



FISCAL YEAR
2023-2024

.....

ANNUAL COMPREHENSIVE FINANCIAL REPORT

 www.orangecityfl.gov

Prepared by
CITY OF ORANGE CITY

City of Orange City, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2024



PREPARED BY

CITY OF ORANGE CITY FINANCE DEPARTMENT

CITY OF ORANGE CITY, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2024

MAYOR

Kelli Marks

COUNCIL

Harold Grimm, Vice Mayor
Dana Knight
Lisa Stafford
Dawn Tiamson
Lisa Richardson
Fran Darms

CITY MANAGER

Dale Arrington

ASSISTANT CITY MANAGER

Christine C. Davis

CITY CLERK

Kaley Burleson

FINANCE DIRECTOR

Devlin Moore

DEPUTY FINANCE DIRECTOR

Jennifer High

CITY ATTORNEY

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

INDEPENDENT AUDITORS

McDermitt Davis, LLC
Certified Public Accountants and Advisors

CITY OF ORANGE CITY, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2024

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INTRODUCTORY SECTION





March 25, 2025

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

It is with great pleasure that we present to you the City of Orange City, Florida (“the City”) Annual Comprehensive Financial Report (the “Annual Report”) for the fiscal year ended September 30, 2024. This report fulfills the requirements set forth in the Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form, and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board (GASB), State of Florida, and the Government Finance Officers Association (GFOA).

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

McDermitt Davis, LLC, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Orange City, Florida, is located in Southwest Volusia County between the cities of DeBary, DeLand and Deltona, creating a metropolitan area of over 200,000 residents. The City was formed on August 26, 1882, and was chartered as a municipality under the laws of the State of Florida on May 30, 1889. As of 2024, the City has a land area of 7.925 square miles and an estimated population of 14,866, which represents an increase from 14,313 in 2023 (information obtained by Bureau of Economic Business and Research). The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.



The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council (Council) consisting of the Mayor (at-large), one council member at-large, and five council members representing districts. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Clerk, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Council is elected on a non-partisan basis with each member serving staggered four-year terms.

The City provides a full range of services, including police and fire protection, the construction and maintenance of streets, sidewalks, and infrastructure; engineering; planning, zoning, and building inspections; code compliance; general administration and support services; recreational facilities and activities; and cultural events. In addition, the City operates two enterprise funds providing water, wastewater, and reclaimed water service, and stormwater service. Both enterprise funds are funded through user fees established by the Council to ensure adequate coverage of operating expenses, capital outlay, and debt service. The City has also contracted with a private firm to provide solid waste collection services.

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

The annual budget serves as the foundation of the City's financial planning and control. Departments are required to submit requests for appropriations including any new employee positions and capital projects to the City Manager and Finance Department, who then uses those requests as the starting point for developing a proposed budget. The proposed budget is prepared and presented to the Council by the City Manager by August 1 of each year.

The Mayor and City Council submit their thoughts and proposed adjustments during at least one workshop in August. The Council discusses each suggestion and reaches consensus on each item. Staff incorporates all approved suggestions into the final budget for Council adoption in September.

The Council is required to hold two public hearings on the budget and millage rate in September and adopt a final budget and millage rate by no later than September 30, the close of the City's fiscal year.

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

BUDGETARY AND INTERNAL ACCOUNTING CONTROLS

The budget is an integral part of the financial accounting system. The City proposes an annual budget for all departments, which must be approved by the City Council. Encumbrances are recorded for all significant expenditures at the time a purchase commitment is made. Line-item expenditure reports are accessible to all departments and include: budgeted amounts, actual expenditures, encumbered amounts, and budget balances remaining. These reports are reviewed by each department where primary responsibility is placed.



The Finance Department monitors all financial activity on an ongoing basis. Budget-in-Brief reports summarizing the City's financial activities are prepared monthly for the City Council.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy: The City's financial statements provide a reliable measure of its sustained quality growth over the years. In 2024, taxable property valuations increased by 11.42%, or \$131,592,827, compared to the previous year. New construction and annexations for 2024 totaled \$35,190,422, up from \$31,251,063 in 2023. This growth in taxable value reflects ongoing economic expansion and the addition of new taxable properties. The City anticipates this growth trend will continue through 2025. The City's tax base consists of both residential and non-residential properties, with non-residential classifications—including retail, healthcare, and apartments—comprising 68% of taxable value, while residential properties account for 32%.

FINANCIAL INFORMATION

Long-Term Financial Planning: Each year, the City's Finance Department carefully monitors and analyzes financial trends over the preceding five-year period to identify potential financial threats and emerging issues that may impact pre-budget planning. This analysis informs key budgetary decisions, including tax policy, capital planning, operational spending targets, cash management, and reserve requirements.

Long-term financial planning is also a critical component of the budgeting process, guided by the City's four-part fiscal strategy: (1) controlling recurring expenses and long-term liabilities to ensure that cost growth does not exceed the growth of recurring revenues; (2) ensuring the future availability of current assets; (3) maintaining structural fiscal balance; and (4) operating with a business-minded approach—recognizing citizens and business owners as stakeholders and making financial decisions that enhance the safety, attractiveness, and overall desirability of the community.

