



City of Umatilla, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ending September 30, 2021

City of Umatilla, Florida

Annual Comprehensive Financial Report

For the Year Ended September 30, 2021



Prepared By
Finance Department

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INTRODUCTORY SECTION



June 30, 2022

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

The Annual Comprehensive Financial Report for the City of Umatilla, Florida, for the fiscal year ended September 30, 2021 is hereby submitted pursuant to Florida Statutes Chapter 166.241(4) and Chapter 10.500 of the Rules of the Auditor General of the State of Florida. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data presented are accurate in all material aspects; the information is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and includes all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs.

Government Structure

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

The City Council is the legislative body and the city's policy makers. The City Council approves the annual budget and adopts local laws and regulations. The Council also has focus on the community's big picture goals, such as community growth and sustainability. The City Manager, an appointed official, is the chief administrative official who serves as the Council's chief advisor by providing complete and objective information about local operations, community issues, and implements the policies established by the Council.

The City

The City of Umatilla, incorporated in 1904, is located in central Florida. The City has a population of 4,005. The City's property tax millage rate is 7.1089. The City is continuing a rebirth of its downtown core area with many infrastructure and redevelopment projects completed or underway. The population has remained relatively stable with a 4% decrease over the prior year.

Discussion on Operations of the Enterprise Funds

The Water and Sewer departments serve over 1,800 customers, providing potable water and wastewater services. The City undertook a Rate Study for the Water and Wastewater Enterprise Fund in order to provide for future planning and funding necessary to properly maintain the System Infrastructure, improve the quality of the operation and provide for future needs. As a result of this study a new rate system was adopted and implemented during the last quarter of fiscal year 2014 with an ordinance providing for rate increases effective October 1st of 2015, 2016, and 2017 with increases based upon CPI adjustments in years 2018 and forward. This was a major rate change in the way the City bills for utility services. Each unit attached to the water and sewer system is required to pay a base fee even when the unit is not utilizing service.

A significant benefit to our citizens is the consistent and dependable water and wastewater services provided. As such, every property owner is obligated to help absorb the fixed costs associated with this portion of the infrastructure, even when consumptive services are not being provided. Therefore, a "Service Availability Fee" was established. The balance is a variable charge based on consumption.

During this fiscal year, operating revenues increased by 4.1% or \$65,585 due to growth in the City. Water and Sewer fund operating expenditures increased \$44,150 or 4.4%, exclusive of depreciation and debt service. Sanitation Fund operating revenues increased by \$36,185 or 5.1% and Stormwater increased by \$18,905 or 15.7% both due to development in the City. The Airport Fund operating revenues remained relatively stable with a nominal increase of \$5,796, or 4.3% due to increased hangar rentals.

Local Economic Condition & Outlook

Several major ongoing construction projects have helped keep a positive post pandemic outlook - the most significant of which was Lakeview Terrace which comprises 60.15 acres. Lakeview Terrace is a gated retirement community which offers both independent and assisted living for senior citizens. Lakeview Terrace continues to grow, increasing the population of the facilities significantly as well as adding value to the property tax base. Construction, which began during FY 2019 and was financed by a private (conduit) bond issue, has continued throughout the pandemic.

Two new residential developments were approved in 2021 which will add approximately 555 new residential units over the next few years. Retail development saw a slight increase with the addition of Taco Bell and O'Reilly Auto Parts stores. As population continues to grow, the anticipated retail opportunities will follow.

Major Initiatives

The Community Redevelopment Agency (CRA) has continued participating in visible community improvements and commercial redevelopment in the downtown core area of the City. These improvements were direct result of the CRA infrastructure improvements and our grant process functioning at its best. An increase in taxable values of these properties is anticipated to continue over the next few years. During fiscal year 2021, the City was able to continue road and sidewalk improvements, median landscaping and irrigation.

The One-Cent Discretionary Infrastructure Surtax has been in place since 2002 and in 2017 the voters of Lake County extended the tax for another 15-year term. This funding source continues to provide for infrastructure and capital project needs. Among other projects, the City has utilized these revenues for street improvements, water and sewer system improvements, public safety equipment, and parks and recreation improvements and equipment. This year a much-needed renovation of the City pool was completed. This included new brick pavers, pool resurfacing and restriping, new tile, equipment and decorative fencing replaced the old chain link fencing. With the assistance of the Lowe's Heroes program, renovations of the pool bathrooms and showers were also completed.

During fiscal year 2021, the City completed phase II of City Hall renovations including exterior building repairs, painting and the installation of hurricane screens over all the windows and doors. New hangar construction at the City Airport began during fiscal year 2021 while the runway extension project and airport master planning continued. In June of 2021, the City of Umatilla began the construction of 6.2 miles of 12" and 16" force main and two pump stations to interconnect with the City of Eustis for treatment and disposal of Umatilla's wastewater. This project will allow the decommissioning of Umatilla's wastewater plant. Project is being funded through an FDEP State Revolving Fund Grant/Loan, a grant from the SJRWMD, and a legislative appropriation.

Long-term Financial Planning

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

Accounting and Administrative Controls

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

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

The concept of reasonable assurance recognizes that:

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

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

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

Cash Management

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

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

Risk Management

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

Financial Reporting Standards

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

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2020. This was the ninth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgement

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott Blankenship". The signature is fluid and cursive, with a large initial "S" and "B".

Scott Blankenship
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Umatilla
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

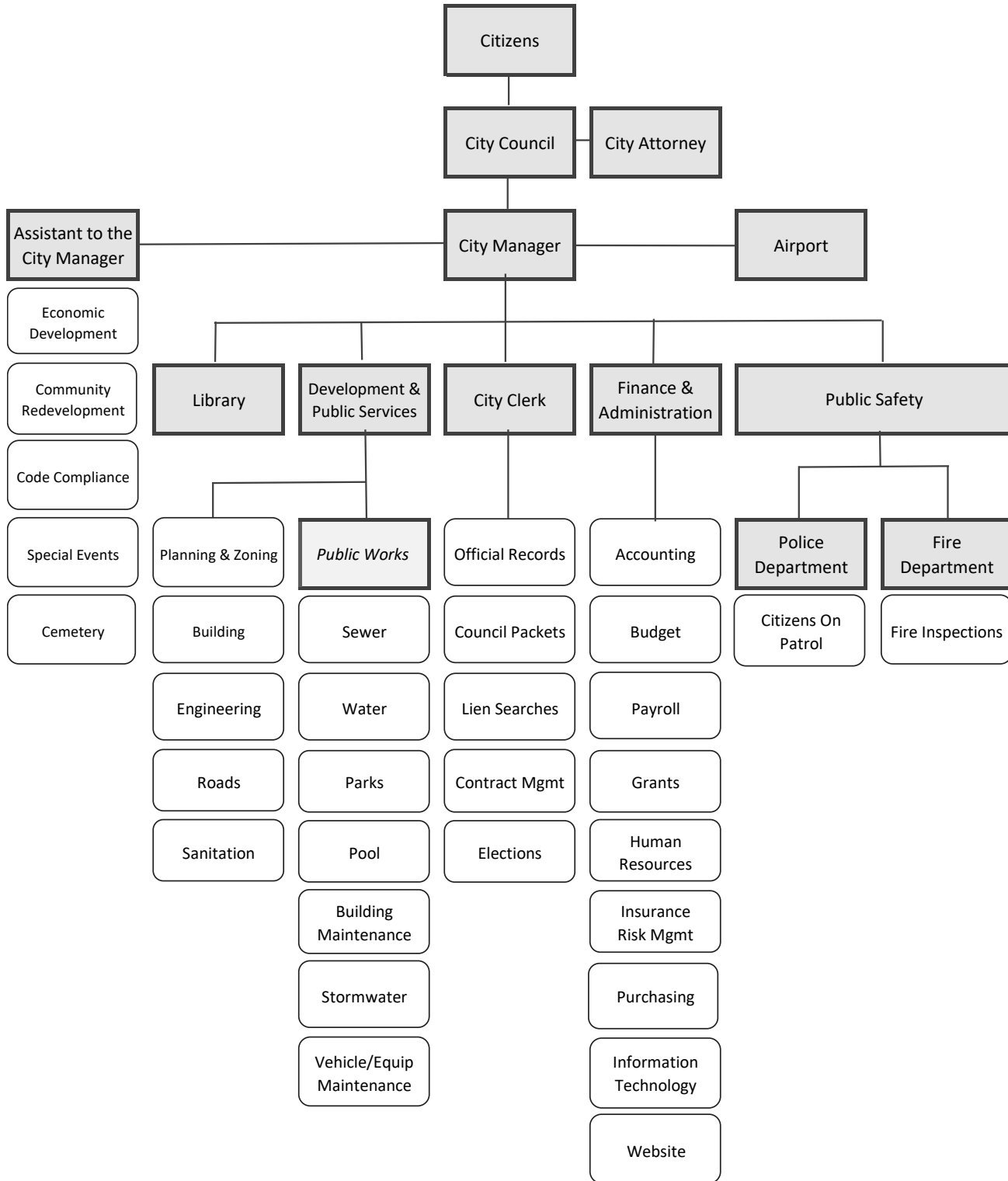
Christopher P. Morill

Executive Director/CEO



CITY OF UMATILLA

Organizational Chart



CITY OF UMATILLA, FLORIDA

CITY COUNCIL AND OFFICIALS

SEPTEMBER 30, 2021

Mayor.....	Kent Adcock
Vice Mayor.....	Chris Creech
City Council Seat #1.....	Brian Butler
City Council Seat #2.....	Chris Creech
City Council Seat #3.....	John Nichols
City Council Seat #4.....	Kent Adcock
City Council Seat #5.....	Katherine Adams
City Manager.....	Scott Blankenship
City Attorney.....	Kevin Stone
City Clerk.....	Gwen Johns, MMC
Finance & Administration Director.....	Regina Frazier, CFGO, CPM

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Umatilla, Florida (the City)*, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the management's discussion and analysis and the pension and OPEB disclosures on pages 3 through 12 and 57 through 62, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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



Orlando, Florida
June 30, 2022

As management of the City of Umatilla, we offer readers of the City of Umatilla's financial statements this narrative overview and analysis of the financial activities of the City of Umatilla for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iii of this report.

Financial Highlights

- The assets and deferred outflows of the City of Umatilla exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$33,440,171 (net position). Of this amount, \$2,966,323 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,619,041 or 12%.
- As of the close of the current fiscal year, the City of Umatilla's governmental funds reported combined ending fund balances of \$2,013,835. Approximately 54% of this total amount, \$1,089,113, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,089,113, or 35.6% of total general fund expenditures.
- The City of Umatilla's total debt decreased by \$477,804 or 27.7% during the current fiscal year. All required debt service payments were made.

Overview of the Financial Statements

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

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

Government-wide financial statements.

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Umatilla that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Umatilla include general government, public safety, physical environment, transportation (which includes roads and street maintenance), culture and recreation and economic environment. The business-type activities of the City of Umatilla include water and sewer utility services, sanitation services, airport activities, and stormwater utility.

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City of Umatilla maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Discretionary Surtax Fund, and the Community Redevelopment Fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Umatilla adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for those funds to demonstrate budgetary compliance. Budgetary comparison statements have been provided for the General Fund, Discretionary Tax Fund, and Community Redevelopment Agency to demonstrate compliance with this budget on pages 18 - 20. Budgetary comparison schedules for the nonmajor funds are presented on pages 65 - 69.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 55 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 56-61 of this report.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 63 - 69 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Umatilla, assets exceeded liabilities by \$33,440,171 at the close of the most recent fiscal year.

Of the City of Umatilla's net position \$29,230,068 (or 87.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Umatilla uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Umatilla's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position that is subject to external restrictions as to how it may be used totals \$1,243,780 (3.7%). The remaining balance of *unrestricted net position* (\$2,966,323 or 8.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2021, the City of Umatilla is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

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

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$3,397,122	\$3,176,453	\$ 3,885,488	\$ 3,061,708	\$ 7,282,610	\$ 6,238,161
Capital assets	5,165,230	4,642,162	25,311,012	22,668,639	30,476,242	27,310,801
Total assets	8,562,352	7,818,615	29,196,500	25,730,347	37,758,852	33,548,962
Deferred Outflows of Resources						
	364,994	489,390	82,390	130,467	447,384	619,857
Liabilities:						
Current liabilities	347,465	179,911	1,125,518	337,194	1,472,983	517,105
Long term liabilities	1,173,210	2,016,636	937,343	1,616,107	2,110,553	3,632,743
Total liabilities	1,520,675	2,196,547	2,062,861	1,953,301	3,583,536	4,149,848
Deferred Inflows of Resources						
	1,012,832	186,581	169,697	11,260	1,182,529	197,841
Net Position:						
Net investment in capital assets	4,693,546	4,111,128	24,536,522	21,475,695	29,230,068	25,586,823
Restricted	616,935	1,232,563	626,845	521,894	1,243,780	1,754,457
Unrestricted	1,083,358	581,186	1,882,965	1,898,664	2,966,323	2,479,850
Total net position	\$6,393,839	\$5,924,877	\$27,046,332	\$23,896,253	\$33,440,171	\$29,821,130

Statement of Activities

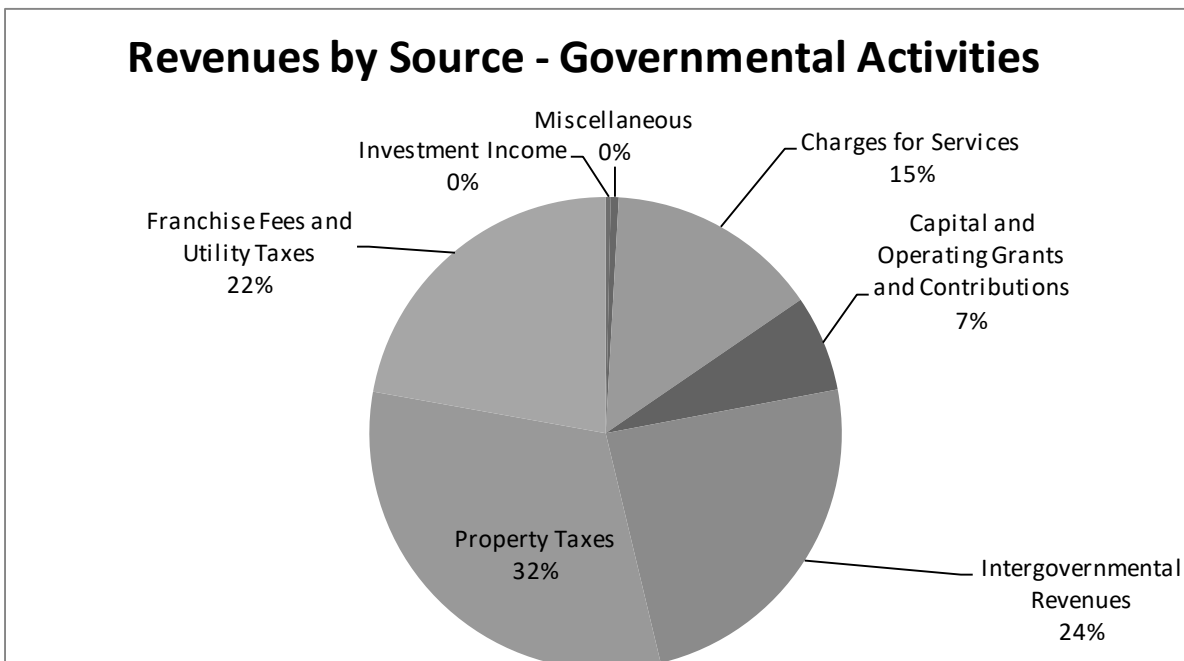
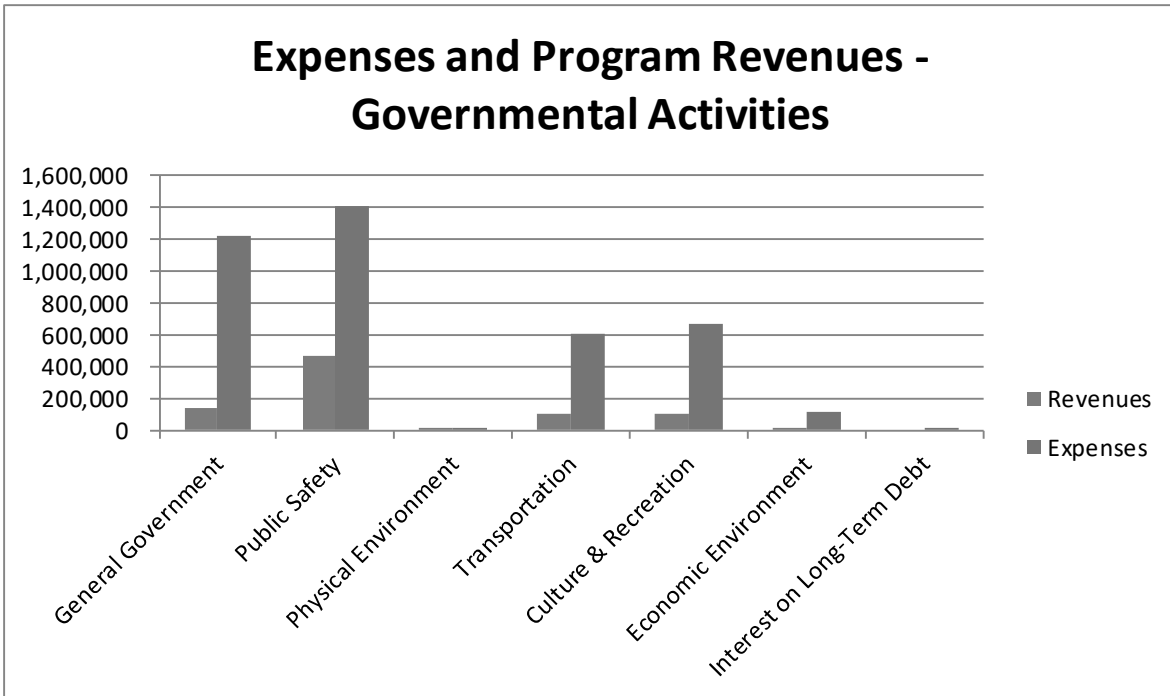
The following table reflects the condensed *Statement of Activities* for the current and prior year. For more detailed information see the *Statement of Activities* on page 14. Note that the government's total net position increased by \$3,619,041 or 12% in fiscal year 2021. For the previous fiscal year, 2020, net position increased by \$1,131,815.

