



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2023



CITY OF ORANGE CITY, FLORIDA  
[www.orangecityfl.gov](http://www.orangecityfl.gov)



# **City of Orange City, Florida**

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023



**PREPARED BY**

**CITY OF ORANGE CITY FINANCE DEPARTMENT**

CITY OF ORANGE CITY, FLORIDA  
Annual Comprehensive Financial Report  
For the Year Ended September 30, 2023

**MAYOR**

Gary Blair

**COUNCIL**

William O'Connor, Vice Mayor  
Casandra Jones  
Lisa Stafford  
Alex Tiamson  
Kelli Marks  
Fran Darms

**CITY MANAGER**

Dale Arrington

**ASSITANT CITY MANAGER**

Christine C. Davis

**CITY CLERK**

Kaley Burleson

**FINANCE DIRECTOR**

Devlin Moore

**CITY ATTORNEY**

Garganese, Weiss, D'Agresta, & Salzman, P.A.  
Attorneys at Law

**INDEPENDENT AUDITORS**

McDirmitt Davis, LLC  
Certified Public Accountants and Advisors  
Orlando, Florida

CITY OF ORANGE CITY, FLORIDA  
Annual Comprehensive Financial Report  
For the Year Ended September 30, 2023

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# Introductory Section







March 20, 2024

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Orange City, Florida:

It is with great pleasure that we present to you the City of Orange City, Florida ("the City") Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This report fulfills the requirements set forth in the Florida Statutes, Chapter 166.241 and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Government Accounting Standards Board (GASB), State of Florida (SOF), and the Government Finance Officers Association (GFOA).

Management assumes full responsibility for the completeness and reliability of all information presented in this report based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material mistakes. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

McDermitt Davis, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2023, are free of material misstatements. The independent audit involved examining on test basis evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their examination, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with generally accepted accounting principles (GAAP).

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

We believe the City's internal controls function adequately to safeguard assets, provide reasonable assurance of proper recording of financial transactions, and provide for proper authorization of all transactions and activities.



## CITY PROFILE

The City of Orange City, Florida, is located in Southwest Volusia County between the cities of DeBary, DeLand and Deltona, creating a "Metropolitan Area" of over 200,000 residents. The City of Orange City was chartered as a municipality under law of the State of Florida on May 30, 1889, although the City was formed on August 26, 1882. The City currently (2023) has a land area of 7.86 square miles and an estimated population of 14,313 which represents an increase from 13,898 in 2022 (information obtained by Bureau of Economic Business and Research). The City of Orange City has operated under the council-manager form of government since 1988. Policymaking and legislative authority are vested in an elected City Council, which consists of a mayor (at-large), one council member at-large, and five council members representing districts.

The City provides a full range of services. Governmental activities include police, fire and rescue, street maintenance, planning and zoning, building inspections, community and economic development, parks and recreation, cultural events, and general administrative services. In addition, business-type activities include two Enterprise Funds. The Utilities Enterprise Fund provides water, wastewater and reclaimed water and the Stormwater Enterprise Fund provides drainage infrastructure. Both Enterprise Funds are funded through user fees established by the City Council to ensure adequate coverage of operating expenses and payments on any applicable outstanding debt. The City provides utilities services outside the city limits in certain unincorporated parts of Volusia County. The City contracts with a private contractor through a franchise agreement for solid waste collection.

As noted on page 25 of the Notes, the City maintains a Community Redevelopment Agency (CRA). A CRA is a dependent special district in which any future increases in property values (tax increment) are set aside to support economic development projects within the district. The CRA is charged with undertaking redevelopment and revitalization of areas identified within the adopted Community Development Plan, broadly known as, Volusia Avenue and surrounding areas. The CRA is a decision-making body which works with city staff to carry out the Community Redevelopment plan and manages the tax increment funds.

The annual budget serves as the foundation for the City's financial planning and control. The City Manager formally presents the proposed budget by August 1 each year. During August there is typically at least one workshop with Council to review and discuss the proposed annual operating budget and capital improvement budget. From there, Council and the public review/change the proposed budget with formal adoption occurring in late September.

The process of amending and modifying the budget is specified in the City's Charter. The City Manager has authority to transfer among line items within a department. City Council approval is required for all budget amendments, which include transfers among departments, transfers involving contingency, reserve allocations, or increases in the total budget. Amendment recommendations by the City Manager throughout the fiscal year are usually prompted by significant changes in circumstances. These are documented and explained, as they occur, to the City Council in a resolution agenda item at a regularly scheduled City Council meeting.

**Local economy:** The financial statements are a realistic barometer of the City and its continued quality growth pattern over the past years. The City's 2023 taxable property valuations increased by 12.39% (\$126,988,158). New construction and annexations for 2023 totaled \$31,251,063 compared to \$25,204,276 in 2022. The increase in taxable value resulted from economic growth and new taxable values. The City anticipates a continued increase in taxable values for the 2024 tax year. The City's tax base contains non-residential and residential properties, with non-residential being classification such as; retail, healthcare, and apartments. Non-residential represents 67% of the taxable value and residential is 33%.



## FINANCIAL INFORMATION

**Long-Term Financial Planning:** Each year, the City conducts a thorough ratio analysis of financial trends on numerous strategic performance metrics over the preceding five-year period to identify financial threats and/or issues that may affect the year's pre-budget planning, assisting in the determination of major budgeting parameters such as tax policy, capital objectives, operational spending targets, cash management, and reserve requirements. Long-term financial planning is also incorporated into budgeting via use of the City's four part fiscal strategy, which includes: (1) controlling recurring expenses and long-term liabilities-insuring that such cost growth does not outpace the growth of recurring revenue; (2) providing for the future availability of current assets; (3) avoiding any structural fiscal imbalance; and, (4) running government like a business, e.g., recognizing citizens and business owners as shareholders and taking actions appropriate to the protection of that part of their owner's equity that is based on the safety, attractiveness, and overall desirability of the living and business environments.

**Relevant Financial Policies:** The City's investment policy is to minimize market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by Federal Depository Insurance or collateralized in Qualified Public Depositories in accordance with state statutes. Available surplus funds are invested in the Local Government Investment Pool (LGIP) administered by the Florida State Board of Administration (SBA) and the Florida Safe Investment Pool.

Along with the annual budget each fiscal year, the City adopts a comprehensive strategic plan with an annual performance report. The strategic plan identifies major challenges, states goals, and sets a policy agenda and a management agenda. Each year the performance report is prepared to aid in evaluating the prior years' performance and to assist with updating the strategic plan. All parties in the budget process are accountable for providing realistic and attainable projections in order to minimize deviations from the plan as each budget year proceeds.

It has been a long-standing goal of the City Council and management's position that the general fund balance should always remain above 25% of projected expenditures. In the event the City is faced with a natural disaster, these funds would be readily available to pay the various contractors needed to assist the City with meeting the needs of opening roads and debris clean-up without having to wait for federal funding (FEMA).

## AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orange City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2022; this is the twenty-second consecutive year that the City has received this prestigious award. In order to receive this Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget of Fiscal Year 2022/23. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. We believe that our budget document for Fiscal Year 2023/24 meets the Distinguished Budget Presentation Award Program's requirements and we submitted our budget document to the GFOA to determine its eligibility for the award. The City has successfully received the Distinguished Budget Award for sixteen consecutive years.



The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Our sincere appreciation is extended to each member of the department for the contributions made in the preparation of this report.

Other City Departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to McDirmit Davis, LLC, City's auditors, for their contribution to the excellence and quality of this report.

In closing, we would also like to thank the Mayor and City Council for their continued support and steadfast commitment to maintaining the financial integrity of the City. With their leadership, the City has a secure financial future without compromising quality of life.

Yours in public service,

*Ms. Dale Arrington*

Dale Arrington  
City Manager

*Mr. Devlin Moore*

Devlin Moore  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Orange City  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

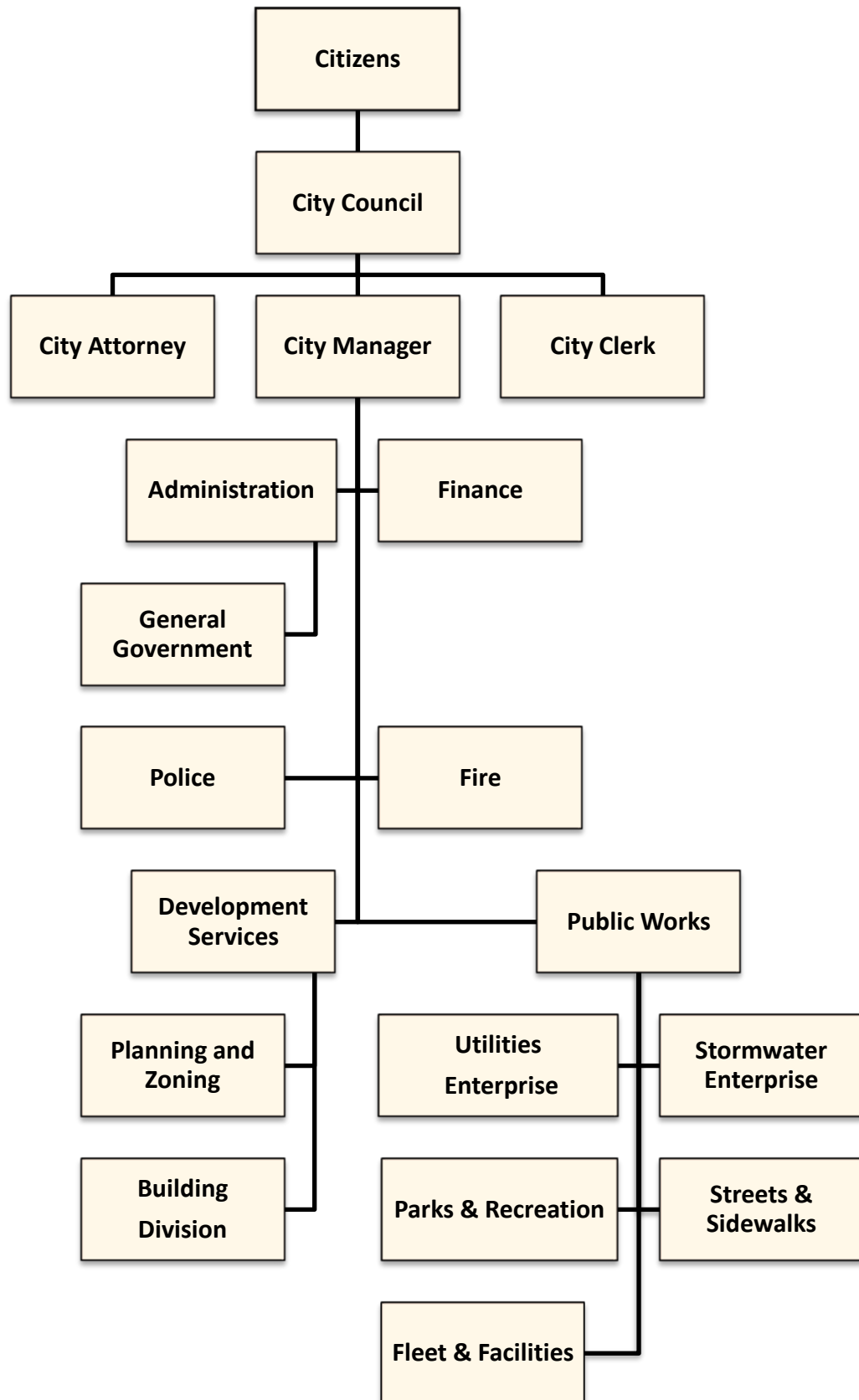
September 30, 2022

*Christopher P. Morrell*

Executive Director/CEO

# CITY OF ORANGE CITY, FLORIDA

## ORGANIZATIONAL CHART



**CITY OF ORANGE CITY, FLORIDA  
Annual Comprehensive Financial Report  
For the Year Ended September 30, 2023**

**Council-Manager Form of Government**



**(L to R back row, Lisa Stafford, Alex Tiamson, Fran Darms, Casandra Jones,  
Mayor Gary Blair, William O'Connor, Kelli Marks)**

**City Council**

|                  |                |
|------------------|----------------|
| Gary A. Blair    | Mayor          |
| William O'Connor | Vice Mayor     |
| Casandra Jones   | Council Member |
| Lisa Stafford    | Council Member |
| Alex Tiamson     | Council Member |
| Kelli Marks      | Council Member |
| Fran Darms       | Council Member |

**Administrative Staff**

**City Manager**

Dale Arrington

**Assistant City Manager**

Christine C. Davis

**City Attorney**

William Reischmann

**Finance Director**

Devlin Moore

**City Clerk**

Kaley Burleson



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# Financial Section





## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
*City of Orange City, Florida*

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange City, Florida (the "City") as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Orange City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

City of Orange City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, pension and other postemployment benefits disclosures as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise *City of Orange City's* basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule"), as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund statements and schedules, and the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 19, 2024 on our consideration of City of Orange City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Orange City's internal control over financial reporting and compliance.

*McDiarmid Davis*

Orlando, Florida  
March 19, 2024

## CITY OF ORANGE CITY, FLORIDA

### **Management's Discussion and Analysis**

September 30, 2023

Management of the City of Orange City, Florida (the "City"), offers the readers of these basic financial statements a narrative overview and analysis of the financial activities for the fiscal year ended on September 30, 2023. This discussion and analysis is designed to a) assist the reader in focusing on significant financial issues, b) provide an overview of the City's financial activity, c) identify changes in the City's financial position, d) identify any material deviations from the financial plan (the approved budget), and e) identify individual fund issues and concerns.

As with other sections of this financial report, the information contained within the Management's Discussion and Analysis (MD&A) should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the letter of transmittal, which can be found on page i, the required supplementary information (RSI), which can be found beginning with page 53, and the City's financial statements beginning on page 15.

#### **Financial highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2023, by \$68,373,144 (net position). Of this amount, \$22,987,177 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$5,679,775. Governmental total net position increased by \$2,859,118 while business-type activities increased by \$2,820,657.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$28,983,241, an increase of \$4,474,549 in comparison with the prior year. Approximately 43% of this amount or \$12,496,609 is available for spending at the City's discretion (unassigned fund balance).
- During the last fiscal year, the City experienced a net increase in its total outstanding debt by \$5,708,675. This rise is primarily due to the accruals from State Revolving Fund (SRF) loans amounting to \$5,612,355, the addition of a lease liability for the City Hall Annex at \$301,063, and the adoption of GASB Statement No. 96 on subscription-based information technology arrangements (SBITA), adding \$418,529. These increases were partially offset by repayments, including \$80,335 on Notes Payable, \$398,880 on existing SRF loans, \$39,117 on the City Hall Annex lease, and \$104,940 on SBITA liabilities.

#### **Overview of the financial statements**

This discussion and analysis is intended to serve as an introduction to the City of Orange City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information intended to furnish additional detail to support the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows with the difference reported as net position. The focus of the Statement of Net Position (the "unrestricted net position") is designed to be similar to the "bottom line" results for the City and its governmental and business-type activities. One of the most important questions asked about the City's finances is, "is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and the change in position. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial position is improving or deteriorating.

However, other nonfinancial factors will need to be considered to assess the overall health of the City such as changes in the City property tax base and the condition of the City roads.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, public works, parks and general government. Property taxes, franchise fees and state-shared revenues finance most of these activities.

## CITY OF ORANGE CITY, FLORIDA

### Management's Discussion and Analysis

September 30, 2023

- Business-type activities – Fees are charged to customers to cover the cost of providing water, wastewater utility, and stormwater services.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, in the governmental and business-type funds, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities include general government, public safety, transportation, and culture and recreation. The business-type activities include water, wastewater and, stormwater fees.

The government-wide financial statements include the City of Orange City itself (known as the primary government) and one blended component unit (Community Redevelopment Agency Fund). The government-wide financial statements can be found on pages 16-17 of this report.

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

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

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

The City maintains nine 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, Impact Fee Fund (a special revenue fund) and CRA (a special revenue fund), all of which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget. The General Fund, Impact Fee Fund, and the CRA Fund are presented as required supplemental information. The governmental funds financial statements can be found on pages 18-20 of this report.

**Enterprise funds.** The City maintains two *enterprise funds*. Enterprise funds are used to present the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its utilities and stormwater funds. The Enterprise Fund statements provide the same type of information as the government-wide financial statements, only in more detail.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 25-52 of this report.

# CITY OF ORANGE CITY, FLORIDA

## Management's Discussion and Analysis

September 30, 2023

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 63-70 of this report.

**Infrastructure assets.** Typically, a government's largest group of assets (infrastructure – roads, bridges, underground pipes [unless associated with a utility] etc.) have not been reported nor depreciated in governmental fund financial statements. Governmental Accounting Standards Board (GASB) Statement No. 34 requires that these assets be valued and reported within the governmental column of the government-wide statements. The City had the option to either a) depreciate these assets over their useful life or b) develop a system of asset management (the alternative method) designed to maintain the service delivery potential to near perpetuity. The City has elected to implement the depreciation method, and will monitor and consider, over time, a possible conversion to the alternative method.

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

**Net Position** - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceed liabilities and deferred inflows by \$68,373,144 as of September 30, 2023.

The table below provides a summarized comparison of the Statement of Net Position for the current year against the prior year. For a comprehensive analysis, refer to the detailed Statement of Net Position on page 16.

| (in thousands)                       | Statement of Net Position<br>As of September 30 |           |                          |           |           |           |
|--------------------------------------|-------------------------------------------------|-----------|--------------------------|-----------|-----------|-----------|
|                                      | Governmental Activities                         |           | Business-type Activities |           | Total     |           |
|                                      | 2023                                            | 2022      | 2023                     | 2022      | 2023      | 2022      |
| Current and other assets             | \$ 30,318                                       | \$ 25,746 | \$ 15,696                | \$ 15,153 | \$ 46,014 | \$ 40,899 |
| Restricted assets                    | 80                                              | 55        | 726                      | 672       | 806       | 727       |
| Capital assets                       | 13,459                                          | 12,928    | 42,485                   | 32,564    | 55,944    | 45,492    |
| Total assets                         | 43,857                                          | 38,729    | 58,907                   | 48,389    | 102,764   | 87,118    |
| Total deferred outflows of resources | 3,683                                           | 3,378     | 522                      | 429       | 4,205     | 3,807     |
| Current liabilities                  | 1,722                                           | 1,515     | 3,718                    | 2,003     | 5,440     | 3,518     |
| Long-term liabilities outstanding    | 17,592                                          | 15,026    | 14,725                   | 8,636     | 32,317    | 23,662    |
| Total liabilities                    | 19,314                                          | 16,541    | 18,443                   | 10,639    | 37,757    | 27,180    |
| Total deferred inflows of resources  | 729                                             | 928       | 110                      | 123       | 839       | 1,051     |
| Net position:                        |                                                 |           |                          |           |           |           |
| Net investment in capital assets     | 11,546                                          | 11,121    | 29,688                   | 25,369    | 41,234    | 36,490    |
| Restricted net position              |                                                 |           |                          |           |           |           |
| Other purposes                       | 3,832                                           | 2,492     | 320                      | 282       | 4,152     | 2,774     |
| Unrestricted                         | 12,119                                          | 11,025    | 10,868                   | 12,405    | 22,987    | 23,430    |
| Total net position                   | \$ 27,497                                       | \$ 24,638 | \$ 40,876                | \$ 38,056 | \$ 68,373 | \$ 62,694 |

The largest portion of the City's net position, \$41,233,877 (60%), represents its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles, and equipment) minus any outstanding debt incurred to acquire those assets. The City utilizes these capital assets to deliver services to its citizens; thus, these assets are not available for future spending. It is important to note that although the City's investment in capital assets is reported net of related debt, the resources required to repay this debt must come from other sources, as the capital assets themselves cannot be utilized to settle these liabilities. Additionally, a portion of the City's net position, \$4,152,090 (6%), is earmarked by external restrictions on its usage. The remaining balance of unrestricted net position, \$22,987,177 (34%), may be used to fulfill the government's ongoing obligations to its citizens and creditors.

The table on the next page presents a summarized comparison of the Statement of Activities against the previous year's figures. For a detailed account, please refer to the Statement of Activities on page 17.

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. At September 30, 2023, the City's combined net position totaled \$68,373,144, which is an increase of \$5,679,775 over last year's reported total of \$62,693,369.

CITY OF ORANGE CITY, FLORIDA

**Management's Discussion and Analysis**

September 30, 2023

| (in thousands)                            | Changes in Net Position<br>As of September 30 |           |                          |           |           |           |
|-------------------------------------------|-----------------------------------------------|-----------|--------------------------|-----------|-----------|-----------|
|                                           | Governmental Activities                       |           | Business-type Activities |           | Total     |           |
|                                           | 2023                                          | 2022      | 2023                     | 2022      | 2023      | 2022      |
| Revenues:                                 |                                               |           |                          |           |           |           |
| Program revenues -                        |                                               |           |                          |           |           |           |
| Charges for services                      | \$ 6,892                                      | \$ 6,491  | \$ 8,649                 | \$ 8,121  | \$ 15,541 | \$ 14,612 |
| Operating grants and contributions        | 739                                           | 6,843     | 291                      | -         | 1,030     | 6,843     |
| Capital grants and contributions          | 66                                            | 49        | 2,115                    | 1,321     | 2,181     | 1,370     |
| General revenues                          | 12,816                                        | 10,734    | 257                      | 51        | 13,073    | 10,785    |
| Total revenues                            | 20,513                                        | 24,117    | 11,312                   | 9,493     | 31,825    | 33,610    |
| Expenses:                                 |                                               |           |                          |           |           |           |
| General government                        | 4,030                                         | 3,489     | -                        | -         | 4,030     | 3,489     |
| Public safety                             | 10,663                                        | 8,852     | -                        | -         | 10,663    | 8,852     |
| Highways and streets                      | 2,174                                         | 1,779     | -                        | -         | 2,174     | 1,779     |
| Parks and recreation                      | 1,042                                         | 969       | -                        | -         | 1,042     | 969       |
| Economic environment                      | 50                                            | 251       | -                        | -         | 50        | 251       |
| Interest on long-term debt                | 13                                            | 9         | -                        | -         | 13        | 9         |
| Water and sewer                           | -                                             | -         | 7,116                    | 6,308     | 7,116     | 6,308     |
| Stormwater                                | -                                             | -         | 1,058                    | 664       | 1,058     | 664       |
| Total expenses                            | 17,972                                        | 15,349    | 8,174                    | 6,972     | 26,146    | 22,321    |
| Increase in net position before transfers | 2,541                                         | 8,768     | 3,138                    | 2,521     | 5,679     | 11,289    |
| Transfers                                 | 318                                           | (121)     | (318)                    | 121       | -         | -         |
| Increase in net position                  | 2,859                                         | 8,647     | 2,820                    | 2,642     | 5,679     | 11,289    |
| Net position - October 1                  | 24,638                                        | 15,991    | 38,056                   | 35,414    | 62,694    | 51,405    |
| Net position - September 30               | \$ 27,497                                     | \$ 24,638 | \$ 40,876                | \$ 38,056 | \$ 68,373 | \$ 62,694 |

The City's overall net position increased \$5,679,775 (9%) from the prior year's balance. The reason for this overall increase is discussed in the following sections for governmental and business-type activities.

Net position of the City's **governmental activities** increased by \$2,859,118 and totaled \$27,496,838 at the end of fiscal year 2023. Of this amount, \$3,831,770 (14%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$12,119,311 (44%) may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$11,545,757 (42%) is invested in capital assets. Property taxes, accounting for 39% of the City's governmental activities revenues, saw an increase of \$846,215, largely attributed to rising taxable values and the addition of newly developed property within the City.

Net position of the City's **business-type activities** increased by \$2,820,657 and totaled \$40,876,306 at the end of fiscal year 2023. Of this amount, \$320,320 (0.8%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of \$10,867,866 (27%) may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$29,688,120 (73%) is invested in capital assets. Charges for service, which comprised 76% of the City's business-types activities revenues, increased by \$527,489 (6.5%). The increase primarily stemmed from the addition of utility users associated with new developments, along with the annual CPI rate adjustment as sanctioned in the approved utility rate study.

The analysis below considers the operations of governmental and business-type activities separately.

**Governmental Activities**

The total expenditure on governmental activities for this year amounted to \$17,971,229, marking a 17% increase from last year's \$15,348,732, which translates to a rise of \$2,622,497. As detailed in the Statement of Activities on page 17, the portion of these costs covered by City taxes was \$10,274,318. This is because a significant share of the expenses was offset either by direct beneficiaries of the programs, who contributed \$6,891,756, or by external funding from other governments and organizations through grants and contributions amounting to \$805,155. Fiscal year 2023 saw a decline in governmental program revenues to \$7,696,911 from the previous year's \$13,382,470, a drop of \$5,685,559 or 42.5%. This reduction was primarily due to the one-time funding from the American Rescue Plan Act of 2021 (ARPA) received in the last fiscal year, with grant revenues falling from \$6,891,926 to \$805,155, highlighting the non-recurring nature of such grants. Despite this, the City is actively seeking new grant

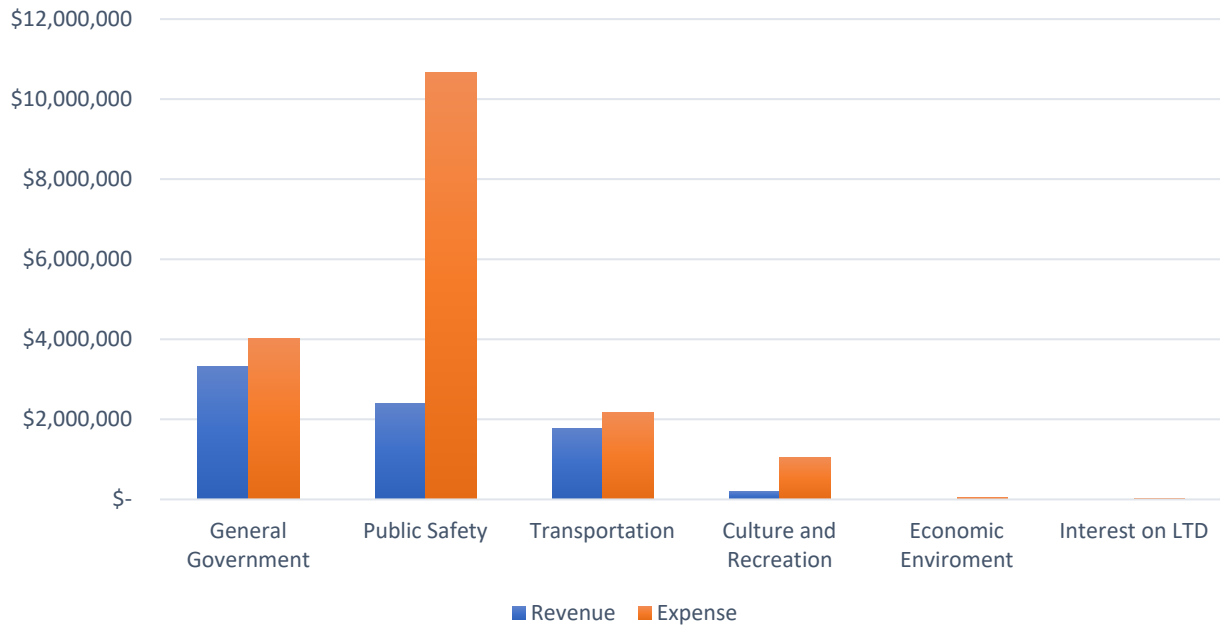
CITY OF ORANGE CITY, FLORIDA

**Management's Discussion and Analysis**

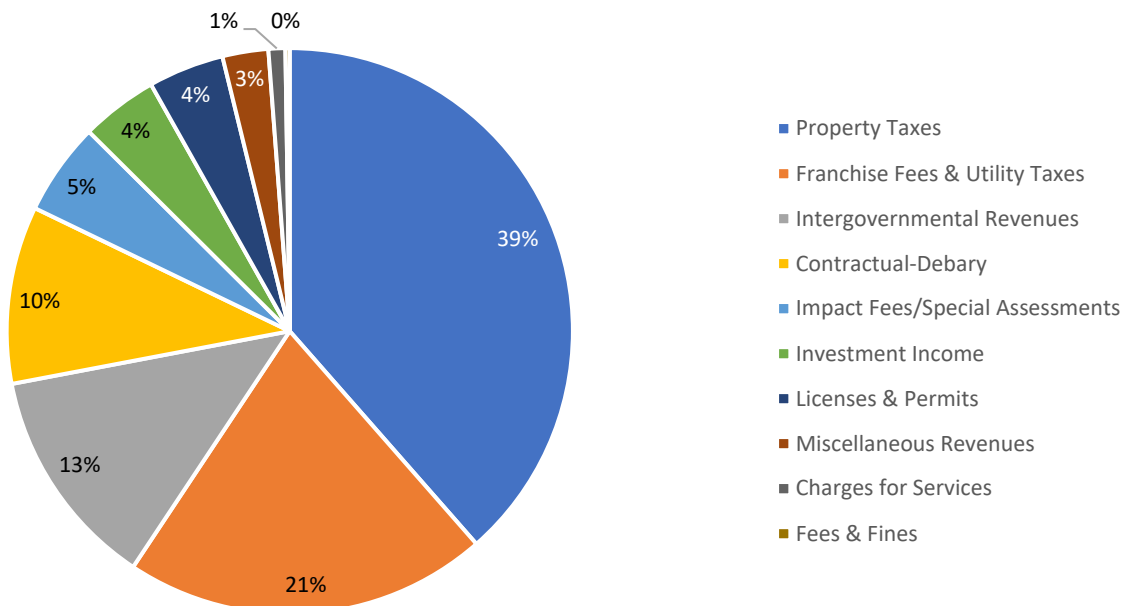
September 30, 2023

opportunities and expects an increase in grant revenue in the coming year, especially with the completion of major capital projects and the subsequent acquisition of reimbursement grant proceeds. The City financed the remaining costs associated with public benefits from governmental activities through \$10,274,318 in tax revenues and other sources, including general entitlements.

