 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset of the Sponsor

The components of the net pension asset of the sponsor on September 30, 2019 were as follows:

Total Pension Liability	\$ 1,432,124
Plan Fiduciary Net Position	(2,126,521)
Net Pension Liability (Asset)	<u>\$ (694,397)</u>
Plan Net Position as a Percentage of Total Pension Liability (Asset)	-148.49%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019 using the following actuarial assumptions:

Inflation	2.77%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality assumptions are based on the sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB.

The significant assumptions are based upon the most recent actuarial experience study dated December 1, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019, the inflation rate assumption of the advisor was 2.77%. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

NOTE 10 RETIREMENT PLANS (CONTINUED)

Asset Class	Target Allocation	Expected Long-Term Real Return
U.S. Large Cap Equity	34.00%	4.60% per annum
U.S. Small Cap Equity	11.00%	5.50% per annum
International Equity	15.00%	6.70% per annum
Core Bonds	15.00%	1.60% per annum
Core Plus	15.00%	2.10% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.23% per annum

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Asset to Changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ (448,051)	\$ (694,397)	\$ (891,780)

Changes in Net Pension Asset

	Increase (Decrease)		
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	
(a)	(b)	(a) - (b)	
Balances at September 30, 2018	\$ 1,523,821	\$ (2,036,542)	\$ (512,721)
Changes for Year:			
Service Cost	26,807	-	26,807
Interest	106,874	-	106,874
Difference between expected and actual experience	(1,645)	-	(1,645)
Changes in assumptions	(176,857)	-	(176,857)
Net investment income	-	(106,627)	(106,627)
Contributions-employer & state	-	(44,297)	(44,297)
Contributions-employee	-	(2,148)	(2,148)
Benefit payments and refunds	(46,876)	46,876	-
Administrative Expense	-	16,217	16,217
Balances at September 30, 2019	\$ 1,432,124	\$ (2,126,521)	\$ (694,397)

NOTE 10 RETIREMENT PLANS (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the City recognized pension expense of \$2,874. On September 30, 2019, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,243	\$ 1,422
Changes of assumptions	12,640	152,860
Net difference between projected and actual earnings on investments	-	19,276
Balance, September 30, 2019	\$ 67,883	\$ 173,558

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

2020	\$ (25,598)
2021	(22,582)
2022	(1,890)
2023	(838)
2024	(21,585)
Thereafter	(33,182)
	\$ (105,675)

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NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System (FRS)

All City employees, other than sworn police officers, are covered under the Florida Retirement System (FRS), a cost-sharing multiple employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

Early retirement benefits may also be provided; however, there is a reduction in benefits for each year prior to normal retirement. Generally, membership was compulsory for all full-time and part-time employees. There is a 3% requirement for employees to contribute to FRS effective July 1, 2011.

The 2007 Florida Legislature continued the uniform contribution rate system under which participating employers make uniform contributions to support the FRS Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.405, Florida Statutes, FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS defined benefit pension plan. Employers contribute based upon blended rates determined as a percentage of the total payroll for each class or subclass of FRS membership, regardless of which retirement plan individuals elect.

The State of Florida issues a report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website:

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

Funding Policy: Three (3) of the FRS membership classes are applicable to the City's eligible employees. These classes, with descriptions and contribution rates in effect during the period ended September 30, 2019 are as follows:

Regular Class - Members not qualifying for other classes (11.26% [includes 3% employee contribution] from October 1, 2018 through June 30, 2019 and 11.47% [includes 3% employee contribution] from July 1, 2019 through September 30, 2019.)

Deferred Retirement Option Program (DROP) - 14.03% [DROP participants are not required to contribute] from October 1, 2018 through June 30, 2019 and 14.60% from July 1, 2019 through September 30, 2019.

Senior Management - 27.06% [includes 3% employee contribution] from October 1, 2018 through June 30, 2019 and 28.41% [includes 3% employee contribution] from July 1, 2019 through September 30, 2019.

These employer contribution rates include 1.66% HIS Plan subsidy for both periods October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

The City's contributions to the Pension Plan totaled \$82,866 for the fiscal year ended September 30, 2019.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the City reported a liability of \$883,076 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2019 fiscal year contributions relative to the 2018 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was .00256 percent, which was an increase of .00001 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$130,352. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 52,377	\$ 548
Change of Assumptions	226,812	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	48,856
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	7,076	21,152
Pension Plan Contributions Subsequent to the Measurement Date	22,787	-
	\$ 309,052	\$ 70,556

The deferred outflows of resources related to the Pension Plan, totaling \$22,787 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2020	\$ 78,613
2021	18,754
2022	58,120
2023	45,449
2024	11,713
Thereafter	3,060
	\$ 215,709

NOTE 10 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table, with variation by member category and sex, projected generationally with Scale MP 2018.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	3.30%	3.30%	1.20%
Fixed Income	18.00%	4.10%	4.10%	3.50%
Global Equity	54.00%	8.00%	6.80%	16.50%
Real Estate	10.00%	6.70%	6.10%	11.70%
Private Equity	11.00%	11.20%	8.40%	25.80%
Strategic Investments	6.00%	5.90%	5.70%	6.70%
Total	100.00%			
Assumed Inflation - Mean			2.60%	1.70%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

	Discount Rate Minus 1% 5.90%	Current Discount Rate 6.90%	Discount Rate Plus 1% 7.90%
City's Proportionate Share of Net Pension Liability (FRS)	\$ 1,526,544	\$ 883,076	\$ 345,671

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2019, the City reported no amounts payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2019.

Florida Retirement System HIS Plan

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through June 30, 2018 and from July 1, 2019 through September 30, 2019 was 1.66% for both periods. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$19,481 for the fiscal year ended September 30, 2019.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the City reported a liability of \$381,457 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2019 fiscal year contributions relative to the 2018 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.00341 percent, which was an increase of 0.00001 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$11,211. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,633	\$ 467
Change of Assumptions	44,169	31,177
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	246	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	21,500	12,164
Pension Plan Contributions Subsequent to the Measurement Date	5,006	-
	\$ 75,554	\$ 43,808

The deferred outflows of resources related to the HIS Plan, totaling \$5,006 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2020	\$ 8,853
2021	8,262
2022	6,633
2023	(1,866)
2024	600
Thereafter	4,258
	\$ 26,740

NOTE 10 RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	3.50% net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	Discount Rate Minus 1% <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	Discount Rate Plus 1% <u>4.50%</u>
City's Proportionate Share of Net Pension Liability (FRS)	\$ 435,453	\$ 381,457	\$ 336,485

Pension Plan Fiduciary Net Position

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

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NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The contribution expense for the City's Investment Plan for the fiscal year ended September 30, 2019 was \$31,911.

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NOTE 10 RETIREMENT PLANS (CONTINUED)

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2019 are as follows:

	Governmental Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Expense
Police Pension Plan	\$ 694,397	\$ (173,558)	\$ 67,883	\$ (41,423)
FRS Pension Plan	(684,107)	(54,658)	239,418	94,661
HIS Pension Plan	(295,510)	(33,937)	58,531	4,526
	<u>\$ (285,220)</u>	<u>\$ (262,153)</u>	<u>\$ 365,832</u>	<u>\$ 57,764</u>

	Business-type Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Deferred Outflows
FRS Pension Plan	\$ (198,969)	\$ (15,898)	\$ 69,634	\$ 35,691
HIS Pension Plan	(85,947)	(9,871)	17,023	6,685
	<u>\$ (284,916)</u>	<u>\$ (25,769)</u>	<u>\$ 86,657</u>	<u>\$ 42,376</u>

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The plan is a single employer plan. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements, if any. This plan does not issue stand-alone financial statements.

Retirement eligibility

General Employees

Participants are eligible for OPEB based on the FRS retirement requirements as detailed in Note 10.

Police Officers

Police officers are eligible for OPEB based on the Police Pension Plan retirement requirements as detailed in Note 10.

Benefits provided

Type of Coverage	Employee	Spouse
<u>Medical, Dental, and Vision Coverage</u>		
Eligibility	Retiree meets City of Umatilla Retirement eligibility	Same as Retiree
Retiree cost sharing	Retiree pays 100% of premium	Retiree pays 100% of spousal premium
Coverage ceases	All forms of coverage cease upon the earlier of death or discontinuance of required cost sharing	All forms of coverage cease upon the earlier of death or discontinuance of required cost sharing

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employees covered by benefit terms

At September 30, 2019, the following employees were covered by the benefit terms:

	<u>OPEB</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	33
	<u>36</u>

Employer contributions

None.

