

CITY OF DeBARY, FLORIDA



**Annual Financial Report
For the Fiscal Year Ended
September 30, 2020**

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CITY OF DEBARY, FLORIDA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020



CITY COUNCIL

KAREN CHASEZ, MAYOR
ERIKA BENFIELD, VICE MAYOR
STEPHEN BACON
PATRICIA STEVENSON
PHYLLIS BUTLIEN

CITY MANAGER

CARMEN ROSAMONDA

FINANCE DIRECTOR

ELIZABETH BAUER

INDEPENDENT AUDITORS

BMC CPAs, INC.

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September 30, 2020
CITY OF DEBARY, FLORIDA

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, and
Members of the City Council
City of DeBary, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of DeBary, Florida (the "City"), as of and for the year ended September 30, 2020, 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

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of DeBary, Florida, as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Solid Waste Fund, Stormwater Management Fund and Franchise Fees 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 required schedules of Change in Total OPEB Liability and Change in Sponsor's Total OPEB Liability as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of DeBary, Florida's basic financial statements. The budgetary comparison for the major capital projects funds and the combining and individual nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2021, on our consideration of the City of DeBary, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of DeBary, Florida's internal control over financial reporting and compliance.

BMC CPAs

March 6, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of City of DeBary, Florida, (hereinafter referred to as the "City"), we offer the readers of these basic financial statements this narrative overview and analysis of the City's financial activities for the fiscal year that ended on September 30, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section, taken as a whole.

Financial Highlights

- The total assets of the City of DeBary, Florida exceeded its liabilities (net position) at the close of the most recent fiscal year by \$45.6 million, compared to \$42.9 million one year earlier. Of this amount, \$13.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- During 2020, gross revenues from governmental activities of the City increased by approximately \$2.2 million to a total of \$18.9 million, compared to a total of \$16.7 million in 2019. Expenses for governmental activities totaled \$16.2 million in 2020 compared to \$15.7 million in 2019.
- The City's total net position for the fiscal year ended September 30, 2020 increased by \$2.7 million compared to an increase of \$1 million in 2019. This represents an increase of 6.3% above the prior year's net position.
- The City's governmental funds reported combined ending fund balances of \$13.5 million at the end of the current fiscal year, an increase of \$3.6 million over the \$9.9 million from one year earlier. Approximately 61.4% of this amount or \$8.3 million is available for spending at the City's discretion (unassigned fund balance).
- At the end of fiscal year 2020, unassigned fund balance for the General Fund was \$8.3 million or 72.1% of the total 2020 General Fund expenditures, which represents 263 days (or over 8 months) of excess funds. This represents an increase of \$1.7 million over the \$6.7 million reported at the end of 2019.
- The City's total outstanding long-term debt decreased by \$964,000 during the current fiscal year primarily due to regular principal payments totaling \$964,000.

Overview of the Financial Statements

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

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

The basic financial statements include two kinds of statements that present different views of the City. The first two statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the City's overall financial status, including its governmental activities. These statements report information about the City using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all of the City's assets and liabilities, both financial and capital, and short-term and long-term debt are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements. These fund statements convey how general government services like public safety were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

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

- A statement of net position presents information on all of the City's assets and liabilities at the end of its fiscal year, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. Net position increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial condition.
- The statement of activities presents the results of business operations over the course of the fiscal year and information as to how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as delinquent taxes and earned but unused personal leave.

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

The basic entity-wide financial statements can be found on pages 23 and 25 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted into cash. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 31 and 37.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Solid Waste (special revenue) Fund, the Stormwater Management (special revenue) Fund, the Franchise Fees (special revenue) Fund and the FT Florida Road Improvement (capital project) Fund, all of which are considered to be major funds. Data from the nine other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements and budgetary comparisons for the major governmental funds can be found on pages 26 to 42 of this report.

Notes to the Financial Statements. The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the City's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. The notes to the financial statements can be found on pages 45 to 67 of this report.

Required and Other Supplementary Information. This section includes the financial information containing the combining and individual fund schedules, budgetary comparisons for the City's major capital funds and its other nonmajor governmental funds and general information as it relates to OPEB (Other Post Employment Benefits). Other supplemental information can be found on pages 70 to 90 of this report.

Government-Wide Financial Analysis of the City as a Whole

Net position. As noted previously, net position may serve over time as a useful indicator of a government's financial position. This year, the City's combined net position increased from \$42.9 million to \$45.6 million, which represents an increase of \$2.7 million or 6.3%, over amounts reported last year. Of this amount, approximately 70.7% is either restricted as to the purposes they can be used for or is invested in capital assets (land, buildings, improvements, infrastructure, machinery and equipment), and is not available for future spending. Although the City's investment in capital assets are reported net of related debt, it should be noted that under normal circumstances the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining portion represents the City's unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints of enabling legislation or other legal requirements, and totaled \$13.1 million, or 28.6% of total net position at the end of 2020.

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

	Governmental Activities	
	2020	2019
Assets:		
Current and other assets	\$15,103,979	\$13,372,663
Capital assets, net	38,290,518	38,936,796
Total assets	<u>53,394,497</u>	<u>52,309,459</u>
Liabilities:		
Long-term debt outstanding	6,401,293	7,365,298
Other liabilities	1,354,272	2,015,367
Total liabilities	<u>7,755,565</u>	<u>9,380,665</u>
Net position:		
Invested in capital assets, net of related debt	31,889,225	31,571,498
Restricted	693,980	422,119
Unrestricted	13,055,727	10,935,174
Total net position	<u>\$45,638,932</u>	<u>\$42,928,794</u>

Changes in Net position. While the statement of net position shows a snapshot of the City's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and source of those changes. During 2020, the City's combined net position increased by \$2.7 million, or 6.3% over the amount reported in the prior year. During this same period, the City's total revenues increased by \$2.2 million to a total of \$18.9 million compared to a total of \$16.7 million in 2019. This increase is primarily due to an increase in property tax revenue by \$2 million due to an increase in the ad valorem tax rate.

During 2020, approximately 35.6% of the City's total revenue came from property taxes, and approximately 57.6 cents (compared to 49.0 cents in the prior year) of every dollar raised came from some type of tax (e.g. property taxes, sales tax, gas tax, utility tax, etc.). Approximately 7.4% of the City's revenues are received in the form of operating grants, capital grants, disaster assistance and contributions. Another 28.6% came from fees charged for services, while most of the rest is state and federal shared revenues and other miscellaneous earnings (9.6%).

Expenses incurred to operate the City increased \$515,000 in 2020, as was anticipated by management in the development of the current year budget appropriations. Overall, combined governmental activities expenses were relatively consistent with the exception of general government expenses which increased by around \$300,000 and transportation costs which increased by around \$190,000. The increase in general government was a combination of an increase in personnel costs of approximately \$130,000 due to hiring's in several areas, and an increase in legal fees of around \$170,000. The increase in transportation costs was almost entirely due to additional road repairs performed in 2020 as compared to 2019.

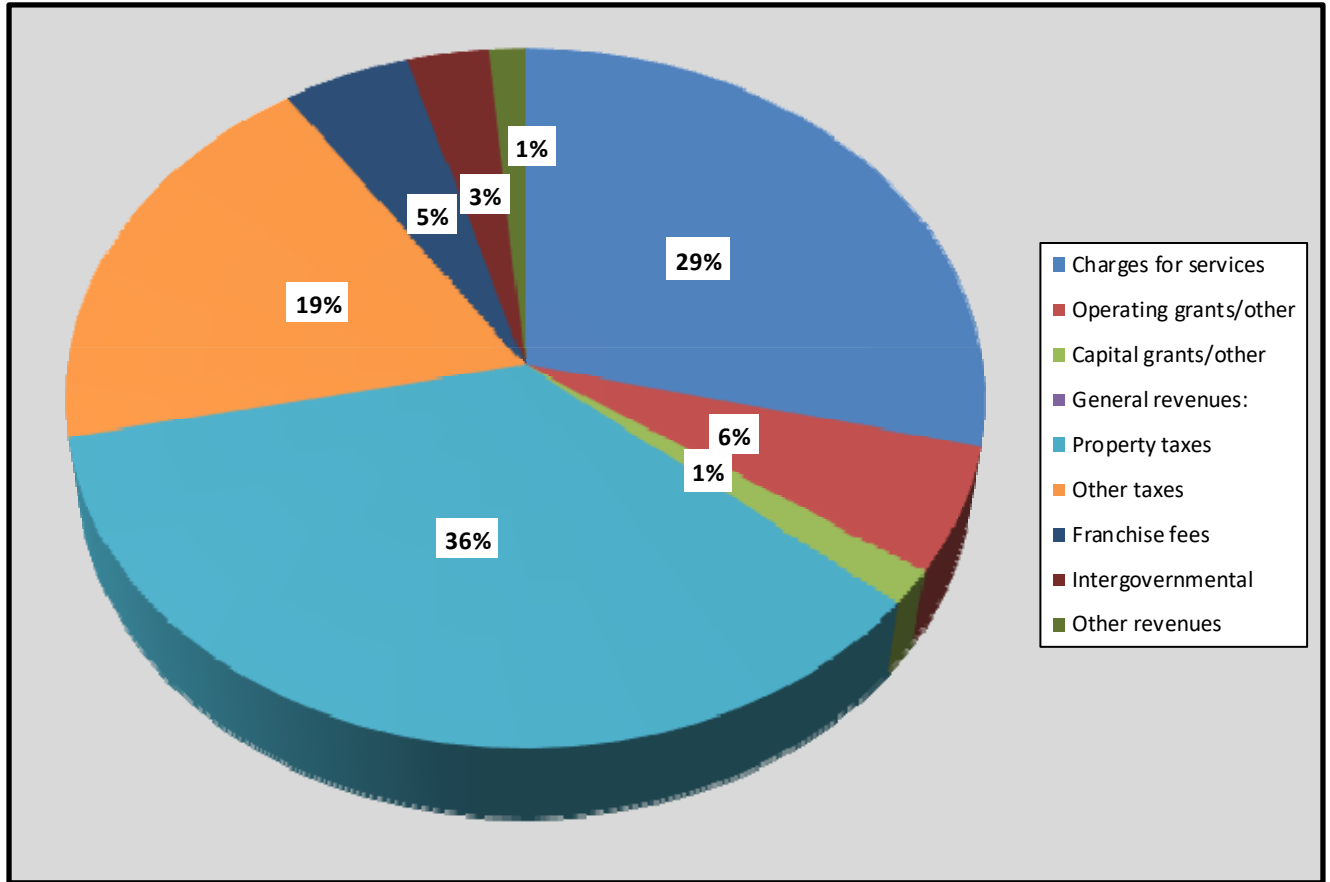
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 5,417,050	\$ 5,601,287
Operating grants/other	1,099,909	657,627
Capital grants/other	305,420	242,034
General revenues:		
Property taxes	6,743,084	4,729,291
Other taxes	3,549,276	3,429,052
Franchise fees	927,427	906,133
Intergovernmental	600,535	593,969
Other revenues	258,550	558,200
Total revenues	18,901,251	16,717,593
Expenses:		
General government	2,520,920	2,219,497
Public safety	6,560,966	6,545,678
Human services	74,428	73,826
Physical environment	3,402,332	3,316,911
Transportation	2,089,459	1,896,090
Economic environment	-	21,256
Culture/recreation	1,415,973	1,457,707
Interest on long-term debt	127,034	145,097
Total expenses	16,191,113	15,676,062
Increase (decrease) in net assets	2,710,138	1,041,531
Net position, beginning of year	42,928,794	41,887,263
Net position, end of year	\$45,638,932	\$42,928,794

Governmental Activities

Revenues for the City's governmental activities experienced an increase during 2020. Overall, the City's governmental revenues totaled \$18.9 million, which represents an increase of \$2.2 million, or 13% over last year's reported governmental revenues totaling \$16.7 million. This increase was mainly attributable to an increase of property tax revenues of approximately \$2 million, due to an increase in the ad valorem tax rate.