City of Umatilla Florida
Management's Discussion and Analysis

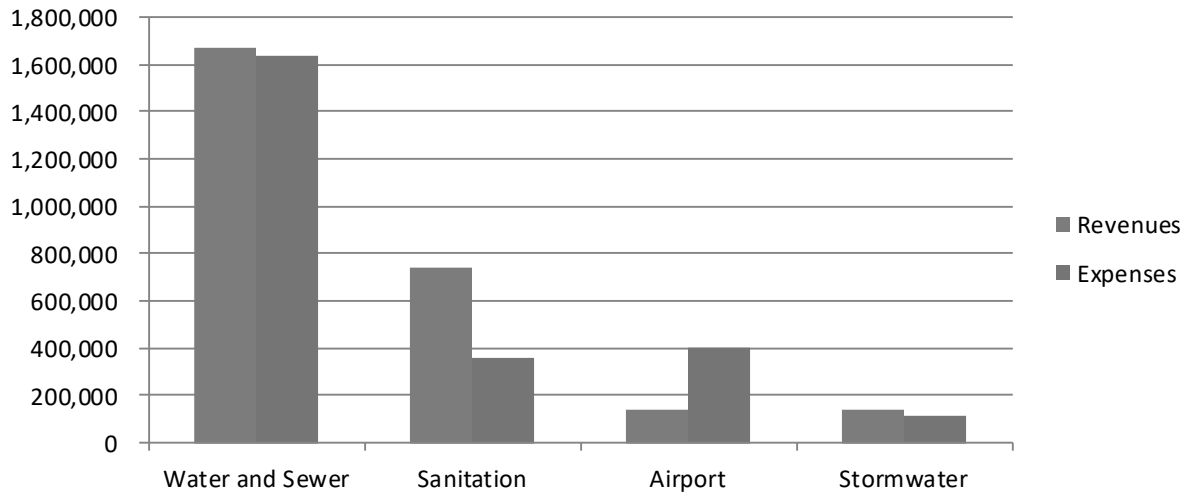
Governmental activities increased by \$468,962 in fiscal year 2021 compared to an increase of \$707,511 in 2020. Revenues decreased by \$291,070 from the previous year and total expenses decreased by \$61,433. Charges for services increased \$48,766. On the expense side, public safety expenses decreased \$52,521. Business-type activities increased net position by \$3,150,079 in fiscal year 2021 compared to an increase of \$424,304 in 2020. This is primarily the result of an increase in grants received from outside agencies.

For the Year Ended September 30

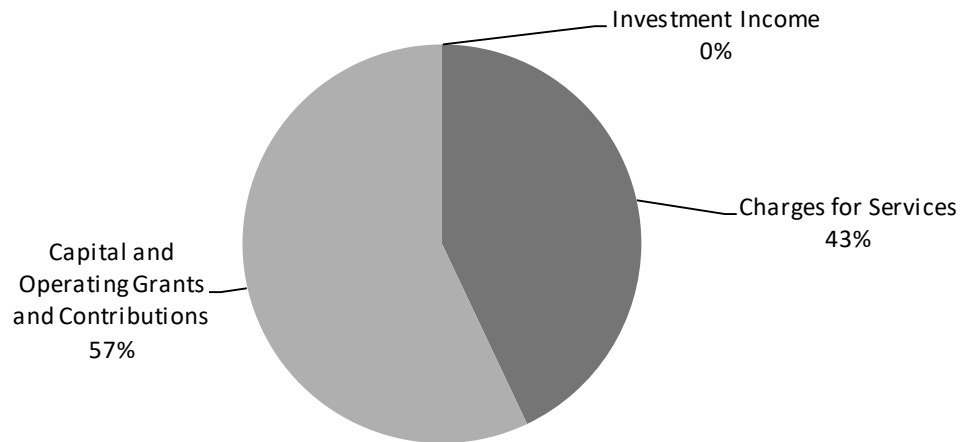
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for services	\$ 566,103	\$ 643,808	\$ 2,689,188	\$ 2,562,717	\$ 3,255,291	\$ 3,206,525
Operating grants and contributions	188,326	675,922	-	-	188,326	675,922
Capital grants and contributions	67,559	75,794	3,571,585	1,127,683	3,639,144	1,203,477
General Revenues:						
Property taxes	1,227,348	1,089,533	-	-	1,227,348	1,089,533
Utility taxes and franchise fees	863,394	830,406	-	-	863,394	830,406
Intergovernmental, unrestricted	942,399	812,105	-	-	942,399	812,105
Unrestricted investment earnings	13,820	21,955	54	87	13,874	22,042
Miscellaneous	21,125	31,621	-	-	21,125	31,621
Total revenues	3,890,074	4,181,144	6,260,827	3,690,487	10,150,901	7,871,631
Expenses:						
General government	1,222,161	970,312	-	-	1,222,161	970,312
Public safety	1,402,646	1,535,507	-	-	1,402,646	1,535,507
Physical environment	10,789	60,119	-	-	10,789	60,119
Transportation	596,600	517,541	-	-	596,600	517,541
Culture and recreation	661,306	764,738	-	-	661,306	764,738
Economic environment	112,920	209,281	-	-	112,920	209,281
Interest on long-term debt	14,690	16,135	-	-	14,690	16,135
Water and sewer	-	-	1,637,666	1,565,931	1,637,666	1,565,931
Sanitation	-	-	358,650	447,583	358,650	447,583
Airport	-	-	402,822	519,044	402,822	519,044
Stormwater	-	-	111,610	133,625	111,610	133,625
Total expenses	4,021,112	4,073,633	2,510,748	2,666,183	6,531,860	6,739,816
Increase (Decrease) in Net Position						
Before Transfers	(131,038)	107,511	3,750,079	1,024,304	3,619,041	1,131,815
Transfers	600,000	600,000	(600,000)	(600,000)	-	-
Increase (Decrease) in Net Position	468,962	707,511	3,150,079	424,304	3,619,041	1,131,815
Net position, October 1	5,924,877	5,217,366	23,896,253	23,471,949	29,821,130	28,689,315
Net position, September 30	\$ 6,393,839	\$ 5,924,877	\$ 27,046,332	\$ 23,896,253	\$ 33,440,171	\$ 29,821,130



Operating Revenues and Expenses - Business-Type Activities



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of September 30, 2021, the City of Umatilla's governmental funds reported combined ending fund balances of \$2,013,835, a decrease of \$319,755 from the prior year. Approximately 54.1% or \$1,089,113 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, community redevelopment, public safety, inventories, prepaid costs, and subsequent year's expenditures.

The General Fund is the chief operating fund of the City of Umatilla. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,089,113, while total fund balance was \$1,396,900. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represent 35.6% and 45.7%, respectively, of total General Fund expenditures. General Fund revenues increased \$6,975 over previous year and expenses decreased \$50,636, a combined increase of \$57,611 over 2020. Including transfers in from enterprise funds, general fund balance increased \$295,873.

The Discretionary Tax fund accounts for the proceeds of the Discretionary Sales Surtax. Fund balance decreased by \$468,541 due to spending that was delayed from 2020 as a result of the COVID-19 pandemic.

The Community Redevelopment Agency experienced a decrease of \$189,372 due to the purchase of property for a future redevelopment project.

Proprietary funds

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

Unrestricted net position of the Water and Sewer Utility Fund at the end of the year amounted to \$947,614 and total net position increased by \$1,720,997. Operating revenue increased by \$65,585 or 5.3%, and operating expenses increased by \$54,071 for a net operating result increase of \$11,514 when compared to 2020 and net operating income of \$49,759. That increase was further improved by impact fees of \$112,631 and grant revenue of \$1,929,549, which is the primary reason that the Water and Sewer Fund had an increase in net position of \$1,720,997.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$172,632 and total net position increased \$133,750. An operating result of \$383,750 was offset by a transfer to the general fund of \$250,000.

Unrestricted net position of the Airport Fund at the end of the year amounted to \$163,460 and total net position increased by \$1,083,228 which is an increase from the 2020 result, primarily due to increased grant revenues.

Unrestricted net position of the Stormwater Fund at the end of the year amounted to \$599,259 and total net position increased \$212,104 primarily due to development in the City. Stormwater fees are collected for the purpose of maintenance and improvement of drainage structures as funds become available.

General Fund Budgetary Highlights

During the year revenues were higher than budgetary estimates by \$228,570, primarily due to higher than expected property taxes (\$46,187), and higher than expected intergovernmental revenues.. Expenditures were less than budgetary estimates by \$232,270 as a result of conservative spending by all departments as well as staff vacancies.

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

Capital Asset and Debt Administration

Capital assets

The City of Umatilla's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$30,476,242 (net of accumulated depreciation), for an increase of \$3,165,441 from the prior year. This investment in capital assets includes land, buildings, water system, infrastructure, improvements and equipment. The total increase in the City of Umatilla's investment in capital assets for the current fiscal year was 11.59% (a 11.27% increase for governmental activities, and a 11.66% increase for business-type activities).

Major capital asset events included the following:

- Completion of the City pool rehabilitation
- Completion of City Hall renovations
- Property acquisition in the CRA district
- Trowel Avenue baffle box

Additional information on the City of Umatilla's capital assets can be found in Note 6 on pages 36-37 of this report.

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 740,890	\$ 562,538	\$ 1,855,214	\$ 1,855,214	\$ 2,596,104	\$ 2,417,752
Buildings	1,526,850	1,524,595	5,123,324	5,290,538	6,650,174	6,815,133
Improvements/Infrastructure	1,688,164	1,265,884	13,709,753	14,204,118	15,397,917	15,470,002
Machinery and Equipment	1,148,403	1,208,659	446,666	312,459	1,595,069	1,521,118
Construction in Progress	60,923	80,486	4,176,055	1,006,310	4,236,978	1,086,796
Total	\$5,165,230	\$4,642,162	\$25,311,012	\$22,668,639	\$30,476,242	\$27,310,801

Long-term debt

At September 30, 2021, the City of Umatilla had total debt outstanding of \$1,246,174, a decrease of \$477,804 (27.7%) from \$1,723,978 at September 30, 2020.

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

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

As of September 30

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2021	2020	2021	2020	2021	2020
SRF Notes Payable	\$ -	\$ -	\$ 687,279	\$ 1,093,003	\$ 687,279	\$ 1,093,003
Capital Improvement Revenue						
Note, Series 2018	351,050	395,352	-	-	351,050	395,352
Capital Leases	120,634	135,682	87,211	99,941	207,845	235,623
Total	\$ 471,684	\$ 531,034	\$ 774,490	\$ 1,192,944	\$ 1,246,174	\$ 1,723,978

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Umatilla, Florida
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 2,049,715	\$ 1,305,418	\$ 3,355,133
Investments	53,943	-	53,943
Receivables, net	131,454	286,520	417,974
Inventories	-	17,585	17,585
Due from other Governments	121,723	1,528,712	1,650,435
Prepaid costs	3,946	2,850	6,796
Restricted assets:			
Cash and cash equivalents	-	339,980	339,980
Investments	-	404,423	404,423
Net pension asset	1,036,341	-	1,036,341
Capital assets not being depreciated	801,813	6,031,269	6,833,082
Capital assets, net of accumulated depreciation	4,363,417	19,279,743	23,643,160
Total capital assets	5,165,230	25,311,012	30,476,242
Total assets	8,562,352	29,196,500	37,758,852
Deferred Outflows of Resources:			
Deferred outflows of pension earnings	364,994	82,390	447,384
Liabilities:			
Accounts payable and accrued liabilities	253,469	875,611	1,129,080
Accrued interest payable	12,646	3,619	16,265
Due to other governments	80,350	-	80,350
Unearned revenue	-	1,175	1,175
Customer deposits payable	1,000	245,113	246,113
Noncurrent Liabilities:			
Due within one year	78,543	74,612	153,155
Due in more than one year	1,094,667	862,731	1,957,398
Total liabilities	1,520,675	2,062,861	3,583,536
Deferred Inflows of Resources:			
Deferred inflows of pension earnings	1,012,832	169,697	1,182,529
Net Position:			
Net investment in capital assets	4,693,546	24,536,522	29,230,068
Restricted for:			
Community redevelopment	85,754	-	85,754
Public safety	244,059	-	244,059
Capital projects	287,122	626,845	913,967
Unrestricted	1,083,358	1,882,965	2,966,323
Total net position	\$ 6,393,839	\$ 27,046,332	\$ 33,440,171