Total OPEB Liability

The City's total OPEB liability is \$75,251 as of September 30, 2019 for the City's fiscal year and reporting period of October 1, 2018 to September 30, 2019. There are no assets accumulated in a trust to pay related benefits. The values for this fiscal year and reporting period are based on a measurement date of September 30, 2019.

Key assumptions and methods

The City has elected to use the alternative valuation method prescribed under GASB 75 for small employers with fewer than 100 participants. The key assumptions used in this valuation are as follows:

Discount Rate	4.03%
Salary Scale	3.00%
Health Care Cost Trend Rates	4.6%-4.8%
Mortality	RP2000 Mortality Table for Males and Females Projected 18 years
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Turnover Assumption	Derived from data maintained by the US Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

Changes in Total OPEB Liability

	<u>OPEB Liability</u>
Balance at September 30, 2018	\$ 72,176
Changes for Year:	
Service cost	8,045
Interest	2,872
Economic/Demographic gains or losses	(2,740)
Changes of assumptions	(5,102)
Balance at September 30, 2019	<u>\$ 75,251</u>

Deferred Outflows and Inflows of Resources Related to OPEB

Since the City has elected to use the alternative valuation method and holds no assets in trust for the Plan, no amounts are reported for deferred inflows or outflows related to OPEB.

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability/(asset) of the employer as of the measurement date calculated using the discount rate, as well as what the employer's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 3.03%	Current Discount Rate 4.03%	1% Increase 5.03%
Net OPEB Liability	\$ 87,235	\$ 75,251	\$ 65,370

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 62,792	\$ 75,251	\$ 91,104

NOTE 12 RISK MANAGEMENT

The City is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has 52 local government agency members.

The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverages from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2019. The cost of the insurance is allocated among the appropriate departments and funds.

NOTE 13 COMMITMENTS AND CONTINGENCIES

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

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2019. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 14 **FUND BALANCES**

	General Fund	Discretionary Fund	Community Redevelopment Fund	Other Governmental Funds	Total
Fund Balances					
Spendable					
Restricted for:					
Community					
redevelopment	\$ -	\$ -	\$ 290,107	\$ -	\$ 290,107
Capital projects	-	288,254	-	-	288,254
Public safety	-	-	-	112,349	112,349
Assigned for:					
Roads and streets	53,540	-	-	-	53,540
Subsequent year expenditures	-	-	-	-	-
Unassigned	832,353	-	-	-	832,353
	<u>\$ 885,893</u>	<u>\$ 288,254</u>	<u>\$ 290,107</u>	<u>\$ 112,349</u>	<u>\$ 1,576,603</u>

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Pension**

September 30, 2019

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability						
Service cost	\$ 26,807	\$ 59,977	\$ 62,352	\$ 52,149	\$ 48,398	\$ 45,232
Interest	106,874	100,016	87,800	79,144	73,867	68,715
Differences between expected and actual experience	(1,645)	18,443	73,619	-	-	-
Changes of assumptions	(176,857)	-	-	25,280	-	-
Benefit payments, including refunds of employee contributions	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Net Change in Total Pension Liability	(91,697)	131,560	176,895	109,697	75,389	73,779
Total pension liability, beginning	1,523,821	1,392,261	1,215,366	1,105,669	1,030,280	956,501
Total pension liability, ending (a)	<u>\$ 1,432,124</u>	<u>\$ 1,523,821</u>	<u>\$ 1,392,261</u>	<u>\$ 1,215,366</u>	<u>\$ 1,105,669</u>	<u>\$ 1,030,280</u>
Plan Fiduciary Net Position						
Contributions, employer	8,465	14,688	14,618	20,798	47,980	42,479
Contributions, state	35,832	32,337	28,623	35,314	23,731	23,027
Contributions, employee	2,148	2,227	2,155	2,120	1,889	1,588
Net investment income	106,627	138,930	222,596	125,610	(3,466)	121,384
Benefit payments, including refunds of employee contributions	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Administrative expense	(16,217)	(25,976)	(5,109)	(10,191)	(7,692)	(7,518)
Net change in plan fiduciary net position	89,979	115,330	216,007	126,775	15,566	140,792
Plan fiduciary net position, beginning	2,036,542	1,921,212	1,705,205	1,578,430	1,562,864	1,422,072
Plan fiduciary net position, ending (b)	<u>\$ 2,126,521</u>	<u>\$ 2,036,542</u>	<u>\$ 1,921,212</u>	<u>\$ 1,705,205</u>	<u>\$ 1,578,430</u>	<u>\$ 1,562,864</u>
Net pension liability (asset), ending (a) - (b)	\$ (694,397)	\$ (512,721)	\$ (528,951)	\$ (489,839)	\$ (472,761)	\$ (532,584)
Plan fiduciary net position as a percentage of total pension liability	148.49%	133.65%	137.99%	140.30%	142.76%	151.69%
Covered payroll	\$ 473,258	\$ 445,231	\$ 431,000	\$ 424,000	\$ 377,800	\$ 317,519
Net pension liability as a percentage of covered payroll	-146.73%	-115.16%	-122.73%	-115.53%	-125.14%	-167.73%

Notes to Schedule:

Ordinance No. 2016-D, adopted August 16, 2016, transitioned the plan to "Local Law"

Effective for the City's fiscal year ending 9/30/16, the GASB 68 measurement date of the pension expense has been changed from 9/30/15 to 9/30/16.

Changes of assumptions - For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.92%, matching the long-term inflation assumption utilized by the plan's investment consultant.

Changes of assumptions - For measurement date 9/30/2019, the mortality basis was changed from various blends of the RP-2000 Mortality Tables to the RP-2000 Blue Collar Mortality Table, both with full generational improvements in mortality using scale BB.

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Contributions - Police Pension
September 30, 2019

Fiscal year ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/30/2019	\$ 32,149	\$ 44,297	\$ (12,148)	\$ 473,258	9.36%
9/30/2018	\$ 32,149	\$ 47,025	\$ (14,876)	\$ 445,231	10.56%
9/30/2017	\$ -	\$ 43,241	\$ (43,241)	\$ 431,000	10.03%
9/30/2016	\$ -	\$ 56,112	\$ (56,112)	\$ 424,000	13.23%
9/30/2015	\$ 57,048	\$ 71,711	\$ (14,663)	\$ 377,800	18.98%
9/30/2014	\$ 47,944	\$ 51,219	\$ (3,275)	\$ 317,519	16.13%

Notes to Schedule

Valuation Date 10/1/2018

Methods and assumptions used to determine contribution rates:

Discount Rate 7.00% per annum (2.77% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

COL Increases None assumed

Mortality Basis Sex distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB

Retirement 5% are assumed to retire at each eligible retirement age prior to normal retirement, 10% are assumed to retire at each age after normal retirement, and 100% are assumed to retire at age 58 with 13 years of service or at age 55 with 28 years of service; no retirements are assumed to occur on the valuation date for those who are eligible for normal retirement.

Expenses Non-investment expenses are assumed to be equal to the prior year's actual expenses.

Future contributions Contributions from the employer and employees are assumed to be made as legally required.

Changes Since the prior measurement date, the mortality basis was changed from various blends of the RP-2000 Mortality Tables to the RP-2000 Blue Collar Mortality Table, both with full generational improvements in mortality using Scale BB.

Disability Rates		Termination and Salary Increases		
Age	% Becoming Disabled During the Year	Years of Service	Withdrawal Assumption	Salary Increases
20	.03%	0	20.00%	10.00%
30	.04%	1	20.00%	8.00%
40	.07%	2	20.00%	7.00%
50	.18%	3	15.00%	7.00%
		4	15.00%	7.00%
		5+	5.00%	5.50%

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Investment Returns - Police Pension
September 30, 2019

	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual Money-Weighted Rate of Return						
Net of Investment Expense	5.26%	7.31%	13.18%	7.95%	-0.22%	9.75%

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Proportionate share of the Net Pension Liability - Florida Retirement System
September 30, 2019

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.00256%	0.00255%	0.00259%	0.00256%	0.00287%
City's Proportionate Share of the Net Pension Liability	\$ 883,076	\$ 769,416	\$ 766,489	\$ 645,198	\$ 370,720
City's Covered Payroll	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	98.24%	84.37%	78.45%	60.88%	38.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	84.26%	83.89%	84.88%	92.00%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.00341%	0.00331%	0.00339%	0.00343%	0.00314%
City's Proportionate Share of the Net Pension Liability	\$ 381,457	\$ 350,048	\$ 362,635	\$ 400,075	\$ 319,803
City's Covered Payroll	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	42.44%	38.38%	37.12%	37.75%	33.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.63%	2.15%	1.64%	0.97%	0.50%

* Data not available before 2015.