**Program Revenues vs. Expenses**



**Governmental Revenues by Source**



## CITY OF ORANGE CITY, FLORIDA

### Management's Discussion and Analysis

September 30, 2023

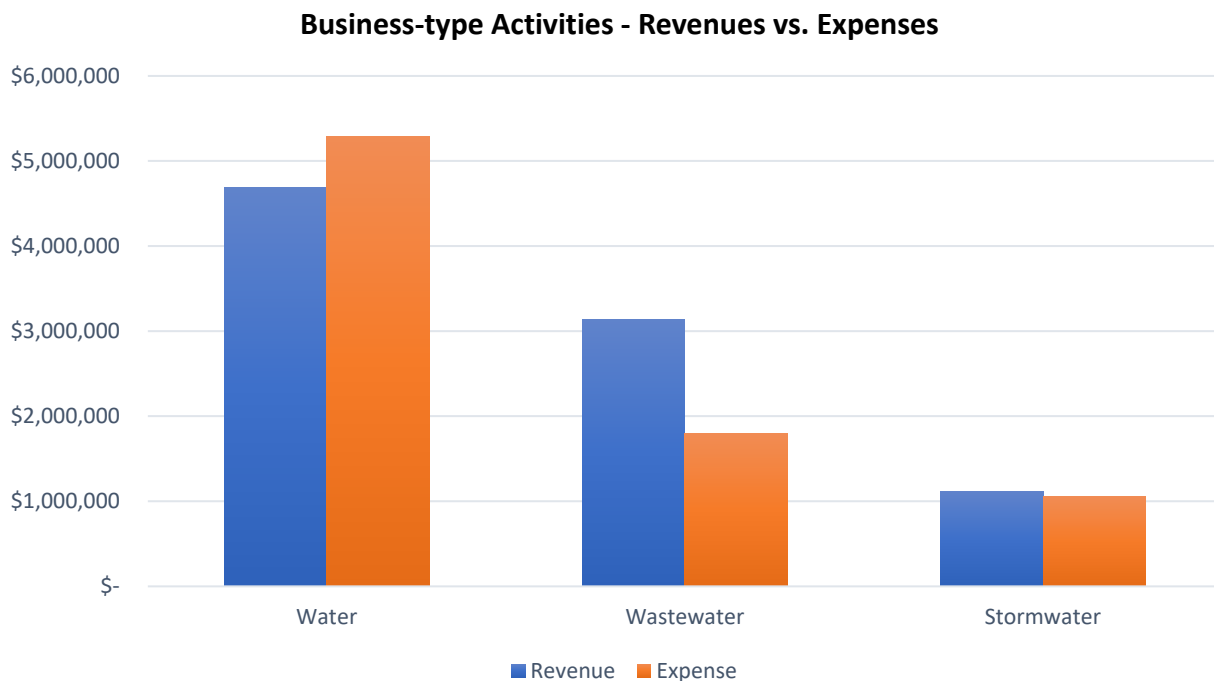
#### Business-type Activities

Analyzing the relationship between the City's business-type activities' expenses and the revenue generated from these services offers insights into the financial sustainability of these programs.

In 2023, the total expenses for business-type activities rose to \$8,174,242, an increase of \$1,201,497 or 17%, from \$6,972,745 in 2022. Similarly, revenue from charges for services in these activities grew to \$8,648,974, up by \$527,489 or 6.5%, from \$8,121,485 in the same period. This growth contributed to a net position increase of \$2,820,657 for the City's business-type activities, surpassing the previous year's increase of \$2,641,003, to reach a total of \$40,876,306 as of September 30, 2023. Key factors in the current year's activity include:

- The annual water, wastewater, and reclaimed water rates increased as provided in the 2019 adopted utility rate study.
- The annual stormwater rate increased as provided in the 2015 adopted rate study.
- Operating and Capital Grants and Contributions revenues increased in 2023 (\$2,406,607) compared 2023 (\$1,321,014).

The following is a summary of the City's Program Revenues and Expenses – Business-type activities:



The primary sources of revenues for the business-type activities are generated through charges for services and capital grants and contributions. These sources are useful in identifying how revenues are generated to operate the program.

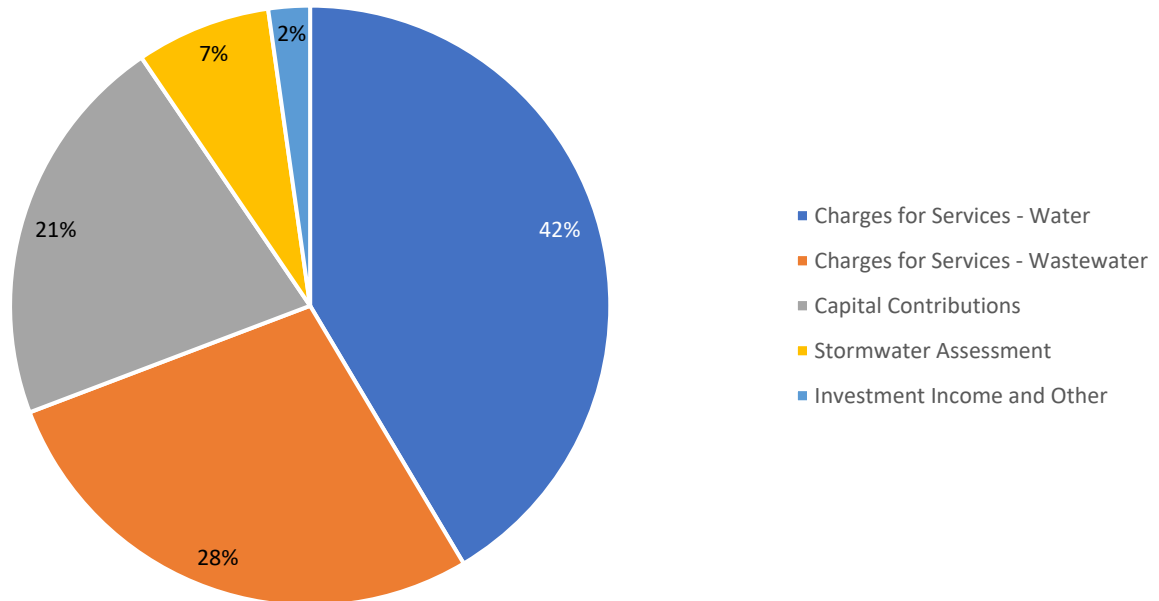
The following is a summary of the City's Revenues by Source – Business-type Activities:

CITY OF ORANGE CITY, FLORIDA

**Management's Discussion and Analysis**

September 30, 2023

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



**Financial analysis of the City's funds.** As noted earlier, the City of Orange 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, the unassigned fund balance may serve as a measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$28,983,241, an increase of \$4,474,549 compared to last year. Approximately 43% of this total amount, \$12,496,609, constitutes the unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance categories total \$16,486,632 and represent balances that are nonspendable, restricted, committed and assigned. Nonspendable funds total \$2,110,524 and are used to account for prepaid items at year-end and an advance due from the CRA. Restricted funds include funds restricted for debt service and other funds totaling \$1,441,418, and must be spent according to the City Charter and various Florida State Statutes. Committed funds are impact fees that total \$2,472,021 and are used for acquisitions of capital assets resulting from growth (not replacement of capital assets). The assigned funds, which \$10,462,669, are the result of appropriated fund balance within the adopted fiscal year 2023/24 budget and in-progress procurements at year-end. Assigned funds largely consist of monies set aside within the Facility Construction Fund for the design and construction of new municipal buildings. For more detailed information, see Note 9 on page 48-49.

The General Fund is the chief operating fund of the City. As of September 30, 2023, the unassigned fund balance of the General Fund was \$12,496,609, while the total general fund balance was \$25,148,471. As a measure of the General Fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents just over 81.7% of total General Fund expenditures of \$15,303,447.

The fund balance of the City's General Fund increased \$3,007,035 during the current fiscal year. The increase was due to continued revenue growth, increased utility and franchise fee revenues associated with new development, and various department budgets being under spent primarily as it relates to planned capital projects.

## CITY OF ORANGE CITY, FLORIDA

### Management's Discussion and Analysis

September 30, 2023

The City's major special revenue fund for the Orange City Community Redevelopment Agency (CRA) issued separate financial statement beginning in 2020, as the result of a required change in the Florida Statute. As a result of this change, the City determined that both the SRF loan proceeds recorded in the previous year and the current year should be allocated to the general fund. The general fund then advanced funds to the CRA for construction of infrastructure within the CRA boundaries. The effect of this change increased the general fund balance and decreased the CRA fund balance resulting in a negative CRA fund balance at 2020 year-end of \$(919,238). At year-end 2023, the CRA achieved a positive fund balance for the first time since 2020 of \$621,711.

The City's major special revenue fund for the Impact Fee Fund increased \$73,434 during the current fiscal year. This increase was generated by new residential and commercial development.

**Enterprise funds.** The City's Enterprise Funds provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utilities and Stormwater funds at September 30, 2023, amounted to \$10,867,866, a decrease of \$1,537,100 or 12% from the prior year of \$12,404,966.

#### **General Fund Budgetary Highlights**

The following is a brief summary of the budget changes from the original to the final adopted budget (refer to budget comparison on page 56). The general fund budget expenditures increased from \$15,417,079 to \$20,754,567 from the original budget (an increase of \$5,337,488 or 35%). The increase is primarily attributed to:

- \$321,985 increase in Emergency and Disaster Relief for the response to Hurricanes Ian and Nicole.
- \$300,000 increase in Public Works for design of a new Public Works facility (carryforward).
- \$950,000 increase in the Fire Department for design of a new Fire Station #68 (carryforward).
- \$1,300,000 increase in General Government for design of a new Public Safety facility (carryforward).
- \$500,000 increase in General Government for exterior improvements to City Hall.

Actual revenues collected were \$1,529,815 more than the final budget, and actual expenditures were \$5,710,623 less than the final budget.

These differences are primarily attributed to:

**Revenues.** Actual year-end revenues were over the budgeted amount by a net \$1,529,815 or 9.4%. Major revenue items that generated favorable/positive budget variances were:

- Franchise Fees \$286,933
- Utility Service Taxes \$343,583
- Intergovernmental \$734,143

**Expenditures.** Actual year-end expenditures were less than the budgeted amount by \$5,710,623 or 27.5%. Major expense categories that came in under budget were:

- General Government \$1,849,332
- Fire Department \$1,126,998
- Transportation \$1,749,740

The favorable budget variances primarily stem from funds that were not expended on various multi-year capital projects. For instance, projects such as the exterior renovations of City Hall had unspent funds totaling \$495,500, while \$2,521,399 in funds remained unspent for the design of a new Public Safety facility, Fire Station #68, and Public Works facility. Other ongoing projects also reported unused balances, including \$218,750 earmarked for a borrow pit purchase, \$169,535 for gateway and wayfinding signage, and \$211,822 allocated to the West French Shared Use Path project. Other savings were realized due to position vacancies and normal personnel attrition throughout the City (notability within police, fire, and public works). Moreover, the City's departments have maintained fiscal discipline, leading to savings in operational budgets.

# CITY OF ORANGE CITY, FLORIDA

## Management's Discussion and Analysis

September 30, 2023

### Capital Assets and Debt Administration

**Capital assets.** At September 30, 2023 the City had \$55,944,360 (net of accumulated depreciation) invested in a broad range of capital assets including land, equipment, buildings, park facilities and infrastructure. This amount represents a net increase (including additions and deductions) of \$10,452,167 or 23% compared to last year. The following table illustrates the composition in capital assets:

| (in thousands)                  | Capital Assets<br>(net of accumulated depreciation)<br>As of September 30 |           |                          |           |           |           |
|---------------------------------|---------------------------------------------------------------------------|-----------|--------------------------|-----------|-----------|-----------|
|                                 | Governmental Activities                                                   |           | Business-type Activities |           | Total     |           |
|                                 | 2023                                                                      | 2022      | 2023                     | 2022      | 2023      | 2022      |
|                                 |                                                                           |           |                          |           |           |           |
| Non-depreciable capital assets: |                                                                           |           |                          |           |           |           |
| Land and improvements           | \$ 959                                                                    | \$ 959    | \$ 976                   | \$ 976    | \$ 1,934  | \$ 1,934  |
| Wastewater capacity             | -                                                                         | -         | 893                      | 893       | 893       | 893       |
| Construction in progress        | 2,689                                                                     | 2,680     | 13,640                   | 3,041     | 16,329    | 5,721     |
| Depreciable capital assets:     |                                                                           |           |                          |           |           |           |
| Buildings and improvements      | 1,322                                                                     | 1,187     | 197                      | 215       | 1,519     | 1,402     |
| Machinery and equipment         | 1,813                                                                     | 1,769     | 517                      | 269       | 2,330     | 2,038     |
| Water and wastewater system     | -                                                                         | -         | 19,470                   | 20,517    | 19,470    | 20,517    |
| Stormwater infrastructure       | -                                                                         | -         | 6,352                    | 6,558     | 6,352     | 6,558     |
| Infrastructure                  | 6,178                                                                     | 6,239     | -                        | -         | 6,178     | 6,239     |
| Intangible                      | 499                                                                       | 94        | 440                      | 96        | 939       | 190       |
| Total                           | \$ 13,460                                                                 | \$ 12,928 | \$ 42,485                | \$ 32,564 | \$ 55,944 | \$ 45,492 |

Major capital projects completed during the fiscal year include the following:

- Citywide buildings and infrastructure – including road and stormwater improvements (\$712,574)
- Intangible assets – software (\$130,293)
- Water distribution and supply system improvements (\$127,261)
- Wastewater collection improvements (\$26,363)
- Citywide vehicles and equipment (\$905,642)

As of September 30, 2023, the total Construction in Progress (CIP) reached \$16,328,785, with \$13,639,588 of this amount dedicated to business-type activities, primarily driven by extensive capital projects such as infrastructure and pipe rehabilitation. The remaining \$2,689,197 of the CIP is attributed to governmental activities, focusing on various building and infrastructure projects that are currently underway. For more detailed insights into the City's capital assets, please refer to Note 5 on pages 36-37 in the financial statement notes section of this report.

Major capital projects for the upcoming fiscal year include the following:

For fiscal year 2024, the City's governmental-type activities within the capital budget continue to progress, echoing the City Council's sustained effort to closely match available resources with the capital replacement needs, allocating a total of \$1,008,537. Key capital improvements for this fiscal year encompass a variety of projects, including \$332,670 for equipment purchases, \$114,942 towards fleet equipment, \$294,500 for enhancements to park facilities, and \$206,425 for upgrades to streets and sidewalks.

On the business-type front, the fiscal year 2024 capital budget has set aside \$2,019,550 for significant advancements, focusing on the improvement and expansion of water infrastructure with an investment of \$1,242,550, the renewal and replacement of current water and wastewater systems with \$461,000, and enhancements to stormwater management facilities amounting to \$125,000.

# CITY OF ORANGE CITY, FLORIDA

## Management's Discussion and Analysis

September 30, 2023

**Long-term debt.** At September 30, 2023, the City had debt as noted below.

| (in thousands)       | Long-Term Debt<br>As of September 30 |          |                          |          |           |          |
|----------------------|--------------------------------------|----------|--------------------------|----------|-----------|----------|
|                      | Governmental Activities              |          | Business-type Activities |          | Total     |          |
|                      | 2023                                 | 2022     | 2023                     | 2022     | 2023      | 2022     |
| State Revolving Fund | \$ 1,352                             | \$ 1,431 | \$ 12,488                | \$ 7,195 | \$ 13,840 | \$ 8,626 |
| Notes Payable        | 295                                  | 375      | -                        | -        | 295       | 375      |
| Lease Liability      | -                                    | -        | 262                      | -        | 262       | -        |
| SBITA Liability      | 267                                  | -        | 47                       | -        | 314       | -        |
| Total                | \$ 1,914                             | \$ 1,806 | \$ 12,797                | \$ 7,195 | \$ 14,711 | \$ 9,001 |

The City's governmental activities debt had a net decrease of \$159,985 due to principal payments on notes payable for the fire truck and the SRF loan.

The City's business-type activities had a net debt increase of \$5,293,125. The City paid \$319,230 towards outstanding SRF loans and incurred \$5,612,355 in new SRF debt.

At September 30, 2023, the City had SRF Loans DW642000, DW642030, and DW642041 payable in the amount of \$13,839,897. Additional information on the City's long-term liabilities can be found in Note 6 (page 38-41) of the notes to the financial statements.

The City is authorized to issue debt pursuant to Article III, Section 2, of the Constitution of the State of Florida, and Chapter 166, part II, Florida Statute. The City Charter does not set debt limitations, but requires authorization of debt issuance by Ordinance.

Pursuant to GASB Statements No. 87 and 96, long-term debt also takes into account leases and subscription-based information technology arrangements (SBITA). At September 30, business-type leases had a principal balance of \$261,946 and citywide SBITAs had a principal balance of \$313,589.

### **Economic Factors and Next Year's Budgets and Rates**

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, fuel and corporate income tax. Local governments (cities, counties and school boards) rely on property taxes and a limited array of other taxes (sales, fuel, business, utilities, etc.) and fees (franchise, permit, etc.) for governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from local, state and federal governments. Of paramount concern is the continuation of unfunded mandates and State Legislature actions as they continue to erode the "Home-Rule Authority" resulting in loss of valuable revenues that the City uses for maintenance and development.

In January 2022, Council held a Strategic Planning/Goal Setting Update Workshop to review and update the City's Strategic Plan. This plan is utilized to help guide the city in prioritizing funding for the annual budget. The City expenditures have been strategically linked to the priorities contained within the plan. The next review of the Strategic Plan is slated to occur in Fiscal Year 2023/24.

The FY 2024 budget was crafted through a meticulous process, balancing economic uncertainties with the organization's necessities, including personnel compensation, capital improvement objectives, and service maintenance. Challenges such as unprecedented inflation, supply chain disruptions, labor shortages, and the potential risk of another recession continue to impact the City and its community. The City Council and staff are actively monitoring and assessing the economic factors that affect both revenues and expenditures. Ongoing measures are being implemented to ensure the City's readiness to make necessary budget adjustments and to strategically prepare for the 2025 budget planning.

### **Requests for Information**

The financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the office of the Finance Director, City of Orange City, 205 East Graves Avenue, Orange City, Florida, 32763.



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CITY OF ORANGE CITY, FLORIDA

BASIC FINANCIAL STATEMENTS

For the Year Ended September 30, 2023

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of financial statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2023

|                                                                      | Governmental<br>Activities | Business-type<br>Activities | Total         |
|----------------------------------------------------------------------|----------------------------|-----------------------------|---------------|
| <b>ASSETS:</b>                                                       |                            |                             |               |
| Cash and cash equivalents                                            | \$ 28,445,016              | \$ 13,692,298               | \$ 42,137,314 |
| Receivables, net                                                     | 1,171,176                  | 712,598                     | 1,883,774     |
| Due from other governments                                           | 578,166                    | 1,238,835                   | 1,817,001     |
| Prepaid items                                                        | 123,676                    | 51,830                      | 175,506       |
| Restricted Assets:                                                   |                            |                             |               |
| Cash and cash equivalents                                            | 79,656                     | 725,666                     | 805,322       |
| Capital Assets:                                                      |                            |                             |               |
| Capital assets not being depreciated                                 | 3,647,733                  | 15,507,776                  | 19,155,509    |
| Capital assets being depreciated, net of<br>accumulated depreciation | 9,811,819                  | 26,977,032                  | 36,788,851    |
| Total capital assets                                                 | 13,459,552                 | 42,484,808                  | 55,944,360    |
| Total assets                                                         | 43,857,242                 | 58,906,035                  | 102,763,277   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                               |                            |                             |               |
| Deferred outflows of pension earning                                 | 3,622,069                  | 505,671                     | 4,127,740     |
| Deferred outflows related to OPEB                                    | 60,895                     | 16,816                      | 77,711        |
| Total Deferred inflows of resources                                  | 3,682,964                  | 522,487                     | 4,205,451     |
| <b>LIABILITIES:</b>                                                  |                            |                             |               |
| Accounts payable and accrued expenses                                | 846,845                    | 2,522,759                   | 3,369,604     |
| Retainage payable                                                    | -                          | 387,504                     | 387,504       |
| Accrued interest                                                     | -                          | 3,582                       | 3,582         |
| Customer deposits payable                                            | 421,490                    | 405,346                     | 826,836       |
| Unearned revenue                                                     | 146,114                    | -                           | 146,114       |
| Noncurrent Liabilities:                                              |                            |                             |               |
| Due within one year                                                  | 307,786                    | 398,724                     | 706,510       |
| Due in more than one year                                            | 17,591,847                 | 14,724,592                  | 32,316,439    |
| Total liabilities                                                    | 19,314,082                 | 18,442,507                  | 37,756,589    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                |                            |                             |               |
| Deferred inflows of pension earning                                  | 671,465                    | 93,741                      | 765,206       |
| Deferred inflows related to OPEB                                     | 57,821                     | 15,968                      | 73,789        |
| Total Deferred inflows of resources                                  | 729,286                    | 109,709                     | 838,995       |
| <b>NET POSITION:</b>                                                 |                            |                             |               |
| Net investment in capital assets                                     | 11,545,757                 | 29,688,120                  | 41,233,877    |
| Restricted for impact fee fund                                       | 2,472,021                  | -                           | 2,472,021     |
| Restricted for community redevelopment                               | 621,711                    | -                           | 621,711       |
| Restricted for streetlighting district                               | 320,793                    | -                           | 320,793       |
| Restricted for improvements                                          | 268,659                    | -                           | 268,659       |
| Restricted for public safety                                         | 68,930                     | -                           | 68,930        |
| Restricted for debt service                                          | 79,656                     | 320,320                     | 399,976       |
| Unrestricted                                                         | 12,119,311                 | 10,867,866                  | 22,987,177    |
| Total net position                                                   | \$ 27,496,838              | \$ 40,876,306               | \$ 68,373,144 |

The accompanying Notes to Financial Statements are an integral part of this statement.