City of Umatilla, Florida
Statement of Activities
Year Ended September 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenue			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 1,222,161	\$ 137,453	\$ -	\$ -	\$ (1,084,708)	\$ -	\$ (1,084,708)
Public safety	1,402,646	360,915	38,895	67,559	(935,277)	-	(935,277)
Physical environment	10,789	17,025	-	-	6,236	-	6,236
Transportation	596,600	20,843	75,244	-	(500,513)	-	(500,513)
Culture and recreation	661,306	26,697	74,187	-	(560,422)	-	(560,422)
Economic environment	112,920	3,170	-	-	(109,750)	-	(109,750)
Interest on long-term debt	14,690	-	-	-	(14,690)	-	(14,690)
Total governmental activities	4,021,112	566,103	188,326	67,559	(3,199,124)	-	(3,199,124)
Business-type activities							
Water and sewer	1,637,666	1,666,429	-	2,042,180	-	2,070,943	2,070,943
Sanitation	358,650	742,400	-	-	-	383,750	383,750
Airport	402,822	140,949	-	1,345,101	-	1,083,228	1,083,228
Stormwater	111,610	139,410	-	184,304	-	212,104	212,104
Total business-type activities	2,510,748	2,689,188	-	3,571,585	-	3,750,025	3,750,025
Total primary government	\$ 6,531,860	\$ 3,255,291	\$ 188,326	\$ 3,639,144	(3,199,124)	3,750,025	550,901
General Revenues:							
Property taxes					1,227,348	-	1,227,348
Franchise fees and utility taxes					863,394	-	863,394
Intergovernmental-unrestricted					942,399	-	942,399
Unrestricted investment earnings					13,820	54	13,874
Miscellaneous					21,125	-	21,125
Transfers					600,000	(600,000)	-
Total general revenues and transfers					3,668,086	(599,946)	3,068,140
Change in net position					468,962	3,150,079	3,619,041
Net position, beginning					5,924,877	23,896,253	29,821,130
Net position, ending					\$ 6,393,839	\$ 27,046,332	\$ 33,440,171

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

City of Umatilla, Florida
Balance Sheet - Governmental Funds
September 30, 2021

	<u>General Fund</u>	<u>Discretionary Tax</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 1,414,854	\$ 294,708	\$ 89,756	\$ 250,397	\$ 2,049,715
Investments	53,943	-	-	-	53,943
Receivables, net	131,454	-	-	-	131,454
Due from other governments	60,585	49,011	-	12,127	121,723
Prepaid costs	3,946	-	-	-	3,946
Total assets	<u>\$ 1,664,782</u>	<u>\$ 343,719</u>	<u>\$ 89,756</u>	<u>\$ 262,524</u>	<u>\$ 2,360,781</u>
Liabilities					
Accounts payable	\$ 51,674	\$ 56,597	\$ 4,002	\$ 6,338	\$ 118,611
Accrued liabilities	134,858	-	-	-	134,858
Due to other governments	80,350	-	-	-	80,350
Deposits	1,000	-	-	-	1,000
Total liabilities	<u>267,882</u>	<u>56,597</u>	<u>4,002</u>	<u>6,338</u>	<u>334,819</u>
Deferred Inflows					
Unavailable revenue	-	-	-	12,127	12,127
Fund Balances:					
Nonspendable	3,946	-	-	-	3,946
Restricted	-	287,122	85,754	244,059	616,935
Assigned	303,841	-	-	-	303,841
Unassigned	1,089,113	-	-	-	1,089,113
Total fund balances	<u>1,396,900</u>	<u>287,122</u>	<u>85,754</u>	<u>244,059</u>	<u>2,013,835</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,664,782</u>	<u>\$ 343,719</u>	<u>\$ 89,756</u>	<u>\$ 262,524</u>	

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	5,165,230
Certain other long-term assets are not available to pay current period expenditures and, therefore are reported as unavailable revenue in the funds.	12,127
Net pension assets are not current financial resources and therefore are not reported in the funds.	1,036,341
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting.	(647,838)
Accrued interest payable is not due in the current period and therefore is not reported in the funds.	(12,646)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,173,210)
Net Position of Governmental Activities	<u>\$ 6,393,839</u>

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended September 30, 2021

	<u>General Fund</u>	<u>Discretionary Tax</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property taxes	\$ 932,541	\$ -	\$ 294,807	\$ -	\$ 1,227,348
Franchise and utility taxes	863,394	-	-	-	863,394
Licenses and permits	137,453	-	-	-	137,453
Intergovernmental revenues	702,014	437,515	-	-	1,139,529
Charges for services	63,766	-	3,170	353,255	420,191
Impact fees	-	-	-	46,628	46,628
Fines and forfeitures	8,138	-	-	321	8,459
Investment income	13,111	-	-	709	13,820
Miscellaneous	19,422	-	-	1,703	21,125
Total revenues	<u>2,739,839</u>	<u>437,515</u>	<u>297,977</u>	<u>402,616</u>	<u>3,877,947</u>
Expenditures:					
Current:					
General government	985,983	501,833	-	-	1,487,816
Public safety	1,014,806	-	-	335,253	1,350,059
Physical environment	6,667	-	-	-	6,667
Transportation	470,408	-	-	-	470,408
Economic environment	-	-	487,349	-	487,349
Culture and recreation	581,102	339,157	-	-	920,259
Debt service:					
Principal	-	51,377	-	7,973	59,350
Interest and fiscal charges	-	13,689	-	2,105	15,794
Total expenditures	<u>3,058,966</u>	<u>906,056</u>	<u>487,349</u>	<u>345,331</u>	<u>4,797,702</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(319,127)</u>	<u>(468,541)</u>	<u>(189,372)</u>	<u>57,285</u>	<u>(919,755)</u>
Other Financing Sources (Uses):					
Transfers in	615,000	-	-	-	615,000
Transfers out	-	-	-	(15,000)	(15,000)
Total other financing sources (uses)	<u>615,000</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>600,000</u>
Net change in fund balances	<u>295,873</u>	<u>(468,541)</u>	<u>(189,372)</u>	<u>42,285</u>	<u>(319,755)</u>
Fund balances, beginning	1,101,027	755,663	275,126	201,774	2,333,590
Fund balances, ending	<u>\$ 1,396,900</u>	<u>\$ 287,122</u>	<u>\$ 85,754</u>	<u>\$ 244,059</u>	<u>\$ 2,013,835</u>

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

Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds: \$ (319,755)

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

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

Expenditures for capital assets	\$ 988,971	
Less: current year depreciation	<u>(465,420)</u>	523,551

Repayments of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		59,350
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The net effect of various transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position		(483)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		12,127
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Governmental funds report cash contributions to pensions as expenditures because they consume current financial resources. The statement of activities reports the change in pension liability and related deferrals as pension expense. This is the amount of the difference between the two amounts.		183,648
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	\$ 1,104	
Change in other post employment benefits	(747)	
Change in long-term compensated absences	<u>10,167</u>	<u>10,524</u>

Change in net position of governmental activities		<u>\$ 468,962</u>
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City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 961,628	\$ 961,628	\$ 932,541	\$ (29,087)
Franchise and utility taxes	764,830	764,830	863,394	98,564
Licenses and permits	126,500	136,500	137,453	953
Intergovernmental revenues	509,832	509,832	702,014	192,182
Charges for services	63,679	63,679	63,766	87
Fines and forfeitures	20,300	20,300	8,138	(12,162)
Investment income	17,500	17,500	13,111	(4,389)
Miscellaneous	37,000	37,000	19,422	(17,578)
Total revenues	<u>2,501,269</u>	<u>2,511,269</u>	<u>2,739,839</u>	<u>228,570</u>
Expenditures:				
Current:				
General government	1,749,451	983,826	985,983	(2,157)
Public safety	1,083,510	1,109,926	1,014,806	95,120
Physical environment	50,290	50,290	6,667	43,623
Transportation	545,130	545,130	470,408	74,722
Culture and recreation	597,275	602,064	581,102	20,962
Total expenditures	<u>4,025,656</u>	<u>3,291,236</u>	<u>3,058,966</u>	<u>232,270</u>
Excess (deficiency) of revenues over expenditures	<u>(1,524,387)</u>	<u>(779,967)</u>	<u>(319,127)</u>	<u>460,840</u>
Other Financing Sources (Uses):				
Transfers in	615,000	615,000	615,000	-
Total other financing sources (uses)	<u>615,000</u>	<u>615,000</u>	<u>615,000</u>	<u>-</u>
Net change in fund balance	<u>(909,387)</u>	<u>(164,967)</u>	<u>295,873</u>	<u>460,840</u>
Fund balance, beginning	<u>1,101,027</u>	<u>1,101,027</u>	<u>1,101,027</u>	<u>-</u>
Fund balance, ending	<u>\$ 191,640</u>	<u>\$ 936,060</u>	<u>\$ 1,396,900</u>	<u>\$ 460,840</u>

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Discretionary Tax
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 317,451	\$ 385,000	\$ 437,515	\$ 52,515
Investment income	100	100	-	(100)
Total revenues	317,551	385,100	437,515	52,415
Expenditures:				
Current:				
General government	22,716	506,216	501,833	4,383
Public safety	85,510	-	-	-
Culture and recreation	400,000	400,000	339,157	60,843
Debt Service:				
Principal	51,109	51,109	51,377	(268)
Interest	13,978	13,978	13,689	289
Total expenditures	573,313	971,303	906,056	65,247
Excess (deficiency) of revenues over expenditures	(255,762)	(586,203)	(468,541)	117,662
Net change in fund balance	(255,762)	(586,203)	(468,541)	117,662
Fund balance, beginning	755,663	755,663	755,663	-
Fund balance, ending	\$ 499,901	\$ 169,460	\$ 287,122	\$ 117,662

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Community Redevelopment Agency
Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes and impact fees	\$ 299,235	\$ 299,235	\$ 294,807	\$ (4,428)
Intergovernmental revenues	200,000	200,000	-	(200,000)
Charges for services	5,800	5,800	3,170	(2,630)
Total revenues	<u>505,035</u>	<u>505,035</u>	<u>297,977</u>	<u>(207,058)</u>
Expenditures:				
Current:				
Economic environment	811,284	738,565	487,349	251,216
Total expenditures	<u>811,284</u>	<u>738,565</u>	<u>487,349</u>	<u>251,216</u>
Excess (deficiency) of revenues over expenditures	<u>(306,249)</u>	<u>(233,530)</u>	<u>(189,372)</u>	<u>44,158</u>
Net change in fund balance	(306,249)	(233,530)	(189,372)	44,158
Fund balance, beginning	275,126	275,126	275,126	-
Fund balance, ending	<u>\$ (31,123)</u>	<u>\$ 41,596</u>	<u>\$ 85,754</u>	<u>\$ 44,158</u>

City of Umatilla, Florida
Statement of Net Position - Proprietary Funds
September 30, 2021

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 424,899	\$ 189,855	\$ 104,410	\$ 586,254	\$ 1,305,418
Restricted cash	332,397	-	7,583	-	339,980
Restricted investments	404,423	-	-	-	404,423
Receivables, net	192,762	68,836	10,993	13,929	286,520
Due from other governments	1,417,397	-	111,315	-	1,528,712
Inventories	-	-	17,585	-	17,585
Prepaid Items	-	-	2,350	500	2,850
Total current assets	2,771,878	258,691	254,236	600,683	3,885,488
Noncurrent assets:					
Capital assets:					
Land	522,849	-	1,332,365	-	1,855,214
Improvements	16,106,081	-	4,885,382	3,475,554	24,467,017
Buildings	3,578,160	-	2,775,884	-	6,354,044
Equipment	1,329,083	127,418	119,509	71,297	1,647,307
Construction in progress	2,347,561	-	1,828,494	-	4,176,055
Less: accumulated depreciation	(7,624,945)	(127,418)	(4,058,827)	(1,377,435)	(13,188,625)
Total capital assets (net of depreciation)	16,258,789	-	6,882,807	2,169,416	25,311,012
Total noncurrent assets	16,258,789	-	6,882,807	2,169,416	25,311,012
Total assets	19,030,667	258,691	7,137,043	2,770,099	29,196,500
Deferred Outflows of Resources:					
Deferred outflows of pension earnings	72,605	6,756	3,029	-	82,390
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	737,388	66,296	71,927	-	875,611
Customer deposits payable	234,465	1,200	9,448	-	245,113
Unearned revenue	-	-	1,175	-	1,175
Compensated absences	2,629	23	-	-	2,652
Accrued interest payable	2,195	-	-	1,424	3,619
Capital lease payable	13,216	-	-	-	13,216
Notes payable	27,035	-	-	31,709	58,744
Total current liabilities	1,016,928	67,519	82,550	33,133	1,200,130
Noncurrent liabilities:					
Compensated absences	23,657	204	-	-	23,861
Capital lease payable	73,995	-	-	-	73,995
Notes payable	156,522	-	-	472,013	628,535
Net pension liability	120,147	11,179	5,014	-	136,340
Total noncurrent liabilities	374,321	11,383	5,014	472,013	862,731
Total liabilities	1,391,249	78,902	87,564	505,146	2,062,861
Deferred Inflows of Resources:					
Deferred inflows of pension earnings	149,543	13,913	6,241	-	169,697
Net Position:					
Net investment in capital assets	15,988,021	-	6,882,807	1,665,694	24,536,522
Restricted for utility capital projects	626,845	-	-	-	626,845
Unrestricted	947,614	172,632	163,460	599,259	1,882,965
Total net position	\$ 17,562,480	\$ 172,632	\$ 7,046,267	\$ 2,264,953	\$ 27,046,332

Statement of Revenues, Expenses and Changes in Fund Net Position**Proprietary Funds**

Year Ended September 30, 2021

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Operating Revenues:					
Charges for services	\$ 1,654,029	\$ 742,400	\$ 138,256	\$ 139,410	\$ 2,674,095
Miscellaneous operating revenues	12,400	-	2,693	-	15,093
Total operating revenues	1,666,429	742,400	140,949	139,410	2,689,188
Operating Expenses:					
Personal services	424,423	17,085	16,566	-	458,074
Contract services	90,284	334,966	16,811	6,557	448,618
Utilities	107,286	-	21,713	-	128,999
Insurance	84,892	-	20,934	-	105,826
Operating supplies	113,930	-	-	-	113,930
Depreciation and amortization	566,821	-	288,619	96,425	951,865
Other operating expenses	33,444	6,599	741	1,806	42,590
Repairs and maintenance	195,590	-	37,438	-	233,028
Total operating expenses	1,616,670	358,650	402,822	104,788	2,482,930
Operating income (loss)	49,759	383,750	(261,873)	34,622	206,258
Nonoperating Revenue (Expenses):					
Investment income	54	-	-	-	54
Interest expense	(20,996)	-	-	(6,822)	(27,818)
Total nonoperating revenue (expenses)	(20,942)	-	-	(6,822)	(27,764)
Income (loss) before contributions and transfers	28,817	383,750	(261,873)	27,800	178,494
Capital Contributions:					
Impact fees	112,631	-	-	-	112,631
Grants	1,929,549	-	1,345,101	184,304	3,458,954
Transfers out	(350,000)	(250,000)	-	-	(600,000)
Change in net position	1,720,997	133,750	1,083,228	212,104	3,150,079
Net Position, beginning	15,841,483	38,882	5,963,039	2,052,849	23,896,253
Net Position, ending	\$ 17,562,480	\$ 172,632	\$ 7,046,267	\$ 2,264,953	\$ 27,046,332

