



# Annual Comprehensive Financial Report

City of Deltona, Florida

FOR FISCAL YEAR ENDING SEPTEMBER 30, 2021



# *City of Deltona, Florida*

*Deltona: A City on the Move*



## Annual Comprehensive Financial Report

For the year ended  
September 30, 2021

Prepared By:  
Finance Department

Submitted By:  
John A. Peters, III  
Acting City Manager

CITY OF DELTONA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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# City of Deltona

March 31, 2022

To the Honorable Mayor and  
Members of the City Commission and  
Citizens of the City of Deltona, Florida

Ladies and Gentlemen:

State law and local Charter require that every general-purpose local government publish a set of audited financial statements annually. This report is published to fulfill that requirement for the year ended September 30, 2021. The Annual Comprehensive Financial Report of the City of Deltona, for the fiscal year ended September 30, 2021, is hereby submitted pursuant to the City Charter, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Management assumes full responsibility for the reliability and completeness of the information contained in this report based upon a comprehensive framework of internal controls that have been established for this purpose. The cost of internal control should not exceed anticipated benefits; therefore the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Deltona, Florida (the "City").

Purvis, Gray, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Deltona's financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**FINANCE DEPARTMENT**  
2345 Providence Boulevard, Deltona, Florida 32725  
(386) 878-8100 • Fax (386) 878-8551  
[www.deltonafl.gov](http://www.deltonafl.gov)

### **City History**

The City of Deltona, Florida is located in the southwest corner of Volusia County, in the eastern central part of the Florida Peninsula. The City is situated along the Interstate 4 corridor approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach. It currently occupies 46 square miles and is home to an estimated 94,953 residents in 2021. The City started as a planned community by the Deltona Corporation in 1962 and was incorporated on December 31, 1995. The unhurried lifestyle, combined with its location, has made the City an ideal choice for living the affordable Florida lifestyle. In general, the population of the City is becoming younger and more diversified in ethnicity.

The first inhabitants of southwest Volusia County were Nomadic Timucuan who found fish and fresh water plentiful in the area. After Florida became a state in 1845, steamboats began to make regular trips up the St. Johns River to Lake Monroe.



St. Johns River tourists, about 1890

Visitors and residents poured into Florida and a community grew up on the shores of Lake Monroe at the steamboat landing. Named Enterprise, the little town soon boasted a schoolhouse, built in 1863, and two churches.

About the same time, Baron Frederick DeBary, a New York agent for Mumm's Champagne, arrived in the area. Baron DeBary bought several hundred acres near Enterprise to use as a hunting and fishing preserve. In 1871 Baron DeBary built a winter home where he entertained such notables as Presidents Grant and Cleveland, as well as members of Europe's royalty. Baron DeBary died in 1898 at the age of 84.

Southwest Volusia remained quiet from the turn of the century until 1962 when the Mackle Brothers – Elliott, Robert and Frank, Jr. - bought 17,203 acres, filed a planned unit development plan for a community of 35,143 lots and named the area Deltona. The community was based on the idea of a



retirement community for Northern workers. Construction started almost immediately and the first Deltonans took up residence in April of 1963. By the end of 1963, Deltona had a population of 180 people comprised of 78 families. The

initial concept of a retirement community quickly morphed into a bedroom community, housing the workforce of the Metro Orlando Area.

In 1970, the U.S. Census recorded 4,868 inhabitants. By 1980 Deltona's population was 15,710. The growth of the community continued at the amazing rate of about 130 new families per month to reach more than 52,000 people in 1991, culminating in a population of 93,677 as of the U.S. Census in 2020.

After two failed attempts, one in 1987 and one in 1990, the residents of the unincorporated Deltona community voted to incorporate as the City of Deltona in 1995. A seven member Commission was

Letter of Transmittal

elected and the Deltona Fire District was dissolved, replaced by fire protection services provided by the new City.

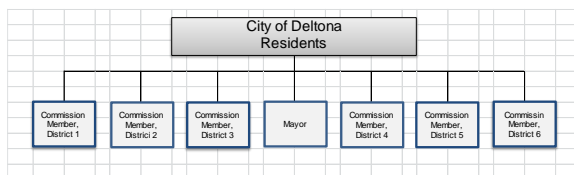
On November 7, 2003, the City realized its long-term goal of owning its own utility. The City purchased the Deltona water and wastewater system from Florida Water Services, acquiring all of its assets and adding many new employees to operate the new utility.

*Profile of the Government*

The City of Deltona operates under a Commission-Manager form of government consisting of a seven-member Commission. Residents elect, through non-partisan elections, a Mayor who represents the City at large, and six Commissioners who each represent a specific district of the City.

Each member of the City Commission, including the Mayor, serves a four (4)-year term. Neither the Mayor nor any other Commission member may serve more than two consecutive four (4)-year terms in the same position.

The City Charter, as well as State and local laws and regulations, set forth the rights and obligations of the City and its government. The Commission is responsible for the establishment and adoption of City policy and appointing a City Manager and City Attorney. The City Manager serves as the Chief Executive Officer of the City, responsible for the execution of City policies and oversight of the City's day-to-day operations.



The City now employs approximately 386 people who provide a full range of services including fire/rescue protection, solid waste management, stormwater management,

water and sewer service, construction and maintenance of road and street facilities, planning and development services, recreational and cultural activities, and general administrative services. The City contracts with the Volusia County Sheriff's Department via an interlocal agreement for law enforcement services in the City.

The financial statements in this report include the funds of all the activities under the jurisdiction of the City Commission. The financial reporting entity includes all the funds of the primary government (i.e., the City of Deltona, Florida as legally defined). Component units are legally separate entities for which a city is financially accountable. Currently, no entities outside the primary government meet the definition of a component unit of the City and so none are presented in this report.

The annual budget is the foundation for the City's planning and control of its finances. All City departments must submit annual budget requests to the City Manager. These requests are the starting point for developing the proposed budget. The City Manager presents the proposed budget to the City Commission for review in July through September of each year. The City Commission is required by law to hold public hearings on the proposed budget and to adopt a final budget no later than September 30<sup>th</sup> of each year, the close of the City's fiscal year. The adopted budget is presented by fund and department. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the department level, except for major capital projects budgeted in the Capital Projects funds, which are controlled at the project level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.



**Local Economy and Economic Development**

The City’s population is estimated at 94,953 for 2021, an increase of about 1.4% over the prior year. Deltona’s population has increased every year since 2011; as the number of residents grows, so does commercial interest.

The year 2021 brought Deltona

**Streets and Roads**

Deltona’s increased population growth has necessitated many road and traffic projects, such as:

- Annual repaving and maintenance of City roads and sidewalks;
- Beautification of green spaces in City medians and interchanges;
- Intersection improvements citywide;
- Continued planning by the Southwest Deltona Community Redevelopment Agency (CRA) to add commercial sewer lines, safety improvements, and ADA improvements in the CRA area; and
- Collaboration with the Volusia County Transportation Planning Organization (TPO) on multiple projects, including the completion of the paved shoulders on Elkcam Boulevard, sidewalks, embedded lights in various intersections, and the Providence Trail.

**Parks and Recreation**

Deltona takes great pride in its outstanding recreational facilities available to residents. The 2020/2021 fiscal year included the following improvements:

- Installation of fitness center equipment at Wes Crile Park.
- Continued progress on three ecotourism parks, funds were carried forward to FY2022 to complete the projects;

- Outdoor lighting at Festival area basketball courts were in progress at yearend and funds were carried over to FY2022 to complete the project; and
- Installation of sidewalks at Lake Monroe boat ramp.

**Public Safety**

Efforts to improve quality of services to residents as well as safety and efficiency for first responders included:

- Replacement of MSA SCBA units that are placed in the engine cab to reduce toxins and hazardous substances after a fire, as part of the ongoing Cancer Prevention initiative, and
- Replacements of all Cardiac Monitors that have reached the end of their useful life.

**Utility System**

Deltona Water, the City’s water and wastewater utility, operates as an entity separate from general City activities. Its principal revenues come from user charges for water and wastewater services. The following projects are in various stages of progress:

- Work continues on the Lake Monroe reclaimed water system improvements, Phases 4a has been completed and 4b is in process;
- Additional reclaimed water system improvements for Saxon Ridge,
- Continuing upgrade of the Utility’s Supervisory Control and Data Acquisition (SCADA) system;
- Plans to move forward for “smart” water meters to enhance accuracy and give early warning of excess usage; and
- Increase the amount of infrastructure replaced through renewal and replacement.

The greatest challenge facing the utility, by far, is developing a water supply and source strategy in connection with a capital plan that will enable the City to meet upcoming regulatory requirements. This process is ongoing.

***The Center at Deltona***

The Center at Deltona (The Center), open to the public since December 2017, serves Deltona’s seniors and also hosts special events. During the 2020/21 fiscal year the Center updated/refreshed the Facebook page with professional photos and galleries for room layouts. New policies and procedures for training staff to ensure five-star service to all guests.

The Center closed for several months due to COVID-19. It reopened in late 2020 and has resumed comedy shows and brunches. The Council on Aging’s daytime senior activities program has resumed and it providing meals and activities to seniors.

***Financial Outlook and Challenges***

The City’s conservative approach to budgeting and spending has resulted in a healthy fund balance. The Commission has also set aside reserves designed to keep the City prepared for both emergencies and grant funding opportunities. As of September 30, 2021, these were:

- Natural Disaster – \$8.6 million
- Operating Reserve – \$7.2 million
- Economic Development – \$525,600
- Grants Match – \$378,500

The Fitch Ratings have affirmed the Transportation and Capital Improvement Revenue Bond rating at AA, Outlook Stable in October 2021.

Although Deltona enjoys brisk population growth, promising commercial interest, and increasing property values, it is a challenge to maintain quality service delivery to more

people, especially with lean staffing, tight budgets, and limited revenue diversity. Property taxes – with statutory caps on both millage and underlying property values – remain the City’s largest revenue source.

The City’s utility, Deltona Water, faces even greater challenges as it prepares for a changing regulatory landscape while implementing new technology to improve its services.

The City continually seeks opportunities to diversify revenue and enhance financial stability. Examples include:

- The Community Development Block Grant (CDBG) offered through the U.S. Department of Housing and Urban Development (HUD). The Neighborhood Stabilization Programs (NSP) completed the rehabilitation and sold its last home in FY2021;
- The State Housing Initiatives Partnership (SHIP) through the State of Florida that funds for home repair and down payment assistance; and low-interest State Revolving Fund (SRF) loans through the Florida Department of Environmental Protection to finance water projects;
- Outreach to State lawmakers for specific appropriations, such as embedded lights;
- ECHO grants awarded by Volusia County that fund ecological and recreational projects; and aid for road and street projects via cooperation with the Volusia County Transportation Planning Organization (TPO);
- Matching grants through the St. Johns River Water Management District (SJRWMD) to help fund major water utility improvements.
- Regular evaluation of existing charges for services (e.g., building permits and inspections, park facilities) for adequacy;

Letter of Transmittal

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- Continued monitoring and enforcement of franchise fees for commercial solid waste haulers;
- Automatic annual indexing of water/sewer customer charges in pace with the economy;
- Consideration of new fees, such as annual charges to owners of rental properties;
- Consideration of Public/Private partnerships for major projects, such as roads or new facilities.

**Awards and acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Deltona, Florida, for its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2020. The City has received this prestigious award every year since FY 1999/2000.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both generally accepted accounting principles

and applicable legal requirements. Each Certificate is valid for one year.

Staff believes this year's Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and intends to submit it to the GFOA for another Certificate.

The City has submitted the application for the GFOA's Distinguished Budget Presentation Award for its Annual Budget for the fiscal year ending September 30, 2021. In order to qualify for the Distinguished Budget Presentation Award, a budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and Commission should also be commended for their unflinching support of the highest standards of professionalism in the management of the City of Deltona's finances.

Respectfully submitted,

  
John A. Peters III, P.E.  
Acting City Manager

  
Mari Leisen, CPA  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Deltona  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**ORGANIZATIONAL CHART**



***Citizens of Deltona***

**Elected Officials**  
 Heidi K. Herzberg, Mayor  
 Anita Bradford, District 2, Vice Mayor      Loren King, District 1  
 Maritza Avila-Vazquez, District 3      Dana M. McCool, District 4  
 Victor M. Ramos, District 5      Julio D. Sosa, District 6

**Various Appointed Boards & Committees**

**City Clerk’s Office**  
 Joyce Raftery, CMC, City Clerk

**Building & Enforcement Services Department**  
 Ron Parade, Director  
 • *Enforcement Services Division*  
 • *Solid Waste Division*  
 • *Construction Services Division*

**Finance**  
 Mari Leisen, CPA, Director  
 • *Accounting/Payroll*  
 • *Budget & Operational Services*  
 • *Fiscal Services*  
 • *Purchasing*

**Human Resources**  
 Vacant, Director  
 • *Human Resources*  
 • *Risk Management*

**Acting City Manager**  
 John A. Peters, III

**Deputy City Manager**  
 Stacey L. Kifolo

**Information Technology**  
 Robert Cordero, Director

**Parks & Recreation**  
 Ryan Reckley, Director  
 • *Facilities Maintenance*  
 • *LEC/Amphitheatre Scheduling*  
 • *Community/Special Events*

**Public Works**  
 Steven Danskine, Acting Director  
 • *Utilities*  
 • *Engineering*  
 • *Field Operations*  
 • *Fleet Maintenance*  
 • *Stormwater*  
 • *Traffic Operations*  
 • *Water & Wastewater Operations*  
 • *Eastern Wastewater Treatment Plant*

**City Attorney**  
 Fowler, O’Quinn, Feeney & Sneed Law Firm

**Fire / Rescue Department**  
 Frank “Bill” Snyder, Fire Chief  
 • *Operations/Combat*  
 • *Emergency Management/ Administration*  
 • *Fire Loss Management*

**Law Enforcement**  
 Captain Louis Marino  
 District Commander  
*Contracted services with Volusia County Sheriff’s Office*

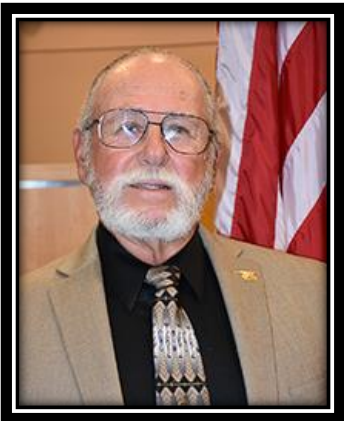
**Community & Development Services**  
 Ron Paradise, Director  
 • *Economic Development*  
 • *Short Range Planning*  
 • *Long Range Planning*  
 • *Community Development*

**The Center at Deltona**  
 Joseph Hearn  
 Contracted Facility Administrator

Elected Officials  
As of September 30, 2021



Heidi Herzberg  
Mayor



Loren King  
District 1



Anita Bradford  
Vice Mayor  
District 2



Maritza Avila-Vazquez  
District 3



Dana McCool  
District 4



Victor M Ramos  
District 5



Julio D. Sosa  
District 6

**CITY OF DELTONA, FLORIDA**

**OTHER OFFICIALS  
As of September 30, 2021**

Acting City Manager -----John A. Peters, III  
Deputy City Manager-----Stacey L. Kifolo  
Acting Public Works Director-----Steven Danskine, PE  
City Attorney -----Fowler, O’Quinn,  
Feeney & Sneed, P.A.  
Information Technology Director-----Robert Cordero  
City Clerk -----Joyce Raftery  
Finance Director -----Mari Leisen, CPA  
Human Resources Director -----Vacant  
Community and Development Services Director -----Ron A. Paradise  
Fire Chief -----Frank “Bill” Snyder  
Parks & Recreation Director -----Ryan Reckley

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deltona, 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 listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

[purvisgray.com](http://purvisgray.com)

Members of American and Florida Institutes of Certified Public Accountants  
An Independent Member of the BDO Alliance USA



Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison information, schedule of changes in other postemployment benefit liability and related ratios, the schedules of changes in the employer's net position liability and related ratios, the schedule of employer contributions and schedule of investments returns, and schedule of proportionate share of net pension liability, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and budgetary schedules, and statistical section, are presented for the purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual non-major fund financial statements, the non-major fund budgetary schedules, and the schedule of expenditures of federal awards 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

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

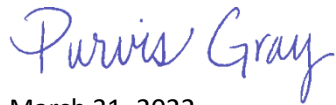
**INDEPENDENT AUDITOR'S REPORT**  
(Concluded)

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the non-major fund budgetary schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



March 31, 2022  
Ocala, Florida

## Management's Discussion and Analysis

As management of the City of Deltona (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider this analysis in conjunction with additional information that has been provided in the letter of transmittal, which can be found on pages i-vi, and the City's financial statements and accompanying notes on pages 19-113.

### COVID-19 Pandemic

As of this writing, COVID-19 cases are declining and the expectation is that mask mandates will be lessening soon. Under the American Rescue Plan of 2021, the City of Deltona received an allocation of \$13.9 million from the United State Treasury for the Coronavirus State and Local Fiscal Recovery Funds. The first installment was received in FY2021 and the second will be received in FY2022. The funds will be used for a water meter replacement project. The new meter system will achieve substantial impacts and benefits for customers and utilities, including reduced costs for metering and billing, more customer control over consumption and improved billing accuracy and leak detection.

### The Economy

As of February 2022, statewide revenue collections are trending higher than last year at this time. The US economy has shown significant growth along with a spike in inflation, 7% year-over-year, much higher than the Federal Reserve's target of 2%. This indicates interest rate hikes may be coming sooner rather than later. The City Commission voted on December 15, 2021 to adopt a resolution to maintain a General Fund Economic Emergency Reserve for fiscal year 2021/2022 and to provide for the

reserve every year in the amount of \$12,000,000. Although, the City of Deltona property values have been trending up in recent years, for our FY 2021/2022 budget, the City used conservative revenue estimates. We routinely monitor actual results, and may amend the budget, with Commission, approval if needed. To date, there has been no indication that the City's major revenue sources will fall significantly short of budget in FY 2021/22.

### Minimum Wage

On November 3, 2020, Florida voters approved a State constitutional amendment to gradually increase the state's minimum wage each year, until reaching \$15.00 per hour in September 2026. All City employee's and firefighter's wages were adjusted to a \$15.00 per hour minimum wage in FY2021/2022, in anticipation of the State mandate. Volusia County and most the neighboring cities in Volusia have moved to the \$15.00 minimum. The City of Deltona Firefighter Collective Bargaining Agreement will expire on September 30, 2022 and union negotiations are underway at the time of this writing.

### American Rescue Plan

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to local governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. The City was awarded \$13.9 million. The City received \$6.9 million in May 2021. The second allocation is expected in FY 21/22.

### Fitch Ratings

In October 2021, Fitch Ratings has affirmed the 'AA' rating on the transportation capital improvement refunding and revenue bonds, series 2016 issued by the city of Deltona, Florida and the city's Issuer Default Rating (IDR) at 'AA', the Rating Outlook is Stable. The IDR of 'AA' reflects the city's high fundamental financial flexibility given robust reserve levels and its significant expenditure flexibility. The city also benefits from a low long-term liability burden and a high independent legal ability to raise revenues.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the at the close of fiscal year 2021 by \$205,863,975 (net position). Of this amount, \$62,447,157 is unrestricted net position.
- The City's total net position increased by \$28,163,830. Of the increase, \$19,224,624 was attributed to governmental activities and \$8,939,206 to business-type activities.
- At September 30, 2021, the City's governmental funds reported combined ending fund balances \$82,231,468, an increase of \$12,885,905 in comparison with the prior year. The amount of unassigned governmental fund balance was \$34,616,368 as of September 30, 2021.
- At September 30, 2021, the general fund balance was \$53,913,346, of this amount \$34,616,368 was unassigned.

### Overview of the Financial Statements

The City's basic financial statements are comprised of (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

### Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* shows how the City's net position changed during the most recent fiscal year. All events that affect net position are reported as they occur, regardless of the timing of related cash flows. As a result, some revenues and expenses reported in this statement will result in cash flows, both positive and negative, in future fiscal periods (e.g., uncollected taxes, pension obligations, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or most costs through user fees and charges (*business-type activities*). Governmental activities of the City include law enforcement and fire/rescue services, stormwater and solid waste management, city planning, code enforcement, street and sidewalk maintenance, recreational activities and general administrative services. The City's water and sewer utility comprise the entirety of its Business-type activities.

The City's government-wide financial statements can be found on pages 19-20 of this report.

***Fund financial statements***

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

***Governmental Funds***

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

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

The City presents financial statements for seventeen individual governmental funds.

Three of these funds are considered to be major funds. Each major fund is presented separately in the governmental funds

Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Non-major governmental funds are presented in combining statements in the Supplemental Information section of this report.

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for all Governmental Funds to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 21-24 of this report.

***Proprietary Funds***

The City maintains one proprietary, or enterprise, fund. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility.

Enterprise fund financial statements provide the same information as the government-wide financial statements but with more detail. The water / sewer utility fund is the City's sole major enterprise fund. The basic enterprise fund financial statements can be found on pages 25-29 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City programs. The accounting methods used for fiduciary funds are similar to that used for proprietary funds. Similarly,

Management's Discussion and Analysis

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GASB does not require the presentation of budgetary comparison statements for fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

**Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information intended to help the reader obtain a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 32-81 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report presents certain Required Supplementary Information concerning the City. This required supplementary information presents combining and individual fund statements and schedules and also provides information regarding the City's pension and other post-employment benefit obligations. The Required Supplementary Information can be found on pages 83-96 of this report.

This report also includes Supplemental Information on the City's non-major funds. Supplemental Information includes combining statements for certain non-major governmental funds presented immediately following the Required Supplementary Information, on pages 97-113 of this report. While this information is not required, it is intended to provide the reader with a complete picture of the governmental unit in its entirety.

**Government-wide Financial Analysis**

As noted earlier, the City's net position is one indicator of a government's financial position over time. At the close of the fiscal year, the

City of Deltona reported assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$205.8 million. This is an increase of 15.85% over the prior year.

By far, the largest portion of the City's net position, at 56.4%, is its Net Investment in Capital Assets, which represents capital assets (e.g., land, improvements, buildings, equipment and infrastructure), less any related debt issued to acquire those capital assets, that is still outstanding. The City uses its capital assets to provide services to its citizens, so these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided for by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The total deferred outflow of resources increased by \$10.6 million or 67.1% from the prior year. Deferred inflows of resources increased by \$8.9 million or 282.3%. The changes are a result of the deferred outflow and deferred inflow actuarial valuation reported by the State of Florida Retirement System (FRS). Deferred outflows and deferred inflows of resources are a portion of changes in net pension liability that are not immediately recognized in pension expense. The changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments. Deferred outflows also include charges incurred as part of debt issuance.

Long-term liabilities increased by \$5.7 million, due to the refunding of the 2013 and 2014 utility revenue bonds and the issuance of the 2021 Taxable Utility System Revenue Bonds.

Management’s Discussion and Analysis

The following table summarizes the components of the City’s Net Position for the current and prior fiscal years:

**City of Deltona’s Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 85,768,749	\$ 73,702,173	\$ 42,150,573	\$ 31,784,239	\$ 127,919,322	\$ 105,486,412
Capital assets, net of depreciation	127,362,384	124,470,879	129,040,823	131,405,672	256,403,207	255,876,551
<b>Total assets</b>	<b>213,131,133</b>	<b>198,173,052</b>	<b>171,191,396</b>	<b>163,189,911</b>	<b>384,322,529</b>	<b>361,362,963</b>
Deferred charges on refunding	27,783	33,631	19,635,320	9,667,921	19,663,103	9,701,552
Deferred amounts related to pension	5,059,462	5,075,445	757,031	1,013,889	5,816,493	6,089,334
Deferred amounts related to OPEB	944,476	119,724	215,424	29,284	1,159,900	149,008
<b>Total deferred outflow of resources</b>	<b>6,031,721</b>	<b>5,228,800</b>	<b>20,607,775</b>	<b>10,711,094</b>	<b>26,639,496</b>	<b>15,939,894</b>
Current and other liabilities	6,225,875	6,413,257	13,799,913	10,250,559	20,025,788	16,663,816
Long-term liabilities	46,637,873	57,364,469	126,309,457	122,403,268	172,947,330	179,767,737
<b>Total liabilities</b>	<b>52,863,748</b>	<b>63,777,726</b>	<b>140,109,370</b>	<b>132,653,827</b>	<b>192,973,118</b>	<b>196,431,553</b>
Deferred Amounts related to pension	10,214,740	3,042,493	1,525,179	84,529	11,739,919	3,127,022
Deferred Amounts related to OPEB	313,859	35,750	71,154	8,387	385,013	44,137
<b>Total deferred inflow of resources</b>	<b>10,528,599</b>	<b>3,078,243</b>	<b>1,596,333</b>	<b>92,916</b>	<b>12,124,932</b>	<b>3,171,159</b>
Net Position						
Net Investment in Capital Assets	94,980,502	93,763,813	21,037,223	17,945,449	116,017,725	111,709,262
Restricted	26,113,093	17,034,381	1,286,000	5,529,066	27,399,093	22,563,447
Unrestricted	34,676,912	25,747,689	27,770,245	17,679,747	62,447,157	43,427,436
<b>Total net position</b>	<b>\$ 155,770,507</b>	<b>\$ 136,545,883</b>	<b>\$ 50,093,468</b>	<b>\$ 41,154,262</b>	<b>\$ 205,863,975</b>	<b>\$ 177,700,145</b>

The City’s total net position includes resources that are restricted in how they may be used; at the end of fiscal year 2020/2021 this portion totaled \$26.1 million, or 12.7%, of total net position. Another \$62.4 million, or 30.3%, of the City’s total net position were considered unrestricted and may be spent at the City’s discretion for any legal purpose. The balances of the City’s net position, restricted assets, and unrestricted assets for both governmental and business-type activities were positive as of September 30, 2021.

**Government-Wide Activities**

Governmental activities resulted in an increase of net position by \$19.2 million or 14.1%, while business-type activities increased net position by \$8.9 million, or 21.7%. The table below compares changes in the City’s net position for the current and prior fiscal year, and is followed by explanations of the largest year-over-year differences.

**City of Deltona’s Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 16,793,916	\$ 15,805,671	\$25,853,712	\$23,748,286	\$ 42,647,628	\$ 39,553,957
Operating grants and contributions	3,505,230	6,004,326	-	-	3,505,230	6,004,326
Capital grants and contributions	9,409,068	3,597,593	2,278,456	2,276,174	11,687,524	5,873,767
General Revenues:						
Property taxes	22,333,526	20,061,820	-	-	22,333,526	20,061,820
Franchise fees	4,347,280	4,225,503	-	-	4,347,280	4,225,503
Other taxes	16,376,370	15,068,926	-	-	16,376,370	15,068,926
State Shared Revenues	3,695,615	3,088,019	-	-	3,695,615	3,088,019
Other	1,549,769	1,517,902	32,010	424,968	1,581,779	1,942,870
<b>Total Revenues</b>	<b>78,010,774</b>	<b>69,369,760</b>	<b>28,164,178</b>	<b>26,449,428</b>	<b>106,174,952</b>	<b>95,819,188</b>
<b>Expenses:</b>						
Governmental Activities:						
General government	13,302,302	12,291,428	-	-	13,302,302	12,291,428
Public safety	22,695,563	25,318,259	-	-	22,695,563	25,318,259
Highways and streets	3,594,963	4,753,089	-	-	3,594,963	4,753,089
Culture & recreation	4,822,599	4,347,312	-	-	4,822,599	4,347,312
Economic environment	1,340,566	1,098,328	-	-	1,340,566	1,098,328
Physical environment	11,803,473	11,939,299	-	-	11,803,473	11,939,299
Interest on long-term debt	1,226,684	1,277,657	-	-	1,226,684	1,277,657
Business-type Activities:						
Water and sewer	-	-	19,224,971	23,191,521	19,224,971	23,191,521
<b>Total Expenses</b>	<b>58,786,150</b>	<b>61,025,372</b>	<b>19,224,971</b>	<b>23,191,521</b>	<b>78,011,121</b>	<b>84,216,893</b>
Excess (deficiency) of revenues over (under) expenses	19,224,624	8,344,388	8,939,206	3,257,907	28,163,830	11,602,295
<b>Other Financing Sources (Uses)</b>						
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	19,224,624	8,344,388	8,939,206	3,257,907	28,163,830	11,602,295
Net Position-beginning of year	136,545,883	128,201,495	41,154,262	37,896,355	177,700,145	166,097,850
Net Position-end of year	\$155,770,507	\$136,545,883	\$50,093,468	\$41,154,262	\$205,863,975	\$177,700,145

**Revenues**

**Program Revenues**

Program Revenues increased in total by approximately \$6.4 million over the prior fiscal year, including an increase of \$4.3 million for governmental activities and an increase of \$2.1 million for business-type activities.

**Governmental Activities**

- Charges for services in governmental activities increased by \$988,245, or 6.3%, over the prior year, reflecting increases in permitting and inspection fees related to construction and

increases in the non-ad valorem assessment for solid waste collections.

- Operating grants and contributions received by the City for governmental activities decreased by \$2.5 million, or 41.6%, over the prior year, comprised of the difference between one-time disbursements from CARES Act revenues received in FY 2019/20.
- Capital grants and contributions related to governmental activities increased by \$5.8 million in FY 2020/2021 due to an increase in road improvements contributed by developers and state and local grant funding.



Management’s Discussion and Analysis

**General revenues**

The City’s General revenues increased approximately \$4.3 million, or 10.2%, in total over the prior year, all of it from governmental activities.

- All major general revenue sources increased over the prior year. Although the property tax millage rate levied for FY 2020/2021 was unchanged from the prior year, increased property values resulted in \$2.3 million additional ad valorem receipts over the prior year. State Revenue Sharing proceeds increased by \$608,000, Franchise Fees increased by \$122,000 and other taxes, including Public Service Taxes increased by \$1,307,000 from FY 2020.

departments made cuts to their budgets in anticipation of revenue shortfalls due to COVID 19. The largest changes were:

- Public Safety expenses decreased by \$2.6 million, or 10.4%, due to a change in the current actuarial pension liability as a result of the increased investment earnings. The contract with Volusia County for law enforcement services increased modestly from the prior year.
- Highways and Streets expenses decreased by \$1,158,000, or 24.4%, due to a decrease in depreciation expense. a reduction in capital expenditures and departmental reductions in operating expenses.
- General Government expenses increased by \$1,000,000 or 8.2%. The increase is attributed to an increase in depreciation expense and \$670,000 for City Hall HVAC equipment repair.