## CITY OF ORANGE CITY, FLORIDA

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

| Functions/Programs                   | Program Revenue |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |               |
|--------------------------------------|-----------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|---------------|
|                                      | Expenses        | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |               |
|                                      |                 |                      |                                    |                                  | Governmental Activities                           | Business-type Activities | Total         |
| Primary Government:                  |                 |                      |                                    |                                  |                                                   |                          |               |
| Governmental Activities:             |                 |                      |                                    |                                  |                                                   |                          |               |
| General government                   | \$ 4,029,736    | \$ 3,310,772         | \$ 8,688                           | \$ -                             | \$ (710,276)                                      | \$ -                     | \$ (710,276)  |
| Public safety                        | 10,663,374      | 2,364,361            | 29,582                             | 5,661                            | (8,263,770)                                       | -                        | (8,263,770)   |
| Transportation                       | 2,173,905       | 1,173,156            | 550,697                            | 60,000                           | (390,052)                                         | -                        | (390,052)     |
| Culture and recreation               | 1,041,712       | 43,467               | 150,527                            | -                                | (847,718)                                         | -                        | (847,718)     |
| Economic Environment                 | 49,750          | -                    | -                                  | -                                | (49,750)                                          | -                        | (49,750)      |
| Interest on Long-term debt           | 12,752          | -                    | -                                  | -                                | (12,752)                                          | -                        | (12,752)      |
| Total governmental activities        | 17,971,229      | 6,891,756            | 739,494                            | 65,661                           | (10,274,318)                                      | -                        | (10,274,318)  |
| Business-type Activities:            |                 |                      |                                    |                                  |                                                   |                          |               |
| Utilities                            | 7,115,921       | 7,827,655            | -                                  | 2,115,665                        | -                                                 | 2,827,399                | 2,827,399     |
| Stormwater                           | 1,058,321       | 821,319              | 290,942                            | -                                | -                                                 | 53,940                   | 53,940        |
| Total business-type activities       | 8,174,242       | 8,648,974            | 290,942                            | 2,115,665                        | -                                                 | 2,881,339                | 2,881,339     |
| Total primary government             | \$ 26,145,471   | \$ 15,540,730        | \$ 1,030,436                       | \$ 2,181,326                     | (10,274,318)                                      | 2,881,339                | (7,392,979)   |
| General Revenues:                    |                 |                      |                                    |                                  |                                                   |                          |               |
| Property taxes                       |                 |                      |                                    |                                  | 7,904,965                                         | -                        | 7,904,965     |
| Local option gas and use tax         |                 |                      |                                    |                                  | 229,699                                           | -                        | 229,699       |
| Utility service taxes                |                 |                      |                                    |                                  | 2,356,583                                         | -                        | 2,356,583     |
| State sales tax                      |                 |                      |                                    |                                  | 1,151,125                                         | -                        | 1,151,125     |
| Unrestricted investment earnings     |                 |                      |                                    |                                  | 902,206                                           | 207,874                  | 1,110,080     |
| Miscellaneous                        |                 |                      |                                    |                                  | 271,045                                           | 45,757                   | 316,802       |
| Gain (loss) on disposal              |                 |                      |                                    |                                  | -                                                 | 3,500                    | 3,500         |
| Transfers                            |                 |                      |                                    |                                  | 317,813                                           | (317,813)                | -             |
| Total general revenues and transfers |                 |                      |                                    |                                  | 13,133,436                                        | (60,682)                 | 13,072,754    |
| Change in net position               |                 |                      |                                    |                                  | 2,859,118                                         | 2,820,657                | 5,679,775     |
| Net Position - beginning of year     |                 |                      |                                    |                                  | 24,637,720                                        | 38,055,649               | 62,693,369    |
| Net Position - end of year           |                 |                      |                                    |                                  | \$ 27,496,838                                     | \$ 40,876,306            | \$ 68,373,144 |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2023

|                                          | General Fund         | Impact Fee<br>Special Revenue<br>Fund | Community<br>Redevelopment<br>Special Revenue | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------------|----------------------|---------------------------------------|-----------------------------------------------|--------------------------------|--------------------------------|
| <b>ASSETS:</b>                           |                      |                                       |                                               |                                |                                |
| Cash and cash equivalents                | \$ 22,520,983        | \$ 2,472,021                          | \$ 1,944,826                                  | \$ 1,507,186                   | \$ 28,445,016                  |
| Accounts receivable, net                 | 1,171,176            | -                                     | -                                             | -                              | 1,171,176                      |
| Restricted cash                          | 79,656               | -                                     | -                                             | -                              | 79,656                         |
| Due from other governments               | 578,166              | -                                     | -                                             | -                              | 578,166                        |
| Prepaid costs                            | 122,689              | -                                     | 131                                           | 856                            | 123,676                        |
| Advances to other funds                  | 1,986,848            | -                                     | -                                             | -                              | 1,986,848                      |
| Total assets                             | <u>\$ 26,459,518</u> | <u>\$ 2,472,021</u>                   | <u>\$ 1,944,957</u>                           | <u>\$ 1,508,042</u>            | <u>\$ 32,384,538</u>           |
| <b>LIABILITIES:</b>                      |                      |                                       |                                               |                                |                                |
| Accounts payable and accrued liabilities | \$ 781,431           | \$ -                                  | \$ 614                                        | \$ 102,788                     | \$ 884,833                     |
| Due to other funds                       | -                    | -                                     | 1,322,632                                     | 664,216                        | 1,986,848                      |
| Deposits payable                         | 383,502              | -                                     | -                                             | -                              | 383,502                        |
| Unearned revenue                         | 146,114              | -                                     | -                                             | -                              | 146,114                        |
| Total liabilities                        | <u>1,311,047</u>     | <u>-</u>                              | <u>1,323,246</u>                              | <u>767,004</u>                 | <u>3,401,297</u>               |
| <b>FUND BALANCES:</b>                    |                      |                                       |                                               |                                |                                |
| Nonspendable                             | 2,109,537            | -                                     | 131                                           | 856                            | 2,110,524                      |
| Restricted                               | 79,656               | -                                     | 621,580                                       | 740,182                        | 1,441,418                      |
| Committed                                | -                    | 2,472,021                             | -                                             | -                              | 2,472,021                      |
| Assigned                                 | 10,462,669           | -                                     | -                                             | -                              | 10,462,669                     |
| Unassigned                               | 12,496,609           | -                                     | -                                             | -                              | 12,496,609                     |
| Total fund balances                      | <u>25,148,471</u>    | <u>2,472,021</u>                      | <u>621,711</u>                                | <u>741,038</u>                 | <u>28,983,241</u>              |
| Total liabilities and fund balances      | <u>\$ 26,459,518</u> | <u>\$ 2,472,021</u>                   | <u>\$ 1,944,957</u>                           | <u>\$ 1,508,042</u>            |                                |

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

|                                                                                                                                                                                               |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds                                                                | 13,459,552           |
| Long-term liabilities, are not due and payable in the current period, and therefore are not reported in the funds:<br>Governmental notes payable                                              | (1,913,795)          |
| Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting | 2,953,678            |
| Compensated absences are not recorded as a liability in the governmental funds balance sheet                                                                                                  | (713,710)            |
| Net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds                                                                            | (15,050,735)         |
| The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet                                                                      | (221,393)            |
| Net position of governmental activities in the Statement of Net Position                                                                                                                      | <u>\$ 27,496,838</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

|                                                   | General Fund         | Impact Fee<br>Special Revenue<br>Fund | Community<br>Redevelopment<br>Special Revenue | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------------------------|----------------------|---------------------------------------|-----------------------------------------------|--------------------------------|--------------------------------|
| <b>REVENUES:</b>                                  |                      |                                       |                                               |                                |                                |
| Property taxes                                    | \$ 7,103,255         | \$ -                                  | \$ 801,710                                    | \$ -                           | \$ 7,904,965                   |
| Franchise fees                                    | 1,680,433            | -                                     | -                                             | -                              | 1,680,433                      |
| Local option gas tax                              | 229,699              | -                                     | -                                             | -                              | 229,699                        |
| Utility service taxes                             | 2,356,583            | -                                     | -                                             | -                              | 2,356,583                      |
| Fees and fines                                    | 51,504               | -                                     | -                                             | -                              | 51,504                         |
| Licenses and permits                              | 152,993              | -                                     | -                                             | 735,903                        | 888,896                        |
| Intergovernmental                                 | 2,601,397            | -                                     | -                                             | -                              | 2,601,397                      |
| Impact fees/special assessments                   | -                    | 105,508                               | -                                             | 978,785                        | 1,084,293                      |
| Charges for services                              | 146,367              | -                                     | -                                             | 49,910                         | 196,277                        |
| Investment earnings                               | 902,206              | -                                     | -                                             | -                              | 902,206                        |
| Contractual-DeBary Fire                           | 2,079,835            | -                                     | -                                             | -                              | 2,079,835                      |
| Miscellaneous                                     | 514,363              | -                                     | -                                             | 22,083                         | 536,446                        |
| Total revenues                                    | <u>17,818,635</u>    | <u>105,508</u>                        | <u>801,710</u>                                | <u>1,786,681</u>               | <u>20,512,534</u>              |
| <b>EXPENDITURES:</b>                              |                      |                                       |                                               |                                |                                |
| Current:                                          |                      |                                       |                                               |                                |                                |
| General government                                | 2,949,653            | -                                     | -                                             | 441,343                        | 3,390,996                      |
| Public safety                                     | 8,083,771            | -                                     | -                                             | 694,849                        | 8,778,620                      |
| Transportation                                    | 1,737,330            | -                                     | -                                             | 12,928                         | 1,750,258                      |
| Culture and recreation                            | 706,285              | -                                     | -                                             | -                              | 706,285                        |
| Economic Environment                              | -                    | -                                     | 17,870                                        | -                              | 17,870                         |
| Debt Service:                                     |                      |                                       |                                               |                                |                                |
| Principal                                         | 222,205              | -                                     | -                                             | 18,604                         | 240,809                        |
| Interest and other charges                        | 12,752               | -                                     | -                                             | -                              | 12,752                         |
| Capital Outlay                                    | 1,591,451            | 32,074                                | 28,439                                        | 154,007                        | 1,805,971                      |
| Total expenditures                                | <u>15,303,447</u>    | <u>32,074</u>                         | <u>46,309</u>                                 | <u>1,321,731</u>               | <u>16,703,561</u>              |
| Excess (deficiency) of revenues over expenditures | <u>2,515,188</u>     | <u>73,434</u>                         | <u>755,401</u>                                | <u>464,950</u>                 | <u>3,808,973</u>               |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                      |                                       |                                               |                                |                                |
| Subscriptions issued                              | 259,503              | -                                     | -                                             | 88,260                         | 347,763                        |
| Transfers in                                      | 596,543              | -                                     | -                                             | 364,199                        | 960,742                        |
| Transfers out                                     | (364,199)            | -                                     | -                                             | (278,730)                      | (642,929)                      |
| Total other financing sources (uses)              | <u>491,847</u>       | <u>-</u>                              | <u>-</u>                                      | <u>173,729</u>                 | <u>665,576</u>                 |
| Net change in fund balances                       | 3,007,035            | 73,434                                | 755,401                                       | 638,679                        | 4,474,549                      |
| Fund Balances, beginning of year                  | <u>22,141,436</u>    | <u>2,398,587</u>                      | <u>(133,690)</u>                              | <u>102,359</u>                 | <u>24,508,692</u>              |
| Fund Balances, end of year                        | <u>\$ 25,148,471</u> | <u>\$ 2,472,021</u>                   | <u>\$ 621,711</u>                             | <u>\$ 741,038</u>              | <u>\$ 28,983,241</u>           |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

|                                                         |    |           |
|---------------------------------------------------------|----|-----------|
| Net Change in Fund Balances - Total Governmental Funds: | \$ | 4,474,549 |
|---------------------------------------------------------|----|-----------|

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

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

|                                 |                    |         |
|---------------------------------|--------------------|---------|
| Expenditures for capital assets | 1,808,191          |         |
| Current year depreciation       | <u>(1,271,386)</u> | 536,805 |

|                                                                                                                                                  |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. | (5,363) |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                              |          |
|------------------------------------------------------------------------------------------------------------------------------|----------|
| Expenditures in the governmental funds for compensated absences are not recorded as expenses in the statement of activities. | (74,197) |
|------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                        |         |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|
| Expenditures in the governmental funds for other post employment benefits are not recorded as expenses in the statement of activities. | (7,766) |
|----------------------------------------------------------------------------------------------------------------------------------------|---------|

Long-Term liabilities, including bonds payable are not due and payable in the current period, and therefore not reported in the funds:

|                            |           |
|----------------------------|-----------|
| Notes payable and SRF loan | 240,809   |
| Subscriptions issued       | (347,763) |

|                                                                                                                                                                     |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position | <u>(1,957,956)</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

|                                                   |                  |                  |
|---------------------------------------------------|------------------|------------------|
| Change in net position of governmental activities | <u><u>\$</u></u> | <u>2,859,118</u> |
|---------------------------------------------------|------------------|------------------|

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION  
ENTERPRISE FUNDS

September 30, 2023

|                                                   | Utilities     | Stormwater   | Total         |
|---------------------------------------------------|---------------|--------------|---------------|
| <b>ASSETS:</b>                                    |               |              |               |
| Current Assets:                                   |               |              |               |
| Cash and cash equivalents, unrestricted           | \$ 11,919,484 | \$ 1,772,814 | \$ 13,692,298 |
| Cash and cash equivalents, restricted             | 581,018       | 144,648      | 725,666       |
| Accounts receivable, net                          | 712,598       | -            | 712,598       |
| Receivables from other governments                | 1,040,793     | 198,042      | 1,238,835     |
| Prepaid items                                     | 51,230        | 600          | 51,830        |
| Total current assets                              | 14,305,123    | 2,116,104    | 16,421,227    |
| Noncurrent Assets:                                |               |              |               |
| Capital assets, net                               | 34,596,049    | 6,996,238    | 41,592,287    |
| Wastewater capacity                               | 892,521       | -            | 892,521       |
| Total noncurrent assets                           | 35,488,570    | 6,996,238    | 42,484,808    |
| Total assets                                      | 49,793,693    | 9,112,342    | 58,906,035    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>            |               |              |               |
| Deferred pension outflows                         | 474,754       | 30,917       | 505,671       |
| Deferred outflows related to OPEB                 | 15,604        | 1,212        | 16,816        |
| Total deferred outflows of resources              | 490,358       | 32,129       | 522,487       |
| <b>LIABILITIES:</b>                               |               |              |               |
| Current Liabilities:                              |               |              |               |
| Accounts payable                                  | 2,385,581     | 52,370       | 2,437,951     |
| Accrued expenses                                  | 78,709        | 6,099        | 84,808        |
| Accrued interest                                  | 3,582         | -            | 3,582         |
| Retainage payable                                 | 387,504       | -            | 387,504       |
| Customer deposits payable                         | 405,346       | -            | 405,346       |
| Compensated absences - current                    | 16,267        | 161          | 16,428        |
| Notes, leases and subscriptions payable - current | 237,648       | 144,648      | 382,296       |
| Total current liabilities                         | 3,514,637     | 203,278      | 3,717,915     |
| Noncurrent Liabilities:                           |               |              |               |
| Compensated absences                              | 146,402       | 1,450        | 147,852       |
| Subscription and lease liabilities                | 243,038       | -            | 243,038       |
| Notes payable                                     | 9,855,683     | 2,315,671    | 12,171,354    |
| OPEB liability                                    | 56,732        | 4,407        | 61,139        |
| Net pension liability                             | 1,972,739     | 128,470      | 2,101,209     |
| Total noncurrent liabilities                      | 12,274,594    | 2,449,998    | 14,724,592    |
| Total liabilities                                 | 15,789,231    | 2,653,276    | 18,442,507    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>             |               |              |               |
| Deferred pension inflows                          | 88,010        | 5,731        | 93,741        |
| Deferred inflows related to OPEB                  | 14,817        | 1,151        | 15,968        |
| Total deferred inflows of resources               | 102,827       | 6,882        | 109,709       |
| <b>NET POSITION:</b>                              |               |              |               |
| Net investment in capital assets                  | 25,152,201    | 4,535,919    | 29,688,120    |
| Restricted for debt service                       | 175,672       | 144,648      | 320,320       |
| Unrestricted                                      | 9,064,120     | 1,803,746    | 10,867,866    |
| Total net position                                | \$ 34,391,993 | \$ 6,484,313 | \$ 40,876,306 |

The accompanying Notes to Financial Statements are an integral part of this statement.

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
ENTERPRISE FUNDS

For the Year Ended September 30, 2023

|                                           | <u>Utilities</u>            | <u>Stormwater</u>          | <u>Total</u>                |
|-------------------------------------------|-----------------------------|----------------------------|-----------------------------|
| Operating Revenues:                       |                             |                            |                             |
| Charges for Services:                     |                             |                            |                             |
| Water sales                               | \$ 4,687,293                | \$ -                       | \$ 4,687,293                |
| Wastewater services                       | 3,140,362                   | -                          | 3,140,362                   |
| Stormwater fees                           | -                           | 821,319                    | 821,319                     |
| Total operating revenues                  | <u>7,827,655</u>            | <u>821,319</u>             | <u>8,648,974</u>            |
| Operating Expenses:                       |                             |                            |                             |
| Purchase of wastewater treatment          | 1,103,681                   | -                          | 1,103,681                   |
| Salaries, wages and benefits              | 2,612,612                   | 209,871                    | 2,822,483                   |
| Water production and supplies             | 389,562                     | -                          | 389,562                     |
| Repairs and maintenance                   | 456,032                     | 166,419                    | 622,451                     |
| Contractual services                      | 133,247                     | 28,228                     | 161,475                     |
| Other operating expenses                  | 657,416                     | 219,130                    | 876,546                     |
| Depreciation and amortization             | 1,739,264                   | 434,673                    | 2,173,937                   |
| Total operating expenses                  | <u>7,091,814</u>            | <u>1,058,321</u>           | <u>8,150,135</u>            |
| Operating income                          | <u>735,841</u>              | <u>(237,002)</u>           | <u>498,839</u>              |
| Nonoperating Revenues (Expenses):         |                             |                            |                             |
| Interest and investment income            | 207,874                     | -                          | 207,874                     |
| Proceeds from insurance                   | 45,757                      | -                          | 45,757                      |
| Gain (loss) on disposal of property       | 3,500                       | -                          | 3,500                       |
| Interest expense                          | (24,107)                    | -                          | (24,107)                    |
| Total nonoperating revenue (expenses)     | <u>233,024</u>              | <u>-</u>                   | <u>233,024</u>              |
| Income before contributions and transfers | 968,865                     | (237,002)                  | 731,863                     |
| Capital contributions                     | 2,115,665                   | 290,942                    | 2,406,607                   |
| Transfers out                             | (317,813)                   | -                          | (317,813)                   |
| Change in net position                    | 2,766,717                   | 53,940                     | 2,820,657                   |
| Net Position - beginning of year          | <u>31,625,276</u>           | <u>6,430,373</u>           | <u>38,055,649</u>           |
| Net Position, end of year                 | <u><u>\$ 34,391,993</u></u> | <u><u>\$ 6,484,313</u></u> | <u><u>\$ 40,876,306</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS

For the Year Ended September 30, 2023

|                                                             | Utilities            | Stormwater          | Total                |
|-------------------------------------------------------------|----------------------|---------------------|----------------------|
| Cash Flows from Operating Activities:                       |                      |                     |                      |
| Receipts from customers                                     | \$ 7,845,643         | \$ 821,319          | \$ 8,666,962         |
| Payments to suppliers                                       | (1,126,619)          | (419,456)           | (1,546,075)          |
| Payments to employees                                       | (2,196,892)          | (182,996)           | (2,379,888)          |
| Net cash provided by operating activities                   | <u>4,522,132</u>     | <u>218,867</u>      | <u>4,740,999</u>     |
| Cash Flows from Noncapital Financing Activities:            |                      |                     |                      |
| Transfers out to other funds                                | (317,813)            | -                   | (317,813)            |
| Net cash provided (used) by noncapital financing activities | <u>(317,813)</u>     | <u>-</u>            | <u>(317,813)</u>     |
| Cash Flows from Capital and Related Financing Activities:   |                      |                     |                      |
| Acquisition of capital assets                               | (11,595,507)         | (499,155)           | (12,094,662)         |
| Insurance proceeds                                          | 45,757               | -                   | 45,757               |
| Proceeds from sale of assets                                | 3,500                | -                   | 3,500                |
| Grants                                                      | 1,074,872            | 92,900              | 1,167,772            |
| Proceeds from long-term debt                                | 5,612,355            | -                   | 5,612,355            |
| Principal paid on long-term debt                            | (109,024)            | (144,648)           | (253,672)            |
| Interest paid on long-term debt                             | (40,027)             | -                   | (40,027)             |
| SBITA and Leases                                            | 243,038              | -                   | 243,038              |
| Net cash used by capital and related financing activities   | <u>(4,765,036)</u>   | <u>(550,903)</u>    | <u>(5,315,939)</u>   |
| Cash Flows from Investing Activities:                       |                      |                     |                      |
| Investment income                                           | 207,874              | -                   | 207,874              |
| Net cash provided by investing activities                   | <u>207,874</u>       | <u>-</u>            | <u>207,874</u>       |
| Net Increase in Cash and Cash Equivalents                   | (352,843)            | (332,036)           | (684,879)            |
| Cash and Cash Equivalents, beginning of year                | 12,853,345           | 2,249,498           | 15,102,843           |
| Cash and Cash Equivalents, end of year                      | <u>\$ 12,500,502</u> | <u>\$ 1,917,462</u> | <u>\$ 14,417,964</u> |
| Classified as:                                              |                      |                     |                      |
| Cash and cash equivalents                                   | \$ 11,919,484        | \$ 1,772,814        | \$ 13,692,298        |
| Restricted cash and cash equivalents                        | 581,018              | 144,648             | 725,666              |
| Total                                                       | <u>\$ 12,500,502</u> | <u>\$ 1,917,462</u> | <u>\$ 14,417,964</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

## CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS - CONTINUED

For the Year Ended September 30, 2023

|                                                                                    | <u>Utilities</u>    | <u>Stormwater</u> | <u>Total</u>        |
|------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|
| Reconciliation of Operating Income to Net Cash<br>Provided By Operating Activities |                     |                   |                     |
| Operating income                                                                   | \$ 735,841          | \$ (237,002)      | \$ 498,839          |
| Adjustments Not Affecting Cash:                                                    |                     |                   |                     |
| Depreciation and amortization                                                      | 1,739,264           | 434,673           | 2,173,937           |
| Change in Assets and Liabilities:                                                  |                     |                   |                     |
| Accounts receivables                                                               | (1,432)             | -                 | (1,432)             |
| Inventory and other assets                                                         | (41,106)            | 172               | (40,934)            |
| Accounts payable                                                                   | 1,654,425           | (5,851)           | 1,648,574           |
| Accrued liabilities                                                                | 4,071               | (1,190)           | 2,881               |
| Compensated absences                                                               | 9,919               | (6,551)           | 3,368               |
| OPEB                                                                               | 9,460               | 49                | 9,509               |
| Customer deposits                                                                  | 19,420              | -                 | 19,420              |
| Deferred inflows of resources                                                      | (13,087)            | (290)             | (13,377)            |
| Deferred outflows of resources                                                     | (85,677)            | (8,304)           | (93,981)            |
| Net pension liability                                                              | 491,034             | 43,161            | 534,195             |
| Total adjustments                                                                  | <u>3,786,291</u>    | <u>455,869</u>    | <u>4,242,160</u>    |
| Net Cash Provided by Operating Activities                                          | <u>\$ 4,522,132</u> | <u>\$ 218,867</u> | <u>\$ 4,740,999</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

**Note 1 - Summary of Significant Accounting Policies:**

The *City of Orange City, Florida* ("the City") was incorporated on August 26, 1882, and is a municipal corporation chartered in the State of Florida. The City operates under a Council/City Manager form of government providing services of general government, finance, police and fire protection, sanitation services, stormwater services, water and sewer services, the construction and maintenance of streets and infrastructure, recreational activities and cultural events to its residents. The legislative branch of the City is composed of a seven (7) member elected City Council. The City Council is governed by City Charter, 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 Council, appointed City Manager and City Clerk.

The City's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below. The financial statements have also been prepared in accordance with GASB Statement 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*.

**A. Reporting Entity:**

The City of Orange City operates under a Council/City Manager form of government. The city is a municipal corporation with a seven-member council including the mayor, who acts as the presiding officer of the council, with a vice-mayor serving in his absence.

The City provides a full range of municipal services including: public safety (police and fire), public work activities (street and right-of-way maintenance), development services (city planning and development), parks (maintenance and leisure), and general administration. Additionally, the City operates both a utilities and stormwater enterprise fund.

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

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

The City of Orange City created the Community Redevelopment Agency (CRA) in August of 2014. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The CRA fund is governed by a seven-member board - the seven members of the city council.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*A. Reporting Entity (Continued):*

The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The purpose of the CRA is to utilize appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas in designated areas within the City. Areas within the CRA are to be redeveloped as an economically sustainable and attractive mixed-use area offering a high quality local destination in a manner that promotes a positive image for the City.

Separately issued financial statements can be obtained by contacting the City's finance department.

*B. Basic Financial Statements:*

*Government-Wide Financial Statements*

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, and recreation, public works, and general administrative services are classified as governmental activities. The City's utilities and stormwater services are classified as business-type activities.

In the government-wide statement of net position, both governmental and business-type activities columns (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions (police, fire, public works, etc.) and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten (10) percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five (5) percent of the corresponding total for all governmental and enterprise funds combined.
- c. The City in its own discretion determines that the fund should be considered a major fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*C. Basis of Presentation - Fund Accounting:*

(1) Major Governmental Funds:

General Fund - The General Fund is the City's primary operating fund, and is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund.

Impact Fee Fund - This special revenue fund accounts for police, fire, parks and transportation impact fees. The use of this revenue is restricted to expansion for programs related to parks, transportation, police and fire.

Community Redevelopment Fund - This special revenue fund was established by the City as authorized under Chapter 163, Part III, Florida Statutes, for the economic development of designated area(s) of the City. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the designated area.

(2) Major Proprietary Funds:

Utilities - The Utilities fund is used to account for the operations of the City's water and wastewater system, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Stormwater - The Stormwater fund is used to account for the operations of the City's stormwater system, which is financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of intangible assets.

(3) Nonmajor Governmental Funds:

Special Revenue Funds - Special revenue funds are used to account for specific revenue sources that are restricted by law to expenditures for specific purposes. Nonmajor special revenue funds include the Solid Waste Assessment Fund, the Forfeiture Fund, Streetlighting District Fund, Kentucky Ave. (SAD) Assessment Fund, Tree Bank Fund, Building Safety Fund.

*D. Measurement Focus/Basis of Accounting:*

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*D. Measurement Focus/Basis of Accounting (Continued):*

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

*E. Budgets and Budgetary Accounting:*

The following procedures are used to establish the budgetary data reflected in the financial statements:

- (1) Prior to August 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- (4) Formal budgetary integration is employed as a management control device during the year for all governmental funds that have a legally-adopted budget.
- (5) Budgets are adopted on a basis consistent with U.S. Generally Accepted Accounting Principles (GAAP).
- (6) Budget appropriations are prepared by the City Manager and authorized by the City Council on a departmental basis in accordance with Article VII, Section 7.01 of the City Charter. Subsidiary designations of departmental appropriations are authorized by the City Council. All interdepartmental budget amendments and/or transfers must be approved by the City Council. Budgetary control is exercised at the department level.
- (7) Every appropriation, except for a specified major capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended. The City does not use the encumbrance method of accounting.

*F. Accounts Receivable:*

- (1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments 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 ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2023 was 7.6900, which means that the City has a tax margin of 2.310 per \$1,000 and could raise up to \$2,365,153 in additional tax revenue per year from the present assessed valuation of \$1,023,875,553.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*F. Accounts Receivable (Continued):*

The property tax calendar is as follows:

- All property is assessed according to its fair market value on January 1 of each year.
- Property Appraiser prepares the assessment roll January 1 of the year then submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuation by July 1 of the assessment year.
- City Council holds two required public hearings, adopts a budget for the upcoming fiscal year, and adopts an ad valorem tax millage rate by September 30 of the assessment year.
- Property Appraiser certifies the assessment roll, and all real and tangible personal property taxes are due and payable November 1 (levy date) of the assessment year.
- A Notice of Taxes is mailed to each property owner on the assessment roll by November 1 of the assessment year. Taxes may be paid November 1 (year of assessment) through March 31 (following year of assessment) with the following applicable discounts:

| <u>Month</u> | <u>Discount</u> |
|--------------|-----------------|
| November     | 4%              |
| December     | 3%              |
| January      | 2%              |
| February     | 1%              |
| March        | 0%              |

- All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year immediately following year of assessment.
  - A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised in April/May of the year immediately following the year of assessment.
  - Tax certificates are sold on all real properties with unpaid real property taxes on June 1 (lien date) of the year immediately following the year of assessment.
  - A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes by June 1 of the year immediately following the year of assessment.
- (2) Unbilled Utilities Accounts Receivable - Utilities revenues are generally recognized on the basis of cycle billings rendered monthly. The unbilled portion is accrued at year end by calculating the City's October billing cycle and prorating the amount of days applicable to the current year which amounted to \$614,600 at September 30, 2023.
- (3) Allowance for Uncollectible Accounts - Based upon an analysis of both past history and past due receivables, it is management's opinion that a \$34,866 allowance for uncollectible accounts is necessary. This balance relates entirely to the utilities enterprise fund.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*G. Long-term Obligations:*

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or enterprise fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, notes payable, accrued compensated absences, and other post-employment benefits. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The accounting for the enterprise funds is the same in the fund statements as it is in the government-wide statements.

*H. Cash and Investments:*

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature within three months of acquisition.

Investments for the City are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, except for the position in the Florida State Board of Administration's and Florida Safe's Local Government Surplus Investment Pools (LGIP). In accordance with state law, the LGIP's operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company act of 1940, as amended. Accordingly, the LGIP's qualify as a 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Florida State Board of Administration is subject to regulatory oversight by the State of Florida, although it is not registered with the SEC.

*I. Capital Assets:*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

|                             |             |
|-----------------------------|-------------|
| Buildings                   | 20-50 years |
| Water and Wastewater System | 10-50 years |
| Machinery and Equipment     | 2-10 years  |
| Improvements                | 10-20 years |
| Other Infrastructure        | 10-50 years |

*J. Operating Revenues and Expenses:*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the City's enterprise funds are charged to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*K. Revenues:*

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, are reported as unearned revenue.

*L. Inventory:*

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory costs are reported in the period when inventory items are used, rather than when purchased.

*M. Compensated Absences:*

Effective February 1, 2016 the City revised the policy for compensated absences from vacation and sick leave to personal time off (PTO), which is accrued per pay period based on an employee's length of service.

Regular employees may use paid time off leave for any reason including vacation, illness, medical appointments, personal business, etc. Employees are still required to arrange and obtain prior/advance approval of paid time off leave. Supervisors can consider same day requests for illnesses. No employee shall be granted paid time off leave unless the time has already accrued prior to the leave period. Paid time off leave shall not be used in increments of less than one quarter hour (fifteen minutes).

A balance between work life and personal life is essential for maximum productivity. Therefore, employees with one (1) year up to five (5) years of service shall be required to utilize a minimum of forty (40) hours of paid time off leave per fiscal year (or 42 hours or 56 hours depending on employee's schedule). Employees who have more than five (5) years of service shall be required to utilize a minimum of eighty (80) hours of paid time off leave per fiscal year (or 84 or 112 hours depending on employee's schedule).

