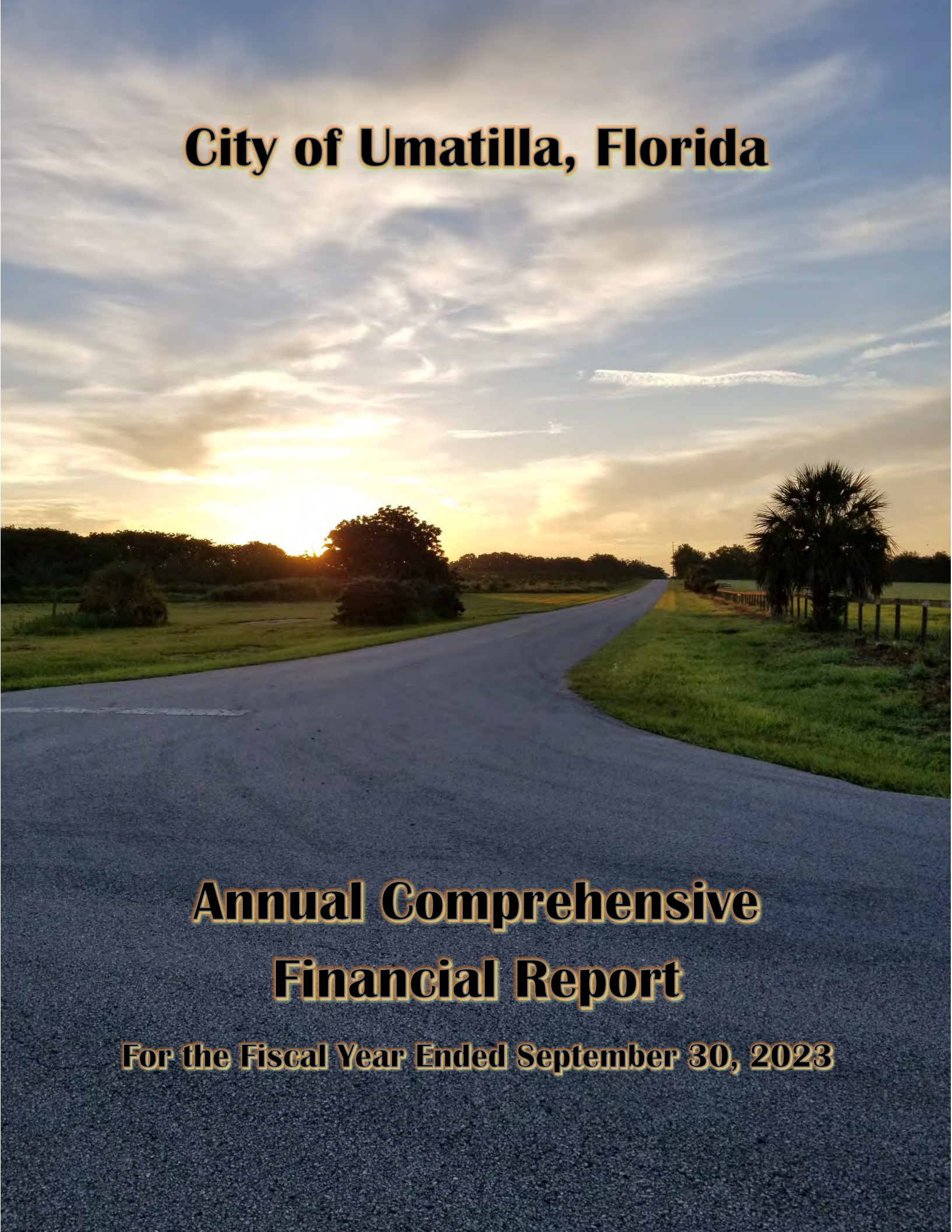




City of Umatilla, Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

City of Umatilla, Florida

Annual Comprehensive Financial Report

For the Year Ended September 30, 2023



Prepared By
Finance Department

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INTRODUCTORY SECTION



June 25, 2024

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

The Annual Comprehensive Financial Report (ACFR) for the City of Umatilla, Florida, for the fiscal year ended September 30, 2023 is hereby submitted pursuant to Florida Statutes Chapter 166.241(4) and Chapter 10.500 of the Rules of the Auditor General of the State of Florida. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data presented are accurate in all material aspects; the information is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and includes all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs.

Government Structure

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

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

The City

The City of Umatilla, incorporated in 1904, is located in central Florida. The City has a population of 3,881. The City's property tax millage rate is 7.1089. The City is continuing a rebirth of its downtown core area with many infrastructure and redevelopment projects completed or underway. The population has remained relatively stable after the 2020 census reset back down to 3,675.

Discussion on Operations of the Enterprise Funds

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

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

During this fiscal year, Water and Sewer fund operating revenues only increased by 0.13% or \$2,156 due to minor growth in the City. Operating expenditures increased \$572,668 mainly due to increases in salaries resulting from pay rate increases and positions being filled that had been vacant for an extended period. Sanitation Fund operating revenues increased by \$47,552 or 6.2% due to increased commercial development in the City. The Stormwater Fund operating revenues remained relatively stable with a nominal increase of \$1,009, or 0.7%. The Airport Fund operating revenues increased by \$85,733 due to the addition of several land leases and hangar rentals.

Local Economic Condition & Outlook

In June of 2021, the City of Umatilla began the construction of 6.2 miles of 12” and 16” force main and two pump stations to interconnect with the City of Eustis for treatment and disposal of Umatilla’s wastewater. This project will save the taxpayers approximately \$8 million and will also serve to increase the City’s future treatment capacity. This project will allow the decommissioning of Umatilla’s wastewater plant. Project is being funded through an FDEP State Revolving Fund Grant/Loan, a grant from the SJRWMD, and a legislative appropriation. This project was substantially complete as of the date of this letter.

The City sold approximately 22 acres of land, which was formerly the City’s spray field, to Phillips Manufacturing. This purchase will bring over 50 jobs to the City and add over 160,000 square feet of new development. As this project moves forward, it is the City’s intention to improve Lake Ferns Road to allow for heavy duty truck traffic, as well as an additional road north from Lake Ferns Road to the southern part of the Phillips property. The improvement will also include utilities that will provide water, sewer and power to the Phillips development.

The Magnolia Point 469-unit residential subdivision approved in 2022 is designed and infrastructure development has begun.

The new owners of Southside Plaza have begun a complete renovation to the plaza that is expected to exceed \$1.5 million. The renovated plaza will attract new retail business to the City.

Major Initiatives

The Community Redevelopment Agency (CRA) has continued participating in visible community improvements and commercial redevelopment in the downtown core area of the City. These improvements were direct result of the CRA infrastructure improvements and our grant process functioning at its best. An increase in taxable values of these properties is anticipated to continue over the next few years. During fiscal year 2023, the City awarded four façade improvement grants totaling just under \$40,000 and was also able to continue sidewalk improvements, median landscaping and irrigation.

The FAA/FDOT funded airport runway extension was completed lengthening the runway to 2,875’ and also removed some natural hazards to RWY 19 approach. The extension will provide additional safety for the Umatilla Municipal Airport.

The One-Cent Discretionary Infrastructure Surtax has been in place since 2002 and in 2017 the voters of Lake County extended the tax for another 15-year term. This funding source continues to provide for infrastructure and capital project needs. Among other projects, the City has utilized these revenues for street improvements, water and sewer system improvements, public safety equipment, and parks and recreation improvements and equipment. In 2023, the City once again purchased two new patrol vehicles in conjunction with a USDA grant in order to maintain a 7-year replacement cycle.

Long-term Financial Planning

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

Accounting and Administrative Controls

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

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

The concept of reasonable assurance recognizes that:

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

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

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

Cash Management

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

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

Risk Management

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

Financial Reporting Standards

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

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

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2022. This was the eleventh year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgement

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

Respectfully Submitted,

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

Scott Blankenship
City Manager



Government Finance Officers Association

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

Presented to

**City of Umatilla
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

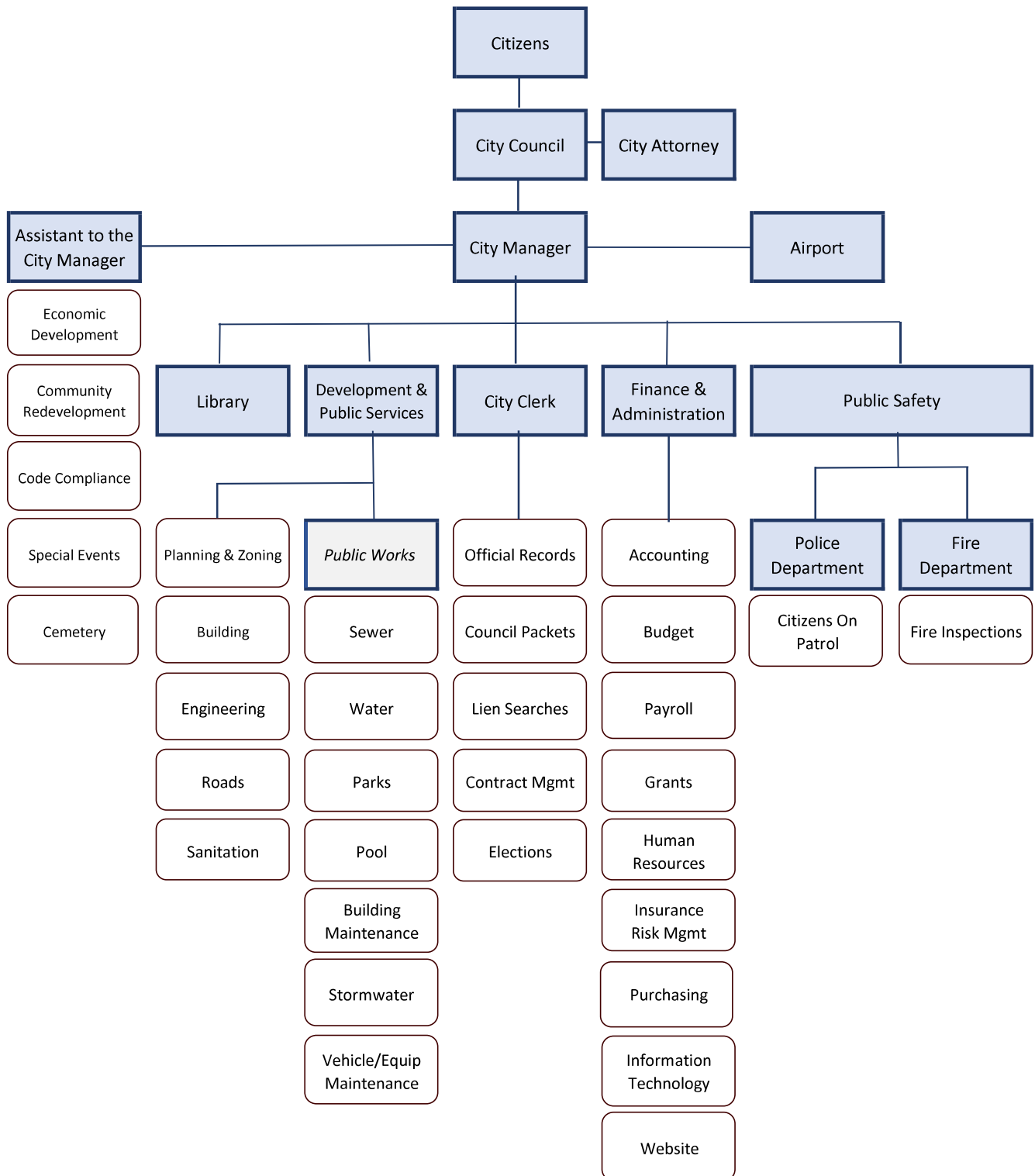
Christopher P. Morill

Executive Director/CEO



CITY OF UMATILLA

Organizational Chart



CITY OF UMATILLA, FLORIDA
CITY COUNCIL AND OFFICIALS
SEPTEMBER 30, 2023

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Umatilla, 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 Umatilla, 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 the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund, discretionary tax special revenue fund and community redevelopment agency fund 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

The City's management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 and *Governmental Auditing Standards* 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 and *Governmental Auditing Standards*, 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, pension and other post-employment benefit information on pages 3 through 12 and 55 through 60, respectively, 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 the 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 *Title 2 U.S. Code of Federal Regulations (CFR) 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 accompanying supplementary information 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 basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 our report dated June 24, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

McDermitt Davis

Orlando, Florida
June 24, 2024

As management of the City of Umatilla, we offer readers of the City of Umatilla's financial statements this narrative overview and analysis of the financial activities of the City of Umatilla for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through iv of this report.

Financial Highlights

- The assets and deferred outflows of the City of Umatilla exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$44,309,171 (net position). Of this amount, \$2,954,466 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$3,670,132 or 9%.
- As of the close of the current fiscal year, the City of Umatilla's governmental funds reported combined ending fund balances of \$4,292,094. Approximately 30% of this total amount, \$1,289,210, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,289,210, or 35.4% of total general fund expenditures.
- The City of Umatilla's total debt increased by \$23,358 or 1.36% during the current fiscal year. All required debt service payments were made.

Overview of the Financial Statements

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

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

Government-wide financial statements

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

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

The City of Umatilla adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for those funds to demonstrate budgetary compliance. Budgetary comparison statements have been provided for the General Fund, Discretionary Tax Fund, and Community Redevelopment Agency to demonstrate compliance with this budget on pages 18 - 20. Budgetary comparison schedules for the nonmajor funds are presented on pages 64 - 68.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 - 54 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 55-60 of this report.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information. Combining and individual fund statements and schedules can be found on pages 61 - 68 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Umatilla, assets exceeded liabilities by \$44,309,171 at the close of the most recent fiscal year.

Of the City of Umatilla's net position \$38,086,020 (or 86%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Umatilla uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Umatilla's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net position that is subject to external restrictions as to how it may be used totals \$3,268,685 (7.4%). The remaining balance of *unrestricted net position* (\$2,954,466 or 6.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

At September 30, 2023, the City of Umatilla is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case at the close of the prior fiscal year.

"This Section Intentionally Left Blank"

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

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 5,784,253	\$ 4,936,363	\$ 4,306,625	\$ 4,242,303	\$ 10,090,878	\$ 9,178,666
Capital assets	4,852,236	4,944,902	34,979,016	32,437,083	39,831,252	37,381,985
Total assets	10,636,489	9,881,265	39,285,641	36,679,386	49,922,130	46,560,651
Deferred Outflows of Resources	605,348	721,895	125,548	137,938	730,896	859,833
Liabilities:						
Current liabilities	741,149	1,262,567	1,145,096	1,443,839	1,886,245	2,706,406
Long term liabilities	2,158,768	1,855,765	1,860,785	1,744,507	4,019,553	3,600,272
Total liabilities	2,899,917	3,118,332	3,005,881	3,188,346	5,905,798	6,306,678
Deferred Inflows of Resources	195,794	220,677	242,263	254,090	438,057	474,767
Net Position:						
Net investment in capital assets	4,465,194	4,534,462	33,620,826	31,125,649	38,086,020	35,660,111
Restricted	2,487,766	1,675,355	780,919	734,813	3,268,685	2,410,168
Unrestricted	1,193,166	1,054,334	1,761,300	1,514,426	2,954,466	2,568,760
Total net position	\$ 8,146,126	\$ 7,264,151	\$ 36,163,045	\$ 33,374,888	\$ 44,309,171	\$ 40,639,039

Statement of Activities

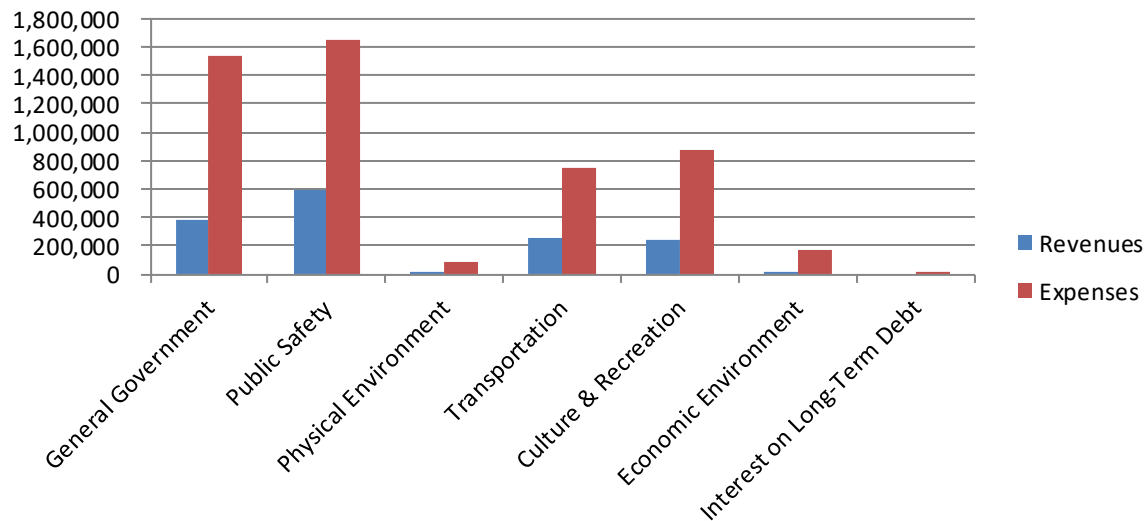
The following table reflects the condensed *Statement of Activities* for the current and prior year. For more detailed information see the *Statement of Activities* on page 14. Note that the government's total net position increased by \$3,670,132 or 9% in fiscal year 2023. For the previous fiscal year, 2022, net position increased by \$7,109,868.

