

CITY OF DEBARY, FLORIDA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



**CITY OF DEBARY, FLORIDA
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SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council, and City Manager,
City of DeBary, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of DeBary, Florida (the City), as of and for the year ended September 30, 2021, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

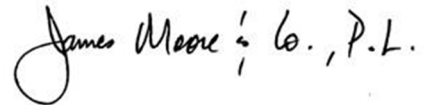
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required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

The combining nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Daytona Beach, Florida
March 30, 2022

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of City of DeBary, Florida, (hereinafter referred to as the "City"), we offer the readers of these basic financial statements this narrative overview and analysis of the City's financial activities for the fiscal year that ended on September 30, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section, taken as a whole.

Financial Highlights

- The total assets of the City of DeBary, Florida exceeded its liabilities (net position) at the close of the most recent fiscal year by \$48.6 million, compared to \$45.6 million one year earlier. Of this amount, \$14.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- During 2021, gross revenues from governmental activities of the City increased by approximately \$0.9 million to a total of \$19.8 million, compared to a total of \$18.9 million in 2020. Expenses for governmental activities totaled \$16.8 million in 2021 compared to \$16.2 million in 2020.
- The City's total combined governmental activities net position (for the General, Solid Waste, Stormwater Management, Franchise Fees, Capital Projects, and other non-major special revenue, debt service, and capital project funds) increased by \$2,969,743 in 2021 compared to an increase of \$2,710,138 in 2020. This represents an increase of 6.5% above the prior year's net position.
- The City's governmental funds reported combined ending fund balances of \$16.5 million at the end of the current fiscal year, an increase of \$3.0 million over the \$13.5 million from one year earlier. Approximately 59.3% of this amount or \$9.8 million is available for spending at the City's discretion (unassigned fund balance).
- At the end of fiscal year 2021, unassigned fund balance for the General Fund was \$9,783,893 or 83.4% of the total 2021 General Fund expenditures, which represents 304 days (approximately 10 months) of excess funds. This represents an increase of \$1,464,339 over the \$8,319,554 reported at the end of 2020.
- The City's total outstanding long-term debt decreased by \$842,312 during the current fiscal year primarily due to regular principal payments totaling \$951,293.

Overview of the Financial Statements

The City's basic financial statements are comprised of three parts: 1) management's discussion and analysis, 2) the basic financial statements (including government-wide financial statements, fund financial statements, and notes to the financial statements), and 3) required supplementary information, including budgetary comparisons and other selected financial data.

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the basic financial statements and required supplementary information. The MD&A represents management's examination and analysis of the City's financial condition and financial performance as a whole. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, and other management tools were used for this analysis.

The basic financial statements include two kinds of statements that present different views of the City. The first two statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the City's overall financial status, including its governmental activities. These statements report information about the City using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the City's

assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements. These fund statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The basic financial statements of the City include a statement of net position and a statement of activities, which are described as follows:

- A statement of net position presents information on all of the City's assets and liabilities at the end of its fiscal year, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Net position increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition.
- The statement of activities presents the results of business operations over the course of the fiscal year and information as to how the City's net position changed during the 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 the 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 such as delinquent taxes and earned but unused personal leave.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*government activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government services, public safety (police, fire and building inspection), highways and streets, solid waste, street lighting, stormwater management, and recreation and leisure services. The City did not operate any proprietary, or business-type, activities during the past fiscal year.

The basic entity-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are governmental 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. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information is 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. These reconciliations can be found on pages 17 and 19.

The City maintains fifteen 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 Solid Waste (special revenue) Fund, the Stormwater Management (special revenue) Fund and the ARPA Capital Projects (capital project) Fund, all of which are considered to be major funds. Data from the eleven other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements for the major governmental funds can be found on pages 16 and 18 of this report.

The City adopts an annual appropriations budget for each of its governmental funds in accordance with state statutes. Budgetary comparison statements have been provided for each fund to demonstrate compliance with these budgets.

The comparisons for the major governmental funds can be found in the required supplementary information section of this report.

Notes to the Financial Statements. The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. The notes to the financial statements can be found on pages 20 to 35 of this report.

Required Supplementary Information. This section includes the financial information containing the budgetary comparisons for the City's general fund and major special revenue funds, and general information as it relates to the City's total OPEB (Other Post-Employment Benefits) liability. Required supplementary information can be found on pages 37 to 41 of this report.

Other Supplementary Information. This section includes the financial information containing the combining and individual fund schedules, and budgetary comparisons for the City's major capital project fund and its other nonmajor governmental funds. Other supplementary information can be found on pages 43 to 56 of this report.

Government-Wide Financial Analysis of the City as a Whole

Net position. As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the City's combined net position increased from \$45,638,932 to \$48,608,675, which represents an increase of \$2,969,743 or 6.5%, over amounts reported last year. Of this amount, approximately 70.2% is either restricted as to the purposes they can be used for or is invested in capital assets (land, buildings, improvements, infrastructure, machinery and equipment), and is not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that under normal circumstances 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. The remaining portion represents the City's unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints of enabling legislation or other legal requirements, and totaled \$14,485,974, or 29.8% of total net position at the end of 2021.

The following is a summary of net position at year end:

Net Position
September 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Assets:		
Current and other assets	\$ 22,996,458	\$ 15,103,979
Capital assests, net	37,875,417	38,290,518
Total assets	60,871,875	53,394,497
Liabilities:		
Long-term debt outstanding	5,450,000	6,401,293
Other liabilities	6,813,200	1,354,272
Total liabilities	12,263,200	7,755,565
Net position:		
Net investment in capital assets	32,425,417	31,889,225
Restricted	1,697,284	693,980
Unrestricted	14,485,974	13,055,727
Total net position	\$ 48,608,675	\$ 45,638,932

Changes in Net position. While the statement of net position shows a snapshot of the City’s financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During 2021, the City’s combined net position increased by \$2,969,743, or 6.5% over the amount reported in the prior year. During this same period, the City’s total revenues increased by \$869,188 to a total of \$19,770,439 compared to a total of \$18,901,251 in 2020. This increase is due primarily to a net increase of \$667,918 in Charges for services and an increase of \$449,515 in Capital grants/other revenue. Charges for services revenue increase by approximately \$667,918, mainly comprised of a \$87,600 increase in solid waste charges and \$406,000 increase in building permit revenue. The increase in Capital grants/other revenue was mainly due to an increase in mobility impact fee collections of \$300,000.

During 2021, approximately 32.7% of the City’s total revenue came from property taxes, and approximately 57.3 cents (compared to 57.6 cents in the prior year) of every dollar raised came from some type of tax (e.g. property taxes, sales tax, gas tax, utility tax, etc.). Approximately 7.6% of the City’s revenues are received in the form of operating grants, capital grants, disaster assistance and contributions. Another 30.8% came from fees charged for services, while most of the rest is state and federal shared revenues and other miscellaneous earnings (4.3%).

Expenses incurred to operate the City increased \$609,583 in 2021, as was anticipated by management in the development of the current year budget appropriations. Public safety was almost \$500,000 higher in 2021 as compared to 2020 with \$100,000 coming from increased cost of fire services and \$380,000 increased cost based on volume for building department safety inspections. Physical environment costs were approximately \$163,000 more than the prior year due to the repair and replacement of stormwater infrastructure. Transportation costs were almost \$200,000 less than the prior year mostly due to road resurfacing being delayed until fiscal year 2022.

The following is a summary of changes in net position for the year:

Changes in Net Position
For the Years Ended September 30, 2021 and 2020

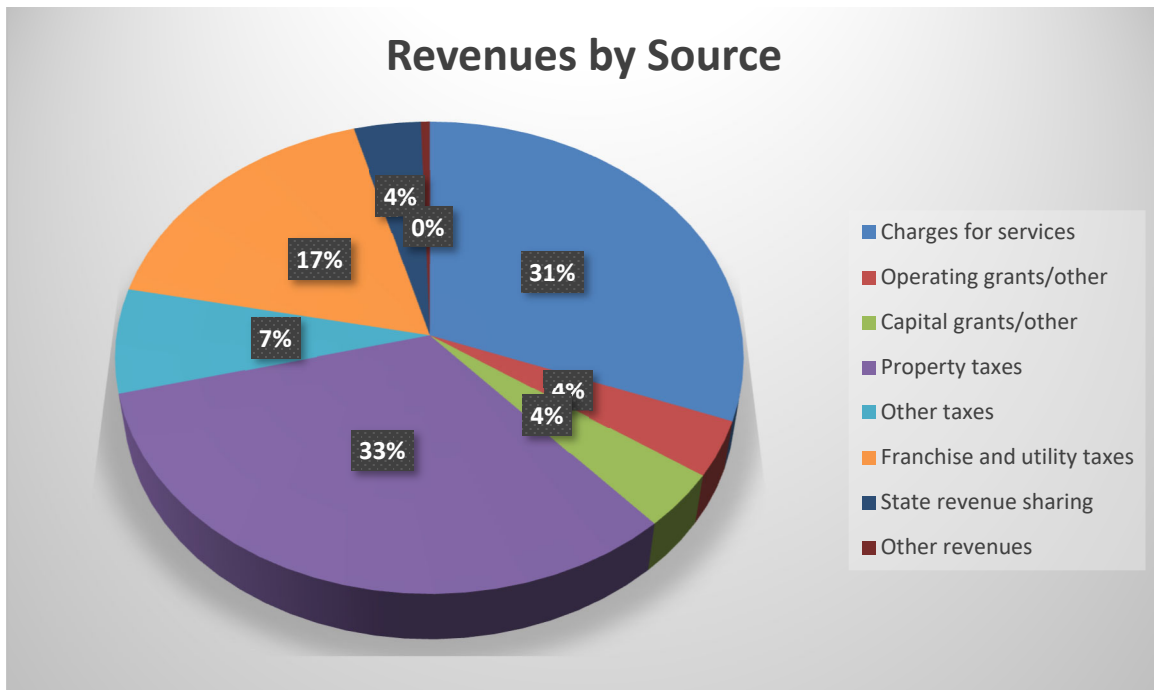
	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 6,084,968	\$ 5,417,050
Operating grants/other	753,702	1,099,909
Capital grants/other	754,935	305,420
General revenues:		
Property taxes	6,459,025	6,743,084
Other taxes	1,409,493	1,151,473
Franchise and utility taxes	3,464,925	3,325,230
State revenue sharing	743,275	600,535
Other revenues	100,116	258,550
Total revenues	19,770,439	18,901,251
Expenses:		
General government	2,424,276	2,520,920
Public safety	7,058,685	6,560,967
Physical environment	3,565,678	3,402,332
Transportation	1,891,043	2,089,459
Economic environment	57,000	-
Human services	91,931	74,428
Culture/recreation	1,605,729	1,415,973
Interest on long-term debt	106,354	127,034
Total expenses	16,800,696	16,191,113
Increase (decrease) in net position	2,969,743	2,710,138
Net position, beginning of year	45,638,932	42,928,794
Net position, end of year	\$ 48,608,675	\$ 45,638,932