Full-time employees, upon separation or retirement with six (6) month's service, will receive payment of all unused accrued paid time off leave up to a maximum of 580 hours. PTO accruals are not capped during employment, but may not exceed 580 hours paid out upon separation of employment or retirement.

*N. Interfund Activity:*

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

*O. Restricted Assets:*

Restricted assets represent the cash and cash equivalents to pay the upcoming bond and note payments and security deposits held by the enterprise funds.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*P. 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. These are recorded as expenditures when consumed rather than when purchased.

*Q. Unearned Revenue:*

Unearned revenues in governmental funds include amounts collected before the revenue recognition criteria are met. The unearned revenue typically consists of funds collected in advance for permits or other fees relating to services to be rendered in the subsequent year.

*R. Estimates:*

The preparation of financial statements in accordance with the modified accrual or accrual basis of accounting described in the previous paragraphs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets or liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

*S. Deferred Outflows/Inflows of Resources:*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The government has two items which qualify for reporting in this category. It is the deferred outflow of pension resources, and deferred outflows related to OPEB. Details on the composition of the deferred outflows related to pensions and OPEB are further discussed in Notes 7 and 12 respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The City has two items that qualify for reporting in this category for the year ended September 30, 2023, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB. Details on the composition of the deferred inflows related to pensions and OPEB are further discussed in Notes 7 and 12 respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRS) and Health Insurance Subsidy Program (HIS) and additions to/deductions from the FRS and HIS fiduciary net position have been determined on the same basis as they are reported by FRS and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

*T. Net Position Flow Assumptions:*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position 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.

*U. Fund Balance Flow Assumptions:*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (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.

*V. New GASB Statements Implemented*

In fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. To the extent relevant, the standards for SBITA are based on the standards established in (GASB) Statement No. 87, *Leases*, as amended. Thus, by requiring recognition of certain SBITA assets and SBITA liabilities to be recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementation, there were no changes to beginning fund balances or beginning net position.

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*

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

*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*

The governmental fund statement of revenues, expenditures, and changes in fund balances includes 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.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

**Note 3 - Cash 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 currently holds \$1,750 collectively in cash drawers.

The City's investment policy adopted by Ordinance 354 (adopted/updated June 24, 2008) is to invest public funds in a manner so as to place the highest priority on the safety of principal and liquidity. The optimization of investment returns shall be secondary to the requirements of safety and liquidity.

The City's investment policy authorizes the City to invest in the following:

- a) United States Treasury and Agency Securities
- b) Government Sponsored Enterprises
- c) State and Local Governments
- d) Corporations
- e) Local Government Investment Pools, as provided in s.163.01
- f) State Board of Administration, as provided in s.218.5
- g) Money Market Mutual Funds
- h) Repurchase Agreements

The City maintains cash and cash equivalent pools that are available for use by all funds except those whose cash and cash equivalents must be segregated due to bond covenants or other legal restrictions.

Cash and Cash Equivalents - Cash and cash equivalents are carried at cost. In accordance with GASB Statement No. 40, the City's deposits are categorized to give an indication of the level of custodial risk assumed at year end. At present, some of the City's excess funds are primarily deposits that are insured or collateralized pursuant to the Public Depository Security Act of the State of Florida.

Demand deposits and money market accounts are insured by federal depository insurance up to \$250,000 of the aggregate account balances for each entity. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. Demand deposits and cash on deposit bank balances at September 30, 2023 were approximately \$18,573,000.

The City invests surplus funds in an external investment pool, Florida State Board of Administration (SBA) "The Local Government Surplus Funds Trust Fund". The State Pool is administered by the SBA, who provides regulatory oversight.

Florida Prime - The Florida Prime (formerly known as Pool or Fund A) meets the requirements of and is classified as a "2a-7 like" pool. The SBA is not a registrant with, nor regulated by, the Securities and Exchange Commission or any other regulatory agency; however, the Florida Prime has adopted operating procedures consistent with the requirements for a 2a-7 like pool and the fair value of the position in the pool is equal to the value of the pool's shares. Such investments are stated at amortized cost in the accompanying financial statements. The Florida Prime is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2023 is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The Florida Safe is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2023 is 65 days. Next interest rate reset dates used in the calculation of the WAM.

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 3 - Cash and Investments (Continued):

As of September 30, 2023 the funds are as follows:

|                           | Florida Prime        | FL Safe             |
|---------------------------|----------------------|---------------------|
| General Fund              | \$ 11,735,357        | \$ 9,032,513        |
| Utilities Enterprise Fund | 4,581,513            | -                   |
|                           | <u>\$ 16,316,870</u> | <u>\$ 9,032,513</u> |

The City's investment in the State Pool exposes it to credit risk. The City does not have a formal policy relating to these risks, which are hereafter described.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations, while interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Following is a summary of the carrying amount of the cash and cash equivalents owned by the City at September 30, 2023

|                                                           | Carrying Amount      | Fair Value           |
|-----------------------------------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents:                                |                      |                      |
| Demand deposits, cash on deposit and petty cash           | \$ 16,787,931        | \$ 16,787,931        |
| Florida Safe Investment Pool                              | 9,032,513            | 9,032,513            |
| Local Government Surplus Funds Trust Fund (Florida Prime) | 16,316,870           | 16,316,870           |
| Total Cash and Cash Equivalents                           | <u>\$ 42,137,314</u> | <u>\$ 42,137,314</u> |
| Restricted Assets:                                        |                      |                      |
| Demand deposits and cash on deposit                       | <u>\$ 805,322</u>    | <u>\$ 805,322</u>    |

Cash and cash equivalents of \$805,322 is restricted for customer deposits and debt service.

## Note 4 - Due from Other Governments:

Amounts due from other governments at September 30, 2023 are as follows:

|                            | General           | Utilities           |
|----------------------------|-------------------|---------------------|
| Local Option Gas Tax       | \$ 22,179         | \$ -                |
| Sales Tax Revenue Sharing  | 75,488            | -                   |
| Communication Services Tax | 38,263            | -                   |
| State of Florida - Grants  | 430,503           | 1,238,835           |
| Due from Volusia County    | 11,733            | -                   |
|                            | <u>\$ 578,166</u> | <u>\$ 1,238,835</u> |

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 5 - Capital Assets:

Capital asset activity for the year ended September 30, 2023 was as follows:

|                                    | Beginning<br>Balance | Increases          | Decreases         | Reclass          | Ending<br>Balance    |
|------------------------------------|----------------------|--------------------|-------------------|------------------|----------------------|
| <b>Governmental Activities:</b>    |                      |                    |                   |                  |                      |
| Non-depreciable capital assets:    |                      |                    |                   |                  |                      |
| Land and improvements              | \$ 958,536           | \$ -               | \$ -              | \$ -             | \$ 958,536           |
| Construction in progress           | 2,680,866            | 224,955            | -                 | (216,624)        | 2,689,197            |
|                                    | <u>3,639,402</u>     | <u>224,955</u>     | <u>-</u>          | <u>(216,624)</u> | <u>3,647,733</u>     |
| Depreciable capital assets:        |                      |                    |                   |                  |                      |
| Buildings                          | 2,347,523            | 178,636            | -                 | 58,449           | 2,584,608            |
| Machinery and equipment            | 7,079,429            | 556,848            | (628,534)         | -                | 7,007,743            |
| Infrastructure                     | 9,896,359            | 332,335            | -                 | 158,175          | 10,386,869           |
| Intangible                         | 97,264               | 106,654            | -                 | -                | 203,918              |
| Subscription assets                | -                    | 408,763            | -                 | -                | 408,763              |
|                                    | <u>19,420,575</u>    | <u>1,583,236</u>   | <u>(628,534)</u>  | <u>216,624</u>   | <u>20,591,901</u>    |
| Less accumulated depreciation for: |                      |                    |                   |                  |                      |
| Buildings                          | (1,160,694)          | (101,502)          | -                 | -                | (1,262,196)          |
| Machinery and equipment            | (5,310,548)          | (507,771)          | 623,171           | -                | (5,195,148)          |
| Infrastructure                     | (3,657,383)          | (551,831)          | -                 | -                | (4,209,214)          |
| Intangible                         | (3,242)              | (21,862)           | -                 | -                | (25,104)             |
| Subscription assets                | -                    | (88,420)           | -                 | -                | (88,420)             |
|                                    | <u>(10,131,867)</u>  | <u>(1,271,386)</u> | <u>623,171</u>    | <u>-</u>         | <u>(10,780,082)</u>  |
| Depreciable capital assets, net    | <u>9,288,708</u>     | <u>311,850</u>     | <u>(5,363)</u>    | <u>216,624</u>   | <u>9,811,819</u>     |
| Total capital assets, net          | <u>\$ 12,928,110</u> | <u>\$ 536,805</u>  | <u>\$ (5,363)</u> | <u>\$ -</u>      | <u>\$ 13,459,552</u> |

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 5 - Capital Assets (Continued):

|                                    | Beginning<br>Balance | Increases           | Decreases        | Reclass          | Ending<br>Balance    |
|------------------------------------|----------------------|---------------------|------------------|------------------|----------------------|
| <b>Business-type Activities:</b>   |                      |                     |                  |                  |                      |
| Non-depreciable capital assets:    |                      |                     |                  |                  |                      |
| Land and improvements              | \$ 975,667           | \$ -                | \$ -             | \$ -             | \$ 975,667           |
| Waste water capacity               | 892,521              | -                   | -                | -                | 892,521              |
| Construction in progress           | 3,040,683            | 10,971,491          | -                | (372,586)        | 13,639,588           |
|                                    | <u>4,908,871</u>     | <u>10,971,491</u>   | <u>-</u>         | <u>(372,586)</u> | <u>15,507,776</u>    |
| Depreciable capital assets:        |                      |                     |                  |                  |                      |
| Water and wastewater system        | 33,168,825           | 153,624             | -                | 372,586          | 33,695,035           |
| Stormwater infrastructure          | 7,526,245            | 174,464             | -                | -                | 7,700,709            |
| Buildings and improvements         | 866,583              | -                   | (68,112)         | -                | 798,471              |
| Equipment                          | 926,162              | 348,615             | (80,433)         | -                | 1,194,344            |
| Intangible                         | 99,264               | 23,639              | -                | -                | 122,903              |
| Right of use assets                | -                    | 301,063             | -                | -                | 301,063              |
| Subscription assets                | -                    | 121,766             | -                | -                | 121,766              |
|                                    | <u>42,587,079</u>    | <u>1,123,171</u>    | <u>(148,545)</u> | <u>372,586</u>   | <u>43,934,291</u>    |
| Less accumulated depreciation for: |                      |                     |                  |                  |                      |
| Water and wastewater system        | (12,651,622)         | (1,572,925)         | -                | -                | (14,224,547)         |
| Stormwater infrastructure          | (967,969)            | (380,646)           | -                | -                | (1,348,615)          |
| Buildings and improvements         | (651,450)            | (18,198)            | 68,112           | -                | (601,536)            |
| Equipment                          | (657,517)            | (99,868)            | 80,433           | -                | (676,952)            |
| Intangible                         | (3,309)              | (13,671)            | -                | -                | (16,980)             |
| Right of use assets                | -                    | (50,177)            | -                | -                | (50,177)             |
| Subscription assets                | -                    | (38,452)            | -                | -                | (38,452)             |
|                                    | <u>(14,931,867)</u>  | <u>(2,173,937)</u>  | <u>148,545</u>   | <u>-</u>         | <u>(16,957,259)</u>  |
| Depreciable capital assets, net    | <u>27,655,212</u>    | <u>(1,050,766)</u>  | <u>-</u>         | <u>372,586</u>   | <u>26,977,032</u>    |
| Total capital assets, net          | <u>\$ 32,564,083</u> | <u>\$ 9,920,725</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 42,484,808</u> |

Depreciation expense was charged to functions/programs as follows:

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| <b>Governmental Activities:</b>                       |                     |
| General government                                    | \$ 185,500          |
| Public safety                                         | 425,053             |
| Transportation                                        | 378,118             |
| Culture and recreation                                | 282,715             |
| Total depreciation expense - governmental activities  | <u>\$ 1,271,386</u> |
| <b>Business-type Activities:</b>                      |                     |
| Utilities                                             | \$ 1,739,264        |
| Stormwater                                            | 434,673             |
| Total depreciation expense - business-type activities | <u>\$ 2,173,937</u> |

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 6 - Long-Term Debt:

Capital Equipment Note- Private Placement

On December 12, 2019, the City issued \$569,259, 2.14% fixed rate, Capital Improvement Revenue Note, Series 2019, maturing December 2026, for the purchase of equipment. In the event of default, the noteholder may pursue any available remedy to enforce the payment of principal and interest on the bonds then outstanding. The principal outstanding as of September 30, 2023 totaled \$295,051.

The note is secured by a covenant to budget and appropriate. The total principal and interest remaining to be paid on this series is \$307,830. For the fiscal year, total principal and interest paid was \$87,951.

Annual debt service requirements to maturity for revenue notes are as follows:

| Year Ending<br>September 30, | Governmental Activities |                  |
|------------------------------|-------------------------|------------------|
|                              | Principal               | Interest         |
| 2024                         | \$ 82,066               | \$ 5,885         |
| 2025                         | 83,834                  | 4,117            |
| 2026                         | 85,641                  | 2,311            |
| 2027                         | 43,510                  | 466              |
| 2028                         | -                       | -                |
| Total                        | <u>\$ 295,051</u>       | <u>\$ 12,779</u> |

State Revolving Fund Loan

In December 2015, the City executed a State Revolving Fund Loan agreement DW642000 for the City's drinking water project. The agreement provides for total funding of \$10,787,292 including \$9,159,681 of principal forgiveness. The loan period is for 30 years with an interest rate of 1.08 to 1.34 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$1,770,378. For the fiscal year, total principal and interest paid was \$66,808, and total pledged revenue was \$2,475,105.

In March 2018, the City executed a State Revolving Fund Loan agreement DW642030 for the City's stormwater project. The agreement provides for total funding of \$6,341,855. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The principal remaining to be paid on this series is \$5,466,914. The City used General Fund to pay about 31% of the loan. For the fiscal year, total principal and interest paid was \$321,583, and total pledged revenue was \$2,048,297.

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 6 - Long-Term Debt (Continued):

State Revolving Fund Loan (Continued)

In March 2021, the City executed a State Revolving Fund Loan agreement DW642040 for the City's drinking water design project. The agreement provides for total funding of \$520,261 with \$260,131 of principal forgiveness. The loan period is for 10 years with an interest rate of 1.07 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$219,507. For the fiscal year, total principal and interest paid was \$31,005, and total pledged revenue was \$2,086,714.

In March 2021, the City executed a State Revolving Fund Loan agreement DW642050 for the City's drinking water construction project. The agreement provides for total funding of \$5,695,376. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$1,415,575. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$2,055,709.

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's drinking water construction project. The agreement provides for total funding of \$16,250,898 including \$2,250,000 of principal forgiveness. The loan period is for 30 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$5,224,654. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$2,055,709.

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

Annual debt service requirements to maturity for SRF Loans are as follows:

| Year Ending<br>September 30, | Governmental Activities |          | Business-Type Activities |            | Total         |            |
|------------------------------|-------------------------|----------|--------------------------|------------|---------------|------------|
|                              | Principal               | Interest | Principal                | Interest   | Principal     | Interest   |
| 2024                         | \$ 79,656               | \$ -     | \$ 316,738               | \$ 19,436  | \$ 396,394    | \$ 19,436  |
| 2025                         | 79,532                  | -        | 469,816                  | 18,598     | 549,348       | 18,598     |
| 2026                         | 79,532                  | -        | 1,100,310                | 17,750     | 1,179,842     | 17,750     |
| 2027                         | 79,532                  | -        | 1,101,167                | 16,893     | 1,180,699     | 16,893     |
| 2028                         | 79,532                  | -        | 1,102,034                | 16,026     | 1,181,566     | 16,026     |
| 2029-2033                    | 397,660                 | -        | 4,296,787                | 67,224     | 4,694,447     | 67,224     |
| 2034-2038                    | 397,660                 | -        | 2,898,718                | 49,986     | 3,296,378     | 49,986     |
| 2039-2043                    | 158,701                 | -        | 785,155                  | 33,348     | 943,856       | 33,348     |
| 2044-2048                    | -                       | -        | 318,301                  | 15,735     | 318,301       | 15,735     |
| 2049-2053                    | -                       | -        | 99,066                   | 1,134      | 99,066        | 1,134      |
|                              | -                       | -        | -                        | -          | -             | -          |
| Total                        | \$ 1,351,805            | \$ -     | \$ 12,488,092            | \$ 256,130 | \$ 13,839,897 | \$ 256,130 |

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 6 - Long-Term Debt (Continued):

Leases

In October 2022, the City entered into a 72 month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$301,063. As of September 30, 2023, the value of the lease liability is \$261,945. The City is required to make monthly fixed payments of \$3,985. The lease has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2023 of \$301,063 with accumulated amortization of \$50,177 is included with lease assets in Note 5. The City has 3 extension option(s), each for 12 months.

Annual debt service requirements to maturity for leases are as follows:

| Year Ending<br>September 30, | Business-Type Activities |                  |
|------------------------------|--------------------------|------------------|
|                              | Principal                | Interest         |
| 2024                         | \$ 42,620                | \$ 8,193         |
| 2025                         | 47,118                   | 6,684            |
| 2026                         | 52,013                   | 5,017            |
| 2027                         | 57,273                   | 3,179            |
| 2028                         | 62,922                   | 1,157            |
| Total                        | <u>\$ 261,946</u>        | <u>\$ 24,230</u> |

SBITA

In October 2022, the City entered into a 38 month subscription for the use of Tyler Incode Software. An initial subscription liability was recorded in the amount of \$141,533. As of September 30, 2023, the value of the subscription liability is \$93,302. The City is required to make annual fixed payments of \$49,028. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2023 of \$243,533 with accumulated amortization of \$76,905 is included with subscription assets in Note 5. This subscription is split 50/50 between governmental activities and the Utility fund.

In January 2023, the City entered into a 57 month subscription for the use of Tyler Saas. An initial subscription liability was recorded in the amount of \$176,520. As of September 30, 2023, the value of the subscription liability is \$139,311. The City is required to make annual fixed payments of \$37,209. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of September 30, 2023 of \$176,520 with accumulated amortization of \$37,209 is included with subscription assets in Note 5.

In December 2022, The City entered into a 60 month subscription for the use of Questica Software. An initial subscription liability was recorded in the amount of \$100,476. As of September 30, 2023, the value of the subscription liability is \$80,976. The City is required to make annual fixed payments of \$19,500. The subscription has an interest rate of 3.4450%. The value of the right to use asset as of September 30, 2023 of \$110,476 with accumulated amortization of \$22,095 is included with subscription assets in Note 5.

Annual debt service requirements to maturity for SBITA's are as follows:

| Year Ending<br>September 30, | Governmental Activities |                  | Business-Type Activities |                 | Total             |                  |
|------------------------------|-------------------------|------------------|--------------------------|-----------------|-------------------|------------------|
|                              | Principal               | Interest         | Principal                | Interest        | Principal         | Interest         |
| 2024                         | \$ 74,693               | \$ 7,505         | \$ 22,938                | \$ 1,576        | \$ 97,631         | \$ 9,081         |
| 2025                         | 77,079                  | 6,143            | 23,712                   | 26              | 100,791           | 6,169            |
| 2026                         | 56,129                  | 3,654            | -                        | -               | 56,129            | 3,654            |
| 2027                         | 59,038                  | 1,874            | -                        | -               | 59,038            | 1,874            |
| Total                        | <u>\$ 266,939</u>       | <u>\$ 19,176</u> | <u>\$ 46,650</u>         | <u>\$ 1,602</u> | <u>\$ 313,589</u> | <u>\$ 20,778</u> |

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 6 - Long-Term Debt (Continued):

Long-term liability activity for the year ended September 30, 2023 was as follows:

|                                                 | Beginning<br>Balance | Additions           | Reductions          | Ending<br>Balance    | Due Within<br>One Year |
|-------------------------------------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| <b>Governmental Activities:</b>                 |                      |                     |                     |                      |                        |
| Notes Payable                                   | \$ 375,386           | \$ -                | \$ (80,335)         | 295,051              | \$ 82,066              |
| SRF Loan                                        | 1,431,455            | -                   | (79,650)            | 1,351,805            | 79,656                 |
| SBITA Liability                                 | -                    | 347,763             | (80,824)            | 266,939              | 74,693                 |
| Compensated Absences                            | 639,513              | 138,148             | (63,951)            | 713,710              | 71,371                 |
| Other post employment<br>benefits               | 214,093              | 7,300               | -                   | 221,393              | -                      |
| Net Pension Liability                           | 12,588,983           | 2,461,752           | -                   | 15,050,735           | -                      |
| Governmental activity<br>long-term liabilities  | <u>\$ 15,249,430</u> | <u>\$ 2,954,963</u> | <u>\$ (304,760)</u> | <u>\$ 17,899,633</u> | <u>\$ 307,786</u>      |
| <b>Business-Type Activities</b>                 |                      |                     |                     |                      |                        |
| Revenue Bonds                                   | \$ -                 | \$ -                | \$ -                | \$ -                 | \$ -                   |
| SRF Loan                                        | 7,194,967            | 5,612,355           | (319,230)           | 12,488,092           | 316,738                |
| Lease Liability                                 | -                    | 301,063             | (39,117)            | 261,946              | 42,620                 |
| SBITA Liability                                 | -                    | 70,766              | (24,116)            | 46,650               | 22,938                 |
| Compensated Absences                            | 160,912              | 19,459              | (16,091)            | 164,280              | 16,428                 |
| Other post employment<br>benefits               | 51,630               | 9,509               | -                   | 61,139               | -                      |
| Net Pension Liability                           | 1,567,014            | 534,195             | -                   | 2,101,209            | -                      |
| Business-type activity<br>long-term liabilities | <u>\$ 8,974,523</u>  | <u>\$ 6,547,347</u> | <u>\$ (398,554)</u> | <u>\$ 15,123,316</u> | <u>\$ 398,724</u>      |

For governmental activities, compensated absences, other postemployment benefits and net pension liability will be funded from the general fund.

## Note 7 - Employee Benefit Plans:

*A. Florida Retirement System*

The City contributes to the Florida Retirement System (FRS), a multiple-employer, cost-sharing, defined-benefit pension plan administered by the State of Florida, for the City's authorized permanent, full-time and part-time employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. State Statutes authorizes the State to establish and amend all plan provisions. The State of Florida issues a publicly available report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 7 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

Plan Descriptions - The FRS offers a choice between a defined-benefit plan (Pension Plan) or a defined-contribution plan (Investment Plan) which is administered by the State Board of Administration (SBA). In addition, a Health Insurance Subsidy plan (HIS) is offered to assist retired members of any state-administered retirement system in paying the costs of health insurance.

- 1) The Pension Plan members are eligible for retirement after vesting, which occurs at six (6) years of creditable service for regular members enrolled prior to July 1, 2011 and eight (8) years of creditable service if enrolled on or after July 1, 2011. Normal retirement age is attained at the earlier of thirty (30) or (33) years of creditable service, regardless of age, or retirement at age sixty-two (62) or (65) with at least (6) or (8) years of creditable service if enrolled prior to July 1, 2011 or on or after July 1, 2011 respectively. Early retirement may be taken any time after vesting; however, there is a five percent (5%) benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently and totally disabled and unable to work. Benefits are computed on the basis of age, average final compensation, and service credit.

In addition to the above benefits, the Deferred Retirement Option Program (DROP) allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants. The employer contribution at fiscal year ended September 30, 2023 is 21.13%.

- 2) The Investment Plan provides for vesting after one year of creditable service. Under this plan, the employer makes contributions to a participant's account, and the participant directs where the contributions are invested among the plan's investment funds. Upon termination, vested participants receive amounts accumulated in their investment accounts.
- 3) Health Insurance Subsidy (HIS) Program is established by Chapter 112, Florida Statutes and provides insurance subsidy payments to persons who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminated employment with all employers participating in the Florida Retirement System and:
  - a) for a member of the Investment Plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes or
  - b) for a member of the Pension Plan or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan. Any person retiring on or after July 1, 2011, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes.

The HIS plan is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At fiscal year ended September 30, 2023, the contribution rate was 2% of payroll.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

## Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

The HIS plan provides monthly payment assistance to retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payment is at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the plan may be amended only by the State Legislature with a change in the Statutes governing the plan.

Contributions - The FRS has many classes of membership. Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.66 percent HIS contribution rate, 0.06 percent administrative/educational fee and any applicable UAL rates. These classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2023, are as follows:

Regular Class - members not qualifying for other classes (16.57% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 14.91% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

Senior Management Service Class – members of senior management who do not elect the optional annuity retirement program (37.52% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 34.57% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

Special Risk Class – members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (35.67% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 30.83% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

Elected State Officer's Class – certain elected City officials (61.68% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 60.00% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

- 4) Pension Liabilities and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions and Health Insurance Subsidy - At September 30, 2023, the City reported a liability of \$13,682,145 for its proportionate share of the FRS Pension Plan's net pension liability and \$3,469,799 for its proportionate share of the HIS Plan net liability. The net pension liabilities were measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liabilities were based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the year ended June 30, 2023. At June 30, 2023, the City's proportionate share was 0.0343 percent and 0.0218 percent, which was an increase (decrease) of 0.0021 percent and 0.0014 percent from its proportionate share of 0.0322 and 0.0204 percent measured as of June 30, 2022 for both the FRS and HIS plans, respectively.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$2,857,425 for the FRS Pension Plan and \$1,372,813 for the HIS Plan. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

| Description                                                                                                            | FRS                            |                               | HIS                            |                               |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                                                                                        | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                                                                     | \$ 1,284,635                   | \$ -                          | \$ 50,795                      | \$ 8,144                      |
| Change of assumptions                                                                                                  | 891,916                        | -                             | 91,220                         | 300,670                       |
| Net difference between projected and actual earnings on Pension Plan investments                                       | 571,403                        | -                             | 1,792                          | -                             |
| Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions | 571,348                        | 456,392                       | 196,016                        | -                             |
| City Pension Plan contributions subsequent to the measurement date                                                     | 428,216                        | -                             | 40,399                         | -                             |
| Total                                                                                                                  | <u>\$ 3,747,518</u>            | <u>\$ 456,392</u>             | <u>\$ 380,222</u>              | <u>\$ 308,814</u>             |

The deferred outflows of resources related to FRS \$428,216 and HIS \$40,399 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported for the Plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| FRS                              |                   | HIS                              |                   |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Fiscal Year Ending September 30: | Amount Recognized | Fiscal Year Ending September 30: | Amount Recognized |
| 2024                             | \$ 360,884        | 2024                             | \$ 25,578         |
| 2025                             | (182,261)         | 2025                             | 22,692            |
| 2026                             | 2,255,728         | 2026                             | 5,576             |
| 2027                             | 333,480           | 2027                             | (25,267)          |
| 2028                             | 95,079            | 2028                             | (2,768)           |
| Thereafter                       | -                 | Thereafter                       | 5,198             |

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

- 5) Actuarial Assumptions - The total pension liability for both the FRS and HIS Plans was determined using the following actuarial assumption, applied to all periods included in the measurement:

|                                                                                       | FRS                                                            | HIS                                                 |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------|
| Inflation                                                                             | 2.40%                                                          | 2.40%                                               |
| Salary Increases, average, including inflation                                        | 3.25%                                                          | 3.25%                                               |
| Investment Rate of Return net of pension plan investment expense, including inflation | 6.70%                                                          | 3.65%                                               |
| Mortality rates were based                                                            | PUB-2010 base table, projected Generational with scale MP-2018 | Generational PUB-2010 with projection scale MP-2018 |

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

- 6) Discount Rate - The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

The discount rate used to measure the HIS Plan liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

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

| Asset Class              | Target Allocation (1) | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|--------------------------|-----------------------|--------------------------|------------------------------------|--------------------|
| Cash                     | 1.00%                 | 2.90%                    | 2.90%                              | 1.10%              |
| Fixed Income             | 19.80%                | 4.50%                    | 4.40%                              | 3.40%              |
| Global Equity            | 54.00%                | 8.70%                    | 7.10%                              | 18.10%             |
| Real Estate              | 10.30%                | 7.60%                    | 6.60%                              | 14.80%             |
| Private Equity           | 11.10%                | 11.90%                   | 8.80%                              | 26.30%             |
| Strategic Investments    | 3.80%                 | 6.30%                    | 6.10%                              | 7.70%              |
| Total                    | 100.00%               |                          |                                    |                    |
| Assumed Inflation - Mean |                       |                          | 2.40%                              | 1.40%              |

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

- 8) Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability of the FRS and HIS Plans calculated using the discount rate of 6.70% and 3.65% respectively. Also presented is what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                                                            | 1% Decrease<br>(5.70%) | Current<br>Discount Rate<br>(6.70%) | 1% Increase<br>(7.70%) |
|------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| FRS Plan                                                   |                        |                                     |                        |
| City's Proportionate Share of<br>the Net Pension Liability | \$ 23,371,890          | \$ 13,682,145                       | \$ 5,575,514           |
| HIS Plan                                                   |                        |                                     |                        |
| City's Proportionate Share of<br>the Net Pension Liability | \$ 3,958,500           | \$ 3,469,799                        | \$ 3,064,700           |

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 7 - Employee Benefit Plans (Continued):

*A. Florida Retirement System (Continued)*

Contributions:

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,694,150 and to the HIS Plan \$151,300 for the fiscal year ended September 30, 2023.