Governmental activities increased by \$881,975 in fiscal year 2023 compared to an increase of \$870,312 in 2022. Revenues increased by \$658,121 from the previous year and total expenses increased by \$646,458. Charges for services increased \$49,306. On the expense side, public safety expenses increased \$43,803, and economic environment expenses decreased \$202,137. Business-type activities increased net position by \$2,788,157 in fiscal year 2023 compared to an increase of \$6,239,556 in 2022. This is primarily the result of a decrease in grants received from outside agencies.

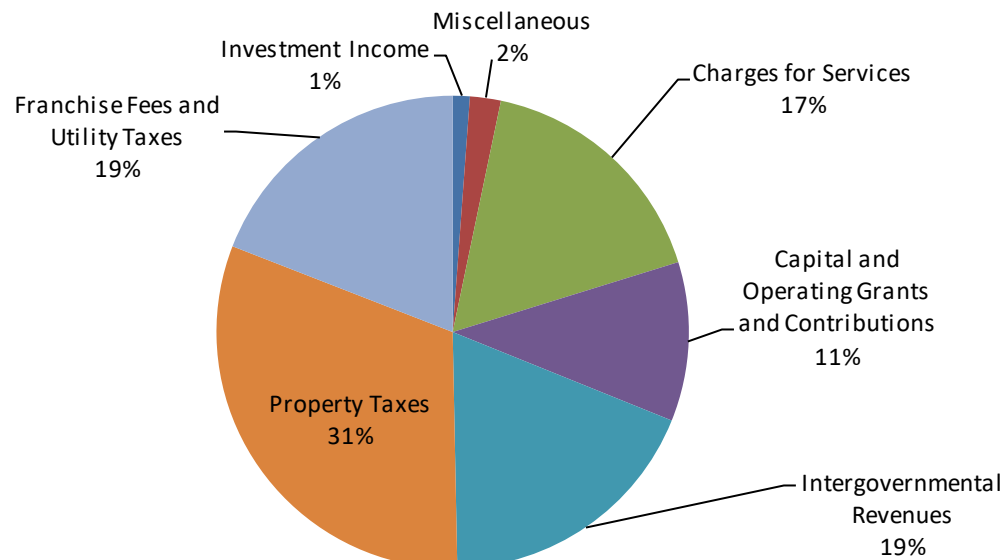
For the Year Ended September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 905,936	\$ 856,630	\$ 2,889,972	\$ 2,753,522	\$ 3,795,908	\$ 3,610,152
Operating grants and contributions	240,309	259,914	-	-	240,309	259,914
Capital grants and contributions	341,808	138,565	3,482,966	7,101,690	3,824,774	7,240,255
General Revenues:						
Property taxes	1,669,106	1,399,086	-	-	1,669,106	1,399,086
Utility taxes and franchise fees	1,020,533	908,614	-	-	1,020,533	908,614
Intergovernmental, unrestricted	993,158	1,079,801	-	-	993,158	1,079,801
Unrestricted investment earnings	62,504	12,199	606	38	63,110	12,237
Miscellaneous	112,550	41,474	-	-	112,550	41,474
Gain on sale of capital asset	8,500	-	686,618	-	695,118	-
Total revenues	5,354,404	4,696,283	7,060,162	9,855,250	12,414,566	14,551,533
Expenses:						
General government	1,540,147	1,317,604	-	-	1,540,147	1,317,604
Public safety	1,650,132	1,606,329	-	-	1,650,132	1,606,329
Physical environment	84,249	30,867	-	-	84,249	30,867
Transportation	745,343	419,206	-	-	745,343	419,206
Culture and recreation	869,392	666,166	-	-	869,392	666,166
Economic environment	171,353	373,490	-	-	171,353	373,490
Interest on long-term debt	11,813	12,309	-	-	11,813	12,309
Water and sewer	-	-	2,449,370	1,876,148	2,449,370	1,876,148
Sanitation	-	-	543,927	545,562	543,927	545,562
Airport	-	-	534,928	463,987	534,928	463,987
Stormwater	-	-	143,780	129,997	143,780	129,997
Total expenses	5,072,429	4,425,971	3,672,005	3,015,694	8,744,434	7,441,665
Increase (Decrease) in Net Position						
Before Transfers	281,975	270,312	3,388,157	6,839,556	3,670,132	7,109,868
Transfers	600,000	600,000	(600,000)	(600,000)	-	-
Increase (Decrease) in Net Position	881,975	870,312	2,788,157	6,239,556	3,670,132	7,109,868
Net position, October 1	7,264,151	6,393,839	33,374,888	27,135,332	40,639,039	33,529,171
Net position, September 30	\$ 8,146,126	\$ 7,264,151	\$ 36,163,045	\$ 33,374,888	\$ 44,309,171	\$ 40,639,039

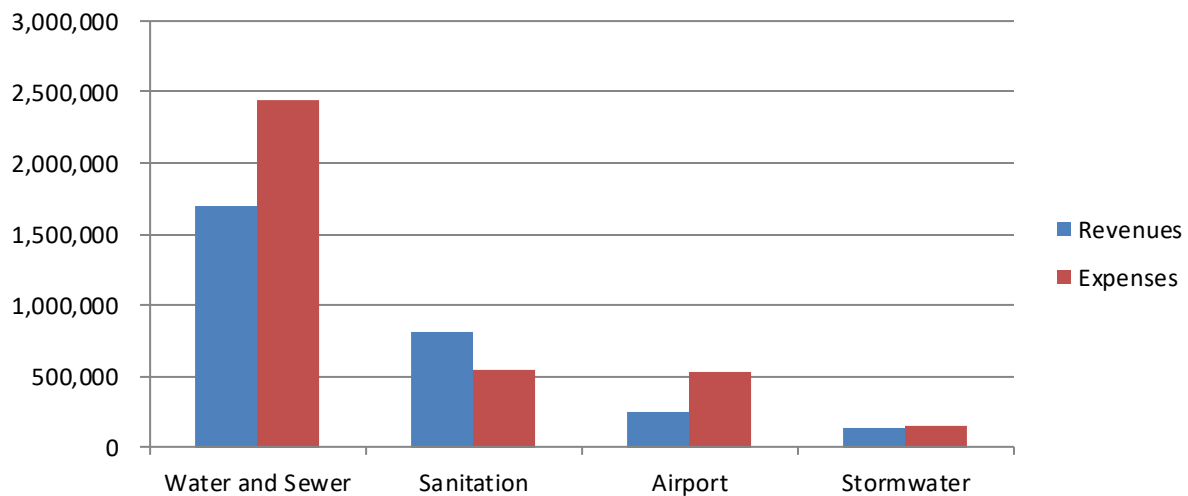
Expenses and Program Revenues - Governmental Activities



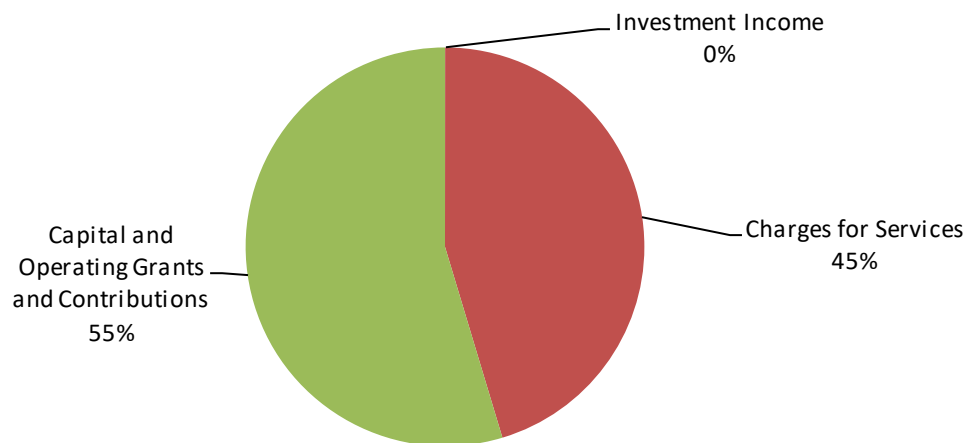
Revenues by Source - Governmental Activities



Operating Revenues and Expenses - Business-Type Activities



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of September 30, 2023, the City of Umatilla's governmental funds reported combined ending fund balances of \$4,292,094, an increase of \$1,236,122 from the prior year. Approximately 30% or \$1,289,210 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed for such purposes as debt service, capital projects, community redevelopment, public safety, inventories, prepaid costs, and subsequent year's expenditures.

The General Fund is the chief operating fund of the City of Umatilla. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,289,210, while total fund balance was \$2,564,914. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned and total fund balance represent 35.4% and 70.3%, respectively, of total General Fund expenditures. General Fund revenues increased \$255,064 over previous year and expenses increased \$312,140, a combined decrease of \$57,076 over 2022. Including transfers in from enterprise funds, general fund balance increased \$555,469.

The Discretionary Tax fund accounts for the proceeds of the Discretionary Sales Surtax. Fund balance increased by \$294,130 due to unspent ARPA funds being held over for capital projects.

The Community Redevelopment Agency experienced an increase of \$388,611 due to continued increases in TIF revenues from higher taxable values within the district.

Proprietary funds

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

Unrestricted net position of the Water and Sewer Utility Fund at the end of the year amounted to \$775,965 and total net position increased by \$712,268. Operating revenue increased by \$2,156 or .13%, and operating expenses increased by \$572,668 for a net operating result decrease of \$570,512 when compared to 2022 and net operating loss of \$(751,941). That decrease was further improved by impact fees of \$81,119 and grant revenue of \$1,044,105, which is the primary reason that the Water and Sewer Fund had an increase in net position of \$712,268.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$165,403 and total net position increased \$20,979. An operating result of \$270,979 was offset by a transfer to the general fund of \$250,000.

Unrestricted net position of the Airport Fund at the end of the year amounted to \$66,798 and total net position increased by \$2,058,624 which is an increase from the 2022 result, primarily due to increased grant revenues.

Unrestricted net position of the Stormwater Fund at the end of the year amounted to \$753,134 and total net position decreased \$3,714 due to revenues continuing to outpace increases in operating expenses. Stormwater fees are collected for the purpose of maintenance and improvement of drainage structures as funds become available.

General Fund Budgetary Highlights

During the year revenues were higher than budgetary estimates by \$298,119, primarily due to higher than expected franchise and utility taxes. Expenditures were less than budgetary estimates by \$358,284 as a result of conservative spending by all departments as well as staff vacancies.

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

Capital Asset and Debt Administration

Capital assets

The City of Umatilla's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$39,831,252 (net of accumulated depreciation), for an increase of \$2,449,267 from the prior year. This investment in capital assets includes land, buildings, water system, infrastructure, improvements and equipment. The total increase in the City of Umatilla's investment in capital assets for the current fiscal year was 6.55% (a 1.87% decrease for governmental activities, and a 7.84% increase for business-type activities).

Major capital asset events included the following:

- Ongoing construction of the wastewater interconnect with the City of Eustis
- Completion of Phase II improvements at Cadwell Park and Larkin Park
- Skyline Drive water main
- Ocala St. sewer line extension
- Airport runway extension

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

Capital Assets (Net of Depreciation)

As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 740,890	\$ 740,890	\$ 2,921,475	\$ 2,921,475	\$ 3,662,365	\$ 3,662,365
Buildings	1,314,393	1,423,735	5,840,890	6,066,539	7,155,283	7,490,274
Improvements/Infrastructure	1,619,666	1,702,061	15,590,938	13,095,663	17,210,604	14,797,724
Subscription Assets	39,398	-	39,397	-	78,795	-
Machinery and Equipment	1,000,761	962,489	561,796	615,642	1,562,557	1,578,131
Construction in Progress	137,128	115,727	10,024,520	9,737,764	10,161,648	9,853,491
Total	\$ 4,852,236	\$ 4,944,902	\$ 34,979,016	\$ 32,437,083	\$ 39,831,252	\$ 37,381,985

Long-term debt

At September 30, 2023, the City of Umatilla had total debt outstanding of \$1,745,232, an increase of \$23,358 (1.36%) from \$1,721,874 at September 30, 2022.

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

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

Long Term Debt
As of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
SRF Notes Payable	\$ -	\$ -	\$ 1,258,121	\$ 1,237,437	\$ 1,258,121	\$ 1,237,437
Capital Improvement Revenue Note, Series 2018	258,282	305,374	-	-	258,282	305,374
SBITA Liability	39,787	-	39,786	-	79,573	-
Financed Purchases	88,973	105,066	60,283	73,997	149,256	179,063
Total	\$ 387,042	\$ 410,440	\$ 1,358,190	\$ 1,311,434	\$ 1,745,232	\$ 1,721,874

Requests for Information

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

BASIC FINANCIAL STATEMENTS

City of Umatilla, Florida
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 4,668,372	\$ 1,863,611	\$ 6,531,983
Investments	54,144	-	54,144
Receivables, net	188,856	568,551	757,407
Inventories	-	49,697	49,697
Due from other governments	111,726	1,136,638	1,248,364
Prepaid costs	569	16,127	16,696
Restricted assets:			
Cash and cash equivalents	-	268,015	268,015
Investments	-	403,986	403,986
Net pension asset	760,586	-	760,586
Capital assets:			
Capital assets not being depreciated	878,018	12,945,995	13,824,013
Capital assets, net of accumulated depreciation	3,974,218	22,033,021	26,007,239
Total capital assets	4,852,236	34,979,016	39,831,252
Total assets	10,636,489	39,285,641	49,922,130
Deferred Outflows of Resources:			
Deferred outflows of pension earnings	605,348	125,548	730,896
Liabilities:			
Accounts payable and accrued liabilities	288,129	501,468	789,597
Accrued interest payable	9,576	4,619	14,195
Due to other governments	155,343	-	155,343
Unearned revenue	284,501	367,926	652,427
Customer deposits payable	3,600	271,083	274,683
Noncurrent Liabilities:			
Due within one year	105,520	117,150	222,670
Due in more than one year	2,053,248	1,743,635	3,796,883
Total liabilities	2,899,917	3,005,881	5,905,798
Deferred Inflows of Resources:			
Deferred inflows of leases	-	225,157	225,157
Deferred inflows of pension earnings	195,794	17,106	212,900
Total deferred inflows of resources	195,794	242,263	438,057
Net Position:			
Net investment in capital assets	4,465,194	33,620,826	38,086,020
Restricted for:			
Community redevelopment	488,229	-	488,229
Public safety	285,066	-	285,066
Capital projects	953,885	780,919	1,734,804
Pensions	760,586	-	760,586
Unrestricted	1,193,166	1,761,300	2,954,466
Total net position	\$ 8,146,126	\$ 36,163,045	\$ 44,309,171