Governmental Activities

Revenues for the City's governmental activities experienced an increase during 2021. Overall, the City's governmental revenues totaled \$19,770,439, which represents an increase of \$869,188, or 4.6% over last year's reported governmental revenues totaling \$18,901,251. This increase was mainly attributable to an increase in charges for services, capital grants/other and other taxes. There was an increase in charges for services by approximately \$406,000 for volume based building department inspections. Capital grants/other increased nearly \$300,000 for mobility impact fees. Communications, sales and gas taxes all had slight increases in 2021 compared to 2020.

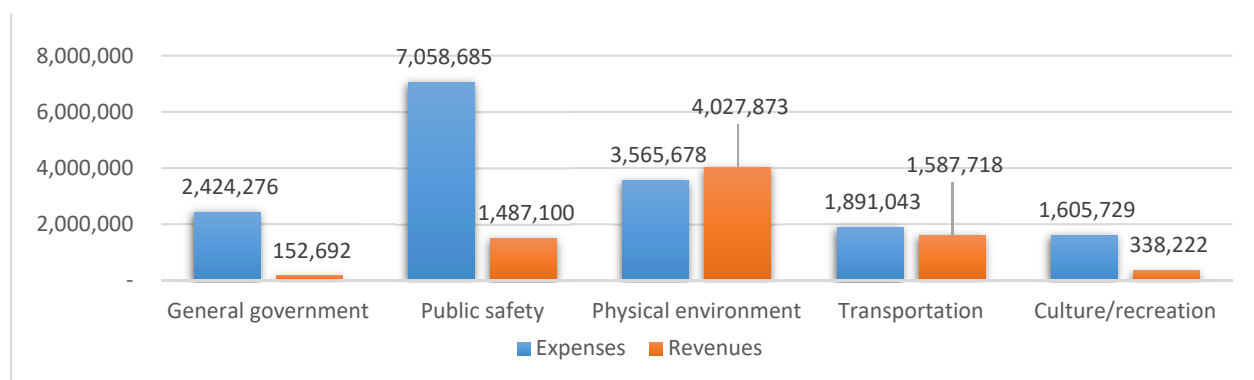
The City's governmental revenues are illustrated by source as follows:

Revenues by Source - Governmental Activities



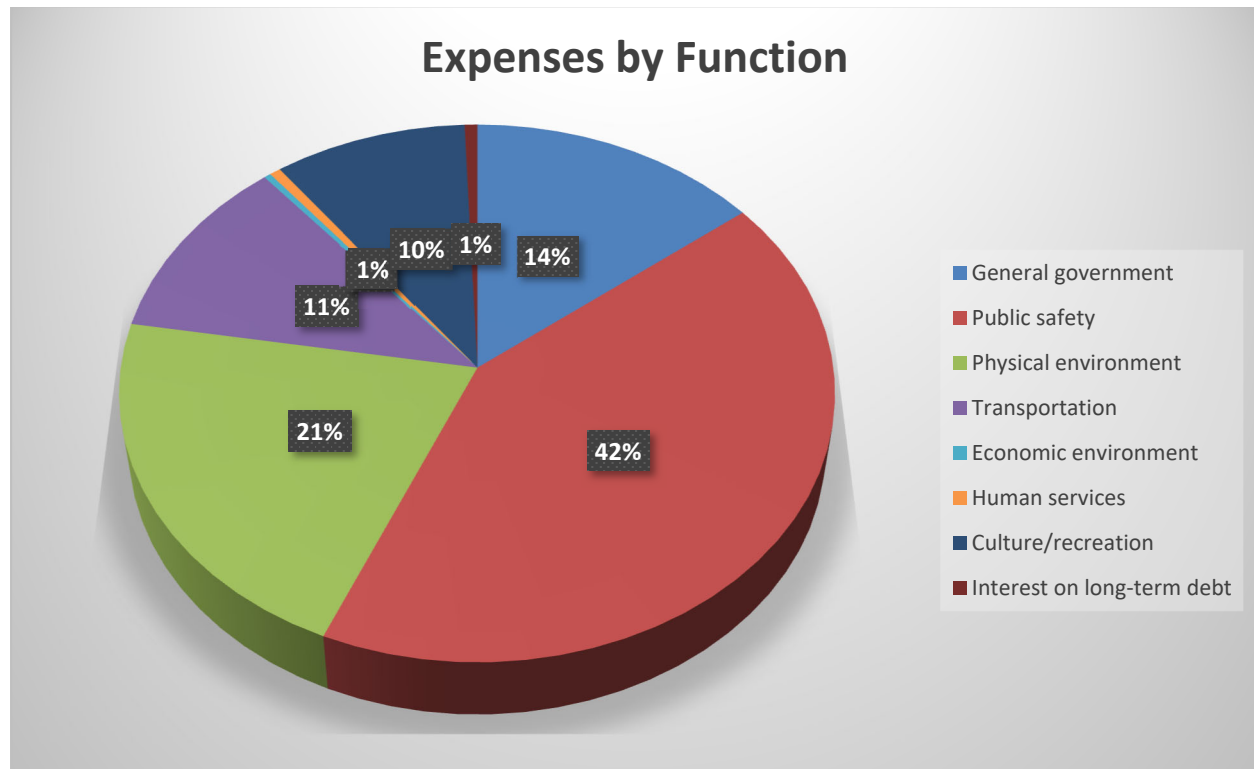
An individual comparison of the City's functional program revenues and costs of providing program services to its citizens is useful in identifying the programs, and the extent of which each are dependent on taxes and other non-exchange revenues to subsidize their program operations. They are illustrated in the following graph:

Expenses and Program Revenues - Governmental Activities



Expenses for the City's governmental activities totaled \$16,800,696 for fiscal 2021, which represents an increase of \$609,583 or 3.8% over last year's reported governmental expenditures totaling \$16,191,113. These expenses do not include amounts expended for capital outlay and for debt principal payments; however, they do include depreciation and amortization expense for the year.

Expenses by Function - Governmental Activities



Financial Analysis of the City's Funds

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

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

As the City completed the current fiscal year, its governmental funds reported a combined fund balance of \$16,512,025 which was \$2,967,961, or 21.9%, more than the \$13,544,064 reported last year. Approximately 59.3% of this amount (\$9,783,893) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for spending as follows:

Non-spendable – Fund balance amounts totaling \$39,695 have been reported as non-spendable since they reflect the costs for payments for prepaid expenses carried over to the subsequent year;

Restricted – Fund balance amounts totaling \$1,730,065 have been reported as restricted through externally imposed constraints since they are 1) public safety-building inspection fees that are restricted and can only be used for inspection related activities (\$107,133), 2) 2nd Local Option Gas Tax resources that are restricted for roadway expansion (\$304,792), 3) impact fees that are restricted and can only be used for parks and recreation improvement projects (\$301,878), 4) funds that can only be used for debt service (\$283,467), 5) impact fees that are restricted for Southwest Sector mobility projects (\$213,534), 6) impact fees that are restricted and can only be used for public building projects (\$53,393), 7) assessments that are restricted for use on Orlandia Heights improvements (\$100,614), and 8) assessments that are restricted for use on street lighting districts (\$365,254);

Committed – Fund balance amounts totaling \$1,808,633 have been reported as committed from constraints imposed by the City Council since they can only be used 1) to finance specialized transportation costs (franchise fees - \$1,231,169), 2) tree preservation costs (\$41,739), 3) Ft FL Rd improvements (\$27,242), 4) to fund economic opportunity projects (\$102,482) as designated by the Council, and 5) to fund solid waste disposal cost (\$406,001);

Assigned – Fund balance amounts totaling \$3,149,739 have been reported as assigned based on the City Council’s intent that these funds be used for the specific purpose of 1) financing the costs of building a new fire station (\$1,250,000), 2) financing the costs of storm water management (\$1,899,739); and

Unassigned – Fund balance amounts totaling \$9,783,893 represents all residual amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The general fund is the chief operating fund of the City. As of September 30, 2021, the unassigned fund balance in the general fund totaled \$9,783,893, while total fund balance was \$11,469,674. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 83.4% of total general fund expenditures (\$11,727,178), while total fund balance represents 97.8% of that same amount.

General Fund Budgetary Highlights

In fiscal year 2021, the City Council amended the General Fund operating budget for changes in various department appropriations, to increase and decrease amounts for certain revenues and expenditures as changes occurred during the year. Revenues recognized were \$1,003,889 more than the budgeted revenues during 2021. Actual expenditures in the General Fund for the current fiscal year were \$2,449,571 less than the \$14.2 million in budgetary amounts appropriated.