Payables:

At September 30, 2023, the City reported a payable in the amount of \$100,258 to the Pension Plan and \$0 to the HIS Plan for outstanding contributions.

Expense:

The City's Investment Plan pension expense totaled \$314,342 for the fiscal year ended September 30, 2023.

Aggregates

|                  | Net Pension<br>Asset (Liability) | Deferred<br>Inflows | Deferred<br>Outflows | Pension<br>Expense  |
|------------------|----------------------------------|---------------------|----------------------|---------------------|
| FRS Pension Plan | \$ (13,682,145)                  | \$ (456,392)        | \$ 3,747,518         | \$ 2,857,425        |
| HIS Pension Plan | (3,469,799)                      | (308,814)           | 380,222              | 1,372,813           |
|                  | <u>\$ (17,151,944)</u>           | <u>\$ (765,206)</u> | <u>\$ 4,127,740</u>  | <u>\$ 4,230,238</u> |

*B. Deferred Compensation Plan*

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or death, or an unforeseeable emergency. The plan assets are held and administered by a third party; thus, the asset and related liabilities are not reflected in these financial statements.

## CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

**Note 8 - Interfund Balances and Transfers:**

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year ended September 30, 2023 consisted of the following:

| Transfers Out:               | Transfers In      |                   |                   | Total             |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | General Fund      | Kentucky SAD Fund | Tree Bank Fund    |                   |
| Utilities Enterprise Fund    | \$ 317,813        | \$ -              | \$ -              | \$ 317,813        |
| Solid Waste                  | 45,743            | -                 | -                 | 45,743            |
| General Fund                 | -                 | 145,000           | 219,199           | 364,199           |
| Streetlighting District Fund | 1,067             | -                 | -                 | 1,067             |
| Kentucky Ave SAD Fund        | 231,920           | -                 | -                 | 231,920           |
|                              | <u>\$ 596,543</u> | <u>\$ 145,000</u> | <u>\$ 219,199</u> | <u>\$ 960,742</u> |

**Purpose:**

The transfer of \$1,067 from the Streetlighting District fund to the General Fund is to cover the administrative costs associated with administering the two streetlighting districts.

The transfer of \$45,743 from the Solid Waste Fund to the General Fund is the annual 10% franchise fee on residential solid waste.

The transfer of \$317,813 from the Utilities Enterprise Fund to the General Fund is to cover administrative costs including the city manager's and other general government employees' salaries and other unallocated costs.

The transfer of \$231,920 from the Kentucky Ave SAD fund to the General fund is for reimbursement of engineering costs incurred by the General Fund prior to enactment of the Kentucky Ave SAD fund.

The transfer of \$145,000 from the General fund to the Kentucky Ave SAD fund is for the City's contribution towards the Kentucky Ave infrastructure improvement project.

The transfer of \$219,199 from the general fund to the Tree Bank fund is to create a separate special revenue fund for reporting revenue and expenditures pursuant to Section 11.15 of the Code of Ordinances.

The general fund has advanced the CRA fund \$1,322,632 to cover capital improvements funded by the City's SRF Loan. The CRA fund will repay the general fund amounts equal to the annual debt service on the loan, provided the CRA fund has sufficient incremental tax revenues.

The general fund has advanced the Kentucky Ave SAD fund \$664,216 to cover capital improvements. The Kentucky Ave SAD fund will repay the general fund amounts equal to the annual assessments received.

**Note 9 - Fund Balance:**

In accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* the City is required to report fund balance amounts in five classifications - nonexpendable and spendable categories of restricted, committed, assigned and unassigned as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The City had total nonspendable fund balance of \$2,109,537 in the general fund, with \$122,689 consisting of prepaid items, and \$1,986,848 which consists of advances to other funds.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

**Note 9 - Fund Balance (Continued):**

Restricted - amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The City had restricted fund balance of \$1,441,418, which consists of \$31,860 at September 30, 2023 restricted for the Forfeiture Fund related expenditures; \$5,213 for streetlight district assessments; \$82,656 for Solid Waste assessments; \$315,580 for Kentucky Ave SAD assessments; \$268,659 for Tree bank fund; \$36,214 for Building Safety; \$621,580 for Community Redevelopment Fund and \$79,656 restricted for debt service in the general fund.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's highest level of decision-making authority. The City Council addresses these commitments through formal board action, such as, the adoption of a resolution or by motion prior to the City's fiscal year end. Both actions (resolution or motion) are equally binding. The City had committed fund balance at September 30, 2023 of \$2,472,021 related to the Impact Fee approved capital activity.

Assigned - amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments can be made by the City Council. The City had assigned fund balance of \$10,462,669 at September 30, 2023. City Council has assigned fund balance of \$10,462,669 for various capital improvements, which have been reappropriated from fund balance in the subsequent year's budget. The City Council may also assign fund balance as it does when, fund balance is appropriated, to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative fund balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts.

**Note 10 - Commitments and Contingencies:**

The City has a contract with Volusia County whereby Volusia County has agreed to provide a wastewater treatment and disposal system for the benefit of the City. This contract remains in effect until 2039, at which time the contract can be extended for additional ten-year terms. The fee for this service is established by Volusia County. The City's annual expense related to this contract for the year ended September 30, 2023 was approximately \$1,104,000.

In the normal course of operations, the City participates in various federal and/or state grant programs from year-to-year. The grant programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant. An additional liability for reimbursement which may arise as a result of these potential audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Various lawsuits and claims arising in the ordinary course of the City's operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.

The City has various in progress commitments in Governmental Funds and Enterprise Funds which amounted to approximately \$14,483,786 at September 30, 2023.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 11 - 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 for which the City carries commercial insurance. Settled claims have not exceeded the specified commercial coverage limitations for the past three years. There have been no significant reductions in insurance coverage from the past year.

Note 12 - Other Post-Employment Benefits (OPEB):

Plan Description

In accordance with Florida Statutes Section 112.363, the City makes continued group health insurance through the City's current provider available to retirees, provided certain requirements and normal age retirement requirements have been met. This single-employer benefit plan has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. This plan does not issue stand-alone financial statements.

As of October 1, 2021, the valuation date, there were 113 active employees and 1 inactive employees currently receiving benefits. The OPEB liability of \$282,532 was measured as of September 30, 2023 and was determined by the actuarial valuation rolled forward to 2023. The covered payroll was \$6,310,190, and the ratio of Net OPEB liability as a percentage of covered payroll was 4.31%.

Summary of Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Total liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

|                                          |                    |
|------------------------------------------|--------------------|
| Initial Health Care Cost Trend Rate      | 6.5%               |
| Ultimate Health Care Cost Trend Rate     | 4.50%              |
| Fiscal Year the Ultimate Rate is Reached | Fiscal year 2038   |
| Valuation Date                           | October 1, 2021    |
| Measurement Date                         | September 30, 2023 |
| Actuarial Cost Method                    | Entry Age Normal   |
| Discount Rate*                           | 4.87%              |
| Inflation Rate                           | 3%                 |
| Salary Rate Increase                     | 4%                 |

\* S&P Municipal Bond 20-year high-grade rate index as of September 30, 2023

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 12 - Other Post-Employment Benefits (OPEB) (Continued):

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2022, to September 30, 2023.

|                                                   | Total OPEB<br>Liability |
|---------------------------------------------------|-------------------------|
| Balance as of 9/30/2022                           | \$ 265,722              |
| Changes for the year:                             |                         |
| Service Cost                                      | 13,359                  |
| Interest on Total OPEB Liability                  | 12,507                  |
| Difference Between Expected and Actual Experience | -                       |
| Changes of Assumptions and Other Inputs           | (1,993)                 |
| Benefit Payments                                  | (7,063)                 |
| Net Changes                                       | \$ 16,810               |
| Balance as of 9/30/2023                           | <u>\$ 282,532</u>       |

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

|                      | Decrease<br>3.87% | Discount Rate<br>4.87% | Increase<br>5.87% |
|----------------------|-------------------|------------------------|-------------------|
| Total OPEB Liability | \$ 302,743        | \$ 282,532             | \$ 263,015        |

The following presents the total liability of the city using the 2022 healthcare cost trend rate of 4.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

|                      | Decrease<br>1% | Health Care<br>Trend | Increase<br>1% |
|----------------------|----------------|----------------------|----------------|
| Total OPEB Liability | \$ 251,412     | \$ 282,532           | \$ 319,669     |

For the fiscal year ended September 30, 2023, the City had OPEB expense of \$24,343 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                   | Deferred Inflows<br>of Resources | Deferred Outflows<br>of Resources |
|---------------------------------------------------|----------------------------------|-----------------------------------|
| Difference between expected and actual experience | \$ 38,022                        | \$ 307                            |
| Changes of assumptions                            | 39,689                           | 73,482                            |
| Total                                             | <u>\$ 77,711</u>                 | <u>\$ 73,789</u>                  |

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2023

Note 12 - Other Post-Employment Benefits (OPEB) (Continued):

Amounts reported as deferred outflows or resources and deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

| <u>Fiscal Year Ending September 30,</u> |            |
|-----------------------------------------|------------|
| 2024                                    | \$ (1,523) |
| 2025                                    | (1,523)    |
| 2026                                    | (1,523)    |
| 2027                                    | (1,523)    |
| 2028                                    | 394        |
| Thereafter                              | 9,620      |

Summary of Benefits:

Other postemployment benefits (OPEB's) - The City provides optional postemployment healthcare, dental and life insurance coverage to eligible individuals.

Eligible individuals - Employees of the City who are eligible for retirement or disability retirement under the Florida Retirement System (FRS) may elect to participate in the City-sponsored insurance plans (healthcare, dental and life) at their cost.

Retired monthly premiums for postemployment insurance coverage - retirees must pay monthly premiums as determined by the insurance carriers. Failure to pay insurance premiums will result in termination of insurance coverage without the ability to reinstate such coverage.

Note 13 - Subsequent Events:

Subsequent to year end, the City drew funds on the State Revolving Fund Loan of approximately \$7,700,000.

**CITY OF ORANGE CITY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER THAN MANAGEMENT DISCUSSION AND ANALYSIS**

For the Year Ended September 30, 2023

CITY OF ORANGE CITY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2023

Retiree Continuation Insurance Plan

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Last Ten Fiscal Years\*

|                                                                     | 9/30/2023         | 9/30/2022         | 9/30/2021         | 9/30/2020         | 9/30/2019         | 9/30/2018         |
|---------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability                                                |                   |                   |                   |                   |                   |                   |
| Service cost                                                        | \$ 13,359         | \$ 19,294         | \$ 20,540         | \$ 15,966         | \$ 13,001         | \$ 12,567         |
| Interest                                                            | 12,507            | 5,678             | 4,641             | 6,047             | 5,467             | 5,864             |
| Differences between expected and actual experience                  | -                 | 39,634            | -                 | 5,929             | -                 | (715)             |
| Changes of assumptions                                              | (1,993)           | (28,849)          | (4,676)           | 18,429            | 970               | (17,460)          |
| Benefit Payments (1)                                                | (7,063)           | (7,387)           | -                 | -                 | (1,448)           | (1,592)           |
| Other changes                                                       | -                 | -                 | -                 | 1,423             | 161               | (23,595)          |
| Net change in total OPEB liability                                  | 16,810            | 28,370            | 20,505            | 47,794            | 18,151            | (24,931)          |
| Total OPEB liability, beginning                                     | 265,722           | 237,352           | 216,848           | 169,054           | 150,903           | 175,834           |
| Total OPEB liability, ending                                        | <u>\$ 282,532</u> | <u>\$ 265,722</u> | <u>\$ 237,353</u> | <u>\$ 216,848</u> | <u>\$ 169,054</u> | <u>\$ 150,903</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |
| Covered-employee payroll                                            | \$ 6,555,267      | \$ 6,310,190      | \$ 6,184,006      | \$ 6,184,006      | \$ 5,930,325      | \$ 5,930,325      |
| Net OPEB liability as a percentage of covered-employee payroll      | 4.31%             | 4.21%             | 3.84%             | 3.51%             | 2.85%             | 2.54%             |

Notes to Schedule:

(1) Includes the Implicit Rate Subsidy.

There are no assets accumulated in a trust to pay benefits.

\*Only 6 years of data available; additional years' information will be displayed as it becomes available

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2023

Schedule of the City's Proportionate Share of Net Pension Liability  
Florida Retirement System (FRS)  
Last 10 Fiscal Years\*

|                                                                                                | 2023          | 2022          | 2021         | 2020          | 2019          | 2018          | 2017         | 2016         | 2015         |
|------------------------------------------------------------------------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability                                                 | 0.034336843%  | 0.032224265%  | 0.031951620% | 0.035034214%  | 0.035023757%  | 0.034393717%  | 0.033648188% | 0.031085301% | 0.027824709% |
| City's Proportionate Share of the Net Pension Liability                                        | \$ 13,682,145 | \$ 11,990,016 | \$ 2,413,582 | \$ 15,184,345 | \$ 12,061,694 | \$ 10,359,566 | \$ 9,952,908 | \$ 7,849,063 | \$ 3,593,934 |
| City's Covered Payroll                                                                         | \$ 7,216,302  | \$ 6,342,352  | \$ 5,981,195 | \$ 6,965,227  | \$ 6,667,182  | \$ 6,430,153  | \$ 5,978,287 | \$ 5,378,013 | \$ 5,122,792 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 189.60%       | 189.05%       | 40.35%       | 218.00%       | 180.91%       | 161.11%       | 166.48%      | 145.95%      | 70.16%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 82.38%        | 82.89%        | 96.40%       | 78.85%        | 82.61%        | 84.26%        | 83.89%       | 84.88%       | 92.00%       |

Schedule of the City's Proportionate Share of Net Pension Liability  
Health Insurance Subsidy (HIS)  
Last 10 Fiscal Years\*

|                                                                                                | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability                                                 | 0.021848287% | 0.020449990% | 0.020127387% | 0.020048302% | 0.019935166% | 0.019687145% | 0.018744408% | 0.017418735% | 0.016885531% |
| City's Proportionate Share of the Net Pension Liability                                        | \$ 3,469,799 | \$ 2,165,981 | \$ 2,468,927 | \$ 2,447,865 | \$ 2,230,546 | \$ 2,083,710 | \$ 2,004,239 | \$ 2,030,081 | \$ 1,722,059 |
| City's Covered Payroll                                                                         | \$ 7,216,302 | \$ 6,342,352 | \$ 5,981,195 | \$ 6,965,227 | \$ 6,667,182 | \$ 6,430,153 | \$ 5,978,287 | \$ 5,378,013 | \$ 5,122,792 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 48.08%       | 34.15%       | 41.28%       | 35.14%       | 33.46%       | 32.41%       | 33.53%       | 37.75%       | 33.62%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 4.12%        | 4.81%        | 3.56%        | 3.00%        | 2.63%        | 2.15%        | 1.64%        | 0.97%        | 0.50%        |

Note: Covered payroll above is payroll for the State's fiscal year ending on June 30<sup>th</sup>.

\* Information for prior years not available.

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2023

Schedule of City Contributions  
Florida Retirement System (FRS)  
Last 10 Fiscal Years\*

|                                                                         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|-------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution                                     | \$ 1,694,150 | \$ 1,405,256 | \$ 1,269,045 | \$ 1,160,660 | \$ 1,107,972 | \$ 1,009,475 | \$ 894,145   | \$ 830,349   | \$ 678,390   |
| Contributions in Relation to the Contractually<br>Required Contribution | (1,694,150)  | (1,405,256)  | (1,269,045)  | (1,160,660)  | (1,107,972)  | (1,009,475)  | (894,145)    | (830,349)    | (678,390)    |
| Contribution Deficiency (Excess)                                        | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| City's Covered Payroll                                                  | \$ 7,214,635 | \$ 6,375,116 | \$ 6,087,333 | \$ 6,955,918 | \$ 6,731,102 | \$ 5,930,325 | \$ 6,285,736 | \$ 5,378,013 | \$ 5,122,792 |
| Contributions as a Percentage of Covered<br>Payroll                     | 23.48%       | 22.04%       | 20.85%       | 16.69%       | 16.46%       | 17.02%       | 14.22%       | 15.44%       | 13.24%       |

Schedule of City Contributions  
Health Insurance Subsidy (HIS)  
Last 10 Fiscal Years\*

|                                                                         | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         |
|-------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution                                     | \$ 151,300   | \$ 124,494   | \$ 120,363   | \$ 115,375   | \$ 111,757   | \$ 107,706   | \$ 102,265   | \$ 94,886    | \$ 64,547    |
| Contributions in Relation to the Contractually<br>Required Contribution | (151,300)    | (124,494)    | (120,363)    | (115,375)    | (111,757)    | (107,706)    | (102,265)    | (94,886)     | (64,547)     |
| Contribution Deficiency (Excess)                                        | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| City's Covered Payroll                                                  | \$ 7,214,635 | \$ 6,375,116 | \$ 6,087,333 | \$ 6,955,918 | \$ 6,731,102 | \$ 5,930,325 | \$ 6,285,736 | \$ 5,378,013 | \$ 5,122,792 |
| Contributions as a Percentage of Covered<br>Payroll                     | 2.10%        | 1.95%        | 1.98%        | 1.66%        | 1.66%        | 1.82%        | 1.63%        | 1.76%        | 1.26%        |

Note: Covered payroll above is for the City's fiscal year ending September 30<sup>th</sup>

\* Information for prior years not available.

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON GENERAL FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |                      | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with Final<br/>Budget - Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|----------------------|--------------------------------------------|-----------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u>         |                                            |                                                                 |
| REVENUES:                                         |                         |                      |                                            |                                                                 |
| Property Taxes                                    | \$ 7,134,390            | \$ 7,134,390         | \$ 7,103,255                               | \$ (31,135)                                                     |
| Franchise Fees                                    | 1,393,500               | 1,393,500            | 1,680,433                                  | 286,933                                                         |
| Local Option Gas Tax                              | 216,300                 | 216,300              | 229,699                                    | 13,399                                                          |
| Utility Service Taxes                             | 2,013,000               | 2,013,000            | 2,356,583                                  | 343,583                                                         |
| Fees and Fines                                    | 31,750                  | 31,750               | 51,504                                     | 19,754                                                          |
| Licenses and Permits                              | 191,000                 | 191,000              | 152,993                                    | (38,007)                                                        |
| Intergovernmental                                 | 1,630,500               | 1,867,254            | 2,601,397                                  | 734,143                                                         |
| Charges for Services                              | 85,650                  | 102,707              | 146,367                                    | 43,660                                                          |
| Investment Earnings                               | 6,600                   | 839,814              | 902,206                                    | 62,392                                                          |
| Contractual - DeBary Fire                         | 2,103,654               | 2,093,654            | 2,079,835                                  | (13,819)                                                        |
| Miscellaneous                                     | 156,500                 | 405,451              | 514,363                                    | 108,912                                                         |
| Total revenues                                    | <u>14,962,844</u>       | <u>16,288,820</u>    | <u>17,818,635</u>                          | <u>1,529,815</u>                                                |
| EXPENDITURES:                                     |                         |                      |                                            |                                                                 |
| Current:                                          |                         |                      |                                            |                                                                 |
| General Government:                               |                         |                      |                                            |                                                                 |
| City Council                                      | 232,723                 | 277,060              | 219,740                                    | 57,320                                                          |
| Administration                                    | 907,622                 | 973,828              | 957,397                                    | 16,431                                                          |
| City Clerk                                        | 336,159                 | 336,159              | 253,554                                    | 82,605                                                          |
| Finance                                           | 500,413                 | 500,413              | 496,305                                    | 4,108                                                           |
| Development Services                              | 655,655                 | 674,608              | 478,384                                    | 196,224                                                         |
| General Government                                | 914,349                 | 2,656,962            | 807,630                                    | 1,849,332                                                       |
| Public Safety:                                    |                         |                      |                                            |                                                                 |
| Police                                            | 3,634,996               | 3,826,857            | 3,796,749                                  | 30,108                                                          |
| Fire                                              | 3,237,932               | 4,374,821            | 3,247,823                                  | 1,126,998                                                       |
| DeBary Fire Services                              | 1,871,604               | 1,866,062            | 1,433,290                                  | 432,772                                                         |
| Emergency and Disaster Relief                     | -                       | 321,985              | 314,653                                    | 7,332                                                           |
| Transportation                                    | 2,342,462               | 3,852,006            | 2,102,266                                  | 1,749,740                                                       |
| Culture and Recreation:                           |                         |                      |                                            |                                                                 |
| Parks Maintenance                                 | 783,164                 | 1,093,806            | 936,153                                    | 157,653                                                         |
| Total expenditures                                | <u>15,417,079</u>       | <u>20,754,567</u>    | <u>15,043,944</u>                          | <u>5,710,623</u>                                                |
| Excess (deficiency) of revenues over expenditures | <u>(454,235)</u>        | <u>(4,465,747)</u>   | <u>2,774,691</u>                           | <u>7,240,438</u>                                                |
| OTHER FINANCING SOURCES (USES):                   |                         |                      |                                            |                                                                 |
| Transfers In                                      | 367,813                 | 1,262,535            | 596,543                                    | (665,992)                                                       |
| Transfers Out                                     | (74,752)                | (1,545,951)          | (364,199)                                  | 1,181,752                                                       |
| Total other financing sources (uses)              | <u>293,061</u>          | <u>(283,416)</u>     | <u>232,344</u>                             | <u>515,760</u>                                                  |
| Net change in fund balances                       | <u>(161,174)</u>        | <u>(4,749,163)</u>   | <u>3,007,035</u>                           | <u>7,756,198</u>                                                |
| Fund Balances, beginning of year                  | <u>22,141,436</u>       | <u>22,141,436</u>    | <u>22,141,436</u>                          | <u>-</u>                                                        |
| Fund Balances, end of year                        | <u>\$ 21,980,262</u>    | <u>\$ 17,392,273</u> | <u>\$ 25,148,471</u>                       | <u>\$ 7,756,198</u>                                             |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
IMPACT FEE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |                     | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|---------------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u>        |                                            |                                                                     |
| REVENUES:                                         |                         |                     |                                            |                                                                     |
| Public Safety Impact Fees                         | \$ 12,500               | \$ 12,500           | \$ 9,261                                   | \$ (3,239)                                                          |
| Fire Impact Fees                                  | 17,500                  | 17,500              | 20,321                                     | 2,821                                                               |
| Transportation Impact Fees                        | 22,500                  | 22,500              | 44,981                                     | 22,481                                                              |
| Community Park Impact Fees                        | 7,500                   | 7,500               | 30,945                                     | 23,445                                                              |
| Total revenues                                    | <u>60,000</u>           | <u>60,000</u>       | <u>105,508</u>                             | <u>45,508</u>                                                       |
| EXPENDITURES:                                     |                         |                     |                                            |                                                                     |
| Current:                                          |                         |                     |                                            |                                                                     |
| Transportation                                    | -                       | 701,537             | 32,074                                     | 669,463                                                             |
| Total Expenditures                                | <u>-</u>                | <u>701,537</u>      | <u>32,074</u>                              | <u>669,463</u>                                                      |
| Excess (deficiency) of revenues over expenditures | <u>60,000</u>           | <u>(641,537)</u>    | <u>73,434</u>                              | <u>714,971</u>                                                      |
| OTHER FINANCING SOURCES (USES):                   |                         |                     |                                            |                                                                     |
| Transfers In                                      | -                       | 2,398,587           | -                                          | (2,398,587)                                                         |
| Transfers Out                                     | -                       | (2,398,587)         | -                                          | 2,398,587                                                           |
| Total other financing sources (uses)              | <u>-</u>                | <u>-</u>            | <u>-</u>                                   | <u>-</u>                                                            |
| Net change in fund balances                       | <u>60,000</u>           | <u>(641,537)</u>    | <u>73,434</u>                              | <u>714,971</u>                                                      |
| Fund Balances, beginning of year                  | <u>2,398,587</u>        | <u>2,398,587</u>    | <u>2,398,587</u>                           | <u>-</u>                                                            |
| Fund Balances, end of year                        | <u>\$ 2,458,587</u>     | <u>\$ 1,757,050</u> | <u>\$ 2,472,021</u>                        | <u>\$ 714,971</u>                                                   |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
CRA - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |                       | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|-----------------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u>          |                                            |                                                                     |
| REVENUES:                                         |                         |                       |                                            |                                                                     |
| Property Taxes                                    | \$ 733,240              | \$ 733,240            | \$ 801,710                                 | \$ 68,470                                                           |
| Total revenues                                    | <u>733,240</u>          | <u>733,240</u>        | <u>801,710</u>                             | <u>68,470</u>                                                       |
| EXPENDITURES:                                     |                         |                       |                                            |                                                                     |
| Current:                                          |                         |                       |                                            |                                                                     |
| Economic environment                              | <u>1,873,580</u>        | <u>1,922,162</u>      | <u>46,309</u>                              | <u>1,875,853</u>                                                    |
| Total Expenditures                                | <u>1,873,580</u>        | <u>1,922,162</u>      | <u>46,309</u>                              | <u>1,875,853</u>                                                    |
| Excess (deficiency) of revenues over expenditures | <u>(1,140,340)</u>      | <u>(1,188,922)</u>    | <u>755,401</u>                             | <u>1,944,323</u>                                                    |
| OTHER FINANCING SOURCES (USES):                   |                         |                       |                                            |                                                                     |
| Transfers out                                     | <u>(79,660)</u>         | <u>(79,660)</u>       | <u>-</u>                                   | <u>79,660</u>                                                       |
|                                                   | <u>(79,660)</u>         | <u>(79,660)</u>       | <u>-</u>                                   | <u>79,660</u>                                                       |
| Net change in fund balances                       | (1,220,000)             | (1,268,582)           | 755,401                                    | 2,023,983                                                           |
| Fund Balances, beginning of year                  | <u>(133,690)</u>        | <u>(133,690)</u>      | <u>(133,690)</u>                           | <u>-</u>                                                            |
| Fund Balances, end of year                        | <u>\$ (1,353,690)</u>   | <u>\$ (1,402,272)</u> | <u>\$ 621,711</u>                          | <u>\$ 2,023,983</u>                                                 |

CITY OF ORANGE CITY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2023

1. Summary of Significant Budget Policies

The City Council annually adopts budgets for the General Fund of the primary government. All appropriations are legally controlled at the fund and department level for the General Fund. On September 27, 2022, the City Council approved the original adopted budget and on November 14, 2023 approved the revised final budget reflected in the financial statements.