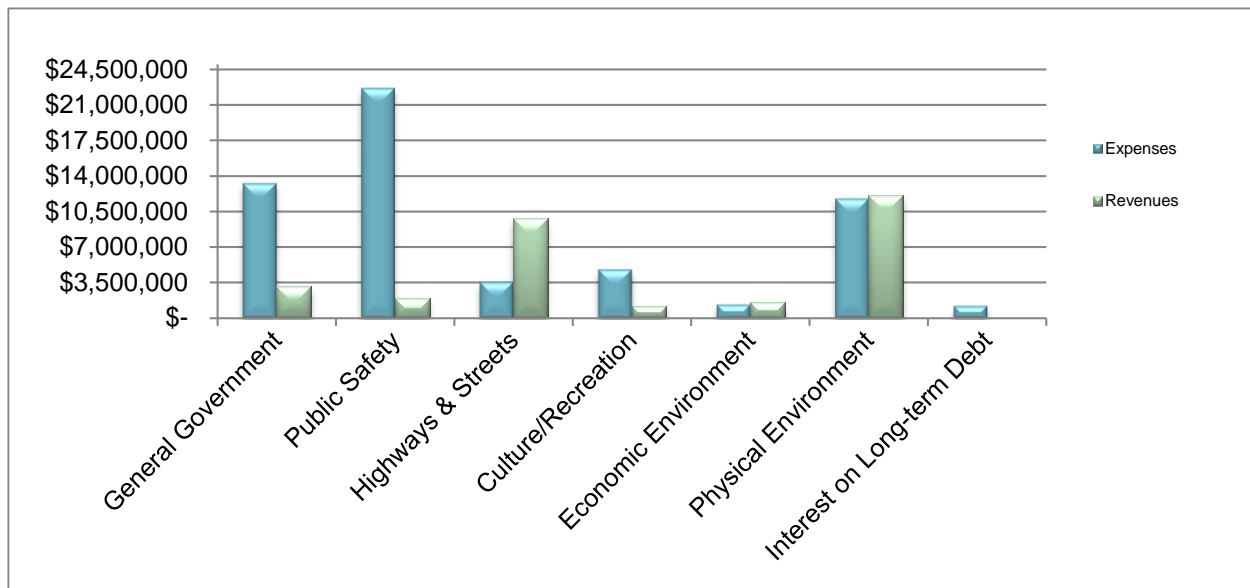
**Expenses**

**Governmental Activities**

Governmental Activities expenses decreased in total by \$2.2 million or 3.7%. All

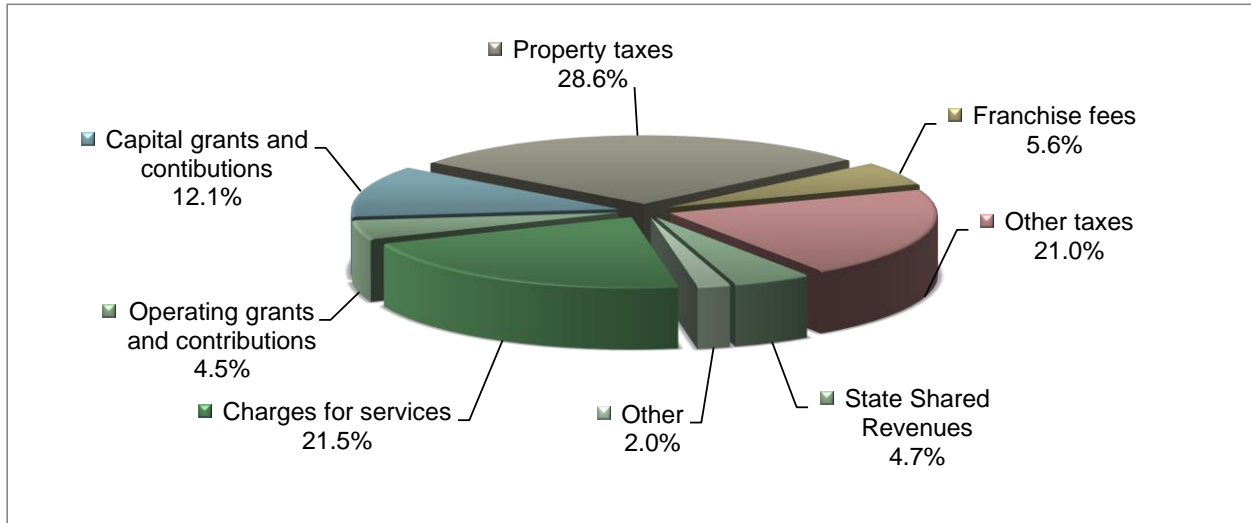
The following graph compares expenses with program revenues for the City’s governmental activities:

**Expenses and Program Revenues – Governmental Activities**



The following chart shows the composition of revenues for the City’s governmental activities.

**Revenues by Source – Governmental Activities**



**Business-type Activities**

Business-type activities’ net position increased \$8.93 million in the 2020/2021 year. Included in this change were:

- Charges for Services increased by \$2.1 million or 8.9%, due to annual increases in water/sewer rates, increased residential consumption during COVID-19 stay-at-home orders and new construction.
- Capital Grants and Contributions decreased by \$2,300, due to an impact fees resulting from new

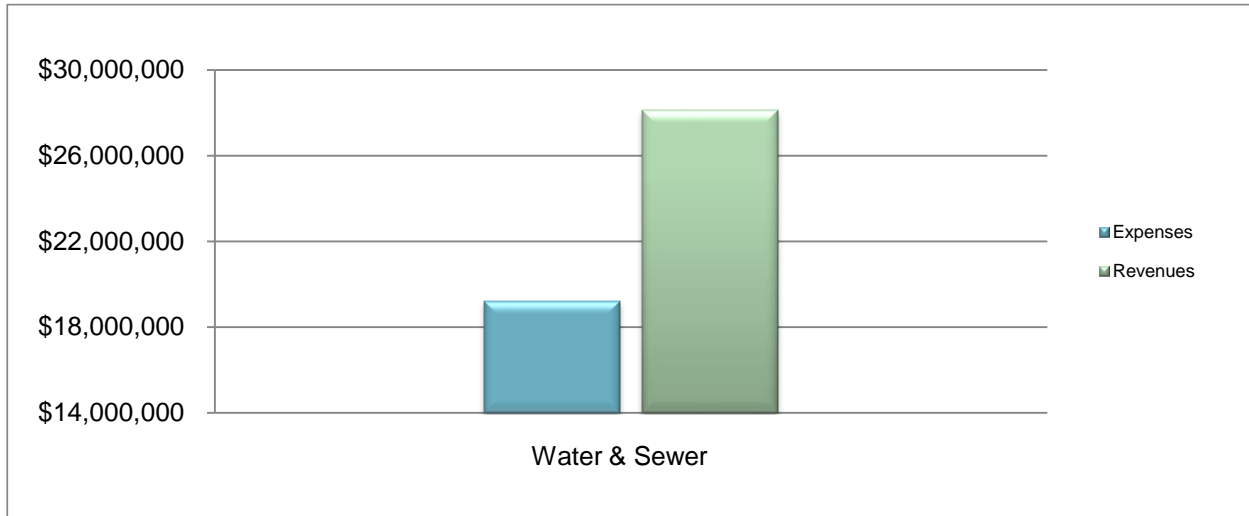
construction and project funding from St Johns Water Management District.

- Business-type expenses decreased by \$3.9 million, or 17.1%, due to all departmental budget cuts in anticipation of revenue shortfalls in response to the COVID19 pandemic. Personal service costs were down due to vacancies. Debt service costs decreased in response to the bond refinancing and depreciation expenses trended down.

Management’s Discussion and Analysis

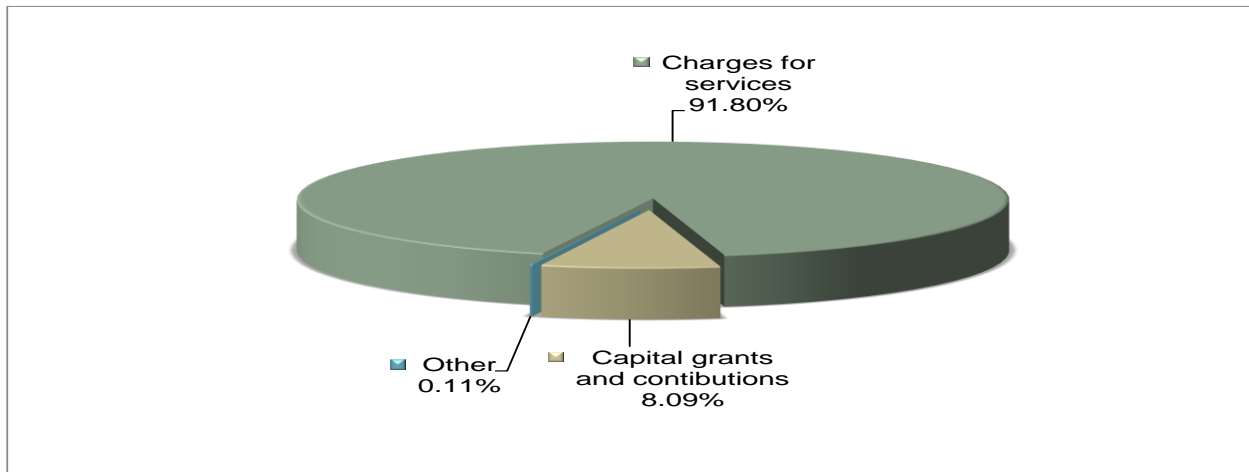
The following chart compares expenses with program revenues for the City’s business-type activities:

**Expenses and Program Revenues – Business-type Activities**



The following graph shows the composition of revenues for the City’s business-type activities:

**Revenues by Source – Business-type Activities**



**Financial Analysis of the City’s Funds**

**Governmental Funds**

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. In contrast to the government-wide financial statements discussed in the previous paragraphs, the focus of the City’s

*governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information is useful in assessing the City’s short-term financing capabilities and operational requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City’s net resources available for spending on any

Management's Discussion and Analysis

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legal public purpose at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$82.2 million, an increase of \$12.8 million, or 19% from the prior year. Approximately 42.1% of this amount, or \$34.6 million, constitutes *unassigned fund balance*, which is entirely in the City's General Fund and is available for spending at the City's discretion for any legal purpose. This unassigned portion of the fund balance increased by \$10.2 million over the prior year, due primarily to the pandemic; vacant staff positions and discretionary spending was restricted to preserve liquidity, and the cancellation of City events, work-related travel, and postponement of contracted services.

The City Commission maintains several fund balance reserves designed to ensure preparedness for unexpected hazards or opportunities. These are:

- Operating reserve of two (2) months of General Fund annual operating expenditures, totaling \$7,238,000 at September 30, 2021;
- Natural Disaster Reserve, initially established at \$6,000,000, was increased to \$8,000,000 by the Commission in 2018, with indexed increases authorized for each year thereafter. At September 30, 2021 the reserve is \$8,645,000.
- Economic Development and Infrastructure Incentive reserve with a combined total of \$525,600 as of September 30, 2021; and
- Grants Match reserve of \$378,500 as of September 30, 2021.

The use of any of these funds must be approved by the City Commission and must be consistent with the purposes for which they were established. One-time reserves decrease over time as they are used for their intended purposes.

The components of fund balance for all Governmental funds (not just the General Fund) as reported in accordance with GASB Statement No. 54, are as follows: \$22,759 is *non-spendable*, \$26.1 million is *restricted*, \$1.8 million is *committed*, \$19.6 million is *assigned*, and \$34.6 million is *unassigned*.

The General Fund is the City's major operating fund. At the end of the current fiscal year, the fund balance of the General Fund was \$53.9 million, of which \$34.6 million was unassigned. Overall, a larger fund balance, particularly a larger unassigned fund balance, reflects better financial health and stability. 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. The General Fund's total fund balances represent 133.3% of total General Fund expenditures. The General Fund's unassigned fund balance represents 86% of total General Fund expenditures. The total fund balance of the City's General Fund increased by approximately \$11.6 million or 27.4%, during the current fiscal year. The key contributing factors were:

- Vacant staff positions, and restricted discretionary spending across all departments due to COVID pandemic;
- Approximately \$1,000,000 fewer capital projects completed in Culture and Recreation FY 2020/21, including two ECHO park projects, the Festival Park and the Sports Complex, which were carried over to FY2022 and;
- Revenues received from ad valorem, public services taxes, and charges for

services were \$4.5 million higher than budgeted due to the uncertainty of the COVID19 pandemic.

**Solid Waste Fund**

The City's Solid Waste fund balance increased by \$229,000 in the current year. The solid waste assessment did not change, but the continuing influx of residents increases assessment revenues.

The City adopted a commercial solid waste franchise fee in FY2019/2020. Revenues increased by \$223,000 in FY2021. Solid waste volume (and disposal costs) increased during the COVID-19 stay-at-home orders as residents took the opportunity to clear out household clutter. The City's recycling program remains suspended.

**Transportation Fund**

The Transportation fund balance increased \$48,700, or just .2%, over the prior year, revenues and expenditures were both up over the prior year, with grant funding helping to offset the pandemic-driven decline in local option gas taxes.

**Proprietary Funds**

The net position of the City's Water and Sewer Utility Fund increased \$8.9 million, or 21.7%, in fiscal year 2021. Charges for Services were up about \$2.1 million, or 8.9%, over the prior year, due to new residents, annual rate increases, and increased household usage during the pandemic stay-at-home orders. The City of Deltona received an allocation of \$13.9 million from the United State Treasury for the Coronavirus State and Local Fiscal Recovery Funds. The first installment was received in FY2021 and the second is expected to be received in FY2022.

**General Fund Final Budgetary Highlights**

The City adopts an annual budget for all governmental funds, and typically amend those budgets during the fiscal year as needed. A comparison of the General Fund's budget vs. the actual results of operations appears as part of the Required Supplementary Information in this report. Highlights of that comparison include:

- General Fund actual revenues exceeded budget by \$4.3 million with the largest increase in ad valorem tax revenue of \$2.3 million and \$1.3 in public service tax, charges for service and other revenues, driven primarily by building permits and inspections as the housing market continues to thrive.
- General Fund operating expenditures ended the fiscal year \$2.2 million under budget, due to position vacancies and spending restrictions and cancelled events and activities, all of it due to COVID-19.
- Capital outlay expenditures were under budget by approximately \$1,000,000 due to fewer Culture Recreation projects carried over to FY2022.

**Capital Asset and Debt Administration**

**Capital Assets**

The City's total investment in capital assets for its governmental and business-type activities as of September 30, 2021 was \$256.2 million (net of accumulated depreciation). These assets include land, construction-in-progress, buildings and improvements, machinery and equipment, and infrastructure (roads, right-of-ways, stormwater and water and wastewater utility). The total increase (additions less retirements and depreciation) in the City's investment in capital assets was \$600,000;

Management’s Discussion and Analysis

an increase of less than 1%. Further information on capital assets is presented in the Notes to the Financial Statements on pages 49-50 of this report.

**City of Deltona’s Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,259,212	\$ 14,236,935	\$ 3,150,692	\$ 3,150,693	\$ 17,409,904	\$ 17,387,628
Infrastructure Right of Way	4,372,500	4,372,500	-	-	4,372,500	4,372,500
Construction in Progress	3,425,176	2,830,421	6,560,645	6,897,728	9,985,821	9,728,149
Capitalized Intangibles	279,542	79,880	1,827,472	1,347,925	2,107,014	1,427,805.00
Buildings & Improvements	90,947,969	90,852,267	141,178,781	138,760,594	232,126,750	229,612,861
Machinery & Equipment	31,220,701	30,039,146	38,633,876	37,814,111	69,854,577	67,853,257
Infrastructure	125,127,578	117,123,668	-	-	125,127,578	117,123,668
<b>Total</b>	<b>\$ 269,632,678</b>	<b>\$ 259,534,817</b>	<b>\$ 191,351,466</b>	<b>\$ 187,971,051</b>	<b>\$ 460,984,144</b>	<b>\$ 447,505,868</b>

**Debt Administration**

Outstanding debt balance is a key factor in a city’s overall financial health. Too much outstanding debt is dangerous for the entity, but total avoidance of debt can deprive residents of needed improvements. Responsible borrowing, instead of pay-as-you-go funding, allows projects to proceed in

today’s dollars. Additionally, long-term debt ensures that both current *and* future residents who benefit from financed projects will help pay for them.

A government should not issue long-term debt for operating expenses, or to pay for assets whose useful lives will not meet or exceed the debt repayment schedule.

The following table presents the total principal amount of the City’s outstanding debt obligations:

**City of Deltona Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	31,485,000	32,215,000	98,690,000	90,230,000	130,175,000	122,445,000
Total Bonds	31,485,000	32,215,000	98,690,000	90,230,000	130,175,000	122,445,000
Bank Loan Payable	3,427,967	3,767,714	-	-	3,427,967	3,767,714
FDEP State Revolving Loans	-	-	28,924,016	30,610,068	28,924,016	30,610,068
Total Bonds and Loans	<b>\$ 34,912,967</b>	<b>\$ 35,982,714</b>	<b>\$ 127,614,016</b>	<b>\$ 120,840,068</b>	<b>\$ 162,526,983</b>	<b>\$ 156,822,782</b>

Management’s Discussion and Analysis

In FY2020/2021, the City refunded the 2013 and 2014 Utility System Refunding Revenue Bonds and issued 2021 Taxable Utility System Revenue Bonds. The City has no general obligation debt; all of its debt obligations are secured by designated revenue streams. Additionally, the City maintained debt-to-revenue ratios as required by its bond covenants. Detailed information on the City’s debt obligations is presented on pages 52-58 of this report.

**Economic Factors, Future Budget, and Outlook**

The City’s unemployment rate as of September 30, 2021 was 4.7%, a decrease from the prior year’s 6.7% rate. The economy has shown signs of recovery, with fewer social distancing guidelines at businesses.

The following table presents unemployment rates for the current and two prior fiscal years:

Region	Unemployment Rates as of September 30,		
	2021	2020	2019
Deltona	4.7%	6.7%	3.3%
Deltona-Daytona Beach-Ormond Beach Metro Area	4.3%	5.9%	3.2%
Volusia County	4.3%	5.8%	3.2%
Florida	3.9%	7.2%	3.2%
United States	4.6%	7.5%	3.2%

For FY 2021 the taxable value of the City’s real property, personal property, and centrally assessed property, based on the 2020 tax roll, increased over the previous year by 12%. The City’s population is currently estimated at 94,677, an increase of approximately 1.4% over the prior year.

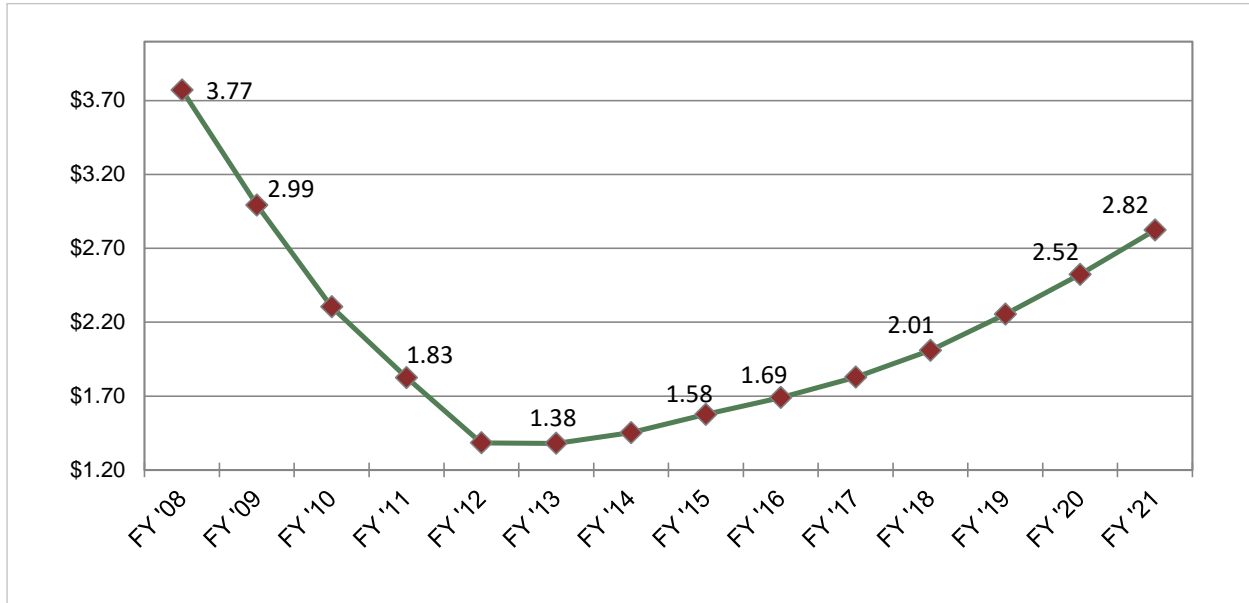
During the FY 2020/2021 budget process, the City Commission left the ad valorem (property) tax millage rate unchanged at 7.85 mills. However, the growth in property values resulted in higher collections than the prior year, underscoring an important principle of property taxation: millage is only one part of the property tax equation, and a higher (or lower) millage rate does not guarantee a higher (or lower) tax bill.

Numerous indications of economic growth are ongoing from the prior year;

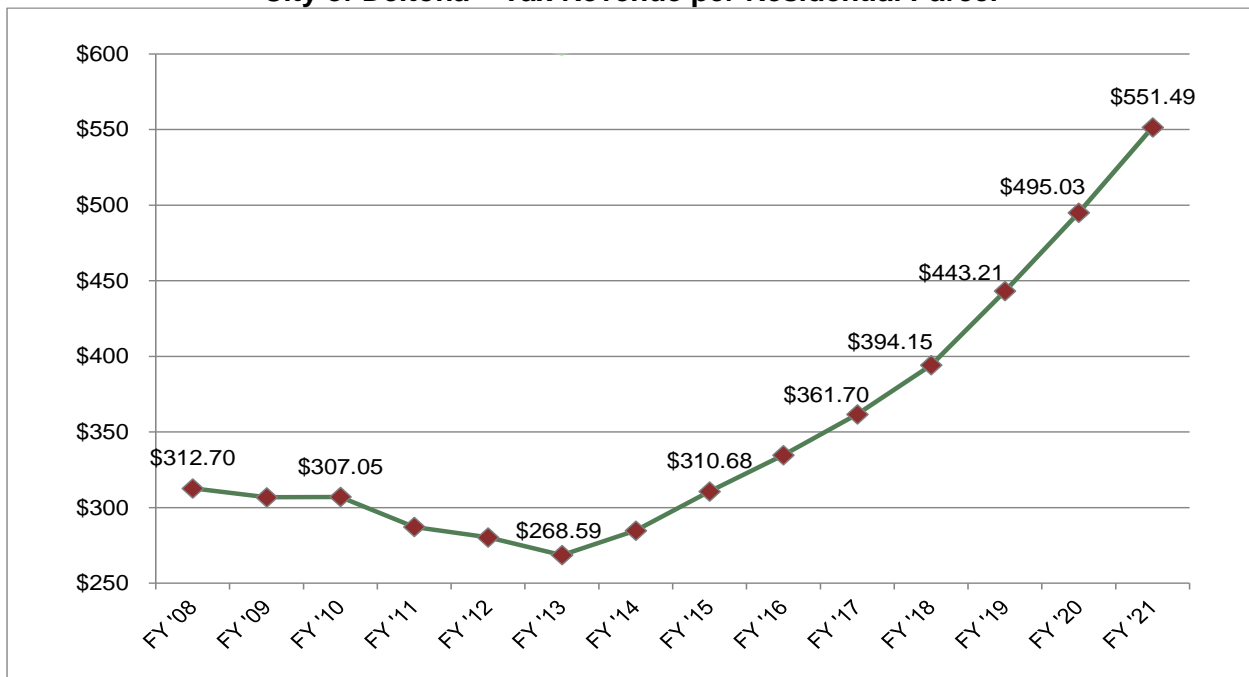
- Commercial development continued, including the completion of the new Amazon Logistics center.

- Plans are underway for additional tenants in Deltona’s Portland Industrial Park, and the City continues to field interest from other potential commercial developers.
- Despite the pandemic, the housing boom continued in Deltona, with the Construction Services department reporting high demand for building permits and inspections.
- Real estate prices have risen over the prior year, the Volusia County Property Appraiser reported an increase in just value for FY2021 of 7.25%.
- Despite these indicators of prosperity, Deltona real property taxable values still lag behind their all-time high in 2008, just before the “Great Recession.” The following charts show the dramatic effects of that downturn, and reveal that recovery is far from complete:

**City of Deltona – Total Real Property Taxable Value**  
(in billions)



**City of Deltona – Tax Revenue per Residential Parcel**



It is important to note that these charts are presented in nominal dollars only. Were they adjusted to reflect inflation and changes in purchasing power over time, they would underscore even further that Deltona has not regained all that was lost to the recession. In its 2021/2022 budget, the Commission adopted a millage rate of 7.85 which was

9.31% more than the rolled back rate of 7.1812 mills, but well below the legal limit of 10.0 mills, and was unchanged for the third consecutive year. City staff once again crafted a budget based on conservative revenue projections and expenditures based on thorough review of trends and departmental needs. As in the past, City staff



Management's Discussion and Analysis

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vigilantly monitor actual results and adjust as needed.

Current and upcoming challenges facing the City include:

- Statutorily imposed caps on property values, millage rates, and certain fees;
- Limited opportunities to diversify revenue, especially for recurring operating expenses;
- Unfunded mandates from State and/or Federal government;
- Demand for technological advances tempered by the availability of funding;
- Demand for services driven by population growth coupled with Deltona's relatively low staffing levels (approximately 4.06 employees per 1,000 residents, excluding contracted law enforcement);
- Succession planning for the 37% of full-time City employees aged 50 and over, including incumbents in senior management positions;

- Maintaining competitiveness in the labor market, even with the \$15 minimum wage in place, the City has been unable to reach full employment;
- Ongoing need for both expansion and maintenance of existing infrastructure, especially water/sewer and streets.

**Requests for Information**

This report is designed to provide a general overview of the City of Deltona, Florida's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725. You can also access the City's website at [www.deltonafl.gov](http://www.deltonafl.gov).

Statement of Net Position  
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 79,617,543	\$ 38,100,301	\$ 117,717,844
Cash with fiscal agent	175,879	-	175,879
Receivables (net)	2,058,063	3,038,571	5,096,634
Due from other governments	3,894,505	60,848	3,955,353
Inventory and prepaids	22,759	950,853	973,612
Total current assets	<u>85,768,749</u>	<u>42,150,573</u>	<u>127,919,322</u>
Noncurrent assets:			
Other assets	-	191,498	191,498
Assets not being depreciated	22,056,888	9,711,337	31,768,225
Assets being depreciated	247,575,790	181,640,129	429,215,919
(Accumulated depreciation)	(142,270,294)	(62,502,141)	(204,772,435)
Total noncurrent assets	<u>127,362,384</u>	<u>129,040,823</u>	<u>256,403,207</u>
Total assets	<u>213,131,133</u>	<u>171,191,396</u>	<u>384,322,529</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred charges on refunding	27,783	19,635,320	19,663,103
Deferred amounts related to pensions	5,059,462	757,031	5,816,493
Deferred amounts related to OPEB	944,476	215,424	1,159,900
Total deferred outflow of resources	<u>6,031,721</u>	<u>20,607,775</u>	<u>26,639,496</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,592,470	1,105,271	2,697,741
Accrued liabilities	1,085,165	1,268,633	2,353,798
Contracts/retainage payable	87,871	24,918	112,789
Deposits	62,249	949,650	1,011,899
Unearned revenue	781,044	6,986,097	7,767,141
Due within one year	2,627,885	3,465,344	6,082,420
Total current liabilities	<u>6,236,684</u>	<u>13,799,913</u>	<u>20,025,788</u>
Noncurrent liabilities:			
Due in more than one year	46,627,064	126,309,457	172,947,330
Total noncurrent liabilities	<u>46,627,064</u>	<u>126,309,457</u>	<u>172,947,330</u>
Total liabilities	<u>52,863,748</u>	<u>140,109,370</u>	<u>192,973,118</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	10,214,740	1,525,179	11,739,919
Deferred amounts related to OPEB	313,859	71,154	385,013
Total noncurrent liabilities	<u>10,528,599</u>	<u>1,596,333</u>	<u>12,124,932</u>
<b>NET POSITION</b>			
Net investment in capital assets	94,980,502	21,037,223	116,017,725
Restricted for:			
Culture and recreation	1,417,538	-	1,417,538
Physical environment	6,174,482	-	6,174,482
Public safety	340,742	-	340,742
Renewal and replacement	-	1,286,000	1,286,000
Road and street expenses	18,180,331	-	18,180,331
Unrestricted	34,676,912	27,770,245	62,447,157
Total net position	<u>\$ 155,770,507</u>	<u>\$ 50,093,468</u>	<u>\$ 205,863,975</u>

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

Statement of Activities  
For the Fiscal Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$13,302,302	\$ 3,092,212	\$ -	\$ -	\$ (10,210,090)	\$ -	\$ (10,210,090)
Public Safety	22,695,563	1,066,357	602,834	255,617	(20,770,755)	-	(20,770,755)
Highways and streets	3,594,963	272,032	1,229,809	8,322,379	6,229,257	-	6,229,257
Culture and recreation	4,822,599	342,500	-	831,072	(3,649,027)	-	(3,649,027)
Economic environment	1,340,566	-	1,561,625	-	221,059	-	221,059
Physical environment	11,803,473	12,020,815	110,962	-	328,304	-	328,304
Interest on long-term debt	1,226,684	-	-	-	(1,226,684)	-	(1,226,684)
Total governmental activities	<u>58,786,150</u>	<u>16,793,916</u>	<u>3,505,230</u>	<u>9,409,068</u>	<u>(29,077,936)</u>	<u>-</u>	<u>(29,077,936)</u>
Business-type activities:							
Water and Sewer Utility Fund	19,224,971	25,853,712	-	2,278,456	-	8,907,196	8,907,196
Total business-type activities	<u>19,224,971</u>	<u>25,853,712</u>	<u>-</u>	<u>2,278,456</u>	<u>-</u>	<u>8,907,196</u>	<u>8,907,196</u>
Total primary government	<u>\$78,011,121</u>	<u>\$ 42,647,628</u>	<u>\$ 3,505,230</u>	<u>\$ 11,687,524</u>	<u>\$ (29,077,936)</u>	<u>\$ 8,907,196</u>	<u>\$ (20,170,740)</u>
General Revenues:							
Taxes:							
Property taxes					22,333,526	-	22,333,526
Franchise fees					4,347,280	-	4,347,280
Public service tax					8,073,033	-	8,073,033
Sales tax					5,918,048	-	5,918,048
Local option gas taxes					2,385,289	-	2,385,289
State shared revenues - non program specific					3,695,615	-	3,695,615
Investment income:							
Interest earnings (loss)					83,917	(15,665)	68,252
Miscellaneous					1,465,852	47,675	1,513,527
Total general revenues, special items, and transfers					<u>48,302,560</u>	<u>32,010</u>	<u>48,334,570</u>
Change in net position					19,224,624	8,939,206	28,163,830
Net position - beginning					136,545,883	41,154,262	177,700,145
Net position - ending					<u>\$ 155,770,507</u>	<u>\$ 50,093,468</u>	<u>\$ 205,863,975</u>

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

Balance Sheet  
Governmental Funds  
September 30, 2021

	General Fund	Solid Waste Fund	Transportation Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 50,490,262	\$ 1,712,517	\$ 16,874,361	\$ 10,540,401	\$ 79,617,541
Cash with fiscal agent	68,582	-	107,297	-	175,879
Receivables (net of allowance for uncollectibles)	2,058,063	-	-	-	2,058,063
Due from other funds	417,149	-	-	-	417,149
Due from other governments	2,414,190	-	899,710	580,605	3,894,505
Inventory and prepaid items	22,759	-	-	-	22,759
Total assets	<u>55,471,005</u>	<u>1,712,517</u>	<u>17,881,368</u>	<u>11,121,006</u>	<u>86,185,896</u>
<b>LIABILITIES</b>					
Accounts payable	518,807	550,962	346,765	175,936	1,592,470
Accrued liabilities	976,603	1,041	2,459	33,541	1,013,644
Retainage payable	-	-	87,871	-	87,871
Due to other funds	-	-	-	417,149	417,149
Unearned revenues	-	-	-	781,045	781,045
Deposits	62,249	-	-	-	62,249
Total liabilities	<u>1,557,659</u>	<u>552,003</u>	<u>437,095</u>	<u>1,407,671</u>	<u>3,954,428</u>
<b>FUND BALANCES</b>					
<b>Non-spendable:</b>					
Inventory and prepaid items	22,759	-	-	-	22,759
Total non-spendable fund balance	<u>22,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,759</u>
<b>Restricted:</b>					
Public safety	-	-	-	340,742	340,742
Highways and streets	-	-	17,444,273	736,058	18,180,331
Culture and recreation	-	-	-	1,417,538	1,417,538
Physical environment	-	1,160,514	-	5,013,968	6,174,482
Total restricted fund balance	<u>-</u>	<u>1,160,514</u>	<u>17,444,273</u>	<u>7,508,306</u>	<u>26,113,093</u>
<b>Committed:</b>					
Culture and recreation	-	-	-	855,921	855,921
Physical environment	20,216	-	-	961,171	981,387
Total committed fund balance	<u>20,216</u>	<u>-</u>	<u>-</u>	<u>1,817,092</u>	<u>1,837,308</u>
<b>Assigned:</b>					
Natural disasters	8,645,000	-	-	-	8,645,000
Operating reserve	7,238,000	-	-	-	7,238,000
Economic development	525,600	-	-	-	525,600
Grant match reserve	378,500	-	-	-	378,500
Capital outlay/projects	2,466,903	-	-	387,937	2,854,840
Total assigned fund balance	<u>19,254,003</u>	<u>-</u>	<u>-</u>	<u>387,937</u>	<u>19,641,940</u>
<b>Unassigned:</b>					
Unallocated	34,616,368	-	-	-	34,616,368
Total fund balances	<u>53,913,346</u>	<u>1,160,514</u>	<u>17,444,273</u>	<u>9,713,335</u>	<u>82,231,468</u>
Total liabilities and fund balances	<u>\$ 55,471,005</u>	<u>\$ 1,712,517</u>	<u>\$ 17,881,368</u>	<u>\$ 11,121,006</u>	<u>\$ 86,185,896</u>