Capital Assets and Debt Administration

Capital Assets. At September 30, 2021, the City had \$57,196,296 invested in a broad range of capital assets, including land, buildings, park facilities, public works infrastructure and general government machinery and equipment. This is \$1,379,361 greater than the total of \$55,816,935 the City had invested in capital assets one year earlier. During 2021, the significant portion of the net increase was attributable to the land purchased on Shell Road, stormwater infrastructure projects on Valencia, Bonita and Lantana roads, Bill Keller Park tennis courts and several other park improvements. Accumulated depreciation on capital assets totaled \$19,320,879 and \$17,526,417 at September 30, 2021 and 2020, respectively. The City’s resultant net investment in capital assets totaled \$37,875,417 and \$38,290,518 at September 30, 2021 and 2020, respectively.

This overall investment in capital assets, net of depreciation, for all governmental activities is reflected in the following schedule and additional information can be found in Note 6:

	Governmental Activities	
	2021	2020
Land	\$ 9,686,157	\$ 9,428,369
Construction in progress	866,774	528,752
Buildings	7,280,957	7,097,214
Infrastructure	35,903,078	35,402,019
Machinery and equipment	3,459,330	3,360,581
	<u>57,196,296</u>	<u>55,816,935</u>
Accumulated depreciation	(19,320,879)	(17,526,417)
Total capital assets, net	<u>\$ 37,875,417</u>	<u>\$ 38,290,518</u>

General Long-term Debt. At year end, the City had \$5,820,246 in general long-term debt obligations outstanding, which are secured solely by specified revenue streams and other sources, compared to \$6,662,558 one year earlier. These obligations are recorded on the statement of net position under the liabilities section and segregated into amounts due within one year and amounts due in more than one year.

The following is a summary of the City's general long-term debt at year end:

	Governmental Activities	
	2021	2020
Capital lease obligations	\$ -	\$ 293
Series 2012 stormwater revenue bond	2,065,000	2,385,000
Series 2016 water line assessment bond	109,000	192,000
Series 2016 fire station bond	591,000	880,000
Series 2016 refunding stormwater bond	-	2,944,000
Series 2021 stormwater revenue bond	2,685,000	-
	<u>5,450,000</u>	<u>6,401,293</u>
Other post employment benefit obligation	124,723	70,067
Compensated absences	245,523	191,198
General long-term debt	<u>\$ 5,820,246</u>	<u>\$ 6,662,558</u>

At year end, the City also had a commitment to fund future earned, but unpaid, employee personal leave of \$245,523, which was an increase of \$54,325 over the prior year's balance of \$191,198. The actuarial computed value of the City's future postemployment benefit obligation totaled \$124,723 at September 30, 2021, compared to \$70,067 one year earlier.

Additional information on the City's general long-term debt can be found in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Many factors are considered each year by the City Council in its efforts to establish an operating budget, to evaluate its personnel needs, and to develop uniform user fees that are reasonable, and more importantly, capable of cost recovery. Some of the major factors considered in this process are the local economy, civilian labor force, unemployment rates, and inflation rates.

- The most recent estimates available for unemployment data in Volusia County, Florida, are compiled by the Florida Department of Economic Opportunity. As of January 2022, this agency estimates a countywide unemployment rate of 3.8%, which is favorable to the 6.1% rate experienced one year earlier. These estimates are consistent with the state's 3.5% unemployment rate. Nationwide, the unemployment rate is stated at 4.4%, as of January 2022.
- Inflationary trends for Volusia County are consistent with those trends experienced at the state and national levels.
- The overall Just Value of real and personal property on the 2021 levy increased 13.3% from \$3.146 billion for the tax year 2020 to \$3.564 billion for the tax year 2021. However, the overall Taxable Value (Just Value less statutory exemptions) of real and personal property (the ad valorem taxes from which will be received in fiscal 2022) on the 2021 levy increased 7.0% from \$2.296 billion in 2020 to \$2.458 billion in 2021. While property values have been reflecting modest gains for several consecutive years, the City is also facing many challenges in the fiscal year 2022 budget in order to balance relatively unchanged revenue projections with the rising prices for many of the city's basic operating expenses, such as wages, public safety, operating supplies, utilities, and insurance costs.
- The City Council voted to adopt an operating millage for the 2021 levy at 2.9247 mills, which was 5.81% above the 2.7642 rolled back rate. The rolled-back rate of 2.7642 mills is the rate that produces the equivalent of no increase in current year ad valorem taxes when levied against appreciated current year taxable values.
- In developing its 2022 budget estimates, the City has anticipated appropriating none of prior year surplus reserve funds in the General Fund to balance the City's combined overall financing needs, which are estimated to be approximately \$14.3 million for fiscal year 2022. The City has fifteen other budgeted funds with combined overall estimated financing needs in these funds of approximately \$8.6 million in fiscal year 2022. In 2022, the combined overall annual operating budget for the City including anticipated reserves totals \$41,351,340.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Office of the City Manager, City of DeBary, Florida, 16 Colomba Road, DeBary, Florida 32713.

**CITY OF DEBARY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
Equity in pooled cash and investments	\$ 21,609,931
Investments	176,291
Receivables, net	459,501
Due from other governments	711,040
Prepays	39,695
Capital assets:	
Capital assets, not being depreciated	10,552,931
Other capital assets, net of depreciation	27,322,486
Total assets	<u><u>\$ 60,871,875</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 875,408
Unearned revenue	5,534,765
Accrued interest payable	32,781
Noncurrent liabilities:	
Due within one year:	
Bonds and notes payable	1,010,000
Compensated absences	36,828
Due in more than one year:	
Bonds and notes payable	4,440,000
Compensated absences	208,695
Total OPEB liability	124,723
Total liabilities	<u><u>\$ 12,263,200</u></u>
NET POSITION	
Net investment in capital assets	\$ 32,425,417
Restricted for:	
Transportation improvements	304,792
Public safety - inspection fees	107,133
Street lighting	365,254
Orlandia Heights improvements	100,614
Public building impact fee	53,393
Southwest sector mobility fee	213,534
Park impact fee	301,878
Debt service	250,686
Unrestricted	14,485,974
Total net position	<u><u>\$ 48,608,675</u></u>

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

**CITY OF DEBARY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 2,424,276	\$ 95,122	\$ -	\$ 57,570	\$ (2,271,584)
Public safety	7,058,685	1,274,445	212,655	-	(5,571,585)
Physical environment	3,565,678	3,923,767	-	104,106	462,195
Transportation	1,891,043	656,503	541,047	390,168	(303,325)
Economic environment	57,000	-	-	-	(57,000)
Human services	91,931	-	-	-	(91,931)
Culture and recreation	1,605,729	135,131	-	203,091	(1,267,507)
Interest on long-term debt	106,354	-	-	-	(106,354)
Total governmental activities	<u>\$ 16,800,696</u>	<u>\$ 6,084,968</u>	<u>\$ 753,702</u>	<u>\$ 754,935</u>	<u>(9,207,091)</u>
General revenues:					
Property taxes					6,459,025
Sales taxes					1,357,000
Public service taxes					558,194
Other taxes					52,493
Franchise and utility taxes					2,906,731
State revenue sharing					743,275
Investment earnings					27,788
Miscellaneous revenues					72,328
Total general revenues					<u>12,176,834</u>
Change in net position					2,969,743
Net position - beginning of year					45,638,932
Net position - ending of year					<u>\$ 48,608,675</u>

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

**CITY OF DEBARY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>ARPA Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Equity in pooled cash and investments	\$ 11,079,443	\$ 540,867	\$ 1,963,319	\$ 5,335,343	\$ 2,690,959	\$ 21,609,931
Investments	176,291	-	-	-	-	176,291
Receivables, net	247,524	7,394	148	-	204,435	459,501
Due from other governments	661,741	303	44,109	-	4,887	711,040
Prepaid items	23,856	-	10,803	-	5,036	39,695
Total assets	<u>\$ 12,188,855</u>	<u>\$ 548,564</u>	<u>\$ 2,018,379</u>	<u>\$ 5,335,343</u>	<u>\$ 2,905,317</u>	<u>\$ 22,996,458</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 541,926	\$ 142,563	\$ 107,837	\$ -	\$ 83,082	\$ 875,408
Unearned revenue	177,255	-	-	5,335,343	22,167	5,534,765
Total liabilities	<u>719,181</u>	<u>142,563</u>	<u>107,837</u>	<u>5,335,343</u>	<u>105,249</u>	<u>6,410,173</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	74,260	74,260
FUND BALANCES						
Nonspendable:						
Prepaid items	23,856	-	10,803	-	5,036	39,695
Restricted for:						
Transportation - gas taxes	304,792	-	-	-	-	304,792
Public safety - inspection fees	107,133	-	-	-	-	107,133
Street lighting	-	-	-	-	365,254	365,254
Orlandia Heights improvements	-	-	-	-	100,614	100,614
Public buildings impact fee	-	-	-	-	53,393	53,393
Southwest sector mobility fee	-	-	-	-	213,534	213,534
Park impact fee	-	-	-	-	301,878	301,878
Debt service	-	-	-	-	283,467	283,467
Committed to:						
Franchise fees	-	-	-	-	1,231,169	1,231,169
Solid waste	-	406,001	-	-	-	406,001
Transportation	-	-	-	-	27,242	27,242
Economic opportunity	-	-	-	-	102,482	102,482
Tree preservation	-	-	-	-	41,739	41,739
Assigned to:						
Fire station	1,250,000	-	-	-	-	1,250,000
Stormwater	-	-	1,899,739	-	-	1,899,739
Unassigned	9,783,893	-	-	-	-	9,783,893
Total fund balances	<u>11,469,674</u>	<u>406,001</u>	<u>1,910,542</u>	<u>-</u>	<u>2,725,808</u>	<u>16,512,025</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,188,855</u>	<u>\$ 548,564</u>	<u>\$ 2,018,379</u>	<u>\$ 5,335,343</u>	<u>\$ 2,905,317</u>	<u>\$ 22,996,458</u>