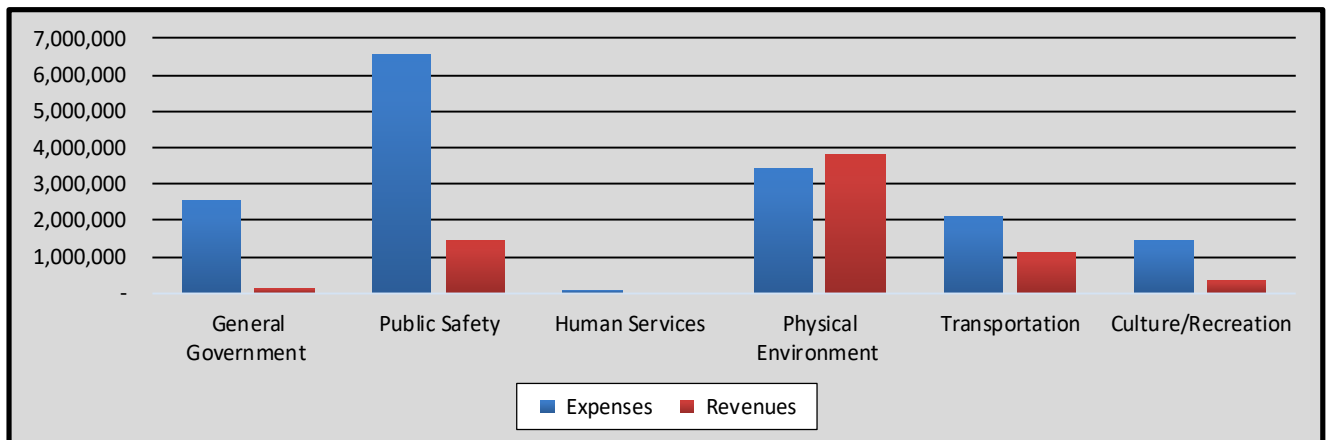
The City's governmental revenues are illustrated by source as follows:

Revenues by Source - Governmental Activities



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

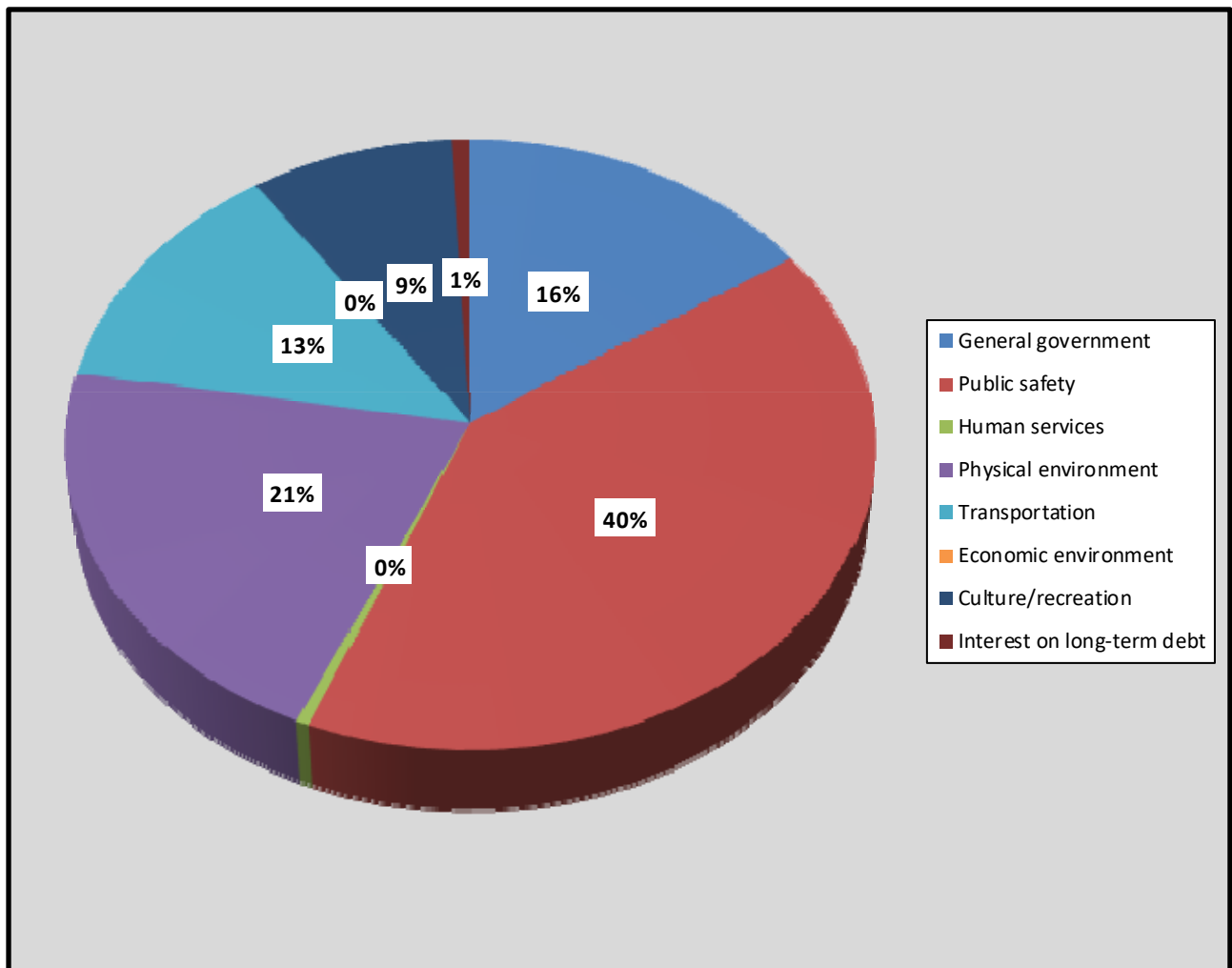
Expenses and Program Revenues - Governmental Activities



Expenses for the City’s governmental activities totaled \$16.1 million for fiscal 2020, which represents an increase of \$515,000 or 3.3% over last year’s reported governmental expenditures totaling \$15.7 million. These expenses do not include amounts expended for capital outlay and for debt principal payments; however, they do include depreciation and amortization expense for the year.

Over the last several years, a trend has emerged with respect to a widening gap between program revenues and program expenses. While core governmental services, such as police and fire protection, are traditionally provided to citizens without user charges, the City is continuing to explore alternative means to recover the costs of specialized government services. Its non-core services have also recognized substantial increases over the years. These costs, mostly which are unanticipated, are typically financed through the accumulation of internal reserves. While these costs have been substantial in recent years, the City is continuing to take steps to re-examine the sufficiency of its operating reserves set aside for emergency purposes.

Expenses by Function - Governmental Activities



Financial Analysis of the City’s Funds

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

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

As the City completed the current fiscal year, its governmental funds reported a combined fund balance of \$13.5 million which was \$3.7 million, or 37%, more than the \$9.9 million reported last year. Approximately 61.4% of this amount (\$8.3 million) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for spending as follows:

Non-spendable – Net asset amounts totaling \$120,000 have been designated as non-spendable since they reflect the costs for payments for prepaid expenses carried over to the subsequent year;

Restricted – Net asset amounts totaling \$694,000 have been designated as restricted through externally imposed constraints since they are 1) public safety-building inspection fees that are restricted and can only be used for inspection related activities (\$76,000), 2) 2nd Local Option Gas Tax resources that are restricted for roadway expansion (\$67,000), 3) impact fees that are restricted and can only be used for parks and recreation improvement projects (\$113,000), 4) funds that can only be used for fire station debt service (\$246,000), 5) funds restricted for Ft FL Rd assessment debt service (\$47,000), 6) impact fees that are restricted and can only be used for public building projects (\$52,000), 7) Southwest Sector Mobility Fee (\$93,000);

Committed – Net asset amounts totaling \$1.6 million have been designated as committed from constraints imposed by the City Council since they can only be used 1) to finance specialized transportation costs (franchise fees - \$1.05 million), 2) Orlandia Heights Neighborhood Improvement District costs (\$75,000), 3) Street lighting district costs (\$317,000), 4) Physical Environment Improvements (\$46,000), and 5) to fund economic opportunity projects (\$115,000) as designated by the Council;

Assigned – Net asset amounts totaling \$2.9 million have been designated as assigned based on the City Council’s intent that these funds be used for the specific purpose of 1) financing the operating costs of the solid waste program (\$378,000), 2) financing the costs of storm water management (\$1.9 million), 3) financing the cost of a future fire station (\$529,000) and 4) for other non-major governmental programs (\$48,000); and

Unassigned – Net asset amounts totaling \$8.3 million represents all residual amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The general fund is the chief operating fund of the City. As of September 30, 2020, the unassigned fund balance in the general fund totaled \$8.3 million, while total fund balance was \$9.1 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 72.1% of total general fund expenditures (\$11.5 million), while total fund balance represents 78.8% of that same amount.

General Fund Budgetary Highlights

In fiscal year 2020, the City Council amended the General Fund operating budget for changes in various department appropriations, to increase and decrease amounts for expenditures as changes occurred during the year and for additional operating and unanticipated expenditures. Revenues recognized were \$1.6 million more than the budgeted revenues during 2020. Actual expenditures in the General Fund for the current fiscal year were \$1.6 million less than the \$13.1 million in budgetary amounts appropriated.

Capital Assets and Debt Administration

Capital Assets. At September 30, 2020, the City had \$56 million invested in a broad range of capital assets, including land, buildings, park facilities, public works infrastructure and general government machinery and equipment. This is \$1.1 million greater than the total of \$55 million the City had invested in capital assets one year earlier. During 2020, a significant portion of the net increase was attributable to the land purchased on Fort Florida Road for a future fire station, several stormwater infrastructure projects, Rob Sullivan Park parking lot expansion, renovation of restrooms at River City Nature Park, and other municipal machinery and equipment. Accumulated depreciation on capital assets totaled \$17.5 million and \$15.7 million at September 30, 2020 and 2019, respectively. The City's resultant net investment in capital assets totaled \$38.3 million and \$39 million at September 30, 2020 and 2019, respectively.

This overall investment in capital assets, net of depreciation, for all governmental activities is reflected in the following schedule:

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 9,428,369	\$ 9,227,652
Construction in progress	528,752	694,252
Buildings	7,097,214	6,915,724
Infrastructure	35,402,019	34,614,638
Machinery and equipment	<u>3,360,581</u>	<u>3,205,357</u>
	55,816,935	54,657,623
Accumulated depreciation	<u>(17,526,417)</u>	<u>(15,720,827)</u>
Net investment in capital assets	<u>\$38,290,518</u>	<u>\$38,936,796</u>

Additional information on the City's capital assets can be found in Note 8 to the financial statements.