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Contributions Florida Retirement System
September 30, 2019

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 82,866	\$ 74,510	\$ 65,828	\$ 66,214	\$ 68,627
Contributions in Relation to the Contractually Required Contributions	<u>82,866</u>	<u>74,510</u>	<u>65,828</u>	<u>66,214</u>	<u>68,627</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	8.90%	7.89%	6.92%	6.85%	7.47%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 19,481	\$ 18,024	\$ 17,407	\$ 18,227	\$ 13,435
Contributions in Relation to the contractually Required Contributions	<u>19,481</u>	<u>18,024</u>	<u>17,407</u>	<u>18,227</u>	<u>13,435</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	2.09%	1.91%	1.83%	1.89%	1.46%

* Data not available before 2015.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	9/30/2019	9/30/2018
Total OPEB Liability		
Service cost	\$ 8,045	\$ 8,045
Interest	2,872	2,782
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(5,102)	(2,405)
Effect of economic/demographic changes or inputs	(2,740)	(648)
Net change in total OPEB liability	<u>3,075</u>	<u>7,774</u>
Total OPEB liability, beginning	<u>72,176</u>	<u>64,402</u>
Total OPEB liability, ending (a)	<u><u>\$ 75,251</u></u>	<u><u>\$ 72,176</u></u>
 Plan Fiduciary Net Position		
Contributions, employer	-	-
Contributions, employee	-	-
Benefit payments, including refunds of employee contributions	-	-
Administrative expense	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
 Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Net OPEB liability, ending (a) - (b)	<u><u>\$ 75,251</u></u>	<u><u>\$ 72,176</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
 Covered payroll	\$ 1,614,843	\$ 1,638,610
 Net OPEB liability as a percentage of covered payroll	4.66%	4.40%

Notes to Schedule: None.

* Data before 2018 not available.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	9/30/2019	9/30/2018
Total OPEB Liability		
Service cost	\$ 8,045	\$ 8,045
Interest	2,872	2,782
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(5,102)	(2,405)
Effect of economic/demographic changes or inputs	(2,740)	(648)
Net change in total OPEB liability	<u>3,075</u>	<u>7,774</u>
Total OPEB liability, beginning	<u>72,176</u>	<u>64,402</u>
Total OPEB liability, ending (a)	<u><u>\$ 75,251</u></u>	<u><u>\$ 72,176</u></u>
 Plan Fiduciary Net Position		
Contributions, employer	-	-
Contributions, employee	-	-
Benefit payments, including refunds of employee contributions	-	-
Administrative expense	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>
 Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Net OPEB liability, ending (a) - (b)	<u><u>\$ 75,251</u></u>	<u><u>\$ 72,176</u></u>
 Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
 Covered payroll	\$ 1,614,843	\$ 1,638,610
 Net OPEB liability as a percentage of covered payroll	4.66%	4.40%

Notes to Schedule: None.

* Data before 2018 not available.

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2019

	Special Revenue					Total Special Revenue Funds	Total-Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund		
Assets:							
Cash and cash equivalents	\$ 7,151	\$ 6,436	\$ 69,511	\$ 20,035	\$ 13,003	\$ 116,136	\$ 116,136
Total assets	<u>\$ 7,151</u>	<u>\$ 6,436</u>	<u>\$ 69,511</u>	<u>\$ 20,035</u>	<u>\$ 13,003</u>	<u>\$ 116,136</u>	<u>\$ 116,136</u>
Liabilities and Fund Balances:							
Accounts payable	\$ -	\$ 1,231	\$ 2,556	\$ -	\$ -	\$ 3,787	\$ 3,787
Total liabilities	<u>-</u>	<u>1,231</u>	<u>2,556</u>	<u>-</u>	<u>-</u>	<u>3,787</u>	<u>3,787</u>
Fund balances:							
Restricted	7,151	5,205	66,955	20,035	13,003	112,349	112,349
Total fund balances	<u>7,151</u>	<u>5,205</u>	<u>66,955</u>	<u>20,035</u>	<u>13,003</u>	<u>112,349</u>	<u>112,349</u>
Total liabilities and fund balances	<u>\$ 7,151</u>	<u>\$ 6,436</u>	<u>\$ 69,511</u>	<u>\$ 20,035</u>	<u>\$ 13,003</u>	<u>\$ 116,136</u>	<u>\$ 116,136</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended September 30, 2019

	Special Revenue					Total Special Revenue Funds	Total-Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund		
Revenues:							
Intergovernmental revenues	\$ -	\$ -	\$ 26,155	\$ -	\$ -	\$ 26,155	\$ 26,155
Charges for services	-	-	316,585	-	-	316,585	316,585
Impact fees	-	-	-	20,035	13,003	33,038	33,038
Fines and forfeitures	630	-	-	-	-	630	630
Investment income	-	-	345	-	-	345	345
Miscellaneous	-	-	1,780	-	-	1,780	1,780
Total revenues	630	-	344,865	20,035	13,003	378,533	378,533
Expenditures:							
Current:							
Public safety	-	2,483	427,270	-	-	429,753	429,753
Debt Service:							
Principal	-	-	10,403	-	-	10,403	10,403
Interest and fiscal charges	-	-	297	-	-	297	297
Total expenditures	-	2,483	437,970	-	-	440,453	440,453
Excess (deficiency) of revenues over expenditures	630	(2,483)	(93,105)	20,035	13,003	(61,920)	(61,920)
Other Financing Sources(Uses):							
Transfers in	-	-	69,936	-	-	69,936	69,936
Capital leases	-	-	90,124	-	-	90,124	90,124
Total other financing sources(uses)	-	-	160,060	-	-	160,060	160,060
Net Change in Fund Balances	630	(2,483)	66,955	20,035	13,003	98,140	98,140
Fund balances, beginning	6,521	7,688	-	-	-	14,209	14,209
Fund balances, ending	\$ 7,151	\$ 5,205	\$ 66,955	\$ 20,035	\$ 13,003	\$ 112,349	\$ 112,349

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Police Education

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 500	\$ 500	\$ 630	\$ 130
Total revenues	500	500	630	130
Expenditures:				
Current:				
Public safety	6,982	12,014	-	12,014
Total expenditures	6,982	12,014	-	12,014
Excess (deficiency) of revenues over expenditures	(6,482)	(11,514)	630	12,144
Net Change in Fund Balance	(6,482)	(11,514)	630	12,144
Fund balance, beginning	6,521	6,521	6,521	-
Fund balance, ending	\$ 39	\$ (4,993)	\$ 7,151	\$ 12,144

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Police Automation

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 50	\$ 50	\$ -	\$ (50)
Total revenues	50	50	-	(50)
Expenditures:				
Current:				
Public safety	7,738	7,777	2,483	5,294
Total expenditures	7,738	7,777	2,483	5,294
Excess (deficiency) of revenues over expenditures	(7,688)	(7,727)	(2,483)	5,244
Net Change in Fund Balance	(7,688)	(7,727)	(2,483)	5,244
Fund balance, beginning	7,688	7,688	7,688	-
Fund balance, ending	\$ -	\$ (39)	\$ 5,205	\$ 5,244

Schedule of Revenues, Expenditures and Changes in Fund Balance**Budget and Actual - Fire Assessment Fund**

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ -	\$ 26,155	\$ 26,155	\$ -
Charges for services	303,005	303,005	316,585	13,580
Investment income	-	-	345	345
Miscellaneous	-	-	1,780	1,780
Total revenues	303,005	329,160	344,865	15,705
Expenditures:				
Current:				
Public safety	343,355	373,180	427,270	(54,090)
Debt Service:				
Principal	-	-	10,403	(10,403)
Interest	-	-	297	(297)
Total expenditures	343,355	373,180	437,970	(64,790)
Excess (deficiency) of revenues over expenditures	(40,350)	(44,020)	(93,105)	(49,085)
Other Financing Sources (Uses)				
Transfers in	40,350	44,020	69,936	25,916
Capital leases	-	-	90,124	90,124
Total other financing sources(uses)	40,350	44,020	160,060	116,040
Net Change in Fund Balance	-	-	66,955	66,955
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ 66,955	\$ 66,955

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Police Impacts Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 20,035	\$ 20,035
Total revenues	<u>-</u>	<u>-</u>	<u>20,035</u>	<u>20,035</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>20,035</u>	<u>20,035</u>
Net Change in Fund Balance	-	-	20,035	20,035
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,035</u>	<u>\$ 20,035</u>