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

Reconciliation of the Balance Sheet of Governmental Funds

Reconciliation of Balance Sheet  
To the Statement of Net Position  
September 30, 2021

Fund balances of Governmental Funds		\$ 82,231,468
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the Governmental Funds:		
Cost of capital assets	269,632,678	
Accumulated depreciation	<u>(142,270,294)</u>	127,362,384
Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Bonds and loans payable	(34,912,965)	
Accrued interest Stormwater loan	(71,520)	
Premium on bonds payable	(1,895,614)	
Deferred revenue - Debt Service Deposit Agreement	<u>(83,434)</u>	(36,963,533)
Certain liabilities related to employee benefits are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Compensated absences	(2,859,267)	
Other post employment benefits liability	(1,761,622)	
Net pension liability	<u>(7,742,045)</u>	(12,362,934)
The difference between the reacquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in the Governmental Funds.		
		27,783
Deferred inflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds:		
Deferred inflows related to pensions	(10,214,740)	
Deferred inflows related to other post-employment benefits	<u>(313,859)</u>	(10,528,599)
Deferred outflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds:		
Deferred outflows related to pensions	5,059,462	
Deferred inflows related to other post-employment benefits	<u>944,476</u>	<u>6,003,938</u>
Net position of governmental activities		<u><u>\$ 155,770,507</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Fiscal Year Ended September 30, 2021

	General Fund	Solid Waste Fund	Transportation Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 22,166,767	\$ -	\$ -	\$ 166,759	\$ 22,333,526
Franchise fees	4,347,280	-	-	-	4,347,280
Public service tax	8,073,033	-	-	-	8,073,033
State revenue sharing	4,813,245	-	-	-	4,813,245
Intergovernmental	6,556,060	-	3,536,026	1,771,139	11,863,225
Charges for services	4,623,584	6,987,775	262,517	5,184,120	17,057,996
Fines and forfeitures	187,830	-	-	-	187,830
Impact fees	-	-	-	1,411,501	1,411,501
Interest income	53,537	6,241	10,952	13,185	83,915
Miscellaneous	1,143,463	17,825	-	123,757	1,285,045
Total revenues	<u>51,964,799</u>	<u>7,011,841</u>	<u>3,809,495</u>	<u>8,670,461</u>	<u>71,456,596</u>
<b>EXPENDITURES</b>					
Operating:					
General government	9,545,988	-	-	143,711	9,689,699
Public safety	23,927,309	-	-	-	23,927,309
Highways and streets	2,214,696	-	146,684	148,368	2,509,748
Culture and recreation	3,368,906	-	-	-	3,368,906
Economic environment	-	-	-	1,113,066	1,113,066
Physical environment	-	6,782,347	-	2,936,122	9,718,469
Debt service:					
Interest	246,506	-	885,163	188,762	1,320,431
Principal retirement	160,000	-	570,000	339,747	1,069,747
Capital outlay:					
General government	110,727	-	-	761,288	872,015
Public safety	616,912	-	-	75,832	692,744
Highways and streets	42,439	-	2,764,335	3,000	2,809,774
Culture and recreation	176,393	-	-	542,806	719,199
Economic environment	-	-	-	2,500	2,500
Physical environment	22,276	-	-	734,808	757,084
Total expenditures	<u>40,432,152</u>	<u>6,782,347</u>	<u>4,366,182</u>	<u>6,990,010</u>	<u>58,570,691</u>
Excess (deficiency) of revenues over expenditures	<u>11,532,647</u>	<u>229,494</u>	<u>(556,687)</u>	<u>1,680,451</u>	<u>12,885,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer(s) in	480,000	-	508,010	482,200	1,470,210
Transfer(s) out	(422,200)	-	-	(1,048,010)	(1,470,210)
Total other financing source (uses)	<u>57,800</u>	<u>-</u>	<u>508,010</u>	<u>(565,810)</u>	<u>-</u>
Net change in fund balances	11,590,447	229,494	(48,677)	1,114,641	12,885,905
Fund balances - beginning	42,322,899	931,020	17,492,950	8,598,694	69,345,563
Fund balances - ending	<u>\$ 53,913,346</u>	<u>\$ 1,160,514</u>	<u>\$ 17,444,273</u>	<u>\$ 9,713,335</u>	<u>\$ 82,231,468</u>

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

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended September 30, 2021

Net change in fund balances of Governmental Funds		\$ 12,885,905
Amounts reported for governmental activities in the <u>Statement of Activities</u> are different because:		
Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Bonds and loans payable	1,069,747	
Accrued interest Stormwater loan	1,240	
Premium on bonds payable	75,825	
Bond and loan issue costs	16,682	1,163,494
Certain revenues and expenditures are not recognized and/or payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Compensated absences	(278,850)	
Other post employment benefits liability	(101,811)	
Net pension liability	2,889,381	2,508,720
Governmental Funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated (expensed) over their useful lives. This is the amount by which depreciation exceeded expenditures in the current period.		
Capital asset purchases	4,012,817	
Capital asset transfers and disposals	(12,307)	
Less: depreciation expense	(7,663,186)	(3,662,676)
Payments for the purchase of housing through certain grants are recorded as expenditures in the Governmental Funds. In the Statement of Net Position, however, these costs are added to inventory and expensed only when the houses are sold. This is the amount by which inventory of grant-funded houses decreased during the fiscal year. This was the last remaining NSP home sold.		
	(225,000)	(225,000)
Donated/contributions of capital assets increase net position on the Statement of Activities but do not appear in the governmental funds because they are not financial resources.		
Developer contributions of assets	6,554,181	6,554,181
Change in net position of governmental activities		\$ 19,224,624

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

Statement of Net Position  
Proprietary Fund  
September 30, 2021

	Business-Type Activities Water and Sewer Utility Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 32,669,999
Restricted assets available for current liabilities	3,663,280
Receivables (net of allowance for uncollectibles)	3,038,571
Due from other governments	60,848
Inventory	950,853
Total current assets	<u>40,383,551</u>
Noncurrent assets:	
Restricted assets	
Sinking fund - State Revolving Fund Loan	609,647
Sinking fund - Revenue bonds payable	2,585,005
Renewal and replacement account	1,286,000
Customer deposits	949,650
Less: current portion	(3,663,280)
Total restricted assets	<u>1,767,022</u>
Capital assets	
Capitalized intangible	1,827,472
Improvements other than buildings	129,392,183
Land	3,150,692
Buildings	11,786,598
Equipment	38,633,876
Construction in progress	6,560,645
(Accumulated depreciation)	(62,502,141)
Total capital assets - cost less depreciation	<u>128,849,325</u>
Prepaid bond insurance	191,498
Total noncurrent assets	<u>130,807,845</u>
Total assets	<u>\$ 171,191,396</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred charges on refunding	19,635,320
Deferred amounts related to pensions	757,031
Deferred amounts related to OPEB	215,424
Total deferred outflow of resources	<u>20,607,775</u>
Total assets and deferred outflow of resources	<u>\$ 191,799,171</u>

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



Statement of Net Position  
 Proprietary Fund  
 September 30, 2021  
 (Continued)

	Business-Type Activities Water and Sewer Utility Fund
<b>LIABILITIES</b>	
Current liabilities payable from current assets:	
Accounts and retainages payable	\$ 1,130,270
Accrued expenses	94,922
Unearned revenue	6,986,097
FDEP State Revolving Fund loan - current portion	1,712,155
Long term liabilities - current portion	213,189
Total current liabilities payable from current assets	<u>10,136,633</u>
Current liabilities payable from restricted assets:	
Deposits	949,650
Accrued interest payable	1,173,630
Revenue bonds current portion	1,540,000
Total current liabilities payable from restricted assets	<u>3,663,280</u>
Total current liabilities payable from current and restricted assets	<u>13,799,913</u>
Long-term liabilities:	
Revenue bonds payable (net of related premium)	97,150,000
FDEP State Revolving Fund loan	27,211,848
Compensated absences	148,750
Other post employment benefits	372,679
Net pension liability	1,426,180
Total long-term liabilities	<u>126,309,457</u>
Total liabilities	<u>140,109,370</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred amounts related to pension	1,525,179
Deferred amounts related to OPEB	71,154
Total deferred inflows of resources	<u>1,596,333</u>
Total liabilities and deferred inflow of resources	<u>\$ 141,705,703</u>
<b>NET POSITION</b>	
Net investment in capital assets	21,037,223
Restricted for:	
Renewal and replacement	1,286,000
Unrestricted	27,770,245
Total net position	<u>\$ 50,093,468</u>

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

Statement of Revenues, Expenditures and Changes in Net Position  
 Proprietary Fund  
 For the Fiscal Year Ended September 30, 2021

	Business-Type Activities
	Water and Sewer Utility Fund
<b>Operating revenues:</b>	
Charges for services - Water	\$ 15,289,876
Charges for services - Waste Water	8,961,402
Connection fees	186,585
Other miscellaneous revenues	1,415,849
Total operating revenues	<u>25,853,712</u>
<b>Operating expenses:</b>	
Personal services	4,977,170
Operating expenses	4,288,883
Professional services	410,568
Depreciation	6,009,016
Insurance	255,197
Total operating expenses	<u>15,940,834</u>
Operating income (loss)	<u>9,912,878</u>
<b>Nonoperating revenues (expenses)</b>	
Investment Income:	
Interest earnings (loss)	(15,665)
Gain (loss) on sale of capital assets	47,675
Interest expense and issue cost amortization	(3,284,139)
Total nonoperating revenue (expenses)	<u>(3,252,129)</u>
Income (loss) before contributions	6,660,749
<b>Capital grants and contributions</b>	
Grant revenue	60,848
Capital contributions - water and wastewater	2,217,609
Total capital grants and contributions	<u>2,278,457</u>
Change in net position	8,939,206
Net position:	
Beginning of year	41,154,262
End of year	<u>\$ 50,093,468</u>

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

Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended September 30, 2021

	Business-Type Activities
	Water and Sewer System Fund
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 25,278,790
Cash from other sources	354,926
Cash payments to suppliers for goods and services	(5,774,778)
Cash payments for employee services	(5,256,772)
Other payments	(126,799)
Net cash provided by operating activities	<u>14,475,367</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	(3,078,757)
Proceeds from sale of capital assets	47,675
Proceeds from refunding bond	98,690,000
Cash payments for bond defeasance	(871,178)
Transfer to escrow agent	(100,126,268)
Bond and SRF loan principal payments	(4,326,066)
Bond and SRF loan interest payments	(3,134,732)
Grants	7,413,561
Proceeds from capital contributions	1,588,463
Net cash used in capital and related financing activities	<u>(3,797,302)</u>
<b>Cash flows from investing activities</b>	
Interest	137,345
Change in fair market value of investments	(153,010)
Net cash provided by investing activities	<u>(15,665)</u>
Net increase (decrease) in cash and cash equivalents	10,662,400
Cash and cash equivalents - beginning of year	<u>27,437,901</u>
Cash and cash equivalents - end of year	<u>\$ 38,100,301</u>

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

Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended September 30, 2021  
(Continued)

	Business-Type Activities
	Water and Sewer System Fund
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>	
Cash and cash equivalents	\$ 32,669,999
Restricted cash and cash equivalents:	
Sinking fund - State Revolving Fund loan	609,647
Sinking fund - Revenue bonds payable	2,585,005
Renewal and replacement account	1,286,000
Customer deposits	949,650
Cash and cash equivalents, end of year	<u>\$ 38,100,301</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 9,912,879
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	6,009,016
(Increase) decrease in assets:	
Accounts receivable	(98,641)
Inventories	28,092
(Increase) decrease in deferred outflow of resources:	70,718
(Increase) decrease in liabilities:	
Accounts payable	(1,098,272)
Utility deposits	1,895
Accrued expenses	(167,321)
Net pension liability	(1,807,462)
Compensated absences	(25,305)
Other post employment benefits	146,351
(Increase) decrease in deferred inflow of resources:	1,503,417
Net cash provided by operating activities	<u>\$ 14,475,367</u>
<b>Schedule of non-cash capital and related financing activities:</b>	
Contributions of capital assets	\$ 629,146

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

Statement of Fiduciary Net Position  
Pension Trust Funds  
September 30, 2021

	Employee Retirement Funds
<b>ASSETS</b>	
Firefighters' Pension Investments:	
Cash and cash equivalents	\$ 220,899
Cash and short term investments	911,315
US Government Obligations	480,048
Mortgage Backed Securities	1,724,413
Municipal Obligations	79,026
Corporate Bonds	4,038,443
Foreign Bonds, Notes & Debentures	42,749
Mutual Funds/Fixed Income	2,588,865
Mutual Funds/Equity	21,539,144
Other Sundry Assets	7,465,500
Real Estate Funds	3,123,764
General Employees' Pension Investments:	
Stable Value/Cash Management	725,001
Bond	291,700
Balanced/Asset Allocation	1,770,005
U.S. Stock	1,276,798
International/Global Stock	320,732
Specialty	64,010
Prepaid items	4,603
Total assets	<u>46,667,015</u>
<b>LIABILITIES</b>	
Accounts payable	<u>13,576</u>
Total liabilities	<u>13,576</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u>46,653,439</u>
Total net position	<u>\$ 46,653,439</u>

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

Statement of Changes in Fiduciary Net Position

Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2021

	Employee Retirement Funds
<b>ADDITIONS</b>	
Employer	\$ 1,542,548
Contribution from General Fund - insurance premium surcharges received	483,678
Employee	424,507
Total contributions	<u>2,450,733</u>
Investment earnings:	
Interest income	7,966,912
Other income:	
Other income	81
Total additions	<u>10,417,726</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,117,741
Disability payments	141,362
Beneficiary payments	15,776
Share Plan Payments	9,121
Refunds to employees	36,682
Administration	153,615
Insurance premium payments	4,396
Total deductions	<u>2,478,693</u>
Change in net position	7,939,033
Net position - beginning of the year	<u>38,714,406</u>
Net position - end of the year	<u>\$ 46,653,439</u>

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

**Notes to the Financial Statements  
September 30, 2021****I. Summary of significant accounting policies****A. Reporting entity**

The City of Deltona (City) is a municipal corporation, incorporated December 31, 1995, governed by an elected mayor and six-member council. The City provides a full range of services including law enforcement and fire/rescue protection, solid waste management, storm water management, construction and maintenance of sidewalks, road and street facilities, planning and development services, recreational and cultural activities and general administrative services. The City also has a business-type operation that offers water and sewer utility services. The financial reporting entity consists of the primary government and component units, entities for which the government would be considered financially accountable. The determination of financial accountability includes consideration of a number of criteria including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity; (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the entity's fiscal dependency on the primary government. The City's financial reporting entity includes the following component unit:

Blended Component Unit - Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The Southwest Deltona Community Redevelopment Agency (SWDCRA) pursuant to Section 163.356, Florida Statutes, was established by City Resolution 2016-40 and Volusia County Resolution 2016-092.

The City of Deltona Commissioners comprise the seven-member board of the SWDCRA. The City and Volusia County provide tax increment revenue to the SWDCRA to be used for payment of improvement projects within the geographical area covered by the CRA.

Due to the appointment of the board in addition to the financial support provided by the City, management has determined the SWDCRA meets the criteria to be included as a component unit. Financial records for the SWDCRA are maintained by the City and City staff are responsible for the CRA's day-to-day operations. Due to the component unit existing to benefit the primary government the CRA is considered a blended component unit. The CRA benefits the primary government by providing funds for improvements within the area covered by the CRA, and this is the main use of revenues. The SWDCRA is included in this report as a non-major special revenue fund, but is also the subject of a separate audited financial report. The SWDCRA audit report is available from

City of Deltona  
Finance Department  
2345 Providence Boulevard  
Deltona, Florida 32725

<https://www.deltonafl.gov/finance-department/pages/comprehensive-annual-financial-reports>

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely almost exclusively on user fees and charges for services.

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. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a particular 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 included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, enterprise funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the City's enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

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

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The City reports the following major governmental funds:

- **General Fund** - accounts for all fiscal activities of the general government, except those required to be accounted for in other funds, and is the City's primary operating fund.
- **Solid Waste Fund** - accounts for the fiscal activities relating to fees charged and expenditures incurred for garbage and recycled waste pick-up and disposal.



- **Transportation Fund** - accounts for the fiscal activities relating to the City's share of the County's six-cent and five-cent local option tax on fuel. Under State law, the six-cent portion can be used only for general road improvements and maintenance; the five-cent portion can be used only to fund capital improvement projects that are necessary to meet the requirements of the City's Comprehensive Plan. Authorized expenditures of bond proceeds are defined by the bond covenants.

The City reports the following non-major fund types:

- **Special Revenue Funds** - account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).
- **Capital Projects Funds** - account for the acquisition of fixed assets or construction of major capital projects not being financed by enterprise or nonexpendable trust funds.

The City reports the following major enterprise fund:

- **Water and Sewer Utility Fund** - accounts for the acquisition and operation of the City owned water and sewer utility operations.

The City reports the following fiduciary fund type:

- **Pension Trust Funds** - account for the assets of the City employees' pension plans. These funds are accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges incurred for water and sewer used by other City functions and other charges between the City's enterprise, transportation, solid waste and stormwater functions of the City. Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

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

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* revenues and expenses. Operating revenues and expenses generally directly result from providing services and producing and delivering goods in connection with an enterprise fund's principal on-going operations. The principal operating revenues of the Water and Sewer Utility Fund, the City's enterprise fund, are charges to customers for utility sales and services. Operating expenses for the enterprise fund include the cost of the utility providing sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. Assets, liabilities, and net position or equity

##### 1. Deposits and investments

In accordance with GASB Statement 72, the City reports its investments at fair value, except for investments that are not reported at fair value in accordance with GASB Statement 79.

GASB Statement 79 applies to certain external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Both of these pronouncements apply to all investments of the City, whether held as City investments or by the City's Firefighters' or General Employees' pension plans.

City Investments

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

The City's investment policy is established by resolution and is governed by Section 218.415, Florida Statutes. Authorized investments include the Local Government Surplus Funds Trust Fund Investment Pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts in State certified qualified public depositories, certificates of deposit in State certified qualified public depositories, and direct obligations of the U.S. Treasury and Federal agencies and instruments.

For the fiscal year ended September 30, 2021, GASB 79 applied to the City's investments in the Florida State Board of Administration's (Florida PRIME) and Florida Surplus Asset Trust Fund (FLORIDASAFE) Local Government Investment Pools (LGIP), and certain money market funds. As a result, these investments were not reported at fair value, as indicated in Note III A. The issuers of these investments prepare separate financial reports.

All the City's other investments are reported at fair value in accordance with GASB Statement 72, which establishes a three-level hierarchy based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Firefighters' Pension Plan Investments

The investments of the Firefighters' Pension Plan are directed by the Firefighters' Pension Board of Trustees. The Trustees have adopted an Investment Policy for the Firefighters' Pension Plan to provide parameters for investments. The general investment objective is to obtain a reasonable total rate of return commensurate with the Prudent Investor Rule and Florida Statute 218.415.

Authorized investments for the Firefighter's Pension Plan include: 1) time, savings, and money market deposit accounts of an institution insured by the Federal Deposit Insurance Corporation (FDIC) provided the amount deposited does not exceed the insured amount; 2) obligations issued by the United States Governmental guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; 3) stocks, commingled funds administered by national or state banks; mutual funds or bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the U.S., any state or organized territory of the United States, or the District of Columbia; bonds issued by U.S. corporations; structured mortgage products issued by the

United States Government; and mortgage related or asset backed securities not issued by the United States Government, and bonds issued by municipal issuers provided that certain criteria are met; 4) commingled stock, bond, timber, real estate or money market funds as may be approved by the Board; 5) foreign equities traded on a national exchange; and 6) real estate up to 10% of the assets of the fund.

#### General Employees' Pension Investments

As indicated in Note IV E, below, the General Employees' Pension Plan is a defined contribution plan that was closed to new members effective December 1, 2006. The City is the Trustee for the plan, but assets are held in employees' names and investments are directed by the participants.

Descriptions, amounts, and methods used to classify the City's investments are detailed in Note III A, *Deposits and Investments*.

#### 2. *Receivables and payables*

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All real and tangible personal property taxes are due and payable on November 1st (the levy date) of each year or as soon thereafter as the assessment roll is certified by the Volusia County Property Appraiser. The County mails each property owner on the assessment roll a notice of the taxes due and the County collects the taxes for the City. Taxes may be paid upon receipt of such notice. The following discounts are applied for prompt payment of the levy: four percent (4%) if paid in the month of November; three percent (3%) if paid in the month of December; two percent (2%) if paid in the month of January; and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible property become delinquent on April 1st (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by State law.

#### 3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

For the enterprise fund, inventory at September 30, 2021 was \$950,853, comprised of material and supplies on hand.

Governmental activities inventory is \$22,759. This is the fuel on hand in storage tanks located at Fire Station 65 and the Public Works Depot as of September 30, 2021.

Prepaid items, if any, reported in both the government-wide and fund financial statements, represent payments made to vendors for costs applicable to future accounting periods.

4. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost that equals or exceeds \$5,000 and have an estimated useful life in excess of one year. However, there are some exceptions when an asset with an initial cost of less than \$5,000 may be capitalized such as with certain computer equipment. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amount spent for the construction or acquisition of infrastructure assets is capitalized and reported in the government-wide financial statements when the initial costs equal or exceed \$25,000 and they possess estimated useful lives in excess of more than one year.

For the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost of the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure being capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets, including infrastructure assets, those assets are capitalized and reported at historical cost; as assets are upgraded or replaced a corresponding reduction in an existing asset is taken, if applicable. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these assets at acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by Governmental Activities and Business-Type Activities during the current fiscal year was \$1,320,431 and \$3,284,139, respectively. The capitalized interest expense associated with the cost of capital assets while under construction in connection with the water and sewer utility fund assets was \$490,978 for the first State Revolving Loan and \$37,177 for the second State Revolving Loan, for the engineering, design and construction of the Eastern Wastewater Treatment Plant.

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

	<b>Useful Lives</b>
Buildings	10 - 40 Years
Improvements Other Than Buildings	15 - 50 Years
Equipment	3 - 40 Years
Infrastructure	15 - 50 Years

5. *Compensated Absences*

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and enterprise financial statements.

Compensated absences, for the government-wide and enterprise funds combined, as of September 30, 2021 were \$3,174,420.

6. *Long-term obligations*

In the government-wide financial statements and enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or enterprise fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issues are reported as other financing sources while discounts on debt issues are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *On-Behalf Payments for Fringe Benefits*

The City receives on-behalf payments from the State of Florida to be used for Firefighters' Pension Plan enhancements. On-behalf payments to the City totaled \$483,678 for the fiscal year ended September 30, 2021. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP-basis government-wide and General Fund financial statements. The City records these funds as revenue in the General fund upon receipt, and then records a transfer of the funds to the Firefighters' Pension Plan.

8. *Deferred Outflows / Inflows of Resources*

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred Outflows of Resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City of Deltona has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred Inflows of Resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City of Deltona has two items that qualify for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City of Deltona reports deferred amounts related to pension and OPEB.

### 9. Fund Equity / Net Position

The City classifies net position in the government-wide and proprietary fund financial statements as follows:

- Net Investment in Capital Assets includes the City's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, loans or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or grantor agency) limitations on their use. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of restricted funds for future projects.
- Unrestricted Net Position typically includes unrestricted liquid assets. The City Commission has the authority to revisit or alter this designation at any time.

#### Net position flow assumptions

The City may fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be consumed. It is the City's policy to consider restricted net position as consumed before unrestricted net position is applied.

In accordance with GASB Statement No. 54, the City classifies fund balance in the governmental fund financial statements as follows:

- Non-spendable fund balance is defined as resources that are in non-spendable form or are legally or contractually required to be maintained intact. This classification includes inventories, pre-paid amounts and non-financial assets held for resale.
- Restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by City Commission resolution but is not legally restricted. Committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned fund balance is defined as amounts that are constrained by the *intent* to be used for specific purposes, but are neither Restricted nor Committed. Intent is expressed by either the City Commission or a body, such as a board or committee, to which the City Commission has delegated the authority to assign amounts. Assigned amounts are not required to be established by formal action of the City Commission. An appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

- Unassigned fund balance represents the City's residual 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 and may be used for any legal general purpose. The City's General Fund is the only fund that reports a positive unassigned fund balance amount.

Fund balance flow assumptions

The City may fund outlays for a particular purpose from a combination of both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be depleted. It is the City's policy, when permissible, to deplete fund balances in the following order: restricted fund balance, committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

The City Commission has adopted a Resolution creating a minimum fund balance policy. This policy established the following reserves: 1) a Natural Disaster reserve for the purpose of providing the means to respond to public emergencies and/or natural disasters and; 2) an operating reserve equal to two (2) months of General Fund annual operating expenditures for the purpose of providing the City with the fiscal means to respond to unexpected operational charges, legislative impacts, or other economic events affecting the City's operations that could not have easily been anticipated at the time the budget was prepared. These reserves are not intended to be contingency funds used to address unfunded expenditures or over-expenditures related to the provision of routine City services. The City incurred expenditures of \$39,314 due to the COVID-19 pandemic and received reimbursement of \$30,266 from FEMA in FY2021. FEMA reimbursed the City of Deltona for a final payment of \$53,427 for Hurricane Dorian. The Commission approved replenishment of the reserve and its balance at September 30, 2021 was \$8,645,000.

The operating reserve was \$7,238,000 as of September 30, 2021.

The City has also adopted a resolution establishing an additional fund balance reserve for economic incentives. This reserve has two components: one reserve for Economic Development equal to \$1,000,000 as well as a City Infrastructure fund balance reserve equal to \$1,000,000. These are both one-time only commitments intended to assist with economic development within the City until such time these reserves are depleted. Since inception of these reserves, the City Commission has authorized the use of \$1,474,400 of the City Infrastructure component, leaving an available combined reserve balance of \$525,600 as of September 30, 2021.

Finally, the City adopted resolutions establishing a Grants Match fund balance reserve of \$500,000 to provide funds that can be used to demonstrate available matching funds if required to qualify for grant funding opportunities. Since its inception, the Commission has approved a budget amendment to increase the reserve amount by \$500,000. As of September 30, 2021, the total Grants Match reserve totaled \$378,500.

*10. Future Accounting Pronouncements*

GASB Statement 87, *Leases*, we are evaluating this Statement to determine its effect on the City's financial statements. We plan to implement this statement as required. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. We have implemented this Statement in FY2021. Interest costs during construction have been recognized as an expense for financial statement using the economic resources measurement focus. The pronouncement is effective for reporting periods beginning after December 15, 2020, however earlier implementation is encouraged.

GASB Statement 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2020. The City has no transactions to which this pronouncement applies.

GASB Statement No. 92, *Omnibus 2020*, we are evaluating this Statement to determine its effect on the City's financial statements. The pronouncement is effective for reporting periods beginning after June 15, 2021.

GASB Statement 93, *Replacement of Interbank Offered Rates*, The City has no transactions to which this pronouncement applies. The pronouncement is effective for reporting periods beginning after December 15, 2021.

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2022. The City is evaluating this Statement to determine its effect on the City's financial statements.

GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the objective is to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of Statement 83 through Statement 93 for one year.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning after June 15, 2022. The City is evaluating this Statement to determine its effect on the City's financial statements.

GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement 32*, effective for periods beginning after June 15, 2021.

GASB Statement 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR replacing the term comprehensive annual financial report. The City has implemented the change in FY2020/2021.

## **II. Stewardship, compliance, and accountability**

### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

On an annual basis the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing the following October 1<sup>st</sup>. Public hearings are held to obtain taxpayer input. Prior to October 1<sup>st</sup>, the budget is legally adopted through City Commission resolution.



The budget is prepared and adopted by fund, function and department. The legal level of budgetary control is at the department level. The City Manager may make transfers of appropriations within a department throughout the year. Transfers of appropriations between departments require the approval of the City Commission. Budget amendments that actually change the total revenue and/or expenses as legally adopted as part of the budget are brought forth to the City Commission for approval of an amending resolution.

Encumbrance accounting is employed in governmental funds. Operating encumbrances lapse at year end; capital encumbrances are carried forward into the subsequent year's budget with Commission approval.

**III. Detailed Notes on All Activities and Funds**

**A. Deposits and investments**

As of September 30, 2021, the City had the following investments:

Investment	Maturities	Ratings	Fair Value
State Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME)	1 Day	AAA	\$ 33,882
Florida Surplus Asset Trust Fund (FLSAFE)	1 Day	AAA	14,007,311
Wells Fargo Government Obligations (Federal Agency Coupon Securities)	Up to 3.44 years	N/A	10,672,002
Wells Fargo Government Obligations ( US Treasury Notes)	Up to 2.16 years	N/A	9,567,103
Wells Fargo Money Market Funds	1 Day average	Aaa/AAA	10,148,594
Wells Fargo Corporate Notes	Up to 3.09 years	A1/ A+/AA-	3,506,150
Wells Fargo Supranationals	Up to .3 years	Aaa/NR/AAA	502,875
<b>Firefighters' Pension Investments:</b>			
Cash & Short Term Investments	N/A	N/A	911,315
U.S. Treasury Obligations	Up to 30 years	N/A	480,048
Mortgage/Asset Backed Securities	N/A	N/A	1,724,413
Municipal Obligations	up 7.16 years	N/A	79,026
Corporate Bonds	Up to 31 years	Baa3 - Aa3	4,038,443
Foreign Bonds Notes & Debentures	up to 6.12 years	N/A	42,749
Mutual Funds/Fixed Income	N/A	N/A	2,588,865
Mutual Funds/Equity	N/A	N/A	21,539,144
Sundry Assets	N/A	N/A	7,465,500
Real Estate Funds	N/A	N/A	3,123,764
<b>General Employees' Pension Investments:</b>			
Stable Value/Money Market Funds	N/A	N/A	725,001
Bond Funds	Up to 15 years	AAA-BBB	291,700
Balanced /Asset Allocation Funds	up to 26 years	N/A	1,770,005
U.S. Stock Funds	N/A	N/A	1,276,798
International Stock Funds	N/A	N/A	320,732
Specialty	N/A	N/A	64,010
<b>Total Investments</b>			<b>94,879,430</b>
Accrued interest and dividends			130,564
Cash Deposits			69,370,262
<b>Total Deposits and Investments</b>			<b>\$ 164,380,256</b>
Shown in the accompanying Statements of Net Position as:			
Primary Government – Deposits and Investments			\$ 117,717,844
Fiduciary Funds – Deposits and Investments			46,662,412
<b>Total</b>			<b>\$ 164,380,256</b>

The City's General Employees' Pension Plan was established with the adoption of Resolution No. 97-64. The City is the Trustee for the plan, however assets are held in employees' names and therefore the City is not exposed to any investment risk within the General Employees' Pension Plan.

**Interest rate risk**

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The weighted average maturity of the City's investments is displayed in the preceding schedule. The City's Investment Policy states that the City will limit interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements of on-going operations and by investing operating funds primarily in shorter-term securities, money market mutual funds or similar investing pools.

**Credit risk**

Credit risk is the risk of loss due to the failure of the security issuer. The City's investment policy limits the investments to obligations with the highest credit ratings. Ratings for debt securities are displayed in the preceding schedule. The City's Firefighters' Pension Fund investments are limited, in the case of directly held securities, to securities in one of the three highest classification ratings. For indirect or comingled investments such as mutual funds, the weighted average of all such investments combined must be A/Aa or higher. Investment ratings are from Moody's Investors Service, Inc., and Standard & Poor's Ratings Group.

**Concentration of credit risk**

The City's investment policy states that securities will be diversified by maturity, issuer and class of security to avoid over-concentration of assets in any one area. The City's Firefighters' Pension Fund investment policy limits the investment in common stock, capital stock or convertible securities to 5% for any issuing company. Common stock, capital stock or convertible securities shall not exceed 65% of Plan assets.

**Custodial credit risk – deposits**

For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. As of fiscal year end, the City's cash deposits were entirely covered by Federal depository insurance or by the banking network provided by Chapter 280, Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans and limit local government deposits to "authorized depositories."