City of Umatilla, Florida
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds				
	Water and Sewer	Sanitation	Airport	Stormwater	Total
Cash Flows from Operating Activities:					
Receipts from customers	\$ 1,662,590	\$ 734,865	\$ 146,556	\$ 138,794	\$ 2,682,805
Payments to suppliers	(22,146)	(303,322)	(82,299)	(32,961)	(440,728)
Payments to employees	(449,833)	(44,254)	(16,009)	-	(510,096)
Net cash provided by (used in) operating activities	1,190,611	387,289	48,248	105,833	1,731,981
Cash Flows from Noncapital Financing Activities:					
Transfers to other funds	(350,000)	(250,000)	-	-	(600,000)
Increase (decrease) in due to other funds	(1,951)	-	-	-	(1,951)
Net cash provided by (used in) noncapital financing activities	(351,951)	(250,000)	-	-	(601,951)
Cash Flows from Capital and Related Financing Activities:					
Capital grants	512,152	-	1,330,110	184,304	2,026,566
Proceeds from notes payable	55,252	-	-	-	55,252
Acquisition of capital assets	(1,928,352)	-	(1,352,112)	(199,524)	(3,479,988)
Principal paid on revenue bonds, notes and leases	(442,209)	-	-	(31,497)	(473,706)
Interest paid on revenue bonds, notes and leases	(20,717)	-	-	(6,858)	(27,575)
Impact fees	112,631	-	-	-	112,631
Net cash provided by (used in) capital and related financing activities	(1,711,243)	-	(22,002)	(53,575)	(1,786,820)
Cash Flows from Investing Activities:					
Investment income	54	-	-	-	54
Net cash provided by (used in) investing activities	54	-	-	-	54
Net increase (decrease) in cash and cash equivalents	(872,529)	137,289	26,246	52,258	(656,736)
Cash and cash equivalents, beginning	1,629,825	52,566	85,747	533,996	2,302,134
Cash and cash equivalents, ending	\$ 757,296	\$ 189,855	\$ 111,993	\$ 586,254	\$ 1,645,398
Classified as:					
Cash and cash equivalents	\$ 424,899	\$ 189,855	\$ 104,410	\$ 586,254	\$ 1,305,418
Restricted cash and cash equivalents	332,397	-	7,583	-	339,980
Total cash and cash equivalents	\$ 757,296	\$ 189,855	\$ 111,993	\$ 586,254	\$ 1,645,398

City of Umatilla, Florida
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2021

	Enterprise Funds				
	Water and Sewer	Sanitation	Airport	Stormwater	Total
Reconciliation of Operating Income to					
Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 49,759	\$ 383,750	\$ (261,873)	\$ 34,622	\$ 206,258
Adjustments not affecting cash:					
Depreciation and amortization	566,821	-	288,619	96,425	951,865
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(46,154)	(7,254)	12,085	(616)	(41,939)
(Increase) decrease in inventories	-	-	(1,388)	-	(1,388)
(Increase) decrease in prepaids	-	-	(2,350)	(500)	(2,850)
(Increase) decrease deferred outflows of pension earnings	35,135	12,349	593	-	48,077
Increase (decrease) in accounts payable	603,280	38,243	19,076	(24,098)	636,501
Increase (decrease) in accrued liabilities	1,774	-	-	-	1,774
Increase (decrease) in unearned revenues	-	-	(7,325)	-	(7,325)
Increase (decrease) in customer deposits	42,315	(281)	847	-	42,881
Increase (decrease) in compensated absences	3,889	(5,050)	-	-	(1,161)
Increase (decrease) in net pension liability	(206,451)	(46,733)	(5,965)	-	(259,149)
Increase (decrease) in deferred inflows of pension earnings	140,243	12,265	5,929	-	158,437
Total adjustments	574,031	3,539	21,502	(25,214)	573,858
Net cash provided by (used in) operating activities	\$ 1,190,611	\$ 387,289	\$ 48,248	\$ 105,833	\$ 1,731,981

City of Umatilla, Florida
Statement of Fiduciary Net Position - Fiduciary Fund
September 30, 2021

	Police Pension Trust Fund
Assets:	
Cash and cash equivalents	\$ 18,140
Investments, at fair value:	
Fixed income	834,443
Equity	1,589,391
Real estate	225,684
Total Investments	<u>2,649,518</u>
Total assets	<u>2,667,658</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 2,667,658</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

Year Ended September 30, 2021

	Police Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 12,528
Plan members	13,247
State	38,895
Total contributions	<u>64,670</u>
Investment income:	
Net increase in fair value of investments	432,315
Less: investment expense	<u>(4,958)</u>
Net investment income	<u>427,357</u>
Total additions	<u>492,027</u>
Deductions:	
Benefit payments	49,640
Administrative expenses	<u>19,782</u>
Total deductions	<u>69,422</u>
Change in net position	422,605
Net position, beginning	<u>2,245,053</u>
Net position, ending	<u><u>\$ 2,667,658</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The *City of Umatilla*, Florida (the City) is a political subdivision of the State of Florida located in Lake County. The City is governed by an elected Mayor and five-member City Council. The City was established by the adoption of its Charter in the Laws of Florida, Chapter 8376, on May 9, 1904. The City provides services to its citizens including Public Safety (Police and Fire), Transportation (Roads & Streets), Culture and Recreation (Library, Parks, and Recreation), Public Improvements, Physical Environment (Cemetery), Economic Environment (Community Development), Planning and Zoning, and General Government Services. The City operates Water & Sewer, Sanitation, Stormwater, and Airport enterprises. The Mayor and City Council are responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The City of Umatilla Community Redevelopment Fund

The *City of Umatilla* created the Community Redevelopment Agency in April of 1980. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Council, being the duly elected governmental body for the designated area, passed Ordinance 1980-B, which established the *City of Umatilla* as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area. Through Ordinance 1980-B the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund. The *City of Umatilla* Community Redevelopment Fund is presented as a blended component unit, since the City Council is the governing board and the City has operational responsibility for the Fund.

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 nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The government reports the following funds:

Major Governmental Funds

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Discretionary Tax Fund* was established as a special revenue fund to account for discretionary sales surtax revenues that are legally restricted for expenditure on certain non-capital expenditures and on infrastructure.

The *Community Redevelopment Fund* was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

Nonmajor Governmental Fund Types

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Major Proprietary Funds

Water and Sewer Fund is used to account for the operations of the City's water and sewer utility operations, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Sanitation Fund is used to account for the fiscal activities of the City's refuse collection and disposal operation.

Airport Fund is used to account for operation and maintenance of the Umatilla Municipal Airport.

Stormwater Fund is used to account for the fiscal activities of the City's stormwater drainage operation, as well as the funding and payment of related debt.

Fiduciary Funds

Pension Trust Fund accounts for activities of the police officer's retirement plan which accumulates resources for pension benefit payments to qualified employees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, sanitation, airport and stormwater utility funds are charges to customers for sales and services. The City also recognizes as operating revenue the meter fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

Receivables and Payables

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

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

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

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

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

Inventories and Prepaid Items

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, sidewalks, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Improvements Other Than Buildings	10-20
Water and Sewer Systems	10-50
Equipment	5-20
Infrastructure	30

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A portion of sick pay is accrued for employees with at least five (5) years of service. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, which is the deferred outflows of pension earnings.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, which is the deferred inflows of pension earnings and unavailable revenue.

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position in the governmental financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). 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 applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

The amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council holds the authority to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

New GASB Statements Implemented

In fiscal year 2021, the City has not implemented any new accounting standards with a material effect on the City's financial statements.

NOTE 2 RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance - *total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position.

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public budget workshops are held where the Mayor, City Council, City Manager and department heads refine budget detail items.
- (3) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (4) Public hearings are conducted to obtain taxpayer comments.
- (5) Prior to October 1, the budgets are legally enacted through passage of a resolution.
- (6) The City Manager is authorized to transfer budgeted amounts between departments; however, any revisions that alter the total appropriations of any fund must be approved by a majority vote of the City Council.
- (7) The level of classification detail at which expenditures may not legally exceed appropriations is the fund level.
- (8) Unexpended appropriations lapse at the close of the fiscal year.
- (9) Budgets are adopted for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles. Budgets are also adopted for the enterprise funds; however, this data is not presented under generally accepted accounting principles.
- (10) The City Council, by Ordinance or Resolution, may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenues. Budgeted amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions.

NOTE 4 CASH AND INVESTMENTS

Deposits

The City's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

Investments in all fund types are stated at fair value, which is the amount for which an investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Fair value is based on quoted market prices. Changes in the fair value of investments are recognized as revenue and included in investment income.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

The City's investment policies are governed by state statute. Authorized investments, other than those held in pension funds, are:

- (a) Florida Local Government Surplus Funds Trust Fund Investment Pool (SBA LGIP)
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality
- (c) Interest bearing time deposit or savings accounts
- (d) Direct obligations of the U.S. Treasury

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

Investments made by the *City of Umatilla* at September 30, 2021 are summarized below. Defined benefit pension plan investments, are included below. In accordance with GASB 31, investments are reported at fair value, except certificates of deposit, which are reported at amortized cost, which approximates fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Certificates of Deposit	\$ 458,366	Unrated	334 days
FMLvT Broad Market HQ Bond Fund	412,953	AA/S4	6.30 years
FMLvT Core Plus Fixed Income	421,490	Unrated	8.21 years
	<u>\$ 1,292,809</u>		

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

The City and the Police Pension Trust Fund have the following recurring fair value measurements as of September 30, 2021:

	9/30/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Police Officers' Pension				
Mutual Funds				
Equities				
FMLvT Diversified Large Cap Equity	\$ 674,117	\$ -	\$ 674,117	\$ -
FMLvT Diversified Small to Mid Cap	370,538	-	370,538	-
FMLvT International Equity	544,736	-	544,736	-
Fixed Income				
FMLvT Broad Market HQ Bond	412,953	-	412,953	-
FMLvT Core Plus Fixed Income	421,490	-	-	421,490
Real Estate				
FMLvT Core Real Estate Fund	225,684	-	-	225,684
Total	\$ 2,649,518	\$ -	\$ 2,002,344	\$ 647,174

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

Credit Risk:

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

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2021, all of the city's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2021, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk:

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

Interest Rate Risk:

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

NOTE 5 RECEIVABLES

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

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Airport Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Accounts Receivable	\$ 131,454	\$ 230,438	\$ 80,866	\$ 10,993	\$ 16,459	\$ 470,210
Less:						
Allowance for uncollectibles	-	(37,676)	(12,030)	-	(2,530)	(52,236)
	<u>\$ 131,454</u>	<u>\$ 192,762</u>	<u>\$ 68,836</u>	<u>\$ 10,993</u>	<u>\$ 13,929</u>	<u>\$ 417,974</u>

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NOTE 6 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 562,538	\$ 178,352	\$ -	\$ 740,890
Construction in progress	80,486	837,918	(857,481)	60,923
Total capital assets, not being depreciated	<u>643,024</u>	<u>1,016,270</u>	<u>(857,481)</u>	<u>801,813</u>
Capital Assets, being depreciated:				
Buildings	2,995,923	104,930	-	3,100,853
Improvements/infrastructure	2,789,173	568,379	-	3,357,552
Machinery and equipment	3,120,105	156,873	(128,929)	3,148,049
Total capital assets being depreciated	<u>8,905,201</u>	<u>830,182</u>	<u>(128,929)</u>	<u>9,606,454</u>
Less Accumulated Depreciation for:				
Buildings	(1,471,328)	(102,675)	-	(1,574,003)
Improvements/infrastructure	(1,523,289)	(146,099)	-	(1,669,388)
Machinery and equipment	(1,911,446)	(216,646)	128,446	(1,999,646)
Total accumulated depreciation	<u>(4,906,063)</u>	<u>(465,420)</u>	<u>128,446</u>	<u>(5,243,037)</u>
Total capital assets being depreciated, net	<u>3,999,138</u>	<u>364,762</u>	<u>(483)</u>	<u>4,363,417</u>
Governmental activities capital assets, net	<u>\$ 4,642,162</u>	<u>\$ 1,381,032</u>	<u>\$ (857,964)</u>	<u>\$ 5,165,230</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,855,214	\$ -	\$ -	\$ 1,855,214
Construction in progress	1,006,310	3,378,089	(208,344)	4,176,055
Total capital assets, not being depreciated	<u>2,861,524</u>	<u>3,378,089</u>	<u>(208,344)</u>	<u>6,031,269</u>
Capital Assets, being depreciated:				
Buildings	6,354,044	-	-	6,354,044
Improvements/infrastructure	24,258,673	208,344	-	24,467,017
Machinery and equipment	1,470,797	216,149	(39,639)	1,647,307
Total capital assets being depreciated	<u>32,083,514</u>	<u>424,493</u>	<u>(39,639)</u>	<u>32,468,368</u>
Less Accumulated Depreciation for:				
Buildings	(1,063,506)	(167,214)	-	(1,230,720)
Improvements/infrastructure	(10,054,555)	(702,709)	-	(10,757,264)
Machinery and equipment	(1,158,338)	(81,942)	39,639	(1,200,641)
Total accumulated depreciation	<u>(12,276,399)</u>	<u>(951,865)</u>	<u>39,639</u>	<u>(13,188,625)</u>
Total capital assets being depreciated, net	<u>19,807,115</u>	<u>(527,372)</u>	<u>-</u>	<u>19,279,743</u>
Business-type activities capital assets, net	<u>\$22,668,639</u>	<u>\$ 2,850,717</u>	<u>\$ (208,344)</u>	<u>\$25,311,012</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 34,101
Public safety	181,896
Physical environment	4,074
Transportation	126,283
Economic Environment	16,631
Culture and recreation	102,435
Total depreciation expense - governmental activities	<u>\$ 465,420</u>
Business-type Activities	
Water and sewer	\$ 566,821
Sanitation	-
Airport	288,619
Stormwater	96,425
Total depreciation expense - business-type activities	<u>\$ 951,865</u>

NOTE 7 LONG-TERM DEBT

Capital Lease Obligations

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets		
Infrastructure	\$ -	\$ 164,502
Equipment	170,106	-
Less: Accumulated depreciation	(33,990)	(97,620)
Total	<u>\$ 136,116</u>	<u>\$ 66,882</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021 are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Year Ending September 30</u>		
2022	\$ 19,636	\$ 16,521
2023	19,636	16,521
2024	19,636	16,521
2025	19,636	16,521
2026	19,636	16,521
2027-2028	39,272	16,521
Total Minimum Lease Payments	137,452	99,126
Less: Amount representing interest	(16,818)	(11,915)
Present Value of Minimum Lease Payments	<u>\$ 120,634</u>	<u>\$ 87,211</u>

Notes Payable - Direct Borrowing

The City issued the Infrastructure Sales Surtax Revenue Note, Series 2018 for the acquisition of certain equipment in the amount of \$480,000. Annual payments of principal and interest commence in November 2018 through 2027. The Note bears interest at 2.99% and is secured by infrastructure sales surtax revenues. For the fiscal year, total principal and interest paid on the note was \$56,123, and total revenues pledged were \$437,515. In the event of default, the note holder may make the outstanding amount due and payable immediately.

The City entered into the State Revolving Fund Loan Agreement SW350720 for the purpose of constructing stormwater improvements. The City borrowed \$672,067 plus capitalized interest under the agreement at an interest rate of 1.34%. The loan is secured by gross revenues of the stormwater utility after payment of operation and maintenance costs. For the fiscal year, total principal and interest paid on the note was \$38,564, and total revenues pledged were \$131,047.

The City entered into the State Revolving Fund Loan Agreement CW350750 for the planning and design phase of sewer improvements. The City is authorized to borrow up to \$568,597 plus capitalized interest at an interest rate of 1.14%. The loan is secured by gross revenues of the water and sewer utility after payment of operation and maintenance costs. For the fiscal year, no principal and interest paid was \$443,749; which includes \$428,356 of grant payments and total revenues pledged were \$616,580.

NOTE 7 LONG-TERM DEBT (CONTINUED)

The City entered into the State Revolving Fund Loan Agreement WW350752 for the construction of a pump station and force main connection to the City of Eustis wastewater. The City is authorized to borrow up to \$3,853,300, including principal forgiveness of \$3,082,640 plus capitalized interest at an interest rate of 0%. The loan is secured by gross revenues of the water and sewer utility after payment of operation and maintenance costs. At September 30, 2021, the loan balance was \$41,234. For the fiscal year, no principal and interest paid was due and total revenues pledged were \$616,580.