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

**CITY OF DEBARY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balances - total governmental funds		\$ 16,512,025
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	57,196,296	
Less: accumulated depreciation	<u>(19,320,879)</u>	37,875,417
<p>On the governmental fund statements, a total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's total OPEB liability is reported as a noncurrent liability.</p>		
Total OPEB liability		(124,723)
<p>Because some property taxes and other revenues will not be collected for several months after the close of the City's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.</p>		
		74,260
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(5,450,000)	
Accrued interest payable	(32,781)	
Compensated absences	<u>(245,523)</u>	(5,728,304)
Net position of governmental activities		<u><u>\$ 48,608,675</u></u>

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Solid Waste Fund	Stormwater Fund	ARPA Capial Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 9,501,354	\$ -	\$ -	\$ -	\$ 52,493	\$ 9,553,847
Permits, fees, and special assessments	1,261,923	-	2,037,625	-	2,271,185	5,570,733
Intergovernmental	2,437,241	-	104,106	-	-	2,541,347
Charges for services	262,298	1,869,742	-	-	-	2,132,040
Fines and forfeitures	28,724	-	-	-	-	28,724
Miscellaneous	351,893	16,613	4,648	-	4,098	377,252
Total revenues	<u>13,843,433</u>	<u>1,886,355</u>	<u>2,146,379</u>	<u>-</u>	<u>2,327,776</u>	<u>20,203,943</u>
Expenditures						
Current:						
General government	2,203,270	-	-	-	-	2,203,270
Public safety	6,839,678	-	-	-	-	6,839,678
Physical environment	-	1,738,332	872,269	-	6,495	2,617,096
Transportation	649,757	-	-	-	975,068	1,624,825
Economic environment	-	-	-	-	57,000	57,000
Human services	91,931	-	-	-	-	91,931
Culture and recreation	1,267,482	-	-	-	-	1,267,482
Capital outlay	675,060	-	719,827	-	75,117	1,470,004
Debt service:						
Principal	-	-	3,264,000	-	372,000	3,636,000
Interest and fiscal charges	-	-	100,419	-	14,577	114,996
Total expenditures	<u>11,727,178</u>	<u>1,738,332</u>	<u>4,956,515</u>	<u>-</u>	<u>1,500,257</u>	<u>19,922,282</u>
Excess (deficiency) of revenues over expenditures	<u>2,116,255</u>	<u>148,023</u>	<u>(2,810,136)</u>	<u>-</u>	<u>827,519</u>	<u>281,661</u>
Other financing sources (uses)						
Transfers in	808,874	-	250,000	-	302,817	1,361,691
Transfers out	(552,817)	(120,000)	(81,000)	-	(607,874)	(1,361,691)
Proceeds from sale of capital assets	1,300	-	-	-	-	1,300
Issuance of long-term debt	-	-	2,685,000	-	-	2,685,000
Total other financing sources (uses)	<u>257,357</u>	<u>(120,000)</u>	<u>2,854,000</u>	<u>-</u>	<u>(305,057)</u>	<u>2,686,300</u>
Net change in fund balances	<u>2,373,612</u>	<u>28,023</u>	<u>43,864</u>	<u>-</u>	<u>522,462</u>	<u>2,967,961</u>
Fund balances, beginning of year	9,096,062	377,978	1,866,678	-	2,203,346	13,544,064
Fund balances, end of year	<u>\$ 11,469,674</u>	<u>\$ 406,001</u>	<u>\$ 1,910,542</u>	<u>\$ -</u>	<u>\$ 2,725,808</u>	<u>\$ 16,512,025</u>

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

CITY OF DEBARY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds	\$ 2,967,961
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	1,470,004
Depreciation Expense	(1,884,079)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, CIP project abandoned) is to decrease net position.	
	(1,026)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt	3,636,000
Issuance of governmental long-term debt	(2,685,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
	(433,778)
Under the modified accrual basis of accounting used in the governmental funds, Expenditures are not recognized for transactions that are not normally paid with Expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, Expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in accrued interest on long-term debt	8,642
Change in compensated absences liability	(54,325)
Change in total OPEB liability	(54,656)
Change in net position of governmental activities	\$ 2,969,743

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

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:**

The financial statements of the City of DeBary, Florida (the City), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the City has adopted the GASB Codification. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City is a municipal corporation created by the laws of Florida, Chapter 93-351, located in Volusia County. The legislative branch of the City is comprised of a five-member elected Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council-appointed City Manager.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of its relationship with the primary government (the City), the current component unit is blended as though it is part of the primary government.

(b) **Blended component unit**—The City has the following blended component unit:

The Orlandia Heights Neighborhood Improvement District (created by referendum on February 4, 1999 and Resolution No. 99-03) is governed by a Board of Directors appointed by the City Council. The District was created to promote improvements of the district through the use of district assessments to finance all related improvements. Although legally separate, the District's relationship to the City is significant and its financial activities are reported on a blended basis as if it were part of the primary government as a special revenue fund.

(c) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report aggregated information for the overall government for all of the activities of the primary government. These statements do not report fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements, when required. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues, are reported separately from business-type activities, which are financed wholly or partially by fees charged to external parties for goods or services and are reported in enterprise funds. The City did not operate any business-type activities during the fiscal year.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(d) **Measurement focus, basis of accounting, and financial statement presentation**—The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, other intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditures relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

The City reports the following major governmental funds:

General Fund—The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City are financed through revenues received by the General Fund.

Solid Waste Fund—The Solid Waste Fund is a special revenue fund used to account for user charges assessed for residential garbage/solid waste pickup and removal.

Stormwater Management Fund—The Stormwater Management Fund is a special revenue fund to provide and maintain stormwater drainage throughout the City, which is funded by assessments on real property located in the City.

ARPA Capital Projects Fund—The ARPA Capital Projects Fund is a capital projects fund created for tracking of activities funded by the American Rescue Plan Act funding.

Additionally, the City reports the following fund types:

Special Revenue Funds—These funds account for financial sources and uses that are legally restricted for specific purposes. The City has the following non-major Special Revenue Funds: Street Lighting; Orlandia Heights Neighborhood Improvement District; Tree Preservation; Franchise Fee; Southwest Sector Mobility Fee Trust Fund, Park Impact Fee; Public Buildings Impact Fee and Economic Opportunity funds. These financial activities are reported separately in the Combining Nonmajor Fund Financial Statements and Other Schedules section of this report.

Debt Service Funds—These funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. This fund type is used to provide for the debt service requirements of the City's governmental long-term debt. The City has the following non-major debt service funds: Fort Florida Road Assessment Series 2016 and Fire Station Bond Series 2016 funds. These financial activities are reported separately in the Combining Nonmajor Fund Financial Statements and Other Schedules section of this report.

Capital Projects Funds—These funds are used to account for financial resources to be used for equipment replacement or the acquisition or construction of major capital facilities. The City has the following non-major capital projects fund: Fort Florida Improvement fund. These financial activities are reported separately in the Combining Nonmajor Fund Financial Statements and Other Schedules section of this report.

As a general rule, the effect of the City's interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments (when applicable). Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Budgets and budgetary accounting** — Annual budgets for all governmental funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

- i. On or before July 15th, the City Manager submits a preliminary budget to the City Council for the ensuing fiscal year.
- ii. Budget workshop sessions are scheduled by the City Council, as needed.
- iii. A general summary of the budget and notice of public hearing is published in a local newspaper.
- iv. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- v. The City Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
- vi. The City Council must approve all inter-departmental budget amendments and/or appropriations transfers. The legal level of budgetary control is exercised at the department level.
- vii. Every appropriation lapses at the close of the fiscal year.

The budgets for governmental funds that were either adopted or amended during the year by the City Council were prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The general, special revenue, debt service, and capital project funds have legally adopted budgets.

(f) **Deposits and investments**—The City's cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

The City's investment policies are governed by state statutes and local resolution. These policies authorize the City to invest in bonds, notes, and certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America, interest bearing savings accounts, interest bearing certificates of deposit and interest bearing time deposits.

(g) **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."

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed; therefore, these amounts are fully allowed for and no provision for taxes receivable has been made on the City's financial statements.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Inventories and prepaid items**—The cost of inventory is accounted for on the consumption basis wherein inventories are charged as expenditures when used, rather than when purchased. All inventories are valued at cost, which approximates market, by using the weighted average valuation method. The effect of this method is to flow the costs of the materials and supplies in the order in which they are purchased and to assign a balance sheet inventory valuation more nearly at current replacement value. No required minimum levels of inventory are maintained.

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.

(i) **Capital assets**—Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, drainage improvements, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings	20 – 40 years
Infrastructure	20 – 40 years
Improvements other than buildings	10 – 30 years
Machinery and equipment	3 – 30 years

The City has historically recorded all easements and rights of way that are determined to have limited useful lives at estimated fair market value on the date received. The City has elected to not retroactively report intangible assets that are determined to have indefinite useful lives. The City does not have any intangible assets previously subjected to amortization that have now been determined to have indefinite useful lives.

(j) **Compensated absences**—The City reports compensated absences in the governmental activity column in the governmental-wide financial statements. The portion of employee payroll costs paid subsequent to year-end attributable to services performed prior to year-end and accumulated unpaid vacation, sick-leave, and personal leave is recorded and recognized as a current liability. The remainder of the liability for compensated absences payable beyond the current period is recorded as a long-term liability. The City utilizes the General Fund to liquidate the liability for compensated absences from previous years.