Each year, early in the budget process, the City Council holds a strategic planning session to establish priorities and to lay the foundation for the upcoming fiscal year. The session allows Council to review and discuss long-term goals and identify key initiatives that align with community needs and fiscal sustainability. The outcomes of the session are incorporated into the annual budgeting process, ensuring that financial resources are allocated in a way that supports the City's strategic objectives. This proactive approach enhances long-term financial planning by promoting fiscal discipline and aligning expenditures with long-term priorities, helping maintain financial stability, and ensuring the efficient use of taxpayer dollars. Additionally, it provides a structured framework for addressing emerging challenges and opportunities, fostering a forward-thinking approach to municipal governance.

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

In April 2024, the City Council adopted a Fund Balance Policy, Resolution No. 317-24. The policy established guidelines to maintain adequate levels of fund balance and reserves in the General Fund, Utilities Revenue Fund, and Stormwater Enterprise Fund. The aim is to buffer against potential and emerging risks, including but not limited to revenue deficiencies, unexpected expenditures, natural disasters, and other unforeseeable events. The minimum fund balance for each fund is established during the annual financial audit. The



committed balance for the General Fund is formalized via resolution as part of the midyear budget amendment.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Orange City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2023; this is the 23rd consecutive year that the City has received this prestigious award. To receive this Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget for Fiscal Year 2024/25. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The City has successfully received the Distinguished Budget Award for 17 consecutive years.

The preparation of this financial report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. The significant amount of year-end closing procedures and report preparation could not have been accomplished without the hard work of the Finance Team.

Other City departments, although not extensively involved in year-end audit activities, made significant contributions by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult.

Appreciation must also be expressed to McDirmit Davis, LLC, the City's independent auditors, for their contributions to the excellence and quality of this report.

In closing, we would also like to thank the Mayor and City Council for their unyielding support and steadfast commitment to maintaining the financial integrity of the City. With their continued leadership, the City can look forward to a secure financial future.

Respectfully submitted,

Dale Arrington
City Manager

Devlin Moore
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Orange City
Florida**

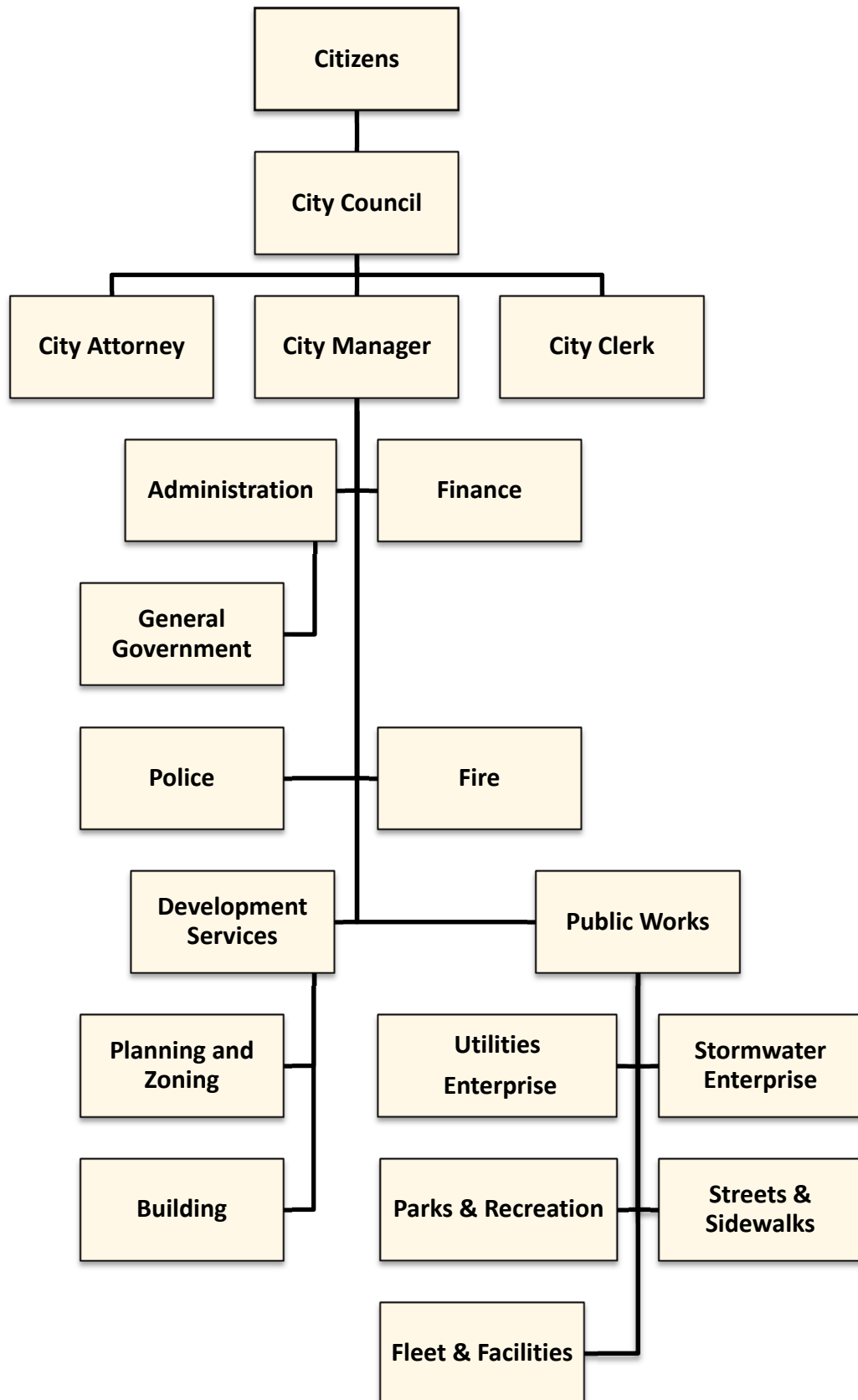
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Executive Director/CEO