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Fire Impacts Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ -	\$ -	\$ 13,003	\$ 13,003
Investment income	-	-	-	-
Total revenues	-	-	13,003	13,003
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	13,003	13,003
Net Change in Fund Balance	-	-	13,003	13,003
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ 13,003	\$ 13,003

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax,

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Umatilla
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Governmental Activities:										
Net investment in capital assets	\$ 2,932,113	\$ 2,985,214	\$ 2,971,519	\$ 2,795,822	\$ 2,931,802	\$ 3,307,812	\$ 3,503,133	\$ 3,547,466	\$ 3,858,370	\$ 4,075,657
Restricted for:										
Capital Improvements	92,350	168,315	288,920	375,080	346,024	188,379	82,424	80,904	147,626	288,254
Community Redevelopment	483,398	418,896	328,064	103,407	98,409	113,029	182,695	244,660	296,561	290,107
Public Safety	115,210	69,157	68,365	66,940	54,867	50,127	36,286	19,755	14,209	112,349
Unrestricted	1,324,680	825,420	457,215	542,809	656,049	661,597	629,780	484,885	239,259	450,999
Total Governmental Activities Net Position	\$ 4,947,751	\$ 4,467,002	\$ 4,114,083	\$ 3,884,058	\$ 4,087,151	\$ 4,320,944	\$ 4,434,318	\$ 4,377,670	\$ 4,556,025	\$ 5,217,366
Business-Type Activities:										
Net investment in capital assets	\$ 12,065,995	\$ 12,334,397	\$ 12,515,904	\$ 12,292,062	\$ 12,449,970	\$ 13,918,695	\$ 15,215,811	\$ 18,954,319	\$ 19,670,391	\$ 21,294,766
Restricted for:										
Capital Improvements	456,278	233,129	228,026	219,876	144,248	161,730	203,480	305,414	396,966	466,690
Debt Service	54,090	54,090	54,090	54,090	54,090	-	-	-	-	-
Unrestricted	58,635	529,967	859,347	657,601	705,793	752,373	1,089,053	1,187,262	1,305,943	1,710,493
Total Business-type Activities Net Position	\$ 12,634,998	\$ 13,151,583	\$ 13,657,367	\$ 13,223,629	\$ 13,354,101	\$ 14,832,798	\$ 16,508,344	\$ 20,446,995	\$ 21,373,300	\$ 23,471,949
Primary Government:										
Net investment in capital assets	\$ 14,998,108	\$ 15,319,611	\$ 15,487,423	\$ 15,087,884	\$ 15,381,772	\$ 17,226,507	\$ 18,718,944	\$ 22,501,785	\$ 23,528,761	\$ 25,370,423
Restricted for:										
Capital Improvements	548,628	401,444	516,946	594,956	490,272	350,109	285,904	386,318	544,592	754,944
Debt Service	54,090	54,090	54,090	54,090	54,090	-	-	-	-	-
Community Redevelopment	483,398	418,896	328,064	103,407	98,409	113,029	182,695	244,660	296,561	290,107
Public Safety	115,210	69,157	68,365	66,940	54,867	50,127	36,286	19,755	14,209	112,349
Unrestricted	1,383,315	1,355,387	1,316,562	1,200,410	1,361,842	1,413,970	1,718,833	1,672,147	1,545,202	2,161,492
Total City of Umatilla Net Position	\$ 17,582,749	\$ 17,618,585	\$ 17,771,450	\$ 17,107,687	\$ 17,441,252	\$ 19,153,742	\$ 20,942,662	\$ 24,824,665	\$ 25,929,325	\$ 28,689,315

City of Umatilla
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual basis of accounting)

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Expenses:										
Governmental Activities:										
General Government	\$ 532,689	\$ 869,745	\$ 582,914	\$ 742,494	\$ 713,706	\$ 635,092	\$ 764,931	\$ 767,664	\$ 848,842	\$ 830,168
Public Safety	903,616	976,103	1,007,103	1,068,865	990,627	1,067,052	1,160,901	1,281,196	1,259,464	1,396,021
Physical Environment	36,874	35,805	43,354	43,963	536,722	532,366	53,898	52,626	40,458	50,924
Transportation	430,053	472,978	567,118	493,078	45,445	46,388	622,962	681,336	570,917	565,552
Culture and Recreation	516,768	511,735	504,269	584,012	433,672	539,648	611,094	597,212	568,952	666,910
Economic Environment	171,597	123,222	212,799	348,305	190,002	47,396	56,026	89,457	132,582	131,432
Interest on Long-term Debt	18,012	11,407	7,098	9,116	15,065	3,796	6,491	1,055	24,615	17,211
Total Governmental Activities Expenses	2,609,609	3,000,995	2,924,655	3,289,833	2,925,239	2,871,738	3,276,303	3,470,546	3,445,830	3,658,218
Business-Type Activities:										
Water and Sewer	1,100,163	1,074,021	1,036,296	1,028,156	1,086,390	1,029,580	978,641	1,048,099	1,360,938	1,340,564
Sanitation	433,066	440,376	482,713	456,697	356,173	351,219	365,137	384,668	419,796	459,007
Airport	352,061	358,391	284,837	286,220	281,683	313,408	319,492	320,499	371,517	405,421
Stormwater	108,846	94,538	102,038	78,606	90,674	84,976	89,182	130,088	281,229	112,793
Total Business-Type Activities Expenses	1,994,136	1,967,326	1,905,884	1,849,679	1,814,920	1,779,183	1,752,452	1,883,354	2,433,480	2,317,785
Total Expenses	\$ 4,603,745	\$ 4,968,321	\$ 4,830,539	\$ 5,139,512	\$ 4,740,159	\$ 4,650,921	\$ 5,028,755	\$ 5,353,900	\$ 5,879,310	\$ 5,976,003
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 38,265	\$ 24,112	\$ 99,391	\$ 133,058	\$ 56,616	\$ 35,014	\$ 139,627	\$ 101,173	\$ 87,429	\$ 117,885
Public Safety	15,105	12,347	20,857	36,175	22,718	11,887	10,348	27,481	38,651	330,373
Physical Environment	-	-	-	-	-	-	-	12,100	8,275	9,225
Transportation	9,681	12,123	6,553	9,210	7,772	9,021	20,348	15,178	13,290	17,382
Culture and Recreation	26,974	27,823	27,610	30,209	31,450	32,815	29,891	33,290	69,019	38,936
Economic Environment	2,340	1,905	1,680	1,000	3,270	775	1,720	7,705	1,335	5,155
Operating Grants and Contributions	243,102	228,568	248,743	218,334	218,433	242,961	242,969	243,937	193,886	228,475
Capital Grants and Contributions	235,811	7,753	6,683	5,597	4,135	11,240	4,164	3,530	48,035	251,812
Total Governmental Activities Program Revenues	571,278	314,631	411,517	433,583	344,394	343,713	449,067	444,394	459,920	999,243
Business-Type Activities:										
Charges for Services:										
Water and Sewer	932,494	962,381	905,617	941,787	981,722	1,185,548	1,307,834	1,385,436	1,468,938	1,542,102
Sanitation	629,237	618,387	629,784	635,652	644,916	652,895	660,063	663,234	669,481	672,245
Airport	49,054	54,863	67,046	71,781	69,666	79,918	83,564	80,139	121,613	128,030
Stormwater	94,696	98,529	96,991	97,999	98,549	99,782	102,685	103,461	104,040	105,159
Operating Grants and Contributions	667,061	678,126	-	-	-	-	-	-	-	-
Capital Grants and Contributions	646,712	70,622	709,215	141,416	661,156	1,915,418	1,853,449	4,089,333	1,506,290	2,568,704
Total Business-Type Activities Program Revenues	3,019,254	2,482,908	2,408,653	1,888,635	2,456,009	3,933,561	4,007,595	6,321,603	3,870,362	5,016,240
Total Program Revenues	\$ 3,590,532	\$ 2,797,539	\$ 2,820,170	\$ 2,322,218	\$ 2,800,403	\$ 4,277,274	\$ 4,456,662	\$ 6,765,997	\$ 4,330,282	\$ 6,015,483
Net Revenues (Expenses):										
Governmental Activities	\$ (2,038,331)	\$ (2,686,364)	\$ (2,513,138)	\$ (2,856,250)	\$ (2,580,845)	\$ (2,528,025)	\$ (2,827,236)	\$ (3,026,152)	\$ (2,985,910)	\$ (2,658,975)
Business-Type Activities	1,025,118	515,582	502,769	38,956	641,089	2,154,378	2,255,143	4,438,249	1,436,882	2,698,455
Total Net Expense	\$ (1,013,213)	\$ (2,170,782)	\$ (2,010,369)	\$ (2,817,294)	\$ (1,939,756)	\$ (373,647)	\$ (572,093)	\$ 1,412,097	\$ (1,549,028)	\$ 39,480