It is the City’s policy to grant employees vacation and sick leave (annual leave) based upon the number of years of employment with the City. The time is not divided between vacation and sick leave. Annual leave accrues at a maximum of 10.2 hours per pay period with a cumulative maximum of 600 hours that can be accrued in total as of the beginning of the fiscal year. Upon termination, without cause, all accrued annual leave is paid.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Original issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(l) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance or resolution of the City Council are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process, as is authorized under Article XI, Section 11.05(d) of the City's Code of Ordinances.

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any deferred outflows of resources during the fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has one item, unavailable revenues related to certain receivables not collected immediately after year-end.

(n) **Property taxes**— Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

(o) **Net position flow assumption**—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the City’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(p) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) Cash Deposits and Investments:

The City maintains cash and investment accounts for various other purposes or to segregate cash balances for amounts which are restricted or held on behalf of others. The City’s investment policy authorizes the City to invest excess funds in Local Government Surplus Trust Fund Investment Pool, money market funds regulated by the securities and Exchange Commission, bankers’ acceptances issued by a domestic bank (with rating restrictions), commercial paper (with rating restrictions), certificates of deposit or savings accounts in banks/savings and loan associations, doing business and situated in the State of Florida, provided deposits of such institutions are secured by the Florida Security for Public Deposits Act, repurchase agreements, state and local government general obligation bonds (subject to rating restrictions), direct obligations of the United States Government, obligations of the United States Government agencies, backed by the full faith and credit of the United State Government, authorized intergovernmental investment pools, securities and obligations of the United States Government, not backed by full faith and credit of the United State Government.

As of September 30, 2021, all City cash deposits were held in qualified public depositories pursuant to Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act* (the Act), and, accordingly, are entirely insured by Federal Depository Insurance Corporation (FDIC) insurance or collateralized pursuant to the Act. The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125%, may be required if deemed necessary. Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney. Under the Act, the City is authorized to deposit funds only in qualified public depositories.

The City invests temporarily idle resources in the Florida Prime Investment Pool (Florida PRIME). Florida PRIME is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight. Florida PRIME is similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There is no limitation or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the funds’ executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

As of September 30, 2021, the Florida PRIME had weighted average maturities of 49 days. The City held no assets or investments carried at fair value at September 30, 2021, and subject to the required disclosures of GASB 72.

As of September 30, 2021, the City’s governmental investment portfolio is composed of the following investments:

<u>Investment</u>	<u>Credit Quality Rating</u>	<u>Carrying Value</u>
Florida PRIME	AAAm (S&P)	\$ 176,291

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) Cash Deposits and Investments: (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. To limit its exposure to fair value losses arising from increases in interest rates, the City prohibits direct investment in U.S. government securities or repurchase agreements maturing more than five years from the date of purchase, unless matched to a specific cash flow. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2021.

Credit Risk: Credit risk is the risk that a debt issuer or other counter-party to an investment will not fulfill its obligations. The City's investment policy utilizes portfolio diversification in order to limit investments to governmental funds and securities backed by state and federal governments, and mutual funds with a minimum credit rating of AAm by Standard & Poor's (S&P) or an equivalent. The City's portfolio is held entirely with public depositories and is invested in SBA funds, as described above.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's adopted investment policy limits concentration of investments as follows:

<u>Investments</u>	<u>Maximum %</u>
Local Government Surplus Trust Fund	100%
United States Government Securities	50%
United States Federal Agencies	10%
Federal Instrumentalities	5%
Money Market Mutual Funds	25%
Bankers' Acceptances/Commercial Paper	10%
Certificates of Deposit	40%
Repurchase Agreements/State and Local Government Debt	5%

In addition to describing the credit risk of investments in the portfolio, governmental entities will need to disclose the concentration of credit risk with a single issuer, if 5 or more percent of the total assets of the portfolio are invested with one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements.

Custodial Credit Risk: All demand deposits are held with qualified public depositories, as defined above. In the case of investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2021, the City's investment of \$176,291 in Florida PRIME funds is backed by the full faith and credit of the State of Florida, or explicitly guaranteed by the State of Florida.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) Accounts Receivable:

The City's receivables consisted of the following at September 30, 2021:

	Gross Receivable	Allowance for Doubtful Accounts	Net Receivable
Governmental Activities:			
General Fund			
Accounts receivable	\$ 257,524	\$ (10,000)	\$ 247,524
Solid Waste			
Accounts receivable	7,394	-	7,394
Stormwater			
Accounts receivable	148	-	148
Nonmajor Governmental Funds			
Accounts and special assessments receivable	204,435	-	204,435
Total governmental activities receivables, net	\$ 469,501	\$ (10,000)	\$ 459,501

In addition to accounts receivable, the City also recorded \$711,040 in amounts due from other governments at September 30, 2021.

(5) Interfund Transfers:

For the year ended September 30, 2021, individual fund transfers to and from other funds for the primary government were comprised of the following:

	Transfer From	Transfer To
Governmental Activities:		
General Fund:		
Solid Waste Funds	\$ 120,000	\$ -
Stormwater Fund	81,000	250,000
Solid Waste Fund:		
General Fund	-	120,000
Stormwater Fund:		
General Fund	250,000	81,000
Nonmajor Governmental Funds:		
General Fund:		
Franchise Fee Fund	600,000	-
Economic Opportunity Fund	7,874	-
Fire Station Bond Series 2016 Fund	-	302,817
Fire Station Bond Series 2016 Fund:		
General Fund	302,817	
Franchise Fee Fund:		
General Fund	-	600,000
Economic Opportunity Fund:		
General Fund	-	7,874
Totals – All Funds	\$ 1,361,691	\$ 1,361,691

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,428,369	\$ 257,788	\$ -	\$ 9,686,157
Construction in progress	528,752	1,351,846	(1,013,824)	866,774
Total assets not being depreciated	<u>9,957,121</u>	<u>1,609,634</u>	<u>(1,013,824)</u>	<u>10,552,931</u>
Capital assets being depreciated:				
Building	7,097,215	183,742	-	7,280,957
Machinery and Equipment	3,344,402	165,313	(50,385)	3,459,330
Infrastructure	35,402,019	525,139	(24,080)	35,903,078
Capital Leases	16,179	-	(16,179)	-
Total assets being depreciated	<u>45,859,815</u>	<u>874,194</u>	<u>(90,644)</u>	<u>46,643,365</u>
Less accumulated depreciation for:				
Buildings	(2,020,829)	(239,407)	-	(2,260,236)
Machinery and equipment	(2,240,110)	(315,161)	53,071	(2,502,200)
Infrastructure	(13,251,128)	(1,327,682)	20,367	(14,558,443)
Capital Leases	(14,350)	(1,829)	16,179	-
Total accumulated depreciation	<u>(17,526,417)</u>	<u>(1,884,079)</u>	<u>89,617</u>	<u>(19,320,879)</u>
Total capital assets being depreciated, net	<u>28,333,398</u>	<u>(1,009,885)</u>	<u>(1,027)</u>	<u>27,322,486</u>
Governmental activities capital assets, net	<u>\$ 38,290,519</u>	<u>\$ 599,749</u>	<u>\$ (1,014,851)</u>	<u>\$ 37,875,417</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 170,794
Public safety	213,559
Physical environment	933,761
Transportation	251,486
Culture and recreation	314,479
Total depreciation expense - governmental activities	<u>\$ 1,884,079</u>

(7) Long-Term Liabilities:

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 6,401,000	\$ 2,685,000	\$ (3,636,000)	\$ 5,450,000	\$ 1,010,000
Compensated absences	191,198	191,651	(137,326)	245,523	36,828
Governmental activities – Total long-term liabilities	<u>\$ 6,592,198</u>	<u>\$ 2,876,651</u>	<u>\$ (3,773,326)</u>	<u>\$ 5,695,523</u>	<u>\$ 1,046,828</u>

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(7) **Long-Term Liabilities:** (Continued)

Bonds and notes payable in the City’s governmental activities at September 30, 2021, were comprised of the following obligations:

Series 2012 Stormwater Utility Assessment Refunding Revenue Note, dated December 16, 2012, interest at 2.33% payable semi-annually on June 1 and December 1, and principal payable annually on December 1. The note is secured by the City’s stormwater utility assessments and a covenant to budget and appropriate non-ad valorem revenues.	\$ 2,065,000
Series 2016 Water Line Assessment Revenue Bond, dated January 15, 2016, interest at 1.67% payable semi-annually on April 1 and October 1, principal payable annually on October 1. The bond is secured by the City’s water line extension assessments and a covenant to budget and appropriate non-ad valorem revenues.	109,000
Series 2016 Fire Station Bond, dated April 27, 2016, interest at 1.64% payable semi-annually on June 1 and December 1, principal payable annually on December 1. The bond is secured by the City’s non-ad valorem revenues and a covenant to budget and appropriate non-ad valorem revenues.	591,000
Series 2021 Stormwater Utility Assessment Revenue Bond, dated June 1, 2021, principal and interest at 1.41% payable semi-annually on December 1 and June 1. The bond is secured by the City’s stormwater utility assessments and a pledge to budget and appropriate non-ad valorem revenues.	2,685,000
Total bonds and notes payable, governmental activities	<u><u>\$ 5,450,000</u></u>

Annual debt service requirements to maturity for the City’s governmental activities bonds and notes payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,010,000	\$ 89,458	\$ 1,099,458
2023	965,000	71,717	1,036,717
2024	656,000	56,855	712,855
2025	671,000	44,346	715,346
2026	680,000	31,599	711,599
2027-2031	1,468,000	26,308	1,494,308
Total	<u>\$ 5,450,000</u>	<u>\$ 320,283</u>	<u>\$ 5,770,283</u>

(8) **Commitments and Contingencies:**

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. The outcomes of established claims are included in these financial statements. In the opinion of the City’s legal counsel, no legal proceedings are pending or threatened against the City which are not covered by applicable insurance which would inhibit its ability to perform its operations or materially affect its financial condition.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) Other Postemployment Benefits (OPEB):

Plan Description—The City of DeBary, Florida, Retiree Health Care Plan (the Plan) is a single-employer defined benefit postemployment healthcare plan that covers eligible retired employees of the City. The Plan is administered by the City and allows employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to continue medical and life insurance coverage as a participant in the City’s plan. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the Plan to retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Eligible individuals include all regular employees of the City who retire from active service under one of the pension plans sponsored by the City. Under certain conditions, eligible individuals also include spouses and dependent children. The Plan does not issue a publicly available financial report.