City of Umatilla, Florida
Statement of Activities
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
Governmental activities							
General government	\$ 1,540,147	\$ 323,207	\$ 35,000	\$ 26,814	\$ (1,155,126)	\$ -	\$ (1,155,126)
Public safety	1,650,132	505,461	51,582	33,603	(1,059,486)	-	(1,059,486)
Physical environment	84,249	20,675	-	-	(63,574)	-	(63,574)
Transportation	745,343	8,120	75,357	171,603	(490,263)	-	(490,263)
Culture and recreation	869,392	46,372	78,370	109,788	(634,862)	-	(634,862)
Economic environment	171,353	2,101	-	-	(169,252)	-	(169,252)
Interest on long-term debt	11,813	-	-	-	(11,813)	-	(11,813)
Total governmental activities	5,072,429	905,936	240,309	341,808	(3,584,376)	-	(3,584,376)
Business-type activities							
Water and sewer	2,449,370	1,692,079	-	1,125,224	-	367,933	367,933
Sanitation	543,927	814,906	-	-	-	270,979	270,979
Airport	534,928	242,921	-	2,357,742	-	2,065,735	2,065,735
Stormwater	143,780	140,066	-	-	-	(3,714)	(3,714)
Total business-type activities	3,672,005	2,889,972	-	3,482,966	-	2,700,933	2,700,933
Total primary government	\$ 8,744,434	\$ 3,795,908	\$ 240,309	\$ 3,824,774	(3,584,376)	2,700,933	(883,443)
General Revenues:							
Property taxes					1,669,106	-	1,669,106
Franchise fees and utility taxes					1,020,533	-	1,020,533
Intergovernmental-unrestricted					993,158	-	993,158
Unrestricted investment earnings					62,504	606	63,110
Miscellaneous					112,550	-	112,550
Gain on sale of capital assets					8,500	686,618	695,118
Transfers					600,000	(600,000)	-
Total general revenues and transfers					4,466,351	87,224	4,553,575
Change in net position					881,975	2,788,157	3,670,132
Net position, beginning					7,264,151	33,374,888	40,639,039
Net position, ending					\$ 8,146,126	\$ 36,163,045	\$ 44,309,171

City of Umatilla, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Discretionary Tax	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,747,723	\$ 1,142,443	\$ 491,154	\$ 287,052	\$ 4,668,372
Investments	54,144	-	-	-	54,144
Receivables, net	188,856	-	-	-	188,856
Due from other governments	60,783	50,943	-	-	111,726
Prepaid costs	569	-	-	-	569
Total assets	\$ 3,052,075	\$ 1,193,386	\$ 491,154	\$ 287,052	\$ 5,023,667
Liabilities:					
Accounts payable	\$ 66,741	\$ -	\$ 2,216	\$ 1,986	\$ 70,943
Accrued liabilities	216,477	-	709	-	217,186
Due to other governments	155,343	-	-	-	155,343
Unearned revenue	45,000	239,501	-	-	284,501
Deposits	3,600	-	-	-	3,600
Total liabilities	487,161	239,501	2,925	1,986	731,573
Fund Balances:					
Nonspendable	569	-	-	-	569
Restricted	9,664	953,885	488,229	285,066	1,736,844
Assigned	1,265,471	-	-	-	1,265,471
Unassigned	1,289,210	-	-	-	1,289,210
Total fund balances	2,564,914	953,885	488,229	285,066	4,292,094
Total liabilities, and fund balances	\$ 3,052,075	\$ 1,193,386	\$ 491,154	\$ 287,052	

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.	4,852,236
Net pension assets are not current financial resources and, therefore, are not reported in the funds.	760,586
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.	409,554
Accrued interest payable is not due in the current period and, therefore, is not reported in the funds.	(9,576)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,158,768)
Net Position of Governmental Activities	\$ 8,146,126

Statement of Revenues, Expenditures and Changes in Fund Balances**Governmental Funds**

Year Ended September 30, 2023

	General Fund	Discretionary Tax	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property taxes	\$ 1,118,879	\$ -	\$ 550,227	\$ -	\$ 1,669,106
Franchise and utility taxes	1,020,533	-	-	-	1,020,533
Licenses and permits	403,853	-	-	-	403,853
Intergovernmental revenues	765,349	776,323	-	-	1,541,672
Charges for services	100,532	-	2,101	392,989	495,622
Impact fees	-	-	-	33,603	33,603
Fines and forfeitures	6,264	-	-	197	6,461
Investment income	62,504	-	-	-	62,504
Miscellaneous	108,792	-	-	3,758	112,550
Total revenues	3,586,706	776,323	552,328	430,547	5,345,904
Expenditures:					
Current:					
General government	1,263,748	26,814	-	-	1,290,562
Public safety	1,087,347	89,267	-	416,557	1,593,171
Physical environment	71,801	-	-	-	71,801
Transportation	534,918	230,517	-	-	765,435
Economic environment	-	-	163,717	-	163,717
Culture and recreation	667,931	70,429	-	-	738,360
Debt service:					
Principal	19,310	54,659	-	8,526	82,495
Interest and fiscal charges	1,182	10,507	-	1,552	13,241
Total expenditures	3,646,237	482,193	163,717	426,635	4,718,782
Excess (Deficiency) of Revenues Over Expenditures	(59,531)	294,130	388,611	3,912	627,122
Other Financing Sources (Uses):					
Sale of general capital assets	-	-	-	9,000	9,000
Transfers in	615,000	-	-	-	615,000
Transfers out	-	-	-	(15,000)	(15,000)
Total other financing sources (uses)	615,000	-	-	(6,000)	609,000
Net change in fund balances	555,469	294,130	388,611	(2,088)	1,236,122
Fund balances, beginning	2,009,445	659,755	99,618	287,154	3,055,972
Fund balances, ending	\$ 2,564,914	\$ 953,885	\$ 488,229	\$ 285,066	\$ 4,292,094

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

Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds:	\$ 1,236,122
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	\$ 385,126	
Less: current year depreciation	<u>(536,389)</u>	(151,263)

Repayments of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

82,495

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

(500)

Governmental funds report cash contributions to pensions as expenditures because they consume current financial resources. The statement of activities reports the change in pension liability and related deferrals as pension expense. This is the amount of the difference between the two amounts.

(277,825)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	\$ 1,428	
Change in other post employment benefits	(1,018)	
Change in long-term compensated absences	<u>(7,464)</u>	<u>(7,054)</u>

Change in Net Position of Governmental Activities

\$ 881,975

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 1,143,824	\$ 1,128,824	\$ 1,118,879	\$ (9,945)
Franchise and utility taxes	804,347	866,100	1,020,533	154,433
Licenses and permits	100,000	380,600	403,853	23,253
Intergovernmental revenues	612,094	653,598	765,349	111,751
Charges for services	56,934	89,175	100,532	11,357
Fines and forfeitures	5,650	4,950	6,264	1,314
Investment income	12,500	62,000	62,504	504
Miscellaneous	19,000	103,340	108,792	5,452
Total revenues	2,754,349	3,288,587	3,586,706	298,119
Expenditures:				
Current:				
General government	1,267,537	1,380,562	1,263,748	116,814
Public safety	1,225,485	1,214,950	1,087,347	127,603
Physical environment	64,206	79,231	71,801	7,430
Transportation	604,687	603,456	534,918	68,538
Culture and recreation	688,737	726,322	667,931	58,391
Current:				
Principal	-	-	19,310	(19,310)
Interest	-	-	1,182	(1,182)
Total expenditures	3,850,652	4,004,521	3,646,237	358,284
Excess (Deficiency) of Revenues Over Expenditures	(1,096,303)	(715,934)	(59,531)	656,403
Other Financing Sources (Uses):				
Transfers in	615,000	615,000	615,000	-
Total other financing sources (uses)	615,000	615,000	615,000	-
Net change in fund balance	(481,303)	(100,934)	555,469	656,403
Fund balance, beginning	2,009,445	2,009,445	2,009,445	-
Fund balance, ending	\$ 1,528,142	\$ 1,908,511	\$ 2,564,914	\$ 656,403

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Discretionary Tax Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 583,048	\$ 571,700	\$ 776,323	\$ 204,623
Total revenues	583,048	571,700	776,323	204,623
Expenditures:				
Current:				
General government	-	26,814	26,814	-
Public safety	92,000	92,000	89,267	2,733
Transportation	105,000	171,370	230,517	(59,147)
Culture and recreation	200,000	79,520	70,429	9,091
Debt Service:				
Principal	54,659	54,659	54,659	-
Interest and fiscal charges	10,797	10,797	10,507	290
Total expenditures	462,456	435,160	482,193	(47,033)
Excess (Deficiency) of Revenues Over Expenditures	120,592	136,540	294,130	157,590
Net change in fund balance	120,592	136,540	294,130	157,590
Fund balance, beginning	659,755	659,755	659,755	-
Fund balance, ending	\$ 780,347	\$ 796,295	\$ 953,885	\$ 157,590

City of Umatilla, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Community Redevelopment Agency Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Taxes	\$ 568,295	\$ 568,295	\$ 550,227	\$ (18,068)
Charges for services	6,875	6,875	2,101	(4,774)
Total revenues	575,170	575,170	552,328	(22,842)
Expenditures:				
Current:				
Economic environment	400,675	401,095	163,717	237,378
Total expenditures	400,675	401,095	163,717	237,378
Excess (Deficiency) of Revenues Over Expenditures	174,495	174,075	388,611	214,536
Net change in fund balance	174,495	174,075	388,611	214,536
Fund balance, beginning	99,618	99,618	99,618	-
Fund balance, ending	<u>\$ 274,113</u>	<u>\$ 273,693</u>	<u>\$ 488,229</u>	<u>\$ 214,536</u>

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,003,094	\$ 116,844	\$ 200	\$ 743,473	\$ 1,863,611
Restricted cash	258,129	-	9,886	-	268,015
Restricted investments	403,986	-	-	-	403,986
Receivables, net	216,053	100,791	239,682	12,025	568,551
Due from other governments	448,756	-	687,882	-	1,136,638
Due from other funds	394,333	-	-	-	394,333
Inventories	-	-	49,697	-	49,697
Prepaid Items	16,127	-	-	-	16,127
Total current assets	2,740,478	217,635	987,347	755,498	4,700,958
Noncurrent assets:					
Capital assets:					
Land	582,971	-	2,338,504	-	2,921,475
Improvements	16,441,462	-	7,820,805	3,475,554	27,737,821
Buildings	3,578,160	-	3,944,587	-	7,522,747
Equipment	1,411,696	127,418	319,009	71,297	1,929,420
Intangible	59,096	-	-	-	59,096
Construction in progress	7,494,868	-	2,529,652	-	10,024,520
Less: accumulated depreciation	(8,713,940)	(127,418)	(4,784,898)	(1,589,807)	(15,216,063)
Total capital assets (net of depreciation)	20,854,313	-	12,167,659	1,957,044	34,979,016
Total noncurrent assets	20,854,313	-	12,167,659	1,957,044	34,979,016
Total assets	23,594,791	217,635	13,155,006	2,712,542	39,679,974
Deferred Outflows of Resources:					
Deferred outflows of pension earnings	104,594	15,531	5,423	-	125,548
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	226,493	4,667	270,308	-	501,468
Customer deposits payable	258,129	843	12,111	-	271,083
Unearned revenue	366,751	-	1,175	-	367,926
Due to other funds	-	-	394,333	-	394,333
Compensated absences	2,723	177	177	-	3,077
Accrued interest payable	2,255	-	-	2,364	4,619
Financed purchases	14,237	-	-	-	14,237
Notes and subscriptions payable	67,269	-	-	32,567	99,836
Total current liabilities	937,857	5,687	678,104	34,931	1,656,579
Noncurrent liabilities:					
Compensated absences	24,511	1,596	1,588	-	27,695
Financed purchases	46,046	-	-	-	46,046
Notes and subscriptions payable	790,759	-	-	407,312	1,198,071
Net pension liability	393,075	58,364	20,384	-	471,823
Total noncurrent liabilities	1,254,391	59,960	21,972	407,312	1,743,635
Total liabilities	2,192,248	65,647	700,076	442,243	3,400,214
Deferred Inflows of Resources:					
Deferred inflows of pension earnings	14,251	2,116	739	-	17,106
Deferred inflows - leases	-	-	225,157	-	225,157
Total deferred inflows of resources	14,251	2,116	225,896	-	242,263
Net Position:					
Net investment in capital assets	19,936,002	-	12,167,659	1,517,165	33,620,826
Restricted for utility capital projects	780,919	-	-	-	780,919
Unrestricted	775,965	165,403	66,798	753,134	1,761,300
Total net position	\$ 21,492,886	\$ 165,403	\$ 12,234,457	\$ 2,270,299	\$ 36,163,045

City of Umatilla, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds				
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	Total
Operating Revenues:					
Charges for services	\$ 1,690,968	\$ 808,946	\$ 217,662	\$ 139,862	\$ 2,857,438
Miscellaneous operating revenues	1,111	5,960	25,259	204	32,534
Total operating revenues	<u>1,692,079</u>	<u>814,906</u>	<u>242,921</u>	<u>140,066</u>	<u>2,889,972</u>
Operating Expenses:					
Personal services	645,557	113,235	32,989	-	791,781
Contract services	305,367	412,862	13,756	14,930	746,915
Utilities	115,328	-	23,074	-	138,402
Insurance	67,266	-	21,278	-	88,544
Operating supplies	200,336	-	-	-	200,336
Depreciation and amortization	558,254	-	409,163	106,186	1,073,603
Other operating expenses	65,031	17,830	19,406	(418)	101,849
Repairs and maintenance	486,881	-	15,262	16,861	519,004
Total operating expenses	<u>2,444,020</u>	<u>543,927</u>	<u>534,928</u>	<u>137,559</u>	<u>3,660,434</u>
Operating income (loss)	<u>(751,941)</u>	<u>270,979</u>	<u>(292,007)</u>	<u>2,507</u>	<u>(770,462)</u>
Nonoperating Revenue (Expenses):					
Investment income	606	-	-	-	606
Gain (loss) on sale of capital assets	693,729	-	(7,111)	-	686,618
Interest expense	(5,350)	-	-	(6,221)	(11,571)
Total nonoperating revenue (expenses)	<u>688,985</u>	<u>-</u>	<u>(7,111)</u>	<u>(6,221)</u>	<u>675,653</u>
Income (loss) before contributions and transfers	<u>(62,956)</u>	<u>270,979</u>	<u>(299,118)</u>	<u>(3,714)</u>	<u>(94,809)</u>
Capital Contributions:					
Impact fees	81,119	-	-	-	81,119
Grants	1,044,105	-	2,357,742	-	3,401,847
Transfers out	(350,000)	(250,000)	-	-	(600,000)
Change in net position	<u>712,268</u>	<u>20,979</u>	<u>2,058,624</u>	<u>(3,714)</u>	<u>2,788,157</u>
Net Position, beginning	<u>20,780,618</u>	<u>144,424</u>	<u>10,175,833</u>	<u>2,274,013</u>	<u>33,374,888</u>
Net Position, ending	<u>\$ 21,492,886</u>	<u>\$ 165,403</u>	<u>\$ 12,234,457</u>	<u>\$ 2,270,299</u>	<u>\$ 36,163,045</u>