**Custodial credit risk – investments**

For an investment, 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.

Investments in the City's defined contribution general employee's pension plan are held by a counterparty not in the name of the City which creates custodial risk for all investments of this pension plan. The City has no formal policy relating to custodial credit risk for pension investments.

Investments in the City's Firefighters' Pension Plan have no custodial credit risk.

**Foreign currency risk – investments**

The City does not invest in foreign markets. However, there are foreign market options available to employees through the General Employees' Pension to which the City has no exposure. All of these pension investments are denominated in U.S. dollars.

**Fair Value Measurement**

In accordance with GASB Statement No. 72, the City uses the market value approach for fair value measurements of its investments, and categorizes those measurements within the hierarchy based on valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Markets such as exchanges and broker/dealer markets are applicable; Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. For example, quoted prices for similar assets such as the price or yield of a similar bond, or interest rates and yield curves; and Level 3 inputs are unobservable inputs for the asset, such as management's assumption for the default rate amount used only when relevant Level 1 and 2 inputs are unavailable.

GASB 72 applies to all investments except for money market investments, certain types of investment and insurance contracts, and investments in and held by external investment pools that measure investments at amortized cost or at net asset value (NAV) per share.

Notes to the Financial Statements

The City has the following fair value measurements as of September 30, 2021:

Investment	Valuation Hierarchy				
	Value at 09/30/2021	Not Reported at Fair Value	Level 1	Level 2	Level 3
City Investments					
Federal Agency Securities	10,672,002			10,672,002	
US Treasury Securities	9,567,103			9,567,103	
Money Market Funds	10,148,594	10,148,594		-	
Corporate Notes	3,506,150			3,506,150	
Supranationals	502,875			502,875	
Intergovernmental Investment Pools	14,041,193	33,882		14,007,311	
Firefighters' Pension Investments					
Cash & Short Term Investments	911,315		911,315		
U.S. Treasury Obligations	480,048			480,048	
Mortgage/Asset Backed Securities	1,724,413			1,724,413	
Municipal Obligations	79,026			79,026	
Corporate Bonds/Foreign Bonds, Notes & Debentures	4,081,192			4,081,192	
Mutual Funds-Fixed Income	2,588,865		2,588,865		
Mutual Funds-Equity	21,539,144		21,539,144		
Sundry Assets	7,465,500				7,465,500
Real Estate Funds	3,123,764				3,123,764
General Employees' Pension Investments					
Stable Value/Money Market Funds	725,001	725,001			
Bond Funds	291,700	291,700			
Balanced /Asset Allocation Funds	1,770,005	1,770,005			
Guaranteed Lifetime Income	-	-			
U.S. Stock Funds	1,276,798	1,276,798			
International Stock Funds	320,732	320,732			
Specialty	64,010	64,010			
Totals	<u>\$ 94,879,430</u>	<u>\$ 14,630,723</u>	<u>\$ 25,039,324</u>	<u>\$ 44,620,119</u>	<u>\$ 10,589,264</u>

City investments were categorized by the City's investment manager using an independent pricing service applying the leveling methodology across all securities in the specific sectors they manage. Level 1 inputs include quoted prices in active markets for identical assets at a measurement date, such as a stock exchange closing price. Level 2 inputs include inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. Examples of Level 2 inputs are quoted prices for similar assets in active markets; quoted prices for identical or similar assets that are not active; interest rates and yield curves observable at a commonly quoted intervals; implied volatilities; credit spreads; and market-corroborated inputs. General Employees' Pension Investments were also categorized by the pension administrator using an independent pricing service. The unit prices are actively traded and quoted daily at 100% of unit value, not the individual assets comprising the fund. Therefore, the fund is not required to be reported within the level 1,2 or 3 fair value hierarchy. Firefighters' Pension investments categorized in levels 1 and 2 were categorized by the pension administrator using criteria based on asset class, pricing source, and frequency. Firefighters' Pension investments categorized in level 3 were based on a Discounted Cash Flow method.

**B. Receivables**

Receivables as of year-end shown on the Statement of Net Position for the City’s Governmental Activities and Business-Type Activities, including the applicable allowances for uncollectible accounts, consist of:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Customers:			
Billed	\$ -	\$ 2,541,346	\$ 2,541,346
Unbilled	-	1,716,336	1,716,336
Services tax	1,217,703	-	1,217,703
Franchise fees	640,835	-	640,835
Business Tax	143,687	-	143,687
The Center	32,178	-	32,178
Miscellaneous	19,400	14,583	33,983
A/R - NSF check	4,260	-	4,260
Gross receivables	<u>2,058,063</u>	<u>4,272,265</u>	<u>6,330,328</u>
Less: allowance for uncollectibles	-	(1,233,694)	(1,233,694)
Net total receivables	<u>\$ 2,058,063</u>	<u>\$ 3,038,571</u>	<u>\$ 5,096,634</u>

Revenues of the Water and Sewer Utility Fund are reported net of estimated uncollectible amounts. Total estimated uncollectible amounts related to revenues of the current period are as follows:

	<b>As of 9/30/2021</b>
Uncollectible related to water sales	\$ 493,478
Uncollectible related to sewer sales	740,216
Total uncollectible in the current fiscal year	<u>\$ 1,233,694</u>

Notes to the Financial Statements

Receivables due from other governments as of year-end shown on the Statement of Net Position for the City's Governmental Activities and Business-Type Activities are as follows:

	Governmental Activities	Business- type Activities	Total
State of Florida - 5 & 6 Cent Gas Tax	\$ 899,710	\$ -	\$ 899,710
State of Florida - 1/2 Cent Sales Tax	961,814	-	961,814
State of Florida - Communications Tax	334,150	-	334,150
Florida Department of Environmental Protection	-	60,848	60,848
U.S. Dept. of Housing and Urban Development	450,365	-	450,365
Volusia County	1,049,634	-	1,049,634
Miscellaneous	198,832	-	198,832
Total Due from Other Governments	<u>\$ 3,894,505</u>	<u>\$ 60,848</u>	<u>\$ 3,955,353</u>

Governmental funds report *unearned revenue* in connection with revenues not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

	Governmental Activities	Business-type Activities
SHIP Grant fund advances received from grantor agency prior to meeting all eligibility requirements	\$ 413,070	\$ -
NSP 1 Program Income received but not earned	274,719	-
NSP 3 Program Income received but not earned	93,256	-
Coronavirus State and Local Fiscal Recovery Funds	-	6,986,097
Total Unearned Revenue	<u>\$ 781,045</u>	<u>\$ 6,986,097</u>

Notes to the Financial Statements

**C. Capital assets**

Capital asset activity for the year ended September 30, 2021 was:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 14,236,936	\$ 22,276	\$ -	\$ 14,259,212
Infrastructure right of way	4,372,500	-	-	4,372,500
Construction in progress	2,830,420	4,434,438	(3,839,682)	3,425,176
Total capital assets, not being depreciated	21,439,856	4,456,713	(3,839,682)	22,056,888
Capital assets, being depreciated:				
Intangibles	79,880	199,662	-	279,542
Buildings and improvements	90,852,268	193,164	(97,462)	90,947,969
Machinery and equipment	30,039,145	1,553,232	(371,676)	31,220,701
Infrastructure (roads and streets)	117,123,668	8,003,909	-	125,127,578
Total capital assets, being depreciated	238,094,961	9,949,967	(469,138)	247,575,790
Less accumulated depreciation for:				
Amortization	(35,185)	(13,075)	-	(48,260)
Buildings and improvements	(56,001,821)	(800,301)	96,050	(56,706,072)
Machinery and equipment	(21,627,529)	(1,785,978)	360,781	(23,052,726)
Infrastructure (roads and streets)	(57,399,404)	(5,063,832)	-	(62,463,236)
Total accumulated depreciation	(135,063,939)	(7,663,186)	456,831	(142,270,294)
Total capital assets, being depreciated, net	103,031,022	2,286,781	(12,307)	105,305,496
<b>Governmental activities capital assets, net</b>	<b>\$ 124,470,879</b>	<b>\$ 6,743,494</b>	<b>\$ (3,851,989)</b>	<b>\$ 127,362,384</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,150,693	\$ -	\$ -	\$ 3,150,693
Construction in progress	6,897,728	2,781,740	(3,118,823)	6,560,645
Total capital assets, not being depreciated	10,048,421	2,781,740	(3,118,823)	9,711,338
Capital assets, being depreciated:				
Water rights - consumptive use permit	1,347,925	479,547	-	1,827,472
Buildings and improvements	10,473,272	-	-	10,473,272
Improvements other than buildings	128,287,322	2,446,827	(8,540)	130,725,609
Machinery and equipment	37,814,111	1,118,613	(318,948)	38,613,776
Total capital assets, being depreciated	177,922,630	4,044,986	(327,488)	181,640,129
Less accumulated depreciation for:				
Water rights	(268,662)	(152,555)	-	(421,217)
Buildings and improvements	(2,756,191)	(401,878)	-	(3,158,069)
Improvements other than buildings	(32,587,877)	(3,207,692)	8,540	(35,787,029)
Machinery and equipment	(21,207,883)	(2,246,891)	318,948	(23,135,826)
Total accumulated depreciation	(56,820,613)	(6,009,016)	327,488	(62,502,141)
Total capital assets, being depreciated, net	121,102,017	(1,964,030)	-	119,137,988
<b>Business-type activities capital assets, net</b>	<b>\$ 131,150,438</b>	<b>\$ 817,710</b>	<b>\$ (3,118,823)</b>	<b>\$ 128,849,325</b>



Depreciation expense was charged to functions/programs of the City as follows:

<b>Governmental Activities:</b>	
General government and administration	\$ 3,134,899
Public safety	1,322,677
Highways and streets	749,182
Culture and recreation	437,746
Physical environment	2,018,682
Total depreciation expense - governmental activities	<u>\$ 7,663,186</u>
<b>Business-type activities:</b>	
Water and sewer utility - total additions to accumulated depreciation - Business-Type activities	<u>\$ 6,009,016</u>

**D. Construction and Other Significant Commitments**

The City uses encumbrances to control expenditure commitments throughout the fiscal year and enhance cash management. Encumbrances represent commitments related to contracts, including construction contracts, and purchase orders not yet filled. The City’s active construction projects as of September 30, 2021 include street construction, public safety facilities, housing rehabilitation, parks projects and water and wastewater facilities. Balances reported as Contracts/Retainage Payable represent amounts due to vendors for completed work pending final approval and payment by the City. At year end, the City’s construction and other significant commitments were:

	<b>Encumbrances</b>	<b>Contracts/ Retainage Payable</b>
Governmental Funds:		
Major funds:		
Transportation Fund	\$ 2,010,940	87,871
Nonmajor Funds	1,765,082	-
Total Governmental Funds	<u>3,776,022</u>	<u>87,871</u>
Enterprise Funds:		
Major fund:		
Water and Sewer Utility Fund	3,480,305	24,918
Total	<u>\$ 7,256,327</u>	<u>\$ 112,789</u>

Stormwater projects are financed from proceeds of the 2009 Stormwater Bank Note; Transportation projects are financed by proceeds of the Capital Improvement Revenue Refunding Bonds, Series 2016, and Local Option Gas Tax revenues. Projects within non-major governmental funds are funded by proceeds of the Capital Improvement Revenue Refunding Bonds, Series 2016, Federal and State grants, and by accumulated resources within each fund.

Notes to the Financial Statements

Enterprise Fund projects are financed from proceeds of the Taxable Utility System Refunding Revenue Bonds, Series 2021; State Revolving Fund (SRF) loans issued by the State of Florida, and utilities operating revenues.

**E. Interfund receivables, payables and transfers**

Interfund balances at September 30, 2021 were:

	Interfund	
	Receivable	Payable
General Fund:		
Community Development Block Grant Fund	\$ 417,149	\$ -
Community Development Block Grant Fund:		
General Fund	-	417,149
<b>Total</b>	<b>\$ 417,149</b>	<b>\$ 417,149</b>

Interfund transfers for the year ended September 30, 2021 were:

	Governmental Funds			
	General Fund	Transportation Fund	Non-Major	Total
			Governmental Funds	
Transfer(s) in	\$ 480,000	\$ 508,010	\$ 482,200	\$ 1,470,210
Transfer(s) out	(422,200)	-	(1,048,010)	(1,470,210)
<b>Total</b>	<b>\$ 57,800</b>	<b>\$ 508,010</b>	<b>\$ (565,810)</b>	<b>\$ -</b>

Transfers are used to move resources between funds in order to segregate or classify the resources to specific funds in order to comply with legal restrictions, budgetary restrictions, or grant requirements.

**F. Leases**

Operating Leases

The City leases equipment when a lease is more cost-efficient than purchase. Leases for equipment are payable on a month-to-month basis. The City paid \$42,951 to lease postage equipment, operating equipment and vehicles during the FY2020/2021. Included in that amount, the city leased five Ford trucks for a cost of \$32,932.

**G. Long-term debt**

Revenue bonds

**Capital Improvement Revenue Refunding Bonds, Series 2016**

On July 7, 2016, the City issued Capital Improvement Revenue Refunding Bonds, Series 2016, totaling \$35,750,000. The Bonds were issued to refund the outstanding principal of the Transportation Capital Improvement Revenue Bonds, Series 2006; to provide funding for road improvement and expansion projects; and to provide funding for the construction of a community center. The bonds are secured by a pledge of Half-Cent Sales Taxes, Public Service Taxes, and Local Communications Services Taxes.

The bonds bear interest at fixed rates from 2.00% to 5.00% and mature from October 1, 2017, to October 1, 2046. Interest is payable semiannually on April 1, and October 1. Annual principal payments are due on October 1, but will be paid in even monthly installments through a third party under a debt service forward delivery agreement until the maturity date of the original 2006 bonds in 2026. Annual debt service requirements through maturity are presented in the following table:

Fiscal Years Ended	Transportation Portion		Community Center Portion		Total
	Principal	Interest	Principal	Interest	
2022	600,000	856,662	165,000	238,506	\$ 1,860,168
2023	630,000	826,662	175,000	230,256	1,861,918
2024	660,000	795,162	185,000	221,506	1,861,668
2025	695,000	762,163	195,000	212,256	1,864,419
2026	725,000	727,413	200,000	202,506	1,854,919
2027-2031	4,095,000	3,187,113	1,135,000	888,331	9,305,444
2032-2036	4,865,000	2,371,763	1,365,000	660,031	9,261,794
2037-2041	5,710,000	1,563,013	1,590,000	433,931	9,296,944
2042-2046	6,650,000	635,938	1,845,000	176,406	9,307,344
<b>Total</b>	<b>\$24,630,000</b>	<b>\$11,725,887</b>	<b>\$ 6,855,000</b>	<b>\$ 3,263,730</b>	<b>\$ 46,474,617</b>

**Debt service forward delivery agreement**

The City entered into a Debt Service Forward Delivery Agreement to administer debt service payments and to generate additional cash from the Transportation Capital Improvement Revenue Bonds, Series 2006. Under this agreement, the City makes level monthly payments of approximately \$155,077 to a trustee. The trustee, in turn, makes all debt service payments (principal and interest) as due. The City received a cash payment of \$333,670 for entering into this agreement. The entire amount was recognized as income in the fiscal year ended September 30, 2006 in the governmental funds but is classified as unearned revenue in the entity-wide statements and will be recognized in the Statement of Activities on a straight line basis over the life of the original Series 2006 bond issue.

Bank note from Direct Borrowing

**Stormwater Bank Note, 2009**

On April 8, 2009, the City entered into a loan agreement (direct borrowing) in the amount of \$6,569,345 with Branch Banking and Trust Company (BB&T). The loan was obtained in order to finance certain of the City’s costs of the capital improvements contained in the City’s adopted Stormwater Master Plan. The Note was issued for a period of twenty years and is scheduled to mature on May 1, 2029. The interest rate on the Note (“Note Rate”) is 5.01%. The Note is payable from, and secured solely by, revenues derived by the City from its stormwater utility assessments and the City’s covenant to budget and appropriate legally available non-ad valorem revenues as provided in the agreement. The City collected \$5,015,215 in stormwater utility assessments in the fiscal year ended September 30, 2021.

The note is subject to prepayment at the option of the City on or after May 1, 2019. In the event of default on the Note, a default interest rate of the Note Rate plus 2% shall be imposed on the outstanding Note balance, with all payments from the City applied first to interest and then to principal. As of September 30, 2021, the City has not defaulted on the Note.

Annual debt service requirements through maturity are presented in the following schedule:

<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	357,206	171,741	528,947
2023	375,561	153,845	529,406
2024	394,861	135,030	529,891
2025	415,151	115,247	530,398
2026	436,485	94,448	530,933
2027 - 2029	1,448,703	147,584	1,596,287
<b>Total</b>	<b>\$ 3,427,967</b>	<b>\$ 817,895</b>	<b>\$ 4,245,862</b>

**Business-type Activity Liabilities**

The following is a summary of long-term liabilities of the proprietary fund at September 30, 2021:

**State Revolving Loans (Direct Borrowings)**

On March 29, 2011, the City entered into a Clean Water State Revolving Fund loan agreement (direct borrowing) with Florida Water Pollution Control Financing Corporation, a division of the Florida Department of Environmental Protection. Proceeds of this financing arrangement were used to fund the planning, design and pre-construction activities of the City’s planned treatment and reuse facility. The City subsequently executed two amendments to this agreement to revise the total funding allocation to \$29,381,000. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds series 2021.

The loan balance, including capitalized interest of \$490,978, as of September 30, 2021 was \$22,503,419. The interest was capitalized prior to FY2021. Repayment was scheduled over 40 semiannual loan payments, due every June 15<sup>th</sup> and December 15<sup>th</sup>, beginning June 15, 2016. Current year payments totaled \$1,765,450 with \$1,351,205 applied to principal.

Notes to the Financial Statements

Annual debt service requirements to maturity are presented in the following schedule:

Fiscal Years Ended	Principal	Interest	Total
2022	1,375,081	390,369	1,765,450
2023	1,399,381	366,068	1,765,450
2024	1,424,116	341,334	1,765,450
2025	1,449,291	316,158	1,765,450
2026	1,474,916	290,534	1,765,450
2027 - 2031	7,775,252	1,051,996	8,827,249
2032 - 2036	7,605,382	339,142	7,944,524
Total	\$ 22,503,419	\$ 3,095,602	\$ 25,599,021

On July 19, 2017, the City entered into a second Clean Water State Revolving Fund loan agreement (direct borrowing). The purpose of this financing arrangement is to fund, together with a cost-share grant from the St. Johns River Water Management District, improvements to the City’s reclaimed water system, including a surface water intake/pump station, a transmission main, covered storage for raw surface water, stormwater treatment, and water storage. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds, series 2021.

The total amount to repay the State is \$7,088,575, including \$37,177 of capitalized interest and \$138,263 of service fees. The interest was capitalized prior to FY2021. The loan balance was \$6,420,597 as of September 30, 2021. Repayment over 40 semiannual loan payments of \$189,447 due every June 15<sup>th</sup> and December 15<sup>th</sup>, began December 15, 2019.

Annual debt service requirements to maturity are presented in the following schedule:

Fiscal Years Ended	Principal	Interest	Total
2022	337,074	41,821	378,895
2023	339,302	39,592	378,895
2024	341,546	37,349	378,895
2025	343,803	35,091	378,895
2026	346,076	32,818	378,895
2027 - 2031	1,765,003	129,470	1,894,474
2032 - 2036	1,824,121	70,353	1,894,474
2037 - 2039	1,123,670	13,014	1,136,684
Total	\$ 6,420,597	\$ 399,509	\$ 6,820,105

Both Clean Water State Revolving Fund loans contain provisions that in the event of default, the State may 1) impose fees or charges and apply the resulting revenue to the outstanding Loan balance; 2) appoint a receiver to manage the water utility; 3) redirect any funds due to the City from any State revenue or tax sharing to the delinquent amount, plus an interest rate of 18% per year and processing costs; 4) sue for payment of amounts due or becoming due plus interest and processing costs, or 5) accelerate the repayment schedule or increase the interest rate by as much as 1.667 times the financing rate stipulated in the Loan agreement. As of September 30, 2021, the City has not defaulted on either loan.

**Utility System Refunding Revenue Bonds, Series 2013 and Utility System Revenue Bonds, Series 2014**

Series 2013 and Series 2014 were refunded by the issuance of the Taxable Utility System Refunding Revenue Bonds, Series 2021. The 2021 Bonds were issued to advance-refund the City’s outstanding Utility System Refunding Revenue Bonds, Series 2013, in the amount of \$67,300,000; and outstanding Utility System Revenue Bonds, Series 2014, in the amount of \$20,290,000; and to pay the associated costs of issuance. The aggregate difference in debt service between the prior debt and new debt and the economic gain are presented in the schedule below:

<b>Taxable Utility System Refunding Revenue Bonds, Series 2021</b>					
<i>Summary of Refunding Series 2013 &amp; Series 2014 Bonds</i>					
	<b>Taxable Utility System Refunding Revenue Bonds, Series 2021 (Refunding 2013)</b>		<b>Taxable Utility System Refunding Revenue Bonds, Series 2021 (Refunding 2014)</b>		<b>Total</b>
Bond par amount	\$	75,610,000	\$	23,080,000	\$ 98,690,000
Bond par amount of refunded bonds		67,300,000		20,290,000	87,590,000
Present value of prior debt		84,467,262		24,257,553	108,724,816
Net present value savings - economic gain		7,663,534		935,014	8,598,548
		<b>Prior Debt Service (Series 2013 &amp; Series 2014)</b>		<b>Refunding Debt Service (Series 2021)</b>	<b>Net present value savings - economic gain</b>
Aggregate Debt Service	\$	136,388,988	\$	140,500,438	\$ 8,598,548

**Taxable Utility System Refunding Revenue Bonds, Series 2021**

On March 3, 2021, the City issued Taxable Utility System Refunding Revenue Bonds, Series 2021 in the principal amount of \$98,690,000. The bonds bear interest at fixed rates ranging from 0.209% to 2.839% and mature from October 1, 2021 to October 1, 2050. The bonds are collateralized by a pledge of the net revenues of the system. Interest is payable semi-annually on April 1 and October 1, with annual principal payments due on October 1 of each year.

The 2021 Bonds have been assigned a rating of “A+” and an outlook of “Stable” by both Fitch Ratings and S & P Global Ratings. The 2021 Bonds will allow the City to save approximately \$2 million annually in interest costs through 2039, for a net present value savings of approximately \$8.6 million.

Annual debt service requirements to maturity are presented in the following schedule:

Fiscal Years Ended	Principal	Interest	Total
2022	1,540,000	2,088,401	3,628,401
2023	2,665,000	2,083,341	4,748,341
2024	2,670,000	2,075,765	4,745,765
2025	2,680,000	2,065,770	4,745,770
2026	2,690,000	2,050,970	4,740,970
2027 - 2031	13,855,000	9,803,484	23,658,484
2032 - 2036	15,005,000	8,593,736	23,598,736
2037 - 2041	16,715,000	6,824,587	23,539,587
2042 - 2046	19,015,000	4,476,033	23,491,033
2047 - 2051	21,855,000	1,585,794	23,440,794
	<u>\$ 98,690,000</u>	<u>\$ 41,647,881</u>	<u>\$ 140,337,881</u>

Pledged Revenues

**Governmental Activities - General Fund & Transportation Fund**

The City has pledged future revenues from Half-Cent Sales Taxes, Public Service Taxes, and Local Communications Services Taxes to repay the Capital Improvement Revenue Refunding Bonds, Series 2016. If, in any given year, these revenues collected are not sufficient to cover the principal and interest debt obligation of the Transportation Bond, the Bond Covenants require the City to appropriate any shortfall from non-Ad Valorem revenue collected in the General Fund. The bonds are payable through October 1, 2046. For the fiscal year ended September 30, 2021 pledged revenues totaled \$12,957,733 and the highest annual debt service (due in 2046) is \$1,862,000. At year end, pledged future revenues totaled \$46,474,619 which is the amount of the remaining principal and interest payments on the bonds as of September 30, 2021. Assuming no significant change in pledged revenues collected over the life of the bonds, total principal and interest payments would comprise approximately 13.3% of pledged revenues.

Although the City has pledged these revenues to repay the entire Series 2016 Bonds it is the City’s intent to use the pledged revenues referenced above only to pay the portion of the Series 2016 Bonds used to fund construction of the community center. The portion of debt service allocated to the Transportation Fund, reflecting the portion of funds used to refund the Series 2006 bonds and fund various additional road and street improvements, will be paid using Gas Tax revenues that are accounted for in the Transportation fund. A Local Option Gas Tax agreement exists between all the cities within Volusia County as well as Volusia County. On June 3, 2013 the Commission approved a five year renewal of the existing contract from September 1, 2013 to August 31, 2018. On April 1, 2019, the Commission approved a one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2020. On August 17, 2020, the Commission approved a second one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2021. On May 3, 2021, the Commission

approved the Interlocal Agreement for Distribution of Proceeds of Local Option Fuel Tax September 1, 2021 to August 31, 2034.

### **Governmental Activities - Stormwater Utility**

The City has pledged future stormwater utility assessments revenue to repay the Stormwater Bank Note secured in 2009. The note is payable through 2029. Principal and interest for the current year was \$528,509. Stormwater utility assessments for the current year totaled \$5,015,215. At year end, pledged future revenues totaled \$4,245,861, which was the amount of the remaining principal and interest on the Note as of September 30, 2021. Assuming no further interest rate changes or significant changes in collections of pledged revenue over the remaining life of the Note, total principal and interest on the Note would require approximately 10.58% of pledged revenue.

### **Business-type Activities – Water and Sewer Utility**

The City has pledged future water and sewer customer Net Revenues to repay the City's Utility Bond issues. The Taxable Utility System Refunding Revenue Bonds, Series 2021 are payable through 2050 Net Revenues are gross revenues less operating expenses as defined in the bond covenants. Net Revenues totaled \$15,601,023 for the current year.

The City has also pledged future water and sewer customer Net Revenues to repay its two State Revolving Fund (SRF) Loans from the Florida Department of Environmental Protection. The combined outstanding balance of the SRF loans was \$28,924,016 at September 30, 2021. Principal and Interest payments in the current fiscal year on the Revolving Fund Loans totaled \$2,144,344, or 13.7% of water and sewer customer Net Revenues.

### **Debt Service Reserve Funds**

A reserve fund provision in the City's Clean Water State Revolving Fund loan agreement went into effect on December 15, 2015. As a result, the City is required to make monthly deposits into a reserve account equal to 1/6th of one semi-annual loan payment for the duration of the loan repayment period. As a result, \$609,647 is reported in the noncurrent assets portion of the City's Proprietary Fund as of September 30, 2021.

Funding the debt service reserve does not require the City to actually expend the funds; it does, however, require the reserve funds to be classified as part of the City's restricted fund balance to reflect that the funds cannot be used for any purpose other than to meet debt service requirements. As a result, the amount available to fund infrastructure on a "pay as you go" basis is reduced, potentially resulting in the delay or cancellation of projects, or the use of alternative financing.

The Taxable Utility System Refunding Revenue Bonds, Series 2021; the Stormwater Bank Note; and the Capital Improvement Revenue Refunding Bonds, Series 2016, have no reserve requirement.

### Changes in long-term liabilities

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

The City's direct borrowing of \$3,427,967 related to governmental activities is the Stormwater Bank Note described in further detail on page 53, which is liquidated from resources of the



Notes to the Financial Statements

Stormwater Fund. Capital Improvement Refunding Revenue Bonds and the Debt Service Deposit Agreement are liquidated from resources of the Transportation Fund and the General Fund. For governmental activities, liabilities for compensated absences, pension, and OPEB are liquidated from resources of the General Fund.

The City's direct borrowing of \$28,924,016 related to business-type activities are the Clean Water State Revolving Fund loans described in further detail on pages 53-56. All long-term liabilities for business-type activities are liquidated from the resources of the Enterprise Fund.

The City has no unused lines of credit as of September 30, 2021.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Direct Borrowings:					
Stormwater Bank Note	\$ 3,767,714	\$ -	\$ 339,747	\$ 3,427,967	\$ 357,206
Other Debt:					
Capital Improvement Refunding Revenue Bonds Series 2016	32,215,000	-	730,000	31,485,000	765,000
Deferred Revenue, Debt Service Deposit Agreement	100,116	-	16,682	83,434	-
Add: Unamortized Premium	1,971,438	-	75,825	1,895,613	-
Net Pension Liability - Chapter 175	6,979,304	-	3,490,461	3,488,843	-
Net Pension Liability - FRS	10,840,351	-	6,587,150	4,253,201	14,073
OPEB	1,113,168	648,454	-	1,761,622	186,291
Compensated Absences	2,580,417	1,971,466	1,692,616	2,859,267	1,305,315
<b>Total Governmental Activities</b>	<b>\$ 59,567,508</b>	<b>\$ 2,619,920</b>	<b>\$12,932,481</b>	<b>\$ 49,254,947</b>	<b>\$ 2,627,885</b>
<b>Business-type Activities</b>					
Direct Borrowings:					
FDEP State Revolving Fund Loan #641800	\$ 23,854,611	\$ -	\$ 1,351,205	\$ 22,503,406	\$ 1,375,081
FDEP State Revolving Fund Loan #641830	6,755,457	-	334,860	6,420,597	337,074
Total Direct Borrowings	30,610,068	-	1,686,065	28,924,003	1,712,155
Other Debt:					
Utility System Revenue Bonds Series 2013	69,435,000	-	69,435,000	-	-
Add: Unamortized Premium	1,401,078	-	1,401,078	-	-
Subtotal - 2013 Bonds	70,836,078	-	70,836,078	-	-
Series 2014	20,795,000	-	20,795,000	-	-
Add: Unamortized Premium	831,717	-	831,717	-	-
Subtotal - 2014 Bonds	21,626,717	-	21,626,717	-	-
Series 2021	-	98,690,000	-	98,690,000	1,540,000
Total Utility Bonds	92,462,795	98,690,000	92,462,795	98,690,000	1,540,000
Total Debt	123,072,863	98,690,000	94,148,860	127,614,003	3,252,155
Net Pension Liability - FRS	3,238,383	-	1,807,462	1,430,921	4,741
OPEB	268,372	146,351	-	414,724	42,044
Compensated Absences	340,458	325,712	351,017	315,153	166,404
<b>Total Business-type Activities</b>	<b>\$126,920,076</b>	<b>\$ 99,162,063</b>	<b>\$96,307,339</b>	<b>\$ 129,774,801</b>	<b>\$ 3,465,344</b>

**IV. Other Information****A. 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. To cover itself against these exposures, the City became a member of Preferred Government Insurance Trust (PGIT), a local government liability risk pool. The Pool has over 400 local government agency members. The Pool administers insurance activities relating to property loss (including boilers/machinery) and general, professional, automobile and public officials' liability. Additionally, Workers' Compensation, Employee Crime and petroleum storage tank coverage are provided. The Pool absorbs losses up to a specified amount each pool year and, in addition, purchases excess and other specific coverage from third-party carriers. The Pool assesses each member its pro rata share of the estimated amount required to meet current year projected losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the Pool can make additional limited assessments. Losses, if any, in excess of the Pool's ability to assess its members, revert back to the member that incurred the loss. The City's insurance costs are allocated among the appropriate City departments and funds.

Fiscal year 2021 was the second year of a two-year premium period that locked in rates so that premium changes, if any, would be driven solely by increases in property and inland marine values and increases in workforce numbers.

The City's total insured property value increased by 6.82% in the current fiscal year, resulting in a 11.79% increase in the City's property insurance premium. The windstorm loss deductible remained unchanged at 3% of total loss.

Workers' Compensation premiums decreased by 9.04% and auto premiums increased by 11.81%. New this year, were additional premiums for liquor liability, storage tank liability and drones/unmanned aircraft. In total, the City's annual premium increased by 3.15%.

There have been no settlements in excess of insurance coverage in any of the prior five years and as such, no additional assessments were levied against the City for the fiscal year ended September 30, 2021.

**B. Commitments**

The City has an Interlocal Agreement with Volusia County, Florida, for the provision of various municipal services. These services include mosquito control, road and bridge, and traffic engineering. The agreement is renewable bi-annually based on the mutual agreement of both parties. Either party can terminate the agreement without cause or further liability with 90 days written notice. The annual contractual commitment is approximately \$42,000 with the applicable portion payable from both the City's General Fund and Stormwater Utility Fund.