Funding Policy—The contribution requirements of plan members and the City are established by state statutes and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements and is subject to constant revision. The City has opted to not fund the total OPEB obligation or the resulting unfunded actuarial accrued liability on an annual basis. The City utilizes the General Fund to liquidate the liability for the OPEB obligation from previous years

Benefits Provided—The Other Post Employment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee, known as the “implicit rate subsidy.”

Plan Membership—At September 30, 2020, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	43
Inactive Employees	-
	43
	43

Total OPEB Liability—The City’s total OPEB liability of \$124,723 was measured as of September 30, 2020, one year prior to the current reporting period, and was determined by an actuarial valuation utilizing the alternative measurement method for small plans as of the date noted in the above Plan Membership section.

Actuarial Assumptions and Other Inputs—The total OPEB liability recorded at September 30, 2021, was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation		2.50%
Salary increases		2.50%
Discount rate		2.14%
Healthcare cost trend rate	7.00% in 2021, then 7.50% in 2022 grading down to 4.00% in 2075	
Retirees’ share of benefit-related costs		100.00%

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) Other Postemployment Benefits (OPEB):

The City does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Mortality rates were based on the various PubG-2010 Mortality Table projected to the valuation date using MP-2020.

For the fiscal year ended September 30, 2021, changes in the total OPEB liability were as follows:

Balance at September 30, 2020	<u>\$</u>	70,066
Changes for a year:		
Service cost		8,073
Interest		2,745
Changes of assumptions		43,414
Differences between expected and actual experience		3,350
Benefit payments – implicit rate subsidy		<u>(2,925)</u>
Net changes		<u>54,657</u>
Balance at September 30, 2021	<u>\$</u>	<u>124,723</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City calculated using the discount rate of 2.14%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 143,942	\$ 124,723	\$ 109,245

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

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% lower (6.00%, decreasing to 3.00%) or 1% higher (8.00%, decreasing to 5.00%) than the current healthcare cost trend rates (7.00%, decreasing to 4.00%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 107,456	\$ 124,723	\$ 146,206

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2021, the City recognized OPEB expense of \$59,082.

At September 30, 2021, the City reported no deferred outflows of resources and no deferred inflows of resources related to OPEB, as deferred outflows for contributions subsequent to the measurement date were deemed to be immaterial.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(10) **Risk Management:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters, all of which is satisfactorily insured by general liability insurance. Commercial insurance policies are also obtained for other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(11) **Retirement Plans:**

A. Defined Contribution Plan – ICMA-RC IRC 401(a) Plan

The City contributes to the City of DeBary Governmental Money Purchase Plan and Trust (the Plan), a defined contribution retirement plan, for all regular full-time employees hired on or after October 1, 1994. The Plan is presently administered by Mission Square. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council. The Plan has no provision for providing benefits of past services. For each employee in the Plan, the City is required to contribute 10% of wages earned to an individual employee account. For the year ended September 30, 2021, actual employer contributions to the Plan totaled \$223,488.

All qualifying employees are eligible to participate in the Plan upon the date of employment. The “vested percentage” in an employee account attributable to employer contributions is based on vesting years of service. Employees will become 100% vested in City contributions and earnings on City contributions only after completion of 36 months of creditable service with the City. Employees will always, however, be 100% vested in these contributions if employed on or after their normal retirement age or if they die or become disabled. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the plan's expenses. There were no unremitted amounts due to the Plan from the City at September 30, 2021.

B. Deferred Compensation Plan – ICMA-RC IRC 457(b) Plan

The City offers a deferred compensation plan, which provides for an IRC Section 457(b) deferred compensation plan for employee contributions. This Plan is presently administered by Mission Square to accommodate employee elective deferrals for employees covered in the City's defined contribution plan. Employees are permitted to make contributions to the plan, up to applicable Internal Revenue Code limits. For the year ended September 30, 2021, employee contributions totaled \$61,810.

All qualified employees at least 18 years of age become eligible to participate in the 457(b) plan upon hire. Employees voluntarily contribute to the plan. Employees immediately vest in the elective deferral contributions made to the Plan. The vested portions of the accounts or contributions to the plan are available to the participants upon termination of service, and following the deposit of all trailing contributions. There may be IRS penalties for early withdrawal or other restrictions.

CITY OF DEBARY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(12) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for fiscal years subsequent to September 30, 2021, that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City's financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 8,972,000	\$ 8,972,000	\$ 9,501,354	\$ 529,354
Permits, fees, and special assessments	638,000	1,288,000	1,261,923	(26,077)
Intergovernmental	1,796,866	2,095,866	2,437,241	341,375
Charges for services	203,000	203,000	262,298	59,298
Fines and forfeitures	17,000	17,000	28,724	11,724
Miscellaneous	187,178	263,678	351,893	88,215
Total revenues	<u>11,814,044</u>	<u>12,839,544</u>	<u>13,843,433</u>	<u>1,003,889</u>
Expenditures				
Current:				
General government:				
City Council	129,478	142,087	111,550	30,537
City Manager	552,560	552,560	535,522	17,038
Finance	418,716	418,716	394,138	24,578
Legal services	301,500	301,500	209,194	92,306
Planning and community development	675,535	750,129	431,925	318,204
General government	400,533	658,533	582,101	76,432
Information technology	242,302	242,302	212,640	29,662
Public safety:				
Law enforcement	3,671,340	3,683,340	3,681,667	1,673
Fire safety	2,021,869	2,137,869	2,019,565	118,304
Development services	698,662	1,345,461	1,242,238	103,223
Emergency and disaster relief	-	15,000	8,541	6,459
Transportation	1,920,191	2,076,331	769,206	1,307,125
Human services	91,200	102,200	91,931	10,269
Culture and recreation	1,593,021	1,750,721	1,436,960	313,761
Total expenditures	<u>12,716,907</u>	<u>14,176,749</u>	<u>11,727,178</u>	<u>2,449,571</u>
Excess (deficiency) of revenues over expenditures	<u>(902,863)</u>	<u>(1,337,205)</u>	<u>2,116,255</u>	<u>3,453,460</u>
Other financing sources (uses)				
Transfers in	850,680	851,180	808,874	(42,306)
Transfers out	(552,817)	(552,817)	(552,817)	-
Proceeds from sale of capital assets	-	-	1,300	1,300
Total other financing sources (uses)	<u>297,863</u>	<u>298,363</u>	<u>257,357</u>	<u>(41,006)</u>
Net change in fund balances	<u>(605,000)</u>	<u>(1,038,842)</u>	<u>2,373,612</u>	<u>3,412,454</u>
Fund balances, beginning of year	9,096,062	9,096,062	9,096,062	-
Fund balances, end of year	<u>\$ 8,491,062</u>	<u>\$ 8,057,220</u>	<u>\$ 11,469,674</u>	<u>\$ 3,412,454</u>

See accompanying notes to schedules of revenues, expenditures, and changes in funds balance - budget and actual.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 1,810,000	\$ 1,860,000	\$ 1,869,742	\$ 9,742
Miscellaneous	-	-	16,613	16,613
Total revenues	<u>1,810,000</u>	<u>1,860,000</u>	<u>1,886,355</u>	<u>26,355</u>
Expenditures				
Current:				
Physical environment	1,705,650	1,755,650	1,738,332	17,318
Total expenditures	<u>1,705,650</u>	<u>1,755,650</u>	<u>1,738,332</u>	<u>17,318</u>
Excess (deficiency) of revenues over expenditures	<u>104,350</u>	<u>104,350</u>	<u>148,023</u>	<u>43,673</u>
Other financing sources (uses)				
Transfers out	(162,180)	(162,180)	(120,000)	42,180
Total other financing sources (uses)	<u>(162,180)</u>	<u>(162,180)</u>	<u>(120,000)</u>	<u>42,180</u>
Net change in fund balances	<u>(57,830)</u>	<u>(57,830)</u>	<u>28,023</u>	<u>85,853</u>
Fund balances, beginning of year	377,978	377,978	377,978	-
Fund balances, end of year	<u>\$ 320,148</u>	<u>\$ 320,148</u>	<u>\$ 406,001</u>	<u>\$ 85,853</u>

See accompanying notes to schedules of revenues, expenditures, and changes in funds balance - budget and actual.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STORMWATER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ 2,000,000	\$ 2,000,000	\$ 2,037,625	\$ 37,625
Intergovernmental	-	300,000	104,106	(195,894)
Miscellaneous	300,000	-	4,648	4,648
Total revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,146,379</u>	<u>(153,621)</u>
Expenditures				
Current:				
Physical environment	804,053	988,784	872,269	116,515
Capital outlay	1,010,000	2,485,421	719,827	1,765,594
Debt service:				
Principal	616,000	3,264,000	3,264,000	-
Interest and fiscal charges	100,420	100,420	100,419	1
Total expenditures	<u>2,530,473</u>	<u>6,838,625</u>	<u>4,956,515</u>	<u>1,882,110</u>
Excess (deficiency) of revenues over expenditures	<u>(230,473)</u>	<u>(4,538,625)</u>	<u>(2,810,136)</u>	<u>1,728,489</u>
Other financing sources (uses)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(81,000)	(81,000)	(81,000)	-
Issuance of long-term debt	-	2,685,000	2,685,000	-
Total other financing sources (uses)	<u>169,000</u>	<u>2,854,000</u>	<u>2,854,000</u>	<u>-</u>
Net change in fund balances	<u>(61,473)</u>	<u>(1,684,625)</u>	<u>43,864</u>	<u>1,728,489</u>
Fund balances, beginning of year	1,866,678	1,866,678	1,866,678	-
Fund balances, end of year	<u>\$ 1,805,205</u>	<u>\$ 182,053</u>	<u>\$ 1,910,542</u>	<u>\$ 1,728,489</u>

See accompanying notes to schedules of revenues, expenditures, and changes in funds balance - budget and actual.