General Long-term Debt. At year end, the City had \$6.4 million in promissory notes and capital lease obligations outstanding, which are secured solely by specified revenue streams and other sources, compared to \$7.4 million one year earlier. These notes and leases are recorded on the statement of net position under the liabilities section and segregated into amounts due within one year and those amounts due in more than one year.

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

	<u>2020</u>	<u>2019</u>
Capital lease obligations	\$ 293	\$ 3,298
Notes Payable:		
Series 2012 Revenue Note	2,385,000	2,690,000
Series 2016 Assessment Revenue Bond	192,000	273,000
Series 2016 Fire Station Bond	880,000	1,164,000
Series 2016 Refunding Revenue Note	<u>2,944,000</u>	<u>3,235,000</u>
	6,401,293	7,365,298
Other postemployment benefit obligation	70,067	58,154
Compensated absences	<u>191,198</u>	<u>169,293</u>
General long-term debt	<u>\$ 6,662,558</u>	<u>\$ 7,592,745</u>

At year end, the City also had a commitment to fund future earned, but unpaid, employee personal leave of \$191,000, which was an increase of \$22,000 over the prior year's balance of \$169,000. The actuarial computed value of the City's future postemployment benefit obligation totaled \$70,000 at September 30, 2020, compared to \$58,000 one year earlier.

Additional information on the City's general long-term debt can be found in Note 9 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

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

- The most recent estimates available for unemployment data in Volusia County, Florida, are compiled by the Florida Agency for Workforce Innovation on the Florida Research and Economic Information Database Application (FREIDA). This agency estimates a countywide unemployment rate of 5.6%, which is unfavorable to the 3.0% rate experienced one year earlier. These estimates are consistent with the state's current 5.8% unemployment rate. Nationwide, the unemployment rate is stated at 6.7%, as of December 2020.
- Inflationary trends for Volusia County are consistent with those trends experienced at the state and national levels.
- The overall Just Value of real and personal property on the 2020 levy increased 11.6% from \$2.817 billion for the tax year 2019 to \$3.145 billion for the tax year 2020. However, the overall Taxable Value (Just Value less statutory exemptions) of real and personal property (the ad valorem taxes from which will be received in fiscal 2020) on the 2020 levy increased 14.8% from \$2.000 billion in 2019 to \$2.296 billion in 2020. While property values have been reflecting modest gains for five consecutive years, the City is also facing many challenges in the fiscal year 2021 budget in order to balance relatively unchanged revenue projections with the rising prices for many of the city's basic operating expenses, such as wages, public safety, operating supplies, utilities, and insurance costs.
- The City Council voted to adopt an operating millage for the 2020 levy at 2.9247 mills, which was 7.82% below the 3.1727 rolled back rate. The rolled-back rate of 3.1727 mills is the rate that produces the equivalent of no increase in current year ad valorem taxes when levied against appreciated current year taxable values.
- In developing its 2021 budget estimates, the City has anticipated appropriating \$625,000 of prior year surplus reserve funds in the General Fund to balance the City's combined overall financing needs, which are estimated to be approximately \$13.1 million for fiscal year 2021. The \$625,000 carry forward is for the DeBary Elementary road improvement project that was budgeted in 2020 and due to timing issues is planned for construction in 2021. Similarly, the City has appropriated \$102,000 in prior year surplus reserve funds in the various governmental funds in anticipation of balancing its combined overall financing needs in these funds, which are estimated to be approximately \$6.5 million in fiscal year 2021. In 2021, the combined overall annual operating budget for the City including appropriations and anticipated reserves totals \$28.4 million.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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CITY OF DEBARY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 13,230,269
Investments	176,017
Receivables, net of allowance for uncollectible accounts	474,318
Due from other governments	1,046,441
Prepaid expenses	119,934
Capital assets:	
Land and construction in progress	9,770,358
Other capital assets, net of depreciation	28,520,160
	53,337,497
Deferred outflows of Resources:	
Developer incentive	57,000
Total assets	\$ 53,394,497
Liabilities:	
Accounts payable and accrued liabilities	\$ 979,876
Customer deposits and unearned income	72,000
Accrued interest payable	41,131
Compensated absences obligation	191,198
Other postemployment benefit obligation	70,067
Bonds, notes, and other payables:	
Due or payable within one year	988,293
Due or payable in more than one year	5,413,000
Total liabilities	7,755,565
Net position:	
Invested in capital assets net of related debt	31,889,225
Restricted for:	
Public safety-inspection fees	75,620
Transportation improvements	66,626
Park benefit impact fees	113,437
Public buildings benefit impact fees	52,477
Southwest sector mobility fee	93,143
Debt service	292,677
Unrestricted	13,055,727
Total net position	\$ 45,638,932

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

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CITY OF DEBARY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

	Program Revenue			Primary
	Charges for Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ 2,520,920	\$ 114,570	\$ -	\$ 33,645
Public safety	6,560,966	847,889	579,836	-
Human services	74,428	-	-	-
Physical environment	3,402,332	3,781,471	-	-
Transportation	2,089,459	596,072	520,073	-
Economic environment	-	-	-	-
Culture/recreation	1,415,973	77,048	-	271,775
Interest on long-term debt	127,034	-	-	-
Total primary government	\$ 16,191,113	\$ 5,417,050	\$ 1,099,909	\$ 305,420
				(9,368,734)
General revenues:				
Property taxes				6,743,084
Sales taxes				1,151,473
Public service taxes				2,397,803
Franchise fees				927,427
State revenue sharing				577,458
Other intergovernmental revenues				23,077
Investment earnings				69,305
Miscellaneous revenue				189,245
Total general revenues				12,078,872
Change in net position				2,710,138
Net position - beginning of year				42,928,794
Net position - ending				\$ 45,638,932

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

CITY OF DEBARY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

	Special Revenue Funds			
	General	Solid Waste	Stormwater Management	Franchise Fees
Assets:				
Equity in pooled cash and investments	\$ 8,517,429	\$ 520,877	\$ 1,955,060	\$ 942,050
Investments	176,017	-	-	-
Receivables (net)	206,877	96	461	118,014
Due from other governments	1,041,633	-	-	-
Prepays	105,553	-	9,479	-
	Total assets	10,047,509	520,973	1,965,000
				1,060,064
Deferred outflows of resources:				
Developer incentive	-	-	-	-
	Total assets and deferred outflows of resources	\$ 10,047,509	\$ 520,973	\$ 1,965,000
				\$ 1,060,064
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 543,612	\$ 142,995	\$ 98,322	\$ 13,868
Customer deposits	72,000	-	-	-
	Total liabilities	615,612	142,995	98,322
				13,868
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	6,661	-	-	-
Unavailable revenue	178,630	-	-	-
Deferred revenue - disaster assistance	150,544	-	-	-
Unavailable revenue-special assessments	-	-	-	-
	Total deferred inflows of resources	335,835	-	-
				-

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

Capital Project Fund		
FT Florida Road Improvement	Non-Major Governmental Funds	Total Governmental Funds
\$ 69,187	\$ 1,225,666	\$ 13,230,269
-	-	176,017
-	148,870	474,318
-	4,808	1,046,441
-	4,902	119,934
69,187	1,384,246	15,046,979
-	57,000	57,000
\$ 69,187	\$ 1,441,246	\$ 15,103,979
\$ 23,568	\$ 157,511	\$ 979,876
-	-	72,000
23,568	157,511	1,051,876
-	-	6,661
-	23,394	202,024
-	-	150,544
-	148,810	148,810
-	172,204	508,039

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

CITY OF DEBARY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
September 30, 2020

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Solid Waste</u>	<u>Stormwater Management</u>	<u>Franchise Fees</u>
Fund Balances:				
Nonspendable:				
Prepaid items	105,553	-	9,479	-
Restricted:				
Transportation-gas taxes	66,626	-	-	-
Public safety-inspection fees	75,620	-	-	-
Public buildings benefit impact fees	-	-	-	-
Southwest sector mobility fee	-	-	-	-
Park benefit impact fees	-	-	-	-
Revenue bond debt	-	-	-	-
Special assessments debt	-	-	-	-
Committed:				
Franchise fees	-	-	-	1,046,196
Street lighting	-	-	-	-
Orlandia Heights improvements	-	-	-	-
Transportation	-	-	-	-
Economic opportunity	-	-	-	-
Assigned:				
Solid waste	-	377,978	-	-
Stormwater management	-	-	1,857,199	-
Future firestation	528,709	-	-	-
Other purposes	-	-	-	-
Unassigned	8,319,554	-	-	-
Total fund balances	9,096,062	377,978	1,866,678	1,046,196
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,047,509</u>	<u>\$ 520,973</u>	<u>\$ 1,965,000</u>	<u>\$ 1,060,064</u>

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

Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
FT Florida Road Improvement		
-	4,902	119,934
-	-	66,626
-	-	75,620
-	52,477	52,477
-	93,143	93,143
-	113,437	113,437
-	245,645	245,645
-	47,032	47,032
-	-	1,046,196
-	316,717	316,717
-	75,081	75,081
45,619	-	45,619
-	114,863	114,863
-	-	377,978
-	-	1,857,199
-	-	528,709
-	48,234	48,234
-	-	8,319,554
45,619	1,111,531	13,544,064
\$ 69,187	\$ 1,441,246	\$ 15,103,979

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

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CITY OF DEBARY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

Fund Balances - Total Governmental Funds		\$ 13,544,064
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		38,290,518
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds. They consist of the following:		
Delinquent property taxes receivable		6,661
Revenues deferred in governmental activities are recognized in the period in which they are earned, regardless of the date of their anticipated receipt		501,377
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities and other debt related deferred charges consist of the following:		
Bonds, notes, and capital lease payable	\$ (6,401,293)	
Accrued interest payable	(41,130)	
Actuarially computed other post-employment benefits obligation	(70,067)	
Compensated absences	(191,198)	(6,703,688)
Net Position of Governmental Activities		\$ 45,638,932

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds			
	General	Solid Waste	Stormwater Management	Franchise Fees
Revenue:				
Taxes	\$ 9,680,211	\$ -	\$ -	\$ -
Permits, fees and special assessments	856,240	-	2,013,807	927,427
Intergovernmental	3,423,982	159,344	-	-
Charges for services	173,639	1,767,666	-	-
Fines and forfeitures	16,975	-	-	-
Miscellaneous	408,649	8,105	6,822	5,000
Total revenue	14,559,696	1,935,115	2,020,629	932,427
Expenditures:				
Current:				
General Government:				
Mayor and Council	93,477	-	-	-
City Manager	463,618	-	-	-
Finance and administration	375,503	-	-	-
Legal	451,268	-	-	-
Planning/Community Development	465,613	-	-	-
Nondepartmental	492,513	-	-	-
	2,341,992	-	-	-
Public Safety:				
Law enforcement	3,663,369	-	-	-
Fire safety	1,822,634	-	-	-
Protective inspection	751,598	-	-	-
Code enforcement	84,771	-	-	-
Emergency and disaster relief	28,025	-	-	-
	6,350,397	-	-	-

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

Capital Project		
Fund		
FT Florida Road Improvement	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 52,496	\$ 9,732,707
-	815,796	4,613,270
-	-	3,583,326
-	-	1,941,305
-	-	16,975
-	1,396	429,972
-	869,688	20,317,555
-	-	93,477
-	-	463,618
-	-	375,503
-	-	451,268
-	-	465,613
-	-	492,513
-	-	2,341,992
-	-	3,663,369
-	-	1,822,634
-	-	751,598
-	-	84,771
-	-	28,025
-	-	6,350,397