The budget is integrated into the accounting system, and the budgetary data, as presented in the financial statement for all funds with annual budgets, compares the expenditures with the amended budgets. The budget is presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with U.S. Generally Accepted Accounting Principles on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on the annual budget lapse at the end of each fiscal year.

All major Special Revenue Funds budgets were legally adopted.

2. Material Violations

There were no material violations of the annual appropriated budget for the General Fund for the fiscal year ended September 30, 2023. In addition, there were no excesses of budgetary expenditures for the period.

3. Budgetary Basis of Accounting

The General Fund and Building Services fund budgets are prepared on a budgetary basis where the City does not budget for capital outlay expenditures and other financing sources related to the acquisition of assets through SBITA transactions. The following adjustments were necessary to convert General fund and Building Services expenditures and other financing sources (uses) on the GAAP basis to the budgetary basis:

|                                | General Fund         |                                   | Building Safety Fund |                                   |
|--------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
|                                | Expenditures         | Other Financing<br>Sources (Uses) | Expenditures         | Other Financing<br>Sources (Uses) |
| GAAP Basis                     | \$ 15,303,447        | \$ 491,847                        | \$ 809,176           | \$ 88,260                         |
| Nonbudgeted SBITA transactions | -                    | -                                 | (88,260)             | (88,260)                          |
| Budgetary Basis                | <u>\$ 15,303,447</u> | <u>\$ 491,847</u>                 | <u>\$ 720,916</u>    | <u>\$ -</u>                       |

CITY OF ORANGE CITY, FLORIDA

COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES

For the Year Ended September 30, 2023

CITY OF ORANGE CITY, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government. The City has the following Special Revenue Funds.

- |                                            |   |                                                                                                                                                                                                              |
|--------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Forfeiture Fund</u>                     | - | This fund is established pursuant to the Florida Contraband Forfeiture Act for the receipts of contraband sales proceeds to be used for law enforcement, excluding normal operating expenditures.            |
| <u>Solid Waste Special Assessment Fund</u> | - | The Solid Waste Special Assessment Fund is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to residential solid waste services. |
| <u>Streetlighting District Fund</u>        | - | This is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to the Streetlighting Districts.                                        |
| <u>Kentucky Ave. (SAD) Assessment Fund</u> | - | Track activity related to special assessments.                                                                                                                                                               |
| <u>Tree Bank Fund</u>                      | - | Track restricted tree bank revenues.                                                                                                                                                                         |
| <u>Building Safety Fund</u>                | - | Break out building department.                                                                                                                                                                               |

## CITY OF ORANGE CITY, FLORIDA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

|                                          | Special Revenue Funds |                                   |                                    |                                          |                      |                            |                     |
|------------------------------------------|-----------------------|-----------------------------------|------------------------------------|------------------------------------------|----------------------|----------------------------|---------------------|
|                                          | Forfeiture<br>Fund    | Solid Waste<br>Assessment<br>Fund | Streetlighting<br>District<br>Fund | Kentucky Ave<br>(SAD) Assessment<br>Fund | Tree<br>Bank<br>Fund | Building<br>Safety<br>Fund | Total<br>Funds      |
| ASSETS:                                  |                       |                                   |                                    |                                          |                      |                            |                     |
| Cash and cash equivalents                | \$ 31,860             | \$ 119,219                        | \$ 6,144                           | \$ 979,796                               | \$ 268,659           | \$ 101,508                 | \$ 1,507,186        |
| Prepaid costs                            | -                     | -                                 | -                                  | -                                        | -                    | 856                        | 856                 |
| Total assets                             | <u>\$ 31,860</u>      | <u>\$ 119,219</u>                 | <u>\$ 6,144</u>                    | <u>\$ 979,796</u>                        | <u>\$ 268,659</u>    | <u>\$ 102,364</u>          | <u>\$ 1,508,042</u> |
| LIABILITIES:                             |                       |                                   |                                    |                                          |                      |                            |                     |
| Liabilities:                             |                       |                                   |                                    |                                          |                      |                            |                     |
| Accounts payable and accrued liabilities | \$ -                  | \$ 36,563                         | \$ 931                             | \$ -                                     | \$ -                 | \$ 65,294                  | \$ 102,788          |
| Due to other funds                       | -                     | -                                 | -                                  | 664,216                                  | -                    | -                          | 664,216             |
| Total liabilities                        | <u>-</u>              | <u>36,563</u>                     | <u>931</u>                         | <u>664,216</u>                           | <u>-</u>             | <u>65,294</u>              | <u>767,004</u>      |
| FUND BALANCES:                           |                       |                                   |                                    |                                          |                      |                            |                     |
| Nonspendable                             | -                     | -                                 | -                                  | -                                        | -                    | 856                        | 856                 |
| Restricted                               | <u>31,860</u>         | <u>82,656</u>                     | <u>5,213</u>                       | <u>315,580</u>                           | <u>268,659</u>       | <u>36,214</u>              | <u>740,182</u>      |
| Total fund balances                      | <u>31,860</u>         | <u>82,656</u>                     | <u>5,213</u>                       | <u>315,580</u>                           | <u>268,659</u>       | <u>37,070</u>              | <u>741,038</u>      |
| Total liabilities and fund balances      | <u>\$ 31,860</u>      | <u>\$ 119,219</u>                 | <u>\$ 6,144</u>                    | <u>\$ 979,796</u>                        | <u>\$ 268,659</u>    | <u>\$ 102,364</u>          | <u>\$ 1,508,042</u> |

CITY OF ORANGE CITY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

|                                                   | Special Revenue Funds |                                   |                                    |                                          |                      |                            |                |
|---------------------------------------------------|-----------------------|-----------------------------------|------------------------------------|------------------------------------------|----------------------|----------------------------|----------------|
|                                                   | Forfeiture<br>Fund    | Solid Waste<br>Assessment<br>Fund | Streetlighting<br>District<br>Fund | Kentucky Ave<br>(SAD) Assessment<br>Fund | Tree<br>Bank<br>Fund | Building<br>Safety<br>Fund | Total<br>Funds |
| REVENUES:                                         |                       |                                   |                                    |                                          |                      |                            |                |
| Licenses and permits                              | \$ -                  | \$ -                              | \$ -                               | \$ -                                     | \$ -                 | \$ 735,903                 | \$ 735,903     |
| Special assessments                               | -                     | 505,809                           | 12,192                             | 460,784                                  | -                    | -                          | 978,785        |
| Charges for services                              | -                     | -                                 | -                                  | -                                        | 49,910               | -                          | 49,910         |
| Miscellaneous                                     | -                     | -                                 | -                                  | -                                        | -                    | 22,083                     | 22,083         |
| Total revenues                                    | -                     | 505,809                           | 12,192                             | 460,784                                  | 49,910               | 757,986                    | 1,786,681      |
| EXPENDITURES:                                     |                       |                                   |                                    |                                          |                      |                            |                |
| Current:                                          |                       |                                   |                                    |                                          |                      |                            |                |
| General government                                | -                     | 441,343                           | -                                  | -                                        | -                    | -                          | 441,343        |
| Public safety                                     | -                     | -                                 | -                                  | -                                        | -                    | 694,849                    | 694,849        |
| Transportation                                    | -                     | -                                 | 12,478                             | -                                        | 450                  | -                          | 12,928         |
| Debt Service                                      |                       |                                   |                                    |                                          |                      |                            |                |
| Principal                                         | -                     | -                                 | -                                  | -                                        | -                    | 18,604                     | 18,604         |
| Capital Outlay                                    | -                     | -                                 | -                                  | 58,284                                   | -                    | 95,723                     | 154,007        |
| Total expenditures                                | -                     | 441,343                           | 12,478                             | 58,284                                   | 450                  | 809,176                    | 1,321,731      |
| Excess (deficiency) of revenues over expenditures | -                     | 64,466                            | (286)                              | 402,500                                  | 49,460               | (51,190)                   | 464,950        |
| OTHER FINANCING SOURCES (USES):                   |                       |                                   |                                    |                                          |                      |                            |                |
| Subscriptions                                     | -                     | -                                 | -                                  | -                                        | -                    | 88,260                     | 88,260         |
| Transfers in                                      | -                     | -                                 | -                                  | 145,000                                  | 219,199              | -                          | 364,199        |
| Transfers out                                     | -                     | (45,743)                          | (1,067)                            | (231,920)                                | -                    | -                          | (278,730)      |
| Total other financing sources (uses)              | -                     | (45,743)                          | (1,067)                            | (86,920)                                 | 219,199              | 88,260                     | 173,729        |
| Net change in fund balances                       | -                     | 18,723                            | (1,353)                            | 315,580                                  | 268,659              | 37,070                     | 638,679        |
| Fund Balances, beginning of year                  | 31,860                | 63,933                            | 6,566                              | -                                        | -                    | -                          | 102,359        |
| Fund Balances, end of year                        | \$ 31,860             | \$ 82,656                         | \$ 5,213                           | \$ 315,580                               | \$ 268,659           | \$ 37,070                  | \$ 741,038     |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
FORFEITURE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                      | <u>Budgeted Amounts</u> |                  | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------------------------|-------------------------|------------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                      | <u>Original</u>         | <u>Final</u>     |                                            |                                                                     |
| REVENUES:                                            |                         |                  |                                            |                                                                     |
| Confiscated Property                                 | \$ -                    | \$ -             | \$ -                                       | \$ -                                                                |
| Total revenues                                       | -                       | -                | -                                          | -                                                                   |
| EXPENDITURES:                                        |                         |                  |                                            |                                                                     |
| Current:                                             |                         |                  |                                            |                                                                     |
| Public safety                                        | -                       | -                | -                                          | -                                                                   |
| Total expenditures                                   | -                       | -                | -                                          | -                                                                   |
| Excess (deficiency) of revenues over<br>expenditures | -                       | -                | -                                          | -                                                                   |
| Net change in fund balance                           | -                       | -                | -                                          | -                                                                   |
| Fund Balances, beginning of year                     | 31,860                  | 31,860           | 31,860                                     | -                                                                   |
| Fund Balances, end of year                           | <u>\$ 31,860</u>        | <u>\$ 31,860</u> | <u>\$ 31,860</u>                           | <u>\$ -</u>                                                         |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
SOLID WASTE ASSESSMENT FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | Budgeted Amounts |            | Actual Amounts,<br>Budgetary Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------------------------|------------------|------------|------------------------------------|-----------------------------------------------------------|
|                                                   | Original         | Final      |                                    |                                                           |
| REVENUES:                                         |                  |            |                                    |                                                           |
| Residential Assessments                           | \$ 497,390       | \$ 497,390 | \$ 498,857                         | \$ 1,467                                                  |
| New Homes                                         | 2,500            | 2,500      | 6,952                              | 4,452                                                     |
| Total revenues                                    | 499,890          | 499,890    | 505,809                            | 5,919                                                     |
| EXPENDITURES:                                     |                  |            |                                    |                                                           |
| Current:                                          |                  |            |                                    |                                                           |
| Operating expenditures                            | 451,173          | 451,173    | 441,343                            | 9,830                                                     |
| Total expenditures                                | 451,173          | 451,173    | 441,343                            | 9,830                                                     |
| Excess (deficiency) of revenues over expenditures | 48,717           | 48,717     | 64,466                             | 15,749                                                    |
| OTHER FINANCING SOURCES (USES):                   |                  |            |                                    |                                                           |
| Transfers out                                     | (48,717)         | (48,717)   | (45,743)                           | 2,974                                                     |
| Total other financing sources (uses)              | (48,717)         | (48,717)   | (45,743)                           | 2,974                                                     |
| Net change in fund balance                        | -                | -          | 18,723                             | 18,723                                                    |
| Fund Balances, beginning of year                  | 63,933           | 63,933     | 63,933                             | -                                                         |
| Fund Balances, end of year                        | \$ 63,933        | \$ 63,933  | \$ 82,656                          | \$ 18,723                                                 |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
STREETLIGHTING DISTRICT - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |                 | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|-----------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u>    |                                            |                                                                     |
| REVENUES:                                         |                         |                 |                                            |                                                                     |
| Special Assessments                               | \$ 12,850               | \$ 12,850       | \$ 12,192                                  | \$ (658)                                                            |
| Total revenues                                    | <u>12,850</u>           | <u>12,850</u>   | <u>12,192</u>                              | <u>(658)</u>                                                        |
| EXPENDITURES:                                     |                         |                 |                                            |                                                                     |
| Current:                                          |                         |                 |                                            |                                                                     |
| Transportation                                    | <u>12,385</u>           | <u>12,385</u>   | <u>12,478</u>                              | <u>(93)</u>                                                         |
| Total expenditures                                | <u>12,385</u>           | <u>12,385</u>   | <u>12,478</u>                              | <u>(93)</u>                                                         |
| Excess (deficiency) of revenues over expenditures | <u>465</u>              | <u>465</u>      | <u>(286)</u>                               | <u>(751)</u>                                                        |
| OTHER FINANCING SOURCES (USES):                   |                         |                 |                                            |                                                                     |
| Transfers out                                     | <u>(1,292)</u>          | <u>(1,292)</u>  | <u>(1,067)</u>                             | <u>225</u>                                                          |
| Total other financing sources (uses)              | <u>(1,292)</u>          | <u>(1,292)</u>  | <u>(1,067)</u>                             | <u>225</u>                                                          |
| Net change in fund balance                        | (827)                   | (827)           | (1,353)                                    | (526)                                                               |
| Fund Balances, beginning of year                  | <u>6,566</u>            | <u>6,566</u>    | <u>6,566</u>                               | <u>-</u>                                                            |
| Fund Balances, end of year                        | <u>\$ 5,739</u>         | <u>\$ 5,739</u> | <u>\$ 5,213</u>                            | <u>\$ (526)</u>                                                     |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
KENTUCKY AVE (SAD) ASSESSMENT - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | Budgeted Amounts |            | Actual Amounts,<br>Budgetary Basis | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------------------------|------------------|------------|------------------------------------|-----------------------------------------------------------|
|                                                   | Original         | Final      |                                    |                                                           |
| REVENUES:                                         |                  |            |                                    |                                                           |
| Assessments                                       | \$ -             | \$ 460,784 | \$ 460,784                         | \$ -                                                      |
| Total revenues                                    | -                | 460,784    | 460,784                            | -                                                         |
| EXPENDITURES:                                     |                  |            |                                    |                                                           |
| Current:                                          |                  |            |                                    |                                                           |
| Transportation                                    | -                | 1,038,080  | 58,284                             | 979,796                                                   |
| Total Expenditures                                | -                | 1,038,080  | 58,284                             | 979,796                                                   |
| Excess (deficiency) of revenues over expenditures | -                | (577,296)  | 402,500                            | 979,796                                                   |
| OTHER FINANCING SOURCES (USES):                   |                  |            |                                    |                                                           |
| Transfers in                                      | -                | 1,270,000  | 145,000                            | (1,125,000)                                               |
| Transfers out                                     | -                | (692,704)  | (231,920)                          | 460,784                                                   |
|                                                   | -                | 577,296    | (86,920)                           | (664,216)                                                 |
| Net change in fund balances                       | -                | -          | 315,580                            | 315,580                                                   |
| Fund Balances, beginning of year                  | -                | -          | -                                  | -                                                         |
| Fund Balances, end of year                        | \$ -             | \$ -       | \$ 315,580                         | \$ 315,580                                                |

## CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON  
TREE BANK - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |              | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|--------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u> |                                            |                                                                     |
| REVENUES:                                         |                         |              |                                            |                                                                     |
| Licenses and permits                              | \$ -                    | \$ -         | \$ 49,910                                  | \$ 49,910                                                           |
| Total revenues                                    | -                       | -            | 49,910                                     | 49,910                                                              |
| EXPENDITURES:                                     |                         |              |                                            |                                                                     |
| Current:                                          |                         |              |                                            |                                                                     |
| Public safety                                     | -                       | 40,000       | 450                                        | 39,550                                                              |
| Total Expenditures                                | -                       | 40,000       | 450                                        | 39,550                                                              |
| Excess (deficiency) of revenues over expenditures | -                       | (40,000)     | 49,460                                     | 89,460                                                              |
| OTHER FINANCING SOURCES (USES):                   |                         |              |                                            |                                                                     |
| Transfers in                                      | -                       | 219,199      | 219,199                                    | -                                                                   |
|                                                   | -                       | 219,199      | 219,199                                    | -                                                                   |
| Net change in fund balances                       | -                       | 179,199      | 268,659                                    | 89,460                                                              |
| Fund Balances, beginning of year                  | -                       | -            | -                                          | -                                                                   |
| Fund Balances, end of year                        | \$ -                    | \$ 179,199   | \$ 268,659                                 | \$ 89,460                                                           |

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON

BUILDING SAFETY - SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

|                                                   | <u>Budgeted Amounts</u> |                 | <u>Actual Amounts,<br/>Budgetary Basis</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------------------|-------------------------|-----------------|--------------------------------------------|---------------------------------------------------------------------|
|                                                   | <u>Original</u>         | <u>Final</u>    |                                            |                                                                     |
| REVENUES:                                         |                         |                 |                                            |                                                                     |
| Licenses and permits                              | \$ 480,000              | \$ 681,000      | \$ 735,903                                 | \$ 54,903                                                           |
| Miscellaneous                                     | -                       | -               | 22,083                                     | 22,083                                                              |
| Total revenues                                    | <u>480,000</u>          | <u>681,000</u>  | <u>757,986</u>                             | <u>76,986</u>                                                       |
| EXPENDITURES:                                     |                         |                 |                                            |                                                                     |
| Current:                                          |                         |                 |                                            |                                                                     |
| Building division                                 | <u>554,752</u>          | <u>737,752</u>  | <u>720,916</u>                             | <u>16,836</u>                                                       |
| Total Expenditures                                | <u>554,752</u>          | <u>737,752</u>  | <u>720,916</u>                             | <u>16,836</u>                                                       |
| Excess (deficiency) of revenues over expenditures | <u>(74,752)</u>         | <u>(56,752)</u> | <u>37,070</u>                              | <u>93,822</u>                                                       |
| OTHER FINANCING SOURCES (USES):                   |                         |                 |                                            |                                                                     |
| Transfers in                                      | <u>74,752</u>           | <u>56,752</u>   | -                                          | (56,752)                                                            |
|                                                   | <u>74,752</u>           | <u>56,752</u>   | -                                          | (56,752)                                                            |
| Net change in fund balances                       | -                       | -               | 37,070                                     | 37,070                                                              |
| Fund Balances, beginning of year                  | -                       | -               | -                                          | -                                                                   |
| Fund Balances, end of year                        | <u>\$ -</u>             | <u>\$ -</u>     | <u>\$ 37,070</u>                           | <u>\$ 37,070</u>                                                    |

# Statistical Section





## **CITY OF ORANGE CITY, FLORIDA**

### **STATISTICAL SECTION**

For the Year Ended September 30, 2023

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

#### **CONTENTS**

##### **Financial Trends**

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

##### **Revenue Capacity**

These schedules contain information to help readers assess the City's most significant local revenue source - its property tax.

##### **Debt Capacity**

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. There are no limitations placed upon the amount of debt the City may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.

##### **Demographic and Economic Information**

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

##### **Operating Information**

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

#### **TABLES**

**1 through 4**

**5 through 8**

**9 through 11**

**12 through 13**

**14 through 16**

Except where noted, the information in these schedules is derived from the City of Orange City's comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 54 in 2011; schedules presenting fund equity include information beginning in that year.

## CITY OF ORANGE CITY, FLORIDA

TABLE 1

**NET POSITION BY COMPONENT****LAST TEN FISCAL YEARS****(Prepared on the accrual basis of accounting)**

|                                             | <b>2014</b>         | <b>2015 (1)</b>     | <b>2016</b>         | <b>2017</b>          | <b>2018</b>         | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          | <b>2023</b>          |
|---------------------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities                     |                     |                     |                     |                      |                     |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 5,923,764        | \$ 6,823,702        | \$ 7,652,289        | \$ 8,614,451         | \$ 8,986,632        | \$ 10,080,529        | \$ 9,625,706         | \$ 9,119,370         | \$ 11,121,269        | \$ 11,545,757        |
| Restricted                                  | 671,649             | 557,372             | 646,346             | 628,049              | 1,047,126           | 1,005,201            | 1,602,000            | 1,895,848            | 2,492,007            | 3,831,770            |
| Unrestricted                                | 8,197,908           | 4,832,747           | 3,522,587           | 249,665              | (25,867)            | 250,156              | 1,161,600            | 4,975,564            | 11,024,444           | 12,119,311           |
| Total governmental activities net position  | <u>\$14,793,321</u> | <u>\$12,213,821</u> | <u>\$11,821,222</u> | <u>\$ 9,492,165</u>  | <u>\$10,007,891</u> | <u>\$ 11,335,886</u> | <u>\$ 12,389,306</u> | <u>\$ 15,990,782</u> | <u>\$ 24,637,720</u> | <u>\$ 27,496,838</u> |
| Business-type activities                    |                     |                     |                     |                      |                     |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 6,799,490        | \$ 7,616,441        | \$10,283,233        | \$ 16,076,379        | \$20,963,248        | \$ 24,351,126        | \$ 24,138,415        | \$ 24,536,284        | \$ 25,369,116        | \$ 29,688,120        |
| Restricted                                  | 280,000             | 285,000             | 295,000             | 310,000              | 320,000             | 330,000              | 594,746              | 645,366              | 281,567              | 320,320              |
| Unrestricted                                | 4,535,413           | 4,030,677           | 3,291,079           | 4,048,384            | 5,008,520           | 5,019,856            | 7,584,339            | 10,232,996           | 12,404,966           | 10,867,866           |
| Total business-type activities net position | <u>\$11,614,903</u> | <u>\$11,932,118</u> | <u>\$13,869,312</u> | <u>\$ 20,434,763</u> | <u>\$26,291,768</u> | <u>\$ 29,700,982</u> | <u>\$ 32,317,500</u> | <u>\$ 35,414,646</u> | <u>\$ 38,055,649</u> | <u>\$ 40,876,306</u> |
| Primary government                          |                     |                     |                     |                      |                     |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$12,723,254        | \$14,440,143        | \$17,935,522        | \$ 24,690,830        | \$29,949,880        | 34,431,655           | 33,764,121           | 33,655,654           | 36,490,385           | 41,233,877           |
| Restricted                                  | 951,649             | 842,372             | 941,346             | 938,049              | 1,367,126           | 1,335,201            | 2,196,746            | 2,541,214            | 2,773,574            | 4,152,090            |
| Unrestricted                                | 12,733,321          | 8,863,424           | 6,813,666           | 4,298,049            | 4,982,653           | 5,270,012            | 8,745,939            | 15,208,560           | 23,429,410           | 22,987,177           |
| Total primary government net position       | <u>\$26,408,224</u> | <u>\$24,145,939</u> | <u>\$25,690,534</u> | <u>\$ 29,926,928</u> | <u>\$36,299,659</u> | <u>\$ 41,036,868</u> | <u>\$ 44,706,806</u> | <u>\$ 51,405,428</u> | <u>\$ 62,693,369</u> | <u>\$ 68,373,144</u> |

(1) Updated for GASB 68

## CITY OF ORANGE CITY, FLORIDA

TABLE 2

**CHANGES IN NET POSITION****Continued****LAST TEN FISCAL YEARS****(Prepared on the accrual basis of accounting)**

| <b>Expenses</b>                                 | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   |
|-------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |               |
| General government                              | \$ 2,628,172  | \$ 2,567,621  | \$ 3,012,446  | \$ 2,637,169  | \$ 2,794,659  | \$ 3,188,748  | \$ 3,300,566  | \$ 2,945,936  | \$ 3,488,881  | \$ 4,029,736  |
| Public safety                                   | 5,101,304     | 5,108,840     | 6,247,281     | 7,045,247     | 8,125,224     | 8,853,471     | 9,304,186     | 7,376,700     | 8,852,404     | 10,663,374    |
| Transportation                                  | 1,170,091     | 1,196,175     | 1,508,542     | 1,107,884     | 1,611,000     | 1,920,073     | 2,153,632     | 1,842,482     | 1,778,663     | 2,173,905     |
| Culture and recreation                          | 438,508       | 537,128       | 541,844       | 1,265,752     | 693,156       | 652,902       | 634,319       | 744,382       | 968,556       | 1,041,712     |
| Economic environment                            | -             | -             | -             | 10,822        | 12,046        | 14,158        | 24,693        | 14,956        | 250,917       | 49,750        |
| Interest on long-term debt                      | 17,675        | 8,358         | -             | -             | -             | -             | 9,086         | 44,879        | 9,311         | 12,752        |
| Total governmental activities expenses          | 9,355,750     | 9,418,122     | 11,310,113    | 12,066,874    | 13,236,085    | 14,629,352    | 15,426,482    | 12,969,335    | 15,348,732    | 17,971,229    |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Water and wastewater system                     | 3,083,384     | 3,337,193     | 3,577,722     | 3,881,259     | 4,048,452     | 4,163,674     | 5,008,858     | 5,750,227     | 6,308,740     | 7,115,921     |
| Stormwater                                      | -             | -             | 78,101        | 102,091       | 221,775       | 352,153       | 433,037       | 515,948       | 664,005       | 1,058,321     |
| Total business-type activities expenses         | 3,083,384     | 3,337,193     | 3,655,823     | 3,983,350     | 4,270,227     | 4,515,827     | 5,441,895     | 6,266,175     | 6,972,745     | 8,174,242     |
| Total primary government expenses               | \$ 12,439,134 | \$ 12,755,315 | \$ 14,965,936 | \$ 16,050,224 | \$ 17,506,312 | \$ 19,145,179 | \$ 20,868,377 | \$ 19,235,510 | \$ 22,321,477 | \$ 26,145,471 |
| <b>Program Revenues</b>                         |               |               |               |               |               |               |               |               |               |               |
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                           |               |               |               |               |               |               |               |               |               |               |
| General government                              | 2,498,242     | 2,579,408     | 2,327,456     | 2,417,373     | 2,485,552     | 3,056,020     | 3,266,574     | 3,376,431     | 3,488,312     | 3,310,772     |
| Public safety                                   | 1,449,976     | 1,538,576     | 1,732,887     | 1,799,228     | 1,838,168     | 1,942,570     | 2,041,877     | 2,171,911     | 2,356,139     | 2,364,361     |
| Transportation                                  | 313,543       | 344,900       | 366,401       | 391,186       | 422,213       | 444,213       | 406,037       | 474,825       | 611,296       | 1,173,156     |
| Culture and recreation                          | 23,577        | 24,061        | 76,571        | 40,265        | 30,512        | 38,139        | 18,394        | 20,760        | 34,797        | 43,467        |
| Operating grants and contributions              | 103,754       | 994,570       | 85,438        | 113,316       | 491,300       | 831,487       | 1,220,285     | 331,168       | 6,842,726     | 739,494       |
| Capital grants and contributions                | -             | -             | 114,297       | 154,178       | 432,918       | 903,831       | 203,543       | 161,257       | 49,200        | 65,661        |
| Total governmental activities program revenues  | 4,389,092     | 5,481,515     | 4,703,050     | 4,915,546     | 5,700,663     | 7,216,260     | 7,156,710     | 6,536,352     | 13,382,470    | 7,696,911     |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                           |               |               |               |               |               |               |               |               |               |               |
| Water and wastewater system                     | 4,106,345     | 4,176,905     | 4,440,775     | 4,574,779     | 4,541,038     | 4,848,397     | 5,915,616     | 6,908,121     | 7,344,386     | 7,827,655     |
| Stormwater                                      | -             | -             | 553,682       | 580,751       | 609,144       | 628,135       | 687,590       | 720,542       | 777,099       | 821,319       |
| Operating grants and contributions              | 12,780        | 28,935        | 148,118       | -             | -             | -             | -             | -             | -             | 290,942       |
| Capital grants and contributions                | -             | -             | 314,435       | 3,456,591     | 5,239,319     | 2,705,959     | 1,717,117     | 2,011,558     | 1,321,014     | 2,115,665     |
| Total business-type activities program revenues | 4,119,125     | 4,205,840     | 5,457,010     | 8,612,121     | 10,389,501    | 8,182,491     | 8,320,323     | 9,640,221     | 9,442,499     | 11,055,581    |
| Total primary government program revenues       | 8,508,217     | 9,687,355     | 10,160,060    | 13,527,667    | 16,090,164    | 15,398,751    | 15,477,033    | 16,176,573    | 22,824,969    | 18,752,492    |