City of Umatilla, Florida
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Cash Flows from Operating Activities:					
Receipts from customers	\$ 1,697,583	\$ 794,147	\$ 243,091	\$ 142,912	\$ 2,877,733
Payments to suppliers	(1,170,254)	(464,678)	31,610	(30,873)	(1,634,195)
Payments to employees	(593,037)	(96,069)	(25,146)	-	(714,252)
Net cash provided by (used in) operating activities	(65,708)	233,400	249,555	112,039	529,286
Cash Flows from Noncapital Financing Activities:					
Increase in due from other funds	(394,333)	-	-	-	(394,333)
Increase in due to other funds	-	-	394,333	-	394,333
Transfers to other funds	(350,000)	(250,000)	-	-	(600,000)
Net cash provided by (used in) noncapital financing activities	(744,333)	(250,000)	394,333	-	(600,000)
Cash Flows from Capital and Related Financing Activities:					
Capital grants	483,416	-	1,801,096	-	2,284,512
Proceeds from notes payable	59,518	-	-	-	59,518
Acquisition of capital assets	(1,392,564)	-	(2,484,186)	-	(3,876,750)
Sale of capital assets	697,820	-	-	-	697,820
Principal paid on revenue bonds, notes and leases	(39,724)	-	-	(32,134)	(71,858)
Interest paid on revenue bonds, notes and leases	(5,350)	-	-	(6,221)	(11,571)
Impact fees	81,119	-	-	-	81,119
Net cash provided by (used in) capital and related financing activities	(115,765)	-	(683,090)	(38,355)	(837,210)
Cash Flows from Investing Activities:					
Sale (purchase) of investments	437	-	-	-	437
Investment income	606	-	-	-	606
Net cash provided by (used in) investing activities	1,043	-	-	-	1,043
Net increase (decrease) in cash and cash equivalents	(924,763)	(16,600)	(39,202)	73,684	(906,881)
Cash and cash equivalents, beginning	2,185,986	133,444	49,288	669,789	3,038,507
Cash and cash equivalents, ending	\$ 1,261,223	\$ 116,844	\$ 10,086	\$ 743,473	\$ 2,131,626
Classified as:					
Cash and cash equivalents	\$ 1,003,094	\$ 116,844	\$ 200	\$ 743,473	\$ 1,863,611
Restricted cash and cash equivalents	258,129	-	9,886	-	268,015
Total cash and cash equivalents	\$ 1,261,223	\$ 116,844	\$ 10,086	\$ 743,473	\$ 2,131,626

City of Umatilla, Florida
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds				Total
	Water and Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ (751,941)	\$ 270,979	\$ (292,007)	\$ 2,507	\$ (770,462)
Adjustments not affecting cash:					
Depreciation and amortization	558,254	-	409,163	106,186	1,073,603
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	616	(20,702)	7,946	2,846	(9,294)
(Increase) decrease in inventories	-	-	(20,750)	-	(20,750)
(Increase) decrease in prepaids	(16,127)	-	2,926	500	(12,701)
(Increase) decrease deferred outflows of pension earnings	14,493	(1,072)	(1,031)	-	12,390
Increase (decrease) in accounts payable	86,082	(33,986)	142,210	-	194,306
Increase (decrease) in accrued liabilities	(1,838)	1,416	(80)	-	(502)
Increase (decrease) in deferred inflows of leases	-	-	(7,946)	-	(7,946)
Increase (decrease) in customer deposits	4,888	(57)	170	-	5,001
Increase (decrease) in compensated absences	(1,623)	759	1,321	-	457
Increase (decrease) in net pension liability	45,356	16,147	7,562	-	69,065
Increase (decrease) in deferred inflows of pension earnings	(3,868)	(84)	71	-	(3,881)
Total adjustments	127,979	(37,579)	132,399	3,346	226,145
Net cash provided by (used in) operating activities	\$ (65,708)	\$ 233,400	\$ 249,555	\$ 112,039	\$ 529,286

City of Umatilla, Florida
Statement of Fiduciary Net Position - Fiduciary Fund
September 30, 2023

	Police Pension Trust Fund
Assets:	
Cash and cash equivalents	\$ 33,932
Investments, at fair value:	
Fixed income	707,789
Equity	1,449,258
Real estate	322,476
Total investments	<u>2,479,523</u>
Total assets	<u>2,513,455</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 2,513,455</u></u>

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

Year Ended September 30, 2023

	Police Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 7,968
Plan members	14,860
State	51,582
Total contributions	74,410
Investment income:	
Net increase (decrease) in fair value of investments	197,009
Less: investment expense	(4,902)
Net investment income (loss)	192,107
Total additions	266,517
Deductions:	
Benefit payments	46,876
Administrative expenses	15,944
Total deductions	62,820
Change in net position	203,697
Net position, beginning	2,309,758
Net position, ending	\$ 2,513,455

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

The City of Umatilla Community Redevelopment Agency

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The government reports the following funds:

Major Governmental Funds

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

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

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

Nonmajor Governmental Fund Types

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

Major Proprietary Funds

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

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

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

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

Fiduciary Funds

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deposits and Investments

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

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

Receivables and Payables

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

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

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

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

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

Inventories and Prepaid Items

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, sidewalks, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings	30-40
Improvements Other Than Buildings	10-20
Water and Sewer Systems	10-50
Equipment	5-20
Intangibles	5
Infrastructure	30

Compensated Absences

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

Long-Term Obligations

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

Deferred Outflows/Inflows of Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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, which is the deferred inflows of pension earnings and deferred inflows of leases.

Net Position Flow Assumptions

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

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

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

Estimates

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

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB Statements Implemented

In fiscal year 2023, the City has implemented GASB Statement No. 91, *Conduit Debt Obligations*. This statement requires to disclose general information about conduit debt obligations, organized by type of commitments, including the aggregate outstanding principal amounts of the issuers' conduit debt and a description of each type of commitment. Furthermore, issuers that recognize liabilities related to these obligations should disclose information about amounts recognized and how the liabilities changed during the reporting period. Additionally, the City has 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, 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, a subscription asset of \$118,193 and a subscription liability of \$118,193 was recorded, there were no changes to beginning fund balances or beginning net position.

NOTE 2 RECONCILIATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

Investments

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

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

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

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

Investments made by the *City of Umatilla* at September 30, 2023 are summarized below. Defined benefit pension plan investments, are included below. In accordance with GASB 31, investments are reported at fair value, except certificates of deposit, which are reported at amortized cost, which approximates fair value.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Certificates of Deposit	\$ 458,130	Unrated	334 days
FMIvT Broad Market HQ Bond Fund	366,965	AA+/S4	6.90 years
FMIvT Core Plus Fixed Income	340,824	Unrated	8.03 years
	<u>\$ 1,165,919</u>		

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NOTE 4 CASH AND INVESTMENTS (CONTINUED)

The City and the Police Pension Trust Fund have the following recurring fair value measurements as of September 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	9/30/2023			
Police Officers' Pension				
Mutual Funds				
Equities				
FMLvT Diversified Large Cap Equity	\$ 614,288	\$ -	\$ 614,288	\$ -
FMLvT Diversified Small to Mid Cap	348,868	-	348,868	-
FMLvT International Equity	486,102	-	486,102	-
Fixed Income				
FMLvT Broad Market HQ Bond	366,965	-	366,965	-
FMLvT Core Plus Fixed Income	340,824	-	-	340,824
Real Estate				
FMLvT Core Real Estate Fund	322,476	-	-	322,476
Total	\$ 2,479,523	\$ -	\$ 1,816,223	\$ 663,300

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

Credit Risk

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

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2023, all of the City's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2023, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

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

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk:

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

NOTE 5 RECEIVABLES

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

	General Fund	Water & Sewer Fund	Sanitation Fund	Airport Fund	Stormwater Fund	Total
Accounts Receivable	\$ 188,856	\$ 277,710	\$ 120,652	\$ 14,525	\$ 14,094	\$ 615,837
Lease Receivables	-	-	-	225,157	-	225,157
Less:						
Allowance for uncollectibles	-	(61,657)	(19,861)	-	(2,069)	(83,587)
	<u>\$ 188,856</u>	<u>\$ 216,053</u>	<u>\$ 100,791</u>	<u>\$ 239,682</u>	<u>\$ 12,025</u>	<u>\$ 757,407</u>

Lease Receivables

In August 2021, the City's Airport Fund entered into a 30 year lease agreement as lessor for the use of an airport hangar. An initial lease receivable was recorded in the amount of \$107,102 in the year of implementation of *GASB statement No. 87, Leases*. The lessee is required to make yearly fixed payments of \$3,590. Every year (or fraction of a year), rent will increase by the increase in the base index CPI-U (*Consumer Price Index*). The lease has an interest rate of 0%. As of September 30, 2023, the value of lease receivable and deferred inflow of resources is \$99,922 and the City recognized lease revenue of \$3,590 during the fiscal year.

In July 2022, the City's Airport Fund, entered into a 30 year lease agreement as lessor for the use of an airport hangar. An initial lease receivable was recorded in the amount of \$130,680. The lessee is required to make yearly fixed payments of \$4,356. Every year (or fraction of a year), rent will increase by the increase in the base index CPI-U (*Consumer Price Index*). The lease has an interest rate of 0%. As of September 30, 2023, the value of lease receivable and deferred inflow of resources is \$125,235 and the City recognized lease revenue of \$4,356 during the fiscal year.

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NOTE 5 RECEIVABLES (CONTINUED)

Total minimum future lease payments received under lessor agreements in years subsequent to September 30, 2023, are:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 7,946	\$ -	\$ 7,946
2025	7,946	-	7,946
2026	7,946	-	7,946
2027	7,946	-	7,946
2028	7,946	-	7,946
2029-2033	39,730	-	39,730
2034-2038	39,730	-	39,730
2039-2043	39,730	-	39,730
2044-2048	39,730	-	39,730
2049-2052	26,507	-	26,507
	<u>\$ 225,157</u>	<u>\$ -</u>	<u>\$ 225,157</u>

NOTE 6 CAPITAL ASSETS

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

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 740,890	\$ -	\$ -	\$ 740,890
Construction in progress	115,727	128,464	(107,063)	137,128
Total capital assets, not being depreciated	856,617	128,464	(107,063)	878,018
Capital Assets, being depreciated:				
Buildings	3,088,148	-	-	3,088,148
Improvements/infrastructure	3,551,952	107,063	-	3,659,015
Subscription assets	59,097	-	-	59,097
Machinery and equipment	2,819,545	256,662	(20,656)	3,055,551
Total capital assets being depreciated	9,518,742	363,725	(20,656)	9,861,811
Less Accumulated Depreciation for:				
Buildings	(1,664,413)	(109,342)	-	(1,773,755)
Improvements/infrastructure	(1,849,891)	(189,458)	-	(2,039,349)
Subscription assets	-	(19,699)	-	(19,699)
Machinery and equipment	(1,857,056)	(217,890)	20,156	(2,054,790)
Total accumulated depreciation	(5,371,360)	(536,389)	20,156	(5,887,593)
Total capital assets being depreciated, net	4,147,382	(172,664)	(500)	3,974,218
Governmental activities capital assets, net	\$ 5,003,999	\$ (44,200)	\$ (107,563)	\$ 4,852,236

NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 2,921,475	\$ -	\$ -	\$ 2,921,475
Construction in progress	9,737,764	3,522,041	(3,235,285)	10,024,520
Total capital assets, not being depreciated	12,659,239	3,522,041	(3,235,285)	12,945,995
Capital Assets, being depreciated:				
Buildings	7,522,747	-	-	7,522,747
Improvements/infrastructure	24,520,822	3,235,285	(18,286)	27,737,821
Subscription assets	59,096	-	-	59,096
Machinery and equipment	1,891,819	45,601	(8,000)	1,929,420
Total capital assets being depreciated	33,994,484	3,280,886	(26,286)	37,249,084
Less Accumulated Depreciation for:				
Buildings	(1,456,208)	(225,649)	-	(1,681,857)
Improvements/infrastructure	(11,425,159)	(732,899)	11,175	(12,146,883)
Subscription assets	-	(19,699)	-	(19,699)
Machinery and equipment	(1,276,177)	(95,356)	3,909	(1,367,624)
Total accumulated depreciation	(14,157,544)	(1,073,603)	15,084	(15,216,063)
Total capital assets being depreciated, net	19,836,940	2,207,283	(11,202)	22,033,021
Business-type activities capital assets, net	\$32,496,179	\$ 5,729,324	\$ (3,246,487)	\$34,979,016

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 73,794
Public safety	171,172
Physical environment	4,074
Transportation	143,839
Economic environment	7,636
Culture and recreation	135,874
Total depreciation expense - governmental activities	\$ 536,389
Business-type Activities	
Water and sewer	\$ 558,254
Airport	409,163
Stormwater	106,186
Total depreciation expense - business-type activities	\$ 1,073,603

NOTE 7 LONG-TERM DEBT

Financed Purchases

The City has entered into an agreement for financing the acquisition of water meter equipment. Payments are due annually. The loan period is for 10 years with an interest rate of 3.9%.

The City has entered into an agreement for financing the acquisition of radio equipment. Payments are due annually. The loan period is for 10 years with an interest rate of 3.3%.

Annual debt service requirements to maturity for financed purchases are as follows:

<u>Year Ending September 30</u>	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 16,636	\$ 3,000	\$ 14,237	\$ 2,284
2025	17,190	2,446	14,777	1,745
2026	17,776	1,859	15,337	1,185
2027	18,376	1,260	15,932	603
2028	18,995	640	-	-
Total	\$ 88,973	\$ 9,205	\$ 60,283	\$ 5,817

Notes Payable - Direct Borrowing

The City issued the Infrastructure Sales Surtax Revenue Note, Series 2018 for the acquisition of certain equipment in the amount of \$480,000. Annual payments of principal and interest commence in November 2018 through 2027. The Note bears interest at 2.99% and is secured by infrastructure sales surtax revenues. For the fiscal year, total principal and interest paid on the note was \$56,223, and total revenues pledged were \$468,118. In the event of default, the note holder may make the outstanding amount due and payable immediately.

The City entered into the State Revolving Fund Loan Agreement SW350720 for the purpose of constructing stormwater improvements. The City borrowed \$672,067 plus capitalized interest under the agreement at an interest rate of 1.34%. The loan is secured by gross revenues of the stormwater utility after payment of operation and maintenance costs. For the fiscal year, total principal and interest paid on the note was \$38,355, and total revenues pledged were \$108,489.

The City entered into the State Revolving Fund Loan Agreement CW350750 for the planning and design phase of sewer improvements. The City is authorized to borrow up to \$568,597 plus capitalized interest at an interest rate of 1.14%. The loan is secured by gross revenues of the water and sewer utility after payment of operation and maintenance costs. For the fiscal year, total principal and interest paid was \$8,064 total revenues pledged were \$108,489.

The City entered into the State Revolving Fund Loan Agreement WW350752 for the construction of a pump station and force main connection to the City of Eustis wastewater. The City is authorized to borrow up to \$3,853,300, including principal forgiveness of \$3,082,640 plus capitalized interest at an interest rate of 0%. The loan is secured by gross revenues of the water and sewer utility after payment of operation and maintenance costs. At September 30, 2023, the loan balance was \$689,252. For the fiscal year, no principal and interest was due and total revenues pledged were \$108,489.

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

NOTE 7 LONG-TERM DEBT (CONTINUED)

The annual debt service payments as of September 30, 2023 on the notes, based on balances outstanding at year end are as follows:

Year ending September 30,	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 48,551	\$ 7,723	\$ 80,139	\$ 7,084
2025	50,057	6,271	80,646	6,578
2026	51,608	4,774	81,160	6,064
2027	53,208	3,231	81,679	5,543
2028	54,858	1,640	82,206	5,016
2029-2033	-	-	419,177	16,934
2034-2038	-	-	336,032	3,988
2039-2041	-	-	97,082	304
Total	\$ 258,282	\$ 23,639	\$ 1,258,121	\$ 51,511

Subscription Based Information Technology Arrangements

In August 2021, the City entered into a five year subscription for the use of accounting software. At implementation, an initial subscription liability was recorded in the amount of \$118,193. As of September 30, 2023, the value of the subscription liability is \$79,573. The city is required to make annual fixed payments of \$40,984. The subscription has an interest rate of 2%. The value of the right to use asset as of September 30, 2023 of \$118,193 with accumulated amortization of \$39,398 is included with subscription assets in Note 6. This subsection is split 50/50 between governmental activities and the water and sewer fund.