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
For the Fiscal Year Ended September 30, 2020

	Special Revenue Funds			
	General	Solid Waste	Stormwater Management	Franchise Fees
Human services	74,428	-	-	-
Physical environment	-	1,677,436	799,889	-
Transportation	1,195,634	-	-	181,993
Culture/recreation	1,106,445	-	-	-
Capital Outlay:				
General government	12,631	-	-	-
Public safety	73,162	-	-	-
Transportation	96,035	-	-	-
Physical environment	-	-	621,105	-
Culture/recreation	290,001	-	-	-
Debt Service:				
Principal retirement	3,005	-	596,000	-
Interest and fiscal charges	87	-	112,501	-
Total expenditures	11,543,817	1,677,436	2,129,495	181,993
Excess of revenue over (under) expenditures	3,015,879	257,679	(108,866)	750,434
Other Financing Sources (Uses):				
Transfers in	867,032	-	1,406,782	-
Transfers out	(1,666,944)	(162,180)	(81,000)	(616,000)
Total other financing sources (uses)	(799,912)	(162,180)	1,325,782	(616,000)
Net changes in fund balances	2,215,967	95,499	1,216,916	134,434
Fund balances, beginning of year	6,880,095	282,479	649,762	911,762
Fund balances, end of year	\$ 9,096,062	\$ 377,978	\$ 1,866,678	\$ 1,046,196

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

Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
FT Florida Road Improvement		
-	-	74,428
-	5,143	2,482,468
-	459,814	1,837,441
-	-	1,106,445
-	127,002	139,633
-	-	73,162
45,405	-	141,440
-	-	621,105
-	96,889	386,890
-	365,000	964,005
-	20,644	133,232
45,405	1,074,492	16,652,638
(45,405)	(204,804)	3,664,917
-	260,162	2,533,976
-	(7,852)	(2,533,976)
-	252,310	-
(45,405)	47,506	3,664,917
91,024	1,064,025	9,879,147
\$ 45,619	\$ 1,111,531	\$ 13,544,064

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

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CITY OF DEBARY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ 3,664,917

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

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

Capital outlay expenditures	\$ 1,362,229	
Depreciation expense	(1,837,090)	
Book value of disposed assets	<u>(171,420)</u>	(646,281)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Principal repayments made on long-term debt obligations in the period 964,005

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Proceeds of long-term debt obligations	-	
Increase (decrease) in delinquent taxes	(4,651)	
Increase (decrease) in unavailable revenue	(3,064)	
Increase (decrease) in unavailable revenue-special assessments	<u>(74,940)</u>	(82,655)

Revenues recognized in the period in which they are earned regardless of the date of their anticipated receipt (1,162,228)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Change in accrued interest on bonds and notes payable	6,198	
Change in compensated absences liabilities	(21,905)	
Change in actuarially computed OPEB obligation	<u>(11,913)</u>	<u>(27,620)</u>

Change in net position of governmental activities \$ 2,710,138

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Taxes	\$9,236,665	\$ 9,438,665	\$ 9,680,211	\$ 241,546
Permits, fees and special assessments	648,000	868,000	856,240	(11,760)
Intergovernmental	2,192,982	2,216,432	3,423,982	1,207,550
Charges for services	245,125	245,125	173,639	(71,486)
Fines and forfeitures	17,000	17,000	16,975	(25)
Miscellaneous	171,860	171,360	408,649	237,289
Total revenue	12,511,632	12,956,582	14,559,696	1,603,114
Expenditures:				
Current:				
General Government:				
Mayor and Council	109,473	129,473	93,477	35,996
City Manager	453,216	493,216	463,618	29,598
Finance and administration	398,737	398,737	375,503	23,234
Legal	251,500	453,500	451,268	2,232
Planning and community development	593,553	656,053	465,613	190,440
Nondepartmental	597,947	569,947	492,513	77,434
	2,404,426	2,700,926	2,341,992	358,934
Public Safety:				
Law enforcement	3,678,609	3,678,609	3,663,369	15,240
Fire safety	1,844,558	1,838,558	1,822,634	15,924
Protective inspection	532,268	765,268	751,598	13,670
Code enforcement	112,195	112,195	84,771	27,424
Emergency and disaster relief	-	29,000	28,025	975
	6,167,630	6,423,630	6,350,397	73,233
Human services	89,200	89,200	74,428	14,772
Transportation	1,332,798	1,278,798	1,195,634	83,164
Culture/recreation	1,152,311	1,166,546	1,106,445	60,101
	2,574,309	2,534,544	2,376,507	158,037
Capital Outlay:				
General government	16,500	16,500	12,631	3,869
Public safety	40,600	77,600	73,162	4,438
Transportation	394,200	1,008,357	96,035	912,322
Culture/recreation	197,500	352,630	290,001	62,629
	648,800	1,455,087	471,829	983,258
Debt Service:				
Principal retirement	3,005	3,005	3,005	-
Interest and fiscal charges	89	89	87	2
	3,094	3,094	3,092	2
Total expenditures	11,798,259	13,117,281	11,543,817	1,573,464
Excess of revenue over (under) expenditures	713,373	(160,699)	3,015,879	3,176,578

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other Financing Sources (Uses):				
Transfers in	866,680	867,180	867,032	(148)
Transfers out	(1,666,944)	(1,666,944)	(1,666,944)	-
Total other financing sources (uses)	<u>(800,264)</u>	<u>(799,764)</u>	<u>(799,912)</u>	<u>(148)</u>
Net changes in fund balances	(86,891)	(960,463)	2,215,967	3,176,430
Fund balances, beginning of year	<u>5,187,209</u>	<u>6,880,094</u>	<u>6,880,095</u>	<u>1</u>
Fund balances, end of year	<u><u>\$5,100,318</u></u>	<u><u>\$ 5,919,631</u></u>	<u><u>\$ 9,096,062</u></u>	<u><u>\$ 3,176,431</u></u>

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SOLID WASTE (SPECIAL REVENUE) FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Charges for services	\$ 1,765,000	\$ 1,765,000	\$ 1,767,666	\$ 2,666
Intergovernmental	-	34,000	159,344	125,344
Miscellaneous	-	-	8,105	8,105
Total revenue	<u>1,765,000</u>	<u>1,799,000</u>	<u>1,935,115</u>	<u>136,115</u>
Expenditures:				
Current:				
Physical environment	<u>1,645,650</u>	<u>1,679,650</u>	<u>1,677,436</u>	<u>2,214</u>
Total expenditures	<u>1,645,650</u>	<u>1,679,650</u>	<u>1,677,436</u>	<u>2,214</u>
Excess of revenue over (under) expenditures	<u>119,350</u>	<u>119,350</u>	<u>257,679</u>	<u>138,329</u>
Other Financing Sources (Uses):				
Transfers out	<u>(162,180)</u>	<u>(162,180)</u>	<u>(162,180)</u>	<u>-</u>
Total other financing sources (uses)	<u>(162,180)</u>	<u>(162,180)</u>	<u>(162,180)</u>	<u>-</u>
Net changes in fund balances	(42,830)	(42,830)	95,499	138,329
Fund balances, beginning of year	<u>126,546</u>	<u>282,479</u>	<u>282,479</u>	<u>-</u>
Fund balances, end of year	<u>\$ 83,716</u>	<u>\$ 239,649</u>	<u>\$ 377,978</u>	<u>\$ 138,329</u>

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STORMWATER MANAGEMENT (SPECIAL REVENUE) FUND
For the Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Permits, fees and special assessments	\$ 1,985,000	\$ 1,985,000	\$ 2,013,807	\$ 28,807
Miscellaneous	-	-	6,822	6,822
Total revenue	1,985,000	1,985,000	2,020,629	35,629
Expenditures:				
Current:				
Physical environment	810,644	848,644	799,889	48,755
Capital Outlay:				
Physical environment	1,862,204	2,191,924	621,105	1,570,819
Debt Service:				
Principal retirement	596,000	596,000	596,000	-
Interest and fiscal charges	112,503	112,503	112,501	2
	<u>708,503</u>	<u>708,503</u>	<u>708,501</u>	<u>2</u>
Total expenditures	3,381,351	3,749,071	2,129,495	1,619,576
Excess of revenue over (under) expenditures	(1,396,351)	(1,764,071)	(108,866)	1,655,205
Other Financing Sources (Uses):				
Transfers in	1,406,782	1,406,782	1,406,782	-
Transfers out	(81,000)	(81,000)	(81,000)	-
Total other financing sources (uses)	1,325,782	1,325,782	1,325,782	-
Net changes in fund balances	(70,569)	(438,289)	1,216,916	1,655,205
Fund balances, beginning of year	347,668	649,762	649,762	-
Fund balances, end of year	\$ 277,099	\$ 211,473	\$ 1,866,678	\$ 1,655,205

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

CITY OF DEBARY, FLORIDA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FRANCHISE FEES (SPECIAL REVENUE) FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		Actual	Variance
	Original	Final		
Revenue:				
Permits, fees and special assessments	\$ 800,000	\$ 800,000	\$ 927,427	\$ 127,427
Miscellaneous	-	-	5,000	5,000
Total revenue	<u>800,000</u>	<u>800,000</u>	<u>932,427</u>	<u>132,427</u>
Expenditures:				
Current:				
Transportation	209,000	209,000	181,993	27,007
Total expenditures	<u>209,000</u>	<u>209,000</u>	<u>181,993</u>	<u>27,007</u>
Excess of revenue over (under) expenditures	<u>591,000</u>	<u>591,000</u>	<u>750,434</u>	<u>159,434</u>
Other Financing Sources (Uses):				
Transfers out	(616,000)	(616,000)	(616,000)	-
Total other financing sources (uses)	<u>(616,000)</u>	<u>(616,000)</u>	<u>(616,000)</u>	<u>-</u>
Net changes in fund balances	(25,000)	(25,000)	134,434	159,434
Fund balances, beginning of year	<u>777,935</u>	<u>911,762</u>	<u>911,762</u>	<u>-</u>
Fund balances, end of year	<u>\$ 752,935</u>	<u>\$ 886,762</u>	<u>\$ 1,046,196</u>	<u>\$ 159,434</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of DeBary, Florida, was incorporated in September, 1993, as a political subdivision of the State of Florida located in Volusia County and adopted its first charter under the provisions of Senate Bill No. 2398 and the Municipal Home Rule Power Act, F.S. Ch. 166. The legislative branch of the City is composed of a five (5) member elected Council, including a city-wide elected mayor. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

The accompanying financial statements present the financial position, results of operations and cash flows of the applicable funds controlled by or dependent on the City. In evaluating the City as a reporting entity, management has addressed all potential component units for which the entity may or may not be financially accountable and, as such, be included within the City’s financial statements.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, comprised of the Statement of Net Position and the Statement of Activities, report aggregated information for the overall government for all of the activities of the primary government. These statements do not report business-type activities, fiduciary funds or fiduciary component units such as retirement trust funds. Those activities are reported only in fund financial statements, when required. The effect of interfund activity has been removed from these statements.

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

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

The Statement of Net Position presents the overall government's financial position at year-end. The Statement of Activities presents direct expenses of a given function or segment offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net position for the period. 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 of the government, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other nonexchange revenues not properly included among program revenues are reported as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned. 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 when 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 as 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, unless accrued for grant reimbursements of costs previously funded by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Taxes, intergovernmental revenue, permits, fees, special assessments, charges for services, 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 government.

Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized and grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

Derived Tax Revenue, defined as assessments imposed on exchange transactions. Examples include: sales taxes, franchise tax, utility taxes, etc. Assets from derived tax revenue are recognized in the period when the exchange transaction on which the tax is imposed takes place, or when resources are received, whichever occurs first. Revenues are recognized, net of estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are recorded as deferred revenue until the period of the exchange.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Imposed Nonexchange Revenue, result from assessments on nongovernmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes, fines and penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Nonexchange Transactions, frequently establish eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.

Voluntary Nonexchange Transactions, result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by nongovernmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

The City’s accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of the governmental fund financial statements is on major funds, as defined and determined based on criteria established under Governmental Accounting Standards Boards Statement No. 34.

The City reports the following major governmental funds:

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

Solid Waste (Special Revenue) Fund - The Solid Waste Fund is a special revenue fund used to account for user charges assessed for residential and commercial garbage/solid waste pickup and removal.

Stormwater Management (Special Revenue) Fund - This is a special revenue fund to provide and maintain stormwater drainage throughout the City, which is funded by assessments on real property located in the City.

Franchise Fees (Special Revenue) Fund – This is a special revenue fund established by the City as authorized under Chapter 166.232, Florida Statutes, to account for assessments made to the purchasers within the City of electricity and metered or bottled gas.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

FT FL Road Improvement Fund - This is a capital projects fund used to account for various road improvements as approved by the Council which is funded with specific intergovernmental revenue and transfers from the General Fund.

Additionally, the City reports the following non-major fund types:

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources which are legally restricted (see Note 1(D)(10)) to finance particular functions or activities of the City. These funds include the City's Street Lighting District, Orlandia Heights Neighborhood Improvement District, Tree Preservation, Economic Opportunity, Park Benefit Impact Fee, and Public Buildings Benefit Impact Fee Funds.

Debt Service Funds - These funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term debt obligations of governmental funds. These funds include the City's Water Line Assessment Revenue Bond, Series 2016 and Fire Station Revenue Bond, Series 2016.

Amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental-type activities column.

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

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

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The City'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.

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

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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."

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

There were no interfund loans at year end. All trade, special assessments and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

3. Prepaid Items

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. The cost of prepaid items is recorded as expenditures/ expenses when consumed rather than when purchased.

4. Restricted Assets

Funds classified as restricted assets represent cash, cash equivalents and investments, which are designated by law, debt obligations or regulatory statutes. Funds classified as internally designated assets also represent cash, cash equivalents and investments for which the City has an obligation or the governing board has taken action to designate as limited by applicable legal indentures.

5. Capital Assets

Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the City. The City has elected to report all known infrastructure assets and related depreciation expense on all infrastructure assets in the entity-wide statement of net position and statement of activities.

Capital assets are defined by the City as assets with an initial individual cost of \$750 or more and an estimated useful life of more than one-year. The capitalization policy for building and improvements other than buildings require assets with an initial cost to be \$15,000 or greater before it is capitalized. For all infrastructure assets, costs must exceed \$15,000 or more before the assets are capitalized. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but charged to operating expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction period interest is capitalized net of interest earned on unexpended construction funds and, therefore, depreciated over the remaining useful life of the related asset, when applicable.

Depreciation is reported for the primary government using the straight-line method (mid-month convention in year of acquisition) calculated on a service-life basis to amortize the cost of the assets over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Years</u>
Buildings.....	20-40 years
Improvements other than buildings.....	10-30 years
Equipment	03-30 years
Infrastructure	20-40 years

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

6. *Accrued Payroll and Compensated Absences*

The portion of payroll costs paid subsequent to year-end attributable to services performed prior to year-end, including accumulated unpaid vacation and sick-leave, is recorded and recognized as a current liability. The portion of the liability for compensated absences attributable to periods beyond the current year is recognized as a long-term liability. Each of the City's major governmental funds employ personnel and are responsible for liquidating compensated absence obligations.

The City's personnel policy permits employees to accumulate earned but unused personal leave benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences included salary related benefits, where applicable.

7. *Unearned Revenue*

Unearned revenues are reported when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

8. *Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount, when applicable.

9. *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. When applicable, this separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

10. Fund Balance Flow Assumptions

Sometimes the entity 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.

11. Fund Balance Policies

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

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

Restricted. This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources from external resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation). The City has classified unexpended inspection fees and impact fees as being restricted because their use is restricted by State Statute solely for funding public safety inspection program activities and for the funding of certain capital infrastructure improvements.

Committed. This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

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

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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

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

12. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets groups all capital assets into one component of net position; accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category. Restricted net position includes all net position with external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position is the residual amount of net position of the City that is not restricted for any particular purpose.

13. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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.

14. Use of Estimates

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

15. Recent GASB Accounting Standards

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

- Statement No. 88, “*Certain Disclosures Related to Debt.*” The objective of this Statement is to better improve the disclosure in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It is anticipated that no action will be required by the City to implement this Statement. The provisions of this Statement were effective for reporting periods beginning after June 15, 2018. No action was required by the City to implement this statement.

The City is currently evaluating the effects that the following Governmental Accounting Standards Board (GASB) Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

- Statement No.84, “*Fiduciary Activities.*” The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement is currently under review to evaluate the impact it may have on the City’s financial statement presentation. The provisions of this statement are effective for fiscal years beginning after December 15, 2018, and have been since extended for one year as of May 8, 2020.

- Statement No. 87, “*Leases.*” The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement is currently under review to evaluate the impact it may have on the City’s financial statement presentation. The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

- Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period.*” The objectives of this Statement are to improve relevance and comparability about capital assets and the related cost of borrowing as well as simplify the accounting for interest costs incurred before the end of a construction period. It is anticipated that no action will be required by the City to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019, and have been since extended for one year as of May 8, 2020.

- Statement No. 90, “*Major Equity Interests.*” The objective of this Statement is to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization. It is anticipated that no action will be required by the City to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018, and have been since extended for one year as of May 8, 2020.

- Statement No. 91, “*Conduit Debt Obligations.*” The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after December 15, 2020, and have been since extended for one year as of May 8, 2020.

- Statement No. 92, “*Omnibus 2020.*” The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. It is anticipated that no action will be required by the Organization to implement this Statement. The provisions of this Statement are effective for reporting periods beginning after June 15, 2020, and have been since extended for one year as of May 8, 2020.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

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

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

- On or before July 15th, the City Manager submits a recommended budget to the City Council for the ensuing fiscal year.
- Budget workshop sessions are scheduled by the City Council, as needed.
- A general summary of the budget and notice of public hearing is published in a local newspaper. Prior to October 1st, the budget is legally enacted through passage of a resolution.
- The City Council, by resolution, may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenue. Prior to the end of the fiscal year, supplemental appropriations are made for unanticipated spending requirements by the Council.
- The City Council must approve all inter-departmental budget amendments and/or appropriations transfers.
- The City Manager may transfer funds between line-item appropriations within a department at the request of a department head in accordance with Article XI, Section 11.05 of the City's Code of Ordinances. Budgetary control is exercised at the department level.
- Every appropriation lapses at the close of the fiscal year.

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

B. Excess of Expenditures over Appropriations

During the year ended September 30, 2020, the City did not have any expenditures that were incurred in excess of budgetary appropriations.

C. Deficit Fund Balances

At September 30, 2020, the City had no operating funds with deficit fund balances.

NOTE 4 - PROPERTY TAX CALENDAR

Under Florida law, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the offices of the County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City was 3.5 mills (2019 levy collected in the year ended September 30, 2020). The property tax calendar is as follows:

Valuation Date	January 1												
Property Appraiser prepares the assessment roll with values as of January 1, submits preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1												
City Council holds two required public hearings and adopts a budget and an ad valorem tax millage rate for the coming fiscal year.	September												
Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable (Levy date).	November 1												
A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes are paid November through March, with the following applicable discounts:	November through March												
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;"><u>Month Paid</u></th> <th style="text-align: left; border-bottom: 1px solid black;"><u>Discount Percent</u></th> </tr> </thead> <tbody> <tr> <td>November</td> <td style="text-align: center;">4</td> </tr> <tr> <td>December</td> <td style="text-align: center;">3</td> </tr> <tr> <td>January</td> <td style="text-align: center;">2</td> </tr> <tr> <td>February</td> <td style="text-align: center;">1</td> </tr> <tr> <td>March</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>	<u>Month Paid</u>	<u>Discount Percent</u>	November	4	December	3	January	2	February	1	March	0	
<u>Month Paid</u>	<u>Discount Percent</u>												
November	4												
December	3												
January	2												
February	1												
March	0												
All unpaid taxes on real and tangible personal property become delinquent.	April 1												
A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised.	April/May												
Tax certificates are sold on all real estate parcels with unpaid real property taxes (Lien date).	June 1												
A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent taxes	August 31												

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits. At September 30, 2020, the carrying value of the City’s demand deposit accounts totaled \$13,229,769, and the bank balance totaled \$14,325,382. All cash deposits are held by banks that qualify as

public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes and are fully insured and/or collateralized. In addition to these deposits, amounts reported in the statement of net position include \$500 in cash funds on hand at the end of the fiscal year.

Investments. As of September 30, 2020, the City had the following investments and maturities:

Investment Type	Investment Maturities (Years)			
	Fair Value	Less Than 1	From 1 - 5	From 6 - 10
Local Government Investment Pool:				
State Board of Administration, Local Government Surplus Trust Fund Investment Pool				
Florida PRIME	\$ 176,017	\$ 176,017	\$ -	\$ -

The City’s investments consist of amounts invested in the Local Government Surplus Trust Fund (the “Fund”) managed by the Florida State Board of Administration (SBA). The SBA is part of the Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Fund. As a Florida PRIME pool participant, the City invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. In March 1997, GASB issued Statement No. 31, titled “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*” GASB No. 31 defines an external investment pool as an arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants’ behalf, in an investment portfolio; one or more of the participants is not part of the sponsor’s reporting entity. GASB No. 31 applies to Florida PRIME.

GASB No. 31 outlined the two options for accounting and reporting for money market investment pools as either “2a-7 like” or fluctuating net asset value (“NAV”). GASB No. 31 described a “2a-7 like” pool as an “external investment pool that is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the “1940 Act”). In June 2010, GASB issued Statement No. 59, titled “*Financial Instruments Omnibus.*” GASB No. 59 clarified the definition of a “2a-7 like” pool as an “external investment pool that operates in conformity with the Securities and Exchange Commission’s (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.” To qualify as a “2a-7 like” pool, the pool was required to satisfy all SEC requirements of Rule 2a-7, including that a group of individuals fulfills the functions of a board of directors. The pool was not required to register with the SEC.

In December 2015, GASB issued Statement No. 79 titled, “*Certain External Investment Pools and Pool Participants*” in response to the Securities and Exchange Commission’s amendments in 2014 to regulations that apply to money market funds. GASB No. 79 addresses accounting and financial reporting for certain

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. If the external investment pool meets the criteria in GASB No. 79 and measures all of its investments at amortized cost, the pool’s participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes.