(Continued)

## CITY OF ORANGE CITY, FLORIDA

TABLE 2

**CHANGES IN NET POSITION**

Continued

**LAST TEN FISCAL YEARS**

(Prepared on the accrual basis of accounting)

| <b>Net (Expense)/Revenue</b>         | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>           | <b>2018</b>           | <b>2019</b>           | <b>2020</b>           | <b>2021</b>           | <b>2022</b>          | <b>2023</b>           |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Governmental activities              | (4,966,658)           | (3,936,607)           | (6,607,063)           | (7,151,328)           | (7,535,422)           | (7,413,092)           | (8,269,772)           | (6,432,983)           | (1,966,262)          | (10,274,318)          |
| Business-type activities             | 1,035,741             | 868,647               | 1,801,187             | 4,628,771             | 6,119,274             | 3,666,664             | 2,878,428             | 3,374,046             | 2,469,754            | 2,881,339             |
| Total primary government net expense | <u>\$ (3,930,917)</u> | <u>\$ (3,067,960)</u> | <u>\$ (4,805,876)</u> | <u>\$ (2,522,557)</u> | <u>\$ (1,416,148)</u> | <u>\$ (3,746,428)</u> | <u>\$ (5,391,344)</u> | <u>\$ (3,058,937)</u> | <u>\$ 503,492</u>    | <u>\$ (7,392,979)</u> |
| <b>General Revenues and Other</b>    |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| <b>Changes in Net Position</b>       |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Governmental activities:             |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Taxes                                |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Property taxes                       | 3,696,581             | 3,835,377             | 3,992,652             | 4,289,865             | 5,025,511             | 5,420,268             | 5,910,975             | 6,488,502             | 7,058,750            | 7,904,965             |
| Local option gas and use tax         | 185,530               | 194,547               | 210,491               | 222,898               | 230,519               | 227,464               | 245,357               | 231,451               | 216,863              | 229,699               |
| Utility service taxes                | 1,530,836             | 1,451,019             | 1,450,946             | 1,452,492             | 1,548,629             | 1,811,278             | 1,892,751             | 1,982,187             | 2,104,883            | 2,356,583             |
| State sales tax                      | 542,940               | 584,986               | 620,006               | 679,175               | 808,666               | 840,898               | 792,650               | 938,679               | 1,065,567            | 1,151,125             |
| Unrestricted investment earnings     | 1,167                 | 10,781                | 9,140                 | 18,247                | 29,390                | 41,000                | 46,457                | 10,465                | 86,011               | 902,206               |
| Miscellaneous                        | 61,108                | 68,351                | 58,487                | 89,855                | 111,777               | 132,373               | 157,823               | 92,138                | 202,297              | 271,045               |
| Transfers                            | 154,500               | 159,900               | (127,258)             | (1,930,261)           | 258,750               | 267,806               | 277,179               | 291,037               | (121,171)            | 317,813               |
| Total governmental activities        | <u>6,172,662</u>      | <u>6,304,961</u>      | <u>6,214,464</u>      | <u>4,822,271</u>      | <u>8,013,242</u>      | <u>8,741,087</u>      | <u>9,323,192</u>      | <u>10,034,459</u>     | <u>10,613,200</u>    | <u>13,133,436</u>     |
| Business-type activities:            |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Investment earnings                  | (991)                 | 4,087                 | 1,172                 | 1,582                 | 1,582                 | 2,001                 | 10,910                | 3,838                 | 28,476               | 207,874               |
| Miscellaneous                        | -                     | -                     | 7,577                 | 4,837                 | 28,307                | 8,355                 | 4,359                 | 10,299                | 16,133               | 45,757                |
| Gain on disposal                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 5,469                | 3,500                 |
| Transfers                            | (154,500)             | (159,900)             | 127,258               | 1,930,261             | (258,750)             | (267,806)             | (277,179)             | (291,037)             | 121,171              | (317,813)             |
| Total business-type activities       | <u>(155,491)</u>      | <u>(155,813)</u>      | <u>136,007</u>        | <u>1,936,680</u>      | <u>(228,861)</u>      | <u>(257,450)</u>      | <u>(261,910)</u>      | <u>(276,900)</u>      | <u>171,249</u>       | <u>(60,682)</u>       |
| Total primary government             | 6,017,171             | 6,149,148             | 6,350,471             | 6,758,951             | 7,784,381             | 8,483,637             | 9,061,282             | 9,757,559             | 10,784,449           | 13,072,754            |
| <b>Change in Net Position</b>        |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| <b>Functions and Programs</b>        |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Governmental activities              | 1,206,004             | 2,368,354             | (392,599)             | (2,329,057)           | 477,820               | 1,327,995             | 1,053,420             | 3,601,476             | 8,646,938            | 2,859,118             |
| Business-type activities             | 880,250               | 712,834               | 1,937,194             | 6,565,451             | 5,890,413             | 3,409,214             | 2,616,518             | 3,097,146             | 2,641,003            | 2,820,657             |
| Total primary government             | <u>\$ 2,086,254</u>   | <u>\$ 3,081,188</u>   | <u>\$ 1,544,595</u>   | <u>\$ 4,236,394</u>   | <u>\$ 6,368,233</u>   | <u>\$ 4,737,209</u>   | <u>\$ 3,669,938</u>   | <u>\$ 6,698,622</u>   | <u>\$ 11,287,941</u> | <u>\$ 5,679,775</u>   |

**FUND BALANCES, GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS****(Prepared on the modified accrual basis of accounting)**

|                                    | <b>2014</b>         | <b>2015</b>          | <b>2016</b>         | <b>2017</b>         | <b>2018</b>         | <b>2019</b>         | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          |
|------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| General Fund                       |                     |                      |                     |                     |                     |                     |                      |                      |                      |
| Nonspendable                       | \$ 4,559            | \$ 120,242           | \$ 87,800           | \$ 103,117          | \$ 100,666          | \$ 103,333          | \$ 1,498,826         | \$ 1,501,536         | \$ 1,446,204         |
| Restricted                         | -                   | -                    | -                   | -                   | 79,287              | -                   | 54,994               | 79,532               | 54,994               |
| Assigned                           | 2,314,824           | 1,354,722            | 694,077             | 1,053,781           | 342,677             | 490,799             | 1,369,591            | 1,104,551            | 1,085,206            |
| Unassigned                         | 6,844,582           | 8,542,451            | 8,633,352           | 5,784,872           | 7,140,432           | 9,249,870           | 10,876,990           | 13,529,117           | 19,555,032           |
| Total general fund                 | <u>\$ 9,163,965</u> | <u>\$ 10,017,415</u> | <u>\$ 9,415,229</u> | <u>\$ 6,941,770</u> | <u>\$ 7,663,062</u> | <u>\$ 9,844,002</u> | <u>\$ 13,800,401</u> | <u>\$ 16,214,736</u> | <u>\$ 22,141,436</u> |
| All other governmental funds       |                     |                      |                     |                     |                     |                     |                      |                      |                      |
| Nonspendable                       | -                   | -                    | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| Committed                          | \$ 656,463          | \$ 484,602           | \$ 489,942          | \$ 603,258          | \$ 722,330          | \$ 910,518          | \$ 1,515,896         | \$ 1,786,092         | \$ 2,398,587         |
| Restricted                         | 15,186              | 72,770               | 157,468             | 24,791              | 245,509             | 94,683              | 43,509               | 61,380               | 102,359              |
| Unassigned                         | -                   | -                    | -                   | -                   | -                   | -                   | (919,238)            | (514,766)            | (133,690)            |
| Total all other governmental funds | <u>\$ 671,649</u>   | <u>\$ 557,372</u>    | <u>\$ 647,410</u>   | <u>\$ 628,049</u>   | <u>\$ 967,839</u>   | <u>\$ 1,005,201</u> | <u>\$ 640,167</u>    | <u>\$ 1,332,706</u>  | <u>\$ 2,367,256</u>  |

## Notes:

(1) The City implemented GASB Statement No. 54 in fiscal year 2011. That statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications in years prior to 2011 served as a measure of availability or nonavailability of spending of current financial resources.

TABLE 4

## CITY OF ORANGE CITY, FLORIDA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS****(Prepared on the modified accrual basis of accounting)**

|                                                         | <b>2014</b>       | <b>2015</b>       | <b>2016</b>       | <b>2017</b>       | <b>2018</b>       |
|---------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                         |                   |                   |                   |                   |                   |
| Property taxes                                          | \$ 3,696,581      | \$ 3,835,377      | \$ 3,992,652      | \$ 4,289,865      | \$ 5,025,511      |
| Franchise fees                                          | 1,353,098         | 1,388,094         | 1,207,730         | 1,168,329         | 1,245,420         |
| Local option gas tax                                    | 185,530           | 194,547           | 210,491           | 222,898           | 230,519           |
| Utility service taxes                                   | 1,530,836         | 1,451,019         | 1,450,946         | 1,452,492         | 1,548,629         |
| Fees and fines                                          | 45,780            | 47,595            | 37,866            | 26,393            | 20,288            |
| Licenses and permits                                    | 364,897           | 371,598           | 469,346           | 599,236           | 610,078           |
| Intergovernmental                                       | 942,904           | 1,487,484         | 1,137,065         | 1,266,730         | 1,890,546         |
| Charges for services                                    | 130,919           | 185,503           | 462,890           | 251,914           | 214,965           |
| Impact fees                                             | 516,003           | 548,300           | 194,505           | 483,644           | 600,372           |
| Investment earnings                                     | 1,167             | 10,781            | 9,140             | 18,247            | 29,390            |
| Contractual - DeBary Fire and PW                        | 1,303,866         | 1,373,291         | 1,438,124         | 1,545,004         | 1,650,365         |
| Miscellaneous                                           | 335,673           | 332,318           | 434,017           | 343,326           | 389,072           |
| <b>Total revenues</b>                                   | <b>10,407,254</b> | <b>11,225,907</b> | <b>11,044,772</b> | <b>11,668,078</b> | <b>13,455,155</b> |
| <b>EXPENDITURES</b>                                     |                   |                   |                   |                   |                   |
| Current:                                                |                   |                   |                   |                   |                   |
| General government                                      | 2,568,833         | 2,567,062         | 2,686,782         | 2,426,057         | 2,501,028         |
| Public safety                                           | 4,834,288         | 5,089,990         | 5,549,894         | 6,054,775         | 6,932,578         |
| Transportation                                          | 1,115,289         | 1,257,034         | 1,256,655         | 1,475,164         | 1,300,869         |
| Culture and recreation                                  | 227,001           | 256,070           | 289,492           | 339,410           | 402,929           |
| Economic environment                                    | -                 | -                 | -                 | 9,508             | 10,505            |
| Debt service:                                           |                   |                   |                   |                   |                   |
| Principal                                               | 30,938            | 24,036            | -                 | -                 | -                 |
| Interest and other charges                              | 17,675            | 8,358             | -                 | -                 | -                 |
| Capital outlay                                          | 1,901,670         | 1,444,084         | 1,680,167         | 1,925,723         | 1,504,914         |
| <b>Total expenditures</b>                               | <b>10,695,694</b> | <b>10,646,634</b> | <b>11,462,990</b> | <b>12,230,637</b> | <b>12,652,823</b> |
| Excess (deficiency) of revenues over expenditures       | (288,440)         | 579,273           | (418,218)         | (562,559)         | 802,332           |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                   |                   |                   |                   |                   |
| Proceeds from debt                                      | -                 | -                 | -                 | -                 | -                 |
| Refund of contrib. to partnership ctr.                  | -                 | -                 | -                 | -                 | -                 |
| Transfers in                                            | 171,897           | 436,281           | 273,345           | 295,479           | 391,359           |
| Transfer out                                            | (17,397)          | (276,381)         | (367,275)         | (2,225,740)       | (132,609)         |
| Total other financing sources and uses                  | 154,500           | 159,900           | (93,930)          | (1,930,261)       | 258,750           |
| Net change in fund balance                              | \$ (133,940)      | \$ 739,173        | \$ (512,148)      | \$ (2,492,820)    | \$ 1,061,082      |
| Debt service as a percentage of noncapital expenditures | 0.55%             | 0.35%             | 0.00%             | 0.00%             | 0.00%             |

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS****Continued  
LAST TEN FISCAL YEARS****(Prepared on the modified accrual basis of accounting)**

|                                                         | 2019              | 2020              | 2021              | 2022              | 2023              |
|---------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                         |                   |                   |                   |                   |                   |
| Property taxes                                          | \$ 5,420,268      | \$ 5,910,975      | \$ 6,488,502      | \$ 7,058,750      | \$ 7,904,965      |
| Franchise fees                                          | 1,299,447         | 1,268,617         | 1,343,099         | 1,431,523         | 1,680,433         |
| Local option gas tax                                    | 227,464           | 245,357           | 231,451           | 216,863           | 229,699           |
| Utility service taxes                                   | 1,811,278         | 1,892,751         | 1,982,187         | 2,104,883         | 2,356,583         |
| Fees and fines                                          | 22,429            | 26,643            | 47,174            | 49,157            | 51,504            |
| Licenses and permits                                    | 1,161,022         | 1,298,900         | 1,355,548         | 1,354,325         | 888,896           |
| Intergovernmental                                       | 2,852,431         | 1,976,402         | 1,613,770         | 7,944,074         | 2,601,397         |
| Impact fees/special assessments                         | -                 | -                 | -                 | 1,133,842         | 1,084,293         |
| Charges for services                                    | 594,194           | 1,109,906         | 310,079           | 263,842           | 196,277           |
| Impact fees                                             | 208,778           | 299,304           | 784,191           | -                 | -                 |
| Investment earnings                                     | 41,000            | 46,457            | 10,465            | 86,011            | 902,206           |
| Contractual - DeBary Fire and PW                        | 1,703,823         | 1,781,752         | 1,837,621         | 2,036,683         | 2,079,835         |
| Miscellaneous                                           | 347,407           | 345,659           | 275,687           | 436,888           | 536,446           |
| <b>Total revenues</b>                                   | <b>15,689,541</b> | <b>16,202,723</b> | <b>16,279,774</b> | <b>24,116,841</b> | <b>20,512,534</b> |
| <b>EXPENDITURES</b>                                     |                   |                   |                   |                   |                   |
| Current:                                                |                   |                   |                   |                   |                   |
| General government                                      | 2,722,333         | 2,888,976         | 3,029,653         | 3,324,357         | 3,390,996         |
| Public safety                                           | 6,927,371         | 7,161,324         | 7,607,346         | 8,106,621         | 8,778,620         |
| Transportation                                          | 1,394,989         | 1,441,842         | 1,445,371         | 1,656,350         | 1,750,258         |
| Culture and recreation                                  | 418,235           | 456,326           | 522,700           | 686,170           | 706,285           |
| Economic environment                                    | 10,970            | 21,124            | 16,804            | 13,793            | 17,870            |
| Debt service:                                           |                   |                   |                   |                   |                   |
| Principal                                               | -                 | 38,249            | 165,808           | 158,291           | 240,809           |
| Interest and other charges                              | -                 | 9,086             | 44,879            | 9,311             | 12,752            |
| Capital outlay                                          | 2,541,685         | 2,552,529         | 843,108           | 3,079,527         | 1,805,971         |
| <b>Total expenditures</b>                               | <b>14,015,583</b> | <b>14,569,456</b> | <b>13,675,669</b> | <b>17,034,420</b> | <b>16,703,561</b> |
| Excess (deficiency) of revenues over expenditures       | 1,673,958         | 1,633,267         | 2,604,105         | 7,082,421         | 3,808,973         |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                   |                   |                   |                   |                   |
| Proceeds from debt                                      | -                 | -                 | -                 | -                 | -                 |
| Subscriptions Issued                                    | -                 | -                 | -                 | -                 | 347,763           |
| Notes payable issued                                    | 276,538           | 1,680,919         | 211,732           | -                 | -                 |
| Transfers in                                            | 322,164           | 454,928           | 396,091           | 403,053           | 960,742           |
| Transfer out                                            | (54,358)          | (177,749)         | (105,054)         | (524,224)         | (642,929)         |
| Total other financing sources and uses                  | 544,344           | 1,958,098         | 502,769           | (121,171)         | 665,576           |
| Net change in fund balance                              | \$ 2,218,302      | \$ 3,591,365      | \$ 3,106,874      | \$ 6,961,250      | \$ 4,474,549      |
| Debt service as a percentage of noncapital expenditures | 0.00%             | 0.39%             | 1.64%             | 1.20%             | 1.70%             |

TABLE 5

## CITY OF ORANGE CITY, FLORIDA

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

| Fiscal<br>Year | Estimated Market Value |                      | Less<br>Tax Exempt<br>Property | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax Rate |
|----------------|------------------------|----------------------|--------------------------------|------------------------------------|-----------------------------|
|                | Real<br>Property       | Personal<br>Property |                                |                                    |                             |
| 2014           | 617,411,675            | 71,888,508           | 188,090,767                    | 501,209,416                        | 7.5900                      |
| 2015           | 651,261,340            | 94,058,070           | 218,252,303                    | 527,067,107                        | 7.4900                      |
| 2016           | 678,491,531            | 89,179,203           | 217,673,966                    | 549,996,768                        | 7.4500                      |
| 2017           | 723,709,685            | 87,125,986           | 222,289,211                    | 588,546,460                        | 7.4500                      |
| 2018           | 777,294,578            | 85,322,431           | 230,806,662                    | 631,810,347                        | 8.0650                      |
| 2019           | 847,820,688            | 85,876,915           | 252,691,908                    | 681,005,695                        | 8.0340                      |
| 2020           | 946,427,391            | 89,772,541           | 281,509,395                    | 754,691,537                        | 7.8332                      |
| 2021           | 1,030,026,222          | 109,713,127          | 313,073,298                    | 826,666,051                        | 7.8332                      |
| 2022           | 1,120,125,760          | 115,072,550          | 329,573,886                    | 905,612,230                        | 7.7900                      |
| 2023           | 1,258,133,252          | 134,527,652          | 367,500,840                    | 1,025,160,064                      | 7.6900                      |

Source: Volusia County Property Appraiser

**DIRECT AND OVERLAPPING PROPERTY TAX RATES****LAST TEN FISCAL YEARS**

| Fiscal<br>Year | City of Orange City,<br>Florida<br>Operating<br>Millage (2) | Overlapping Rates (1) |        |                            |                               |                                 | Total<br>Millage |
|----------------|-------------------------------------------------------------|-----------------------|--------|----------------------------|-------------------------------|---------------------------------|------------------|
|                |                                                             | Volusia               |        | St. Johns<br>Water<br>Mgmt | FL Inland<br>Nav.<br>District | Hospital<br>Operating<br>& Debt |                  |
|                |                                                             | School<br>Board       | County |                            |                               |                                 |                  |
| 2014           | 7.5900                                                      | 7.3580                | 7.2709 | 0.3283                     | 0.0345                        | 2.3759                          | 24.9576          |
| 2015           | 7.4900                                                      | 7.3360                | 7.2709 | 0.3164                     | 0.0345                        | 1.9237                          | 24.3715          |
| 2016           | 7.4500                                                      | 7.1970                | 7.2709 | 0.3023                     | 0.0320                        | 1.6679                          | 23.9201          |
| 2017           | 7.4500                                                      | 6.8480                | 7.0520 | 0.2885                     | 0.0320                        | 1.5900                          | 23.2605          |
| 2018           | 8.0650                                                      | 6.5200                | 7.0520 | 0.2724                     | 0.0320                        | 2.3660                          | 24.3074          |
| 2019           | 8.0340                                                      | 6.2810                | 6.6464 | 0.2562                     | 0.0320                        | 2.1751                          | 23.4247          |
| 2020           | 7.8332                                                      | 6.0810                | 6.1420 | 0.2414                     | 0.0320                        | 1.9080                          | 22.6376          |
| 2021           | 7.8332                                                      | 5.9070                | 5.9674 | 0.2287                     | 0.0320                        | 1.5035                          | 21.6553          |
| 2022           | 7.7900                                                      | 5.8020                | 5.8986 | 0.2189                     | 0.0320                        | 1.4073                          | 21.5488          |
| 2023           | 7.6900                                                      | 5.4820                | 5.7134 | 0.1974                     | 0.0320                        | 1.0816                          | 20.1964          |

Source: Volusia County Property Appraiser

Notes:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Orange City. Not all overlapping rates apply to all Orange City property owners.

(2) Orange City's direct rate is for operating millage. There is no debt service millage.

**PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND TEN YEARS AGO**

SEPTEMBER 30, 2023

| Taxpayer Name                   | Type of Business              | 2023                    |      | Percentage of Total City Taxable Assessed Value | 2014                   |      |
|---------------------------------|-------------------------------|-------------------------|------|-------------------------------------------------|------------------------|------|
|                                 |                               | Taxable Assessed Value  | Rank |                                                 | Taxable Assessed Value | Rank |
| John Knox Village of Central FL | Assisted Living Facility      | \$ 37,350,141           | 1    | 3.64%                                           | \$ 13,697,760          | 3    |
| Northland Grandeville LLC       | Apartments (316)              | 32,521,958              | 2    | 3.17%                                           | 17,208,345             | 1    |
| EBSCO Integra Landings LLC      | Apartments (270)              | 28,336,989              | 3    | 2.76%                                           | 17,125,059             | 2    |
| Enterprise Cove Apts LLC        | Apartments                    | 17,205,137              | 4    | 8.53%                                           | -                      |      |
| KRG Orange City Saxon LLC       | Saxon Crossings               | 16,831,717              | 5    | 2.04%                                           | 11,198,012             | 5    |
| Sun Orange City, LLC            | Orange City RV                | 15,217,645              | 6    | 7.54%                                           | 9,265,302              | 7    |
| 985 W Volusia LLC               | Shopping Center               | 14,603,678              | 7    | 1.77%                                           | 10,026,854             | 6    |
| Orange City SDC, LLC            | Shopping Center - Marketplace | 13,518,295              | 8    | 1.32%                                           | -                      |      |
| Publix Super Markets Inc        | Crown Center Plaza North      | 13,431,877              | 9    | 1.31%                                           | 9,200,179              | 8    |
| Walmart Stores East LP          | Retail Store                  | 12,744,902              | 10   | 1.24%                                           | 12,227,181             | 4    |
| Total For Principal Taxpayers   |                               | 201,762,339             |      | 33.34%                                          | 99,948,692             |      |
| Total For Other Taxpayers       |                               | 823,397,725             |      | 80.32%                                          | 427,118,415            |      |
| Total                           |                               | <u>\$ 1,025,160,064</u> |      | <u>100.00%</u>                                  | <u>\$ 527,067,107</u>  |      |

Source: Volusia County Property Appraiser

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

| <b>Fiscal<br/>Year</b> | <b>Taxes Levied<br/>for the<br/>Fiscal Year</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections<br/>in Subsequent<br/>Years</b> | <b>Total Collections to date</b> |                               |
|------------------------|-------------------------------------------------|---------------------------------------------------------|-------------------------------|------------------------------------------------|----------------------------------|-------------------------------|
|                        |                                                 | <b>Amount</b>                                           | <b>Percentage<br/>of Levy</b> |                                                | <b>Amount</b>                    | <b>Percentage<br/>of Levy</b> |
| 2014                   | 3,801,950                                       | 3,653,823                                               | 96.10%                        | 42,758                                         | 3,696,582                        | 97.23%                        |
| 2015                   | 3,947,733                                       | 3,695,147                                               | 93.60%                        | 89,495                                         | 3,784,642                        | 95.87%                        |
| 2016                   | 4,097,476                                       | 3,813,028                                               | 93.06%                        | 143,907                                        | 3,956,934                        | 96.57%                        |
| 2017                   | 4,384,671                                       | 4,064,996                                               | 92.71%                        | 72,124                                         | 4,137,120                        | 94.35%                        |
| 2018                   | 5,095,737                                       | 4,669,059                                               | 91.63%                        | 118,917                                        | 4,787,976                        | 93.96%                        |
| 2019                   | 5,483,079                                       | 5,005,616                                               | 91.29%                        | 91,114                                         | 5,096,731                        | 92.95%                        |
| 2020                   | 5,903,748                                       | 5,273,860                                               | 89.33%                        | 200,265                                        | 5,474,125                        | 92.72%                        |
| 2021                   | 6,475,441                                       | 5,755,676                                               | 88.88%                        | 171,731                                        | 5,927,407                        | 91.54%                        |
| 2022                   | 7,054,719                                       | 6,322,476                                               | 89.62%                        | 104,843                                        | 6,427,319                        | 91.11%                        |
| 2023                   | 7,884,360                                       | 6,975,310                                               | 88.47%                        | 127,945                                        | 7,103,255                        | 90.09%                        |

Source: Volusia County Property Appraiser

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

| Fiscal Year | Governmental Activities    |                              |               |                 | Business-Type Activities           |                              |                 |                 | Total Primary Government | Percentage of Personal Income | Per Capita (1) |
|-------------|----------------------------|------------------------------|---------------|-----------------|------------------------------------|------------------------------|-----------------|-----------------|--------------------------|-------------------------------|----------------|
|             | Special Assessment Revenue | Capital Improvement SRF Loan | Notes Payable | SBITA Liability | Utility Refunding Revenue 2005 (2) | Capital Improvement SRF Loan | Lease Liability | SBITA Liability |                          |                               |                |
| 2014        | 424,705                    | -                            | -             | -               | 2,515,000                          | -                            | -               | -               | 2,939,705                | 1.66%                         | 256            |
| 2015        | -                          | -                            | -             | -               | 2,235,000                          | -                            | -               | -               | 2,235,000                | 1.20%                         | 193            |
| 2016        | -                          | -                            | -             | -               | 1,950,000                          | -                            | -               | -               | 1,950,000                | 0.99%                         | 167            |
| 2017        | -                          | -                            | -             | -               | 1,655,000                          | 579,457                      | -               | -               | 2,234,457                | 1.09%                         | 189            |
| 2018        | -                          | -                            | -             | -               | 1,345,000                          | 1,517,538                    | -               | -               | 2,862,538                | 1.31%                         | 244            |
| 2019        | -                          | 276,538                      | -             | -               | 1,025,000                          | 2,140,556                    | -               | -               | 3,442,094                | 1.48%                         | 284            |
| 2020        | -                          | 1,386,198                    | 531,010       | -               | 695,000                            | 6,018,874                    | -               | -               | 8,631,082                | 3.53%                         | 694            |
| 2021        | -                          | 1,511,105                    | 454,027       | -               | 355,000                            | 6,220,318                    | -               | -               | 8,540,450                | 3.27%                         | 633            |
| 2022        | -                          | 1,431,455                    | 375,386       | -               | -                                  | 7,194,967                    | -               | -               | 9,001,807                | 3.01%                         | 648            |
| 2023        | -                          | 1,351,805                    | 295,051       | 266,939         | -                                  | 12,488,092                   | 261,946         | 46,650          | 14,710,482               | 4.74%                         | 1,028          |

## Notes:

- (1) See Table 12 for personal income and population data.  
 (2) Net of advanced refunding costs. 2014 refunding cost removed due to new GASB pronouncement  
 (3) Details regarding the city's outstanding debt can be found in Note 6 on pg. 38 of the Notes to the Financial Statements

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****AS OF SEPTEMBER 30, 2023**

| <b><u>Governmental Unit</u></b>                   | <b><u>Net Debt<br/>Outstanding</u></b> | <b><u>Estimated<br/>Percentage<br/>Applicable</u></b> | <b><u>Orange City<br/>Share of Debt</u></b> |
|---------------------------------------------------|----------------------------------------|-------------------------------------------------------|---------------------------------------------|
| Debt Repaid with Property Taxes:                  |                                        |                                                       |                                             |
| County of Volusia, Florida:                       |                                        |                                                       |                                             |
| General Obligation Bonds                          | -                                      | 0.00%                                                 | -                                           |
| Other Debt:                                       |                                        |                                                       |                                             |
| District School Board of Volusia County, Florida: |                                        |                                                       |                                             |
| State School bonds                                | -                                      | 1.83%                                                 | -                                           |
| Sales Tax Revenue Bonds                           | 26,695,676                             | 1.83%                                                 | 488,729                                     |
| Certificates of Participation                     | 271,474,711                            | 1.83%                                                 | 4,969,997                                   |
| Notes and Capital Leases                          | 17,885,957                             | 1.83%                                                 | 327,445                                     |
| County of Volusia, Florida                        |                                        |                                                       |                                             |
| Revenue Bonds                                     | 53,640,000                             | 2.10%                                                 | 1,127,117                                   |
| Notes Payable                                     | <u>15,153,735</u>                      | 2.10%                                                 | <u>318,420</u>                              |
| Total Overlapping Debt:                           | \$ 384,850,079                         |                                                       | \$ 7,231,709                                |
| Direct Debt: City of Orange City                  |                                        |                                                       | <u>\$ 1,913,795</u>                         |
| Total Direct & Overlapping Debt:                  |                                        |                                                       | <u><u>\$ 9,145,504</u></u>                  |

## Source:

Assessed valuation data used to estimate applicable percentages provided by Volusia County Property Appraiser.