The City also has an Interlocal Agreement with Volusia County, Florida, for the provision of law enforcement services within the City. The agreement term is renewable annually each year on October 1. Either party can terminate the agreement without cause or further liability with 180 days written notice. The annual contractual commitment was \$12,405,307 for the fiscal year ended September 30, 2021 payable from the City's General Fund. Total staffing includes 80 sworn officers and 3 administrative personnel.

The City provides weekly residential garbage pick-up to its residents through a contract with a private company. The Commission entered into a new agreement with the company in July 2018. Under this current contract, the City pays \$11.30 per household per month to the vendor, plus tipping fees charged by the County for solid waste and yard waste disposal. Solid waste fees are considered pass-through fees and therefore, the City charges an annual assessment of \$202.80 for once-a-week garbage and yard waste services on all residential properties. The annual contractual commitment to the waste hauler was approximately \$4,665,000 and the County was approximately \$1,784,000 for fiscal year ended September 30, 2021, payable from the City's Solid Waste Management Fund.

### C. Contingent liabilities

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

The City is often listed as a co-defendant in foreclosure cases when the City has a second mortgage or code enforcement lien recorded against the property being foreclosed. These types of cases require the City Attorney to file documents with the Court, but rarely result in costs to the City. Some of the liens either have priority over the mortgage in question or survive the foreclosure action and are eventually paid once the property is sold to a new owner.

### D. Other postemployment benefits (OPEB) Plans

The City follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting the its OPEB Plan liability.

**Plan Description.** The Other Postemployment Benefit (OPEB) Plan is a single-employer benefit plan administered by the City. Pursuant to Chapter 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for medical and prescription drug coverage. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan, on average, than those of active employees. The City does not offer any explicit subsidies for retiree coverage. The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity. The City's OPEB Plan is a cost sharing plan that does not have a separately identifiable account with formal assets accumulated in a GASB compliant trust.

**Summary of Membership Information.** As of September 30, 2020 Actuarial Measurement the City had 282 OPEB members, 269 active and 13 inactive. All inactive members are retired employees.

**Changes in the Total OPEB Plan Liability.** The following table shows the change in the City's OPEB plan liability:

Description	Total
Service Cost	\$ 103,689
Interest on the Total OPEB Plan Liability	40,144
Changes of Benefit Terms	-
Difference between expected and actual experience of the total OPEB liability	1,095,506
Changes of Assumptions and Other Inputs	(393,673)
Benefit Payments	(50,861)
Net change in Total OPEB Liability	794,805
Total OPEB Liability - Beginning	1,381,539
Total OPEB Liability - Ending	\$ 2,176,344

**Actuarial Valuation and Measurement Dates.** September 30, 2020 was the actuarial valuation date. For purposes of calculating and reporting the OPEB liability, valuation date amounts were rolled forward to the measurement date of September 30, 2020, using standard actuarial techniques.

**Funded Status and Funding Progress.** As of September 30, 2020, the total OPEB Plan liability was \$2,176,344 and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$16,378,953 and the ratio of the total OPEB plan liability to the covered payroll was 13.29%.

The OPEB plan contribution requirements of the District and OPEB Plan members are established and may be amended through Commission action. The City has not advanced-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB plan is financed on a pay-as-you-go basis.

**Actuarial Valuation Methods and Assumptions.** Actuarial valuations of an ongoing OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The OPEB liability calculation was based on the Individual Entry Age Normal Cost Method.

Demographic assumptions employed in the actuarial valuation for General employees were the same as those employed in the July 1, 2020 actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OPEB plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. Retirement rates for firefighters were based on the age and years of service of participants.

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Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System were used in the liability calculation. They are based on the results of a statewide experience study covering the period 2013 through 2018.

The total OPEB plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Description	
Inflation	2.25 percent
Salary Increases - General Employees in FRS	3.4 - 7.8 percent, including inflation as used in the July 1, 2020 actuarial valuation of the Florida Retirement System
Salary Increases - Firefighters	5.0 percent
Salary Increases - Employees in General Employees' Pension Plan	2.5 percent

Healthcare cost trend rates were based on the Getzen model, with trend starting at 3.21% in 2021 (to reflect actual premiums), 6.0% in 2022 and gradually decreasing to an ultimate trend rate of 3.99%.

Aging factor expenses were based on the 2013 SOA Study “Health Care Costs – From Birth to Death.” Administrative expenses are included in the per capita health costs.

**Discount Rate.** There are no invested plan assets held in trust to finance the OPEB plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 2.41%.

The City’s annual OPEB expense totaled \$211,527 for the fiscal year ended September 30, 2021. At September 30, 2021, the City reported deferred outflows and inflows of resources related to the OPEB plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,022,141	\$ -
Change of assumptions and other inputs	59,194	385,013
Contributions subsequent to the Measurement Date	78,565	-
Total	<u>\$ 1,159,900</u>	<u>\$ 385,013</u>

Notes to the Financial Statements

The deferred outflows of resources related of \$78,565 resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the liability in the year ending September 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB are recognized in expense as follows:

Fiscal Year Ending September 30	Amortization
2022	\$ 67,694
2023	67,694
2024	67,694
2025	72,595
2026	75,867
Thereafter	344,778
<b>Total</b>	<b>\$ 696,322</b>

Sensitivity of the City’s Total OPEB Liability to Changes in the Discount Rate. The following presents the District’s OPEB plan liability calculated using the discount rate of 2.41 percent, as well as what the OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.41 percent) or 1 percentage point higher (3.41 percent) than the current rate:

	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
OPEB Plan Liability	\$ 2,436,494	\$ 2,176,344	\$ 1,954,175

Sensitivity of the City’s Total OPEB Liability to the Healthcare Cost Trend Rate Assumption. Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates as well as what the OPEB Plan’s total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
OPEB Plan Liability	\$ 1,919,538	\$ 2,176,344	\$ 2,487,126

**E. Employee retirement systems and pension plans**

Firefighters’ Pension Plan

**Plan Description**

The *City of Deltona Firefighters’ Pension Plan* (the Firefighters’ Plan) is a single-employer, defined benefit pension plan for firefighters adopted through local ordinance on December 14, 1998, with an effective date of October 1, 1997. The establishment of the Plan, and any amendments thereto, are at the sole discretion of the City Commission.

The Plan was established, and operates within, the parameters of Chapter 175 of the Florida Statutes. This Statute governs fire pension plans in the State of Florida. The Plan's amortization periods are closed. The Plan is administered by a five-member Board of Trustees (the Board). Two members of the Board must be members of the Plan elected by a majority of all members of the Plan; two members must be residents of the City appointed by the City Commission; the fifth member is elected by a majority of the other four Board members.

**Funding Policy**

The Florida Constitution requires local governments to make actuarially-determined contributions. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being used for funding purposes. The funding method and determination of benefits payable are provided for in the Florida Legislature, under which the Plan was created, including subsequent amendments.

Additionally, the State collects a locally authorized insurance premium surcharge on certain real and personal property insurance policies within the corporate limits of Deltona. The funds can be distributed only after the State has ascertained that the City has met its actuarial funding requirement for the most recently completed fiscal year. These funds are recorded in the General Fund, then immediately transferred to the pension fund. The pension fund records these amounts as revenue, while the General Fund records the transfer as an additional pension contribution expense.

Direct costs for Plan administration are paid from Plan assets. However, City staff do perform administrative functions at no cost to the Plan.

**Benefits**

The Plan provides retirement, termination, disability, and survivor benefits to all full-time certified firefighters. Benefits, as established by the City Commission, are determined by a calculation using length of service and average final compensation. Benefits of the Plan are recognized when due and payable in accordance with the terms of the Plan. Average final compensation (AFC) is the average of the employee's highest 5 years of the previous 10 years of compensation.

**Normal Retirement**

Normal retirement is the earlier of age 55 with 10 years Credited Service, or 25 years of Credited, regardless of age. Members earn benefits at the rate of 3% for each year of Creditable Service since October 1, 1997. The Plan also allows members a one-time option to obtain service credit for years of employment prior to October 1, 1997. This Past Service credit is at a 2% benefit rate for each year of creditable service. Members with 25 or more years of service receive an increase of their Past Service Credit from 2% to 3% provided that the total benefit percent does not exceed 100%. There is an overall maximum benefit of 100% of the AFC.

**Early Retirement**

Early retirement is permitted at age 50 with 10 years of Credited Service. The accrued benefit for early retirement is reduced by 3.0% for each year prior to the Normal Retirement date.

**Supplemental Benefit**

A supplemental benefit of \$10.00 times total years of service at retirement with a maximum of \$250 is provided.

**Cost of Living Allowance (COLA)**

All Retirees who have completed at least 21 years of service, and those Retirees who retire with an In-Line of Duty disability retirement, shall receive an automatic 2.35% COLA beginning on the later of the attainment of age 52 or three (3) years following benefit commencement. This benefit shall not be payable to terminated vested Members. Additionally, beneficiaries and joint annuitants of deceased Retirees shall receive COLA adjustments, based on the age or years of service of the deceased Retiree.

**Disability Benefit**

A disability retirement benefit of a minimum of 60% of AFC is provided to any Member injured in-the-line-of-duty. A disability retirement benefit is provided at the accrued normal retirement benefit, but shall not be less than 25% of AFC to Members who are disabled from a non-service connected injury who have more than 10 years of Credited Service.

**Pre-Retirement Death Benefit**

The pre-retirement death benefit is the benefit accrued to the date of death payable to designated beneficiary for 10 years at the normal or early retirement date, at the option of the beneficiary. In the case of a participant's death prior to vesting, no retirement benefit shall be payable; the beneficiary will be entitled to a refund of the participant's contributions, however.

**Vesting**

Full vesting occurs with 10 years of Credited Service. Members who do not attain 10 years of Credited Service are refunded their member contributions when separated. Vested Members may choose their accrued benefit payable, or a refund of contributions.

**Membership**

As of October 1, 2020, there were a total of 126 participants. 79 of these participants are active Plan members; 13 are inactive Plan members entitled to, but not yet receiving, benefits; and 34 are inactive Plan members or beneficiaries currently receiving benefits.

**Contributions**

The Plan, as approved by the City Commission, requires members to contribute 8% of their annualized compensation. City contributions are equal to the remaining amount necessary for payment of Normal (current year) Cost and amortization of the accrued past service liability over 30 years. The City contribution is offset by estimated insurance premium receipts.

The Plan is operated as a Pension Trust Fund and is included as part of the City's reporting entity; therefore separate financial statements are not required.

**Investments**

Investments are reported at fair value and are managed by third party money managers. Investments that do not have an established market are reported at estimated fair market value.



The following asset allocation policy was adopted by the Board and was in effect as of the year ended September 30, 2021.

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	50%
International Equity	10%
Broad Market Fixed Income	20%
Global Fixed Income	5%
Real Estate	10%
TIPS	5%
Total	100%

Concentrations

The Plan did not hold investments in any one organization that represent 5% or more of the Plan's Fiduciary Net Position.

Rate of Return

For the year ended September 30, 2021 the annual money-weighted rate of return of Plan investments, net of Plan investment expense, was 20.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Firefighters' Plan provides a Deferred Retirement Option Program for Members who have satisfied Normal Retirement requirements. The Member must elect to enter DROP within 12 months after reaching Normal Retirement. A Member can remain in DROP until s/he attains age 60 or 35 total years of service, whichever is earlier, up to a maximum participation of 96 months.

While in DROP, a Member may choose to have his/her account credited with interest of 6% per year or an interest rate equal to the net investment return realized by the System for that quarter. The Member may change his/her election only once.

For the year ended September 30, 2021 the DROP balance was \$745,665.

**Net Pension Liability**

The components of the City's Net Pension Liability related to the Firefighters' Plan on September 30, 2021 were:

Total Pension Liability	\$ 45,694,036
Plan Fiduciary Net Position	<u>(42,205,193)</u>
City's Net Pension Liability	<u>\$ 3,488,843</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.36%

**Actuarial Assumptions**

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.60%
Investment Rate of Return	7.60%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Millimans’s July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the significant assumptions was dated August 11, 2021.

The Long-Term Expected Rate of Return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan’s target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%
TIPS	2.50%

**Changes in Net Pension Liability - Firefighters' Pension Plan  
September 30, 2021**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Reporting Period Ending September 30, 2020	\$ 41,490,199	\$ 34,510,895	\$ 6,979,304
Changes for a Year			
Service Cost	1,152,416	-	1,152,416
Interest	3,290,497	-	3,290,497
Share Plan Allocation	16,840		16,840
Differences between Expected and Actual Experience	56,218	-	56,218
Changes of assumptions	338,260	-	338,260
Changes of benefit terms	1,089,278	-	1,089,278
Contributions - Employer	-	1,419,011	(1,419,011)
Contributions - State	-	483,679	(483,679)
Contributions - Employee	-	390,409	(390,409)
Contributions - Buy Back	34,098	34,098	-
Net Investment Income	-	7,226,916	(7,226,916)
Benefit Payments, Incl. Refunds of EE Contributions	(1,773,770)	(1,773,770)	-
Administrative Expense	-	(86,045)	86,045
Net Changes	4,203,837	7,694,298	(3,490,461)
Balance - September 30, 2021	<u>\$ 45,694,036</u>	<u>\$ 42,205,193</u>	<u>\$ 3,488,843</u>

**Discount Rate**

The Discount Rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that City contribution rates will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Firefighters' Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the Long-Term Expected Rate of Return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The City's Net Pension Liability based on a 7.60% discount rate is \$3,488,843. The table below presents the effect on the Net Pension Liability if the discount rate were reduced or increased by 1.00%.

September 30, 2021		
Net Firefighter Pension Liability Based on Discount Rate		
1% Decrease in Discount Rate to 6.60%	Discount Rate 7.60%	1% Increase in Discount Rate to 8.60%
<u>\$ 9,692,058</u>	<u>\$ 3,488,843</u>	<u>\$ (1,608,564)</u>

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

For the year ended September 30, 2021, the City recognized a Pension Expense of \$1,758,829 related to the Firefighters' Pension Plan. On September 30, 2021 the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Pension from the following sources:

City of Deltona Firefighters' Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 687,327	\$ 421,247
Change in assumptions	1,161,774	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,696,161
<b>Total</b>	<b>\$ 1,849,101</b>	<b>\$ 4,117,408</b>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions will be recognized in Pension Expense as follows:

Year Ended September 30,	Amount
2022	\$ (552,593)
2023	(428,849)
2024	(875,121)
2025	(763,658)
2026	161,684
Thereafter	190,230
<b>Total</b>	<b>\$ (2,268,307)</b>

General Employees' Pension Plan

**Plan Description**

The *City of Deltona General Employees' Pension Plan* (the Employee Plan) is a single-employer, defined contribution pension plan adopted through City resolution on December 17, 1997, with an effective date of October 1, 1997. The Plan is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code that covers all full-time employees of the City, excluding certified firefighters, as described in "Membership," below.

**Membership**

The Employee Plan was closed to new members by the City effective December 1, 2006 when the City opted to enroll in the Florida Retirement System (FRS). As of September 30, 2021, 15 employees were still enrolled in the Plan.

**Funding Policy**

The Employee Plan is administered by an outside party and requires the City to contribute 10% of each participant's base earnings to a pension trust. Base earnings includes W-2 earnings, plus any contribution made pursuant to a salary reduction agreement not included under section 125 of the Internal Revenue Code, less unscheduled overtime and on call pay. Participants are not required to contribute to the Employee Plan; all contributions are voluntary, unmatched by the City, and made on an after-tax basis. The Plan has a five-year graduated vesting schedule and all participants are fully vested in the Plan. The Plan permits withdrawals for retirement, termination and disability. The Plan does not allow participants to borrow against their accounts.

For the fiscal year ended September 30, 2021, the City's total covered payroll for employees eligible to participate in the Plan was \$1,333,961 compared with a total payroll for the City of \$17,668,671. The required employer contribution and the contribution actually made amounted to \$127,389, or 10% of covered payroll. Investments are reported at fair value. There have been no revisions to the Plan since its adoption.

The City is the Trustee for the plan; assets are held in employees' names, however, and therefore the City is not exposed to custodial risk. Because the plan is a defined-contribution plan, there is no Net Pension Liability, Deferred Outflows, or Deferred Inflows reported in connection with this Plan.

**Florida Retirement System Plans (FRS)****General Information**

The City participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit public employee retirement system, administered by the State of Florida Department of Management Services, Division of Retirement. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("FRS Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan").

Effective July 1, 2002, the FRS implemented a defined contribution plan ("Investment Plan") under Section 121.4501, Florida Statutes, as an alternative available to all FRS members in lieu of the FRS Pension Plan and covers the same classes of employees as the FRS Pension Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Employee and employer contributions are directed to individual member accounts, and members may select various approved investments to which they allocate their contributions and account balances. Benefits in the Investment Plan vest after one year of service.

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

**FRS Pension Plan Description**

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statutes Chapter 121, as may be amended from time to time by the State legislature, provides the methodology for determining contribution rates for the various membership classes of the FRS. Benefits are established by Chapter 21, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law may be made only by an act of the Florida State Legislature. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

The State of Florida annually issues a publicly available financial report that includes financial statements as well as required supplementary information for the FRS. The most recent report is available from:

State of Florida Department of Management Services  
Division of Retirement  
Post Office Box 9000  
Tallahassee, Florida 32315-9000

[www.dms.myflorida.com/workforce\\_operations/retirement/publications/annual\\_reports](http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports)

**Membership**

The City passed Resolution #2006-39, which allowed all eligible employees to enroll in FRS with the State of Florida (a defined benefit pension plan) with an effective date of December 1, 2006, or continue to participate in the pre-existing defined contribution pension plan known as the City of Deltona General Employees' Pension Plan. All general employees hired after December 1, 2006 are compulsory members of FRS. General employees who elected to participate in FRS with the State of Florida had the option to purchase past service credit back to October 1, 1997. For each general employee who opted to purchase past service, their General Employees' Pension Plan assets were transferred directly to FRS with the State of Florida. As of September 30, 2021, there were 226 employees enrolled in FRS.

**Benefits**

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

For FRS Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age. The final average compensation for the members hired after July 1, 2011 will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if a member was initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment (COLA) is three percent (3.0%) per year. If a member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated COLA. The annual COLA is a prorated portion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not receive a cost-of-living adjustment after retirement.

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

**Contributions/Funding**

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

These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2021, respectively, were as shown below:

	September 30,		
	2019	2020	2021
Regular Class	8.47%	10.00%	10.82%
Senior Management Service Class	25.41%	27.29%	29.01%
Reemployed retirees	5.22%	5.10%	5.85%
DROP Participants	14.60%	16.98%	18.34%

The City made all required contributions to the FRS Pension Plan which totaled \$1,142,938 for fiscal year ended September 30, 2021.

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

As of September 30, 2021, the City reported a liability of \$1,946,459 for its proportionate share of the FRS Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City’s proportionate share of the net pension liability was based on the City’s contributions for FY 2019/2020 relative to the City’s contributions for FY 2019/2020 of all participating members. At June 30, 2021, the City’s proportionate share was 0.02577%, which was an increase of 0.00162% percent from its proportionate share measured as of June 30, 2020.

Notes to the Financial Statements

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$177,110. In addition the City reported current deferred outflows and inflows of resources related to pensions from the following sources:

<b>FRS Pension Plan</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between Expected and Actual Experience	\$ 333,626	\$ -
Change of Assumptions	1,331,864	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	6,790,707
Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions	699,868	93,524
City FRS Pension Plan Contributions Subsequent to the Measurement Date	287,686	-
<b>Total</b>	<b>\$ 2,653,044</b>	<b>\$ 6,884,231</b>

The deferred outflow of resources of \$287,686 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

<b>Year Ended September 30,</b>	<b>Amount</b>
2022	\$ (749,458)
2023	(917,075)
2024	(1,270,010)
2025	(1,655,528)
2026	73,197
Thereafter	-
<b>Total</b>	<b>\$ (4,518,874)</b>



**Actuarial Assumptions**

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.8%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

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

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real Estate (Property)	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
<b>Total</b>	<b>100.0%</b>			
Assumed Inflation - Mean		2.4%		1.2%

(1) As outlined in the FRS Plan's Investment Policy

**Discount Rate**

The discount rate used to measure the total pension liability was 6.8%. The FRS Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for the calculation of the total pension liability is equal to the long-term expected rate of return.

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

Shown below is the City’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well the City’s proportionate share of the net pension liability calculated using a discount rate one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

1% Decrease in Discount Rate to 5.8%	Current Discount Rate 6.8%	1% Increase in Discount Rate to 7.8%
\$ 8,704,696	\$ 1,946,459	\$ (3,702,669)

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

At September 30, 2021, the City reported a payable in the amount of \$174,874 for contributions in-transit to the FRS Pension Plan required for the fiscal year ended September 30, 2021.

FRS Health Insurance Subsidy Plan (HIS Plan)

**Plan Description**

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

**Benefits**

The benefit received by HIS Plan members is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligibility for this benefit requires a retiree under a State-administered retirement system to provide proof of health insurance coverage which may include Medicare.

For fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a monthly minimum HIS payment of \$30 and a monthly maximum HIS payment of \$150.

**Contributions**

The HIS Plan is funded by required contributions from participating FRS employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all

Notes to the Financial Statements

active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution was 1.66%.

The City contributed 100% of its statutorily required contributions for fiscal year ended September 30, 2021. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City made all required contributions to the HIS Plan which totaled \$364,687 for fiscal year ended September 30, 2021.

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

As of September 30, 2021, the City reported a liability of \$3,737,664 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City’s proportionate share of the net pension liability was based on the City’s contributions for FY 2020/2021 relative to the City’s contributions for FY 2019/2020 of all participating members. At June 30, 2021, the City’s proportionate share was .0305%, which was an increase of .0009 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$364,687. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**FRS Health Insurance Subsidy Plan (HIS Plan)**

<b>FRS Health Insurance Subsidy Plan (HIS Plan)</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between Expected and Actual Experience	\$ 125,072	\$ 1,565
Change of Assumptions	293,697	154,001
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,896	-
Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions	259,623	-
City FRS Pension Plan Contributions Subsequent to the Measurement Date	49,345	-
<b>Total</b>	<b>\$ 731,633</b>	<b>\$ 155,566</b>

The deferred outflow of resources of \$49,345 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2022	\$ 163,879
2023	83,552
2024	94,694
2025	97,667
2026	70,273
Thereafter	16,657
Total	<u>\$ 526,722</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	2.16%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Plan benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

Shown below is the City’s proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

**City Net HIS Plan Liability Based on Discount Rate**

1% Decrease in Discount Rate to 1.16%	Current Discount Rate 2.16%	1% Increase in Discount Rate to 3.16%
<u>\$ 4,321,101</u>	<u>\$ 3,737,664</u>	<u>\$ 3,259,667</u>

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

At September 30, 2021, the City reported a payable in the amount of \$21,584 for contributions in-transit to the HIS Pension Plan required for the fiscal year ended September 30, 2021.

**Summary of Pension Plans Liability / Inflows / Outflows / Expense**

The following chart presents a summary of the GASB 68 implementation information for each of the City’s pension plans.

<b>GASB 68</b>				
<b>Summary of Pension Plans</b>				
<b>As of September 30, 2021</b>	<b>Net Pension Liability</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Pension Expense</b>
FRS - Governmental				
Pension	(1,492,411)	2,080,378	(5,398,253)	138,388
Health Insurance Subsidy	(2,760,791)	547,269	(116,365)	272,790
FRS - Governmental - Total	<u>(4,253,201)</u>	<u>2,627,647</u>	<u>(5,514,618)</u>	<u>411,178</u>
FRS - Deltona Water				
Pension	(454,048)	572,667	(1,485,978)	38,094
Health Insurance Subsidy	(976,873)	184,364	(39,201)	91,897
FRS - Deltona Water - Total	<u>(1,430,921)</u>	<u>757,031</u>	<u>(1,525,179)</u>	<u>129,991</u>
Total FRS				
Pension	(1,946,459)	2,653,045	(6,884,231)	176,482
Health Insurance Subsidy	(3,737,664)	731,633	(155,566)	364,687
FRS - Total	<u>(5,684,123)</u>	<u>3,384,678</u>	<u>(7,039,797)</u>	<u>541,169</u>
Firefighters' Pension Plan	(3,488,843)	2,431,815	(4,700,122)	1,758,829
Total	<u>(9,172,966)</u>	<u>5,816,493</u>	<u>(11,739,919)</u>	<u>2,299,998</u>

The following schedule summarizes the general and fire pension plan assets and changes in the net position of the plans:

<b>Schedule of Pension Plan Net Position as of September 30, 2021 (1)</b>			
	<b>Firefighters' Pension Trust Fund</b>	<b>General Employees' Pension Trust Fund (2)</b>	<b>Total</b>
<b>Assets</b>			
Cash and Investments	\$ 42,214,166	\$ 4,448,246	\$ 46,662,412
Prepaid	4,603	-	4,603
<b>Total Assets</b>	<b>42,218,769</b>	<b>4,448,246</b>	<b>46,667,015</b>
<b>Liabilities</b>			
Accounts Payable	13,576	-	13,576
<b>Total Liabilities</b>	<b>13,576</b>	<b>-</b>	<b>13,576</b>
<b>Net Position</b>			
Reserved for Employees' Pension	\$ 42,205,193	\$ 4,448,246	\$ 46,653,439
<b>Additions</b>			
Contributions			
Employer	\$ 1,419,011	\$ 123,536	\$ 1,542,547
State of Florida	483,678	-	483,678
Employee	390,409	-	390,409
Buyback	34,098	-	34,098
Miscellaneous	81	-	81
Total Contributions	2,327,277	123,536	2,450,814
Investment Income (Loss)	7,279,399	687,513	7,966,912
<b>Total Additions</b>	<b>9,606,676</b>	<b>811,049</b>	<b>10,417,727</b>
<b>Deductions</b>			
Benefit Payments - Retirement	1,570,828	546,912	2,117,740
Benefit Payments - Disability	141,362	-	141,362
Benefit Payments - Beneficiary	15,776	-	15,776
Refunds to Employees	36,682	-	36,682
Administration	134,436	19,179	153,615
Insurance Premium Payments	4,396	-	4,396
Share Plan Payout	9,121	-	9,121
<b>Total Deductions</b>	<b>1,912,601</b>	<b>566,091</b>	<b>2,478,693</b>
<b>Net Increase</b>	<b>7,694,075</b>	<b>244,958</b>	<b>7,939,033</b>
<b>Net Position Reserved for Employees' Pension Benefits</b>			
Beginning of Year	34,511,118	4,203,288	38,714,406
End of Year	\$ 42,205,193	\$ 4,448,246	\$ 46,653,439

(1) The above table includes the two single employer plans maintained by the City of Deltona and does not include the defined benefit plans for general employees administered by the Florida Retirement System.

(2) Defined contribution plan.

**Other Pension Plan Information**

The Required Supplementary Information following the Notes to the Financial Statements presents multi-year trend information regarding the Changes in Net Pension Liability, Contributions and Investment Returns as well as information regarding Methods and Assumptions used to Determine Contribution Rates.

**REQUIRED SUPPLEMENTARY INFORMATION**



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Schedule of Revenues, Expenditures, Changes in Fund Balance

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 21,740,000	\$ 21,740,000	\$ 22,166,767	\$ 426,767
Franchise fees	4,000,000	4,000,000	4,347,280	347,280
Public service tax	6,948,200	6,948,200	8,073,033	1,124,833
State revenue sharing	3,941,200	3,941,200	4,813,245	872,045
Intergovernmental	5,357,700	8,601,110	6,556,060	(2,045,050)
Charges for services	1,759,500	2,021,820	4,623,584	2,601,764
Fines and forfeitures	161,000	161,000	187,830	26,830
Interest income	203,800	203,800	53,537	(150,263)
Miscellaneous	218,500	235,500	1,143,463	907,963
<b>Total revenues</b>	<b>44,329,900</b>	<b>47,852,630</b>	<b>51,964,799</b>	<b>4,112,169</b>
<b>EXPENDITURES</b>				
General Government:				
City Commission	443,450	469,750	411,535	58,215
City Manager	1,879,450	1,907,450	1,204,788	702,662
City Clerk	624,950	625,950	571,322	54,628
Fiscal Services	1,215,200	1,238,000	1,140,623	97,377
City Attorney	611,200	811,200	701,833	109,367
Planning and Development Services	1,005,900	1,005,900	779,323	226,577
Construction Services	1,798,250	1,979,250	1,664,085	315,165
Human Resources	802,500	877,500	686,749	190,751
General Government	1,509,295	1,308,595	931,731	376,864
Enforcement Services	1,627,450	1,627,450	1,454,000	173,450
<b>Total General Government</b>	<b>11,517,645</b>	<b>11,851,045</b>	<b>9,545,989</b>	<b>2,305,056</b>
Public safety				
Law Enforcement	12,469,500	12,471,500	12,470,473	1,027
Fire Administration	2,022,355	2,022,355	1,609,445	412,910
Fire Operations	9,575,500	9,874,200	9,839,592	34,608
General Government	-	-	7,798	(7,798)
<b>Total Public Safety</b>	<b>24,067,355</b>	<b>24,368,055</b>	<b>23,927,308</b>	<b>440,747</b>
Highways and streets				
Public Works - Traffic Division	773,750	773,750	666,396	107,354
Public Works - Engineering	251,450	251,450	183,039	68,411
Public Works - Field Operations	949,650	949,650	800,549	149,101
Public Works - Administration	272,150	272,150	208,311	63,839
Public Works - Fleet Maintenance	422,350	422,350	356,401	65,949
<b>Total Highways and Streets</b>	<b>2,669,350</b>	<b>2,669,350</b>	<b>2,214,696</b>	<b>454,654</b>
Culture and recreation				
Parks and Recreation	2,913,320	3,060,320	2,621,727	438,593
The Center at Deltona	804,100	804,100	747,179	56,921
<b>Total Culture and Recreation</b>	<b>3,717,420</b>	<b>3,864,420</b>	<b>3,368,906</b>	<b>495,514</b>
<b>Total operating</b>	<b>41,971,770</b>	<b>42,752,870</b>	<b>39,056,899</b>	<b>3,695,971</b>
Debt service:				
Interest	160,000	160,000	160,000	-
Principal retirement	247,000	247,000	246,506	494
<b>Total debt service</b>	<b>407,000</b>	<b>407,000</b>	<b>406,506</b>	<b>494</b>
Capital outlay:				
General government	155,200	185,200	110,727	74,473
Public safety	557,300	617,100	616,912	188
Highways and streets	43,000	43,000	42,439	561
Culture and recreation	421,000	967,400	176,393	791,007
Physical environment	-	22,300	22,276	24
<b>Total capital outlay</b>	<b>1,176,500</b>	<b>1,835,000</b>	<b>968,747</b>	<b>866,253</b>
<b>Total expenditures</b>	<b>43,555,270</b>	<b>44,994,870</b>	<b>40,432,152</b>	<b>4,562,718</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>774,630</b>	<b>2,857,760</b>	<b>11,532,647</b>	<b>8,674,887</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	100,000	480,000	480,000	-
Transfer(s) out	(422,200)	(422,200)	(422,200)	-
<b>Total other financing source (uses)</b>	<b>(322,200)</b>	<b>57,800</b>	<b>57,800</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>452,430</b>	<b>2,915,560</b>	<b>11,590,447</b>	<b>8,674,887</b>
Fund balance, beginning	42,322,899	42,322,899	42,322,899	-
<b>Fund balance, ending</b>	<b>\$ 42,775,329</b>	<b>\$ 45,238,459</b>	<b>\$ 53,913,346</b>	<b>\$ 8,674,887</b>

Required Supplementary Information

Schedule of Revenues, Expenditures, Changes in Fund Balance

Solid Waste Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 6,852,000	\$ 6,953,000	\$ 6,987,775	\$ 34,775
Interest income	7,000	7,000	6,241	(759)
Miscellaneous	10,000	10,000	17,825	7,825
Total revenues	<u>6,869,000</u>	<u>6,970,000</u>	<u>7,011,841</u>	<u>41,841</u>
<b>EXPENDITURES</b>				
Operating:				
Physical environment	6,682,450	6,783,450	6,782,347	1,103
Total operating	<u>6,682,450</u>	<u>6,783,450</u>	<u>6,782,347</u>	<u>1,103</u>
Total expenditures	<u>6,682,450</u>	<u>6,783,450</u>	<u>6,782,347</u>	<u>1,103</u>
Excess (deficiency) of revenues over expenditures	<u>186,550</u>	<u>186,550</u>	<u>229,494</u>	<u>42,944</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	186,550	186,550	229,494	42,944
Fund balance, beginning	931,020	931,020	931,020	-
Fund balance, ending	<u>\$ 1,117,570</u>	<u>\$ 1,117,570</u>	<u>\$ 1,160,514</u>	<u>\$ 42,944</u>

Required Supplementary Information

## Schedule of Revenues, Expenditures, Changes in Fund Balance

Transportation Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,942,100	\$ 9,899,324	\$ 3,536,026	\$ (6,363,298)
Charges for services	-	-	262,517	262,517
Interest income	10,000	10,000	10,952	952
Total revenues	<u>4,952,100</u>	<u>9,909,324</u>	<u>3,809,495</u>	<u>(6,099,829)</u>
<b>EXPENDITURES</b>				
Operating:				
Highways and streets	298,300	298,300	146,684	151,616
Total operating	<u>298,300</u>	<u>298,300</u>	<u>146,684</u>	<u>151,616</u>
Debt service:				
Interest	886,000	886,000	885,163	837
Principal retirement	570,000	570,000	570,000	-
Total debt service	<u>1,456,000</u>	<u>1,456,000</u>	<u>1,455,163</u>	<u>837</u>
Capital outlay:				
Highways and streets	4,115,600	14,064,691	2,764,335	11,300,356
Total capital outlay	<u>4,115,600</u>	<u>14,064,691</u>	<u>2,764,335</u>	<u>11,300,356</u>
Total expenditures	<u>5,869,900</u>	<u>15,818,991</u>	<u>4,366,182</u>	<u>11,452,809</u>
Excess (deficiency) of revenues over expenditures	<u>(917,800)</u>	<u>(5,909,667)</u>	<u>(556,687)</u>	<u>5,352,980</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	225,000	508,100	508,010	(90)
Total other financing source (uses)	<u>225,000</u>	<u>508,100</u>	<u>508,010</u>	<u>(90)</u>
Net change in fund balances	(692,800)	(5,401,567)	(48,677)	5,352,890
Fund balance, beginning	17,492,950	17,492,950	17,492,950	-
Fund balance, ending	<u>\$ 16,800,150</u>	<u>\$ 12,091,383</u>	<u>\$ 17,444,273</u>	<u>\$ 5,352,890</u>

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios  
Measurement Year Ended September 2020  
Last 10 Fiscal Years\*

Measurement Year Ended September 30,	2020	2019	2018	2017
<b>A. Total OPEB liability</b>				
1. Service Cost	\$ 103,689	\$ 79,490	\$ 57,354	\$ 59,355
2. Interest on the Total OPEB Liability	40,144	50,563	40,797	36,325
3. Changes of assumptions and other inputs	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	1,095,506	-	39,009	-
5. Changes of assumptions and other inputs	(393,673)	37,173	40,255	(60,483)
6. Benefit payments	(50,861)	(52,775)	(37,228)	(41,406)
<b>7. Net change in Total OPEB Liability</b>	<b>794,805</b>	<b>114,451</b>	<b>140,187</b>	<b>(6,209)</b>
<b>8. Total OPEB Liability - Beginning</b>	<b>1,381,539</b>	<b>1,267,088</b>	<b>1,126,901</b>	<b>1,133,110</b>
<b>9. Total OPEB Liability - Ending</b>	<b>\$ 2,176,344</b>	<b>\$ 1,381,539</b>	<b>\$ 1,267,088</b>	<b>\$ 1,126,901</b>
<b>B. Covered-employee payroll</b>	<b>\$ 16,378,953</b>	<b>\$ 16,097,651</b>	<b>\$ 15,774,073</b>	<b>\$ 15,530,777</b>
<b>C. Total Liability as a percentage of covered payroll</b>	<b>13.29%</b>	<b>8.58%</b>	<b>8.03%</b>	<b>7.26%</b>

\*The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement 75 for fiscal year ended September 30, 2018. As a result, this Schedule will present 10 years of information as available.