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City of Umatilla
Changes in Net Position
 Last Ten Fiscal Years
 (Accrual basis of accounting)

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
General Revenues and Transfers:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 999,172	\$ 982,677	\$ 902,534	\$ 910,675	\$ 901,006	\$ 861,702	\$ 906,859	\$ 918,170	\$ 959,644	\$ 1,044,923
Franchise fees and utility taxes	656,425	583,577	593,697	616,819	701,589	654,633	707,492	695,947	762,299	787,513
Intergovernmental revenues	243,866	499,900	534,009	579,249	621,337	679,715	727,568	835,531	818,056	840,816
Unrestricted investment earnings	31,649	13,001	6,374	6,530	5,648	8,417	11,756	6,108	8,645	25,252
Miscellaneous	-	126,460	123,605	38,510	42,638	28,181	6,935	13,748	36,734	21,812
Gain(loss) on sale of capital assets	-	-	-	-	-	41,536	-	-	-	-
Transfers	246,650	-	-	474,442	511,720	540,000	580,000	500,000	500,000	600,000
Total Governmental Activities	2,177,762	2,205,615	2,160,219	2,626,225	2,783,938	2,814,184	2,940,610	2,969,504	3,085,378	3,320,316
Business-Type Activities:										
Unrestricted investment earnings	-	1,003	3,015	1,748	1,102	35	403	402	128	194
Transfers	(246,650)	-	-	(474,442)	(511,720)	(540,000)	(580,000)	(500,000)	(500,000)	(600,000)
Miscellaneous revenues	1,414	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	(245,236)	1,003	3,015	(472,694)	(510,618)	(539,965)	(579,597)	(499,598)	(499,872)	(599,806)
Total General Revenues and Transfers	\$ 1,932,526	\$ 2,206,618	\$ 2,163,234	\$ 2,153,531	\$ 2,273,320	\$ 2,274,219	\$ 2,361,013	\$ 2,469,906	\$ 2,585,506	\$ 2,720,510
Change in Net Assets:										
Governmental activities	\$ 139,431	\$ (480,749)	\$ (352,919)	\$ (230,025)	\$ 203,093	\$ 286,159	\$ 113,374	\$ (56,648)	\$ 99,468	\$ 661,341
Business-type activities	779,882	516,585	505,784	(433,738)	130,471	1,614,413	1,675,546	3,938,651	937,010	2,098,649
Total Change in Net Position	\$ 919,313	\$ 35,836	\$ 152,865	\$ (663,763)	\$ 333,564	\$ 1,900,572	\$ 1,788,920	\$ 3,882,003	\$ 1,036,478	\$ 2,759,990

City of Umatilla

Governmental Activities Tax Revenue by Source

Last Ten Fiscal Years

(Modified accrual basis of accounting)

<u>FISCAL YEAR</u>	<u>PROPERTY TAXES</u>	<u>INFRA- STRUCTURE SALES SURTAX</u>	<u>LOCAL OPTION GAS TAXES</u>	<u>FRANCHISE FEES</u>	<u>UTILITY TAXES</u>	<u>COMMUNICATIONS SERVICE TAX</u>	<u>CASUALTY INSURANCE PREMIUM TAX</u>	<u>TOTAL TAXES</u>
2010	857,184	223,665	93,144	244,001	310,295	102,129	-	1,830,418
2011	861,985	238,576	86,445	221,666	289,350	72,561	-	1,770,583
2012	902,534	248,897	89,870	208,884	270,731	114,082	49,127	1,884,125
2013	910,675	278,282	80,256	197,983	278,480	140,356	24,402	1,910,434
2014	901,006	296,665	83,692	238,506	329,524	133,559	23,027	2,005,979
2015	861,702	325,566	93,967	221,217	304,005	129,411	23,731	1,959,599
2016	906,859	343,348	88,917	233,921	340,262	133,308	35,315	2,081,930
2017	918,170	413,896	86,084	228,138	338,328	129,481	28,623	2,142,720
2018	959,644	383,495	83,625	275,082	350,536	136,681	32,337	2,221,400
2019	1,044,923	388,248	82,964	294,932	379,133	113,448	35,832	2,339,480

City of Umatilla
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

	<u>2010</u>
General Fund	
Reserved	\$ 56,578
Unreserved	1,470,021
Total General Fund	<u>\$ 1,526,599</u>

All Other Governmental Funds (Special Revenue Funds)	
Reserved	\$ 645,371
Unreserved	-
Total All Other Governmental Funds	<u>\$ 645,371</u>

	Post GASB 54									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
General Fund										
Nonspendable	\$ 849	\$ 2,345	\$ 1,845	\$ 1,500	\$ 1,555	\$ 997	\$ 1,010	\$ 9,855	\$ -	\$ -
Committed	-	-	23,300	3,932	-	-	-	-	-	-
Assigned	599,742	162,669	211,752	312,010	289,430	455,350	349,388	53,347	53,540	53,540
Unassigned	381,060	416,039	472,787	546,119	596,619	407,892	395,917	531,796	832,353	832,353
Total General Fund	<u>\$ 981,651</u>	<u>\$ 581,053</u>	<u>\$ 709,684</u>	<u>\$ 863,561</u>	<u>\$ 887,604</u>	<u>\$ 864,239</u>	<u>\$ 746,315</u>	<u>\$ 594,998</u>	<u>\$ 885,893</u>	<u>\$ 885,893</u>
All Other Governmental Funds (Special Revenue Funds)										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,000	\$ -	\$ -
Restricted	656,368	685,349	545,427	499,300	351,535	301,405	345,319	458,396	690,710	690,710
Assigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 656,368</u>	<u>\$ 685,349</u>	<u>\$ 545,427</u>	<u>\$ 499,300</u>	<u>\$ 351,535</u>	<u>\$ 301,405</u>	<u>\$ 345,319</u>	<u>\$ 938,396</u>	<u>\$ 690,710</u>	<u>\$ 690,710</u>

City of Umatilla
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 Modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 1,972,406	\$ 1,659,757	\$ 1,586,101	\$ 1,607,750	\$ 1,686,287	\$ 1,610,302	\$ 1,703,268	\$ 1,700,201	\$ 1,721,943	\$ 1,832,436
Licenses and permits	38,265	24,112	99,391	133,058	56,616	35,014	139,627	101,173	87,429	117,885
Intergovernmental revenues	405,970	642,718	699,565	722,924	760,213	839,949	885,784	996,914	1,059,977	1,288,065
Charges for services	34,176	39,304	31,446	37,653	43,364	40,149	51,905	68,560	87,684	383,550
Impact fees	-	-	-	-	-	-	-	-	-	33,038
Fines and forfeitures	17,584	12,989	23,574	37,941	21,846	14,349	10,402	27,194	42,886	17,521
Investment income	-	13,001	6,374	6,530	5,648	8,417	11,756	6,108	8,645	25,252
Miscellaneous	33,989	128,365	125,285	39,510	42,638	28,181	6,935	13,748	36,734	21,812
Total revenues	2,502,390	2,520,246	2,571,736	2,585,366	2,616,612	2,576,361	2,809,677	2,913,898	3,045,298	3,719,559
Expenditures										
General government	523,522	857,863	665,464	754,772	857,581	935,884	784,770	759,265	805,550	735,389
Public safety	838,880	1,073,476	947,349	1,068,721	899,688	1,063,373	1,210,427	1,212,409	1,364,194	2,147,180
Physical environment	36,724	42,269	47,201	71,963	40,353	42,665	76,752	43,831	41,947	36,699
Transportation	366,265	459,753	500,401	546,682	472,513	569,062	602,827	704,746	668,715	553,865
Economic environment	235,089	209,761	207,257	339,724	123,493	130,606	81,504	95,651	119,470	214,410
Culture and recreation	444,553	458,502	446,399	513,448	523,018	508,783	557,591	618,009	541,612	690,541
Capital outlay	77,899	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	218,922	136,657	140,708	206,172	128,869	115,856	142,367	52,905	22,850	61,314
Interest & issuance costs	13,970	12,479	8,426	10,018	15,067	4,054	6,934	1,092	19,200	7,058
Total Expenditures	2,755,824	3,250,760	2,963,205	3,511,500	3,060,582	3,370,283	3,463,172	3,487,908	3,583,538	4,446,456
Excess (Deficiency) of Revenues over (under) Expenditures	(253,434)	(730,514)	(391,469)	(926,134)	(443,970)	(793,922)	(653,495)	(574,010)	(538,240)	(726,897)
Other Financing Sources (Uses)										
Transfers in	258,297	-	-	568,330	515,998	540,000	580,000	500,000	500,000	669,936
Transfers out	(11,647)	-	-	(93,888)	(4,278)	-	-	-	-	(69,936)
Debt proceeds	50,215	196,563	19,852	440,401	40,000	130,200	-	-	480,000	-
Capital leases	-	-	-	-	-	-	-	-	-	170,106
Total Other Financing Sources (Uses)	296,865	196,563	19,852	914,843	551,720	670,200	580,000	500,000	980,000	770,106
Net Change in Fund Balances	\$ 43,431	\$ (533,951)	\$ (371,617)	\$ (11,291)	\$ 107,750	\$ (123,722)	\$ (73,495)	\$ (74,010)	\$ 441,760	\$ 43,209
Debt service as a percentage of noncapital expenditures	9.00%	5.11%	5.23%	6.75%	4.93%	4.30%	4.79%	1.77%	1.33%	2.11%