Debt outstanding data provided by each governmental unit.

- (1) For School Board overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,025,160,064 and dividing by the School Board's taxable value of \$55,997,019,317.
- (2) For Volusia County's overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,025,160,064 and dividing by Volusia County's taxable value of \$48,787,803,707.

TABLE 11

## CITY OF ORANGE CITY, FLORIDA

PLEDGED REVENUE COVERAGE

## BUSINESS-TYPE ACTIVITIES

## LAST TEN FISCAL YEARS

| Fiscal<br>Year | Gross<br>Revenues<br>(1) | Direct<br>Operating<br>Expenses<br>(2) | Net<br>Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements |          |         | Basic<br>Covenant<br>Coverage |
|----------------|--------------------------|----------------------------------------|----------------------------------------------------|---------------------------|----------|---------|-------------------------------|
|                |                          |                                        |                                                    | Principal                 | Interest | Total   |                               |
| 2014           | 4,104,430                | 2,467,151                              | 1,637,279                                          | 270,000                   | 104,410  | 374,410 | 4.373                         |
| 2015           | 4,176,905                | 2,524,487                              | 1,652,418                                          | 280,000                   | 93,728   | 373,728 | 4.421                         |
| 2016           | 4,440,775                | 2,648,948                              | 1,791,827                                          | 285,000                   | 65,996   | 350,996 | 5.105                         |
| 2017           | 4,574,779                | 3,081,657                              | 1,493,122                                          | 295,000                   | 73,331   | 368,331 | 4.054                         |
| 2018           | 4,542,620                | 3,353,609                              | 1,189,011                                          | 310,000                   | 58,411   | 368,411 | 3.227                         |
| 2019           | 4,850,398                | 3,454,250                              | 1,396,148                                          | 320,000                   | 47,004   | 367,004 | 3.804                         |
| 2020           | 5,918,956                | 4,107,702                              | 1,811,254                                          | 415,831                   | 52,132   | 467,963 | 3.871                         |
| 2021           | 6,911,959                | 4,051,496                              | 2,860,463                                          | 496,606                   | 39,829   | 536,435 | 5.332                         |
| 2022           | 7,372,862                | 4,714,824                              | 2,658,038                                          | 533,112                   | 27,545   | 560,657 | 4.741                         |
| 2023           | 8,812,628                | 5,603,905                              | 3,208,723                                          | 308,824                   | 21,461   | 330,285 | 9.715                         |

## Notes:

- (1) Gross revenues from water and sewer charges for services, plus interest income and service charges.
- (2) Total operating expenses exclusive of depreciation and amortization of intangibles.

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

| <b>Fiscal Year</b> | <b>Estimated Population<br/>(1)</b> | <b>School Enrollment<br/>(2)</b> | <b>Median Household Effective Buying Income (3)</b> | <b>Per Capita Personal Income (3)</b> | <b>Personal Income (4)</b> | <b>Unemployment Rate (4)</b> |
|--------------------|-------------------------------------|----------------------------------|-----------------------------------------------------|---------------------------------------|----------------------------|------------------------------|
| 2014               | 11,483                              | 5,614                            | 41,769                                              | 35,302                                | 17,696,245,000             | 5.9%                         |
| 2015               | 11,569                              | 5,764                            | 43,419                                              | 36,641                                | 18,610,435,000             | 5.7%                         |
| 2016               | 11,679                              | 5,609                            | 41,117                                              | 38,176                                | 19,782,310,000             | 5.5%                         |
| 2017               | 11,850                              | 5,500                            | 40,788                                              | 38,807                                | 20,543,253,000             | 5.1%                         |
| 2018               | 11,720                              | 5,216                            | 43,838                                              | 40,658                                | 21,902,076,000             | 4.3%                         |
| 2019               | 12,103                              | 5,308                            | 46,760                                              | 42,374                                | 23,201,619,000             | 3.7%                         |
| 2020               | 12,436                              | 4,857                            | 49,494                                              | 44,180                                | 24,444,162,000             | 3.4%                         |
| 2021               | 13,483                              | 5,323                            | 49,494                                              | 46,475                                | 26,095,706,000             | 7.7%                         |
| 2022               | 13,898                              | 5,569                            | 56,786                                              | 52,964                                | 29,893,649,000             | 4.6%                         |
| 2023               | 14,313                              | 5,462                            | 63,075                                              | 53,559                                | 31,021,130,000             | 3.1%                         |

## Sources:

(1) BEBR- Bureau of Economic and Business Research 2023

(2) Volusia County School Board ACFR

(3) <http://edr.state.fl.us/Content/area-profiles/county/volusia.pdf>  
Summary, for Volusia County. Separate information for the City of Orange City is not available.

(4) Volusia County data obtained from Florida Department of Economic and Demographic Research

TABLE 13

## CITY OF ORANGE CITY, FLORIDA

PRINCIPAL EMPLOYERS

| <u>Employer</u>                       | <u>September 30, 2023</u> |             |                                                    | <u>September 30, 2014</u> |             |                                                    |
|---------------------------------------|---------------------------|-------------|----------------------------------------------------|---------------------------|-------------|----------------------------------------------------|
|                                       | <u>Employees</u>          | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Population</u> | <u>Employees</u>          | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Population</u> |
| Florida Hospital Fish Memorial        | 1,109                     | 1           | 8%                                                 | 870                       | 1           | 8%                                                 |
| Volusia County Schools                | 531                       | 2           | 4%                                                 | 472                       | 3           | 13%                                                |
| John Knox Village                     | 487                       | 3           | 3%                                                 | 775                       | 2           | 7%                                                 |
| Wal-Mart                              | 437                       | 4           | 3%                                                 | 458                       | 4           | 4%                                                 |
| Orange City Racing & Card Club        | 299                       | 5           | 2%                                                 | (1)                       |             |                                                    |
| Publix - Lakeland for Store #422      | 211                       | 6           | 1%                                                 | 183                       | 5           | 2%                                                 |
| Home Depot                            | 165                       | 7           | 1%                                                 | (1)                       |             |                                                    |
| Target                                | 157                       | 8           | 1%                                                 | 114                       | 12          | 1%                                                 |
| Lowe's Home Improvement               | 146                       | 9           | 1%                                                 | 128                       | 9           | 1%                                                 |
| City of Orange City                   | 144                       | 10          | 1%                                                 | 115                       | 11          | 1%                                                 |
| Orange City Nursing & Rehab Ctr.      | 138                       | 11          | 1%                                                 | 160                       | 6           | 1%                                                 |
| Kohl's                                | 133                       | 12          | 1%                                                 | 125                       | 10          | 1%                                                 |
| Olive Garden Italian Restaurant #1228 | 124                       | 13          | 1%                                                 | (1)                       |             | 0%                                                 |
| Texas Roadhouse                       |                           | (1)         |                                                    | 133                       | 8           | 1%                                                 |
| Asbury Automotive Group               |                           | (1)         | 0%                                                 | 147                       | 7           | 4%                                                 |
| <b>TOTAL</b>                          | <b><u>4,081</u></b>       |             | <b><u>29%</u></b>                                  | <b><u>3,680</u></b>       |             | <b><u>43%</u></b>                                  |
| <b>Population</b>                     | <b><u>14,313</u></b>      |             |                                                    | <b><u>11,483</u></b>      |             |                                                    |

Source: City of Orange City, Finance Department

(1) Information not available.

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

|                           | FISCAL YEAR  |              |               |               |               |               |               |               |               |               |
|---------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                           | 2014         | 2015         | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
| <u>Function/Program</u>   |              |              |               |               |               |               |               |               |               |               |
| General government        |              |              |               |               |               |               |               |               |               |               |
| Administration            | 6.00         | 6.00         | 5.90          | 5.00          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          | 7.00          |
| City Clerk                | 3.00         | 3.00         | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Finance                   | 4.00         | 4.00         | 4.00          | 4.00          | 4.50          | 4.50          | 4.75          | 4.75          | 4.75          | 4.75          |
| Planning and Zoning       | 5.00         | 5.00         | 5.00          | 4.92          | 4.92          | 4.92          | 4.92          | 4.92          | 4.92          | 4.10          |
| Police                    |              |              |               |               |               |               |               |               |               |               |
| Officers                  | 25.00        | 25.00        | 25.00         | 26.00         | 28.00         | 28.00         | 29.00         | 29.00         | 29.00         | 30.00         |
| Civilians                 | 2.00         | 2.00         | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Fire                      |              |              |               |               |               |               |               |               |               |               |
| Firefighters and officers | 20.50        | 20.50        | 20.50         | 20.50         | 20.50         | 20.50         | 23.25         | 23.25         | 23.25         | 23.25         |
| Civilians                 | 1.00         | 1.00         | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Public Works              |              |              |               |               |               |               |               |               |               |               |
| Public Works              | 14.25        | 14.25        | 13.00         | 11.00         | 11.00         | 11.75         | 11.75         | 11.75         | 12.00         | 11.50         |
| Parks Maintenance         | 2.00         | 2.00         | 3.50          | 4.00          | 4.00          | 4.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| Utilities Enterprise      | 16.75        | 16.75        | 19.60         | 19.50         | 19.50         | 19.75         | 21.75         | 21.75         | 25.50         | 25.75         |
| CRA Fund                  | -            | -            | -             | 0.08          | 0.08          | 0.08          | 0.08          | 0.08          | 0.08          | 0.08          |
| Building Safety Fund (1)  | -            | -            | -             | -             | -             | -             | -             | -             | -             | 0.82          |
| Stormwater Fund           | -            | -            | -             | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| TOTAL                     | <u>99.50</u> | <u>99.50</u> | <u>102.50</u> | <u>103.00</u> | <u>106.50</u> | <u>107.50</u> | <u>115.50</u> | <u>115.50</u> | <u>119.50</u> | <u>121.25</u> |

Source: City of Orange City Annual Budget Book

Notes:

(1) Building Safety Fund created in FY 23

TABLE 15

## CITY OF ORANGE CITY

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

| Function/Program                          | FISCAL YEAR |           |         |        |         |            |         |         |         |        |
|-------------------------------------------|-------------|-----------|---------|--------|---------|------------|---------|---------|---------|--------|
|                                           | 2014        | 2015      | 2016    | 2017   | 2018    | 2019       | 2020    | 2021    | 2022    | 2023   |
| Police                                    |             |           |         |        |         |            |         |         |         |        |
| Arrests                                   | 958         | 945       | 777     | 676    | 503     | 506        | 480     | 442     | 428     | 463    |
| Parking violations                        | 146         | 94        | 72      | 107    | 60      | 85         | 47      | 92      | 53      | 122    |
| Uniformed Traffic citations               | 2,419       | 1,640     | 1,394   | 1,003  | 826     | 1,510      | 1,076   | 2,559   | 2,226   | 2,889  |
| 911 Calls (1)                             | 12,578      | 12,689    | 13,935  | 13,935 | 13,436  | 13,153     | 13,576  | 14,448  | 10,371  | N/A    |
| Cases investigated (CID)                  | 363         | 318       | 385     | 344    | 458     | 303        | 416     | 366     | 359     | 240    |
| Cases submitted to State Attorney (1)     | 1,352       | 1,289     | 1,890   | 903    | 703     | 672        | 1,156   | 680     | 637     | N/A    |
| Code enforcement cases                    | 1,434       | 680       | 657     | 842    | 424     | 362        | 217     | 180     | 174     | 241    |
| Code enforcement fines (dollars)          | 7,000       | 111,420   | 42,915  | 45,377 | 6,915   | 17,735     | 3,400   | 9,126   | 18,300  | 6,570  |
| Animal control (captured animals)         | 203         | 160       | 564     | 521    | 284     | 97         | 45      | 23      | 32      | 88     |
| Fire                                      |             |           |         |        |         |            |         |         |         |        |
| Emergency responses                       | 6,648       | 6,608     | 7,114   | 7,629  | 7,313   | 6,587      | 7,412   | 7,350   | 7,560   | 7,433  |
| Fires extinguished                        | 65          | 100       | 94      | 97     | 108     | 133        | 238     | 352     | 202     | 179    |
| Inspections                               | 1,111       | 870       | 740     | 1,048  | 916     | 916        | 1,200   | 1,023   | 1,328   | 1,050  |
| Public education programs                 | 72          | 72        | 63      | 119    | 92      | 82         | 125     | 150     | 125     | 137    |
| Public Works                              |             |           |         |        |         |            |         |         |         |        |
| Street resurfacing (miles)                | 0           | 3         | 1.56    | 0      | 0       | 1          | 1       | 1       | 0.61    | 0.57   |
| Potholes repaired                         | 43          | 38        | 41      | 44     | 52      | 55         | 60      | 45      | 45      | 45     |
| Parks and Recreation                      |             |           |         |        |         |            |         |         |         |        |
| Park usage permits                        | 160         | 190       | 180     | 230    | 193     | 320        | 42      | 68      | 90      | 104    |
| General government                        |             |           |         |        |         |            |         |         |         |        |
| Construction permits issued               | 928         | 849       | 917     | 952    | 987     | 944        | 1,352   | 1,597   | 1,287   | 1,079  |
| Value of construction permits (thousands) | 17,043      | 12,330    | 28,229  | 43,259 | 43,103  | 96,635     | 121,220 | 112,123 | 150,000 | 70,486 |
| New commercial                            | 4           | 3         | 2       | 6      | 5       | 2          | 9       | 2       | 8       | 33     |
| New commercial value (thousands)          | 4,348       | 3,772     | 2,514   | 16,058 | 16,105  | 55,304     | 50,668  | 68,828  | 17,855  | 70,541 |
| New residential                           | 4           | 4         | 14      | 21     | 47      | 104        | 200     | 149     | 54      | 37     |
| New residential value (thousands)         | 1,417       | 1,272     | 6,818   | 8,612  | 14,100  | 29,182     | 52,675  | 41,786  | 18,825  | 18,006 |
| New redevelopment                         | 2           | 0         | 9       | 9      | 2       | 2          | -       | -       | -       | 2      |
| New redevelopment value (thousands)       | 6,370       | 0         | 8,981   | 5,114  | 1,536   | 935        | -       | -       | -       | 1,950  |
| Annexations - number                      | 3           | 4         | 3       | 1      | 3       | 151        | 2       | -       | -       | -      |
| Acres                                     | 4.10        | 74.54     | 10.23   | 1.87   | 5.99    | 242        | 8       | -       | -       | -      |
| Taxable value                             | 526,908     | 1,214,604 | 361,079 | 0      | 125,692 | 19,113,522 | 196,253 | -       | -       | -      |
| Business licenses (new)                   | 154         | 130       | 115     | 137    | 144     | 115        | 124     | 104     | 162     | 208    |
| Legal notices published                   | 37          | 34        | 36      | 38     | 38      | 36         | 60      | 70      | 58      | 109    |
| Water                                     |             |           |         |        |         |            |         |         |         |        |
| New connections                           | 10          | 6         | 9       | 25     | 53      | 91         | 210     | 220     | 39      | 17     |
| Water mains breaks                        | 12          | 12        | 24      | 15     | 19      | 8          | 14      | 17      | 17      | 40     |
| Average daily consumption (1,000 gal.)    | 1,604       | 1,150     | 1,177   | 1,215  | 1,618   | 1,600      | 1,617   | 1,603   | 1,600   | 1,700  |
| Water Accounts                            | 3,879       | 3,904     | 3,845   | 3,983  | 4,021   | 4,088      | 4,315   | 4,426   | 4,376   | 4,419  |
| Irrigation Accounts                       | 442         | 413       | 401     | 399    | 401     | 404        | 405     | 393     | 392     | 389    |
| Reclaim Accounts                          | 7           | 8         | 29      | 35     | 47      | 166        | 318     | 463     | 578     | 578    |

Source: Various City departments

Notes:

(1) Statistical information not available.

**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**

| <u>Function/Program</u>       | FISCAL YEAR |       |       |       |       |       |       |       |       |       |
|-------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                               | 2014        | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
| Police                        |             |       |       |       |       |       |       |       |       |       |
| Stations                      | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol units                  | 16          | 16    | 16    | 16    | 18    | 19    | 19    | 19    | 19    | 20    |
| Fire stations                 | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| Public Works                  |             |       |       |       |       |       |       |       |       |       |
| Street (miles)                | 10.3        | 10.3  | 10.3  | 10.3  | 10.3  | 40.26 | 40.26 | 40.3  | 40.3  | 40.3  |
| Highways (miles)              | 45.6        | 47.0  | 47.0  | 47.0  | 47.0  | 47.0  | 47.0  | 47.0  | 47.0  | 47.0  |
| Streetlights                  | 500         | 500   | 500   | 500   | 500   | 533   | 533   | 533   | 533   | 533   |
| Traffic signals               | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 4     | 4     | 4     |
| Parks and recreation          |             |       |       |       |       |       |       |       |       |       |
| Parks                         | 9           | 9     | 9     | 9     | 7     | 10    | 10    | 10    | 10    | 10    |
| Acreage                       | 70          | 70    | 70    | 70    | 76.62 | 90    | 90    | 80.34 | 80.34 | 80.34 |
| Playgrounds                   | 3           | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Baseball/softball fields      | 5           | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Soccer/football fields        | 2           | 2     | 2     | 2     | 2     | 1     | 1     | 1     | 1     | 1     |
| Tennis/pickleball courts      | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| Basketball/volleyball courts  | 2.5         | 2.5   | 2.5   | 4     | 4     | 3     | 3     | 3     | 3     | 3     |
| Senior centers                | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Shuffleboard facility         | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 0     | 0     | 0     |
| Splash pad                    | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 1     | 1     | 1     |
| Water                         |             |       |       |       |       |       |       |       |       |       |
| Water mains (miles)           | 72.8        | 89.04 | 91.04 | 90.28 | 94    | 96.2  | 97.17 | 97.2  | 97.2  | 96.55 |
| Fire hydrants                 | 457         | 481   | 503   | 500   | 506   | 527   | 540   | 536   | 536   | 537   |
| Storage capacity (1,000 gal.) | 1,500       | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Sewage (1)                    |             |       |       |       |       |       |       |       |       |       |
| Wastewater lift stations      | 16          | 16    | 16    | 16    | 21    | 21    | 23    | 24    | 24    | 24    |
| Stormwater                    |             |       |       |       |       |       |       |       |       |       |
| Stormwater retention areas    | 15          | 15    | 15    | 15    | 19    | 19    | 23    | 31    | 31    | 31    |

Source: Various city departments

## Notes:

(1) Processed by Volusia County



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# Compliance Section





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

The Honorable Mayor and City Council  
City of Orange City, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange City, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Orange City'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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result 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.

*McDermitt Davis*

Orlando, Florida  
March 19, 2024

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

Honorable Mayor and City Council  
*City of Orange City, Florida*

**Report on Compliance for Each Major Federal Program and State Project**  
**Opinion on Each Major Federal Program and State Project**

We have audited the *City of Orange City's* (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services State Projects Compliance Supplement*, and Chapter 10.550, Rules of the Auditor General, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program and state project for the year ended September 30, 2023.

**Basis for Opinion on Each Major Federal Program and State Project**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*McDiarmid Davis*

Orlando, Florida  
March 19, 2024

## CITY OF ORANGE CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2023

| Award type                                                        | Assistance |                        |                     |
|-------------------------------------------------------------------|------------|------------------------|---------------------|
| Grantor                                                           | Listing/   |                        |                     |
| Pass-through grantor                                              | CSFA       | Agency or Pass-through |                     |
| Grantor program title                                             | Number     | Entity Grant Number    | Expenditures        |
| <b>Federal Grants</b>                                             |            |                        |                     |
| United States Environmental Protection Agency                     |            |                        |                     |
| Drinking Water State Revolving Funds Capitalization Grants *      | 66.468     | DW642041               | \$ 5,841,888        |
| United States Department of Homeland Security                     |            |                        |                     |
| Passed through State of Florida, Division of Emergency Management |            |                        |                     |
| Disaster Grants, Public Assistance - Hurricane Ian *              | 97.036     | Z3039                  | 718,456             |
| Disaster Grants, Public Assistance - Hurricane Nicole *           | 97.036     | Z3709                  | 85,479              |
| Disaster Grants, Public Assistance - Hurricane Irma *             | 97.036     | Z3039                  | 46,178              |
| COVID-19 Disaster Grants, Public Assistance *                     | 97.036     | Z2057                  | 36,411              |
| United States Department of Housing and Urban Development         |            |                        |                     |
| Passed through Volusia County                                     |            |                        |                     |
| CDBG Safety Decking at Colin's Dream Skate Park                   | 14.218     | 2020 -2021 CDBG        | 69,153              |
| CDBG Safety Decking at Colin's Dream Skate Park                   | 14.218     | 2021 -2022 CDBG        | 50,429              |
| CDBG South Thorpe Avenue ADA Sidewalk                             | 14.218     | 2022 -2023 CDBG        | 60,000              |
| United States Department of Justice                               |            |                        |                     |
| Passed through State of Florida, Department of Law Enforcement    |            |                        |                     |
| Edward Byrne Memorial Justice Assistance Grant                    | 16.738     | 8C027                  | 5,661               |
| Total federal awards                                              |            |                        | <u>\$ 6,913,655</u> |
| <b>State Awards</b>                                               |            |                        |                     |
| Florida Department of Environmental Protection                    |            |                        |                     |
| State Revolving Fund, Drinking Water Facility Construction *      | 37.076     | DW642050               | \$ 2,603,233        |
| Florida Springs Grant Program, Septic to Sewer Project *          | 37.052     | 37983                  | 894,500             |
| Blue Spring Nutrient Reduction, Septic to Sewer Construction      | 37.039     | LPA0119                | 30,772              |
| Total state awards                                                |            |                        | <u>\$ 3,528,505</u> |

\* Denotes a major program or project

CITY OF ORANGE CITY, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2023

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Orange City (the City) under programs of the federal and state government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2023, even if the grant or loan was received subsequent to that date. Federal and state expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Loans and Loan Guarantees:

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's pipe rehabilitation and looping project. Loan balance as of September 30, 2023 is \$5,224,654. Loan expenditures reported in the current year Schedule are \$5,841,888.

In March 2023, the City executed a State Revolving Fund Loan agreement DW642050 for the City's greensand filter improvements project. Loan balance as of September 30, 2023 is \$1,414,575. Loan expenditures reported in the current year Schedule are \$2,603,233.

Note 4 - Indirect cost rate:

Indirect cost rate is dictated by its federal contract terms. The 10-percent de Minimis indirect rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.

Note 5 - FEMA Expenditures:

Expenditures for Assistance Listing No. 97.036, *Disaster Grants, Public Assistance* include \$82,589 of expenditures that were incurred in prior fiscal years.

CITY OF ORANGE CITY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS and STATE PROJECTS

Year Ended September 30, 2023

Section I - Summary of Independent Auditor's Results:

*Financial Statements*

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

*Federal Programs and State Projects*

|                                                                                                                                               |                    |                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------|
| Type of auditors' report issued on compliance for major federal programs and state projects:                                                  | Unmodified Opinion |                        |
| Internal control over major federal programs and state projects:                                                                              |                    |                        |
| • Material weakness identified?                                                                                                               | ___ Yes            | <u>X</u> No            |
| • Significant deficiency identified                                                                                                           | ___ Yes            | <u>X</u> None reported |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance and Chapter 10.550? | ___ Yes            | <u>X</u> No            |

Identification of Major Federal Programs and State Projects

|                                                                         |                      |                                                                       |
|-------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------|
| Federal                                                                 | 66.468               | Drinking Water State Revolving Funds Capitalization Grants            |
| Federal                                                                 | 97.036               | Disaster Grants Public Assistance (Presidentially Declared Disasters) |
| State                                                                   | 37.076               | Drinking Water Facility Construction                                  |
| State                                                                   | 37.052               | Florida Springs Grant Program                                         |
| Dollar threshold used to distinguish between type A and type B programs | Federal<br>\$750,000 | State<br>\$750,000                                                    |

Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance? X Yes \_\_\_ No

Section II - Financial Statement Findings: None

Section III - Federal Award and State Project Findings and Questioned Costs: None

Section IV - Federal Award and State Projects Summary Schedule of Prior Year Findings: No Prior Year Findings

## MANAGEMENT LETTER

Honorable Mayor and City Council  
*City of Orange City, Florida*

### Report on the Financial Statements

We have audited the financial statements of the *City of Orange City, Florida*, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 19, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Financial Condition and Management

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

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

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.

#### Additional Matters

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

#### Purpose of this Letter

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

*McDiarmid Davis*

Orlando, Florida  
March 19, 2024



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407-843-5406  
[www.mcdermittdavis.com](http://www.mcdermittdavis.com)

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

The Honorable Mayor and City Council  
*City of Orange City, Florida*

We have examined City of Orange City's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Orange City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

*McDermitt Davis*

Orlando, Florida  
March 19, 2024

## AFFIDAVIT

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

1. I am the Financial Director of the City of Orange City which is a local governmental entity of the State of Florida:
2. The City of Orange City adopted Ordinance No. 90-8-3 on 9/12/1990 implementing a Police, Fire and Park and Recreation impact fee; Ordinance No. 356 on 6/28/2008 implementing a Water and Sewer impact fee, and Ordinance No. 228, on 1/25/2005 implementing a Transportation impact fee; and
3. The City of Orange City attests, to the best of his or her knowledge, that all impact fees were collected and expended by the local government, or special district, or were collected and expended on its behalf, in full compliance with the spending period provision in the local ordinance or resolution, and that funds expended from each impact fee account were used only to acquire, construct, or improve specific infrastructure needs and remains in compliance with Section 163.31801, Florida Statutes.

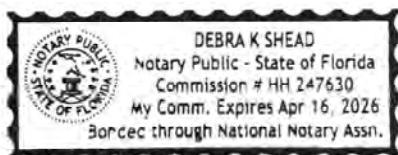
FURTHER AFFIANT SAYETH NAUGHT.

Devlin Moore

Devlin Moore, Finance Director  
City of Orange City

**By any public officer, trustee, or personal representative:**  
STATE OF FLORIDA  
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this 20<sup>th</sup> day of March, 2024 by Devlin Moore, Finance Director, who is personally known to me or who has produced (type of identification) as identification.



Debra K Shead  
Notary Public

Name typed, printed or stamped

My Commission Expires: 4/16/26



THE HEART OF SOUTHWEST VOLUSIA  
[www.orangecityfl.gov](http://www.orangecityfl.gov)