CITY OF ORANGE CITY, FLORIDA

ORGANIZATIONAL CHART



**CITY OF ORANGE CITY, FLORIDA
Annual Comprehensive Financial Report
For the Year Ended September 30, 2024**



Council-Manager Form of Government

City Council

As of Fiscal Year End, September 30, 2024

Gary Blair	Mayor
Alex Tiamson	Vice Mayor
Anthony Pupello	Council Member
Lisa Stafford	Council Member
Kelli Marks	Council Member
Harold Grimm	Council Member
Fran Darms	Council Member

Administrative Staff

City Manager

Dale Arrington

Assistant City Manager

Christine C. Davis

City Attorney

William Reischmann

Finance Director

Devlin Moore

City Clerk

Kaley Burleson



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Orange City, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange City, Florida (the "City") as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Orange City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules, and the Schedule are 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 basic 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 exist 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 a report dated March 13, 2025, on our consideration of City of Orange City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
March 13, 2025

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

Management of the City of Orange City, Florida (the "City"), offers the readers of these basic financial statements a narrative overview and analysis of the financial activities for the fiscal year ended on September 30, 2024. This discussion and analysis is designed to a) assist the reader in focusing on significant financial issues, b) provide an overview of the City's financial activity, c) identify changes in the City's financial position, d) identify any material deviations from the financial plan (the approved budget), and, e) identify individual fund issues and concerns.

As with other sections of this financial report, the information contained within the Management's Discussion and Analysis (MD&A) should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the letter of transmittal, which can be found on page i, the required supplementary information (RSI), which can be found beginning with page 54, and the City's financial statements beginning on page 16.

Financial highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2024, by \$74,837,857 (net position). Of this amount, \$20,983,346 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$6,464,713, with governmental activities contributing \$2,769,597 while business-type activities increased by \$3,695,116.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$29,720,353, an increase of \$737,112 in comparison with the prior year. Approximately 23% of this amount or \$6,848,675 is available for spending at the City's discretion (unassigned fund balance).
- During the last fiscal year, the City experienced a net increase in its total outstanding debt by \$5,649,140. This rise is due to loan proceeds from State Revolving Fund (SRF) amounting to \$6,267,851. The addition of new debt was partially offset by repayments (reductions), including \$82,066 on Notes Payable, \$396,393 on existing SRF loans, \$42,620 on the City Hall Annex lease, and \$97,632 on subscription-based information technology arrangements (SBITA) liabilities.

Overview of the financial statements

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

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

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

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

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

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

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

- Business-type activities – Customer fees are collected to fund the provision of water, wastewater, and reclaimed water services, along with stormwater services.

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

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

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

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

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

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

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

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

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

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

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

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

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

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

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets and deferred outflows exceed liabilities and deferred inflows by \$74,837,857 as of September 30, 2024.

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

(in thousands)	Statement of Net Position As of September 30					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 31,875	\$ 30,318	\$ 14,828	\$ 15,696	\$ 46,703	\$ 46,014
Restricted assets	80	80	735	726	815	806
Capital assets	15,498	13,459	52,282	42,485	67,780	55,944
Total assets	47,453	43,857	67,845	58,907	115,298	102,764
Total deferred outflows of resources	4,307	3,683	564	522	4,871	4,205
Current liabilities	2,554	1,722	3,314	3,718	5,868	5,440
Long-term liabilities outstanding	17,396	17,592	20,306	14,725	37,702	32,317
Total liabilities	19,950	19,314	23,620	18,443	43,570	37,757
Total deferred inflows of resources	1,543	729	218	110	1,761	839
Net position:						
Net investment in capital assets	12,979	11,546	32,137	29,688	45,116	41,234
Restricted net position						
Other purposes	3,941	3,832	4,798	320	8,739	4,152
Unrestricted	13,347	12,119	7,636	10,868	20,983	22,987
Total net position	\$ 30,267	\$ 27,497	\$ 44,571	\$ 40,876	\$ 74,838	\$ 68,373

The largest portion of the City's net position, \$45,115,374 (60%), represents its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles, and equipment) minus any outstanding debt incurred to acquire those assets. The City utilizes these capital assets to deliver services to its citizens; thus, these assets are not available for future spending. It is important to note that although the City's investment in capital assets is reported net of related debt, the resources required to repay this debt must come from other sources, as the capital assets themselves cannot be utilized to settle these liabilities. Additionally, a portion of the City's net position, \$8,739,137 (12%), is earmarked by restrictions on its usage. The remaining balance of unrestricted net position, \$20,983,346 (28%), may be used to fulfill the government's ongoing obligations to its citizens and creditors.