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

The annual debt service payments as of September 30, 2021 on the notes, based on balances outstanding at year end are as follows:

Year ending September 30,	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 45,676	\$ 10,496	\$ 58,744	\$ 8,079
2023	47,092	9,131	59,668	7,584
2024	48,551	7,723	39,337	7,084
2025	50,057	6,271	39,844	6,578
2026	51,608	4,774	40,358	6,064
2027 - 2031	108,066	4,871	209,724	22,377
2032 - 2036	-	-	204,216	8,501
2037 - 2041	-	-	35,388	907
Total	\$ 351,050	\$ 43,266	\$ 687,279	\$ 67,174

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue notes payable	\$ 395,352	\$ -	\$ (44,302)	\$ 351,050	\$ 45,676
Capital lease	135,682	-	(15,048)	120,634	16,093
Compensated absences	177,911	125,552	(135,719)	167,744	16,774
Net OPEB liability	3,081	747	-	3,828	-
Net pension liability	1,304,610	-	(774,656)	529,954	-
Governmental activity long-term liabilities	\$ 2,016,636	\$ 126,299	\$ (969,725)	\$ 1,173,210	\$ 78,543
Business-type Activities					
SRF notes payable	\$ 1,093,003	\$ 55,252	\$ (460,976)	\$ 687,279	\$ 58,744
Capital lease	99,941	-	(12,730)	87,211	13,216
Compensated absences	27,674	19,390	(20,551)	26,513	2,652
Net OPEB liability	-	-	-	-	-
Net pension liability	395,489	-	(259,149)	136,340	-
Business-type activity long-term liabilities	\$ 1,616,107	\$ 74,642	\$ (753,406)	\$ 937,343	\$ 74,612

For governmental activities, compensated absences, pension and OPEB liabilities are generally liquidated by the general fund.

NOTE 8 CONDUIT DEBT

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

As of September 30, 2021, there was an outstanding principal balance of \$70,140,000 of the \$75,455,000 originally issued.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the year ended September 30, 2021, the water and sewer fund transferred \$350,000 to the general fund, the sanitation fund transferred \$250,000 to the general fund and the fire assessment fund transferred \$15,000 to the general fund. These transfers were authorized per the central service model for services provided by the general fund. The general fund did not transfer any additional funds at year end.

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

NOTE 10 RETIREMENT PLANS

Police Officers' Retirement Trust Fund

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

Plan Administration

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

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

Membership of the police officers' pension plan consisted of the following at September 30, 2021:

	<u>Police Officers</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	8
	<u>14</u>

Plan Description

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

Benefits Provided

The plan provides retirement, termination, disability and death benefits. Retirement age is the earlier of the attainment of age 52 and 25 years of service, or attainment of age 55 and 10 years of service. The normal retirement benefit is the number of years of credited service multiplied by 2.5%, of average final compensation. Effective October 1, 2019, the retirement benefit is the number of years of credited service after September 30, 2019 multiplied by 3%. Early retirement is available after age 50 and 10 years of service; however, the early retirement benefit is reduced by 3% for each year before the normal retirement date.

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

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

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

Contributions

Police officers contribute 3% of pensionable earnings. The City is required to contribute the amount required in order to pay current costs and amortization of the accrued past service liability, if any, as provided in Chapter 112, Florida Statutes.

Concentrations

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

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on the plan investments, net of pension plan investment expense, was 6.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset of the Sponsor

The components of the net pension asset of the sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 1,633,456
Plan Fiduciary Net Position	<u>(2,669,797)</u>
Net Pension Liability (Asset)	<u>\$ (1,036,341)</u>
Plan Net Position as a Percentage of Total Pension Liability (Asset)	-163.44%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions:

Inflation	2.62%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality assumptions are based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table, with full generational improvements in mortality using Scale MP-2018.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021, the inflation rate assumption of the advisor was 2.62%. 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:

Asset Class	Target Allocation	Expected Long-Term Real Return
U.S. Large Cap Equity	25.00%	4.60% per annum
U.S. Small Cap Equity	14.00%	5.50% per annum
Non-U.S. Equity	21.00%	6.70% per annum
Core Bonds	15.00%	1.60% per annum
Core Plus	15.00%	2.10% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.38% per annum

Discount Rate

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

Sensitivity of Net Pension Asset to Changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ (762,037)	\$ (1,036,341)	\$ (1,257,820)

NOTE 10 RETIREMENT PLANS (CONTINUED)

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at September 30, 2020	\$ 1,570,357	\$ (2,247,059)	\$ (676,702)
Changes for Year:			
Service Cost	28,084	-	28,084
Interest	110,202	(156,965)	(46,763)
Difference between expected and actual	11,284	-	11,284
Changes in benefit terms	(36,831)	-	(36,831)
Net investment income	-	(275,350)	(275,350)
Contributions-employer & state	-	(52,458)	(52,458)
Contributions-employee	-	(12,344)	(12,344)
Benefit payments and refunds	(49,640)	49,640	-
Administrative Expense	-	24,739	24,739
Balances at September 30, 2021	\$ 1,633,456	\$ (2,669,797)	\$ (1,036,341)

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

For the year ended September 30, 2021, the City recognized pension expense of \$(89,120). On September 30, 2021, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,423	\$ 16,979
Changes of assumptions	6,320	135,823
Net difference between projected and actual earnings on investments	-	200,417
Balance, September 30, 2021	\$ 44,743	\$ 353,219

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

Year Ended September 30,	
2022	\$ (62,144)
2023	(61,092)
2024	(81,841)
2025	(86,733)
2026	(15,563)
Thereafter	(1,103)
	\$ (308,476)

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System (FRS)

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

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

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

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

Funding Policy: Three (3) of the FRS membership classes are applicable to the City's eligible employees. These classes, with descriptions and contribution rates in effect during the period ended September 30, 2021 are as follows:

Regular Class - Members not qualifying for other classes (13% [includes 3% employee contribution] from October 1, 2020 through June 30, 2021 and 13.82% [includes 3% employee contribution] from July 1, 2021 through September 30, 2021.)

Deferred Retirement Option Program (DROP) - 16.98% [DROP participants are not required to contribute] from October 1, 2020 through June 30, 2021 and 18.34% from July 1, 2021 through September 30, 2021.

Senior Management – 30.29% [includes 3% employee contribution] from October 1, 2020 through June 30, 2021 and 32.01% [includes 3% employee contribution] from July 1, 2021 through September 30, 2021.

These employer contribution rates include 1.66% HIS Plan subsidy for both periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021.

Florida Retirement System Pension Plan

Plan Description

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

Benefits Provided

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

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

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

Contributions

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

The City's contributions to the Pension Plan totaled \$121,674 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability of \$225,353 for its proportionate share of the 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 2021 fiscal year contributions relative to the 2020 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was .00298 percent, which was an increase of .00011 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 \$12,994. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 38,626	\$ -
Change of Assumptions	154,198	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	786,200
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	83,228	5,236
Pension Plan Contributions Subsequent to the Measurement Date	34,034	-
	\$ 310,086	\$ 791,436

NOTE 10 RETIREMENT PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$34,034 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<u>Year Ended September 30,</u>	
2022	\$ (87,676)
2023	(102,786)
2024	(142,079)
2025	(188,589)
2026	5,746
Thereafter	-
	<u>\$ (515,384)</u>

Actuarial Assumptions

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

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

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:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.10%	2.10%	1.10%
Fixed Income	20.00%	3.80%	3.70%	3.30%
Global Equity	54.20%	8.20%	6.70%	17.80%
Real Estate	10.30%	7.10%	6.20%	13.80%
Private Equity	10.80%	11.70%	8.50%	26.40%
Strategic Investments	3.70%	5.70%	5.40%	8.40%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.20%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	Discount Rate Minus 1% 5.80%	Current Discount Rate 6.80%	Discount Rate Plus 1% 7.80%
City's Proportionate Share of Net Pension Liability (FRS)	\$ 1,007,793	\$ 225,353	\$ (428,679)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2021, the City reported no amounts payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2021.

Florida Retirement System HIS Plan

Plan Description

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Benefits Provided

For the 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 minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution for the period October 1, 2020 through June 30, 2020 and from July 1, 2021 through September 30, 2021 was 1.66% for both periods. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$22,013 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability of \$440,941 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 2021 fiscal year contributions relative to the 2020 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.00359 percent, which was a decrease of 0.00016 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 \$35,988. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 14,755	\$ 185
Change of Assumptions	34,648	18,168
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	460	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	36,871	19,521
Pension Plan Contributions Subsequent to the Measurement Date	5,821	-
	\$ 92,555	\$ 37,874

NOTE 10 RETIREMENT PLANS (CONTINUED)

The deferred outflows of resources related to the HIS Plan, totaling \$5,821 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. 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:

<u>Year Ended September 30,</u>	
2022	\$ 14,429
2023	5,626
2024	8,242
2025	11,170
2026	8,323
Thereafter	1,070
	<u>\$ 48,860</u>

Actuarial Assumptions

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

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	2.16% net of pension plan investment expense

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the June 30, 2021, 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 benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 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:

	Discount Rate Minus 1% 1.16%	Current Discount Rate 2.16%	Discount Rate Plus 1% 3.16%
City's Proportionate Share of Net Pension Liability (FRS)	\$ 509,771	\$ 440,941	\$ 384,551

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 Annual Comprehensive Financial Report.

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The contribution expense for the City's Investment Plan for the fiscal year ended September 30, 2021 was \$58,340.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2021 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Expense
Police Pension Plan	\$ 1,036,341	\$ (353,219)	\$ 44,743	\$ (89,120)
FRS Pension Plan	(225,353)	(791,436)	310,086	12,994
HIS Pension Plan	(440,941)	(37,874)	92,555	35,988
	<u>\$ 370,047</u>	<u>\$ (1,182,529)</u>	<u>\$ 447,384</u>	<u>\$ (40,138)</u>

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Retirement eligibility

General Employees

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

Police Officers

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

Benefits provided

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

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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employees covered by benefit terms

At September 30, 2021, the following employees were covered by the benefit terms:

	<u>OPEB</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	<u>37</u>
	<u>39</u>

Employer contributions

None.

Total OPEB Liability

The City's total OPEB liability is \$3,828 as of September 30, 2021 for the City's fiscal year and reporting period of October 1, 2020 to September 30, 2021. There are no assets accumulated in a trust to pay related benefits. The values for this fiscal year and reporting period are based on a measurement date of September 30, 2021.

Key assumptions and methods

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

Discount Rate	2.15%
Salary Scale	2.50%
Health Care Cost Trend Rates	Getzen Model
Mortality	PUB2010 Mortality Table projected using MP-19 gender specific
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Termination Rates	Derived from withdrawal assumption used in the the Florida Retirement System, July 1, 2020 actuarial valuation.

Changes in Total OPEB Liability

	<u>OPEB Liability</u>
Balance at September 30, 2020	\$ 3,081
Changes for Year:	
Service cost	600
Interest	83
Differences between expected and actual	-
Changes of assumptions	<u>64</u>
Balance at September 30, 2021	<u>\$ 3,828</u>

Deferred Outflows and Inflows of Resources Related to OPEB

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

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease 1.15%	Current Discount Rate 2.15%	1% Increase 3.15%
Net OPEB Liability	\$ 3,000	\$ 3,828	\$ 5,000

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

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 3,000	\$ 3,828	\$ 5,000

NOTE 12 RISK MANAGEMENT

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

The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverages from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2021. The cost of the insurance is allocated among the appropriate departments and funds.

NOTE 13 COMMITMENTS AND CONTINGENCIES

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

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2021. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 14 FUND BALANCES

	General Fund	Discretionary Fund	Community Redevelopment Fund	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepays	\$ 3,946	\$ -	\$ -	\$ -	\$ 3,946
Spendable					
Restricted for:					
Community redevelopment	-	-	85,754	-	85,754
Capital projects	-	287,122	-	-	287,122
Public safety	-	-	-	244,059	244,059
Assigned for:					
Roads and streets	53,943	-	-	-	53,943
Subsequent year expenditures	249,898	-	-	-	249,898
Unassigned	1,089,113	-	-	-	1,089,113
	<u>\$ 1,396,900</u>	<u>\$ 287,122</u>	<u>\$ 85,754</u>	<u>\$ 244,059</u>	<u>\$ 2,013,835</u>

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REQUIRED SUPPLEMENTARY INFORMATION

City of Umatilla, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Pension
September 30, 2021

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability								
Service cost	\$ 28,084	\$ 25,773	\$ 26,807	\$ 59,977	\$ 62,352	\$ 52,149	\$ 48,398	\$ 45,232
Interest	110,202	100,389	106,874	100,016	87,800	79,144	73,867	68,715
Benefit changes	-	84,631	-	-	-	-	-	-
Differences between expected and actual experience	11,284	(22,741)	(1,645)	18,443	73,619	-	-	-
Changes of assumptions	(36,831)	-	(176,857)	-	-	25,280	-	-
Benefit payments, including refunds of employee contributions	(49,640)	(49,819)	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Net Change in Total Pension Liability	63,099	138,233	(91,697)	131,560	176,895	109,697	75,389	73,779
Total pension liability, beginning	1,570,357	1,432,124	1,523,821	1,392,261	1,215,366	1,105,669	1,030,280	956,501
Total pension liability, ending (a)	<u>\$ 1,633,456</u>	<u>\$ 1,570,357</u>	<u>\$ 1,432,124</u>	<u>\$ 1,523,821</u>	<u>\$ 1,392,261</u>	<u>\$ 1,215,366</u>	<u>\$ 1,105,669</u>	<u>\$ 1,030,280</u>
Plan Fiduciary Net Position								
Contributions, employer	13,563	20,014	8,465	14,688	14,618	20,798	47,980	42,479
Contributions, state	38,895	37,470	35,832	32,337	28,623	35,314	23,731	23,027
Contributions, employee	12,344	11,436	2,148	2,227	2,155	2,120	1,889	1,588
Net investment income	432,315	136,997	106,627	138,930	222,596	125,610	(3,466)	121,384
Benefit payments, including refunds of employee contributions	(49,640)	(49,819)	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Administrative expense	(24,739)	(35,560)	(16,217)	(25,976)	(5,109)	(10,191)	(7,692)	(7,518)
Net change in plan fiduciary net position	422,738	120,538	89,979	115,330	216,007	126,775	15,566	140,792
Plan fiduciary net position, beginning	2,247,059	2,126,521	2,036,542	1,921,212	1,705,205	1,578,430	1,562,864	1,422,072
Plan fiduciary net position, ending (b)	<u>\$ 2,669,797</u>	<u>\$ 2,247,059</u>	<u>\$ 2,126,521</u>	<u>\$ 2,036,542</u>	<u>\$ 1,921,212</u>	<u>\$ 1,705,205</u>	<u>\$ 1,578,430</u>	<u>\$ 1,562,864</u>
Net pension liability (asset), ending (a) - (b)	<u>\$(1,036,341)</u>	<u>\$ (676,702)</u>	<u>\$ (694,397)</u>	<u>\$ (512,721)</u>	<u>\$ (528,951)</u>	<u>\$ (489,839)</u>	<u>\$ (472,761)</u>	<u>\$ (532,584)</u>
Plan fiduciary net position as a percentage of total pension liability	163.44%	143.09%	148.49%	133.65%	137.99%	140.30%	142.76%	151.69%
Covered payroll	\$ 382,074	\$ 403,295	\$ 473,258	\$ 445,231	\$ 431,000	\$ 424,000	\$ 377,800	\$ 317,519
Net pension liability as a percentage of covered payroll	-271.24%	-167.79%	-146.73%	-115.16%	-122.73%	-115.53%	-125.14%	-167.73%

Notes to Schedule:

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

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

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

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

Changes of benefits - For measurement date 9/30/2020, the benefit multiplier for service after September 30, 2019 was increased from 2.50% to 3.00% and the employee contribution rate was increased from 0.50% to 3.00%

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Contributions - Police Pension
September 30, 2021

Fiscal year ended	Contributions in Relation to			Contributions as a Percentage of	
	Actuarially Determined Contribution	Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Covered Payroll
9/30/2021	\$ 12,066	\$ 52,458	\$ (40,392)	\$ 382,074	13.73%
9/30/2020	42,899	57,484	(14,585)	403,295	14.25%
9/30/2019	32,149	44,297	(12,148)	473,258	9.36%
9/30/2018	32,149	47,025	(14,876)	445,231	10.56%
9/30/2017	-	43,241	(43,241)	431,000	10.03%
9/30/2016	-	56,112	(56,112)	424,000	13.23%
9/30/2015	57,048	71,711	(14,663)	377,800	18.98%
9/30/2014	47,944	51,219	(3,275)	317,519	16.13%

Notes to Schedule

Valuation Date 10/1/2020

Methods and assumptions used to determine contribution rates:

Discount Rate 7.00% per annum (2.62% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.