Note: Covered-Employee Payroll presented for the 2020 measurement year is an estimate based on the data submitted for the September 30, 2020 valuation. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

Schedule of Changes in Firefighter Net Pension Liability

Schedule of Changes in Firefighter Net Pension Liability and Related Ratios  
Last 10 Fiscal Years (1)

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
<b>Total pension liability</b>								
Service cost	\$ 1,152,416	\$ 987,101	\$ 833,961	\$ 764,177	\$ 736,394	\$ 763,355	\$ 859,133	\$ 885,170
Interest	3,290,497	2,994,794	2,852,171	2,747,916	2,569,262	2,296,697	2,171,585	2,001,624
Change in excess State money	0	0	-	-	-	(291,211)	10,559	280,653
Share plan allocation	16,840	4,007	-	(1,281)	-	145,606	-	-
Changes of benefit terms	1,089,278	-	(10,789)	-	-	-	-	-
Differences between expected and actual experience	56,218	713,396	(209,917)	(465,047)	161,964	169,396	(460,180)	-
Change of assumptions	338,260	19,482	376,031	355,957	455,206	1,069,919	-	-
Contributions - Buy Back	34,098	-	-	46,174	-	-	-	-
Benefit payments, incl. refunds of EE contributions	(1,773,770)	(1,668,383)	(1,916,442)	(1,729,690)	(1,011,240)	(1,010,671)	(811,049)	(661,426)
Net change in total pension liability	4,203,837	3,050,397	1,925,015	1,718,206	2,911,586	3,143,091	1,770,048	2,506,021
Total pension liability - beginning	41,490,199	38,439,802	36,514,787	34,796,581	31,884,995	28,741,904	26,971,856	24,465,835
Total pension liability - ending (a)	45,694,036	41,490,199	38,439,802	36,514,787	34,796,581	31,884,995	28,741,904	26,971,856
<b>Plan fiduciary net position</b>								
Contributions - employer	1,419,011	1,298,760	1,139,188	960,204	856,758	990,000	1,099,856	747,410
Contributions - State	483,679	458,013	440,929	432,767	418,946	437,671	432,954	435,643
Contributions - employee	390,409	337,757	326,448	299,956	297,214	298,328	306,677	322,286
Contributions - Buy Back	34,098	-	-	46,174	-	-	-	-
Net investment income	7,226,916	3,348,269	893,565	2,512,787	3,250,594	2,031,264	(125,150)	1,994,535
Benefit payments, incl. refunds of EE contributions	(1,773,770)	(1,668,383)	(1,916,442)	(1,729,690)	(1,011,240)	(1,010,671)	(811,049)	(661,426)
Administrative expense	(86,045)	(91,103)	(79,996)	(80,148)	(56,858)	(60,624)	(67,747)	(53,091)
Net change in plan fiduciary net position	7,694,298	3,683,313	803,692	2,442,050	3,755,414	2,685,968	835,541	2,785,357
Plan fiduciary net position - beginning	34,510,895	30,827,582	30,023,890	27,581,840	23,826,426	21,140,458	20,304,917	17,519,560
Plan fiduciary net position - ending (b)	42,205,193	34,510,895	30,827,582	30,023,890	27,581,840	23,826,426	21,140,458	20,304,917
Net pension liability - ending (a) - (b)	\$ 3,488,843	\$ 6,979,304	\$ 7,612,220	\$ 6,490,897	\$ 7,214,741	\$ 8,058,569	\$ 7,601,446	\$ 6,666,939
Plan fiduciary net position as a % of total pension liability	92.36%	83.18%	80.20%	82.22%	79.27%	74.73%	73.55%	75.28%
Covered payroll (2), (3)	4,880,113	4,221,959	4,080,595	3,749,453	3,715,168	3,729,106	5,148,777	4,028,572
Net pension liability as a % of covered payroll	71.49%	165.31%	186.55%	173.12%	194.20%	216.10%	147.64%	165.49%

Notes to Schedule:

- (1) The City implemented GASB 67 in FYE 9/30/14. Information for prior years is not available.
- (2) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.
- (3) The covered payroll numbers are shown in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Changes in benefit terms:

For measurement date 09/30/2021, amounts reported as changes of benefit terms, resulted from Ordinance No. 03-2021. This Ordinance provided the following benefit changes:

- Effective October 1, 2021, a participant shall be required to contribute 11.4% of his or her salary to the plan.
- Effective October 1, 2021, the normal retirement benefit shall be an amount equal to the participant's credited years of service multiplied by 3.2% of their average final compensation as a full-time firefighter. Those participants who complete less than 25 years of service shall continue to receive a 2% multiplier for all credited service accrued prior to October 1, 1997.
- Pre-retirement death benefit is expanded to provide a benefit to participants that die prior to their normal or early retirement date as a direct and proximate result of their service as a firefighter. There shall be no minimum service requirement for eligibility of benefits. The benefits payable shall be the greater of the accrued normal retirement benefit and 60% of average final compensation. This benefit is paid presuming the participant had retired immediately before dying and chosen 100% joint survivor optional form of benefit.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of Assumptions:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 11, 2021 actuarial experience study:

- The investment return assumption was reduced from 7.68% to 7.60% per year based on the August 11, 2021 actuarial experience study.
- The assumed rates of individual salary increases were changed from a flat 5.0% per year, net of investment related expenses.
- The assumed rates of Retirement were amended to reflect recent experience.
- The assumed rates of pre-retirement withdrawal were amended to be based upon service only instead of both age and service.
- The assumed rates of disability were increased.

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board of Trustees, the investment return assumptions has been reduced from 7.76% to 7.68%, net of investment related expenses, in conjunction with this valuation.

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.84% to 7.76%.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.92% to 7.84%.

For measurement date 09/30/2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the investment rate of return was lowered from 8.00% to 7.92%.

Required Supplementary Information

Schedule of Firefighter Pension Contributions and Investment Returns

Schedule of Firefighter Pension Contributions  
Last 10 Fiscal Years (1)

	Year Ended							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014 (1)
Actuarially determined contribution	\$ 1,859,034	\$ 1,680,340	\$ 1,571,029	\$ 1,357,302	\$ 1,255,727	\$ 1,197,043	\$ 1,176,873	\$ 902,400
Contributions from reserve	-	-	-	-	305	-	-	-
Contributions in relation to the actuarially determined contributions	1,885,850	1,754,628	1,580,117	1,394,252	1,275,704	1,427,671	1,522,251	902,400
Contribution deficiency (excess)	\$ (26,816)	\$ (74,288)	\$ (9,088)	\$ (36,950)	\$ (20,282)	\$ (230,628)	\$ (345,378)	\$ -
Covered payroll (2) (3)	\$ 4,880,113	\$ 4,221,959	\$ 4,080,595	\$ 3,749,453	\$ 3,715,168	\$ 3,729,106	\$ 5,148,777	\$ 4,028,572
Contributions as % of covered payroll	38.64%	41.56%	38.72%	37.19%	34.34%	38.28%	29.57%	22.40%

Schedule of Firefighters' Pension Investment Returns  
Last 10 Fiscal Years (1)

	Year Ended							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014 (1)
Annual money-weighted rate of return	20.60%	10.66%	2.96%	8.99%	13.39%	9.32%	-0.59%	11.27%
Net of investment expense								

- (1) The City implemented GASB 67 in FYE 9/30/2014. Information for prior years is not available.
- (2) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.
- (3) The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.
- (4) Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Deltona Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

Required Supplementary Information

Schedule of Florida Retirement System Contributions

Schedule of Florida Retirement System Contributions  
Last 10 Years (1)

	Year Ended							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contributions	\$ 1,142,938	\$ 903,351	\$ 785,496	\$ 732,583	\$ 663,026	\$ 590,334	\$ 559,079	\$ 507,053
Contributions in relation to the actuarially determined contributions	(1,142,938)	(903,351)	(785,496)	(732,583)	(663,026)	(590,334)	(559,079)	(507,053)
Contribution deficiency (excess)	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,439,703	\$ 10,388,422	\$ 10,141,856	\$ 9,494,763	\$ 8,915,167	\$ 8,322,149	\$ 7,525,843	\$ -
Contributions as % of covered payroll	9.99%	8.70%	7.75%	7.72%	7.44%	7.09%	7.43%	7.20%

Schedule of FRS - Health Insurance Subsidy Contributions  
Last 10 Years (1)

	Year Ended							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contributions	\$ 189,899	\$ 172,448	\$ 168,355	\$ 157,613	\$ 140,558	\$ 137,737	\$ 102,871	\$ 86,063
Contributions in relation to the actuarially determined contributions	(189,899)	(172,448)	(168,355)	(157,613)	(140,558)	(137,737)	(102,871)	(86,063)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,439,703	\$ 10,388,422	\$ 10,141,856	\$ 9,494,763	\$ 8,915,167	\$ 8,322,149	\$ 7,525,843	\$ -
Contributions as % of covered payroll	1.66%	1.66%	1.66%	1.66%	1.58%	1.66%	1.37%	1.22%

(1) The City implemented GASB 68 in FYE 9/30/2014; information from prior years is unavailable.



Schedule of Proportionate Share of Net Pension Liability  
Last 10 Years (1)

Florida Retirement System - Pension:	Year Ended							
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City proportion of net pension liability	0.0258%	0.0241%	0.0228%	0.0236%	0.0233%	0.0227%	0.0217%	0.0203%
City's proportionate share of the net pension liability	\$ 1,946,459	\$ 10,466,605	\$ 7,843,254	\$ 7,123,024	\$ 6,897,132	\$ 5,738,827	\$ 2,801,727	\$ 1,239,732
City's covered payroll	10,792,327	10,320,335	9,787,756	9,321,586	8,788,560	8,322,149	7,381,569	7,030,329
City's proportionate share of the net pension liability as a percentage of its covered payroll	18.04%	101.42%	80.13%	76.41%	78.48%	68.96%	37.96%	17.63%
Plan fiduciary net position as a percentage of the total pension liability (2)	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Florida Retirement System - Health Insurance Subsidy:	Year Ended							
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City proportion of net pension liability	0.0305%	0.0296%	0.0293%	0.0285%	0.0275%	0.0269%	0.0242%	0.2335%
City's proportionate share of the net pension liability	\$ 3,737,664	\$ 3,612,131	\$ 3,274,088	\$ 3,019,844	\$ 2,944,478	\$ 3,138,324	\$ 2,468,473	\$ 2,196,677
City's covered payroll	10,792,327	10,320,335	9,787,756	9,321,586	8,788,560	8,322,149	7,381,569	7,030,329
City's proportionate share of the net pension liability as a percentage of its covered payroll	34.63%	35.00%	33.45%	32.40%	33.50%	37.71%	33.44%	31.25%
Plan fiduciary net position as a percentage of the total pension liability (2)	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

(1) The City implemented GASB 68 in FYE 14; information from prior years is unavailable.

(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Annual Comprehensive Financial Report.

**Notes to the Required Supplementary Information  
September 30, 2021****Note 1**

## Budgetary Data

Budgetary comparisons for the General Fund and each major Special Revenue Fund are presented as part of the Required Supplemental Information. The basis of budgeting is the same as GAAP, except that financial reports for the General Fund include the balances and activities of the following five funds that are budgeted and presented as separate funds in the City's annual budget:

- The Environmental Improvement Trust Fund;
- The Economic Development Fund;
- The Grants Match Fund;
- The Miscellaneous Grants Fund; and
- The Replacement Equipment Fund.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Unencumbered annual appropriations lapse at fiscal year-end.

The City Manager submits a proposed budget to the City Commission annually for the fiscal year commencing the following October 1<sup>st</sup>. Public hearings are held to discuss the budget and to obtain taxpayer input. Prior to October 1<sup>st</sup>, the budget is legally enacted through City Commission resolution.

The City adopts annual budgets for all governmental funds and the Proprietary Fund. The City reports Budgetary Comparisons for its nonmajor Special Revenue Funds and Capital Projects Funds in the Supplemental Information section of this report. The City is not required to include Budgetary Comparisons for the Proprietary Fund in this report.

The level of budgetary control is the department, except for major capital projects accounted for in certain Capital Projects Funds, which are subject to budgetary control on a project basis. Budgets are prepared and adopted by fund and function, and additionally by department for the General Fund. For Special Revenue Funds, each fund is administered wholly within a single City department, so budgetary comparisons are presented only a fund and function basis. In accordance with the City Charter and Policy, the City Manager may make transfers of appropriations within a department throughout the year. Transfers of appropriations between departments require the approval of the City Commission.

**Note 2**

Firefighter Pension Insurance Premium

The City received \$483,678 from the State of Florida for the Firefighter Pension Insurance Premium Tax. This is money charged to all homeowners on their homeowners' insurance bill to provide additional pension benefits to firefighters. As required by Generally Accepted Accounting Principles (GAAP), this money was recorded in the General Fund as revenue with an offsetting equal expense in public safety. Once received, this money was immediately transferred to the Firefighters pension fund to fund pension benefits above and beyond what the City provides.

**Note 3**

Schedule Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The discount rate was changed from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

Notes to the Required Supplementary Information

**Note 4** Methods and Assumptions Used to Determine Contribution Rates

Firefighters' Pension Plan September 30, 2021																	
Funding method:	Entry Age Normal Actuarial Cost Method.																
Amortization method:	New UAAL amortization bases are amortized over 15 (previously 30) years.																
Remaining amortization period:	15 Years (as of 10/01/2021)																
Inflation:	2.5% per year																
Mortality:	PubS.H-2010 base table varies by member category and gender, projected generationally with Scale MP-2018																
Interest rate:	7.60% (previously 7.68%) per year compounded annually, net of investment related expenses.																
Retirement age:	2.0% for each year eligible for Early Retirement <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="2" style="text-align: center;">% Retiring During the Year (Normal Retirement)</th> </tr> <tr> <th style="text-align: center;">Yrs Following 1st Eligibility</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0</td><td style="text-align: center;">33.3%</td></tr> <tr><td style="text-align: center;">1</td><td style="text-align: center;">33.3%</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">33.3%</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">10.0%</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">10.0%</td></tr> <tr><td style="text-align: center;">5+</td><td style="text-align: center;">100.0%</td></tr> </tbody> </table> <p style="margin-left: 40px;">The current assumed rates of retirement resulted from the August 11, 2021 Experience Study.</p>	% Retiring During the Year (Normal Retirement)		Yrs Following 1st Eligibility	Rate	0	33.3%	1	33.3%	2	33.3%	3	10.0%	4	10.0%	5+	100.0%
% Retiring During the Year (Normal Retirement)																	
Yrs Following 1st Eligibility	Rate																
0	33.3%																
1	33.3%																
2	33.3%																
3	10.0%																
4	10.0%																
5+	100.0%																
Disability rate:	<table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">25</td><td style="text-align: center;">0.27%</td></tr> <tr><td style="text-align: center;">35</td><td style="text-align: center;">0.39%</td></tr> <tr><td style="text-align: center;">45</td><td style="text-align: center;">0.60%</td></tr> <tr><td style="text-align: center;">55</td><td style="text-align: center;">1.86%</td></tr> </tbody> </table> <p style="margin-left: 40px;">Assumption: 90% of disablements are service related. The current assumed rates resulted from the August 11, 2021 Experience Study. All previous assumed rates are consistent with other Florida firefighter plans.</p>	Age	Rate	25	0.27%	35	0.39%	45	0.60%	55	1.86%						
Age	Rate																
25	0.27%																
35	0.39%																
45	0.60%																
55	1.86%																
Termination rate:	<table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="2" style="text-align: center;">% Terminating During the Year (Normal Retirement)</th> </tr> <tr> <th style="text-align: center;">Service</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">&lt;2</td><td style="text-align: center;">8.0%</td></tr> <tr><td style="text-align: center;">2-4</td><td style="text-align: center;">4.0%</td></tr> <tr><td style="text-align: center;">5-19</td><td style="text-align: center;">2.0%</td></tr> <tr><td style="text-align: center;">20+</td><td style="text-align: center;">0.0%</td></tr> </tbody> </table> <p style="margin-left: 40px;">The current assumed rates of termination resulted from the August 11, 2021 Experience Study.</p>	% Terminating During the Year (Normal Retirement)		Service	Rate	<2	8.0%	2-4	4.0%	5-19	2.0%	20+	0.0%				
% Terminating During the Year (Normal Retirement)																	
Service	Rate																
<2	8.0%																
2-4	4.0%																
5-19	2.0%																
20+	0.0%																
Salary increases:	<table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Service</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">&lt;5</td><td style="text-align: center;">6.00%</td></tr> <tr><td style="text-align: center;">5-12</td><td style="text-align: center;">5.00%</td></tr> <tr><td style="text-align: center;">15+</td><td style="text-align: center;">4.50%</td></tr> </tbody> </table> <p style="margin-left: 40px;">Previously 5.0% per year. The current rates resulted from the August 11, 2021 Experience Study.</p>	Service	Rate	<5	6.00%	5-12	5.00%	15+	4.50%								
Service	Rate																
<5	6.00%																
5-12	5.00%																
15+	4.50%																
Cost-of-Living adjustment (COLA):	2.35% automatic COLA beginning at the later of age 52 or three (3) years following benefit commencement, payable to all service retirees who have completed at least 21 years of service, and all line-of-duty disability retirees.																
Payroll growth:	0.0% per year for amortization of UAAL. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.																
Actuarial asset method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five year period.																

Required Supplementary Information

Notes to the Required Supplementary Information

Florida Retirement System June 30, 2021	
Amortization method:	Level Percentage of Pay, Closed, Layered
Remaining amortization period:	Effective July 1, 2021: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier 1 pay
Recognition Method:	Asymptotic
Corridor:	80% - 120% of fair market value
Inflation:	2.40% per year
Mortality:	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2018
Investment rate of return	6.80% - chosen by the 2021 FRS Actuarial Assumption Conference and is the same as the investment return assumption that is used as the discount rate for determining the net pension liability.
Retirement age:	* Varies by tier, membership class, age and sex
Turnover:	* Varies by membership class, length of service, age and sex
Cost-of-Living adjustment (COLA):	3% for pre-July 2011 benefit service; 0% thereafter
Termination rate:	* Varies by tier, membership class
Salary increases:	* Varies by membership class, length of service and sex
Payroll growth:	3.25% per year
Asset valuation method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five year period.

\* Refer to FRS Valuation Report for specific information.

FRS Health Insurance Subsidy June 30, 2021	
Amortization method:	Level Percentage of Pay, Closed, Layered
Remaining amortization period:	Effective July 1, 2021: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier 1 pay
Recognition Method:	Asymptotic
Corridor:	80% - 120% of fair market value
Inflation:	2.40% per year
Mortality:	Generational Pub-2010 with Projection Scale MP-2018
Interest rate:	2.16% per year (previous year 2.21%)
Retirement age:	* Varies by tier, membership class, age and sex
Turnover:	* Varies by membership class, length of service, age and sex
Cost-of-Living adjustment (COLA):	3% for pre-July 2011 benefit service; 0% thereafter
Termination rate:	* Varies by tier, membership class
Salary increases including inflation:	3.25% per year
Payroll growth:	3.25% per year
Asset valuation method:	All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five year period.

\* Refer to FRS Valuation Report for specific information.

Required Supplementary Information

## **SUPPLEMENTAL INFORMATION**

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Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2021

	Special Revenue Funds													Total Nonmajor Governmental Funds	
	Stormwater Utility Fund	Fire/Rescue Service Impact Fees Funds	State Housing Initiatives Partnership Fund	Community Development Block Grant Fund	Streetlighting Districts Fund	Park Impact Fees Fund	Tree Replacement Fees Fund	Law Enforcement Impact Fees Fund	Neighborhood Stabilization Grant Funds	Transportation Impact Fees Fund	Lake Districts Fund	Community Redevelopment Area (CRA)	Capital Projects Funds Municipal Complex(es) Fund		Park Projects Fund
<b>ASSETS</b>															
Cash and cash equivalents	\$ 5,067,911	\$ 108,140	\$ 416,618	\$ -	\$ 44,424	\$ 1,417,538	\$ 961,171	\$ 232,602	\$ 352,608	\$ -	\$ 75,380	\$ 701,831	\$ 436,497	\$ 725,681	\$ 10,540,401
Due from other governments	-	-	-	434,998	-	-	-	-	15,367	-	-	-	-	130,240	580,605
Total assets	5,067,911	108,140	416,618	434,998	44,424	1,417,538	961,171	232,602	367,975	-	75,380	701,831	436,497	855,921	11,121,006
<b>LIABILITIES</b>															
Accounts payable	95,782	-	3,548	17,849	10,197	-	-	-	-	-	-	-	48,560	-	175,936
Retainage payable	33,541	-	-	-	-	-	-	-	-	-	-	-	-	-	33,541
Due to other funds	-	-	-	417,149	-	-	-	-	-	-	-	-	-	-	417,149
Unearned revenues	-	-	413,070	-	-	-	-	-	367,975	-	-	-	-	-	781,045
Total liabilities	129,323	-	416,618	434,998	10,197	-	-	-	367,975	-	-	-	48,560	-	1,407,671
<b>FUND BALANCES (DEFICITS)</b>															
<b>Restricted:</b>															
Public safety	-	108,140	-	-	-	-	-	232,602	-	-	-	-	-	-	340,742
Highways and streets	-	-	-	-	34,227	-	-	-	-	-	-	701,831	-	-	736,058
Culture and recreation	-	-	-	-	-	1,417,538	-	-	-	-	-	-	-	-	1,417,538
Physical environment	4,938,588	-	-	-	-	-	-	-	-	-	75,380	-	-	-	5,013,968
Total restricted fund balances	4,938,588	108,140	-	-	34,227	1,417,538	-	232,602	-	-	75,380	701,831	-	-	7,508,306
<b>Committed:</b>															
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	855,921	855,921
Physical environment	-	-	-	-	-	-	961,171	-	-	-	-	-	-	-	961,171
Total committed fund balances	-	-	-	-	-	-	961,171	-	-	-	-	-	-	855,921	1,817,092
<b>Assigned:</b>															
Capital outlay/projects	-	-	-	-	-	-	-	-	-	-	-	-	387,937	-	387,937
Total assigned fund balances	-	-	-	-	-	-	-	-	-	-	-	-	387,937	-	387,937
Total fund balances	4,938,588	108,140	-	-	34,227	1,417,538	961,171	232,602	-	-	75,380	701,831	387,937	855,921	9,713,335
Total liabilities and fund balances	\$ 5,067,911	\$ 108,140	\$ 416,618	\$ 434,998	\$ 44,424	\$ 1,417,538	\$ 961,171	\$ 232,602	\$ 367,975	\$ -	\$ 75,380	\$ 701,831	\$ 436,497	\$ 855,921	\$ 11,121,006

Supplemental Information



Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds												Capital Projects Funds		Total Nonmajor Governmental Funds
	Stormwater Utility Fund	Fire/Rescue Service Impact Fees	State Housing Initiatives Partnership	Community Development Block Grant	Streetlighting Districts	Park Impact Fees	Tree Replacement Fund	Law Enforcement Impact Fees	Neighborhood Stabilization Grant Funds	Transportation Impact Fees	Lake Districts Fund	Community Redevelopment Area (CRA)	Municipal Complex(es) Fund	Park Projects Fund	
<b>REVENUES</b>															
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,759	\$ -	\$ -	\$ 166,759
Intergovernmental	-	-	806,198	724,587	-	-	-	-	-	-	-	109,452	175	130,727	1,771,139
Charges for services	5,015,215	-	-	-	147,642	-	-	-	-	-	21,263	-	-	-	5,184,120
Impact fees	-	134,454	-	-	-	700,170	-	68,867	-	508,010	-	-	-	-	1,411,501
Interest income	7,650	1,358	2,447	-	401	1,553	(999)	1,295	1,220	-	371	3,225	(4,540)	(796)	13,185
Miscellaneous	28,218	-	-	-	-	-	64,699	-	30,840	-	-	-	-	-	123,757
<b>Total revenues</b>	<b>5,051,083</b>	<b>135,812</b>	<b>808,645</b>	<b>724,587</b>	<b>148,043</b>	<b>701,723</b>	<b>63,700</b>	<b>70,162</b>	<b>32,060</b>	<b>508,010</b>	<b>21,634</b>	<b>279,436</b>	<b>(4,365)</b>	<b>129,931</b>	<b>8,670,461</b>
<b>EXPENDITURES</b>															
Operating:															
General government	-	-	80,153	58,146	-	-	-	-	5,412	-	-	-	-	-	143,711
Highways and streets	-	-	-	-	148,368	-	-	-	-	-	-	-	-	-	148,368
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	728,492	356,110	-	-	-	-	26,648	-	-	-	-	-	1,111,250
Physical environment	2,924,921	-	-	-	-	-	3,942	-	-	-	7,259	1,816	-	-	2,937,938
Debt service:															
Interest	188,762	-	-	-	-	-	-	-	-	-	-	-	-	-	188,762
Principal retirement	339,747	-	-	-	-	-	-	-	-	-	-	-	-	-	339,747
Capital Outlay:															
General government	-	-	-	-	-	-	-	-	-	-	-	-	761,288	-	761,288
Public safety	-	-	-	75,832	-	-	-	-	-	-	-	-	-	-	75,832
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	3,000
Culture and recreation	-	-	-	187,969	-	-	-	-	-	-	-	-	13,677	341,160	542,806
Economic environment	-	-	-	-	-	-	-	-	-	-	-	2,500	-	-	2,500
Physical environment	688,278	-	-	46,530	-	-	-	-	-	-	-	-	-	-	734,808
<b>Total expenditures</b>	<b>4,141,708</b>	<b>-</b>	<b>808,645</b>	<b>724,587</b>	<b>148,368</b>	<b>-</b>	<b>3,942</b>	<b>-</b>	<b>32,060</b>	<b>-</b>	<b>7,259</b>	<b>7,316</b>	<b>774,965</b>	<b>341,160</b>	<b>6,990,010</b>
Excess (deficiency) of revenues over expenditures	909,375	135,812	-	-	(325)	701,723	59,758	70,162	-	508,010	14,375	272,120	(779,330)	(211,229)	1,680,451
<b>OTHER FINANCING SOURCES (USES)</b>															
Transfer(s) in	-	-	-	-	-	-	-	-	-	-	-	-	210,000	272,200	482,200
Transfer(s) out	-	(350,000)	-	-	-	(130,000)	-	(60,000)	-	(508,010)	-	-	-	-	(1,048,010)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(130,000)</b>	<b>-</b>	<b>(60,000)</b>	<b>-</b>	<b>(508,010)</b>	<b>-</b>	<b>-</b>	<b>210,000</b>	<b>272,200</b>	<b>(565,810)</b>
Net change in fund balances	909,375	(214,188)	-	-	(325)	571,723	59,758	10,162	-	-	14,375	272,120	(569,330)	60,971	1,114,641
Fund balances - beginning	4,029,213	322,328	-	-	34,552	845,815	901,413	222,440	-	-	61,005	429,711	957,267	794,950	8,598,694
<b>Fund balances - ending</b>	<b>\$ 4,938,588</b>	<b>\$ 108,140</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,227</b>	<b>\$ 1,417,538</b>	<b>\$ 961,171</b>	<b>\$ 232,602</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,380</b>	<b>\$ 701,831</b>	<b>\$ 387,937</b>	<b>\$ 855,921</b>	<b>\$ 9,713,335</b>

Supplemental Information

Schedule of Revenues, Expenditures, Changes in Fund Balance

Stormwater Utility Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Charges for services	\$ 5,015,215	\$ 4,987,000	\$ 28,215
Interest income	7,650	6,200	1,450
Miscellaneous	28,218	-	28,218
Total revenues	<u>5,051,083</u>	<u>4,993,200</u>	<u>57,883</u>
<b>EXPENDITURES</b>			
Operating:			
Physical environment	<u>2,924,921</u>	<u>3,581,400</u>	<u>656,479</u>
Total operating	<u>2,924,921</u>	<u>3,581,400</u>	<u>656,479</u>
Debt service:			
Interest	188,762	188,800	38
Principal retirement	339,747	339,800	53
Total debt service	<u>528,509</u>	<u>528,600</u>	<u>91</u>
Capital outlay:			
Physical environment	<u>688,278</u>	<u>4,033,769</u>	<u>3,345,491</u>
Total capital outlay	<u>688,278</u>	<u>4,033,769</u>	<u>3,345,491</u>
Total expenditures	<u>4,141,708</u>	<u>8,143,769</u>	<u>4,002,061</u>
Excess (deficiency) of revenues over expenditures	<u>909,375</u>	<u>(3,150,569)</u>	<u>(3,944,178)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	909,375	(3,150,569)	(3,944,178)
Fund balance, beginning	4,029,213	4,029,213	-
Fund balance, ending	<u>\$ 4,938,588</u>	<u>\$ 878,644</u>	<u>\$ 4,059,944</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Fire/Rescue Service Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Impact fees	\$ 134,454	\$ 55,000	\$ 79,454
Interest income	1,358	500	858
Total revenues	<u>135,812</u>	<u>55,500</u>	<u>80,312</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>135,812</u>	<u>55,500</u>	<u>80,312</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balances	(214,188)	(294,500)	80,312
Fund balances - beginning	322,328	322,328	-
Fund balances - ending	<u>\$ 108,140</u>	<u>\$ 27,828</u>	<u>\$ 80,312</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