Interest Rate Risk. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The City has developed formal investment policies that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments are governed by the City’s Investment Policies and related state statutes. Generally, the City limits the acquisition of investments with maturities to no more than five years, unless matched to a specific cash flow. Interest rate risk is minimized for all other investments, which are normally held for periods of less than six months.

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2020, is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2020, is 63 days.

Credit Risk. The City’s investment policies allow the government to invest in Local Government Surplus Trust Fund Investment Pool, money market funds regulated by the Securities and Exchange Commission, bankers acceptances issued by a domestic bank (with rating restrictions), commercial paper (with rating restrictions), certificates of deposit or savings accounts in banks/savings and loan associations, doing business and situated in the State of Florida, provided deposits of such institutions are secured by the Florida Security for Public Deposits Act, repurchase agreements, state and local government general obligation bonds (subject to rating restrictions), direct obligations of the U.S. Government, obligations of U.S. Government agencies, backed by the full faith and credit of the U.S. Government, authorized intergovernmental investment pools, securities and obligations of U.S. Government agencies, not backed by the full faith and credit of the U.S. Government.

Concentrations of Credit Risk. The City’s investment policy limits concentration of investments as follows:

Local Government Surplus Trust Fund	100%
U.S. Government Securities	50%
U.S. Federal Agencies	10%
Federal Instrumentalities	5%
Money Market Mutual Funds	25%
Banker’s Acceptances/Commercial paper	10%
Certificates of Deposit	40%
Repurchase agreements/State and Local Government Debt	10%

Credit Quality. The Florida PRIME is rated by Standard and Poor’s, with a rating of AAA as of September 30, 2020. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal.

Foreign Currency Risk. The Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2019 through September 30, 2020.

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a failure of a depository, the City’s deposits may not be returned to it. Pursuant to the applicable provisions of Chapter 280, Florida Statutes, *The Florida Security for Public Deposits Act* (“the Act”), the State of Florida, Bureau of Collateral Management have established specific requirements relative to security and collateralization for public deposits. Accordingly, banks qualifying as a public depository in Florida must adopt the necessary procedures outlined in these statutes and meet all of the requirements of this chapter to be designated by the State’s Chief Financial Officer as eligible to receive deposits from municipal depositors. Collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance is required to be pledged or deposited with the State’s Chief Financial Officer to secure such deposits. Additional collateral, up to a maximum of 125% may be required if deemed necessary under the conditions set forth in the Act. Securities eligible to be pledged as collateral are generally limited to obligations of the U. S. government and any state thereof and are held in the name of the State Chief Financial Officer’s office. Compliance with the provisions of Chapter 280, F. S., is monitored by a Qualified Public Depository Oversight Board with members appointed by the State Chief Financial Officer. At September 30, 2020, all of the City’s deposits and investments, including those in the Local Government Surplus Funds Trust Fund, were covered by federal depository insurance and/or collateral securities under the statutory provisions of the Act.

NOTE 6 – DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables: Amounts are aggregated into single accounts receivable (net of allowance for uncollectible accounts) amounts for certain funds and aggregated columns. Below is a detail of receivables for the governmental activities anticipated to be collected within an operating cycle at September 30, 2020:

Delinquent Taxes Receivable	\$	6,661
Special assessments receivable		148,810
Utility service taxes		185,569
Franchise fees		118,014
Escrow receivables		10,053
Interest		1,908
Other miscellaneous receivables		13,303
		484,318
Less: allowance for doubtful accounts		(10,000)
Total governmental activities receivables, net	\$	474,318

Payables: Amounts are aggregated into single accounts payable and accrued liabilities lines for certain funds and aggregated columns. Below is a detail of payables for the governmental activities anticipated to be paid within one annual operating cycle at September 30, 2020:

Accounts payable	\$	669,367
Contracts payable and retentions		168,792
Due to other governments		17,030
Accrued wages and benefits		124,687
		124,687
Total governmental activities payables	\$	979,876

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

NOTE 7 - INTERFUND ACCOUNTS

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. Individual fund transfers made during the year ended September 30, 2020, are as follows:

Funds	Transfer In/From	Transfer Out/To
General Fund:		
Solid Waste Fund	\$ 162,180	\$ -
Stormwater Management Fund	81,000	1,406,782
Franchise Fees Fund	616,000	-
Nonmajor funds:		
Economic Opportunity Fund	7,852	-
Fire Station Revenue Bond Debt Service Fund	-	260,162
	<u>867,032</u>	<u>1,666,944</u>
Solid Waste Fund:		
General Fund	-	162,180
Stormwater Management:		
General Fund	1,406,782	81,000
Franchise Fee:		
General Fund	-	616,000
	<u>1,406,782</u>	<u>859,180</u>
Nonmajor funds:		
Economic Opportunity Fund:		
General Fund	-	7,852
Fire Station Revenue Bond Debt Service Fund:		
General Fund	260,162	-
	<u>260,162</u>	<u>7,852</u>
Totals	<u>\$ 2,533,976</u>	<u>\$ 2,533,976</u>

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 8 - CAPITAL ASSETS

A summary of the capital assets activity for the year ended September 30, 2020, is as follows:

	Balances 9/30/2019	Additions	Deletions	Balances 9/30/2020
Capital assets not being depreciated:				
Land	\$ 9,227,652	\$ 371,194	\$ (170,477)	\$ 9,428,369
Construction in progress	694,252	1,188,053	(1,353,553)	528,752
Total capital assets not being depreciated	9,921,904	1,559,247	(1,524,030)	9,957,121
Capital assets being depreciated:				
Buildings	6,915,724	181,490	-	7,097,214
Infrastructure	34,614,638	787,381	-	35,402,019
Machinery and equipment	3,189,178	187,664	(32,440)	3,344,402
Assets under capital leases	16,179	-	-	16,179
Total capital assets being depreciated	44,735,719	1,156,535	(32,440)	45,859,814
Less accumulated depreciation for:				
Buildings	(1,789,347)	(231,482)	-	(2,020,829)
Infrastructure	(11,957,403)	(1,293,725)	-	(13,251,128)
Machinery and equipment	(1,962,963)	(308,647)	31,500	(2,240,110)
Assets under capital leases	(11,114)	(3,236)	-	(14,350)
Total accumulated depreciation	(15,720,827)	(1,837,090)	31,500	(17,526,417)
Total capital assets being depreciated, net	29,014,892	(680,555)	(940)	28,333,397
Total capital assets, net	\$ 38,936,796	\$ 878,692	\$ (1,524,970)	\$ 38,290,518

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

Governmental activities:	
General government	\$ 162,636
Public safety	209,499
Physical environment	915,572
Transportation	247,349
Culture/recreation	302,034
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 1,837,090</u>

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 9 – GENERAL LONG-TERM DEBT

The City’s long-term debt outstanding at September 30, 2020, is as follows:

	Balance Due	Current Maturities
Notes and Bonds Payable:		
1.650% Series 2016 Stormwater Utility Assessment Refunding Revenue Note; dated December 1, 2016, interest payable semi-annually on June 1 and December 1, principal payable annually on June 1, through June 2023, secured by the City's stormwater utility assessments and a pledge to budget and appropriate non-advalorem revenues	\$ 2,944,000	\$ 296,000
2.330% Series 2012 Stormwater Utility Assessment Refunding Revenue Note, dated December 16, 2012, interest payable semi-annually on June 1 and December 1, principal payable annually on December 1, through December 2026, secured by the City's stormwater utility assessments and a covenant to budget and appropriate non-advalorem revenues	2,385,000	320,000
1.670% Series 2016 Water Line Assessment Revenue Bond; dated January 15, 2016, interest payable semi-annually on April 1 and October 1, principal payable annually on October 1, 2016 through October 1 2022, secured by the City's water line extension assessments and a covenant to budget and appropriate non-advalorem revenues	192,000	83,000
1.640% Series 2016 Fire Station Bond; dated April 27, 2016, interest payable semi-annually on June 1 and December 1, principal payable annually on December 1, 2016 through December 1, 2022, secured by the City's non-advalorem revenues and a covenant to budget and appropriate non-advalorem revenues	880,000	289,000
Capital Lease Obligations:		
\$16,179 capital leases for office machinery and equipment, for the City's administrative offices, payable in monthly installments of \$367 through December 2020, stated interest rates from 2.17% to 7.21%, secured with machinery and equipment with a book value of \$575 as of September 30, 2020	293	293
Total long-term debt	6,401,293	988,293
Other post-employment benefit obligation	70,067	-
Compensated absences (current portion estimated)	191,198	47,800
Total long-term obligations	\$ 6,662,558	\$ 1,036,093

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

A summary of changes in the City's long-term debt for the year is as follows:

	Balances 9/30/2019	Additions	Deletions	Balances 9/30/2020
Notes and Bonds Payable:				
Series 2012 Refunding Revenue Note	\$ 2,690,000	\$ -	\$ (305,000)	\$ 2,385,000
Series 2016 Assessment Revenue Bond	273,000	-	(81,000)	192,000
Series 2016 Fire Station Bond	1,164,000	-	(284,000)	880,000
Series 2016 Refunding Revenue Note	3,235,000	-	(291,000)	2,944,000
Capial lease obligations	3,298	-	(3,005)	293
	<u>7,365,298</u>	<u>-</u>	<u>(964,005)</u>	<u>6,401,293</u>
Other post-employment benefit obligation	58,154	11,913	-	70,067
Compensated absences	169,293	21,905	-	191,198
	<u>\$ 7,592,745</u>	<u>\$ 33,818</u>	<u>\$ (964,005)</u>	<u>\$ 6,662,558</u>

Aggregate annual debt service requirements through maturity, including principal and interest, on long-term debt obligations are as follows:

Fiscal Year	Principal	Interest	Total
September 30, 2021	\$ 988,293	\$ 114,994	\$ 1,103,287
September 30, 2022	1,003,000	96,429	1,099,429
September 30, 2023	3,000,000	78,075	3,078,075
September 30, 2024	340,000	28,892	368,892
September 30, 2025	350,000	20,854	370,854
September 30, 2026 through 2027	720,000	16,892	736,892
	<u>\$ 6,401,293</u>	<u>\$ 356,136</u>	<u>\$ 6,757,429</u>

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

Pledged Revenues. The primary source of pledged revenues for all Revenue Note’s held by the City at September 30, 2020, are the City’s stormwater utility assessments and water line extension assessments; however to the extent that the stormwater utility and water line extension assessments are insufficient to pay amounts due on the notes, the City has covenanted to budget and appropriate non-ad valorem revenues. Total pledged revenues and annual debt requirements are as follows:

Pledged Revenues:

Stormwater utility assessments	\$ 2,013,807
Water line extension assessments	74,907
Non-ad valorem revenues (excludes ad valorem taxes, grants and all revenues restricted by enabling legislation)	8,496,135
Totals	\$ 10,584,849

Annual Debt Service Requirements:

Series 2012 Refunding Revenue Note	\$ 371,843
Series 2016 Assessment Revenue Bond	85,513
Series 2016 Fire Station Bond	301,062
Series 2016 Refunding Revenue Note	344,576
	\$ 1,102,994

Advance Refunding. No advance refunding occurred during the year ended September 30, 2020.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description. The City of DeBary, Florida Retiree Health Care Plan (the “Plan”) is a single-employer defined benefit postemployment healthcare plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City’s retirement plans to continue medical and life insurance coverage as a participant in the City’s plan. For purposes of GASB #75, which was implemented by the City in the current year, the Plan does not meet the requirements for an OPEB plan administered through a trust. The OPEB Plan does not issue a publicly available financial report.