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 19,696	\$ 796	\$ 19,697	\$ 795
2025	20,091	402	20,089	402
Total	\$ 39,787	\$ 1,198	\$ 39,786	\$ 1,197

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NOTE 7 LONG-TERM DEBT (CONTINUED)

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

	Beginning Balance, as Restated	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Revenue notes payable	\$ 305,374	\$ -	\$ (47,092)	\$ 258,282	\$ 48,551
Financed purchases	105,066	-	(16,093)	88,973	16,636
SBITA liability	59,097	-	(19,310)	39,787	19,696
Compensated absences	198,901	31,428	(23,963)	206,366	20,637
Total OPEB liability	17,032	1,018	-	18,050	-
Net pension liability	1,229,391	317,919	-	1,547,310	-
Governmental activity long-term liabilities	<u>\$ 1,914,861</u>	<u>\$ 350,365</u>	<u>\$ (106,458)</u>	<u>\$ 2,158,768</u>	<u>\$ 105,520</u>
Business-type Activities					
SRF notes payable	\$ 1,237,437	\$ 59,518	\$ (38,834)	\$ 1,258,121	\$ 80,139
Financed purchases	73,997	-	(13,714)	60,283	14,237
SBITA liability	59,096	-	(19,310)	39,786	19,697
Compensated absences	30,315	2,081	(1,624)	30,772	3,077
Net pension liability	402,758	69,065	-	471,823	-
Business-type activity long-term liabilities	<u>\$ 1,803,603</u>	<u>\$ 130,664</u>	<u>\$ (73,482)</u>	<u>\$ 1,860,785</u>	<u>\$ 117,150</u>

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

NOTE 8 CONDUIT DEBT

In 2012, 2016, and 2019, the City issued Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of commercial facilities deemed to be in the public interest. In 2021 the outstanding bonds were restructured and reissued modifying interest rates and payment terms. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. In addition, no commitments beyond collateral and the payments from the private-sector entity of the conduit debt obligation were extended by the City for any of these bonds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2023, there was an outstanding principal balance of \$65,165,000 of the \$75,455,000 originally issued.

NOTE 9 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

During the year ended September 30, 2023, the water and sewer fund transferred \$350,000 to the general fund, the sanitation fund transferred \$250,000 to the general fund and the fire assessment fund transferred \$15,000 to the general fund. These transfers were authorized per the central service model for services provided by the general fund. The general fund did not transfer any additional funds at year end.

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

NOTE 10 RETIREMENT PLANS

Police Officers' Retirement Trust Fund

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

Plan Administration

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

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

Membership of the police officers' pension plan consisted of the following at September 30, 2023:

	Police Officers
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	2
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6
Active Plan Members	8
	<u>16</u>

Plan Description

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

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

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

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

Contributions

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

Concentrations

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

Rate of Return

For the year ended September 30, 2023, the annual money-weighted rate of return on the plan investments, net of pension plan investment expense, was 8.99 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset of the Sponsor

The components of the net pension asset of the sponsor on September 30, 2023 were as follows:

Total Pension Liability	\$ 1,754,190
Plan Fiduciary Net Position	<u>(2,514,776)</u>
Net Pension Liability (Asset)	<u>\$ (760,586)</u>
Plan Net Position as a Percentage of Total Pension Liability (Asset)	-143.36%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2022 using the following actuarial assumptions:

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

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2023, the inflation rate assumption of the advisor was 2.62%. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

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

Discount Rate

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

Sensitivity of Net Pension Asset to Changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ (487,182)	\$ (760,586)	\$ (983,634)

NOTE 10 RETIREMENT PLANS (CONTINUED)

Changes in Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2022	\$ 1,686,023	\$ (2,314,851)	\$ (628,828)
Changes for Year:			
Service cost	27,409	-	27,409
Interest	118,092	(197,009)	(78,917)
Demographic experience	(30,458)	-	(30,458)
Contributions-employer & state	-	(55,352)	(55,352)
Contributions-employee	-	(15,286)	(15,286)
Benefit payments and refunds	(46,876)	46,876	-
Administrative expense	-	20,846	20,846
Balances at September 30, 2023	\$ 1,754,190	\$ (2,514,776)	\$ (760,586)

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

For the year ended September 30, 2023, the City recognized pension expense of \$13,898. On September 30, 2023, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,519	\$ 63,613
Changes of assumptions	-	76,081
Net difference between projected and actual earnings on investments	185,104	-
Balances at September 30, 2023	\$ 193,623	\$ 139,694

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

Year Ended September 30,	
2024	\$ 4,228
2025	(664)
2026	70,508
2027	(17,575)
2028	(2,568)
	\$ 53,929

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System (FRS)

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

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

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

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

www.dms.myflorida.com/workforce_operations/retirement/publications.

Funding Policy: Three (3) of the FRS membership classes are applicable to the City's eligible employees. These classes, with descriptions and contribution rates in effect during the period ended September 30, 2023 are as follows:

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

Deferred Retirement Option Program (DROP) - 18.60% [DROP participants are not required to contribute] from October 1, 2022 through June 30, 2023 and 21.13% from July 1, 2023 through September 30, 2023.

Senior Management - 34.57% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023 and 37.52% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023.

These employer contribution rates include 1.66% HIS Plan subsidy for both periods October 1, 2022 through June 30, 2023 and 2.00% from July 1, 2023 through September 30, 2023.

Florida Retirement System Pension Plan

Plan Description

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

Benefits Provided

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

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

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

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

Contributions

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

The City's contributions to the Pension Plan totaled \$161,555 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the City reported a liability of \$1,319,471 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was 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 liability was based on the City's 2023 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .00331 percent, which was an increase of .00008 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$309,047. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 123,887	\$ -
Change of Assumptions	86,014	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	55,105	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	104,538	411
Pension Plan Contributions Subsequent to the Measurement Date	41,780	-
	<u>\$ 411,324</u>	<u>\$ 411</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$41,780 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2024	\$ 72,149
2025	20,642
2026	237,867
2027	31,211
2028	7,264
Thereafter	-
	<u>\$ 369,133</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

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

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

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

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NOTE 10 RETIREMENT PLANS (CONTINUED)

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash Equivalents	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

Discount Rate

The discount rate used to measure the total pension liability 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 of the total pension liability is equal to the long-term expected rate of return.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	Discount Rate Minus 1% 5.70%	Current Discount Rate 6.70%	Discount Rate Plus 1% 7.70%
City's Proportionate Share of Net Pension Liability (FRS)	\$ 2,253,926	\$ 1,319,471	\$ 537,688

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2023, the City reported no amounts payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

Florida Retirement System HIS Plan

Plan Description

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Benefits Provided

For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2022 was 1.66% and from July 1, 2023 through September 30, 2023 was 2%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$30,636 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the City reported a liability of \$699,662 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was 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 liability was based on the City's 2023 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.00441 percent, which was an increase of 0.00033 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$279,997. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 10,243	\$ 1,642
Change of Assumptions	18,394	60,628
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	361	-
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	88,369	10,525
Pension Plan Contributions Subsequent to the Measurement Date	8,582	-
	<u>\$ 125,949</u>	<u>\$ 72,795</u>

NOTE 10 RETIREMENT PLANS (CONTINUED)

The deferred outflows of resources related to the HIS Plan, totaling \$8,582 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2024	\$ 11,217
2025	14,567
2026	11,289
2027	2,936
2028	3,258
Thereafter	1,305
	<u>\$ 44,572</u>

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	3.65% net of pension plan investment expense

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

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

Discount Rate

The discount rate used to measure the total pension liability was 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.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	Discount Rate Minus 1% 2.65%	Current Discount Rate 3.65%	Discount Rate Plus 1% 4.65%
City's Proportionate Share of Net Pension Liability (FRS)	\$ 798,205	\$ 699,662	\$ 617,976

Pension Plan Fiduciary Net Position

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

NOTE 10 RETIREMENT PLANS (CONTINUED)

Florida Retirement System Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 11.30% and Senior Management Service class 12.67% (percentages include 3% employee contributions).

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The contribution expense for the City's Investment Plan for the fiscal year ended September 30, 2023 was \$110,483.

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2023 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
Police Pension Plan	\$ 760,586	\$ (139,694)	\$ 193,623	\$ 13,898
FRS Pension Plan	(1,319,471)	(411)	411,324	309,047
HIS Pension Plan	(699,662)	(72,795)	125,949	279,997
	<u>\$ (1,258,547)</u>	<u>\$ (212,900)</u>	<u>\$ 730,896</u>	<u>\$ 602,942</u>

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

Retirement Eligibility

General Employees

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

Police Officers

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

Benefits Provided

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

Employees Covered by Benefit Terms

At September 30, 2023, the following employees were covered by the benefit terms:

	<u>OPEB</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	39
	<u>41</u>

Employer Contributions

None.

Total OPEB Liability

The City's total OPEB liability is \$18,050 as of September 30, 2023 for the City's fiscal year and reporting period of October 1, 2022 to September 30, 2023. During 2023, the City recognized OPEB expense of \$1,894. There are no assets accumulated in a trust to pay related benefits. The values for this fiscal year and reporting period are based on a measurement date of September 30, 2023.

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Key Assumptions and Methods

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

Discount Rate	4.06%
Salary Scale	3.50%
Health Care Cost Trend Rates	Getzen Model
Mortality	PUB-2010 Generational Table projected using MP-21 gender specific
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Termination Rates	Derived from withdrawal assumption used in the the Florida Retirement System, July 1, 2022 actuarial valuation.

Changes in Total OPEB Liability

	OPEB Liability
Balance at September 30, 2022	\$ 17,032
Changes for Year:	
Service cost	1,253
Interest	718
Differences between expected and actual	-
Benefit payments	(876)
Changes of assumptions	(77)
Balance at September 30, 2023	\$ 18,050

Deferred Outflows and Inflows of Resources Related to OPEB

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 3.06%	Discount Rate 4.06%	1% Increase 5.06%
Total OPEB Liability	\$ 21,000	\$ 18,050	\$ 16,000

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 16,000	\$ 18,050	\$ 20,000

NOTE 12 RISK MANAGEMENT

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

The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverages from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2023. The cost of the insurance is allocated among the appropriate departments and funds.

NOTE 13 COMMITMENTS AND CONTINGENCIES

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

The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2023. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 14 FUND BALANCES

	General Fund	Discretionary Tax Fund	Community Redevelopment Fund	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepays	\$ 569	\$ -	\$ -	\$ -	\$ 569
Spendable					
Restricted for:					
Community redevlopment	-	-	488,229	-	488,229
Capital projects	-	953,885	-	-	953,885
Public safety	-	-	-	285,066	285,066
Code enforcement	9,664	-	-	-	9,664
Assigned for:					
Roads and streets	54,144	-	-	-	54,144
Subsequent year expenditures	1,211,327	-	-	-	1,211,327
Unassigned	1,289,210	-	-	-	1,289,210
	<u>\$ 2,564,914</u>	<u>\$ 953,885</u>	<u>\$ 488,229</u>	<u>\$ 285,066</u>	<u>\$ 4,292,094</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Umatilla, Florida
Required Supplementary Information
Schedule of Changes in the City's Net Pension Liability and Related Ratios - Police Pension
September 30, 2023

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability										
Service cost	\$ 27,409	\$ 30,370	\$ 28,084	\$ 25,773	\$ 26,807	\$ 59,977	\$ 62,352	\$ 52,149	\$ 48,398	\$ 45,232
Interest	118,092	114,689	110,202	100,389	106,874	100,016	87,800	79,144	73,867	68,715
Benefit changes	-	-	-	84,631	-	-	-	-	-	-
Differences between expected and actual experience	(30,458)	(45,616)	11,284	(22,741)	(1,645)	18,443	73,619	-	-	-
Changes of assumptions	-	-	(36,831)	-	(176,857)	-	-	25,280	-	-
Benefit payments, including refunds of employee contributions	(46,876)	(46,876)	(49,640)	(49,819)	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Net Change in Total Pension Liability	68,167	52,567	63,099	138,233	(91,697)	131,560	176,895	109,697	75,389	73,779
Total pension liability, beginning	1,686,023	1,633,456	1,570,357	1,432,124	1,523,821	1,392,261	1,215,366	1,105,669	1,030,280	956,501
Total pension liability, ending (a)	<u>\$ 1,754,190</u>	<u>\$ 1,686,023</u>	<u>\$ 1,633,456</u>	<u>\$ 1,570,357</u>	<u>\$ 1,432,124</u>	<u>\$ 1,523,821</u>	<u>\$ 1,392,261</u>	<u>\$ 1,215,366</u>	<u>\$ 1,105,669</u>	<u>\$ 1,030,280</u>
Plan Fiduciary Net Position										
Contributions, employer	3,770	7,363	13,563	20,014	8,465	14,688	14,618	20,798	47,980	42,479
Contributions, state	51,582	44,463	38,895	37,470	35,832	32,337	28,623	35,314	23,731	23,027
Contributions, employee	15,286	10,565	12,344	11,436	2,148	2,227	2,155	2,120	1,889	1,588
Net investment income	197,009	(348,150)	432,315	136,997	106,627	138,930	222,596	125,610	(3,466)	121,384
Benefit payments, including refunds of employee contributions	(46,876)	(46,876)	(49,640)	(49,819)	(46,876)	(46,876)	(46,876)	(46,876)	(46,876)	(40,168)
Administrative expense	(20,846)	(22,311)	(24,739)	(35,560)	(16,217)	(25,976)	(5,109)	(10,191)	(7,692)	(7,518)
Net change in plan fiduciary net position	199,925	(354,946)	422,738	120,538	89,979	115,330	216,007	126,775	15,566	140,792
Plan fiduciary net position, beginning	2,314,851	2,669,797	2,247,059	2,126,521	2,036,542	1,921,212	1,705,205	1,578,430	1,562,864	1,422,072
Plan fiduciary net position, ending (b)	<u>\$ 2,514,776</u>	<u>\$ 2,314,851</u>	<u>\$ 2,669,797</u>	<u>\$ 2,247,059</u>	<u>\$ 2,126,521</u>	<u>\$ 2,036,542</u>	<u>\$ 1,921,212</u>	<u>\$ 1,705,205</u>	<u>\$ 1,578,430</u>	<u>\$ 1,562,864</u>
Net pension liability (asset), ending (a) - (b)	\$ (760,586)	\$ (628,828)	\$ (1,036,341)	\$ (676,702)	\$ (694,397)	\$ (512,721)	\$ (528,951)	\$ (489,839)	\$ (472,761)	\$ (532,584)
Plan fiduciary net position as a percentage of total pension liability	143.36%	137.30%	163.44%	143.09%	148.49%	133.65%	137.99%	140.30%	142.76%	151.69%
Covered payroll	\$ 344,322	\$ 376,721	\$ 382,074	\$ 403,295	\$ 473,258	\$ 445,231	\$ 431,000	\$ 424,000	\$ 377,800	\$ 317,519
Net pension liability as a percentage of covered payroll	-220.89%	-166.92%	-271.24%	-167.79%	-146.73%	-115.16%	-122.73%	-115.53%	-125.14%	-167.73%

Notes to Schedule:

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

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

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

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

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

City of Umatilla, Florida
Required Supplementary Information
Schedule of Contributions - Police Pension
September 30, 2023

Fiscal year ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
9/29/2023	\$ -	\$ 55,352	(55,352)	\$ 344,322	16.08%
9/30/2022	7,650	51,826	(44,176)	376,721	13.76%
9/30/2021	12,066	52,458	(40,392)	382,074	13.73%
9/30/2020	42,899	57,484	(14,585)	403,295	14.25%
9/30/2019	32,149	44,297	(12,148)	473,258	9.36%
9/30/2018	32,149	47,025	(14,876)	445,231	10.56%
9/30/2017	-	43,241	(43,241)	431,000	10.03%
9/30/2016	-	56,112	(56,112)	424,000	13.23%
9/30/2015	57,048	71,711	(14,663)	377,800	18.98%
9/30/2014	47,944	51,219	(3,275)	317,519	16.13%

Notes to Schedule

Valuation Date 10/1/2022

Methods and assumptions used to determine contribution rates:

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

COL Increases None assumed

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

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

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

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

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

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

	Annual Money-Weighted Rate of Return Net of Investment Expense
9/29/2023	8.99%
9/30/2022	-13.44%
9/30/2021	6.84%
9/30/2020	6.49%
9/30/2019	5.26%
9/30/2018	7.31%
9/30/2017	13.18%
9/30/2016	7.95%
9/30/2015	-0.22%
9/30/2014	9.75%

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability - Florida Retirement System
September 30, 2023

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00331%	0.00323%	0.00298%	0.00287%	0.00256%	0.00255%	0.00259%	0.00256%	0.00287%
City's Proportionate Share of the Net Pension Liability	\$ 1,319,471	\$ 1,200,396	\$ 225,353	\$ 1,242,591	\$ 883,076	\$ 769,416	\$ 766,489	\$ 645,198	\$ 370,720
City's Covered Payroll	\$ 1,134,251	\$ 1,020,368	\$ 931,023	\$ 968,735	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	116.33%	117.64%	24.20%	128.27%	98.24%	84.37%	78.45%	60.88%	38.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00441%	0.00408%	0.00359%	0.00375%	0.00341%	0.00331%	0.00339%	0.00343%	0.00314%
City's Proportionate Share of the Net Pension Liability	\$ 699,662	\$ 431,753	\$ 440,941	\$ 457,508	\$ 381,457	\$ 350,048	\$ 362,635	\$ 400,075	\$ 319,803
City's Covered Payroll	\$ 1,134,251	\$ 1,020,368	\$ 931,023	\$ 968,735	\$ 898,884	\$ 911,943	\$ 977,002	\$ 1,059,722	\$ 952,663
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	61.68%	42.31%	47.36%	47.23%	42.44%	38.38%	37.12%	37.75%	33.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

* Data not available before 2015.