**CITY OF UMATILLA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		CENTRALLY ASSESSED PROPERTY		TOTAL		(IN MILLS) DIRECT TAX RATE	TOTAL TAXABLE VALUE PERCENTAGE OF TOTAL JUST VALUE
	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE		
2010	113,870,940	177,409,671	14,803,104	17,317,971	4,871	6,364	128,678,915	194,734,006	6.8795	66.08%
2011	102,871,332	162,332,030	12,054,919	14,631,545	4,106	5,646	114,930,357	176,969,221	7.6419	64.94%
2012	103,927,315	150,858,928	11,322,275	13,444,051	4,106	4,106	115,253,696	164,307,085	8.2480	70.15%
2013	94,264,999	152,841,267	12,826,371	15,333,257	-	-	107,091,370	168,174,524	8.2480	63.68%
2014	99,525,397	160,283,636	12,458,051	15,108,906	-	-	111,983,448	175,392,542	8.2480	63.85%
2015	107,902,950	173,648,089	11,887,467	14,370,614	-	-	119,790,417	188,018,703	7.2980	63.71%
2016	110,695,343	178,604,508	12,669,583	16,306,588	-	-	123,364,926	194,911,096	7.1089	63.29%
2017	114,756,092	186,329,263	13,766,641	17,096,492	-	-	128,522,733	203,425,755	7.1089	63.18%
2018	125,446,185	194,527,007	13,303,537	16,807,756	-	-	138,749,722	211,334,763	7.1089	65.65%
2019	125,567,589	194,648,408	9,753,700	13,257,919	-	-	135,321,289	207,906,327	7.1089	65.09%

Source-Lake County Property Appraiser's Office

The property appraiser is required to physically inspect the property at least once every 5 years. Homesteaded property is reassessed annually or January 1. Any change resulting from such reassessment shall not exceed the lower of 3% of the prior year's assessed value or the percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics.

The estimated just value is adjusted down to the taxable value due to governmental exemptions, widows/widowers exemption, disability/blind exemption institutional exemption for charitable, religious, scientific, literary and educational, \$25,000 homestead exemption, additional \$25,000 homestead exemption age 65 and older, and the homestead assessment differential (just value minus capped value)

CITY OF UMATILLA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING RATE CITY	OVERLAPPING GOVERNMENTS AND RATES							TOTAL
		LAKE COUNTY	SCHOOL DISTRICT	AMBULANCE DISTRICT	COUNTY DEBT SERVICE	HOSPITAL DISTRICT	WATER MANAGEMENT DISTRICT	WATER CONSERVATION AUTHORITY	
2010	6.8795	4.7309	7.5230	0.3853	0.1101	1.0000	0.4158	0.2405	21.2851
2011	7.6419	4.7309	7.3940	0.3853	0.1101	1.0000	0.3313	0.2405	21.8340
2012	8.2480	4.7309	7.3200	0.3853	0.1900	1.0000	0.3313	0.2554	22.4609
2013	8.2480	4.7309	7.1700	0.3853	0.1900	1.0000	0.0328	0.2554	22.0124
2014	8.2480	4.7309	7.1700	0.3853	0.1900	1.0000	0.3283	0.2554	22.3079
2015	7.2980	5.3051	7.1970	0.4629	0.1600	1.0000	0.0323	0.2554	21.7107
2016	7.1089	5.1180	6.8750	0.4629	0.1524	1.0000	0.2885	0.2554	21.2611
2017	7.1089	5.1180	6.6030	0.4629	0.1524	1.0000	0.2727	0.2554	20.9733
2018	7.1089	5.1180	6.6030	0.4629	0.1524	1.0000	0.2724	0.2554	20.9730
2019	7.1089	5.0734	6.8830	0.4629	0.1100	0.9500	0.2414	0.3557	21.1853

Source: Lake County Property Appraiser's Office

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City of Umatilla

Taxes levied for the fiscal year are based on the prior year taxable value

**CITY OF UMATILLA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Value	Taxable Assessed Value	Rank	Value
COMMUNITY SUPPORTS INC	\$ 14,737,040	1	10.23%			
UMATILLA PROPERTIES LLC	4,991,918	2	3.73%			
EVERS ENTERPRISES LLLP	4,594,198	3	3.43%	\$ 2,675,261	2	2.35%
1ST SOURCE BANK	3,468,382	4	2.59%			
DUKE ENERGY FLORIDA LLC	2,203,330	5	1.65%			
NATIONWIDE UMATILLA PLAZA LLC	1,825,738	6	1.36%	1,442,697	8	1.27%
LAKEVIEW TERRACE RETIREMENT SERVICES INC	1,698,566	7	1.27%	3,901,761	1	3.43%
GOLDEN ESTATES LLC	1,555,985	8	1.16%			
UNITED SOUTHERN BANK	1,100,570	9	0.82%	1,367,452	9	1.20%
CARTER DELORIS P TRUST	1,098,718	10	0.82%			
ARGUELLES HOLDINGS LLC				2,509,456	3	2.20%
EMBARQ-FLORIDA INC				2,471,263	4	2.17%
LAKE COGEN LTD				1,897,034	5	1.67%
BAYPOINT BUILDERS LLC				1,848,158	6	1.62%
FLORIDA POWER CORP				1,712,633	7	1.50%
RING POWER CORPORATION				1,337,088	10	1.17%
Total	<u>\$ 37,274,445</u>		<u>27.06%</u>	<u>\$ 21,162,803</u>		<u>18.58%</u>

Source: Lake County Property Appraiser

**CITY OF UMATILLA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>% TOTAL TAX COLLECTIONS TO TAX LEVY</u>
2010	885,247	804,615	90.89%	52,568	857,183	96.83%
2011	878,286	811,771	92.43%	50,213	861,984	98.14%
2012	901,498	816,235	99.86%	39,620	855,855	94.94%
2013	883,290	757,065	99.86%	40,430	797,495	90.29%
2014	817,255	747,603	91.48%	38,850	786,453	96.23%
2015	872,738	755,576	86.58%	37,800	793,376	90.91%
2016	876,989	804,536	91.74%	35,450	839,986	95.78%
2017	913,204	809,442	88.64%	41,141	850,583	93.14%
2018	985,922	841,172	85.32%	43,585	884,757	89.74%
2019	1,054,516	898,147	85.17%	53,955	952,102	90.29%

CITY OF UMATILLA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Capital Leases	Loans Payable	Utility Revenue Bonds	Loans Payable	Capital Leases			
2010	189,568	-	241,000	70,382	-	500,950	1.57%	284
2011	249,474	-	208,000	53,748	-	511,222	1.37%	166
2012	128,618	-	173,000	36,558	-	338,176	0.53%	98
2013	362,847	-	136,000	18,793	-	517,640	0.51%	97
2014	233,978	40,000	98,000	-	-	371,978	0.33%	146
2015	118,122	100,000	57,000	-	-	275,122	0.23%	72
2016	10,044	65,711	-	475,383	-	551,138	0.40%	141
2017	-	22,850	-	627,051	-	649,901	0.42%	162
2018	-	480,000	-	596,555	124,025	1,200,580	0.80%	294
2019	150,470	438,322	-	625,279	112,207	1,326,278	0.93%	319

Note: Details regarding the City's outstanding debt can be found Note 7 to the financial statements.