State Housing Initiative Partnership  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 806,198	\$ 972,194	\$ (165,996)
Interest income	2,447	500	1,947
Total revenues	<u>808,645</u>	<u>972,694</u>	<u>(164,049)</u>
<b>EXPENDITURES</b>			
Operating:			
General government	80,153	2,500	(77,653)
Economic environment	728,492	970,194	241,702
Total operating	<u>808,645</u>	<u>972,694</u>	<u>164,049</u>
Total expenditures	<u>808,645</u>	<u>972,694</u>	<u>164,049</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Community Development Block Grant Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 724,587	\$ 1,686,817	\$ (962,230)
Total revenues	<u>724,587</u>	<u>1,686,817</u>	<u>(962,230)</u>
<b>EXPENDITURES</b>			
Operating:			
General government	58,146	120,000	61,854
Economic environment	356,110	747,977	391,867
Physical Environment	-	165,585	165,585
Total operating	<u>414,256</u>	<u>1,033,562</u>	<u>619,306</u>
Capital outlay:			
Public Safety	75,832	75,832	-
Culture and recreation	187,969	512,000	324,031
Physical Environment	46,530	65,423	18,893
Total capital outlay	<u>310,331</u>	<u>653,255</u>	<u>342,924</u>
Total expenditures	<u>724,587</u>	<u>1,686,817</u>	<u>962,230</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Streetlighting Districts Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Charges for services	\$ 147,642	\$ 146,900	\$ 742
Interest income	401	-	401
Total revenues	<u>148,043</u>	<u>146,900</u>	<u>1,143</u>
<b>EXPENDITURES</b>			
Operating:			
Highways and streets	<u>148,368</u>	<u>166,700</u>	<u>18,332</u>
Total operating	<u>148,368</u>	<u>166,700</u>	<u>18,332</u>
Total expenditures	<u>148,368</u>	<u>166,700</u>	<u>18,332</u>
Excess (deficiency) of revenues over expenditures	<u>(325)</u>	<u>(19,800)</u>	<u>19,475</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(325)	(19,800)	19,475
Fund balances - beginning	<u>34,552</u>	<u>34,552</u>	<u>-</u>
Fund balances - ending	<u>\$ 34,227</u>	<u>\$ 14,752</u>	<u>\$ 19,475</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Park Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Impact fees	\$ 700,170	\$ 350,000	\$ 350,170
Interest income	1,553	5,000	(3,447)
Total revenues	<u>701,723</u>	<u>355,000</u>	<u>346,723</u>
<b>EXPENDITURES</b>			
Operating:			
Culture and recreation	-	-	-
Total operating	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	<u>701,723</u>	<u>355,000</u>	<u>346,723</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	<u>(130,000)</u>	<u>(130,000)</u>	-
Total other financing sources (uses)	<u>(130,000)</u>	<u>(130,000)</u>	-
Net change in fund balances	571,723	225,000	346,723
Fund balances - beginning	845,815	845,815	-
Fund balances - ending	<u>\$ 1,417,538</u>	<u>\$ 1,070,815</u>	<u>\$ 346,723</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Tree Replacement Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Interest income	\$ (999)	\$ 5,000	\$ (5,999)
Miscellaneous	64,699	50,000	14,699
Total revenues	<u>63,700</u>	<u>55,000</u>	<u>8,700</u>
<b>EXPENDITURES</b>			
Operating:			
Physical environment	3,942	150,000	146,058
Total operating	<u>3,942</u>	<u>150,000</u>	<u>146,058</u>
Total expenditures	<u>3,942</u>	<u>150,000</u>	<u>146,058</u>
Excess (deficiency) of revenues over expenditures	<u>59,758</u>	<u>(95,000)</u>	<u>154,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	59,758	(95,000)	154,758
Fund balances - beginning	901,413	901,413	-
Fund balances - ending	<u>\$ 961,171</u>	<u>\$ 806,413</u>	<u>\$ 154,758</u>

Supplemental Information



Schedule of Revenues and Expenditures - Budget and Actual

Law Enforcement Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted	Variance With Final Budget
		Amounts Final	
<b>REVENUES</b>			
Impact fees	\$ 68,867	\$ 35,000	\$ 33,867
Interest income	1,295	500	795
Total revenues	<u>70,162</u>	<u>35,500</u>	<u>34,662</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>70,162</u>	<u>35,500</u>	<u>34,662</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balances	10,162	(24,500)	34,662
Fund balances - beginning	<u>222,440</u>	<u>222,440</u>	<u>-</u>
Fund balances - ending	<u>\$ 232,602</u>	<u>\$ 197,940</u>	<u>\$ 34,662</u>

Supplemental Information

Schedule of Revenues, Expenditures, Changes in Fund Balance

Neighborhood Stabilization Grant Funds  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 70,000	\$ (70,000)
Interest income	1,220	200	1,020
Miscellaneous	30,840	200,000	(169,160)
Total revenues	<u>32,060</u>	<u>270,200</u>	<u>(238,140)</u>
<b>EXPENDITURES</b>			
Operating:			
General government	5,412	30,000	24,588
Economic environment	26,648	240,200	213,552
Total operating	<u>32,060</u>	<u>270,200</u>	<u>238,140</u>
Total expenditures	<u>32,060</u>	<u>270,200</u>	<u>238,140</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Transportation Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted	Variance With Final Budget
		Amounts Final	
<b>REVENUES</b>			
Impact fees	\$ 508,010	\$ 508,100	\$ (90)
Total revenues	<u>508,010</u>	<u>508,100</u>	<u>(90)</u>
<b>EXPENDITURES</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>508,010</u>	<u>508,100</u>	<u>(90)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	<u>(508,010)</u>	<u>(508,100)</u>	<u>90</u>
Total other financing sources (uses)	<u>(508,010)</u>	<u>(508,100)</u>	<u>90</u>
Net change in fund balances	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Lake Districts Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Charges for Services	\$ 21,263	\$ 20,000	\$ 1,263
Interest income	371	500	(129)
Total revenues	<u>21,634</u>	<u>20,500</u>	<u>1,134</u>
<b>EXPENDITURES</b>			
Operating:			
Physical environment	7,259	22,200	14,941
Total operating	<u>7,259</u>	<u>22,200</u>	<u>14,941</u>
Total expenditures	<u>7,259</u>	<u>22,200</u>	<u>14,941</u>
Excess (deficiency) of revenues over expenditures	<u>14,375</u>	<u>(1,700)</u>	<u>16,075</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,375	(1,700)	16,075
Fund balances - beginning	61,005	61,005	-
Fund balances - ending	<u>\$ 75,380</u>	<u>\$ 59,305</u>	<u>\$ 16,075</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Community Redevelopment Area (CRA)  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted	Variance With Final Budget
		Amounts Final	
<b>REVENUES</b>			
Property taxes	\$ 166,759	\$ 166,000	\$ 759
Intergovernmental	109,452	109,500	(48)
Interest income	3,225	1,500	1,725
Total revenues	<u>279,436</u>	<u>277,000</u>	<u>2,436</u>
<b>EXPENDITURES</b>			
Operating:			
Physical environment	<u>1,816</u>	<u>-</u>	<u>(1,816)</u>
Total operating	<u>1,816</u>	<u>-</u>	<u>(1,816)</u>
Capital outlay:			
Highways and streets	3,000	462,911	459,911
Economic Environment	<u>2,500</u>	<u>160,000</u>	<u>157,500</u>
Total capital outlay	<u>5,500</u>	<u>622,911</u>	<u>617,411</u>
Total expenditures	<u>7,316</u>	<u>622,911</u>	<u>615,595</u>
Excess (deficiency) of revenues over expenditures	<u>272,120</u>	<u>(345,911)</u>	<u>618,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	272,120	(345,911)	618,031
Fund balances - beginning	429,711	429,711	-
Fund balances - ending	<u>\$ 701,831</u>	<u>\$ 83,800</u>	<u>\$ 618,031</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Capital Projects - Municipal Complex(es) Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 175	\$ -	175
Interest income	(4,540)	5,000	(9,540)
Total revenues	<u>(4,365)</u>	<u>5,000</u>	<u>(9,365)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
General government	761,288	864,000	102,712
Public Safety	-	150,000	150,000
Culture and recreation	13,677	15,000	1,323
Total capital outlay	<u>774,965</u>	<u>1,029,000</u>	<u>254,035</u>
Total expenditures	<u>774,965</u>	<u>1,029,000</u>	<u>254,035</u>
Excess (deficiency) of revenues over expenditures	<u>(779,330)</u>	<u>(1,024,000)</u>	<u>244,670</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) in	210,000	210,000	-
Total other financing source (uses)	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Net change in fund balances	(569,330)	(814,000)	244,670
Fund balance, beginning	957,267	957,267	-
Fund balance, ending	<u>\$ 387,937</u>	<u>\$ 143,267</u>	<u>\$ 244,670</u>

Supplemental Information

Schedule of Revenues and Expenditures - Budget and Actual

Capital Projects - Park Projects Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2021

	Actual	Budgeted Amounts Final	Variance With Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 130,727	\$ 645,000	\$ (514,273)
Interest income	(796)	-	(796)
Total revenues	<u>129,931</u>	<u>645,000</u>	<u>(515,069)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
Culture and recreation	341,160	1,540,000	1,198,840
Total capital outlay	<u>341,160</u>	<u>1,540,000</u>	<u>1,198,840</u>
Total expenditures	<u>341,160</u>	<u>1,540,000</u>	<u>1,198,840</u>
Excess (deficiency) of revenues over expenditures	<u>(211,229)</u>	<u>(895,000)</u>	<u>683,771</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer(s) in	<u>272,200</u>	<u>272,200</u>	-
Total other financing sources (uses)	<u>272,200</u>	<u>272,200</u>	-
Net change in fund balances	60,971	(622,800)	683,771
Fund balances - beginning	794,950	794,950	-
Fund balances - ending	<u>\$ 855,921</u>	<u>\$ 172,150</u>	<u>\$ 683,771</u>

Supplemental Information

**Notes to the Supplemental Information  
September 30, 2021**

**Note 1**

**Budgetary Data**

The City adopts an annual budget for each of its governmental funds and for its Proprietary Fund. Budgetary comparisons of the City's General and major Special Revenue Funds are presented as part of the Required Supplementary Information section of this report. The City is not required to present budgetary comparisons for the Proprietary fund. Budgetary comparisons for the nonmajor Special Revenue and Capital Projects Funds are presented as part of the Supplemental Information section. The basis of budgeting for these funds the same as GAAP.

The process for adopting the annual budget for each fund is described in Note 1 to the Required Supplementary Information. The legal level of control is the department, except for major capital projects accounted for in certain Capital Projects Funds, which are subject to budgetary control at the project level. The activities of each nonmajor Special Revenue fund are contained wholly within a single City department, so budgetary comparisons are presented at fund and function level only.



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

**Financial Trends** Page

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

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

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Direct and Overlapping Governmental Activities Debt.....	134
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**Demographic and Economic Information**

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

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**Operating Information**

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*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in the fiscal year ending in 2003; schedules presenting government-wide information include information beginning in that year.*

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**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (1)**

	Fiscal Year Ending			
	9/30/2012	9/30/2013	9/30/2014 (2)	9/30/2015
<b>Governmental activities</b>				
Net investment in capital assets	\$ 116,190,035	\$ 114,171,165	\$ 110,706,931	\$ 108,401,939
Restricted	2,064,877	2,216,898	6,189,970	5,663,458
Unrestricted	20,590,277	22,592,653	20,686,833	10,926,168
Total governmental activities net position	<u>138,845,189</u>	<u>138,980,716</u>	<u>137,583,734</u>	<u>124,991,565</u>
<b>Business-type activities</b>				
Net investment in capital assets	5,519,770	15,641,068	20,279,612	8,971,176
Restricted	8,487,663	849,581	2,135,000	2,440,000
Unrestricted	5,150,512	4,235,603	215,715	14,789,152
Total business-type activities net position	<u>19,157,945</u>	<u>20,726,252</u>	<u>22,630,327</u>	<u>26,200,328</u>
<b>Primary government</b>				
Net investment in capital assets	121,709,805	129,812,233	130,986,543	117,373,115
Restricted	10,552,540	3,066,479	8,324,970	8,103,458
Unrestricted	25,740,789	26,828,256	20,902,548	25,715,320
Total primary government net position	<u>\$ 158,003,134</u>	<u>\$ 159,706,968</u>	<u>\$ 160,214,061</u>	<u>\$ 151,191,893</u>

(1) The City implemented GASB 65, *Items Previously Reported as Assets and Liabilities*, during fiscal year 2014, resulting in a retroactive restatement of net position. Years shown prior to 2014 do not reflect this

(2) The City implemented GASB 68, *Accounting and Financial Reporting for Pensions* during fiscal year 2015 resulting in a restatement of beginning net position. Information shown for fiscal year ended

9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
\$ 105,221,673	\$ 101,069,631	\$ 99,095,304	\$ 96,724,458	\$ 93,763,813	\$ 94,980,502
1,887,349	6,730,311	9,329,975	12,607,482	17,034,381	26,113,093
15,686,772	14,563,146	11,781,629	18,869,555	25,747,689	34,676,912
122,795,794	122,363,088	120,206,908	128,201,495	136,545,883	155,770,507
9,179,533	11,508,363	14,523,669	13,877,566	17,945,449	21,037,223
2,562,000	3,753,847	3,840,878	5,139,604	5,529,066	1,286,000
16,321,569	14,134,062	16,501,927	18,879,185	17,679,747	27,770,245
28,063,102	29,396,272	34,866,474	37,896,355	41,154,262	50,093,468
114,401,206	112,577,994	113,618,973	110,602,024	111,709,262	116,017,725
4,449,349	10,484,158	13,170,853	17,747,086	22,563,447	27,399,093
32,008,341	28,697,208	28,283,556	37,748,740	43,427,436	62,447,157
<u>\$ 150,858,896</u>	<u>\$ 151,759,360</u>	<u>\$ 155,073,382</u>	<u>\$ 166,097,850</u>	<u>\$ 177,700,145</u>	<u>\$ 205,863,975</u>

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Years Ending			
	9/30/2012	9/30/2013	9/30/2014	9/30/2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 8,618,729	\$ 8,246,984	\$ 8,861,121	\$ 8,803,880
Public safety	18,000,160	18,605,589	18,739,948	19,275,384
Highways and Streets	5,209,626	5,358,992	5,854,936	5,250,591
Culture and recreation	2,726,161	2,616,214	2,460,610	3,187,936
Economic environment	2,491,265	1,525,531	1,287,852	779,135
Physical environment	7,560,685	8,989,720	9,371,600	9,886,113
Interest on long-term debt	1,031,328	984,252	918,193	871,801
Total governmental activities	<u>45,637,954</u>	<u>46,327,282</u>	<u>47,494,260</u>	<u>48,054,840</u>
Business-type activities:				
Personal services	3,564,796	3,770,221	3,912,583	4,082,115
Operating expenses	3,805,695	3,796,756	3,553,520	3,385,042
Professional services	41,722	61,931	70,400	117,347
Depreciation	2,980,008	3,069,245	2,902,120	3,090,310
Insurance	114,552	112,871	102,534	136,383
Bad debts	97,790	152,195	63,145	48,262
Total business-type activities	<u>10,604,563</u>	<u>10,963,219</u>	<u>10,604,302</u>	<u>10,859,459</u>
Total primary government expenses	<u>56,242,517</u>	<u>57,290,501</u>	<u>58,098,562</u>	<u>58,914,299</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	1,386,206	1,590,260	1,416,182	1,361,612
Public safety	46,263	59,113	63,588	73,901
Transportation	-	-	-	-
Culture and recreation	96,620	83,075	81,534	82,056
Physical environment	7,212,472	8,642,155	8,641,978	8,631,239
Operating grants and contributions	2,736,446	3,887,399	2,957,233	1,864,952
Capital grants and contributions	1,482,553	1,334,533	660,950	722,705
Total governmental activities program revenues	<u>12,960,560</u>	<u>15,596,535</u>	<u>13,821,465</u>	<u>12,736,465</u>
Business-type activities:				
Charges for services:				
Water	10,548,127	9,843,484	9,947,411	10,583,825
Wastewater	7,028,123	5,832,025	5,772,488	6,149,503
Connection fees	245,670	264,560	266,720	278,040
Operating grants and contributions	-	-	-	-
Capital grants and contributions	43,178	125,704	1,335,167	2,673,012
Total business-type activities program revenues	<u>17,865,098</u>	<u>16,065,773</u>	<u>17,321,786</u>	<u>19,684,380</u>
Total primary government program revenues	<u>30,825,658</u>	<u>31,662,308</u>	<u>31,143,251</u>	<u>32,420,845</u>
<b>Net (expenses) revenues</b>				
Governmental activities	(32,677,394)	(30,730,747)	(33,672,795)	(35,318,375)
Business-type activities	7,260,535	5,102,554	6,717,484	8,824,921
Total primary government net (expenses) revenues	<u>\$ (25,416,859)</u>	<u>\$ (25,628,193)</u>	<u>\$ (26,955,311)</u>	<u>\$ (26,493,454)</u>

9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
\$ 9,871,687	\$ 9,663,089	\$ 9,925,730	\$ 11,304,730	\$ 12,291,428	\$ 13,302,302
20,172,859	20,860,782	21,268,214	22,765,508	25,318,259	22,695,563
6,998,228	5,286,799	6,585,923	6,158,939	4,753,089	3,594,963
3,461,263	3,643,807	5,014,201	4,810,073	4,347,312	4,822,599
1,211,567	1,123,193	603,734	411,574	1,098,328	1,340,566
10,028,308	12,373,464	14,815,727	11,604,617	11,939,299	11,803,473
1,063,855	1,414,625	1,105,150	1,065,755	1,277,657	1,226,684
<u>52,807,767</u>	<u>54,365,759</u>	<u>59,318,679</u>	<u>58,121,196</u>	<u>61,025,372</u>	<u>58,786,150</u>
4,739,631	4,539,029	4,893,378	5,243,935	5,447,500	4,977,170
3,683,026	3,494,403	3,964,286	4,104,257	3,815,120	4,239,165
89,925	176,818	179,322	194,629	351,037	410,568
3,415,578	5,360,478	5,160,240	5,078,200	7,564,362	6,009,016
210,048	246,082	248,284	246,463	217,527	255,197
46,413	69,262	31,962	23,688	196,746	49,718
<u>12,184,621</u>	<u>13,886,072</u>	<u>14,477,472</u>	<u>14,891,172</u>	<u>17,592,292</u>	<u>15,940,834</u>
<u>64,992,388</u>	<u>68,251,831</u>	<u>73,796,151</u>	<u>73,012,368</u>	<u>78,617,664</u>	<u>74,726,984</u>
1,472,403	1,592,496	2,380,318	2,293,251	2,775,088	3,092,212
86,010	110,117	189,088	431,022	741,244	1,066,357
-	-	-	242,920	257,253	272,032
87,335	83,266	254,627	341,785	223,884	342,500
9,884,780	9,914,862	9,930,744	10,972,570	11,808,202	12,020,815
2,387,961	3,029,544	4,126,128	7,266,096	6,004,326	3,505,229
802,528	1,967,287	2,116,024	1,819,572	3,597,593	9,409,068
<u>14,721,017</u>	<u>16,697,572</u>	<u>18,996,929</u>	<u>23,367,216</u>	<u>25,407,590</u>	<u>29,708,213</u>
11,236,728	12,039,375	11,532,682	13,495,703	15,273,236	16,705,725
6,627,115	7,021,658	7,344,660	7,713,908	8,291,125	8,961,402
237,845	210,595	203,035	197,365	183,925	186,585
-	-	-	-	-	-
629,774	724,619	3,746,715	1,513,141	2,276,174	2,278,457
<u>18,731,462</u>	<u>19,996,247</u>	<u>22,827,092</u>	<u>22,920,117</u>	<u>26,024,460</u>	<u>28,132,168</u>
<u>33,452,479</u>	<u>36,693,819</u>	<u>41,824,021</u>	<u>46,287,333</u>	<u>51,432,050</u>	<u>57,840,381</u>
(38,086,750)	(37,668,187)	(40,321,750)	(34,753,980)	(35,617,782)	(29,077,936)
6,546,841	6,110,175	8,349,620	8,028,945	8,432,168	12,191,334
<u>\$ (31,539,909)</u>	<u>\$ (31,558,012)</u>	<u>\$ (31,972,130)</u>	<u>\$ (26,725,035)</u>	<u>\$ (27,185,614)</u>	<u>\$ (16,886,602)</u>



**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Continued)**

	Fiscal Year Ending			
	9/30/2012	9/30/2013	9/30/2014	9/30/2015
<b>General revenues &amp; other changes in net position</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes	\$ 11,856,683	\$ 11,405,246	\$ 11,968,962	\$ 12,897,291
Franchise fees	3,474,383	3,436,887	3,794,039	3,773,535
Public service tax	7,111,064	7,315,776	7,374,907	7,313,495
Sales tax	3,728,339	3,921,434	4,137,246	4,430,466
Local option gas taxes	2,087,788	2,069,784	2,079,370	2,161,422
State revenue sharing	1,668,923	2,141,004	2,428,680	2,743,728
Investment earnings	137,133	148,554	189,946	178,098
Miscellaneous income	653,740	427,589	522,845	1,023,867
Transfers out	-	-	-	(118,000)
Total governmental activities	<u>30,718,053</u>	<u>30,866,274</u>	<u>32,495,995</u>	<u>34,403,902</u>
<b>Business-type activities:</b>				
Investment earnings	94,272	102,890	38,539	73,986
Gain on sale of capital assets	68,754	35,313	(400,322)	13,144
Changes in FV of Derivative Instruments	1,004,679	(778,085)	-	-
Grant reimbursements	-	-	-	-
Interest expense and issue costs	(3,721,731)	(3,743,715)	(4,686,741)	(5,322,939)
Miscellaneous income	898,924	849,350	863,034	910,635
Transfers in	-	-	-	118,000
Total business-type activities	<u>(1,655,102)</u>	<u>(3,534,247)</u>	<u>(4,185,490)</u>	<u>(4,207,174)</u>
Total primary government	<u>29,062,951</u>	<u>27,332,027</u>	<u>28,310,505</u>	<u>30,196,728</u>
<b>Change in net position</b>				
Governmental activities	(1,959,341)	135,527	(1,176,800)	(914,473)
Business-type activities	5,605,433	1,568,307	2,531,994	4,617,747
Total primary government	<u>\$ 3,646,092</u>	<u>\$ 1,703,834</u>	<u>\$ 1,355,194</u>	<u>\$ 3,703,274</u>

	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
\$	13,771,773	\$ 14,770,931	\$ 16,050,125	\$ 17,925,314	\$ 20,061,820	\$ 22,333,526
	3,605,362	3,735,850	4,019,845	4,197,228	4,225,503	4,347,280
	7,499,797	7,127,906	7,321,620	7,559,957	7,856,175	8,073,033
	4,678,595	4,876,557	5,177,402	5,230,594	5,106,467	5,918,048
	2,274,920	2,342,719	2,372,411	2,426,376	2,106,284	2,385,289
	2,887,043	3,158,126	3,315,348	3,489,272	3,088,019	3,695,615
	332,012	370,353	484,257	1,211,566	872,167	83,917
	841,477	888,039	591,425	708,260	645,735	1,465,854
	-	(35,000)	(2,200,000)	-	-	-
	<u>35,890,979</u>	<u>37,235,481</u>	<u>37,132,433</u>	<u>42,748,567</u>	<u>43,962,170</u>	<u>48,302,562</u>
	140,317	44,199	31,962	514,364	308,674	(15,665)
	9,467	(2,841)	25,962	69,857	116,294	47,675
	-	-	-	-	-	-
	-	-	-	-	-	-
	(5,728,589)	(5,751,540)	(6,218,021)	(5,583,285)	(5,599,229)	(3,284,139)
	894,738	898,177	1,029,018	-	-	-
	-	35,000	2,200,000	-	-	-
	<u>(4,684,067)</u>	<u>(4,777,005)</u>	<u>(2,931,079)</u>	<u>(4,999,064)</u>	<u>(5,174,261)</u>	<u>(3,252,129)</u>
	<u>31,206,912</u>	<u>32,458,476</u>	<u>34,201,354</u>	<u>37,749,503</u>	<u>38,787,909</u>	<u>45,050,433</u>
	(2,195,771)	(432,706)	(3,189,317)	7,994,587	8,344,388	19,224,624
	<u>1,862,774</u>	<u>1,333,170</u>	<u>5,418,541</u>	<u>3,029,881</u>	<u>3,257,907</u>	<u>8,939,206</u>
\$	<u><u>(332,997)</u></u>	<u><u>900,464</u></u>	<u><u>2,229,224</u></u>	<u><u>11,024,468</u></u>	<u><u>11,602,295</u></u>	<u><u>28,163,830</u></u>

**FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Years Ending September 30			
	2012	2013	2014	2015
<b>General fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-spendable / prepaid items	-	468,556	22,362	14,992
Restricted	-	-	-	-
Committed	12,931,713	40,518	40,812	40,936
Assigned	2,827,899	15,802,496	16,020,014	16,136,340
Unassigned	3,748,032	5,139,574	7,674,812	8,981,736
Total general fund	<u>19,507,644</u>	<u>21,451,144</u>	<u>23,758,000</u>	<u>25,174,004</u>
<b>All other governmental funds</b>				
Reserved	-	-	-	-
Non-spendable / prepaid items				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Restricted				
Special revenue funds	10,711,371	8,516,463	6,304,396	5,757,646
Capital projects funds	-	-	-	-
Committed				
Special revenue funds	478,532	468,477	477,628	455,702
Capital projects funds	76,507	64,200	10,118	483,295
Assigned				
Special revenue funds	-	-	-	-
Capital projects funds	1,945,122	1,762,425	1,758,236	1,678,660
Unassigned reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 13,211,532</u>	<u>\$ 10,811,565</u>	<u>\$ 8,550,378</u>	<u>\$ 8,375,303</u>

(1) The City adopted GASB Statement No. 54 effective 09/30/11.

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,851	18,745	32,436	16,366	16,454	22,759
-	-	-	-	-	-
41,147	41,312	41,583	42,022	42,383	20,216
16,589,108	14,474,475	15,510,536	16,626,834	17,849,268	19,254,003
9,635,529	12,567,773	9,447,435	15,592,763	24,414,794	34,616,368
<u>26,280,635</u>	<u>27,102,305</u>	<u>25,031,990</u>	<u>32,277,985</u>	<u>42,322,899</u>	<u>53,913,346</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,011,880	21,474,149	21,864,240	22,807,450	24,369,034	26,113,093
7,561,453	-	-	-	-	-
526,313	502,478	426,812	849,423	901,413	961,171
233,166	527,996	586,072	443,654	794,950	855,921
-	-	-	-	-	-
1,235,001	2,508,010	837,775	912,349	957,267	387,937
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,567,813</u>	<u>\$ 25,012,633</u>	<u>\$ 23,714,899</u>	<u>\$ 25,012,876</u>	<u>\$ 27,022,664</u>	<u>\$ 28,318,122</u>

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	Fiscal Years Ending September 30			
	2012	2013	2014	2015
<b>Revenues:</b>				
Property taxes	\$ 11,856,683	\$ 11,405,246	\$ 11,968,962	\$ 12,897,291
Franchise fees	3,474,383	3,436,887	3,794,039	3,773,535
Public service tax	7,111,064	7,315,776	7,374,907	7,313,495
State revenue sharing	2,330,382	2,929,631	3,282,682	3,658,848
Intergovernmental	8,746,907	8,502,417	8,183,246	7,528,163
Charges for services	8,859,307	10,461,589	10,331,558	10,780,552
Fines and forfeitures	148,511	225,204	278,252	276,842
Impact fees	170,831	219,094	207,732	398,924
Interest income	137,136	148,556	189,945	178,098
Miscellaneous	843,409	1,711,954	706,138	452,618
Total revenues	<u>43,678,613</u>	<u>46,356,354</u>	<u>46,317,461</u>	<u>47,258,366</u>
<b>Expenditures:</b>				
General government	7,336,540	7,582,046	7,654,652	8,023,934
Public safety	17,343,256	17,353,913	17,980,929	18,880,368
Highways and Streets	1,974,706	1,966,205	2,492,186	2,018,282
Culture/Recreation	2,041,728	1,917,002	2,114,798	2,314,768
Economic environment	1,265,821	2,096,336	1,235,584	186,860
Physical environment	6,176,954	7,581,645	7,750,348	8,072,636
Capital outlay	8,821,414	6,330,400	5,060,728	3,939,674
Debt service				
Interest	1,044,579	997,736	948,336	902,201
Principal	936,417	987,538	1,034,231	1,081,524
Total expenditures	<u>46,941,415</u>	<u>46,812,821</u>	<u>46,271,792</u>	<u>45,420,247</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,262,802)</u>	<u>(456,467)</u>	<u>45,669</u>	<u>1,838,119</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of debt	-	-	-	-
Premium on revenue bonds	-	-	-	-
Escrow payments to retire old bonds	-	-	-	-
Revenue bonds proceeds from debt service agreement	-	-	-	-
Transfers from other funds	509,577	165,699	147,995	1,530,838
Transfers to other funds	(509,577)	(165,699)	(147,995)	(1,648,838)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(118,000)</u>
<b>Net change in fund balances</b>	<u>\$ (3,262,802)</u>	<u>\$ (456,467)</u>	<u>\$ 45,669</u>	<u>\$ 1,720,119</u>
<b>* Debt service as a percentage of noncapital expenditures</b>	<u>5.2%</u>	<u>4.9%</u>	<u>4.8%</u>	<u>4.8%</u>

\* Note: Calculation excludes non-capitalized capital.