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

Changes in net position – while the Statement of Net Position shows a snapshot of the City's financial position at the end of the fiscal year, the Statement of Changes in Net Position provides answers as to the nature and source of those changes. At September 30, 2024, the City's combined net position totaled \$74,837,857, which is an increase of \$6,464,713 over last year's reported total of \$68,373,144.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

(in thousands)	Changes in Net Position As of September 30					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues -						
Charges for services	\$ 6,284	\$ 6,892	\$ 9,038	\$ 8,649	\$ 15,322	\$ 15,541
Operating grants and contributions	286	739	-	291	286	1,030
Capital grants and contributions	6	66	3,015	2,116	3,021	2,182
General revenues	13,669	12,816	427	257	14,096	13,073
Total revenues	20,245	20,513	12,480	11,313	32,725	31,826
Expenses:						
General government	5,169	4,030	-	-	5,169	4,030
Public safety	10,124	10,663	-	-	10,124	10,663
Highways and streets	1,411	2,174	-	-	1,411	2,174
Parks and recreation	1,045	1,042	-	-	1,045	1,042
Economic environment	28	50	-	-	28	50
Interest on long-term debt	29	13	-	-	29	13
Water and sewer	-	-	7,597	7,116	7,597	7,116
Stormwater	-	-	857	1,058	857	1,058
Total expenses	17,806	17,972	8,454	8,174	26,260	26,146
Increase in net position before transfers	2,439	2,541	4,026	3,138	6,465	5,679
Transfers	331	318	(331)	(318)	-	-
Increase in net position	2,770	2,859	3,695	2,821	6,465	5,680
Net position - October 1	27,497	24,638	40,876	38,056	68,373	62,694
Net position - September 30	\$ 30,267	\$ 27,497	\$ 44,571	\$ 40,877	\$ 74,838	\$ 68,374

The City's overall net position increased \$6,464,713 (9%) from the prior year's balance. The reason for this overall increase is discussed in the following sections for governmental and business-type activities.

Net position of the City's **governmental activities** increased by \$2,769,597 and totaled \$30,266,435 at the end of fiscal year 2024. Of this amount, \$3,940,685 (13%) represents resources that are subject to restrictions on how they may be used. Unrestricted net position of \$13,347,155 (44%) may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$12,978,595 (43%) is invested in capital assets. Property taxes, accounting for 40% of the City's governmental activities revenues, saw an increase of \$281,065, largely attributed to rising taxable values and the addition of newly developed property within the City.

Net position of the City's **business-type activities** increased by \$3,695,116 and totaled \$44,571,422 at the end of fiscal year 2024. Of this amount, \$4,798,452 (11%) represents resources that are subject to restrictions on how they may be used. Unrestricted net position of \$7,636,191 (17%) may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$32,136,779 (72%) is invested in capital assets. Charges for service, which comprised 72% of the City's business-types activities revenues, increased by \$389,256 (5%). The increase primarily stemmed from the addition of utility users associated with new developments, along with the annual CPI rate adjustment as sanctioned in the approved utility rate study and stormwater rate study.

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

Governmental Activities

The total expenditure on governmental activities for the year amounted to \$17,806,158, reflecting a decrease of \$165,071 (1%) from the previous year's total of \$17,971,229. As outlined in the Statement of Activities on page 17, City taxes funded \$11,230,265 of these costs. The remaining expenses were largely offset by other revenues, which contributed \$6,284,054, and external funding from grants and contributions totaling \$291,839.

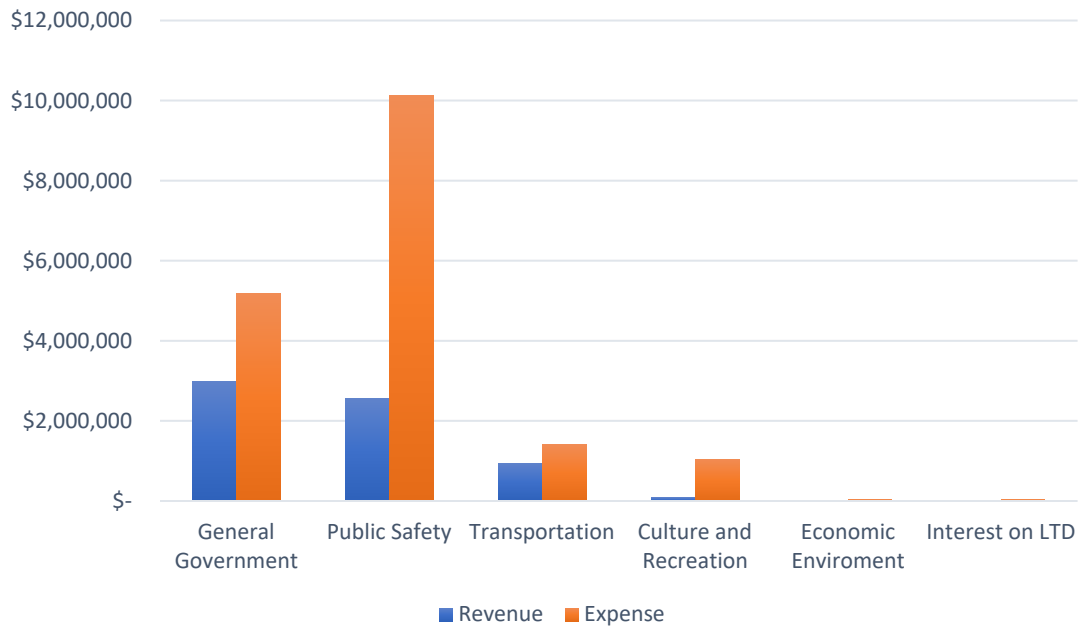
CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