City of Umatilla, Florida
Required Supplementary Information
Schedule of the City's Contributions Florida Retirement System
September 30, 2023

Florida Retirement System Pension Plan Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 161,555	\$ 143,156	\$ 121,674	\$ 98,480	\$ 82,866	\$ 74,510	\$ 65,828	\$ 66,214	\$ 68,627
Contributions in Relation to the Contractually Required Contributions	161,555	143,156	121,674	98,480	82,866	74,510	65,828	66,214	68,627
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,108,899	\$ 1,052,160	\$ 964,296	\$ 974,625	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	14.57%	13.61%	12.62%	10.10%	8.90%	7.89%	6.92%	6.85%	7.47%

Florida Retirement System HIS Plan Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 30,636	\$ 25,772	\$ 23,013	\$ 21,524	\$ 19,481	\$ 18,024	\$ 17,407	\$ 18,227	\$ 13,435
Contributions in Relation to the Contractually Required Contributions	30,636	25,772	23,013	21,524	19,481	18,024	17,407	18,227	13,435
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,108,899	\$ 1,052,160	\$ 964,296	\$ 974,625	\$ 930,902	\$ 943,961	\$ 951,864	\$ 966,107	\$ 918,501
Contributions as a Percentage of Covered Payroll	2.76%	2.45%	2.39%	2.21%	2.09%	1.91%	1.83%	1.89%	1.46%

* Data not available before 2015.

Required Supplementary Information**Schedule of Changes in the City's Total 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	\$ 1,253	\$ 6,625	\$ 600	\$ 7,216	\$ 8,045	\$ 8,045
Interest	718	216	83	3,323	2,872	2,782
Differences between expected and actual experience	-	26,696	-	9,062	-	-
Changes of assumptions	(77)	(19,515)	64	(91,771)	(5,102)	(2,405)
Benefit Payments	(876)	(818)	-	-	-	-
Effect of economic/demographic changes or inputs	-	-	-	-	(2,740)	(648)
Net change in total OPEB liability	1,018	13,204	747	(72,170)	3,075	7,774
Total OPEB liability, beginning	17,032	3,828	3,081	75,251	72,176	64,402
Total OPEB liability, ending (a)	\$ 18,050	\$ 17,032	\$ 3,828	\$ 3,081	\$ 75,251	\$ 72,176
Plan Fiduciary Net Position						
Contributions, employer	-	-	-	-	-	-
Contributions, employee	-	-	-	-	-	-
Benefit payments	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position, beginning	-	-	-	-	-	-
Plan fiduciary net position, ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability, ending (a) - (b)	\$ 18,050	\$ 17,032	\$ 3,828	\$ 3,081	\$ 75,251	\$ 72,176
 Plan fiduciary net position as a percentage of total OPEB liability	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%
Covered-employee payroll	\$ 1,988,000	\$ 1,921,098	\$ 1,535,000	\$ 1,497,671	\$ 1,614,843	\$ 1,638,610
Net OPEB liability as a percentage of covered-employee payroll	0.91%	0.89%	0.25%	0.21%	4.66%	4.40%

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

There are no assets accumulated in a trust

* Data before 2018 not available.

NONMAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Police Education Fund

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

Police Automation Fund

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

Fire Assessment Fund

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

Police Impacts Fund

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

Fire Impacts Fund

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

Combining Balance Sheet - Nonmajor Governmental Funds

September 30, 2023

	Special Revenue					Total Special Revenue Funds	Total Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund		
Assets:							
Cash and cash equivalents	\$ 4,539	\$ 1,340	\$ 11,114	\$ 151,736	\$ 118,323	\$ 287,052	\$ 287,052
Total assets	<u>\$ 4,539</u>	<u>\$ 1,340</u>	<u>\$ 11,114</u>	<u>\$ 151,736</u>	<u>\$ 118,323</u>	<u>\$ 287,052</u>	<u>\$ 287,052</u>
Liabilities							
Accounts payable	\$ -	\$ 1,340	\$ 646	\$ -	\$ -	\$ 1,986	\$ 1,986
Total liabilities	<u>-</u>	<u>1,340</u>	<u>646</u>	<u>-</u>	<u>-</u>	<u>1,986</u>	<u>1,986</u>
Fund balances:							
Restricted	4,539	-	10,468	151,736	118,323	285,066	285,066
Total fund balances	<u>4,539</u>	<u>-</u>	<u>10,468</u>	<u>151,736</u>	<u>118,323</u>	<u>285,066</u>	<u>285,066</u>
Total liabilities and fund balances	<u>\$ 4,539</u>	<u>\$ 1,340</u>	<u>\$ 11,114</u>	<u>\$ 151,736</u>	<u>\$ 118,323</u>	<u>\$ 287,052</u>	<u>\$ 287,052</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances**Nonmajor Governmental Funds**

Year Ended September 30, 2023

	Special Revenue						Total Nonmajor Governmental Funds
	Police Education	Police Automation	Fire Assessment Fund	Police Impacts Fund	Fire Impacts Fund	Total Special Revenue Funds	
Revenues:							
Charges for services	\$ -	\$ -	\$ 392,989	\$ -	\$ -	\$ 392,989	\$ 392,989
Impact fees	-	-	-	18,787	14,816	33,603	33,603
Fines and forfeitures	197	-	-	-	-	197	197
Miscellaneous	-	-	3,758	-	-	3,758	3,758
Total revenues	197	-	396,747	18,787	14,816	430,547	430,547
Expenditures:							
Current:							
Public safety	472	1,340	414,745	-	-	416,557	416,557
Debt Service:							
Principal	-	-	8,526	-	-	8,526	8,526
Interest and fiscal charges	-	-	1,552	-	-	1,552	1,552
Total expenditures	472	1,340	424,823	-	-	426,635	426,635
Excess (Deficiency) of Revenues Over Expenditures	(275)	(1,340)	(28,076)	18,787	14,816	3,912	3,912
Other Financing Sources (Uses):							
Sale of general capital assets	-	-	9,000	-	-	9,000	9,000
Transfers out	-	-	(15,000)	-	-	(15,000)	(15,000)
Total other financing sources (uses)	-	-	(6,000)	-	-	(6,000)	(6,000)
Net change in fund balances	(275)	(1,340)	(34,076)	18,787	14,816	(2,088)	(2,088)
Fund balances, beginning	4,814	1,340	44,544	132,949	103,507	287,154	287,154
Fund balances, ending	\$ 4,539	\$ -	\$ 10,468	\$ 151,736	\$ 118,323	\$ 285,066	\$ 285,066

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Education
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 500	\$ 500	\$ 197	\$ (303)
Total revenues	<u>500</u>	<u>500</u>	<u>197</u>	<u>(303)</u>
Expenditures:				
Current:				
Public safety	2,250	2,250	472	1,778
Total expenditures	<u>2,250</u>	<u>2,250</u>	<u>472</u>	<u>1,778</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,750)</u>	<u>(1,750)</u>	<u>(275)</u>	<u>1,475</u>
Net change in fund balance	<u>(1,750)</u>	<u>(1,750)</u>	<u>(275)</u>	<u>1,475</u>
Fund balance, beginning	4,814	4,814	4,814	-
Fund balance, ending	<u>\$ 3,064</u>	<u>\$ 3,064</u>	<u>\$ 4,539</u>	<u>\$ 1,475</u>

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Automation
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Public safety	1,340	1,340	1,340	-
Total expenditures	1,340	1,340	1,340	-
Excess (Deficiency) of Revenues Over Expenditures	(1,340)	(1,340)	(1,340)	-
Net change in fund balance	(1,340)	(1,340)	(1,340)	-
Fund balance, beginning	1,340	1,340	1,340	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Fire Assessment Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 394,993	\$ 394,993	\$ 392,989	\$ (2,004)
Investment income	450	450	-	(450)
Miscellaneous	-	3,000	3,758	758
Total revenues	395,443	398,443	396,747	(1,696)
Expenditures:				
Current:				
Public safety	405,312	416,610	414,745	1,865
Debt Service:				
Principal	8,526	8,526	8,526	-
Interest and fiscal charges	1,877	1,877	1,552	325
Total expenditures	415,715	427,013	424,823	2,190
Excess (Deficiency) of Revenues Over Expenditures	(20,272)	(28,570)	(28,076)	494
Other Financing Sources (Uses):				
Sale of general capital assets	-	-	9,000	9,000
Transfers out	(15,000)	(15,000)	(15,000)	-
Total other financing sources(uses)	(15,000)	(15,000)	(6,000)	9,000
Net change in fund balance	(35,272)	(43,570)	(34,076)	9,494
Fund balance, beginning	44,544	44,544	44,544	-
Fund balance, ending	\$ 9,272	\$ 974	\$ 10,468	\$ 9,494

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Impacts Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 20,000	\$ 10,000	\$ 18,787	\$ 8,787
Total revenues	<u>20,000</u>	<u>10,000</u>	<u>18,787</u>	<u>8,787</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,000</u>	<u>10,000</u>	<u>18,787</u>	<u>8,787</u>
Net change in fund balance	<u>20,000</u>	<u>10,000</u>	<u>18,787</u>	<u>8,787</u>
Fund balance, beginning	<u>132,949</u>	<u>132,949</u>	<u>132,949</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 152,949</u></u>	<u><u>\$ 142,949</u></u>	<u><u>\$ 151,736</u></u>	<u><u>\$ 8,787</u></u>

City of Umatilla, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Fire Impacts Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Impact fees	\$ 17,500	\$ 7,500	\$ 14,816	\$ 7,316
Total revenues	<u>17,500</u>	<u>7,500</u>	<u>14,816</u>	<u>7,316</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,500</u>	<u>7,500</u>	<u>14,816</u>	<u>7,316</u>
Net change in fund balance	<u>17,500</u>	<u>7,500</u>	<u>14,816</u>	<u>7,316</u>
Fund balance, beginning	<u>103,507</u>	<u>103,507</u>	<u>103,507</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 121,007</u></u>	<u><u>\$ 111,007</u></u>	<u><u>\$ 118,323</u></u>	<u><u>\$ 7,316</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends

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

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Revenue Capacity

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

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Debt Capacity

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

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Demographic and Economic Information

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

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Operating Information

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

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

CITY OF UMATILLA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Governmental Activities:										
Net investment in capital assets	\$ 2,931,802	\$ 3,307,812	\$ 3,503,133	\$ 3,547,466	\$ 3,858,370	\$ 4,075,657	\$ 4,111,128	\$ 4,693,546	\$ 4,534,462	\$ 4,465,194
Restricted for:										
Capital Improvements	346,024	188,379	82,424	80,904	147,626	288,254	755,663	287,122	659,755	953,885
Community Redevelopment	98,409	113,029	182,695	244,660	296,561	290,107	275,126	85,754	99,618	488,229
Public Safety	54,867	50,127	36,286	19,755	14,209	112,349	201,774	244,059	287,154	285,066
Pensions	-	-	-	-	-	-	-	-	628,828	760,586
Unrestricted	656,049	661,597	629,780	484,885	239,259	450,999	581,186	1,083,358	1,054,334	1,193,166
Total Governmental Activities Net Position	\$ 4,087,151	\$ 4,320,944	\$ 4,434,318	\$ 4,377,670	\$ 4,556,025	\$ 5,217,366	\$ 5,924,877	\$ 6,393,839	\$ 7,264,151	\$ 8,146,126
Business-Type Activities:										
Net investment in capital assets	\$ 12,449,970	\$ 13,918,695	\$ 15,215,811	\$ 18,954,319	\$ 19,670,391	\$ 21,294,766	\$ 21,475,695	\$ 24,536,522	\$ 31,125,649	\$ 33,620,826
Restricted for:										
Capital Improvements	144,248	161,730	203,480	305,414	396,966	466,690	521,894	626,845	734,813	780,919
Debt Service	54,090	-	-	-	-	-	-	-	-	-
Unrestricted	705,793	752,373	1,089,053	1,187,262	1,305,943	1,710,493	1,898,664	1,882,965	1,514,426	1,761,300
Total Business-type Activities Net Position	\$ 13,354,101	\$ 14,832,798	\$ 16,508,344	\$ 20,446,995	\$ 21,373,300	\$ 23,471,949	\$ 23,896,253	\$ 27,046,332	\$ 33,374,888	\$ 36,163,045
Primary Government:										
Net investment in capital assets	\$ 15,381,772	\$ 17,226,507	\$ 18,718,944	\$ 22,501,785	\$ 23,528,761	\$ 25,370,423	\$ 25,586,823	\$ 29,230,068	\$ 35,660,111	\$ 38,086,020
Restricted for:										
Capital Improvements	490,272	350,109	285,904	386,318	544,592	754,944	1,277,557	913,967	1,394,568	1,734,804
Debt Service	54,090	-	-	-	-	-	-	-	-	-
Community Redevelopment	98,409	113,029	182,695	244,660	296,561	290,107	275,126	85,754	99,618	488,229
Public Safety	54,867	50,127	36,286	19,755	14,209	112,349	201,774	244,059	287,154	285,066
Pensions	-	-	-	-	-	-	-	-	628,828	760,586
Unrestricted	1,361,842	1,413,970	1,718,833	1,672,147	1,545,202	2,161,492	2,479,850	2,966,323	2,568,760	2,954,466
Total City of Umatilla Net Position	\$ 17,441,252	\$ 19,153,742	\$ 20,942,662	\$ 24,824,665	\$ 25,929,325	\$ 28,689,315	\$ 29,821,130	\$ 33,440,171	\$ 40,639,039	\$ 44,309,171