COL Increases None assumed

Mortality Basis Sex distinct rates set forth in the PUB-2010 Headcount-Weighted Mortality Table, with full generational improvements in mortality using Scale MP-2018

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

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

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

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

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

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of Investment Returns - Police Pension
September 30, 2021

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual Money-Weighted Rate of Return								
Net of Investment Expense	6.84%	6.49%	5.26%	7.31%	13.18%	7.95%	-0.22%	9.75%

* Data not available before 2014.

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Proportionate share of the Net Pension Liability - Florida Retirement System
September 30, 2021

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00298%	0.00287%	0.00256%	0.00255%	0.00259%	0.00256%	0.00287%
City's Proportionate Share of the Net Pension Liability	\$ 225,353	\$ 1,242,591	\$ 883,076	\$ 769,416	\$ 766,489	\$ 645,198	\$ 370,720
City's Covered Payroll	\$ 931,023	\$ 968,735	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	24.20%	128.27%	98.24%	84.37%	78.45%	60.88%	38.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00359%	0.00375%	0.00341%	0.00331%	0.00339%	0.00343%	0.00314%
City's Proportionate Share of the Net Pension Liability	\$ 440,941	\$ 457,508	\$ 381,457	\$ 350,048	\$ 362,635	\$ 400,075	\$ 319,803
City's Covered Payroll	\$ 931,023	\$ 968,735	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	47.36%	47.23%	42.44%	38.38%	37.12%	37.75%	33.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* Data not available before 2015.

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Contributions Florida Retirement System
September 30, 2021

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 121,674	\$ 98,480	\$ 82,866	\$ 74,510	\$ 65,828	\$ 66,214	\$ 68,627
Contributions in Relation to the Contractually Required Contributions	121,674	98,480	82,866	74,510	65,828	66,214	68,627
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 964,296	\$ 974,625	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	12.62%	10.10%	8.90%	7.89%	6.92%	6.85%	7.47%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 23,013	\$ 21,524	\$ 19,481	\$ 18,024	\$ 17,407	\$ 18,227	\$ 13,435
Contributions in Relation to the contractually Required Contributions	23,013	21,524	19,481	18,024	17,407	18,227	13,435
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 964,296	\$ 974,625	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	2.39%	2.21%	2.09%	1.91%	1.83%	1.89%	1.46%

* Data not available before 2015.

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

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service cost	\$ 600	\$ 7,216	\$ 8,045	\$ 8,045
Interest	83	3,323	2,872	2,782
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	9,062	-	-
Changes of assumptions	64	(91,771)	(5,102)	(2,405)
Effect of economic/demographic changes or inputs	-	-	(2,740)	(648)
Net change in total OPEB liability	747	(72,170)	3,075	7,774
Total OPEB liability, beginning	3,081	75,251	72,176	64,402
Total OPEB liability, ending (a)	\$ 3,828	\$ 3,081	\$ 75,251	\$ 72,176
Plan Fiduciary Net Position				
Contributions, employer	-	-	-	-
Contributions, employee	-	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability, ending (a) - (b)	\$ 3,828	\$ 3,081	\$ 75,251	\$ 72,176
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 1,535,000	\$ 1,497,671	\$ 1,614,843	\$ 1,638,610
Net OPEB liability as a percentage of covered payroll	0.25%	0.21%	4.66%	4.40%

Notes to Schedule: For plan year ended September 30, 2020, the plan participation assumption rate was lowered from 50% to 10%.

* Data before 2018 not available.

NONMAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Police Education Fund

This fund was established to account for the additional assessment on each traffic citation that is restricted for criminal justice education and training.

Police Automation Fund

This fund was established to account for fines and forfeitures that are restricted for the acquisition of equipment to upgrade technology of existing equipment.

Fire Assessment Fund

This fund was established to account for the proceeds of the Fire Assessment Property Tax and its use for fire protection services provided to the City.

Police Impacts Fund

This fund was established to account for Police Impact Fees collected for the purpose of acquisition of facilities and equipment determined to be needed to provide police services for new development within the City.

Fire Impacts Fund

This fund was established to account for Fire Impact Fees collected for the purpose of acquisition of facilities and equipment determined to be needed to provide fire services for new development within the City.

City of Umatilla, Florida
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2021

	Special Revenue						Total-Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund	Total Special Revenue Funds	
Assets:							
Cash and cash equivalents	\$ 5,410	\$ 1,340	\$ 91,260	\$ 87,535	\$ 64,852	\$ 250,397	\$ 250,397
Receivable from other governments	-	-	12,127	-	-	12,127	12,127
Total assets	\$ 5,410	\$ 1,340	\$ 103,387	\$ 87,535	\$ 64,852	\$ 262,524	\$ 262,524
Liabilities							
Accounts payable	\$ -	\$ -	\$ 6,338	\$ -	\$ -	\$ 6,338	\$ 6,338
Total liabilities	-	-	6,338	-	-	6,338	6,338
Deferred inflows							
Deferred revenue	-	-	12,127	-	-	12,127	12,127
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,410	1,340	84,922	87,535	64,852	244,059	244,059
Total fund balances	5,410	1,340	84,922	87,535	64,852	244,059	244,059
Total liabilities, deferred inflows and fund balances	\$ 5,410	\$ 1,340	\$ 103,387	\$ 87,535	\$ 64,852	\$ 262,524	\$ 262,524

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended September 30, 2021

	Special Revenue						Total Special Revenue Funds	Total-Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund			
Revenues:								
Charges for services	\$ -	\$ -	\$ 353,255	\$ -	\$ -	\$ -	\$ 353,255	
Impact fees	-	-	-	26,071	20,557	46,628	46,628	
Fines and forfeitures	321	-	-	-	-	321	321	
Investment income	-	-	709	-	-	709	709	
Miscellaneous	-	-	1,703	-	-	1,703	1,703	
Total revenues	321	-	355,667	26,071	20,557	402,616	402,616	
Expenditures:								
Current:								
Public safety	914	-	334,339	-	-	335,253	335,253	
Debt Service:								
Principal	-	-	7,973	-	-	7,973	7,973	
Interest and fiscal charges	-	-	2,105	-	-	2,105	2,105	
Total expenditures	914	-	344,417	-	-	345,331	345,331	
Excess (deficiency) of revenues over expenditures	(593)	-	11,250	26,071	20,557	57,285	57,285	
Other Financing Sources(Uses):								
Transfers out	-	-	(15,000)	-	-	(15,000)	(15,000)	
Total other financing sources(uses)	-	-	(15,000)	-	-	(15,000)	(15,000)	
Net change in fund balances	(593)	-	(3,750)	26,071	20,557	42,285	42,285	
Fund balances, beginning	6,003	1,340	88,672	61,464	44,295	201,774	201,774	
Fund balances, ending	\$ 5,410	\$ 1,340	\$ 84,922	\$ 87,535	\$ 64,852	\$ 244,059	\$ 244,059	

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Education
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 500	\$ 500	\$ 321	\$ (179)
Total revenues	<u>500</u>	<u>500</u>	<u>321</u>	<u>(179)</u>
Expenditures:				
Current:				
Public safety	7,491	4,750	914	3,836
Total expenditures	<u>7,491</u>	<u>4,750</u>	<u>914</u>	<u>3,836</u>
Excess (deficiency) of revenues over expenditures	<u>(6,991)</u>	<u>(4,250)</u>	<u>(593)</u>	<u>3,657</u>
Net Change in Fund Balance	<u>(6,991)</u>	<u>(4,250)</u>	<u>(593)</u>	<u>3,657</u>
Fund balance, beginning	6,003	6,003	6,003	-
Fund balance, ending	<u>\$ (988)</u>	<u>\$ 1,753</u>	<u>\$ 5,410</u>	<u>\$ 3,657</u>

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Automation
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety	3,955	1,340	-	1,340
Total expenditures	3,955	1,340	-	1,340
Excess (deficiency) of revenues over expenditures	(3,955)	(1,340)	-	1,340
Net Change in Fund Balance	(3,955)	(1,340)	-	1,340
Fund balance, beginning	1,340	1,340	1,340	-
Fund balance, ending	\$ (2,615)	\$ -	\$ 1,340	\$ 1,340

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Fire Assessment Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ -	\$ 12,222	\$ -	\$ (12,222)
Charges for services	347,854	347,854	353,255	5,401
Investment income	450	450	709	259
Miscellaneous	-	1,076	1,703	627
Total revenues	348,304	361,602	355,667	(5,935)
Expenditures:				
Current:				
Public safety	395,683	381,354	334,339	47,015
Debt Service:				
Principal	7,973	7,973	7,973	-
Interest	2,431	2,431	2,105	326
Total expenditures	406,087	391,758	344,417	47,341
Excess (deficiency) of revenues over expenditures	(57,783)	(30,156)	11,250	41,406
Other Financing Sources (Uses)				
Transfers out	(15,000)	(15,000)	(15,000)	-
Total other financing sources(uses)	(15,000)	(15,000)	(15,000)	-
Net Change in Fund Balance	(72,783)	(45,156)	(3,750)	41,406
Fund balance, beginning	88,672	88,672	88,672	-
Fund balance, ending	\$ 15,889	\$ 43,516	\$ 84,922	\$ 41,406

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Impacts Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 15,000	\$ 15,000	\$ 26,071	\$ 11,071
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>26,071</u>	<u>11,071</u>
Expenditures:				
Current:				
Public safety	74,913	-	-	-
Total expenditures	<u>74,913</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(59,913)</u>	<u>15,000</u>	<u>26,071</u>	<u>11,071</u>
Net Change in Fund Balance	<u>(59,913)</u>	<u>15,000</u>	<u>26,071</u>	<u>11,071</u>
Fund balance, beginning	61,464	61,464	61,464	-
Fund balance, ending	<u>\$ 1,551</u>	<u>\$ 76,464</u>	<u>\$ 87,535</u>	<u>\$ 11,071</u>

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Fire Impacts Fund
Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 15,000	\$ 15,000	\$ 20,557	\$ 5,557
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>20,557</u>	<u>5,557</u>
Expenditures:				
Current:				
Public safety	58,358	-	-	-
Total expenditures	<u>58,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(43,358)</u>	<u>15,000</u>	<u>20,557</u>	<u>5,557</u>
Net Change in Fund Balance	<u>(43,358)</u>	<u>15,000</u>	<u>20,557</u>	<u>5,557</u>
Fund balance, beginning	44,295	44,295	44,295	-
Fund balance, ending	<u>\$ 937</u>	<u>\$ 59,295</u>	<u>\$ 64,852</u>	<u>\$ 5,557</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

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Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

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

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Demographic and Economic Information

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

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Operating Information

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

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

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

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Governmental Activities:										
Net investment in capital assets	\$ 2,971,519	\$ 2,795,822	\$ 2,931,802	\$ 3,307,812	\$ 3,503,133	\$ 3,547,466	\$ 3,858,370	\$ 4,075,657	\$ 4,111,128	\$ 4,693,546
Restricted for:										
Capital Improvements	289,920	375,080	346,024	188,379	82,424	80,904	147,626	288,254	755,663	287,122
Community Redevelopment	328,064	103,407	98,409	113,029	182,695	244,660	296,561	290,107	275,126	85,754
Law Enforcement	68,365	66,940	54,867	50,127	36,286	19,755	14,209	112,349	201,774	244,059
Unrestricted	457,215	542,809	656,049	661,597	629,780	484,885	239,259	450,999	581,186	1,083,358
Total Governmental Activities Net Position	\$ 4,114,083	\$ 3,884,058	\$ 4,087,151	\$ 4,320,944	\$ 4,434,318	\$ 4,377,670	\$ 4,556,025	\$ 5,217,366	\$ 5,924,877	\$ 6,393,839
Business-Type Activities:										
Net investment in capital assets	\$ 12,515,904	\$ 12,292,062	\$ 12,449,970	\$ 13,918,695	\$ 15,215,811	\$ 18,954,319	\$ 19,670,391	\$ 21,294,766	\$ 21,475,695	\$ 24,536,522
Restricted for:										
Capital Improvements	228,026	219,876	144,248	161,730	203,480	305,414	396,966	466,690	521,894	626,845
Debt Service	54,090	54,090	54,090	-	-	-	-	-	-	-
Unrestricted	859,347	657,601	705,793	752,373	1,089,053	1,187,262	1,305,943	1,710,493	1,898,664	1,882,965
Total Business-type Activities Net Position	\$ 13,657,367	\$ 13,223,629	\$ 13,354,101	\$ 14,832,798	\$ 16,508,344	\$ 20,446,995	\$ 21,373,300	\$ 23,471,949	\$ 23,896,253	\$ 27,046,332
Primary Government:										
Net investment in capital assets	\$ 15,487,423	\$ 15,087,884	\$ 15,381,772	\$ 17,226,507	\$ 18,718,944	\$ 22,501,785	\$ 23,528,761	\$ 25,370,423	\$ 25,586,823	\$ 29,230,068
Restricted for:										
Capital Improvements	516,946	594,956	490,272	350,109	285,904	386,318	544,592	754,944	1,277,557	913,967
Debt Service	54,090	54,090	54,090	-	-	-	-	-	-	-
Community Redevelopment	328,064	103,407	98,409	113,029	182,695	244,660	296,561	290,107	275,126	85,754
Law Enforcement	68,365	66,940	54,867	50,127	36,286	19,755	14,209	112,349	201,774	244,059
Fire Department	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,316,562	1,200,410	1,361,842	1,413,970	1,718,833	1,672,147	1,545,202	2,161,492	2,479,850	2,966,323
Total City of Umatilla Net Position	\$ 17,771,450	\$ 17,107,687	\$ 17,441,252	\$ 19,153,742	\$ 20,942,662	\$ 24,824,665	\$ 25,929,325	\$ 28,689,315	\$ 29,821,130	\$ 33,440,171

Note: This schedule reports trend information for all years beginning with the year the City implemented GASB 34.