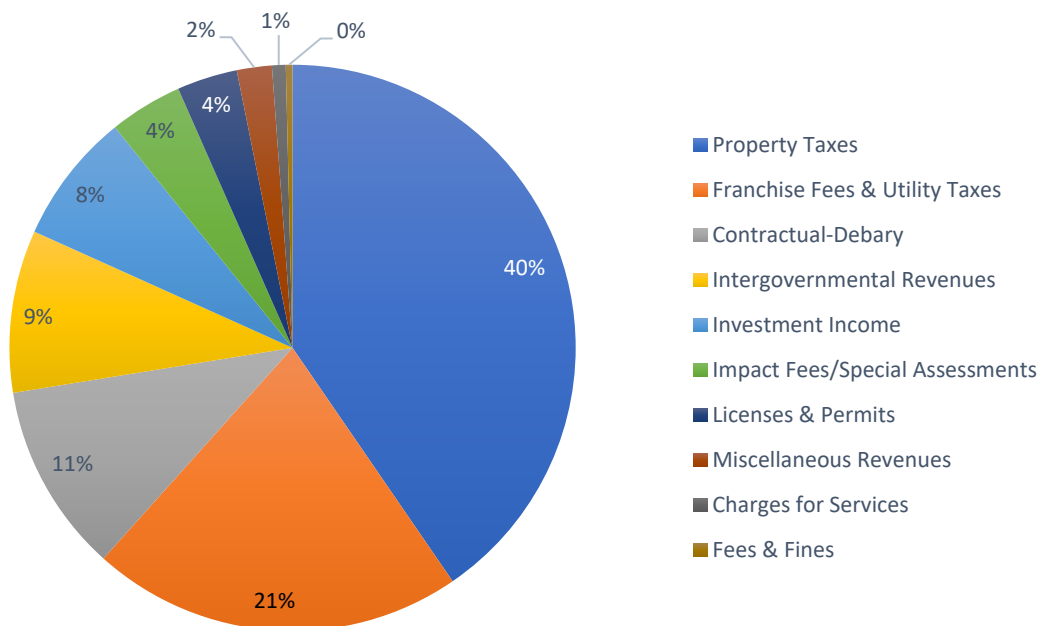
September 30, 2024

Governmental program revenues decreased by \$1,121,018 (15%), dropping from \$7,696,911 in the prior year to \$6,575,893 in 2024. This decline was primarily attributed to a \$513,316 reduction in grant funding and a \$211,384 decrease in building permit revenue. Additionally, assessment revenue within the Kentucky Avenue Special Assessment District decreased by \$401,511 due to a one-time influx of prepaid assessments in the prior year.

Program Revenues vs. Expenses



Governmental Revenues by Source



CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

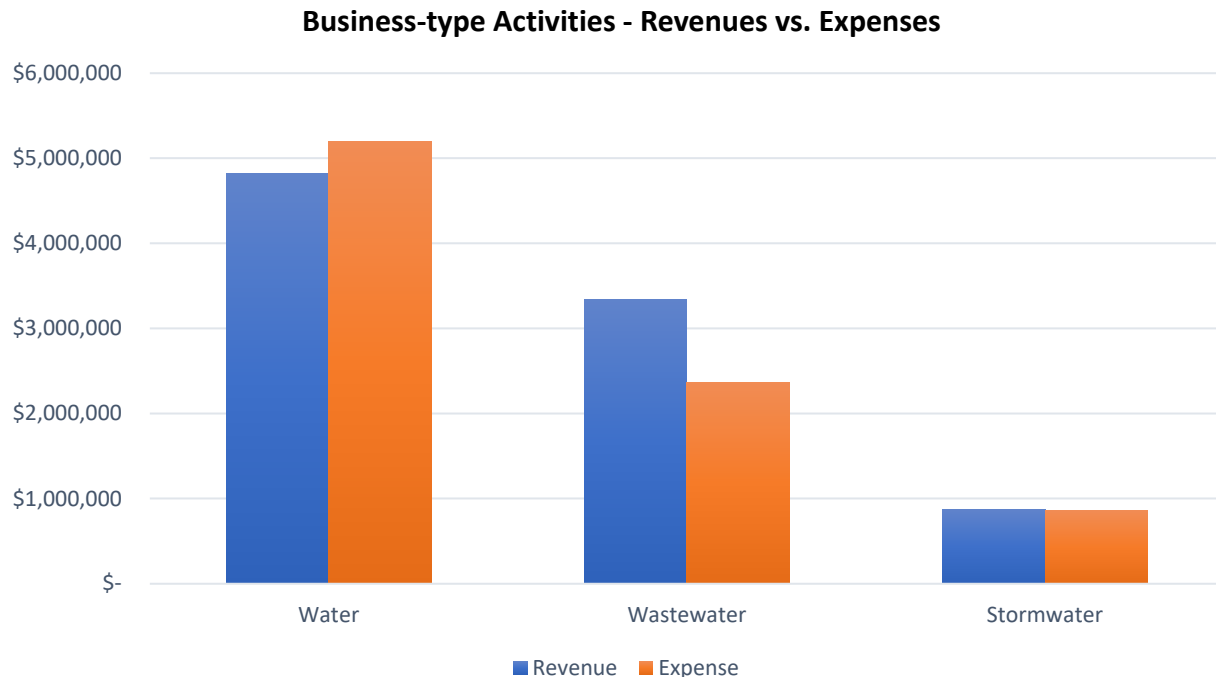
Business-type Activities

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

In 2024, the total expenses for business-type activities rose to \$8,454,470, an increase of \$280,228 or 3%, from \$8,174,242 in 2023. Similarly, revenue from charges for services in these activities grew to \$9,038,230, up by \$389,256 or 5%, from \$8,648,974 in the same period. This growth contributed to a net position increase of \$3,695,116 for the City's business-type activities, surpassing the previous year's increase of \$2,820,657, to reach a total of \$44,571,422 as of September 30, 2024. Key factors in the current year's activity include:

- The annual water, wastewater, and reclaimed water rates increased as provided in the 2019 adopted utility rate study.
- The annual stormwater rate increased as provided in the 2015 adopted rate study.
- Operating and Capital Grants and Contributions revenues increased in 2024 (\$3,014,892) compared 2023 (\$2,406,607).