**CITY OF UMATILLA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Expenses:										
Governmental Activities:										
General Government	\$ 713,706	\$ 635,092	\$ 764,931	\$ 767,664	\$ 848,842	\$ 830,168	\$ 970,312	\$ 1,222,161	\$ 1,317,604	\$ 1,540,147
Public Safety	990,627	1,067,052	1,160,901	1,281,196	1,259,464	1,396,021	1,535,507	1,402,646	1,606,329	1,650,132
Physical Environment	536,722	532,366	53,898	52,626	40,458	50,924	60,119	10,789	30,867	84,249
Transportation	45,445	46,388	622,962	681,336	570,917	565,552	517,541	596,600	419,206	745,343
Culture and Recreation	433,672	539,648	611,094	597,212	568,952	666,910	764,738	661,306	666,166	869,392
Economic Environment	190,002	47,396	56,026	89,457	132,582	131,432	209,281	112,920	373,490	171,353
Interest on Long-term Debt	15,065	3,796	6,491	1,055	24,615	17,211	16,135	14,690	12,309	11,813
Total Governmental Activities Expenses	2,925,239	2,871,738	3,276,303	3,470,546	3,445,830	3,658,218	4,073,633	4,021,112	4,425,971	5,072,429
Business-Type Activities:										
Water and Sewer	1,086,390	1,029,580	978,641	1,048,099	1,360,938	1,340,564	1,565,931	1,637,666	1,876,148	2,449,370
Sanitation	356,173	351,219	365,137	384,668	419,796	459,007	447,583	358,650	545,562	543,927
Airport	281,683	313,408	319,492	320,499	371,517	405,421	519,044	402,822	463,987	534,928
Stormwater	90,674	84,976	89,182	130,088	281,229	112,793	133,625	111,610	129,997	143,780
Total Business-Type Activities Expenses	1,814,920	1,779,183	1,752,452	1,883,354	2,433,480	2,317,785	2,666,183	2,510,748	3,015,694	3,672,005
Total Expenses	\$ 4,740,159	\$ 4,650,921	\$ 5,028,755	\$ 5,353,900	\$ 5,879,310	\$ 5,976,003	\$ 6,739,816	\$ 6,531,860	\$ 7,441,665	\$ 8,744,434
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 56,616	\$ 35,014	\$ 139,627	\$ 101,173	\$ 87,429	\$ 117,885	\$ 231,431	\$ 137,453	\$ 401,011	\$ 323,207
Public Safety	22,718	11,887	10,348	27,481	38,651	330,373	338,876	360,915	376,879	505,461
Physical Environment	-	-	-	12,100	8,275	9,225	19,125	17,025	23,700	20,675
Transportation	7,772	9,021	20,348	15,178	13,290	17,382	20,843	20,843	9,694	8,120
Culture and Recreation	31,450	32,815	29,891	33,290	69,019	38,936	27,386	26,697	38,166	46,372
Economic Environment	3,270	775	1,720	7,705	1,335	5,155	7,618	3,170	7,180	2,101
Operating Grants and Contributions	218,433	242,961	242,969	243,937	193,886	228,475	675,922	188,326	259,914	240,309
Capital Grants and Contributions	4,135	11,240	4,164	3,530	48,035	251,812	75,794	67,559	138,565	341,808
Total Governmental Activities Program Revenues	344,394	343,713	449,067	444,394	459,920	999,243	1,395,524	821,988	1,255,109	1,488,053
Business-Type Activities:										
Charges for Services:										
Water and Sewer	981,722	1,185,548	1,307,834	1,385,436	1,468,938	1,542,102	1,600,844	1,666,429	1,689,923	1,692,079
Sanitation	644,916	652,895	660,063	663,234	669,481	672,245	706,215	742,400	767,354	814,906
Airport	69,666	79,918	83,564	80,139	121,613	128,030	135,153	140,949	157,188	242,921
Stormwater	98,549	99,782	102,685	103,461	104,040	105,159	120,505	139,410	139,057	140,066
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	661,156	1,915,418	1,853,449	4,089,333	1,506,290	2,568,704	1,127,683	3,571,585	7,101,690	3,482,966
Total Business-Type Activities Program Revenues	2,456,009	3,933,561	4,007,595	6,321,603	3,870,362	5,016,240	3,690,400	6,260,773	9,855,212	6,372,938
Total Program Revenues	\$ 2,800,403	\$ 4,277,274	\$ 4,456,662	\$ 6,765,997	\$ 4,330,282	\$ 6,015,483	\$ 5,085,924	\$ 7,082,761	\$ 11,110,321	\$ 7,860,991
Net Revenues (Expenses):										
Governmental Activities	\$ (2,580,845)	\$ (2,528,025)	\$ (2,827,236)	\$ (3,026,152)	\$ (2,985,910)	\$ (2,658,975)	\$ (2,678,109)	\$ (3,199,124)	\$ (3,170,862)	\$ (3,584,376)
Business-Type Activities	641,089	2,154,378	2,255,143	4,438,249	1,436,882	2,698,455	1,024,217	3,750,025	6,839,518	2,700,933
Total Net Expense	\$ (1,939,756)	\$ (373,647)	\$ (572,093)	\$ 1,412,097	\$ (1,549,028)	\$ 39,480	\$ (1,653,892)	\$ 550,901	\$ 3,668,656	\$ (883,443)

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CITY OF UMATILLA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
General Revenues and Transfers:										
Governmental Activities:										
Taxes:										
Property taxes	\$ 901,006	\$ 861,702	\$ 906,859	\$ 918,170	\$ 959,644	\$ 1,044,923	\$ 1,089,533	\$ 1,227,348	\$ 1,399,086	\$ 1,669,106
Franchise fees and utility taxes	701,589	654,633	707,492	695,947	762,299	787,513	830,406	863,394	908,614	1,020,533
Intergovernmental revenues	621,337	679,715	727,568	835,531	818,056	840,816	812,105	942,399	1,079,801	993,158
Unrestricted investment earnings	5,648	8,417	11,756	6,108	8,645	25,252	21,955	13,820	12,199	62,504
Miscellaneous	42,638	28,181	6,935	13,748	36,734	21,812	31,621	21,125	41,474	112,550
Gain(loss) on sale of capital assets	-	41,536	-	-	-	-	-	-	-	8,500
Transfers	511,720	540,000	580,000	500,000	500,000	600,000	600,000	600,000	600,000	600,000
Total Governmental Activities	2,783,938	2,814,184	2,940,610	2,969,504	3,085,378	3,320,316	3,385,620	3,668,086	4,041,174	4,466,351
Business-Type Activities:										
Unrestricted investment earnings	1,102	35	403	402	128	194	87	54	38	606
Gain(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	686,618
Transfers	(511,720)	(540,000)	(580,000)	(500,000)	(500,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	(510,618)	(539,965)	(579,597)	(499,598)	(499,872)	(599,806)	(599,913)	(599,946)	(599,962)	87,224
Total General Revenues and Transfers	\$ 2,273,320	\$ 2,274,219	\$ 2,361,013	\$ 2,469,906	\$ 2,585,506	\$ 2,720,510	\$ 2,785,707	\$ 3,068,140	\$ 3,441,212	\$ 4,553,575
Change in Net Position:										
Governmental activities	\$ 203,093	\$ 286,159	\$ 113,374	\$ (56,648)	\$ 99,468	\$ 661,341	\$ 707,511	\$ 468,962	\$ 870,312	\$ 881,975
Business-type activities	130,471	1,614,413	1,675,546	3,938,651	937,010	2,098,649	424,304	3,150,079	6,239,556	2,788,157
Total Change in Net Position	\$ 333,564	\$ 1,900,572	\$ 1,788,920	\$ 3,882,003	\$ 1,036,478	\$ 2,759,990	\$ 1,131,815	\$ 3,619,041	\$ 7,109,868	\$ 3,670,132

CITY OF UMATILLA
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR	PROPERTY TAXES	INFRA- STRUCTURE SALES SURTAX	LOCAL OPTION GAS TAXES	FRANCHISE FEES	UTILITY TAXES	COMMUNICATIONS SERVICE TAX	CASUALTY INSURANCE PREMIUM TAX	TOTAL TAXES
2014	901,006	296,665	83,692	238,506	329,524	133,559	23,027	2,005,979
2015	861,702	325,566	93,967	221,217	304,005	129,411	23,731	1,959,599
2016	906,859	343,348	88,917	233,921	340,262	133,308	35,315	2,081,930
2017	918,170	413,896	86,084	228,138	338,328	129,481	28,623	2,142,720
2018	959,644	383,495	83,625	275,082	350,536	136,681	32,337	2,221,400
2019	1,044,923	388,248	82,964	294,932	379,133	113,448	35,832	2,339,480
2020	1,089,533	379,600	75,357	299,100	704,878	123,428	37,470	2,709,366
2021	1,227,348	437,515	75,244	314,428	424,151	124,815	38,895	2,642,396
2022	1,399,086	506,311	77,029	340,270	443,723	124,621	44,463	2,935,502
2023	1,669,106	468,118	75,357	375,691	509,467	135,375	51,582	3,284,696

CITY OF UMATILLA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 1,500	\$ 1,555	\$ 997	\$ 1,010	\$ 9,855	\$ -	\$ 1,863	\$ 3,946	\$ 1,037	\$ 569
Committed	3,932	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	9,664
Assigned	312,010	289,430	455,350	349,388	53,347	53,540	176,942	303,841	535,327	1,265,471
Unassigned	546,119	596,619	407,892	395,917	531,796	832,353	922,222	1,089,113	1,473,081	1,289,210
Total General Fund	<u>\$ 863,561</u>	<u>\$ 887,604</u>	<u>\$ 864,239</u>	<u>\$ 746,315</u>	<u>\$ 594,998</u>	<u>\$ 885,893</u>	<u>\$ 1,101,027</u>	<u>\$ 1,396,900</u>	<u>\$ 2,009,445</u>	<u>\$ 2,564,914</u>
All Other Governmental Funds (Special Revenue Funds)										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	499,300	351,535	301,405	345,319	458,396	690,710	1,232,563	616,935	1,046,527	1,727,180
Assigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 499,300</u>	<u>\$ 351,535</u>	<u>\$ 301,405</u>	<u>\$ 345,319</u>	<u>\$ 938,396</u>	<u>\$ 690,710</u>	<u>\$ 1,232,563</u>	<u>\$ 616,935</u>	<u>\$ 1,046,527</u>	<u>\$ 1,727,180</u>

CITY OF UMATILLA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues											
Taxes	\$ 1,607,750	\$ 1,686,287	\$ 1,610,302	\$ 1,703,268	\$ 1,700,201	\$ 1,721,943	\$ 1,832,436	\$ 1,919,939	\$ 2,090,742	\$ 2,307,700	\$ 2,689,639
Licenses and permits	133,058	56,616	35,014	139,627	101,173	87,429	117,885	231,431	137,453	401,011	403,853
Intergovernmental revenues	722,924	760,213	839,949	885,784	996,914	1,059,977	1,288,065	1,491,100	1,139,529	1,406,338	1,541,672
Charges for services	37,653	43,364	40,149	51,905	68,560	87,684	383,550	405,183	420,191	448,145	495,622
Imapct fees	-	-	-	-	-	-	33,038	72,721	46,628	84,069	33,603
Fines and forfeitures	37,941	21,846	14,349	10,402	27,194	42,886	17,521	7,194	8,459	7,474	6,461
Investment income	6,530	5,648	8,417	11,756	6,108	8,645	25,252	21,955	13,820	12,199	62,504
Miscellaneous	39,510	42,638	28,181	6,935	13,748	36,734	21,812	31,621	21,125	41,474	112,550
Total revenues	<u>2,585,366</u>	<u>2,616,612</u>	<u>2,576,361</u>	<u>2,809,677</u>	<u>2,913,898</u>	<u>3,045,298</u>	<u>3,719,559</u>	<u>4,181,144</u>	<u>3,877,947</u>	<u>4,708,410</u>	<u>5,345,904</u>
Expenditures											
General government	754,772	857,581	935,884	784,770	759,265	805,550	735,389	903,823	1,487,816	1,243,460	1,290,562
Public safety	1,068,721	899,688	1,063,373	1,210,427	1,212,409	1,364,194	2,147,180	1,503,767	1,350,059	1,484,208	1,593,171
Physical environment	71,963	40,353	42,665	76,752	43,831	41,947	36,699	41,364	6,667	23,804	71,801
Transportation	546,682	472,513	569,062	602,827	704,746	668,715	553,865	588,347	470,408	501,980	765,435
Economic environment	339,724	123,493	130,606	81,504	95,651	119,470	214,410	228,541	487,349	365,165	163,717
Culture and recreation	513,448	523,018	508,783	557,591	618,009	541,612	690,541	682,604	920,259	572,461	738,360
Debt Service:											
Principal	206,172	128,869	115,856	142,367	52,905	22,850	61,314	57,758	59,350	61,244	82,495
Interest and fiscal charges	10,018	15,067	4,054	6,934	1,092	19,200	7,058	17,953	15,794	13,951	13,241
Total Expenditures	<u>3,511,500</u>	<u>3,060,582</u>	<u>3,370,283</u>	<u>3,463,172</u>	<u>3,487,908</u>	<u>3,583,538</u>	<u>4,446,456</u>	<u>4,024,157</u>	<u>4,797,702</u>	<u>4,266,273</u>	<u>4,718,782</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(926,134)	(443,970)	(793,922)	(653,495)	(574,010)	(538,240)	(726,897)	156,987	(919,755)	442,137	627,122
Other Financing Sources (Uses)											
Transfers in	568,330	515,998	540,000	580,000	500,000	500,000	669,936	638,128	615,000	615,000	615,000
Transfers out	(93,888)	(4,278)	-	-	-	-	(69,936)	(38,128)	(15,000)	(15,000)	(15,000)
Sale of general capital assets	-	-	-	-	-	-	-	-	-	-	9,000
Debt proceeds	440,401	40,000	130,200	-	-	480,000	-	-	-	-	-
Capital leases	-	-	-	-	-	-	170,106	-	-	-	-
Total Other Financing Sources (Uses)	<u>914,843</u>	<u>551,720</u>	<u>670,200</u>	<u>580,000</u>	<u>500,000</u>	<u>980,000</u>	<u>770,106</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>609,000</u>
Net Change in Fund Balances	<u>\$ (11,291)</u>	<u>\$ 107,750</u>	<u>\$ (123,722)</u>	<u>\$ (73,495)</u>	<u>\$ (74,010)</u>	<u>\$ 441,760</u>	<u>\$ 43,209</u>	<u>\$ 756,987</u>	<u>\$ (319,755)</u>	<u>\$ 1,042,137</u>	<u>\$ 1,236,122</u>
Debt service as a percentage of noncapital expenditures	6.75%	4.93%	4.30%	4.79%	1.77%	1.33%	2.11%	2.09%	1.97%	1.89%	2.22%

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		CENTRALLY ASSESSED PROPERTY		TOTAL		(IN MILLS) DIRECT TAX RATE	TOTAL TAXABLE VALUE PERCENTAGE OF TOTAL JUST VALUE
	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE	TAXABLE VALUE	ESTIMATED JUST VALUE		
2014	94,264,999	152,841,267	12,826,371	15,333,257	-	-	107,091,370	168,174,524	8.2480	63.68%
2015	99,525,397	160,283,636	12,458,051	15,108,906	-	-	111,983,448	175,392,542	7.2980	63.85%
2016	107,770,097	173,648,089	11,815,767	14,370,614	-	-	119,585,864	188,018,703	7.2980	63.60%
2017	110,695,343	178,604,508	12,669,583	16,306,588	-	-	123,364,926	194,911,096	7.1089	63.29%
2018	114,768,783	186,329,263	13,690,524	17,096,492	-	-	128,459,307	203,425,755	7.1089	63.15%
2019	125,384,838	210,726,653	13,303,537	16,807,756	-	-	138,688,375	227,534,409	7.1089	60.95%
2020	133,776,860	230,017,976	14,560,606	18,311,316	-	-	148,337,466	248,329,292	7.1089	59.73%
2021	167,499,257	276,030,504	12,954,840	16,617,089	-	-	180,454,097	292,647,593	7.1089	61.66%
2022	192,837,532	338,339,544	14,535,040	18,339,287	-	-	207,372,572	356,678,831	7.1089	58.14%
2023	219,624,746	394,160,953	20,276,140	24,632,424	-	-	239,900,886	418,793,377	7.1089	57.28%

Source-Lake County Property Appraiser's Office

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

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

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

FISCAL YEAR	OPERATING RATE CITY	OVERLAPPING GOVERNMENTS AND RATES							TOTAL
		LAKE COUNTY	SCHOOL DISTRICT	AMBULANCE DISTRICT	COUNTY DEBT SERVICE	HOSPITAL DISTRICT	WATER MANAGEMENT DISTRICT	WATER CONSERVATION AUTHORITY	
2014	8.2480	4.7309	7.1700	0.3853	0.1900	1.0000	0.3283	0.2554	22.3079
2015	7.2980	5.3051	7.2460	0.4629	0.1600	1.0000	0.3164	0.2554	22.0438
2016	7.2980	5.3051	7.1970	0.4629	0.1600	1.0000	0.3023	0.2554	21.9807
2017	7.1089	5.118	6.8750	0.4629	0.1524	1.0000	0.2885	0.2554	21.2611
2018	7.1089	5.118	6.6030	0.4629	0.1524	1.0000	0.2724	0.2554	20.9730
2019	7.1089	5.0734	6.8830	0.4629	0.1100	0.9500	0.2414	0.3557	21.1853
2020	7.1089	5.0327	6.6990	0.4629	0.1100	0.8950	0.2287	0.3368	20.8740
2021	7.1089	5.0529	6.5920	0.4629	0.0918	0.0000	0.2189	0.3229	19.8503
2022	7.1089	5.0364	6.2480	0.4629	0.0918	0.5000	0.1974	0.3083	19.9537
2023	7.1089	5.0364	6.2060	0.4629	0.0918	0.1500	0.1793	0.2940	19.5293