Employees covered by benefit terms as of the measurement date of September 30, 2019 were as follows:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	38
	38

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Benefits Provided. A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Upon reaching age 65, Medicare is assumed to be primary.

Total OPEB Liability.

Measurement Date	9/30/2019
Measurement Period	10/1/2018 to 9/30/2019
Reporting Period	10/1/2019 to 9/30/2020
 Sponsor’s Total OPEB liability measurement date	 9/30/2019

Note – The Sponsor’s Total OPEB Liability for the City’s ledger adjustment was measured as of September 30, 2019 using a discount rate of 3.58%.

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	3.58%
Initial Trend Rate	8.00%
Ultimate Trend Rate	4.00%
Years to Ultimate	56

Mortality. RP-2000 Combined Mortality Healthy Mortality Table with projection to the valuation year using Scale AA

Discount Rate. Given the City’s decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 3.58%. The high quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

OPEB Expense. For the year ended September 30, 2020, the Sponsor will recognize OPEB Expense of \$16,720.

CITY OF DEBARY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Net OPEB Liability	<u>\$ 79,058</u>	<u>\$ 70,067</u>	<u>\$ 62,550</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.00% - 7.00%) or 1 percentage point higher (5.00% - 9.00%) than the healthcare cost trend rates (4.00% - 8.00%):

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability (Asset)	<u>\$ 60,809</u>	<u>\$ 70,067</u>	<u>\$ 81,388</u>

Components of OPEB Expense. Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense. The components of OPEB expense as of September 30, 2020 are as follows:

Components of OPEB Expense.

Service cost	\$ 7,276
Interest	2,679
Recognition of Changes	4,665
Administrative Expenses	<u>2,100</u>
Total OPEB Expense	<u><u>\$ 16,720</u></u>

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 11 – PENSION PLANS

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

The City contributes to the City of DeBary, Florida Money Purchase Plan and Trust (the “Plan”), a defined contribution pension plan, for all regular full time and regular part time employees hired on or after October 1, 1994. The Plan is presently administered by International City Management Association Retirement

Corporation (ICMA-RC), 777 North Capitol Street NE, Suite 600, Washington DC 20002-4240. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council. This plan has no provision for providing benefits of past services and there were no current year changes in plan provisions. For each employee in the Plan, the City is required to contribute 10 percent of annual salary to an individual employee account. The required contribution may be less than 10% if employees are terminated prior to vesting. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. For the year ended September 30, 2020, employee contributions totaled \$-0-, and the City recognized pension expense of \$183,726.

All qualifying employees are eligible to participate in the plan upon the date of employment. Employees are immediately vested in their own contributions and earnings on those contributions. The “vested percentage” in an employee account attributable to employer contributions is based on vesting years of service. Employees will become 100% vested in City contributions and earnings on City contributions only after completion of 36 months of creditable service with the City. Employees will always, however, be 100% vested in these contributions if employed on or after their normal retirement age or if they die or become disabled. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan’s administrative expenses. For the year ended September 30, 2020, forfeitures reduced the City’s pension expense by \$22,918. There were no unremitted amounts due to the Plan from the City at September 30, 2020.

2. Deferred Employee Benefits – ICMA-RC IRC 457(b) Plan

The City contributes to a defined contribution pension plan, which provides for an IRC Section 457(b) deferred compensation plan for employer and employee contributions. This Plan is presently administered by International City Management Association Retirement Corporation (ICMA-RC), 777 North Capitol Street NE, Suite 600, Washington DC 20002-4240, to accommodate supplemental employee elective deferrals for employees covered in the City’s defined contribution plan. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. For the year ended September 30, 2020, employee contributions totaled \$85,738 and the City recognized pension expense of \$-0-.

All qualified employees at least 18 years of age become eligible to participate in the 457(b) plan on the first date of the month following the date of employment. Employees voluntarily contribute to the plan. Employees immediately vest in the elective deferral contributions made to the Plan. The vested portions of the accounts or contributions to the plan are available to the participants immediately upon termination of service.

CITY OF DEBARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE 12 - LEGAL MATTERS

The City is engaged in routine litigation incidental to the conduct of their respective business and municipal affairs. In the opinion of their Counsel, no legal proceedings are pending against them, not covered by insurance, which would inhibit their ability to perform their operations or materially affect their financial condition.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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

The City maintains an agreement with DeBary Town Center LLC with relation to the development of a multi-family residential project. As an incentive to the developer, the City will make a contribution to the Developer in the amount of \$57,000 upon issuance of the certificate of occupancy for the final project building. The City has recorded a deferred outflow in connection with this agreement.

NOTE 14 - RISK MANAGEMENT

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

NOTE 15 – SUBSEQUENT EVENTS

Evaluation of Events and Transactions: In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 6, 2021, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEBARY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 CHANGE IN TOTAL OPEB LIABILITY

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Reporting Period - Beginning	\$ 58,154	\$ 56,955	\$ 46,359
Service cost	7,276	13,860	13,522
Interest	2,680	2,556	1,816
Differences between expected and actual experience	-	(6,958)	-
Changes of assumptions	4,665	(7,038)	(3,619)
Changes of benefit terms	-	-	-
Contributions - Employer	-	-	-
Benefit payments	(2,708)	(1,221)	(1,123)
Other changes	-	-	-
Net changes	<u>11,913</u>	<u>1,199</u>	<u>10,596</u>
Reporting Period - Ending	<u>\$ 70,067</u>	<u>\$ 58,154</u>	<u>\$ 56,955</u>

Notes:

Changes in assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2019, to 3.58% for the reporting period ended September 30, 2020.

* 10 years of data will be presented as it becomes available.

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES - SPONSOR'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

Reporting Period Ending Measurement Date	9/30/2020 <u>9/30/2019</u>	9/30/2019 <u>9/30/2018</u>	9/30/2018 <u>9/30/2017</u>
Service cost	\$ 7,276	\$ 13,860	\$ 13,522
Interest	2,680	2,556	1,816
Differences between expected and actual experience	-	(6,958)	-
Changes of assumptions	4,665	(7,038)	(3,619)
Benefit payments	<u>(2,708)</u>	<u>(1,221)</u>	<u>(1,123)</u>
Net Change in Total OPEB Liability	11,913	1,199	10,596
Total OPEB Liability - Beginning	<u>58,154</u>	<u>56,955</u>	<u>46,359</u>
Total OPEB Liability - Ending	<u><u>\$ 70,067</u></u>	<u><u>\$ 58,154</u></u>	<u><u>\$ 56,955</u></u>
Covered Employee Payroll - Projected	<u><u>\$ 1,984,353</u></u>	<u><u>\$ 1,936,539</u></u>	<u><u>\$ 1,616,106</u></u>
Sponsor's Total OPEB Liability as a percentage of Covered Employee Payroll	<u><u>3.53%</u></u>	<u><u>3.00%</u></u>	<u><u>3.52%</u></u>

Notes:

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

FY 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

* 10 years of data will be presented as it becomes available.

See Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

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CITY OF DEBARY, FLORIDA
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
 BALANCES BUDGET AND ACTUAL -FT. FLORIDA ROAD IMPROVEMENT FUND
 For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital Outlay:				
Transportation	<u>10,000</u>	<u>91,024</u>	<u>45,405</u>	<u>45,619</u>
Total expenditures	<u>10,000</u>	<u>91,024</u>	<u>45,405</u>	<u>45,619</u>
Excess of revenue over (under) expenditures	(10,000)	(91,024)	(45,405)	45,619
Fund balances, beginning of year	<u>10,000</u>	<u>91,024</u>	<u>91,024</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45,619</u></u>	<u><u>\$ 45,619</u></u>

See Independent Auditors' Report.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF DEBARY, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2020

	Non-Major Special Revenue Funds							Total Special Revenue Funds
	Street Lighting Districts	Orlandia Heights Neighborhood Improvement District	Tree Preservation	Economic Opportunity Fund	Park Benefit Impact Fee Fund	Southwest Sector Mobility Fee Trust Fund	Public Buildings Benefit Impact Fee Fund	
Assets:								
Cash and cash equivalents	\$ 348,067	\$ 75,081	\$ 48,234	\$ 133,449	\$ 113,417	\$ 93,126	\$ 121,616	\$ 932,990
Special assessments receivable	-	-	-	-	20	17	22	59
Due from other governments	-	-	-	4,808	-	-	-	4,808
Prepays	-	4,902	-	-	-	-	-	4,902
Total assets	348,067	79,983	48,234	138,257	113,437	93,143	121,638	942,759
Deferred outflows of Resources:								
Deferred outflow	-	-	-	57,000	-	-	-	57,000
Total assets and deferred outflows of resources	\$ 348,067	\$ 79,983	\$ 48,234	\$ 195,257	\$ 113,437	\$ 93,143	\$ 121,638	\$ 999,759
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 31,350	\$ -	\$ -	\$ 57,000	\$ -	\$ -	\$ 69,161	\$ 157,511
Total liabilities	31,350	-	-	57,000	-	-	69,161	157,511
Deferred Inflows of Resources:								
Unavailable revenue-business tax receipts	-	-	-	23,394	-	-	-	23,394
Unavailable revenue-special assessments	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	23,394	-	-	-	23,394
Fund Balances:								
Nonspendable	-	4,902	-	-	-	-	-	4,902
Restricted	-	-	-	-	113,437	93,143	52,477	259,057
Committed	316,717	75,081	-	114,863	-	-	-	506,661
Assigned	-	-	48,234	-	-	-	-	48,234
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	316,717	79,983	48,234	114,863	113,437	93,143	52,477	818,854
Total liabilities, deferred inflows of resources and fund balances	\$ 348,067	\$ 79,983	\$ 48,234	\$ 195,257	\$ 113,437	\$ 93,143	\$ 121,638	\$ 999,759

See Independent Auditors' Report.

Debt Service Funds

Ft. Florida Rd.			
Assessment Bond Series 2016 Fund	Fire Station Bond Series 2016 Fund	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 47,031	\$ 245,645	\$ 292,676	\$ 1,225,666
148,811	-	148,811	148,870
-	-	-	4,808
-	-	-	4,902
195,842	245,645	441,487	1,384,246
-	-	-	57,000
\$ 195,842	\$ 245,645	\$ 441,487	\$ 1,441,246
\$ -	\$ -	\$ -	\$ 157,511
-	-	-	157,511
-	-	-	23,394
148,810	-	148,810	148,810
148,810	-	148,810	172,204
-	-	-	4,902
47,032	245,645	292,677	551,734
-	-	-	506,661
-	-	-	48,234
-	-	-	-
47,032	245,645	292,677	1,111,531
\$ 195,842	\$ 245,645	\$ 441,487	\$ 1,441,246

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
 BALANCES-NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2020

Non-Major Special Revenue Funds

	Orlandia Heights Street Lighting District	Neighborhood Improvement District	Tree Preservation	Economic Opportunity Fund	Park Benefit Impact Fee Fund	Southwest Sector Mobility Fee Trust Fund	Public Buildings Benefit Impact Fee Fund	Total- Special Revenue Funds
Revenue:								
Taxes	\$ -	\$ -	\$ -	\$ 52,496	\$ -	\$ -	\$ -	\$ 52,496
Permits, fees and special assessments	424,708	95,364	-	-	94,067	93,105	33,645	740,889
Miscellaneous	-	-	-	-	627	38	731	1,396
Total revenue	424,708	95,364	-	52,496	94,694	93,143	34,376	794,781
Expenditures:								
Physical environment	-	-	5,143	-	-	-	-	5,143
Transportation	427,873	31,941	-	-	-	-	-	459,814
Capital Outlay:								
General government	-	-	-	-	-	-	127,002	127,002
Culture/recreation	-	-	-	-	96,889	-	-	96,889
Debt Service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	427,873	31,941	5,143	-	96,889	-	127,002	688,848
Excess of revenue over (under) expenditures	(3,165)	63,423	(5,143)	52,496	(2,195)	93,143	(92,626)	105,933
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(7,852)	-	-	-	(7,852)
Total other financing sources (uses)	-	-	-	(7,852)	-	-	-	(7,852)
Net changes in fund balances	(3,165)	63,423	(5,143)	44,644	(2,195)	93,143	(92,626)	98,081
Fund balances, beginning of year	319,882	16,560	53,377	70,219	115,632	-	145,103	720,773
Fund balances, end of year	\$ 316,717	\$ 79,983	\$ 48,234	\$ 114,863	\$ 113,437	\$ 93,143	\$ 52,477	\$ 818,854

See Independent Auditors' Report.