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



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

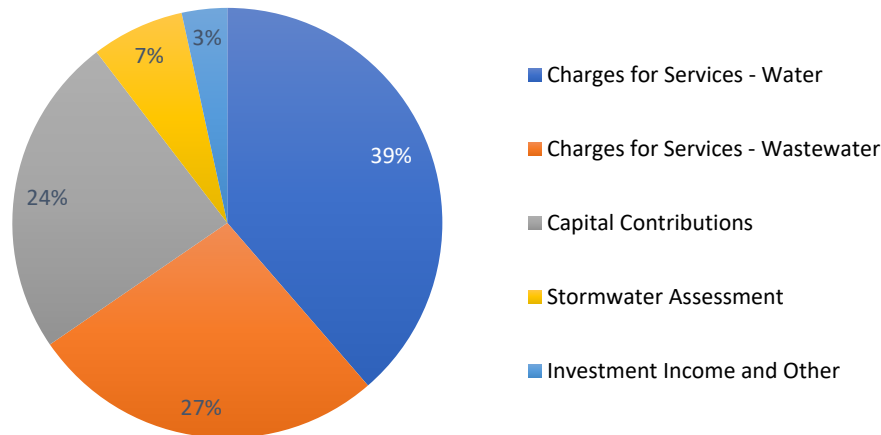
The following is a summary of the City's Revenues by Source – Business-type Activities:

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

Revenues by Source - Business-type Activities



Financial analysis of the City's funds. As noted earlier, the City of Orange City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of September 30, 2024, the City's governmental funds reported combined ending fund balances of \$29,720,353, an increase of \$737,112 compared to last year. Approximately 23% of this total amount, \$6,848,675, constitutes the unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance categories total \$22,871,678 and represent balances that are nonspendable, restricted, committed, and assigned.

Nonspendable funds total \$1,951,968, and are primarily used to account for prepaid items at year-end and advances from the General Fund to other funds including the CRA and the Kentucky Avenue Special Assessment Fund.

Restricted funds total \$1,424,889, and include funds limited to debt service (\$79,532) and other funds (\$1,345,357). Restricted funds must be spent according to the City Charter and various Florida State Statutes. Other funds include the Forfeiture Fund (\$32,485), Shadow Ridge and Briarwood South Street Lighting Fund (\$4,311), Solid Waste Fund (\$99,784), Tree Bank Fund (\$234,360), Building Safety Fund (\$383), and CRA Fund (\$974,034).

Committed funds total \$4,199,718, and include impact fee funds and committed General Fund reserves. Impact fee funds, totaling \$2,614,570, are designated for the acquisition of capital assets necessitated by growth. Moreover, in accordance with the Fund Balance Policy (Resolution No. 317-24), the City Council has committed \$1,585,148 in General Fund reserves to address economic uncertainties or support budget stabilization, as determined by Council.

Assigned funds, which total \$15,295,103, largely consist of \$9,439,347 that is earmarked within the Facility Construction Fund for the design and construction of new municipal buildings. Assigned funds also include \$5,855,756, which has been set aside, pursuant to the Fund Balance Policy, for contingency and emergency/disaster relief. For more detailed information concerning the fund balance classifications, see Note 9 on page 48-49.

The General Fund is the chief operating fund of the City. As of September 30, 2024, the unassigned fund balance of the General Fund was \$7,453,618, while the total General Fund balance was \$26,364,359. As a measure of the General Fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents just under 43% of total General Fund expenditures of \$17,145,503.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

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The fund balance of the City's General Fund increased \$1,215,888 during the current fiscal year. The increase was due to continued revenue growth, increased utility and franchise fee revenues associated with new development, and various department budgets being under spent primarily as it relates to planned capital projects.

Since 2020, the Community Redevelopment Agency (CRA) has issued a separate financial statement due to a change in Florida law. As part of the change, the City determined that both the SRF loan proceeds recorded in the previous year and the current year should be allocated to the General Fund. The General Fund then advanced funds to the CRA for construction of infrastructure within the CRA boundaries. The CRA's restricted fund balance at year-end was \$974,034.

The City's Impact Fee Funds increased by \$142,549 during the current fiscal year. This increase was generated by new residential and commercial development.

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

Unrestricted net position of the Utility and Stormwater funds at September 30, 2024, amounted to \$7,636,191, a decrease of \$3,231,675 or 30% from the prior year of \$10,867,866. The decrease is primarily attributed to an increase in SRF notes payable.