^a See following "DEMOGRAPHIC AND ECONOMIC STATISTICS" for personal income and population data.

CITY OF UMATILLA, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

The City of Umatilla has had no general bonded debt during the last ten fiscal years

CITY OF UMATILLA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	\$ 16,215,000	1.19%	\$ 192,959
School District of Lake County	-	1.19%	-
Subtotal, overlapping debt			192,959
Direct debt	633,792		633,792
Total direct and overlapping debt			<u>\$ 826,751</u>

Note: The City of Umatilla has no ordinance which limits general obligation debt to a percentage of assessed property values.

(1) The estimated percentage is based on the city's population to total county population

**CITY OF UMATILLA
 PLEDGED-REVENUE COVERAGE
 WATER/SEWER UTILITY REVENUES, FRANCHISE AND UTILITY TAXES
 LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenues ²	Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	932,494	841,500	90,994	31,000	13,467	44,467	2.05
2011	962,381	728,985	233,396	33,000	12,050	45,050	5.18
2012	905,617	691,899	213,718	35,000	10,350	45,350	4.71
2013	941,787	731,592	210,195	37,000	8,650	45,650	4.60
2014	981,722	764,968	216,754	38,000	8,600	46,600	4.65
2015	1,185,546	736,906	448,640	7,000	2,800	9,800	45.78
2016	1,302,841	663,366	639,475	20,342	1,837	22,179	28.83
2017	103,461	15,821	87,640	38,115	2,694	40,809	2.15
2018	104,040	15,198	88,842	30,496	7,842	38,338	2.32
2019	1,647,261	806,783	840,478	38,356	44,109	82,465	10.19

¹ Operating expenses are exclusive of depreciation.

² Operating revenues are inclusive of franchise taxes, utility taxes, miscellaneous income, and interest income as specified in the debt indentures.

**CITY OF UMATILLA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Total Personal Income of all Umatilla Residents	Per Capita Personal Income	Median Age	Lake County Unemployment Rate
2010	3,083	64,382,289	20,883	48.50	12.40%
2011	3,456	101,831,040	29,465	48.74	10.60%
2012	3,481	132,532,113	38,073	48.05	8.90%
2013	3,546	138,159,252	38,962	48.50	6.90%
2014	3,658	111,982,354	30,613	49.20	6.20%
2015	3,798	119,052,108	31,346	50.10	5.10%
2016	3,908	139,386,636	35,667	52.40	4.80%
2017	4,021	154,651,681	38,461	44.70	3.20%
2018	4,081	149,850,239	36,719	44.00	2.70%
2019	4,154	142,934,986	34,409	44.30	2.80%

Population from the Florida Bureau of Economic and Business research (BEBR)
 Unemployment Rate as published by Daily Commercial
 Median Age from www.city-data.com

**CITY OF UMATILLA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2019			Employer	2010		
	Rank	Employees	Percentage of Total City Employment		Rank	Employees	Percentage of Total City Employment
Lakeview Terrace	1	316	*	Lake County School Board	1	*	*
Lake County School Board	2	243	*	Lakeview Terrace	2	*	*
Recovery Village	3	107	*	City of Umatilla	3	*	*
McDonalds	4	68	*	United Southern Bank	4	*	*
United Southern Bank	5	50	*	McDonalds	5	*	*
City of Umatilla	6	48	*	Lake County Health Clinic	6	*	*
Lake County Health Clinic	7	44	*	First Baptist Church	7	*	*
Utility Technicians	8	29	*	Utility Technicians	8	*	*
Faryna Grove Care	9	23	*	Sunsational Citrus	9	*	*
Pizza Hut	10	12	*	Pizza Hut	10	*	*

* Data not available
Source: City staff

CITY OF UMATILLA
FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018
General Government										
City Manager	1	1	1	1	1	1	1	1	1	1
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance	3	3	3	3	3	3	4	4	3*	3
Facilities Maint.	1	1	1	1	1	1	1	1	1	1
Total General Government	6	6	6	6	6	6	7	7	6	6
Public Safety										
Police Officers	9	9	9	9	9	9	9	9	9	9
Police Civilians	1	1	1	1	1	1	1	1	1	1
Code Enforcement	1	1	1	1	1	1	0	1	1	1
Total Public Safety	11	11	11	11	11	11	10	11	11	11
Planning & Zoning	0	0	0	0	0	0	0	0	1*	1
Public Works										
Administration	2	2	2	2	2	2	2.5	3	3	3
Cemetery	1	1	1	1	1	1	1	1	1	1
Street Maint.	6	6	7	7	6	6	6	7	7	7
Total Public Works	9	9	10	10	9	9	9.5	11	11	11
Culture and Recreation										
Library	8	8	8	8	8	8	8	7	7	7
Parks and Recreation	1	1	1	1	2	2	2	3	3	3
Total Culture and Recreation	9	9	9	9	10	10	10	10	10	10
Utilities										
Water	4	4	3	3	3	3	3	4	4	4
Sewer	1	1	2	2	2	2	2	2	2	2
Sanitation	2	2	0	0	0	0	0	1	1	1
Total Utilities	7	7	5	5	5	5	5	7	7	7
Total Government Employees	42	42	41	41	41	41	41.5	46	45	45

Source: Finance Department
* Position moved from Finance

**CITY OF UMATILLA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Arrests	134	104	70	97	114	139	178	130	161	243
Traffic/DUI Citations	8	4	87	*	228	356	197	215	441	302
Traffic Accidents	80	51	58	58	58	57	77	74	88	102
Warrants	5	6	5	21	17	21	28	38	46	30
Building Department:										
The City's building permits are approved and issued by Capri Engineering. (The building services are outsourced to a private company)	151	117	146	166	284	298	204	274	291	283
Roads and Streets										
Potholes repaired	160	240	240	425	480	504	510	250	100	125
Street resurfacing (by mile)	0	0	0.25	0.25	0.50	0.50	1.25	1.27	1.26	1.91
Library										
Total Circulation (Library materials checked out)	126,420	143,458	138,150	145,830	146,537	103,353	124,245	73,102	54,269	58,570
Total Users of Public Internet Computers	30,215	19,006	34,529	22,214	32,965	21,153	31,009	25,700	18,651	17,967
Total Reference Transactions	19,396	22,308	15,912	20,541	15,652	15,652	11,206	10,088	15,862	13,791
Total Annual Programs	461	385	399	395	458	536	566	340	402	436
Total Program Attendance	13,033	15,640	12,847	12,859	12,531	14,689	14,078	8,964	7,322	11,242
Total Number of registered card holders	9,033	9,868	10,537	7,963	4,173	4,309	5,545	5,798	6,402	6,147
Number of hours spent on public technology instruction	723	43	84	80	62	62	0	36	20	32
Total Library visitors	122,677	141,968	120,969	115,494	109,686	103,353	105,636	91,517	88,369	102,430
Parks and Recreation										
Number of Recreation Leases	148	87	322	309	323	317	317	125	125	12
Number of Bookings at the Community Building	92	24	72	57	38	0	0	12	103	46
Water										
Commercial Connections	148	180	207	237	197	179	206	197	195	198
Residential Connections	1,303	1,205	1,229	1,423	1,530	1,486	1,543	1,337	1,454	1,489
Total Connections	1,451	1,385	1,436	1,660	1,727	1,665	1,749	1,534	1,649	1,687
Average Daily Consumption (gallons per day)	355,000	355,000	356,000	343,000	343,000	448,000	496,000	467,000	389,000	412,577
Treatment capacity (gallons per day)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	650,000	650,000
Wastewater										
Commercial Connections	120	118	119	144	133	132	131	130	130	118
Residential Connections	822	806	817	894	927	917	919	933	926	971
Total Connections	942	924	936	1,038	1,060	1,049	1,050	1,063	1,056	1,089
Average Daily Sewage Treatment (gallons per day)	158,000	158,000	147,000	187,000	187,000	179,000	144,000	143,000	170,000	157,000
Treatment Capacity (gallons per day)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000

Note: Indicators are not available for the general government and growth management functions.