Debt Service Funds			
Ft. Florida Rd.			
Assessment Bond Series 2016 Fund	Fire Station Bond Series 2016 Fund	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 52,496
74,907	-	74,907	815,796
-	-	-	1,396
<u>74,907</u>	<u>-</u>	<u>74,907</u>	<u>869,688</u>
-	-	-	5,143
-	-	-	459,814
-	-	-	127,002
-	-	-	96,889
81,000	284,000	365,000	365,000
3,883	16,761	20,644	20,644
<u>84,883</u>	<u>300,761</u>	<u>385,644</u>	<u>1,074,492</u>
<u>(9,976)</u>	<u>(300,761)</u>	<u>(310,737)</u>	<u>(204,804)</u>
-	260,162	260,162	260,162
-	-	-	(7,852)
<u>-</u>	<u>260,162</u>	<u>260,162</u>	<u>252,310</u>
(9,976)	(40,599)	(50,575)	47,506
<u>57,008</u>	<u>286,244</u>	<u>343,252</u>	<u>1,064,025</u>
<u>\$ 47,032</u>	<u>\$ 245,645</u>	<u>\$ 292,677</u>	<u>\$ 1,111,531</u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 STREET LIGHTING DISTRICT FUND
 For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	<u>\$ 419,160</u>	<u>\$ 419,160</u>	<u>\$ 424,708</u>	<u>\$ 5,548</u>
Total revenue	<u>419,160</u>	<u>419,160</u>	<u>424,708</u>	<u>5,548</u>
Expenditures:				
Current:				
Transportation	<u>463,763</u>	<u>470,763</u>	<u>427,873</u>	<u>42,890</u>
Total expenditures	<u>463,763</u>	<u>470,763</u>	<u>427,873</u>	<u>42,890</u>
Excess of revenue over (under) expenditures	(44,603)	(51,603)	(3,165)	48,438
Fund balances, beginning of year	<u>272,714</u>	<u>319,880</u>	<u>319,882</u>	<u>2</u>
Fund balances, end of year	<u><u>\$ 228,111</u></u>	<u><u>\$ 268,277</u></u>	<u><u>\$ 316,717</u></u>	<u><u>\$ 48,440</u></u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ORLANDIA HEIGHTS NEIGHBORHOOD IMPROVEMENT DISTRICT FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 95,364</u>	<u>\$ 1,364</u>
Total revenue	<u>94,000</u>	<u>94,000</u>	<u>95,364</u>	<u>1,364</u>
Expenditures:				
Current:				
Transportation	<u>93,813</u>	<u>93,813</u>	<u>31,941</u>	<u>61,872</u>
Total expenditures	<u>93,813</u>	<u>93,813</u>	<u>31,941</u>	<u>61,872</u>
Excess of revenue over (under) expenditures	187	187	63,423	63,236
Fund balances, beginning of year	<u>8,000</u>	<u>16,560</u>	<u>16,560</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 8,187</u></u>	<u><u>\$ 16,747</u></u>	<u><u>\$ 79,983</u></u>	<u><u>\$ 63,236</u></u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TREE PRESERVATION SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Physical environment	<u>19,020</u>	<u>19,020</u>	<u>5,143</u>	<u>13,877</u>
Total expenditures	<u>19,020</u>	<u>19,020</u>	<u>5,143</u>	<u>13,877</u>
Excess of revenue over (under) expenditures	<u>(19,020)</u>	<u>(19,020)</u>	<u>(5,143)</u>	<u>13,877</u>
Fund balances, beginning of year	<u>39,020</u>	<u>53,377</u>	<u>53,377</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 20,000</u></u>	<u><u>\$ 34,357</u></u>	<u><u>\$ 48,234</u></u>	<u><u>\$ 13,877</u></u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ECONOMIC OPPORTUNITY SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Taxes	\$ 50,000	\$ 50,000	\$ 52,496	\$ 2,496
Total revenue	<u>50,000</u>	<u>50,000</u>	<u>52,496</u>	<u>2,496</u>
Expenditures:				
Current:				
Economic environment	67,000	66,500	-	66,500
Total expenditures	<u>67,000</u>	<u>66,500</u>	<u>-</u>	<u>66,500</u>
Excess of revenue over (under) expenditures	(17,000)	(16,500)	52,496	68,996
Other Financing Sources (Uses):				
Transfers out	(7,500)	(8,000)	(7,852)	148
Total other financing sources (uses)	<u>(7,500)</u>	<u>(8,000)</u>	<u>(7,852)</u>	<u>148</u>
Net changes in fund balances	(24,500)	(24,500)	44,644	69,144
Fund balances, beginning of year	<u>57,000</u>	<u>70,219</u>	<u>70,219</u>	<u>-</u>
Fund balances, end of year	<u>\$ 32,500</u>	<u>\$ 45,719</u>	<u>\$ 114,863</u>	<u>\$ 69,144</u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARK BENEFIT IMPACT FEE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	\$ 20,000	\$ 20,000	\$ 94,067	\$ 74,067
Miscellaneous	-	-	627	627
Total revenue	<u>20,000</u>	<u>20,000</u>	<u>94,694</u>	<u>74,694</u>
Expenditures:				
Current:				
Culture/recreation	100,000	100,000	96,889	3,111
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>96,889</u>	<u>3,111</u>
Excess of revenue over (under) expenditures	(80,000)	(80,000)	(2,195)	77,805
Fund balances, beginning of year	<u>80,000</u>	<u>115,632</u>	<u>115,632</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 35,632</u>	<u>\$ 113,437</u>	<u>\$ 77,805</u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SOUTHWEST SECTOR MOBILITY FEE TRUST FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	\$ -	\$ -	93,105	\$ 93,105
Interest	-	-	38	38
Total revenue	<u>-</u>	<u>-</u>	<u>93,143</u>	<u>93,143</u>
Expenditures:				
Current:				
Expenditures	-	-	-	-
Excess of revenue over (under) expenditures	-	-	93,143	93,143
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,143</u></u>	<u><u>\$ 93,143</u></u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC BUILDINGS BENEFIT IMPACT FEE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	\$ 20,000	\$ 20,000	\$ 33,645	\$ 13,645
Miscellaneous	-	-	731	731
Total revenue	<u>20,000</u>	<u>20,000</u>	<u>34,376</u>	<u>14,376</u>
Expenditures:				
Capital Outlay:				
General Government:				
Nondepartmental	<u>135,000</u>	<u>135,000</u>	<u>127,002</u>	<u>7,998</u>
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>127,002</u>	<u>7,998</u>
Excess of revenue over (under) expenditures	(115,000)	(115,000)	(92,626)	22,374
Fund balances, beginning of year	<u>115,000</u>	<u>145,103</u>	<u>145,103</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 30,103</u>	<u>\$ 52,477</u>	<u>\$ 22,374</u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FT. FLORIDA ROAD ASSESSMENT BOND DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Permits, fees and special assessments	\$ 74,600	\$ 74,600	\$ 74,907	\$ 307
Total revenue	<u>74,600</u>	<u>74,600</u>	<u>74,907</u>	<u>307</u>
Expenditures:				
Debt Service:				
Principal retirement	81,000	81,000	81,000	-
Interest and fiscal charges	<u>3,884</u>	<u>3,884</u>	<u>3,883</u>	<u>1</u>
Total expenditures	<u>84,884</u>	<u>84,884</u>	<u>84,883</u>	<u>1</u>
Excess of revenue over (under) expenditures	(10,284)	(10,284)	(9,976)	308
Fund balances, beginning of year	<u>53,000</u>	<u>57,007</u>	<u>57,008</u>	<u>1</u>
Fund balances, end of year	<u>\$ 42,716</u>	<u>\$ 46,723</u>	<u>\$ 47,032</u>	<u>\$ 309</u>

See Independent Auditors' Report.

CITY OF DEBARY, FLORIDA
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE STATION REVENUE BOND DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Revenue	\$ -	\$ -	\$ -	\$ -
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal retirement	284,000	284,000	284,000	-
Interest and fiscal charges	<u>16,761</u>	<u>16,761</u>	<u>16,761</u>	<u>-</u>
Total expenditures	<u>300,761</u>	<u>300,761</u>	<u>300,761</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>(300,761)</u>	<u>(300,761)</u>	<u>(300,761)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	<u>260,162</u>	<u>260,162</u>	<u>260,162</u>	<u>-</u>
Total other financing sources (uses)	<u>260,162</u>	<u>260,162</u>	<u>260,162</u>	<u>-</u>
Net changes in fund balances	(40,599)	(40,599)	(40,599)	-
Fund balances, beginning of year	<u>286,244</u>	<u>286,244</u>	<u>286,244</u>	<u>-</u>
Fund balances, end, of year	<u>\$ 245,645</u>	<u>\$ 245,645</u>	<u>\$ 245,645</u>	<u>\$ -</u>

See Independent Auditors' Report.

SUPPLEMENTAL AUDIT REPORTS

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

The Honorable Mayor, and
Members of the City Council
City of DeBary, Florida

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of City of DeBary, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of DeBary, Florida's basic financial statements, and have issued our report thereon dated March 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of DeBary, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of DeBary, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of City of DeBary, 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 the City of DeBary, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BMC CPAs

March 6, 2021

MANAGEMENT LETTER

The Honorable Mayor, and
Members of the City Council
City of DeBary, Florida

Report on the Financial Statements

We have audited the financial statements of the City of DeBary, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 6, 2021.

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 Reports and Schedule

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*; and Independent Accountant’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 March 6, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2020, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2020. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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.

BMC CPAs

March 6, 2021



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor, and
Members of the City Council
City of DeBary, Florida

We have examined City of DeBary, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2019 to September 30, 2020. Management of the City of DeBary, Florida is responsible for the City of DeBary, Florida's compliance with the specific requirements. Our responsibility is to express an opinion on City of DeBary, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of DeBary, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of DeBary, Florida complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion

Our examination does not provide a legal determination on the City of DeBary, Florida's compliance with specified requirements.

In our opinion, City of DeBary, Florida, complied, in all material respects, with the aforementioned requirements during the period October 1, 2019 to September 30, 2020.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'BMC CPAs' in a cursive, stylized font.

March 6, 2021

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