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Expenses:										
Governmental Activities:										
General Government	\$ 582,914	\$ 742,494	\$ 713,706	\$ 635,092	\$ 764,931	\$ 767,664	\$ 848,842	\$ 830,168	\$ 970,312	\$ 1,222,161
Public Safety	1,007,103	1,068,865	990,627	1,067,052	1,160,901	1,281,196	1,259,464	1,396,021	1,535,507	1,402,646
Physical Environment	43,354	43,963	53,672	53,366	53,898	52,626	40,458	50,924	60,119	10,789
Transportation	567,118	493,078	45,445	46,388	622,962	681,336	570,917	565,562	517,541	596,600
Culture and Recreation	504,269	584,012	433,672	539,648	611,094	597,212	568,952	666,910	764,738	661,306
Economic Environment	212,799	348,305	190,002	47,396	56,026	89,457	132,582	131,432	209,281	112,920
Interest on Long-term Debt	7,098	9,116	15,065	3,796	6,491	1,055	24,615	17,211	16,135	14,690
Total Governmental Activities Expenses	2,924,655	3,289,833	2,925,239	2,871,738	3,276,303	3,470,546	3,445,830	3,658,218	4,073,633	4,021,112
Business-Type Activities:										
Water and Sewer	1,036,296	1,028,156	1,086,390	1,029,580	978,641	1,048,099	1,360,938	1,340,564	1,565,931	1,637,666
Sanitation	482,713	456,697	356,173	351,219	365,137	384,868	419,796	459,007	447,583	358,650
Airport	284,837	286,220	281,683	313,408	319,492	320,499	371,517	405,421	519,044	402,822
Stormwater	102,038	78,606	90,674	84,976	89,182	130,088	281,229	112,793	133,625	111,610
Total Business-Type Activities Expenses	1,905,884	1,849,679	1,814,920	1,779,183	1,752,452	1,883,354	2,433,480	2,317,785	2,666,183	2,510,748
Total Expenses	\$ 4,830,539	\$ 5,139,512	\$ 4,740,159	\$ 4,650,921	\$ 5,028,755	\$ 5,353,900	\$ 5,879,310	\$ 5,976,003	\$ 6,739,816	\$ 6,531,860
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 99,391	\$ 133,058	\$ 56,616	\$ 35,014	\$ 139,627	\$ 101,173	\$ 87,429	\$ 117,885	\$ 231,431	\$ 137,453
Public Safety	20,857	36,175	22,718	11,887	10,348	27,481	38,651	330,373	338,876	360,915
Physical Environment	-	-	-	-	-	12,100	8,275	9,225	19,125	17,025
Transportation	6,553	9,210	7,772	9,021	20,348	15,178	13,290	17,382	20,843	20,843
Culture and Recreation	27,610	30,209	31,450	32,815	29,891	33,290	69,019	38,936	27,386	26,697
Economic Environment	1,680	1,000	3,270	775	1,720	7,705	1,335	5,155	7,618	3,170
Operating Grants and Contributions	248,743	218,334	218,433	242,961	242,969	243,937	193,886	228,475	675,922	188,326
Capital Grants and Contributions	6,683	5,597	4,135	11,240	4,164	3,530	48,035	251,812	75,794	67,559
Total Governmental Activities Program Revenues	411,517	433,583	344,394	343,713	449,067	444,394	459,920	999,243	1,395,524	821,988
Business-Type Activities:										
Charges for Services:										
Water and Sewer	905,617	941,767	981,722	1,185,548	1,307,834	1,385,436	1,468,938	1,542,102	1,600,844	1,666,429
Sanitation	629,784	635,652	644,916	662,895	660,063	663,234	669,481	672,245	706,215	742,400
Airport	67,046	71,781	69,666	79,918	83,564	80,139	121,613	128,030	135,153	140,949
Stormwater	96,991	97,999	98,549	99,782	102,685	103,461	104,040	105,159	120,505	139,410
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	709,215	141,416	661,156	1,915,418	1,853,449	4,089,333	1,506,290	2,568,704	1,127,683	3,571,585
Total Business-Type Activities Program Revenues	2,408,653	1,888,635	2,456,009	3,933,561	4,007,595	6,321,603	3,870,362	5,016,240	3,690,400	6,260,773
Total Program Revenues	\$ 2,820,170	\$ 2,322,218	\$ 2,800,403	\$ 4,277,274	\$ 4,456,662	\$ 6,765,997	\$ 4,330,282	\$ 6,015,483	\$ 5,085,924	\$ 7,082,761
Net Revenues (Expenses):										
Governmental Activities	\$ (2,513,138)	\$ (2,856,250)	\$ (2,580,845)	\$ (2,528,025)	\$ (2,827,236)	\$ (3,026,152)	\$ (2,985,910)	\$ (2,658,975)	\$ (2,678,109)	\$ (3,199,124)
Business-Type Activities	502,769	38,956	641,089	2,154,378	2,255,143	4,438,249	1,436,882	2,699,455	1,024,217	3,750,025
Total Net Expense	\$ (2,010,369)	\$ (2,817,294)	\$ (1,939,756)	\$ (373,647)	\$ (572,093)	\$ 1,412,097	\$ (1,549,028)	\$ 39,480	\$ (1,653,892)	\$ 550,901

Continued on Next Page

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

General Revenues and Transfers:

Governmental Activities:

Taxes:

Property taxes
 Franchise fees and utility taxes
 Intergovernmental revenues
 Unrestricted investment earnings
 Miscellaneous
 Gain/(loss) on sale of capital assets
 Transfers

Total Governmental Activities

Business-Type Activities:

Unrestricted investment earnings
 Transfers
 Franchise fees & utility taxes
 Miscellaneous revenues

Total Business-Type Activities

Total General Revenues and Transfers

Change in Net Assets:

Governmental activities
 Business-type activities

Total Change in Net Position

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
General Revenues and Transfers:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 902,534	\$ 910,675	\$ 901,006	\$ 861,702	\$ 906,859	\$ 918,170	\$ 959,644	\$ 1,044,923	\$ 1,089,533	\$ 1,227,348
Franchise fees and utility taxes	593,697	616,819	701,589	654,633	707,492	695,947	762,239	787,513	830,406	863,394
Intergovernmental revenues	534,009	579,249	621,337	679,715	727,568	835,531	818,056	840,816	812,105	942,389
Unrestricted investment earnings	6,374	6,530	5,648	8,417	11,756	6,108	8,645	25,252	21,955	13,820
Miscellaneous	123,605	38,510	42,638	28,181	6,935	13,748	36,734	21,812	31,621	21,125
Gain/(loss) on sale of capital assets	-	-	-	41,536	-	-	-	-	-	-
Transfers	-	474,442	511,720	540,000	580,000	500,000	500,000	600,000	600,000	600,000
Total Governmental Activities	2,160,219	2,626,225	2,783,938	2,814,164	2,940,610	2,969,504	3,085,378	3,320,316	3,365,620	3,868,086
Business-Type Activities:										
Unrestricted investment earnings	3,015	1,748	1,102	35	403	402	128	194	87	54
Transfers	-	(474,442)	(511,720)	(540,000)	(580,000)	(500,000)	(500,000)	(600,000)	(600,000)	(600,000)
Franchise fees & utility taxes	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	3,015	(472,694)	(510,618)	(539,965)	(579,597)	(499,598)	(499,872)	(699,806)	(599,913)	(599,946)
Total General Revenues and Transfers	\$ 2,163,234	\$ 2,153,531	\$ 2,273,320	\$ 2,274,219	\$ 2,361,013	\$ 2,469,906	\$ 2,585,506	\$ 2,720,510	\$ 2,765,707	\$ 3,068,140
Change in Net Assets:										
Governmental activities	\$ (352,919)	\$ (230,025)	\$ 203,093	\$ 286,159	\$ 113,374	\$ (56,648)	\$ 99,468	\$ 661,341	\$ 707,511	\$ 468,962
Business-type activities	505,784	(433,738)	130,471	1,614,413	1,675,546	3,938,651	937,010	2,098,649	424,304	3,150,079
Total Change in Net Position	\$ 152,865	\$ (663,763)	\$ 333,564	\$ 1,900,572	\$ 1,788,920	\$ 3,882,003	\$ 1,036,478	\$ 2,759,990	\$ 1,131,815	\$ 3,619,041

City of Umatilla
Governmental Activities Tax Revenue by Source
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

FISCAL YEAR	PROPERTY TAXES	INFRA-STRUCTURE SALES SURTAX	LOCAL OPTION GAS TAXES	FRANCHISE FEES	UTILITY TAXES	COMMUNICATIONS SERVICE TAX	CASUALTY INSURANCE PREMIUM TAX	TOTAL TAXES
2012	902,534	248,897	89,870	208,884	270,731	114,082	49,127	1,884,125
2013	910,675	278,282	80,256	197,983	278,480	140,356	24,402	1,910,434
2014	901,006	296,665	83,692	238,506	329,524	133,559	23,027	2,005,979
2015	861,702	325,566	93,967	221,217	304,005	129,411	23,731	1,959,599
2016	906,859	343,348	88,917	233,921	340,262	133,308	35,315	2,081,930
2017	918,170	413,896	86,084	228,138	338,328	129,481	28,623	2,142,720
2018	959,644	383,495	83,625	275,082	350,536	136,681	32,337	2,221,400
2019	1,044,923	388,248	82,964	294,932	379,133	113,448	35,832	2,339,480
2020	1,089,533	379,600	75,357	299,100	407,878	123,428	37,470	2,412,366
2021	1,227,348	437,515	75,244	314,428	424,151	124,815	38,895	2,642,396

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 2,345	\$ 1,845	\$ 1,500	\$ 1,555	\$ 997	\$ 1,010	\$ 9,855	-	\$ 1,863	\$ 3,946
Committed	-	23,300	3,932	-	-	-	-	-	-	-
Assigned	162,669	211,752	312,010	289,430	455,350	349,388	53,347	53,540	176,942	303,841
Unassigned	416,039	472,787	546,119	596,619	407,892	395,917	531,796	832,353	922,222	1,089,113
Total General Fund	\$ 581,053	\$ 709,684	\$ 863,561	\$ 887,604	\$ 864,239	\$ 746,315	\$ 594,998	\$ 885,893	\$ 1,101,027	\$ 1,396,900
All Other Governmental Funds (Special Revenue Funds)										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,000	\$ -	\$ -	\$ -
Restricted	685,349	545,427	499,300	351,535	301,405	345,319	458,396	690,710	1,232,563	616,935
Assigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 685,349	\$ 545,427	\$ 499,300	\$ 351,535	\$ 301,405	\$ 345,319	\$ 938,396	\$ 690,710	\$ 1,232,563	\$ 616,935

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 1,586,101	\$ 1,607,750	\$ 1,686,287	\$ 1,610,302	\$ 1,703,268	\$ 1,700,201	\$ 1,721,943	\$ 1,832,436	\$ 1,919,939	\$ 2,090,742
Licenses and permits	99,391	133,058	56,616	35,014	139,627	101,173	87,429	117,885	231,431	137,453
Intergovernmental revenues	699,565	722,924	760,213	839,949	885,784	996,914	1,059,977	1,288,065	1,491,100	1,139,529
Charges for services	31,446	37,653	43,364	40,149	51,905	68,560	87,684	383,550	405,183	420,191
Impact fees	-	-	-	-	-	-	-	33,038	72,721	46,628
Fines and forfeitures	23,574	37,941	21,846	14,349	10,402	27,194	42,886	17,521	7,194	8,459
Investment income	6,374	6,530	5,648	8,417	11,756	6,108	8,645	25,252	21,955	13,820
Miscellaneous	125,285	39,510	42,638	28,181	6,935	13,748	36,734	21,812	31,621	21,125
Total revenues	2,571,736	2,585,366	2,616,612	2,576,361	2,809,677	2,913,898	3,045,298	3,719,559	4,181,144	3,877,947
Expenditures										
General government	665,464	754,772	857,581	935,884	784,770	759,265	805,550	735,389	903,823	1,487,816
Public safety	947,349	1,068,721	899,688	1,063,373	1,210,427	1,212,409	1,364,194	2,147,180	1,503,767	1,350,059
Physical environment	47,201	71,963	40,353	42,665	76,752	43,831	41,947	36,699	41,364	6,667
Transportation	500,401	546,682	472,513	569,062	602,827	704,746	668,715	553,865	588,347	470,408
Economic environment	207,257	339,724	123,493	130,606	81,504	95,651	119,470	214,410	228,541	487,349
Culture and recreation	446,399	513,448	523,018	508,783	557,591	618,009	541,612	690,541	682,604	920,259
Debt service:										
Principal	140,708	206,172	128,869	115,856	142,367	52,905	22,850	61,314	57,758	59,350
Interest & issuance costs	8,426	10,018	15,067	4,054	6,934	1,092	19,200	7,058	17,953	15,794
Total Expenditures	2,963,205	3,511,500	3,060,582	3,370,283	3,463,172	3,487,908	3,583,538	4,446,456	4,024,157	4,797,702
Excess (Deficiency) of Revenues over (under) Expenditures	(391,469)	(926,134)	(443,970)	(793,922)	(653,495)	(574,010)	(538,240)	(726,897)	156,987	(919,755)
Other Financing Sources (Uses)										
Transfers in	-	568,330	515,998	540,000	580,000	500,000	500,000	669,936	638,128	615,000
Transfers out	-	(93,888)	(4,278)	-	-	-	-	(69,936)	(38,128)	(15,000)
Debt proceeds	19,852	440,401	40,000	130,200	-	-	480,000	-	-	-
Capital leases	-	-	-	-	-	-	-	170,106	-	-
Total Other Financing Sources (Uses)	19,852	914,843	551,720	670,200	580,000	500,000	980,000	770,106	600,000	600,000
Net Change in Fund Balances	\$ (371,617)	\$ (11,291)	\$ 107,750	\$ (123,722)	\$ (73,495)	\$ (74,010)	\$ 441,760	\$ 43,209	\$ 756,987	\$ (319,755)
Debt service as a percentage of noncapital expenditures	5.23%	6.75%	4.93%	4.30%	4.79%	1.77%	1.33%	2.11%	2.09%	1.97%

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		CENTRALLY ASSESSED PROPERTY		TOTAL		(IN MILLS) DIRECT TAX RATE	TOTAL TAXABLE VALUE PERCENTAGE OF TOTAL JUST VALUE
	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE		
2012	102,871,332	162,332,030	12,054,919	14,631,545	4,106	5,646	114,930,357	176,969,221	7.6419	64.94%
2013	103,927,315	150,858,928	11,322,275	13,444,051	4,106	4,106	115,253,696	164,307,085	8.2480	70.15%
2014	94,264,999	152,841,267	12,826,371	15,333,257	-	-	107,091,370	168,174,524	8.2480	63.68%
2015	99,525,397	160,283,636	12,458,051	15,108,906	-	-	111,983,448	175,392,542	7.2980	63.85%
2016	107,770,097	173,648,089	11,815,767	14,370,614	-	-	119,585,864	188,018,703	7.2980	63.60%
2017	110,695,343	178,604,508	12,669,583	16,306,588	-	-	123,364,926	194,911,096	7.1089	63.29%
2018	114,768,783	186,329,263	13,690,524	17,096,492	-	-	128,459,307	203,425,755	7.1089	63.15%
2019	125,384,838	210,726,653	13,303,537	16,807,756	-	-	138,688,375	227,534,409	7.1089	60.95%
2020	133,776,860	230,017,976	14,560,606	18,311,316	-	-	148,337,466	248,329,292	7.1089	59.73%
2021	167,499,257	276,030,504	12,954,840	16,617,089	-	-	180,454,097	292,647,593	7.1089	61.66%

Source-Lake County Property Appraiser's Office

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

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

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

FISCAL YEAR	OPERATING RATE CITY	OVERLAPPING GOVERNMENTS AND RATES										TOTAL
		LAKE COUNTY	SCHOOL DISTRICT	AMBULANCE DISTRICT	COUNTY DEBT SERVICE	HOSPITAL DISTRICT	WATER MANAGEMENT DISTRICT	WATER CONSERVATION AUTHORITY				
2012	8.2480	4.7309	7.3200	0.3853	0.1900	1.0000	0.3313	0.2554	0.2554	22.4609		
2013	8.2480	4.7309	7.1700	0.3853	0.1900	1.0000	0.3313	0.2554	0.2554	22.3109		
2014	8.2480	4.7309	7.1700	0.3853	0.1900	1.0000	0.3283	0.2554	0.2554	22.3079		
2015	7.2980	5.3051	7.2460	0.4629	0.1600	1.0000	0.3164	0.2554	0.2554	22.0438		
2016	7.2980	5.3051	7.1970	0.4629	0.1600	1.0000	0.3023	0.2554	0.2554	21.9807		
2017	7.1089	5.118	6.8750	0.4629	0.1524	1.0000	0.2885	0.2554	0.2554	21.2611		
2018	7.1089	5.118	6.6030	0.4629	0.1524	1.0000	0.2724	0.2554	0.2554	20.9730		
2019	7.1089	5.0734	6.8830	0.4629	0.1100	0.9500	0.2414	0.3557	0.3557	21.1853		
2020	7.1089	5.0327	6.6990	0.4629	0.1100	0.8950	0.2287	0.3368	0.3368	20.8740		
2021	7.1089	5.0529	6.5920	0.4629	0.0918	0.0000	0.2189	0.3229	0.3229	19.8503		