General Fund Budgetary Highlights

The following is a brief summary of the changes from the original adopted to the final amended budget (refer to budget comparison on page 57). The General Fund budget expenditures increased from \$16,929,939 to \$22,926,070 from the original adopted budget (an increase of \$5,996,131 or 35%). The increase is primarily attributed to:

- \$1,346,936 increase in Streets and Sidewalks for construction of the E Rhode Island Avenue and S Leavitt Avenue traffic circle.
- \$1,300,000 increase in the Police Department for design of the new Public Safety facility (carryforward).
- \$921,399 increase in the Fire Department for design of a new Fire Station #68 (carryforward).
- \$495,500 increase in Fleet & Facilities for roof and exterior improvements to City Hall (carryforward).
- \$300,000 increase in Fleet & Facilities for design of a new Public Works facility (carryforward).

Actual revenues collected were \$317,617 less than the final budget, and actual expenditures were \$5,780,567 less than the final budget.

These differences are primarily attributed to:

Revenues. Actual year-end revenues were under the budgeted amount by a net \$317,617 or 2%. The shortfall is attributed to \$1,346,936 in unrealized transportation grant proceeds associated with the E Rhode Island Avenue and S Leavitt Avenue traffic circle. There was no reimbursable grant activity reported in 2024. Major revenue items that generated favorable/positive budget variances that subsequently offset unrealized grant revenues were:

- Interest Earnings \$620,056
- Franchise Fees \$136,774
- Utility Service Taxes \$112,056

Expenditures. Actual year-end expenditures were less than the budgeted amount by \$5,780,567 or 25%. Major expense categories that came in under budget were:

- Transportation \$2,333,292
- Police Department \$ 919,142
- Fire Department \$ 822,647
- Fleet & Facilities \$ 535,486

The favorable budget variances primarily stem from funds that were not expended on various multi-year capital projects. For instance, projects such as the E Rhode Island Avenue and S Leavitt Avenue traffic circle had unspent funds totaling \$1,346,936, while \$1,498,077 in funds remained unspent for the design of a new Public Safety facility, Fire Station #68, and Public Works facility. Other ongoing projects also reported unused balances, including \$486,386 earmarked for exterior improvements to City Hall, \$366,628 allocated to the West French Shared Use Path project, and \$235,348 appropriated for septic-to-sewer at City facilities. Other savings resulted from position vacancies and normal personnel attrition, particularly within the police and fire departments. Moreover, the City's departments have maintained fiscal discipline, leading to savings in operational budgets.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

Capital Assets and Debt Administration

Capital assets. At September 30, 2024 the City had \$67,780,070 (net of accumulated depreciation) invested in a broad range of capital assets including land, equipment, buildings, park facilities and infrastructure. This amount represents a net increase (including additions and deductions) of \$11,835,710 or 21% compared to last year. The following table illustrates the composition in capital assets:

(in thousands)	Capital Assets (net of accumulated depreciation) As of September 30					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Non-depreciable capital assets:						
Land and improvements	\$ 1,156	\$ 959	\$ 1,644	\$ 976	\$ 2,800	\$ 1,935
Wastewater capacity	-	-	893	893	893	893
Construction in progress	2,864	2,689	24,084	13,640	26,948	16,329
Depreciable capital assets:						
Buildings and improvements	1,272	1,322	209	197	1,481	1,519
Machinery and equipment	3,306	1,813	545	517	3,851	2,330
Water and wastewater system	-	-	18,487	19,470	18,487	19,470
Stormwater infrastructure	-	-	6,083	6,352	6,083	6,352
Infrastructure	6,526	6,178	-	-	6,526	6,178
Intangible & Subscription Assets	374	499	337	440	711	939
Total	\$ 15,498	\$ 13,460	\$ 52,282	\$ 42,485	\$ 67,780	\$ 55,945

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

- Citywide infrastructure – including road and stormwater improvements (\$1,071,992)
- Acquisition of citywide vehicles and equipment (\$2,320,503)
- Land acquisition (\$865,681)
- Water and wastewater infrastructure (\$562,797)
- Building improvements (\$85,859)

As of September 30, 2024, the total Construction in Progress (CIP) reached \$26,948,819, with \$24,084,322 of this amount dedicated to business-type activities, primarily driven by extensive capital projects such as infrastructure and pipe rehabilitation. The remaining \$2,864,497 of the CIP is attributed to governmental activities, focusing on various building and infrastructure projects that are currently underway. For more detailed insights into the City's capital assets, please refer to Note 5 on pages 36-37 in the financial statement notes section of this report.

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

For fiscal year 2025, the City's governmental-type activities within the capital budget continue to progress, echoing the City Council's sustained effort to closely match available resources with the capital replacement needs, allocating a total of \$2,387,745. Key capital improvements for this fiscal year encompass a variety of projects, including \$1,220,516 for fleet purchases, \$442,430 towards equipment, \$656,899 for upgrades to streets and sidewalks, and \$67,900 for improvements to City buildings.

On the business-type front, the fiscal year 2025 capital budget has set aside \$1,883,452 for significant advancements, focusing on the improvement and expansion of water and wastewater infrastructure with an investment of \$620,000, the renewal and replacement of current water and wastewater systems with \$341,000, and enhancements to stormwater management facilities amounting to \$664,612, and the purchase of machinery and equipment totaling \$257,840.

Long-term debt. At September 30, 2024, the City had debt as noted on the next page.