CITY OF DEBARY, FLORIDA
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2021
(UNAUDITED)

Notes to Budgetary Comparison Schedules:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The department is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end. Budgeted excess expenditures over revenues are funded through transfers in and use of fund balance reserves. See note (1)(e) to the financial statements for further discussion of the City's budgetary process.

CITY OF DEBARY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 8,073	\$ 7,276	\$ 13,860	\$ 13,522
Interest	2,745	2,679	2,556	1,816
Benefit changes	-	-	-	-
Difference between expected and actual experience	3,350	-	(6,958)	-
Changes of assumptions	43,414	4,665	(7,038)	(3,619)
Benefit payments - implicit rate subsidy	(2,925)	(2,708)	(1,221)	(1,123)
Other changes	-	-	-	-
Net change in total OPEB liability	<u>54,657</u>	<u>11,912</u>	<u>1,199</u>	<u>10,596</u>
Total OPEB liability - beginning of year	<u>70,066</u>	<u>58,154</u>	<u>56,955</u>	<u>46,359</u>
Total OPEB liability - end of year	<u><u>\$ 124,723</u></u>	<u><u>\$ 70,066</u></u>	<u><u>\$ 58,154</u></u>	<u><u>\$ 56,955</u></u>
Covered payroll	\$ 1,965,922	\$ 1,984,353	\$ 1,936,539	\$ 1,616,106
Total OPEB liability as a percentage of covered payroll	6.34%	3.53%	3.00%	3.52%

Notes to Schedule:

Measurement Date	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Valuation date:	9/30/2020	9/30/2019	9/30/2018	9/30/2017

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount rate	2.14%	3.58%	4.18%	3.64%
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*10 years of data will be presented as it becomes available.

SUPPLEMENTARY INFORMATION

**CITY OF DEBARY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue Funds							Debt Service Funds		Capital Project Fund	Total Nonmajor Governmental Funds	
	Street Lighting	Orlandia Heights NID	Tree Preservation	Franchise Fee	Southwest Sector MTF	Park Impact Fee	Public Buildings Impact Fee	Economic Opportunity	Ft. Florida Road Assmt. Bond Series 2016	Fire Station Bond Series 2016		Ft. Florida Road Improvement
	ASSETS											
Equity in pooled cash and cash equivalents	\$ 396,968	\$ 100,614	\$ 41,739	\$ 1,115,085	\$ 250,758	\$ 301,856	\$ 53,389	\$ 119,841	\$ 36,067	\$ 247,400	\$ 27,242	\$ 2,690,959
Receivables, net	-	-	-	130,131	18	22	4	-	74,260	-	-	204,435
Due from other governments	79	-	-	-	-	-	-	4,808	-	-	-	4,887
Prepaid items	-	5,036	-	-	-	-	-	-	-	-	-	5,036
Total assets	<u>\$ 397,047</u>	<u>\$ 105,650</u>	<u>\$ 41,739</u>	<u>\$ 1,245,216</u>	<u>\$ 250,776</u>	<u>\$ 301,878</u>	<u>\$ 53,393</u>	<u>\$ 124,649</u>	<u>\$ 110,327</u>	<u>\$ 247,400</u>	<u>\$ 27,242</u>	<u>\$ 2,905,317</u>
LIABILITIES												
Accounts payable and accrued liabilities	\$ 31,793	\$ -	\$ -	\$ 14,047	\$ 37,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,082
Unearned revenue	-	-	-	-	-	-	-	22,167	-	-	-	22,167
Total liabilities	<u>31,793</u>	<u>-</u>	<u>-</u>	<u>14,047</u>	<u>37,242</u>	<u>-</u>	<u>-</u>	<u>22,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,249</u>
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	74,260	-	-	74,260
FUND BALANCES												
Nonspendable:												
Prepaid items	\$ -	\$ 5,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,036
Restricted for:												
Street lighting	365,254	-	-	-	-	-	-	-	-	-	-	365,254
Orlandia Heights improvements	-	100,614	-	-	-	-	-	-	-	-	-	100,614
Public buildings impact fees	-	-	-	-	-	-	53,393	-	-	-	-	53,393
Southwest sector mobility fee	-	-	-	-	213,534	-	-	-	-	-	-	213,534
Park impact fees	-	-	-	-	-	301,878	-	-	-	-	-	301,878
Debt service	-	-	-	-	-	-	-	-	36,067	247,400	-	283,467
Committed to:												
Franchise fees	-	-	-	1,231,169	-	-	-	-	-	-	-	1,231,169
Transportation	-	-	-	-	-	-	-	-	-	-	27,242	27,242
Economic opportunity	-	-	-	-	-	-	-	102,482	-	-	-	102,482
Tree preservation	-	-	41,739	-	-	-	-	-	-	-	-	41,739
Assigned to:												
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>365,254</u>	<u>105,650</u>	<u>41,739</u>	<u>1,231,169</u>	<u>213,534</u>	<u>301,878</u>	<u>53,393</u>	<u>102,482</u>	<u>36,067</u>	<u>247,400</u>	<u>27,242</u>	<u>2,725,808</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 397,047</u>	<u>\$ 105,650</u>	<u>\$ 41,739</u>	<u>\$ 1,245,216</u>	<u>\$ 250,776</u>	<u>\$ 301,878</u>	<u>\$ 53,393</u>	<u>\$ 124,649</u>	<u>\$ 110,327</u>	<u>\$ 247,400</u>	<u>\$ 27,242</u>	<u>\$ 2,905,317</u>

**CITY OF DEBARY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds							Debt Service Funds		Capital Project Fund	Total Nonmajor Governmental Funds	
	Street Lighting	Orlandia Heights NID	Tree Preservation	Franchise Fee	Southwest Sector MTF	Park Impact Fee	Public Buildings Impact Fee	Economic Opportunity	Ft. Florida Road Assmt. Bond Series 2016	Fire Station Bond Series 2016		Ft. Florida Road Improvement
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,493	\$ -	\$ -	\$ -	\$ 52,493
Permits, fees, and special assessments	482,791	114,372	-	963,643	390,168	188,091	57,570	-	74,550	-	-	2,271,185
Miscellaneous	-	-	-	3,275	387	350	86	-	-	-	-	4,098
Total revenues	482,791	114,372	-	966,918	390,555	188,441	57,656	52,493	74,550	-	-	2,327,776
Expenditures												
Current:												
Physical environment	-	-	6,495	-	-	-	-	-	-	-	-	6,495
Transportation	434,254	88,705	-	181,945	270,164	-	-	-	-	-	-	975,068
Economic environment	-	-	-	-	-	-	-	57,000	-	-	-	57,000
Capital outlay	-	-	-	-	-	-	56,740	-	-	-	18,377	75,117
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	83,000	289,000	-	372,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	2,515	12,062	-	14,577
Total expenditures	434,254	88,705	6,495	181,945	270,164	-	56,740	57,000	85,515	301,062	18,377	1,500,257
Excess (deficiency) of revenues over Expenditures	48,537	25,667	(6,495)	784,973	120,391	188,441	916	(4,507)	(10,965)	(301,062)	(18,377)	827,519
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	302,817	-	302,817
Transfers out	-	-	-	(600,000)	-	-	-	(7,874)	-	-	-	(607,874)
Total other financing sources (uses)	-	-	-	(600,000)	-	-	-	(7,874)	-	302,817	-	(305,057)
Net change in fund balances	48,537	25,667	(6,495)	184,973	120,391	188,441	916	(12,381)	(10,965)	1,755	(18,377)	522,462
Fund balances, beginning of year	316,717	79,983	48,234	1,046,196	93,143	113,437	52,477	114,863	47,032	245,645	45,619	2,203,346
Fund balances, end of year	\$ 365,254	\$ 105,650	\$ 41,739	\$ 1,231,169	\$ 213,534	\$ 301,878	\$ 53,393	\$ 102,482	\$ 36,067	\$ 247,400	\$ 27,242	\$ 2,725,808