Source: Lake County Property Appraiser's Office

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City of Umatilla
Taxes levied for the fiscal year are based on the prior year taxable value

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

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Taxable Assessed		Rank	Taxable Assessed		Rank
	Value	Value		Value	Value	
COMMUNITY SUPPORTS INC	\$ 25,452,957	1	14.10%			
EVERS ENTERPRISES LLLP	6,690,624	2	3.71%	\$ 2,562,389	2	2.49%
LAKEVIEW TERRACE RETIREMENT	2,448,373	3	1.36%	3,763,054	1	3.66%
DUKE ENERGY FLORIDA LLC	2,419,487	4	1.34%			
LAKESIDE ESTATES UMATILLA LLC	2,021,560	5	1.12%			
GOLDEN ESTATES LLC	1,986,850	6	1.10%			
JOHNSON COLIN B	1,070,047	7	0.59%			
HALLMARK ORANGEWOOD VILLAS LLC	950,046	8	0.53%			
EAST LAKE APARTMENTS LTD	862,510	9	0.48%			
COMCAST CABLE COMMUNICATIONS LLC	849,253	10	0.47%			
EMBARQ-FLORIDA INC				1,902,215	3	1.85%
PROGRESS ENERGY FLORIDA INC				1,767,113	4	1.72%
LAKE COGEN LTD				1,640,919	5	1.60%
ARGUELLES HOLDINGS LLC				1,474,454	6	1.43%
UNITED SOUTHERN BANK				1,437,373	7	1.40%
NATIONWIDE UMATILLA PLAZA LLC				1,412,003	8	1.37%
CARTER DELORIS P TRUST				992,163	9	0.96%
FIRST NATIONAL BANK OF CENTRAL FLORIDA				969,678	10	0.94%
Total	\$ 44,751,707		24.80%	\$ 17,921,361		17.42%

Source: Lake County Property Appraiser

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>% TOTAL TAX COLLECTIONS TO TAX LEVY</u>
2012	878,286	816,235	92.93%	39,620	855,855	97.45%
2013	950,612	826,165	86.91%	40,430	866,595	91.16%
2014	883,290	817,608	92.56%	38,850	856,458	96.96%
2015	923,639	834,946	90.40%	37,800	872,746	94.49%
2016	872,738	804,536	92.19%	35,450	839,986	96.25%
2017	876,989	809,442	92.30%	41,141	850,583	96.99%
2018	913,204	839,941	91.98%	43,585	883,526	96.75%
2019	985,922	898,142	91.10%	53,955	952,097	96.57%
2020	1,054,516	956,632	90.72%	40,313	996,945	94.54%
2021	1,133,730	1,057,309	93.26%	40,768	1,098,077	96.86%

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

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Capital Leases	Loans Payable	Utility Revenue Bonds	Loans Payable	Capital Leases					
2012	128,618	-	173,000	36,558	-	-	338,176	0.53%	98	
2013	362,847	-	136,000	18,793	-	-	517,640	0.51%	97	
2014	233,978	40,000	98,000	-	-	-	371,978	0.33%	146	
2015	118,122	100,000	57,000	-	-	-	275,122	0.23%	72	
2016	10,044	65,711	-	475,383	-	-	551,138	0.40%	141	
2017	-	22,850	-	627,051	-	-	649,901	0.42%	162	
2018	-	480,000	-	596,555	124,025	-	1,200,580	0.80%	294	
2019	-	438,322	-	625,279	112,207	-	1,175,808	0.82%	283	
2020	135,682	395,352	-	1,093,003	99,941	-	1,723,978	1.45%	411	
2021	120,634	351,050	-	687,279	87,211	-	1,246,174	1.05%	311	

Note: Details regarding the City's outstanding debt can be found Note 8 to the financial statements.

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

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

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

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	\$ 11,835,000	1.07%	\$ 126,635
School District of Lake County	-	1.07%	-
Subtotal, overlapping debt			126,635
Direct debt	471,684		471,684
Total direct and overlapping debt			<u>\$ 598,319</u>

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

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

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

Fiscal Year	Operating Revenues ²	Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	905,617	691,899	213,718	35,000	10,350	45,350	4.71
2013	941,787	731,592	210,195	37,000	8,650	45,650	4.60
2014	981,722	764,968	216,754	38,000	8,600	46,600	4.65
2015	1,185,546	736,906	448,640	7,000	2,800	9,800	45.78
2016	1,302,841	663,366	639,475	20,342	1,837	22,179	28.83
2017	103,461	15,821	87,640	38,115	2,694	40,809	2.15
2018	104,040	15,198	88,842	30,496	7,842	38,338	2.32
2019	1,647,261	806,783	840,478	38,356	44,109	82,465	10.19
2020	1,721,349	1,037,537	683,812	43,138	7,435	50,573	13.52
2021	1,666,429	1,049,849	616,580	460,976	21,337	482,313	1.28

¹ Operating expenses are exclusive of depreciation.

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

CITY OF UMATILLA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Total Personal Income of all Umatilla Residents	Per Capita Personal Income	Median Age	Lake County Unemployment Rate
2012	3,481	132,532,113	38,073	48.05	8.90%
2013	3,546	138,159,252	38,962	48.50	6.90%
2014	3,658	111,982,354	30,613	49.20	6.20%
2015	3,798	119,052,108	31,346	50.10	5.10%
2016	3,908	139,386,636	35,667	52.40	4.80%
2017	4,021	154,651,681	38,461	44.70	3.20%
2018	4,081	149,850,239	36,719	44.00	2.70%
2019	4,154	142,934,986	34,409	44.30	2.80%
2020	4,196	119,267,104	28,424	52.80	5.50%
2021	4,005	118,660,140	29,628	52.60	4.30%

Population from the Florida Bureau of Economic and Business research (BEBR)
Income and age data from www.city-data.com

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

Employer	2021			2012		
	Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Lake County School Board	1	221	*	1	*	*
Lakeview Terrace	2	214	*	2	*	*
Recovery Village	3	110	*	3	*	*
United Southern Bank	4	52	*	4	*	*
City of Umatilla	5	46	*	5	*	*
Lake County Health Clinic	6	39	*	6	*	*
McDonalds	7	36	*	7	*	*
Utility Technicians	8	30	*	8	*	*
Pizza Hut	9	16	*	9	*	*
First Baptist Church	10	13	*	10	*	*

* Data not available
Source: City staff

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

Function	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Government										
City Manager	1	1	1	1	1	1	1	1	1	1.5
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance	3	3	3	3	4	4	4	4	4	5
Permitting	0	0	1	1	1	1	0	0	0	0
Total General Government	5	5	6	6	7	7	6	6	6	7.5
Public Safety										
Police Officers	9	9	9	9	9	9	9	9	9	9
Police Civilians	1	1	1	1	1	1	1	1	1	1
Code Enforcement	1	1	1	1	0	1	1	1	1	0.5
Crossing Guards (FTE)	1	1	1	1	1	1	1	1	1	1
Total Public Safety	12	12	12	12	11	12	12	12	12	11.5
Building, Planning & Zoning										
	0	0	0	0	0	0	1	*	1	2.5
Airport										
	0	0	0	0	0	0	0.5	0.5	0.5	0.5
Public Works										
Administration	2	2	2	2	3	3	3	3	3	3
Cemetery	1	1	1	1	1	1	1	1	1	1
Facilities Maint.	1	1	1	1	1	1	1	1	1	1
Street Maint.	7	7	6	6	6	6	6	6	6	6
Total Public Works	11	11	10	10	11	11	11	11	11	11
Culture and Recreation										
Library	8	8	8	8	8	7	7	7	7	7
Parks and Recreation	1	1	2	2	2	3	3	3	3	3
Total Culture and Recreation	9	9	10	10	10	10	10	10	10	10
Utilities										
Water	3	3	3	3	3	4	4	4	4	4
Sewer	2	2	2	2	2	2	2	2	2	2
Sanitation	0	0	0	0	0	1	1	1	1	1
Total Utilities	5	5	5	5	5	7	7	7	7	7
Total Government Employees	42	42	43	43	44	47	48	48	49.0	50.0

Source: Finance Department
 * Position moved from General Government

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police									
Arrests	70	97	114	139	178	130	161	243	86
Traffic/DUI Citations	87	*	228	356	197	215	441	302	104
Traffic Accidents	58	58	58	57	77	74	88	102	74
Warrants	5	21	17	21	28	38	46	30	34
Building Department:									
Building Permits	146	166	284	298	204	274	291	283	398
Roads and Streets									
Potholes repaired	240	425	480	504	510	250	100	125	50
Street resurfacing (by mile)	0.25	0.25	0.50	0.50	1.25	1.27	1.26	1.91	1.52
Library									
Total Circulation (Library materials checked out)	138,150	145,830	146,537	103,353	124,245	73,102	54,269	58,570	43,534
Total Users of Public Internet Computers	34,529	22,214	32,965	21,153	31,009	25,700	18,651	17,967	2,023
Total Reference Transactions	15,912	20,541	15,652	15,652	11,206	10,088	15,862	13,791	859
Total Annual Programs	399	395	458	536	566	340	402	436	0
Total Program Attendance	12,847	12,859	12,531	14,689	14,078	8,964	7,322	11,242	0
Total Number of registered card holders	10,537	7,963	4,173	4,309	5,545	5,798	6,402	6,147	6,193
Number of hours spent on public technology instruction	84	80	62	62	0	36	20	32	10
Total Library visitors	120,969	115,494	109,686	103,353	105,636	91,517	88,369	102,430	52,595
Parks and Recreation									
Number of Recreation Leases	322	309	323	317	317	125	86	12	12
Number of Bookings at the Community Building	72	57	38	0	0	12	103	46	17
Water									
Commercial Connections	207	237	197	179	206	197	195	198	233
Residential Connections	1,229	1,423	1,530	1,486	1,543	1,337	1,454	1,489	1,702
Total Connections	1,436	1,660	1,727	1,665	1,749	1,534	1,649	1,687	1,935
Average Daily Consumption (gallons per day)	356,000	343,000	343,000	448,000	496,000	467,000	389,000	412,577	381,474
Treatment capacity (gallons per day)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	650,000	650,000	650,000
Wastewater									
Commercial Connections	119	144	133	132	131	130	130	118	145
Residential Connections	817	894	927	917	919	933	926	971	1,108
Total Connections	936	1,038	1,060	1,049	1,050	1,063	1,056	1,089	1,253
Average Daily Sewage Treatment (gallons per day)	147,000	187,000	187,000	179,000	144,000	143,000	137,000	159,000	155,000
Treatment Capacity (gallons per day)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000

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

Sources: Various city departments

* Data not available

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations (Includes substations)	1	1	1	1	1	1	1	1	1	1
Patrol Units (2 shifts/2 officers per shift)	4	4	4	4	4	4	4	4	4	4
Sworn Officers (positions filled at year end)	9	9	9	9	9	9	9	9	9	9
Support	1	1	1	1	1	1	1	1	1	1
Roads and Streets										
Paved Roads	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles
Unpaved Roads	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles
Sidewalks	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet
Culture and Recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Acreage	35	35	35	35	35	35	35	35	35	35
Parks	6	6	6	6	6	6	6	6	6	6
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball Fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3	3	3
Soccer Fields	1	1	1	1	1	1	1	1	1	1
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	30.9	31.5
Storage Capacity (gallons)	250,000	250,000	250,000	250,000	250,000	350,000	350,000	350,000	350,000	350,000
Fire Hydrants	151	151	151	151	151	151	151	151	156	156
Water Plants	1	1	1	1	1	2	2	2	2	2
Wastewater										
Sewers-Force Mains(Gravity (miles)	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Treatment Capacity (gallons/daily)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Lift Stations	9	9	9	9	9	10	10	10	10	10

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

Sources: Various city departments

COMPLIANCE SECTION



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

Independent Auditor's Report

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

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Umatilla, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

McDiernit Davis

Orlando, Florida
June 30, 2022

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

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

Report on Compliance for Each Major State Project

We have audited the *City of Umatilla, Florida's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2021. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Project

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

Report on Internal Control over Compliance

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

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

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

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

McDiarmid Davis

Orlando, Florida
June 30, 2022

City of Umatilla, Florida
**Schedule of Expenditures of
State Financial Assistance**
Year Ended September 30, 2021

Award type			
Grantor			
Pass-through grantor	CSFA	Agency or Pass-through	
Grantor program title	Number	Entity Grant Number	Expenditures
Florida Department of Transportation			
Aviation Grant Programs - Runway Extension - Design/Construction *	55.004	FM#435316-2-94-01	\$ 126,375
Aviation Grant Programs - Hangar Infrastructure - Design/Construction *	55.004	FM#444874-1-94-01	1,032,532
Aviation Grant Programs - Master Plan Update *	55.004	FM#446147-1-94-01	6,824
Aviation Grant Programs - GA Terminal Design *	55.004	FM#431620-1-94-01	94,600
Total Department of Environmental Protection			<u>1,260,331</u>
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction - Eustis Interconnect *	37.077	WW350752	<u>1,089,597</u>
Total state awards			<u><u>\$ 2,349,928</u></u>

* Denotes a major project

NOTE 1 BASIS OF PRESENTATION:

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Umatilla, Florida (the City) under programs of the state government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2021, even if grant or loan was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 LOANS AND LOAN GUARANTEES:

In April 2021, the City executed a State Revolving Fund Loan agreement WW350752 for the City's sewer project. Loan balance as of September 30, 2021 is \$41,233. Loan expenditures reported in current year SESFA is \$1,089,597.

Section I - Summary of Independent Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unmodified Opinion	
Internal control over financial reporting:		
<ul style="list-style-type: none"> Material weakness identified? 	___ Yes	<u> X </u> No
<ul style="list-style-type: none"> Significant deficiency identified 	___ Yes	<u> X </u> None reported
Noncompliance material to financial Statements noted?	___ Yes	<u> X </u> No

State Projects

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

Identification of major State Projects CSFA No. 55.004 Aviation Grant Programs
CSFA No. 37.077 Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between type A and type B programs \$704,978

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

Section III - State Project Findings and Questioned Costs: None

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

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Umatilla, Florida

Report on the Financial Statements

We have audited the financial statements of the City of *Umatilla, Florida*, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 30, 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; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for each Major State Project and Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding 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 and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

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

ML 21-01 Regular and Complete Account Reconciliation

Balance sheet and other accounts should be reconciled, on a regular basis, to detect incorrect or missing transactions. We noted some improvement from the prior year, however, we still we noted that some of the City's accounts, such as fixed assets, and accounts payable, required adjustments after the start of audit procedures to reconcile these accounts, due to staffing limitations and additional reporting requirements, account reconciliations were not performed on a timely, regular basis throughout the fiscal year. Misstatements, whether due to fraud or error, would not be detected in a timely manner. We recommend the City implement procedures and consider assigning duties to staff to ensure accounts can be reconciled on a regular, ongoing basis throughout the year, as well as allow for review by the Finance Director monthly.

Additional Matters

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

Purpose of this Letter

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



Orlando, Florida
June 30, 2022



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

The Honorable Mayor and City Council
City of Umatilla, Florida

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

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

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

McDermitt Davis

Orlando, Florida
June 30, 2022



City of Umatilla

"NATURE'S HOMETOWN"

June 30, 2022

Auditor General
State of Florida

Re: City of Umatilla Fiscal Year 2021

Responses to Management Comments and Recommendations

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

ML 21-01 Regular and Complete Account Reconciliation

Response: Lack staff and COVID-19 interruptions did prevent complete monthly reconciliations on all accounts, however, most accounts were reconciled and with new staff this issue will be resolved.

Sincerely,

Regina M Frazier, CGFO, CPM
Finance Director