	2016	2017	2018	2019	2020	2021
\$	13,771,773	\$ 14,770,931	\$ 16,050,125	\$ 17,925,314	\$ 20,061,820	\$ 22,333,526
	3,605,362	3,735,850	4,019,845	4,197,228	4,225,504	4,347,280
	7,499,797	7,127,906	7,321,620	7,559,957	7,856,175	8,073,033
	3,812,168	4,173,536	4,356,464	4,555,855	4,011,548	4,813,245
	8,042,853	10,063,162	11,149,718	13,188,854	13,932,527	11,863,225
	11,994,146	12,086,231	13,202,430	14,623,008	16,127,252	17,057,995
	228,067	234,579	153,437	144,815	166,581	187,830
	483,530	503,993	1,053,958	1,409,676	1,647,119	1,411,499
	332,011	370,353	484,257	1,211,566	872,167	83,917
	842,290	901,512	537,509	1,207,646	561,729	1,285,045
	<u>50,611,997</u>	<u>53,968,053</u>	<u>58,329,363</u>	<u>66,023,919</u>	<u>69,462,422</u>	<u>71,456,596</u>
	8,241,710	8,224,597	8,594,368	9,265,463	9,295,438	9,689,699
	19,786,845	20,179,572	20,777,602	21,889,343	22,527,037	23,927,309
	2,083,596	2,066,471	2,119,725	2,441,266	2,752,814	3,250,667
	2,451,590	2,524,211	3,036,194	3,151,541	2,969,177	3,368,906
	552,472	1,165,616	429,791	905,224	800,049	1,113,067
	8,101,164	10,245,545	12,624,119	9,518,935	9,637,591	9,718,468
	9,154,776	11,872,669	9,527,373	7,921,059	7,035,304	5,112,397
	860,435	1,509,843	1,465,914	1,419,769	1,371,371	1,320,431
	1,214,449	878,038	922,326	967,348	1,018,142	1,069,747
	<u>52,447,037</u>	<u>58,666,562</u>	<u>59,497,412</u>	<u>57,479,948</u>	<u>57,406,923</u>	<u>58,570,691</u>
	<u>(1,835,040)</u>	<u>(4,698,509)</u>	<u>(1,168,049)</u>	<u>8,543,971</u>	<u>12,055,499</u>	<u>12,885,905</u>
	35,277,003	-	-	-	-	-
	2,293,694	-	-	-	-	-
	(12,436,515)	-	-	-	-	-
	-	-	-	-	-	-
	1,545,580	1,061,389	3,097,521	3,594,150	3,258,275	1,470,210
	<u>(1,545,580)</u>	<u>(1,096,389)</u>	<u>(5,297,521)</u>	<u>(3,594,150)</u>	<u>(3,258,275)</u>	<u>(1,470,210)</u>
	<u>25,134,182</u>	<u>(35,000)</u>	<u>(2,200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>23,299,142</u>	<u>\$ (4,733,509)</u>	<u>\$ (3,368,049)</u>	<u>\$ 8,543,971</u>	<u>\$ 12,055,499</u>	<u>\$ 12,885,905</u>
	<u>4.8%</u>	<u>5.0%</u>	<u>4.6%</u>	<u>4.7%</u>	<u>4.7%</u>	<u>4.4%</u>

**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

Fiscal Year	Ad Valorem Tax	Franchise Fees		Public Service Tax			Total
		Electric	Other	Electric	Telecom-munication	Gas	
2012	11,817	3,412	62	4,033	2,976	102	22,402
2013	11,336	3,405	32	4,303	2,913	99	22,088
2014	11,947	3,742	52	4,617	2,642	116	23,116
2015	12,866	3,723	51	4,707	2,486	120	23,953
2016	13,772	3,560	46	5,125	2,257	118	24,878
2017	14,767	3,677	59	4,913	2,087	128	25,631
2018	15,946	3,950	70	5,099	2,089	133	27,287
2019	17,785	4,137	60	5,459	1,971	130	29,542
2020	19,803	4,101	124	5,758	1,960	137	31,883
2021	22,137	4,287	213	5,972	1,956	145	34,710
Change 2012-2021	70.2%	5.3%	288.7%	33.2%	-37.2%	23.4%	37.9%

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

<b>Fiscal Year Beginning</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Valuation</b>	<b>Total Direct Rate</b>	<b>Total Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2012	2,478,869	134,375	2,613,244	7.9900	2,635,068	99.2%
2013	2,568,002	119,558	2,687,560	7.9900	2,779,525	96.7%
2014	2,740,782	113,795	2,854,577	7.9900	3,130,217	91.2%
2015	2,893,546	113,527	3,007,073	7.9900	3,441,163	87.4%
2016	3,098,720	115,403	3,214,123	7.9500	3,833,028	83.9%
2017	3,428,497	120,726	3,549,223	7.8500	4,449,555	79.8%
2018	3,834,440	121,495	3,955,935	7.8500	5,201,004	76.1%
2019	4,187,860	124,544	4,312,404	7.8500	5,807,862	74.3%
2020	4,540,927	136,562	4,677,490	7.8500	6,229,613	75.1%
2021	3,647,833	249,063	3,896,896	7.8500	3,943,041	98.8%

Source: County of Volusia Property Appraiser.



**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Per One Thousand Dollars of Taxable Value)**

Fiscal Year Beginning	* Direct Rate		** Overlapping Rates				Total
	City of Deltona	County of Volusia	Volusia County School Board	St. Johns River Water Management District	Florida Inland Navigation District	West Volusia Hospital Authority	
2012	7.99000	6.88090	7.88800	0.33130	0.03450	2.46660	25.59130
2013	7.99000	7.27090	7.35800	0.32830	0.03450	2.37590	25.35760
2014	7.99000	7.27090	7.33600	0.31640	0.03450	1.92370	24.87150
2015	7.99000	7.27090	7.19700	0.30230	0.03200	1.66790	24.46010
2016	7.95000	7.05200	6.84800	0.28850	0.03200	1.59000	23.76050
2017	7.85000	7.05200	6.52000	0.27240	0.03200	2.36600	24.09240
2018	7.85000	6.64640	6.28100	0.25620	0.03200	2.17510	23.24070
2019	7.85000	6.54200	6.08100	0.24140	0.03200	1.90800	22.65440
2020	7.85000	6.15090	5.90700	0.22870	0.03200	1.50350	21.67210
2021	7.85000	6.29860	5.80200	0.21890	0.03200	1.40730	21.60880

\* The City of Deltona has no General Obligation debt, therefore the direct rate has no components.

\*\* The overlapping rate represents agencies which have taxing authority within the area. These rates plus the City direct rate is the total mileage rate attributable to property within the City.

**PRINCIPAL TAXPAYERS  
CURRENT AND TEN YEARS AGO  
FISCAL YEARS ENDING**

Taxpayer	September 30, 2011			September 30, 2021		
	Assessed Valuation (in 1000's)	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation (in 1,000's)	Rank	Percentage of Total Taxable Assessed Value
LIT Deltona Logistics LLC	\$ -		0.0%	\$ 55,775	1	1.7%
Amazon Com Services LLC	-		0.0%	46,026	2	1.4%
Duke Energy Florida LLC	-		0.0%	37,373	3	1.1%
Florida Power & Light Company	15,848	2	1.1%	36,205	4	1.1%
Walmart Stores East LP	13,458	3	0.9%	15,648	5	0.5%
FKH SFR Propco H LP	-		0.0%	11,738	6	0.3%
2018-3 IH Borrower LP	-		0.0%	10,988	7	0.3%
2017-1 IH Borrower LP	-		0.0%	10,962	8	0.3%
Publix Super Markets Inc	10,248	4	0.7%	10,824	9	0.3%
Deltona Wellness LP	-		0.0%	9,890	10	0.3%
Florida Power Corporation	22,942	1	1.6%			0.0%
Lowes Home Centers Inc	9,407	5	0.6%			0.0%
Bright House Networks LLC	8,048	6	0.5%			0.0%
D O T Properties N V	6,941	7	0.5%			0.0%
Deltona Partners, LLC	5,943	8	0.4%			0.0%
Bellsouth Telecommunication, Inc.	5,600	9	0.4%			0.0%
Embarq Florida Inc	5,488	10	0.4%			0.0%
All Others	1,371,225		93.0%	3,122,323		92.7%
	<u>\$ 1,475,147</u>		<u>100.0%</u>	<u>\$ 3,367,753</u>		<u>100.0%</u>

Source: County of Volusia Property Appraiser.

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended</b>	<b>Total Tax Levy</b>	<b>Current Levy Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent Total Collections To Levy</b>
2012	12,242,985	11,816,523	96.5%	40,161	11,856,684	96.8%
2013	11,743,907	11,336,295	96.5%	68,951	11,405,246	97.1%
2014	12,320,107	11,947,445	97.0%	21,517	11,968,962	97.1%
2015	13,320,346	12,866,342	96.6%	48,008	12,914,350	97.0%
2016	14,250,718	13,771,773	96.6%	29,458	13,801,231	96.8%
2017	15,207,700	14,767,290	97.1%	3,641	14,770,931	97.1%
2018	16,560,083	15,946,213	96.3%	23,942	15,970,155	96.4%
2019	18,474,255	17,784,965	96.3%	14,541	17,799,506	96.3%
2020	20,574,753	19,803,493	96.3%	127,629	19,931,122	96.9%
2021	22,990,429	22,136,623	96.3%	30,143	22,166,767	96.4%

Florida Statute 197.012 allows a discount for early payment of taxes of 4% in November, 3% in December, 2% in January and 1% in February. Taxes become delinquent on April 1 of each year.

The County Tax Collector is responsible for collecting and remitting all property taxes. They do not keep track of amounts which are past due on a regular basis. Once a year they consolidate all past due amounts and have a tax certificate sale. The money obtained from this sale is then distributed to the proper taxing authority.

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Year Ended	Governmental Activities			BusinessType Activities				Total Primary Government Debt	Per Capita Debt	Debt as a Percentage of Personal Income (1)
	Transportation Bond (2) (3)	Capital Improvement Bond (2) (3)	Stormwater Bank Note	2013 Utility System Refunding Bonds (2)	2014 Utility System Revenue Bonds (2)	2021 Utility System Revenue Bonds (4)	State Revolving Fund Loan			
2012	14,751,184	-	5,951,310	74,768,230	-	-	-	95,470,724	1,119	3.49%
2013	13,975,742	-	5,723,772	81,663,779	-	-	-	101,363,293	1,186	3.70%
2014	13,165,300	-	5,484,541	81,589,822	-	-	-	100,239,663	1,161	3.60%
2015	12,319,858	-	5,233,017	80,225,865	23,218,501	-	25,066,944	146,064,185	1,669	5.16%
2016	-	37,074,738	4,968,568	78,611,908	23,184,143	-	27,871,882	171,711,239	1,931	5.61%
2017	-	36,398,913	4,690,530	76,932,950	22,689,787	-	27,041,208	167,753,388	1,864	5.40%
2018	-	35,693,088	4,398,204	74,973,993	22,655,431	-	29,922,218	167,642,934	1,842	5.11%
2019	-	34,957,263	4,090,856	72,945,036	22,146,074	-	32,083,364	166,222,593	1,816	4.80%
2020	-	34,186,438	3,767,714	70,836,078	21,626,717	-	30,610,068	161,027,015	1,719	4.43%
2021	-	33,380,613	3,427,967	-	-	98,690,000	28,924,016	164,422,596	1,732	4.26%

(1) Source for Per Capita Income - US Dept. of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)

(2) Figures include relevant premiums.

(3) Capital Improvement Revenue Refunding Bonds, Series 2016, refunded Transportation Bonds, Series 2006

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2021**

<b>Taxing Authority</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Deltona</b>	<b>Amount Applicable to Deltona</b>
City of Deltona (1)	\$ 36,808,580	100%	\$ 36,808,580
County of Volusia (2)	-	0%	-
Volusia County School Board (3)	-	0%	-
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 36,808,580</u></b>		<b><u>\$ 36,808,580</u></b>

(1) Governmental debt only; excludes business-type activities debt.

(2) Source: County of Volusia Finance Department; percentage based on Deltona's total taxable property value compared to Volusia County's total taxable property value.

(3) Source: Volusia County School Board.

**PLEGGED-REVENUE COVERAGE  
LAST THREE FISCAL YEARS**

Fiscal Year Ended	Water and Sewer Revenue Bonds					
	(1) Utility Revenues	(2) Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2019	21,406,976	8,914,615	12,492,361	2,430,000	4,485,312	1.81
2020	23,748,286	9,522,511	14,225,775	2,520,000	4,378,513	2.06
2021	25,853,712	9,897,763	15,955,949	2,640,000	4,422,356	2.26

Fiscal Year Ended	Water and Sewer - State Revolving Fund (3)					
	Utility Revenues	Less Operating Expenses (3)	Net Available Revenue	Principal	Interest	Coverage
2019	\$ 21,406,976	\$ 15,829,927	5,577,049	732,355	453,562	4.70
2020	\$ 23,748,286	\$ 16,421,024	7,327,262	1,522,604	483,360	3.65
2021	\$ 25,853,712	\$ 16,960,119	8,893,593	1,686,066	458,279	4.15

	Capital Improvement Revenue Refunding Bonds Series 2016					
	1/2 Cent Sales Tax	Service Taxes	Revenue	Principal	Interest	Coverage
2019	5,230,594	7,559,957	12,790,551	660,000	1,199,419	6.88
2020	5,106,467	7,856,175	12,962,642	695,000	1,166,419	6.96
2021	5,918,048	8,073,033	13,991,082	730,000	1,131,669	7.52

	Stormwater Bank Note					
2019	3,864,173	332,695	4,196,868	307,348	220,350	7.95
2020	4,586,706	387,874	4,974,580	323,142	204,952	9.42
2021	4,648,060	367,155	5,015,215	339,747	188,762	9.49

(1) For purposes of debt coverage all water and sewer revenues are included and water and sewer impact fees are excluded. Interest income is included.

(2) Operating expenses do not include depreciation.

(3) Repayment of the State Revolving Fund (SRF) loan, which is subordinate to the 2013 and 2014 revenue bonds. The Net Available Revenue presented in this table is comprised of pledged revenues less operating expenses, which include debt service on the 2013 and 2014 bonds to reflect the SRF Loan's subordinate status.

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Per Capita Income (1)						
	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia
2011-12	38,345	32,554	34,916	39,596	26,699	31,475	32,339
2012-13	41,012	34,442	37,013	42,191	35,032	35,570	34,445
2013-14	41,497	34,782	37,844	42,986	37,206	34,437	34,530
2014-15	42,737	35,786	38,007	41,806	37,558	32,571	36,052
2015-16	44,429	37,698	39,591	42,851	39,012	33,800	37,802
2016-17	45,953	38,266	41,515	44,703	39,534	34,765	38,807
2017-18	47,684	40,541	42,541	46,231	43,464	35,864	40,658
2018-19	50,070	42,190	44,647	49,049	46,100	36,997	42,374
2019-20	52,426	43,425	46,250	51,156	48,387	38,293	44,180
2020-21	55,675	46,563	49,390	53,403	54,533	41,553	46,475

Year	Median Household Income (2)						
	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia
2011-12	45,736	44,978	46,769	57,962	45,516	38,258	41,766
2012-13	45,637	43,931	46,172	57,164	45,712	37,574	40,836
2013-14	45,872	44,510	46,416	55,846	47,766	37,986	40,461
2014-15	47,212	45,465	47,556	57,875	49,874	39,339	41,714
2015-16	47,507	46,403	47,943	57,010	50,350	39,459	41,117
2016-17	48,900	47,141	49,391	58,538	52,594	40,295	42,240
2017-18	50,883	49,734	51,586	60,739	54,771	41,964	43,838
2018-19	53,267	51,884	54,335	63,760	55,228	43,361	43,760
2019-20	59,227	54,513	58,254	66,768	57,226	45,371	49,494
2020-21	59,198	57,660	63,133	69,954	63,464	49,079	53,554

(1) Source US Department of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)

(2) Source USDA, Economic Research Service, County-level Data Sets

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Continued)**

Year	Cost of Living Index Volusia and Surrounding Counties (1)					
	Volusia	Lake	Orange	Seminole	Sumter	Marion
2011-12	96.19	96.95	100.42	99.35	95.49	95.83
2012-13	95.78	96.43	99.88	99.33	95.65	95.51
2013-14	98.25	97.02	100.49	99.17	95.45	94.97
2014-15	94.75	96.33	99.78	98.72	94.19	93.43
2015-16	95.33	96.99	100.46	99.03	94.83	94.41
2016-17	95.57	97.23	100.71	99.28	95.07	93.29
2017-18	95.72	97.38	100.87	99.44	96.03	93.88
2018-19	95.73	97.52	100.85	99.30	96.49	93.59
2019-20	96.00	97.80	101.13	99.58	95.74	93.37
2020-21	94.81	95.21	101.5	99.36	97.11	93.31

Year	Unemployment Volusia and Surrounding Counties (2)				
	Volusia	Lake	Orange	Seminole	Marion
2011-12	9.50	8.80	8.20	8.10	10.20
2012-13	8.20	7.40	6.80	6.70	8.50
2013-14	6.80	6.40	5.80	5.70	7.30
2014-15	5.80	5.50	5.00	4.90	6.40
2015-16	5.10	4.90	4.40	4.30	5.80
2016-17	4.30	4.10	3.70	3.60	4.90
2017-18	3.70	3.40	3.10	3.10	4.20
2018-19	3.70	3.50	3.20	3.20	4.30
2019-20	5.90	7.40	9.80	6.00	5.30
2020-21	4.30	4.30	4.50	3.80	4.70

(1) Source Florida Polytechnic University, Director of Economic Analysis, "The 2021 Florida Price Level Index"

(2) U. S. Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics



**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
(Concluded)**

Fiscal Year	Population (1)			Unemployment Rate (2)	School (3)		Personal Income (4)
	Deltona	County	% of City		Enrollment	Attendance	Deltona / Daytona Beach / Ormond Beach (millions of dollars)
2011	85,182	494,593	17.22%	12.1%	12,747	96.5%	\$ 15,995
2012	85,281	497,145	17.15%	10.2%	12,406	95.9%	\$ 16,544
2013	85,442	498,978	17.12%	8.6%	12,262	95.7%	\$ 20,634
2014	86,360	503,851	17.14%	7.2%	12,330	96.3%	\$ 20,966
2015	87,497	510,494	17.14%	6.3%	12,396	96.2%	\$ 22,594
2016	88,922	517,411	17.19%	5.2%	12,351	96.6%	\$ 23,994
2017	89,984	523,405	17.19%	4.6%	13,152	95.5%	\$ 24,924
2018	91,007	531,062	17.14%	3.8%	12,218	96.3%	\$ 26,703
2019	91,520	538,763	16.99%	3.6%	13,035	94.4%	\$ 28,381
2020	93,677	549,786	17.04%	6.7%	10,106	94.4%	\$ 29,917
2021	94,953	561,625	16.91%	4.7%	11,146	-	\$ 32,089

(1) Source: Office of Economic & Demographic Research.

(2) City of Deltona Unemployment Rate. Source: U. S. Dept. of Labor, Bureau of Labor Statistics.

(3) Source: Volusia County School Board. \* The Volusia County School Board does not provide the Attendance Percentage any longer.

(4) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

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**FULL-TIME EQUIVALENT CITY GOVERNMENT  
EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Full-Time Equivalent Employees				
	2012	2013	2014	2015	2016
City Commission	1.0	1.0	1.0	1.0	1.0
City Manager	6.5	6.5	7.5	7.0	8.0
City Clerk	5.5	5.5	5.5	5.5	5.5
Finance	11.0	12.0	12.0	11.0	11.0
Information Technology Services	5.0	5.5	6.0	6.0	7.0
City Attorney	2.0	2.0	2.0	2.0	2.0
Planning & Development Services	8.0	8.0	8.0	7.0	10.0
Building & Zoning Services	10.5	10.5	10.5	10.5	7.5
Human Resources	4.5	4.5	4.5	4.5	4.5
General Government	-	-	-	0.5	1.0
Enforcement Services	14.0	16.0	16.0	18.0	19.0
Parks & Recreation	25.0	25.0	26.0	26.5	29.0
The Center at Deltona	-	-	-	-	-
Total general government	93.0	96.5	99.0	99.5	105.5
*Police Officers	76.0	76.0	76.0	76.0	76.0
Fire & Rescue:					
Firefighters	69.0	69.0	69.0	69.0	69.0
Administration & Communication	9.5	8.0	8.0	8.0	11.0
Total Fire & Rescue	78.5	77.0	77.0	77.0	80.0
Total public safety	154.5	153.0	153.0	153.0	156.0
Public Works	27.0	28.0	28.0	29.0	29.0
Storm Water	26.0	26.0	26.0	28.0	28.0
Grant funded positions	2.5	2.5	3.0	3.0	-
Total public services	55.5	56.5	57.0	60.0	57.0
Water/Sewer utility	64.0	64.0	67.0	76.0	78.0
Solid Waste	2.0	2.0	2.0	2.0	2.0
Total public services	66.0	66.0	69.0	78.0	80.0
<b>Total government employees</b>	<b>369.0</b>	<b>372.0</b>	<b>378.0</b>	<b>390.5</b>	<b>398.5</b>

\* Law enforcement services contracted with Volusia County Sheriff's Office

Source: City Finance Department

2017	2018	2019	2020	2021
1.0	0.5	0.5	0.5	1.0
7.0	9.0	10.0	10.0	10.5
5.5	5.5	5.0	5.0	6.0
11.0	11.0	11.0	9.0	9.0
8.0	8.0	7.0	7.0	7.0
1.0	1.0	1.0	1.0	1.0
10.0	11.0	11.0	13.0	12.0
7.5	12.5	16.5	20.0	18.7
4.5	5.0	4.5	5.5	6.5
1.0	1.0	1.0	2.0	1.0
19.0	19.0	17.0	16.0	16.3
31.0	30.0	30.0	31.0	31.0
-	7.0	8.5	8.5	7.5
106.5	120.5	123.0	128.5	127.5
76.0	76.0	79.0	83.0	83.0
69.0	72.0	72.0	78.0	78.0
11.0	11.0	13.0	13.0	13.0
80.0	83.0	85.0	91.0	91.0
156.0	159.0	164.0	174.0	174.0
31.0	31.0	33.0	36.0	30.9
30.0	33.0	36.0	36.0	38.5
-	-	-	-	-
61.0	64.0	69.0	72.0	69.4
82.0	82.0	87.0	92.0	93.5
1.0	1.0	1.0	1.0	1.0
83.0	83.0	88.0	93.0	94.5
406.5	426.5	444.0	467.5	465.4

**VARIOUS INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General</b>										
Last charter amendment	November 4, 2014									
Number of Commissioners	7	7	7	7	7	7	7	7	7	7
Form of government	Commissioner: 4 Year Term of Office - Appointed City Manager									
Municipal boundaries (1)	41	41	41	41	41	41	41	41	41	41
<b>Police</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of Police officers	76	76	76	76	76	76	76	79	83	83
Number of patrol vehicles	76	76	76	76	76	76	76	79	83	83
Number of arrests	3,947	4,108	3,986	3,453	3,142	2,963	2,506	2,139	2,810	
<b>Fire</b>										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of vehicles (engines)	8	8	9	9	9	9	9	9	8	9
Number of calls	8,844	9,101	9,074	9,608	9,987	10,876	10,618	10,185	10,462	11,144
<b>Building</b>										
Building permits issued	3,022	3,174	3,877	3,722	5,072	7,130	8,557	6,712	9,983	9,988
Average price of single family Residential construction	281,498	355,539	321,660	380,443	329,098	266,490	265,753	265,930	277,308	294,707
Value of permits issued (\$1,000's of dollars)	24,893	39,892	66,653	61,229	61,401	107,779	192,812	118,919	297,505	124,366
<b>Recreation</b>										
Number of parks	19	20	20	20	20	21	21	21	23	23
Acres maintained	304	314	314	314	314	317	317	317	352	352
Number of buildings	29	30	30	30	30	30	30	30	30	30
Number of people served	260,000	270,000	283,000	296,000	315,000	315,000	350,000	350,000	365,000	385,000
<b>Library</b>										
Number of libraries	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Miles of streets	423.54	423.54	423.54	423.54	423.54	423.54	423.54	437.30	437.30	442.00
Number of street lighting districts	40	40	40	42	42	44	37	44	45	45
Number of city maintained traffic signals	16	16	16	16	18	20	20	20	22	22
Number of school signals	35	35	35	35	34	34	34	34	34	32
Number of buildings	1	1	2	2	2	2	2	2	2	2
<b>Water</b>										
Number of units served	31,250	31,599	33,515	33,577	33,646	33,743	33,889	34,394	34,389	34,177
Average daily flow (2)	8.41	8.01	9.11	9.52	9.86	9.55	8.95	8.95	7.44	7.56
Miles of water main	500	501	501	501	501	501	454	457	457	464
Number of plants	17	17	17	17	17	17	17	17	17	17
Number of vehicles	34	34	34	38	50	51	48	48	48	48
Number of buildings	28	28	29	29	29	29	29	29	29	29
Reclaimed Main (AWS) Alternative Water Supply						33	33	35	35	39
<b>Wastewater</b>										
Miles of sanitary sewers	93	93	93	93	93	93	91	93	93	94
Number of vehicles	15	15	15	15	11	10	10	10	10	10
Number of buildings	4	4	4	4	7	7	7	7	7	7
Number of plants	1	1	1	1	2	2	2	2	2	2

(1) Square miles.

(2) Millions of gallons.

Source: Various City Departments

**WATER RELATED INDICATORS - LAST THREE FISCAL YEARS  
WATER SOLD BY CUSTOMER TYPE  
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2019	2020	2021
Single / Multi Family Residences	2,123.45	2,164.20	2,162.98
Commercial / Multi Family Commercial	101.36	103.44	105.81
Hydrant	2.01	2.85	8.04
Bulk	54.49	65.50	68.39
Irrigation	55.96	49.74	45.90
Totals	<u>2,337.27</u>	<u>2,385.73</u>	<u>2,391.12</u>

**WATER RATES BY CUSTOMER TYPE**

Type of Customer	2019 Fiscal Year	
	Eff. 11/1/18	
<u>Water Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 5,000	1.79	2.23
5,000 - 10,000	3.59	4.48
10,001 - 20,000	6.28	7.84
over 20,001	12.56	15.71
<b>Commercial</b>		
Rates apply to all usage - no cap	3.43	4.28
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	3.59	4.48
10,001 - 20,000	6.28	7.84
over 20,001	12.56	15.71

Type of Customer	2020 Fiscal Year	
	Eff. 11/1/19	
<u>Water Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 5,000	2.05	2.56
5,000 - 10,000	4.12	5.15
10,001 - 20,000	7.22	9.02
over 20,001	14.44	18.05
<b>Commercial</b>		
Rates apply to all usage - no cap	3.94	4.92
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	4.12	5.15
10,001 - 20,000	7.22	9.02
over 20,001	14.44	18.05

Type of Customer	2021 Fiscal Year	
	Eff. 05/01/2021	
<u>Water Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 5,000	2.15	2.69
5,000 - 10,000	4.33	5.41
10,001 - 20,000	7.58	9.47
over 20,001	15.16	18.95
<b>Commercial</b>		
Rates apply to all usage - no cap	4.14	5.17
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	4.33	5.41
10,001 - 20,000	7.58	9.47
over 20,001	15.16	18.95

(1) The City had both a rate structure and a rate change effective with bills dated on or after May 1, 2021.

**WASTEWATER RELATED INDICATORS - LAST THREE FISCAL YEARS  
WASTEWATER SOLD BY CUSTOMER TYPE  
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2019	2020	2021
Single / Multi Family Residences	239.78	251.98	255.05
Multi Family Residences	-	-	-
Commercial / Multi Family Commercial	81.99	87.19	89.53
Bulk	13.05	15.66	13.22
Reclaimed - Residential & Commercial	151.78	186.03	229.81
<b>Totals</b>	<b>486.60</b>	<b>540.86</b>	<b>587.61</b>

**WASTEWATER RATES BY CUSTOMER TYPE**

Type of Customer	2019 Fiscal Year	
	Eff. 11/1/17	
<u>Sewer Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 5,000	16.48	20.63
5,000 - 10,000	21.43	26.80
10,001+ (no charge)	-	-
<b>Commercial</b>		
Rates apply to all usage - no cap	17.79	22.25
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.66	2.08

Type of Customer	2020 Fiscal Year	
	Eff. 11/1/19	
<u>Sewer Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 5,000	17.30	21.62
5,000 - 10,000	22.50	28.12
10,001+ (no charge)	-	-
<b>Commercial</b>		
Rates apply to all usage - no cap	18.67	23.33
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.75	2.18

Type of Customer	2021 Fiscal Year	
	Eff. 05/01/20	
<u>Sewer Rates (Per 1,000 gallons consumed)</u>	Inside City Limits	Outside City Limits
<b>Residential</b>		
0 - 2,000	-	-
2,001 - 5,000	16.11	20.41
5,000+	20.95	26.19
<b>Commercial</b>		
Rates apply to all usage - no cap	17.40	21.75
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.73	2.16

(1) The City had both a rate structure and a rate change effective with bills dated on or after May 1, 2021.

**PRINCIPAL EMPLOYERS  
CURRENT AND TEN YEARS AGO**

Employer	2021 (1)			2011 (2)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	1654	1	30.76%			3.74%
Walmart	520	2	9.67%			N/A
Publix Supermarkets	500	3	9.30%	566	1	2.78%
City of Deltona	340	4	6.32%			1.60%
Methodist Children's Home	220	5	4.09%	180	5	N/A
Lowe's	150	6	2.79%			N/A
McDonalds	147	7	2.73%	132	8	2.42%
Winn Dixie Stores	138	8	2.57%	184	4	1.43%
USPS	90	9	1.67%			N/A
All Terrain Tractor	87	10	1.62%			N/A
Deltona High School			0.00%	300	2	N/A
Pine Ridge High School			0.00%	250	3	2.73%
Galaxy Middle School			0.00%	160	6	2.67%
Florida United Methodist			0.00%	150	7	2.23%
Heritage Middle School			0.00%	130	9	1.36%
YMCA			0.00%	127	10	1.43%
<b>Total</b>	<b>3,846</b>		<b>71.53%</b>	<b>2,179</b>		<b>22.39%</b>

(1) Source: Department of Economic Opportunity, Bureau of Workforce Statistics & Economic Research

(2) Source - City's Comprehensive Annual Financial Report for FYE 09/30/11



**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,  
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED  
STATES AND THE *RULES OF THE AUDITOR GENERAL OF  
THE STATE OF FLORIDA***

**CITY OF DELTONA, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Grant Number	Assistance Listing Number	Program or Award Amount	Expenses	Subrecipient Award Amount
<b>FEDERAL AWARDS</b>					
<b>United States Department of Housing and Urban Development</b>					
Community Development Block Grant	B-18-MC-12-0049	14.218	585,873	1,641	1,641
Community Development Block Grant	B-19-MC-12-0049	14.218	583,241	197,477	78,659
Community Development Block Grant	B-20-MC-12-0049	14.218	609,541	190,871	-
COVID-19 Community Development Block Grant	B-20-MW-120049	14.218	738,809	334,599	-
Community Development Block Grant - NSP #1	B-08-MN-12-0006	14.218	6,635,909	32,060	-
<b>Total United States Department of Housing and Urban Development:</b>				756,648	80,300
<b>United States Department of Transportation</b>					
<i>Passed Through State of Florida Dept. of Transportation</i>					
Highway Planning and Construction	G1T18	20.205	1,300,000	461,674	-
Highway Planning and Construction	G1H20	20.205	782,746	333,865	-
<b>Total United States Department of Transportation:</b>				795,539	-
<b>United States Department of the Treasury</b>					
<i>Passed Through Florida Housing Finance Corporation</i>					
COVID-19 - Coronavirus Relief Fund	114-2020	21.019	626,806	508,693	-
<b>Total United States Department of the Treasury</b>				508,693	-
<b>United States Department of Homeland Security</b>					
<i>Passed Through State of Florida Division of Emergency Management</i>					
Public Assistance (Presidentially Declared Disasters)		97.036	61,060	61,060	-
Public Assistance (Presidentially Declared Disasters)		97.036	30,266	30,266	-
<b>Total United States Department of Homeland Security</b>				91,326	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				\$ 2,152,206	\$ 80,300

**Notes to the Schedule of Expenditures of Federal Awards****Basis of Presentation**

The accompanying Schedule of Federal Awards of the City of Deltona, Florida is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

**Indirect Cost Rate**

The City has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

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

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deltona, 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 31, 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

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

(Concluded)

**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, non-compliance 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 non-compliance 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



March 31, 2022  
Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

### Report on Compliance for Each Major Federal Program

We have audited the City of Deltona, Florida's (the City) compliance with the types of compliance requirements described in the Office of Management and Budget *Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

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City of Deltona  
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
(Concluded)**

**Report on Internal Control Over Compliance**

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

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

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

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



March 31, 2022  
Ocala, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
CITY OF DELTONA, FLORIDA**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

**Federal Awards**

Internal Control over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(A)?	No

Identification of Major Programs:

**Federal Program**

U.S. Department of Housing and Urban Development: Community Development Block Grant	Assistance Listing No. 14.218
--	-------------------------------

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$750,000
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Auditee Qualified as Low-Risk Auditee Pursuant to the Uniform Guidance?	Yes
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**Other Issues**

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

We have examined the City of Deltona, Florida's (the City) compliance with requirements of Section 218.415, Florida Statutes as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, including examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specific requirements.

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than those specified parties.



March 31, 2022  
Ocala, Florida

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## MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Deltona, Florida (the City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 31, 2022.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards* (Uniform Guidance).

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 31, 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 findings and recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note I of the City's basic financial statements as of and for the year ended September 30, 2021, for this information).

## CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**MANAGEMENT LETTER**  
(Continued)

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires 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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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, municipally, 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Southwest Deltona Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

**Additional Matters**

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 note any such findings.

**Purpose of this Letter**

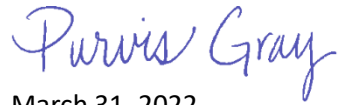
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable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

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**MANAGEMENT LETTER**

(Concluded)

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, accompanying reports, or other matters.



March 31, 2022  
Ocala, Florida