Sources: Various city departments

* Data not available

CITY OF UMATILLA
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations (Includes substations)	1	1	1	1	1	1	1	1	1	1
Patrol Units (2 shifts/2 officers per shift)	4	4	4	4	4	4	4	4	4	4
Sworn Officers (positions filled at year end)	9	9	9	9	9	9	9	9	9	9
Support	1	1	1	1	1	1	1	1	1	1
Roads and Streets										
Paved Roads	20.3 miles	20.3 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles
Unpaved Roads	2.1 miles	2.1 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles
Sidewalks	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet
Culture and Recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Acreage	35	35	35	35	35	35	35	35	35	35
Parks	6	6	6	6	6	6	6	6	6	6
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball Fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3	3	3
Soccer Fields	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9
Storage Capacity (gallons)	250,000	250,000	250,000	250,000	250,000	250,000	250,000	350,000	350,000	350,000
Fire Hydrants	151	151	151	151	151	151	151	151	151	151
Water Plants	1	1	1	1	1	1	1	2	2	2
Wastewater										
Sewers-Force Mains/Gravity (miles)	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Treatment Capacity (gallons/daily)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Lift Stations	9	9	9	9	9	9	9	10	10	10

Note: No capital asset and infrastructure statistics are available for the general government, building or growth management functions.

Sources: Various city departments

OTHER REPORTS

**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**

Independent Auditor's Report

Honorable Mayor and City Council
City of Umatilla, Florida, Florida

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Umatilla, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City of Umatilla, Florida's basic financial statements, and have issued our report thereon dated June 26, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Umatilla, Florida'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 of Umatilla, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Umatilla, Florida's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Umatilla, Florida'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 that are required to be reported under *Government Auditing Standards*. We noted a certain other matter that is described in Appendix B to the accompanying Management letter.

City of Umatilla's Response to Findings

City of Umatilla's response to the findings identified in our audit is described in the accompanying letter to management. City of Umatilla'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McDiarmid Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida
June 26, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Council
City of Umatilla, Florida, Florida

Report on Compliance for Each Major State Project

We have audited the *City of Umatilla, Florida's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2019. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major state project for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

McDiarmid Davis

Orlando, Florida
June 26, 2020

City of Umatilla, Florida
**Schedule of Expenditures of
State Financial Assistance**
Year Ended September 30, 2019

Award type

Grantor	CSFA	Agency or Pass-through	
Pass-through grantor	Number	Entity Grant Number	Expenditures
Grantor program title			
Florida Department of Transportation			
Aviation Grant Programs - Hangar Acquisition *	55.004	FM#441270-1-94-01	\$ 128,756
Aviation Grant Programs - Property Acquisition *	55.004	FM#441270-1-94-02	671,717
Aviation Grant Programs - Taxiway Construction *	55.004	FM#431621-1-94-02	550,638
Aviation Grant Programs - Runway Extension *	55.004	FM#435316-1-94-01	44,433
Total Department of Environmental Protection			<u>1,395,544</u>
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction	37.077	WW350750	13,203
Florida Department of Financial Services			
Volunteer Firefighter Grant Assistance Program	43.006		<u>26,155</u>
Total state awards			<u>\$ 1,434,902</u>

* Denotes a major project

NOTE 1 BASIS OF PRESENTATION:

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Umatilla, Florida (the City) under programs of the state government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2019, even if grant or loan was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 - LOANS AND LOAN GUARANTEES:

In April 2018, the City executed a State Revolving Fund Loan agreement WW350750 for the City's sewer project. Loan balance as of September 30, 2019 is \$58,957. Loan expenditures reported in current year SESFA is \$13,203.

Section I - Summary of Independent Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unmodified Opinion	
Internal control over financial reporting:		
• Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to financial Statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

State Projects

Type of auditors' report issued on compliance for state projects:	Unmodified Opinion	
Internal control over major state project:		
• Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major State Projects CSFA No. 55.004 Aviation Grant Programs

Dollar threshold used to distinguish between type A and type B programs \$430,715

Section II - Financial Statement Findings: See Appendix A to the Management Letter

Section III - State Project Findings and Questioned Costs: None

Section IV - State Project Summary Schedule of Prior Year Findings: No Prior Year Findings

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Umatilla, Florida

Report on the Financial Statements

We have audited the financial statements of the City of *Umatilla, Florida*, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 26, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for each Major State Project and Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 26, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require 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 such findings in the prior audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Umatilla, Florida. It is management's responsibility to monitor the City of Umatilla, Florida'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.

Sections 10.554(1)(i)2., Rules of the Auditor General, require that we communicate any recommendations to improve financial management. See Appendix B.

Additional Matters

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

Purpose of this Letter

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

McDiarmid Davis

Orlando, Florida
June 26, 2020

ML 19-01 Lack of Documentation of Proper Invoice Approval

Criteria

Disbursements must be reviewed and approved by responsible personnel.

Condition

During our audit, we noted several cash disbursements that did not have evidence of proper review or approval by authorized personnel.

Cause

City purchasing policy that requires review and approval of invoices be performed by certain responsible personnel was not properly observed and executed.

Effect

Inappropriate or inaccurate cash disbursements, whether due to fraud or error, could be made and not detected in a timely manner.

Recommendation

We recommend that the City improve enforcement of policy as it is written and consider disciplinary action for responsible staff that do not follow the City's purchasing policy as required.

ML 19-02 Incorrect Utility Billing Rates

Criteria

Utility billing rates, as authorized by City Council, should be billed properly to customers.

Condition

During our audit, we noted certain billing code rates that were improperly entered into the utility billing system, resulting in billings to certain customers at rates lower than established by City Council.

Cause

Incorrect rates were entered into the system. A review of rate changes was not performed by appropriate personnel.

Effect

Customers could be over or underbilled by the City for services received.

Recommendation

We recommend that the City improve oversight of the utility billing process and conduct a thorough review of all billing rates and customer accounts.

ML 19-03 Timely Reconciliation of Cash Accounts

Criteria

Cash accounts should be reconciled timely, on a regular basis, to detect incorrect or missing transactions.

Condition

During our audit, we noted that the City's pooled cash account and other bank accounts were not reconciled on a timely basis, and errors in the bank reconciliation were not detected before we began our audit procedures.

Cause

Bank reconciliations were not performed on a timely, regular basis throughout the fiscal year.

Effect

Misstatements, whether due to fraud or error, would not be detected in a timely manner.

Recommendation

We recommend the City implement procedures and assign necessary duties to responsible staff to ensure bank reconciliations can be completed in a timely manner.

ML 19-04 I-9 Documentation

Criteria

Federal law requires Form I-9 to be completed for every employee, upon hire, and imposes certain document retention policies related to the form.

Condition

During our audit, the City could not provide I-9 forms for certain employee records selected for testing.

Cause

The required form was either not completed or could not be found in the employee file.

Effect

In the event of an audit by the federal government, the City could be fined for each I-9 that is not properly maintained and able to be produced on demand.

Recommendation

We recommend the City implement procedures and assign necessary duties to responsible staff to ensure I-9 forms are properly completed for all employees and the document retention requirements are met.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Umatilla, Florida

We have examined City of Umatilla, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, City of Umatilla, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

McDermitt Davis

Orlando, Florida
June 26, 2020



City of Umatilla

"NATURE'S HOMETOWN"

AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Umatilla, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.

Regina M. Frazier, CGFO, CPM
Finance Director

The foregoing instrument was acknowledged before me by means of

physical presence or online notarization this

30th day of June, 2020, by

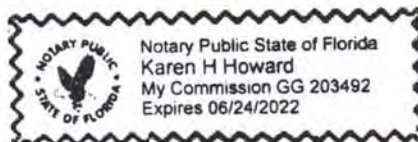
Regina M Frazier [who is personally known to me or

_____ [] who has produced _____

as identification.

Notary Signature

06/24/2022
My commission expires





City of Umatilla

"NATURE'S HOMETOWN"

June 26, 2020

Auditor General
State of Florida

Re: City of Umatilla Fiscal Year 2019

Responses to Management Comments and Recommendations

The City of Umatilla sincerely appreciates the review and comments and we offer the following responses:

ML 19-01 Lack of Documentation of Proper Invoice Approval

Response: This oversight has been corrected, disciplinary action was taken prior to completion of the audit and tighter controls are already in place to prevent the possibility of this happening in the future.

ML 19-02 Incorrect Utility Billing Rates

Response: A complete audit of utility accounts is in progress and internal measures have been put in place for cross checking the input of this data for accuracy in the future.

ML 19-03 Timely Reconciliation of Cash Accounts

Response: These duties have been reassigned and cross checking has been put in place to ensure this process is completed timely.

ML 19-04 I-9 Documentation

Response: This process has been reassigned to another staff member. All new hires have proper I-9 documentation in their files, a complete audit of all long-term employee files is in progress to ensure that the proper documentation is included in those files as well.

Sincerely,

Regina M Frazier, CGFO, CPM
Finance Director