Source: Lake County Property Appraiser's Office

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City of Umatilla

Taxes levied for the fiscal year are based on the prior year taxable value

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

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value	Rank	Value	Taxable Assessed Value	Rank	Value
COMMUNITY SUPPORTS INC	\$33,235,974	1	13.85%			
EVERS ENTERPRISES LLLP	6,614,970	2	2.76%	\$3,391,439	3	3.17%
UMATILLA PROPERTIES LLC	5,266,875	3	2.20%			
LAKEVIEW TERRACE RETIREMENT	4,670,881	4	1.95%	6,057,095	1	0.00%
FLORIDA ATLANTIC IRONWORKS	3,197,768	5	1.33%			
DUKE ENERGY FLORIDA LLC	2,985,762	6	1.24%	1,788,245	5	
FORESTAR (USA) REAL ESTATE GROUP INC	2,621,411	7	1.09%			
NATIONWIDE UMATILLA PLAZA LLC	2,459,961	8	1.03%	1,489,471	6	
LAKESIDE ESTATES UMATILLA LLC	2,330,369	9	0.97%			
GOLDEN ESTATES MHP LLC	2,270,360	10	0.95%	1,148,538	9	
ARGUELLES HOLDINGS LLC				3,483,520	2	3.25%
EMBARQ-FLORIDA INC				1,873,271	4	1.75%
UNITED SOUTHERN BANK				1,351,741	7	1.26%
QUANTUM LAKE POWER LP				1,346,522	8	
JOHNSON COLIN B				983,876	10	0.92%
				-		0.00%
Total	<u>\$ 65,654,331</u>		<u>27.37%</u>	<u>\$ 22,913,718</u>		<u>10.35%</u>

Source: Lake County Property Appraiser

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

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	% TOTAL TAX COLLECTIONS TO TAX LEVY
2014	883,290	817,608	92.56%	38,850	856,458	96.96%
2015	923,639	834,946	90.40%	37,800	872,746	94.49%
2016	872,738	804,536	92.19%	35,450	839,986	96.25%
2017	876,989	809,442	92.30%	41,141	850,583	96.99%
2018	913,204	839,941	91.98%	43,585	883,526	96.75%
2019	985,922	898,142	91.10%	53,955	952,097	96.57%
2020	1,054,516	956,632	90.72%	40,313	996,945	94.54%
2021	1,133,730	1,057,309	93.26%	40,768	1,098,077	96.86%
2022	1,282,830	1,233,724	96.17%	1,269	1,234,993	96.27%
2023	1,473,946	1,398,910	94.91%	26,475	1,425,385	96.71%

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

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Financed Purchases	Loans Payable	Utility Revenue Bonds	Loans Payable	Financed Purchases			
2014	233,978	40,000	98,000	-	-	371,978	0.33%	146
2015	118,122	100,000	57,000	-	-	275,122	0.23%	72
2016	10,044	65,711	-	475,383	-	551,138	0.40%	141
2017	-	22,850	-	627,051	-	649,901	0.42%	162
2018	-	480,000	-	596,555	124,025	1,200,580	0.80%	294
2019	150,470	438,322	-	625,279	112,207	1,326,278	0.93%	319
2020	135,682	395,352	-	1,093,003	99,941	1,723,978	1.21%	415
2021	120,634	351,050	-	687,279	87,211	1,246,174	1.05%	311
2022	105,066	305,374	-	1,237,437	73,997	1,721,874	1.48%	444
2023	88,973	258,282	-	1,258,121	60,283	1,665,659	1.10%	429

Note: Details regarding the City's outstanding debt can be found Note 7 to the financial statements.

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

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

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

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Other Debt			
Lake County Board of County Commissioners	\$ 7,260,000	0.98%	\$ 71,077
School District of Lake County	-	0.98%	-
Subtotal, overlapping debt			71,077
Direct debt	347,255		347,255
Total direct and overlapping debt			\$ 418,332

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

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

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

Fiscal Year	Operating Revenues ²	Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	981,722	764,968	216,754	38,000	8,600	46,600	4.65
2015	1,185,546	736,906	448,640	7,000	2,800	9,800	45.78
2016	1,302,841	663,366	639,475	20,342	1,837	22,179	28.83
2017	103,461	15,821	87,640	38,115	2,694	40,809	2.15
2018	104,040	15,198	88,842	30,496	7,842	38,338	2.32
2019	1,647,261	806,783	840,478	38,356	44,109	82,465	10.19
2020	1,721,349	1,037,537	683,812	69,249	79,636	148,885	4.59
2021	1,666,429	1,049,849	616,580	460,976	21,337	482,313	1.28
2022	1,689,923	1,335,929	353,994	38,343	67,094	105,437	3.36
2023	2,736,184	1,885,766	850,418	38,343	80,139	118,482	7.18

¹ Operating expenses are exclusive of depreciation.

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

**CITY OF UMATILLA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Total Personal Income of all Umatilla Residents	Per Capita Personal Income	Median Age	Lake County Unemployment Rate
2014	3,658	111,982,354	30,613	49.20	6.20%
2015	3,798	119,052,108	31,346	50.10	5.10%
2016	3,908	139,386,636	35,667	52.40	4.80%
2017	4,021	154,651,681	38,461	44.70	3.20%
2018	4,081	149,850,239	36,719	44.00	2.70%
2019	4,154	142,934,986	34,409	44.30	2.80%
2020	4,196	119,267,104	28,424	42.80	5.50%
2021	4,005	118,660,140	29,628	52.60	4.30%
2022	3,875	116,571,625	30,083	55.60	2.80%
2023	3,881	151,747,100	39,100	61.40	3.50%

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

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

Employer	2023			Employer	2014		
	Rank	Employees	Percentage of Total City Employment		Rank	Employees	Percentage of Total City Employment
Lake County School Board	1	235	*	Lake County School Board	1	243	*
Lakeview Terrace	2	220	*	Lakeview Terrace	2	140	*
Recovery Village	3	110	*	Recovery Village	3	122	*
United Southern Bank	4	56	*	United Southern Bank	4	53	*
City of Umatilla	5	50	*	McDonalds	5	49	*
McDonalds	6	50	*	City of Umatilla	6	42	*
Lake County Health Clinic	7	40	*	Lake County Health Clinic	7	39	*
Dollar General Stores	8	30	*	Utility Technicians	8	25	*
First Baptist Church	9	16	*	Faryna Grove Care	9	23	*
Carter's Ace Hardware of Umatilla	10	15	*	Beef O'Brady's	10	22	*

* Data not available
Source: City staff

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

Function	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Government										
City Manager	1	1	1	1	1	1	1	1.5	1.5	1.5
City Clerk	1	1	1	1	1	1	1	1	1	1
Finance	3	3	4	4	4	4	4	5	5	5
Permitting	1	1	1	1	0	0	0	0	0	0
Total General Government	6	6	7	7	6	6	6	7.5	7.5	7.5
Public Safety										
Police Officers	9	9	9	9	9	9	9	9	9	9
Police Civilians	1	1	1	1	1	1	1	1	1	1
Code Enforcement	1	1	0	1	1	1	1	0.5	0.5	0.5
Crossing Guards (FTE)	1	1	1	1	1	1	1	1	1	1
Total Public Safety	12	12	11	12	12	12	12	11.5	11.5	11.5
Planning & Zoning	0	0	0	0	1	1	2.5	2.5	2.5	2.5
Airport	0	0	0	0	0.5	0.5	0.5	0.5	0.5	0.5
Public Works										
Administration	2	2	3.0	3	3	3	3	3	3	3
Cemetery	1	1	1	1	1	1	1	1	1	1
Facilities Maint.	1	1	1	1	1	1	1	1	1	1
Street Maint.	6	6	6	6	6	6	6	6	6	6
Total Public Works	10	10	11.0	11	11	11	11	11	11	11
Culture and Recreation										
Library	8	8	8	7	7	7	7	7	7	7
Parks and Recreation	2	2	2	3	3	3	3	3	3	3
Total Culture and Recreation	10	10	10	10	10	10	10	10	10	10
Utilities										
Water	3	3	3	4	4	4	4	4	4	4
Sewer	2	2	2	2	2	2	2	2	2	2
Sanitation	0	0	0	1	1	1	1	1	1	1
Total Utilities	5	5	5	7	7	7	7	7	7	7
Total Government Employees	43.0	43.0	44.0	47.0	47.5	47.5	49.0	50.0	50.0	50.0

Source: Finance Department

* Position moved from General Government

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

Function/Program		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police											
	Arrests	114	139	178	130	161	243	86	89	103	100
	Traffic/DUI Citations	228	356	197	215	441	302	104	127	108	114
	Traffic Accidents	58	57	77	74	88	102	74	116	83	77
	Warrants	17	21	28	38	46	30	34	2	22	24
Building Department:											
	The City's building permits are approved and issued by Capri Engineering. (The building services are outsourced to a private company)	284	298	204	274	291	283	398	347	390	367
Roads and Streets											
	Potholes repaired	480	504	510	250	100	125	50	45	50	65
	Street resurfacing (by mile)	0.50	0.50	1.25	1.27	1.26	1.91	1.52	1.46	1.39	0.00
Library											
	Total Circulation (Library materials checked out)	146,537	103,353	124,245	73,102	54,269	58,570	43,534	38,896	39,762	37,286
	Total Users of Public Internet Computers	32,965	21,153	31,009	25,700	18,651	17,967	2,023	1,602	2,671	3,267
	Total Reference Transactions	15,652	15,652	11,206	10,088	15,862	13,791	859	3,952	2,600	386
	Total Annual Programs	458	536	566	340	402	436	0	70	293	416
	Total Program Attendance	12,531	14,689	14,078	8,964	7,322	11,242	0	704	4,476	4,105
	Total Number of registered card holders	4,173	4,309	5,545	5,798	6,402	6,147	6,193	5,111	5,374	5,841
	Number of hours spent on public technology instruction	62	62	0	36	20	32	10	10	13	13
	Total Library visitors	109,686	103,353	105,636	91,517	88,369	102,430	52,595	52,093	32,671	42,176
Parks and Recreation											
	Number of Recreation Leases	323	317	317	125	125	12	12	12	16	16
	Number of Bookings at the Community Building	38	0	0	12	103	46	17	15	49	93
Water											
	Commercial Connections	197	179	206	197	195	198	233	273	279	249
	Residential Connections	1,530	1,486	1,543	1,337	1,454	1,489	1,702	1,887	1,794	1,577
	Total Connections	1,727	1,665	1,749	1,534	1,649	1,687	1,935	2,160	2,073	1,826
	Average Daily Consumption (gallons per day)	343,000	448,000	496,000	467,000	389,000	412,577	381,474	432,000	458,000	458,000
	Treatment capacity (gallons per day)	1,000,000	1,000,000	1,000,000	1,000,000	650,000	650,000	650,000	650,000	650,000	650,000
Wastewater											
	Commercial Connections	133	132	131	130	130	118	145	146	148	127
	Residential Connections	927	917	919	933	926	971	1,108	1,163	1,178	1,009
	Total Connections	1,060	1,049	1,050	1,063	1,056	1,089	1,253	1,309	1,326	1,136
	Average Daily Sewage Treatment (gallons per day)	187,000	179,000	144,000	143,000	170,000	157,000	189,970	156,000	164,000	164,000
	Treatment Capacity (gallons per day)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000

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

Sources: Various city departments

* Data not available

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

Function/Program		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police											
	Stations (Includes substations)	1	1	1	1	1	1	1	1	1	1
	Patrol Units (2 shifts/2 officers per shift)	4	4	4	4	4	4	4	4	4	4
	Sworn Officers (positions filled at year end)	9	9	9	9	9	9	9	9	9	9
	Support	1	1	1	1	1	1	1	1	1	1
Roads and Streets											
	Paved Roads	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles	21 miles
	Unpaved Roads	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles	2.0 miles
	Sidewalks	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet	56,836 feet
Culture and Recreation											
	Libraries	1	1	1	1	1	1	1	1	1	1
	Acreage	35	35	35	35	35	35	35	35	35	35
	Parks	6	6	6	6	6	6	6	6	6	6
	Recreation Centers	1	1	1	1	1	1	1	1	1	1
	Basketball Courts	2	2	2	2	2	2	2	2	2	2
	Tennis Courts	2	2	2	2	2	2	2	2	2	2
	Baseball Fields	1	1	1	1	1	1	1	1	1	1
	Playgrounds	3	3	3	3	3	3	3	3	3	3
	Soccer Fields	1	1	1	1	1	1	1	1	1	1
	Swimming Pool	1	1	1	1	1	1	1	1	1	1
Water											
	Water mains (miles)	30.9	30.9	30.9	30.9	30.9	30.9	31.5	31.5	31.5	31.5
	Storage Capacity (gallons)	250,000	250,000	250,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
	Fire Hydrants	151	151	151	151	151	151	156	156	156	156
	Water Plants	1	1	1	2	2	2	2	2	2	2
Wastewater											
	Sewers-Force Mains/Gravity (miles)	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
	Treatment Capacity (gallons/daily)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Lift Stations	9	9	9	10	10	10	10	10	10	10

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

Sources: Various city departments

COMPLIANCE SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Umatilla, Florida as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Umatilla, Florida's basic financial statements, and have issued our report thereon dated June 24, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 deficiencies, significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given those limitations, during our audit we did not identify any deficiencies in internal control 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 City of Umatilla, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A stylized, handwritten-style signature of "McDermitt Davis" in black ink.

Orlando, Florida
June 24, 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 Umatilla, Florida, 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 Umatilla, Florida'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, 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 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 have not been 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
June 24, 2024

City of Umatilla, Florida
**Schedule of Expenditures of Federal Awards and
State Financial Assistance**
Year Ended September 30, 2023

Award type Grantor Pass-through grantor Grantor program title	Assistance Listing/ CSFA Number	Agency or Pass-through Entity Grant Number	Expenditures
Federal Grants			
U.S. Department of Transportation			
Airport Improvement Program - Runway Extension	20.106		\$ 244,533
Airport Improvement Program	20.106		45,000
Total Department of Transportation			289,533
U. S. Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds *	21.027		676,991
Total federal awards			<u>\$ 966,524</u>
State Awards			
Florida Department of Transportation			
Aviation Grant Programs - GA Terminal Design *	55.004	FM#431620-1-94-01	\$ 2,224,638
Total Department of Transportation			2,224,638
Florida Department of Environmental Protection			
Wastewater Treatment Facility Construction - Eustis Interconnect *	37.077	WW350752	777,350
Florida Recreation Development Assistance Program	37.017		100,000
Total Department of Environmental Protection			877,350
Total state awards			<u>\$ 3,101,988</u>

* Denotes a major program/project

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 Umatilla, Florida (the City) under programs and projects 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 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 April 2021, the City executed a State Revolving Fund Loan agreement WW350752 for the City's sewer project. Loan balance as of September 30, 2023 is \$689,252.

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.

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

Assistance Listing 21.027	Coronavirus State and Local Fiscal Recovery Funds	CSFA No. 55.004	Aviation Grant Programs
		CSFA No. 37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between type A and type B programs Federal & State	Federal \$750,000	State \$750,000
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Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance (not applicable for state projects)	___ Yes	<u> X </u> No
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Section II - Financial Statement Findings:	None
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Section III - Federal Award and State Project Findings and Questioned Costs:	None
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Section IV - Federal Award and State Project Summary Schedule of Prior Year Findings:	No Prior Year Findings
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MANAGEMENT LETTER

Honorable Mayor and City Council
City of Umatilla, Florida

Report on the Financial Statements

We have audited the financial statements of the City of *Umatilla, Florida*, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 24, 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 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 Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 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 financial audit report. There were no such findings in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "McDiarmid Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida
June 24, 2024



934 North Magnolia Avenue, Suite 100
Orlando, Florida 32803
407-843-5406
www.mcdermittdavis.com

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

Honorable Mayor and City Council
City of Umatilla, Florida

We have examined City of Umatilla, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 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 Umatilla, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

McDermitt Davis

Orlando, Florida
June 24, 2024



City of Umatilla

"NATURE'S HOMETOWN"

AFFIDAVIT OF IMPACT FEE COMPLIANCE

The City of Umatilla, Florida has complied with Section 163.31801 of Florida Statutes regarding accounting and reporting of Impact Fee collections and expenditures.


Regina M. Frazier, CGFO, CPM
Finance & Administration Director



SWORN TO AND SUBSCRIBED before me this 30 day of June, 2023.


NOTARY PUBLIC
Print Name Cameron Pack

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 9-6-26