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STREET LIGHTING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permits, fees, and special assessments	\$ 477,280	\$ 477,280	\$ 482,791	\$ 5,511
Total revenues	<u>477,280</u>	<u>477,280</u>	<u>482,791</u>	<u>5,511</u>
Expenditures				
Current:				
Transportation	477,510	477,510	434,254	43,256
Total expenditures	<u>477,510</u>	<u>477,510</u>	<u>434,254</u>	<u>43,256</u>
Net change in fund balances	<u>(230)</u>	<u>(230)</u>	<u>48,537</u>	<u>48,767</u>
Fund balances, beginning of year	316,717	316,717	316,717	-
Fund balances, end of year	<u>\$ 316,487</u>	<u>\$ 316,487</u>	<u>\$ 365,254</u>	<u>\$ 48,767</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ORLANDIA HEIGHTS NID FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permits, fees, and special assessments	\$ 112,575	\$ 112,575	\$ 114,372	\$ 1,797
Total revenues	<u>112,575</u>	<u>112,575</u>	<u>114,372</u>	<u>1,797</u>
Expenditures				
Current:				
Transportation	112,575	112,575	88,705	23,870
Total expenditures	<u>112,575</u>	<u>112,575</u>	<u>88,705</u>	<u>23,870</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>25,667</u>	<u>25,667</u>
Fund balances, beginning of year	79,983	79,983	79,983	-
Fund balances, end of year	<u>\$ 79,983</u>	<u>\$ 79,983</u>	<u>\$ 105,650</u>	<u>\$ 25,667</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TREE PRESERVATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Physical environment	20,000	20,000	6,495	13,505
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>6,495</u>	<u>13,505</u>
Net change in fund balances	<u>(20,000)</u>	<u>(20,000)</u>	<u>(6,495)</u>	<u>13,505</u>
Fund balances, beginning of year	48,234	48,234	48,234	-
Fund balances, end of year	<u>\$ 28,234</u>	<u>\$ 28,234</u>	<u>\$ 41,739</u>	<u>\$ 13,505</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FRANCHISE FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ 820,000	\$ 820,000	\$ 963,643	\$ 143,643
Miscellaneous	-	-	3,275	3,275
Total revenues	<u>820,000</u>	<u>820,000</u>	<u>966,918</u>	<u>146,918</u>
Expenditures				
Current:				
Transportation	219,000	219,000	181,945	37,055
Total expenditures	<u>219,000</u>	<u>219,000</u>	<u>181,945</u>	<u>37,055</u>
Excess (deficiency) of revenues over expenditures	<u>601,000</u>	<u>601,000</u>	<u>784,973</u>	<u>183,973</u>
Other financing sources (uses)				
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net change in fund balances	<u>1,000</u>	<u>1,000</u>	<u>184,973</u>	<u>183,973</u>
Fund balances, beginning of year	1,046,196	1,046,196	1,046,196	-
Fund balances, end of year	<u>\$ 1,047,196</u>	<u>\$ 1,047,196</u>	<u>\$ 1,231,169</u>	<u>\$ 183,973</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SOUTHWEST SECTOR MTF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ 20,000	\$ 400,000	\$ 390,168	\$ (9,832)
Miscellaneous	50	50	387	337
Total revenues	<u>20,050</u>	<u>400,050</u>	<u>390,555</u>	<u>(9,495)</u>
Expenditures				
Current:				
Transportation	-	280,000	270,164	9,836
Total expenditures	<u>-</u>	<u>280,000</u>	<u>270,164</u>	<u>9,836</u>
Net change in fund balances	<u>20,050</u>	<u>120,050</u>	<u>120,391</u>	<u>341</u>
Fund balances, beginning of year	93,143	93,143	93,143	-
Fund balances, end of year	<u>\$ 113,193</u>	<u>\$ 213,193</u>	<u>\$ 213,534</u>	<u>\$ 341</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PARK IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permits, fees, and special assessments	\$ 20,000	\$ 20,000	\$ 188,091	\$ 168,091
Miscellaneous	-	-	350	350
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>188,441</u>	<u>168,441</u>
Expenditures				
Current:				
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>20,000</u>	<u>20,000</u>	<u>188,441</u>	<u>168,441</u>
Fund balances, beginning of year	113,437	113,437	113,437	-
Fund balances, end of year	<u>\$ 133,437</u>	<u>\$ 133,437</u>	<u>\$ 301,878</u>	<u>\$ 168,441</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC BUILDINGS IMPACT FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ 20,000	\$ 20,000	\$ 57,570	\$ 37,570
Miscellaneous	-	-	86	86
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>57,656</u>	<u>37,656</u>
Expenditures				
Capital outlay	-	71,140	56,740	14,400
Total expenditures	<u>-</u>	<u>71,140</u>	<u>56,740</u>	<u>14,400</u>
Net change in fund balances	<u>20,000</u>	<u>(51,140)</u>	<u>916</u>	<u>52,056</u>
Fund balances, beginning of year	52,477	52,477	52,477	-
Fund balances, end of year	<u>\$ 72,477</u>	<u>\$ 1,337</u>	<u>\$ 53,393</u>	<u>\$ 52,056</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ECONOMIC OPPORTUNITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 50,000	\$ 50,000	\$ 52,493	\$ 2,493
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>52,493</u>	<u>2,493</u>
Expenditures				
Current:				
Economic environment	67,000	66,500	57,000	9,500
Total expenditures	<u>67,000</u>	<u>66,500</u>	<u>57,000</u>	<u>9,500</u>
Excess (deficiency) of revenues over expenditures	<u>(17,000)</u>	<u>(16,500)</u>	<u>(4,507)</u>	<u>11,993</u>
Other financing sources (uses)				
Transfers out	(7,500)	(8,000)	(7,874)	126
Total other financing sources (uses)	<u>(7,500)</u>	<u>(8,000)</u>	<u>(7,874)</u>	<u>126</u>
Net change in fund balances	<u>(24,500)</u>	<u>(24,500)</u>	<u>(12,381)</u>	<u>12,119</u>
Fund balances, beginning of year	114,863	114,863	114,863	-
Fund balances, end of year	<u>\$ 90,363</u>	<u>\$ 90,363</u>	<u>\$ 102,482</u>	<u>\$ 12,119</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FT. FLORIDA ROAD ASSMNT. BOND SERIES 2016 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Permits, fees, and special assessments	\$ 74,600	\$ 74,600	\$ 74,550	\$ (50)
Total revenues	<u>74,600</u>	<u>74,600</u>	<u>74,550</u>	<u>(50)</u>
Expenditures				
Debt service:				
Principal retirement	83,000	83,000	83,000	-
Interest and fiscal charges	<u>2,515</u>	<u>2,515</u>	<u>2,515</u>	<u>-</u>
Total expenditures	<u>85,515</u>	<u>85,515</u>	<u>85,515</u>	<u>-</u>
Net change in fund balances	<u>(10,915)</u>	<u>(10,915)</u>	<u>(10,965)</u>	<u>(50)</u>
Fund balances, beginning of year	47,032	47,032	47,032	-
Fund balances, end of year	<u>\$ 36,117</u>	<u>\$ 36,117</u>	<u>\$ 36,067</u>	<u>\$ (50)</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FIRE STATION BOND SERIES 2016 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Debt service:				
Principal retirement	289,000	289,000	289,000	-
Interest and fiscal charges	12,062	12,062	12,062	-
Total expenditures	<u>301,062</u>	<u>301,062</u>	<u>301,062</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(301,062)</u>	<u>(301,062)</u>	<u>(301,062)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	302,817	302,817	302,817	-
Total other financing sources (uses)	<u>302,817</u>	<u>302,817</u>	<u>302,817</u>	<u>-</u>
Net change in fund balances	<u>1,755</u>	<u>1,755</u>	<u>1,755</u>	<u>-</u>
Fund balances, beginning of year	245,645	245,645	245,645	-
Fund balances, end of year	<u>\$ 247,400</u>	<u>\$ 247,400</u>	<u>\$ 247,400</u>	<u>\$ -</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FT. FLORIDA ROAD IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits, fees, and special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital outlay	10,000	45,619	18,377	27,242
Total expenditures	<u>10,000</u>	<u>45,619</u>	<u>18,377</u>	<u>27,242</u>
Net change in fund balances	<u>(10,000)</u>	<u>(45,619)</u>	<u>(18,377)</u>	<u>27,242</u>
Fund balances, beginning of year	45,619	45,619	45,619	-
Fund balances, end of year	<u>\$ 35,619</u>	<u>\$ -</u>	<u>\$ 27,242</u>	<u>\$ 27,242</u>

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARPA CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

To the Honorable Mayor, City Council, and City Manager,
City of DeBary, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of DeBary, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2022.

Internal Control over Financial Reporting

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

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

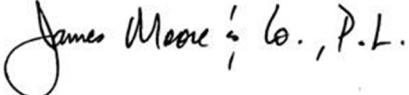
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida
March 30, 2022



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor, City Council, and City Manager,
City of DeBary, Florida:

Report on the Financial Statements

We have audited the basic financial statements of City of DeBary, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Examination 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 March 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic 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 communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the City, did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

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

Specific Special District Information – Orlandia Heights Special Neighborhood Improvement District

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 1.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$ -0-.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$23,120.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

- a. No such projects noted
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: there were no amendments between the original and final total district expenditure budget.

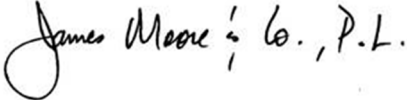
Additional Matters

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

Purpose of this Letter

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

Daytona Beach, Florida
March 30, 2022





INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor, City Council, and City Manager,
City of DeBary, Florida:

We have examined the City of DeBary, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

A handwritten signature in black ink that reads "James Moore & Co., P.L." with a stylized flourish at the end.

Daytona Beach, Florida
March 30, 2022

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Elizabeth Bauer, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer with the title Finance Director of the City of DeBary which is a local governmental entity of the State of Florida.
2. The governing body of the City of DeBary adopted Ordinance No. 26-06 and Ordinance No. 14-19 implementing an impact fee.
3. To the best of my knowledge, the City of DeBary has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

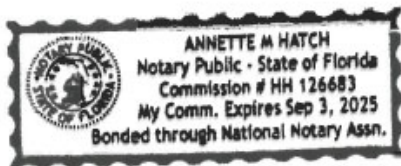


Chief Financial Officer

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 23 day of March, 2022, by Elizabeth Bauer by means of physical presence or online notarization, who produced _____ as identification or is personally known to me and who did take an oath.

Seal





Signature of Notary

Annette M Hatch

Printed/Typed Name of Notary