CITY OF ORANGE CITY, FLORIDA

Management's Discussion and Analysis (Unaudited)

September 30, 2024

(in thousands)	Long-Term Debt As of September 30					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
State Revolving Fund	\$ 1,272	\$ 1,352	\$ 18,439	\$ 12,488	\$ 19,711	\$ 13,840
Notes Payable	213	295	-	-	213	295
Lease Liability	-	-	219	262	219	262
SBITA Liability	192	267	24	47	216	314
Total	\$ 1,677	\$ 1,914	\$ 18,682	\$ 12,797	\$ 20,359	\$ 14,711

The City's governmental activities debt had a net decrease of \$236,415 due to principal payments on notes payable for the fire truck and the SRF loan.

The City's business-type activities had a net debt increase of \$5,885,555. The City paid \$316,737 towards outstanding SRF loans and incurred \$6,267,851 in new SRF debt.

At September 30, 2024, the City had SRF Loans DW642000, DW642030, DW642040, DW642041, and DW642050 payable in the amount of \$19,711,355. Additional information on the City's long-term liabilities can be found in Note 6 (page 38-41) of the notes to the financial statements.

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

Pursuant to GASB Statements No. 87 and 96, long-term debt also takes into account leases and subscription-based information technology arrangements (SBITA). At September 30, business-type leases had a principal balance of \$219,326 and citywide SBITAs had a principal balance of \$215,957.

Economic Factors and Next Year's Budgets and Rates

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

In February 2024, Council held a Strategic Planning/Goal Setting Update Workshop to review and update the City's Strategic Plan. This plan is utilized to help guide the City in prioritizing funding for the annual budget. The City expenditures have been strategically linked to the priorities contained within the plan. The next review of the Strategic Plan is slated to occur in Fiscal Year 2024/25.

The FY 2025 budget was crafted through a meticulous process, balancing economic uncertainties with the organization's necessities, including personnel compensation, capital improvement objectives, and service maintenance. Challenges such as unprecedented inflation, supply chain disruptions, labor shortages, and the potential risk of another recession continue to impact the City and its community. The City Council and staff are actively monitoring and assessing the economic factors that affect both revenues and expenditures. Ongoing measures are being implemented to ensure the City's readiness to make necessary budget adjustments and to strategically prepare for the 2026 budget planning.

Requests for Information

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



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CITY OF ORANGE CITY, FLORIDA

BASIC FINANCIAL STATEMENTS

For the Year Ended September 30, 2024

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

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

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

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 30,710,469	\$ 12,062,404	\$ 42,772,873
Receivables, net	918,840	751,619	1,670,459
Due from other governments	142,037	1,813,635	1,955,672
Prepaid items	104,043	47,968	152,011
Restricted Assets:			
Cash and cash equivalents	79,532	887,478	967,010
Capital Assets:			
Capital assets not being depreciated	4,020,091	26,621,133	30,641,224
Capital assets being depreciated, net of accumulated depreciation	11,477,810	25,661,036	37,138,846
Total capital assets	15,497,901	52,282,169	67,780,070
Total assets	47,452,822	67,845,273	115,298,095
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of pension earnings	4,239,054	544,327	4,783,381
Deferred outflows related to OPEB	67,998	20,003	88,001
Total Deferred inflows of resources	4,307,052	564,330	4,871,382
LIABILITIES:			
Accounts payable and accrued expenses	1,810,559	1,659,455	3,470,014
Retainage payable	-	677,251	677,251
Accrued interest	5,647	4,749	10,396
Customer deposits payable	269,624	413,036	682,660
Unearned revenue	154,385	-	154,385
Noncurrent Liabilities:			
Due within one year	313,445	559,526	872,971
Due in more than one year	17,396,395	20,305,822	37,702,217
Total liabilities	19,950,055	23,619,839	43,569,894
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows of pension earnings	1,421,763	182,566	1,604,329
Deferred inflows related to OPEB	121,621	35,776	157,397
Total Deferred inflows of resources	1,543,384	218,342	1,761,726
NET POSITION:			
Net investment in capital assets	12,978,595	32,136,779	45,115,374
Restricted for impact fee fund	2,614,570	-	2,614,570
Restricted for community redevelopment	974,161	-	974,161
Restricted for streetlighting district	4,311	-	4,311
Restricted for improvements	234,360	4,324,010	4,558,370
Restricted for public safety	33,751	-	33,751
Restricted for debt service	79,532	474,442	553,974
Unrestricted	13,347,155	7,636,191	20,983,346
Total net position	\$ 30,266,435	\$ 44,571,422	\$ 74,837,857

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

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 5,169,382	\$ 2,994,079	\$ -	\$ -	\$ (2,175,303)	\$ -	\$ (2,175,303)
Public safety	10,123,755	2,516,383	34,534	6,183	(7,566,655)	-	(7,566,655)
Transportation	1,410,532	739,021	206,756	-	(464,755)	-	(464,755)
Culture and recreation	1,044,764	34,571	44,366	-	(965,827)	-	(965,827)
Economic Environment	28,250	-	-	-	(28,250)	-	(28,250)
Interest on Long-term debt	29,475	-	-	-	(29,475)	-	(29,475)
Total governmental activities	17,806,158	6,284,054	285,656	6,183	(11,230,265)	-	(11,230,265)
Business-type Activities:							
Utilities	7,597,304	8,167,143	-	3,014,982	-	3,584,821	3,584,821
Stormwater	857,166	871,087	-	-	-	13,921	13,921
Total business-type activities	8,454,470	9,038,230	-	3,014,982	-	3,598,742	3,598,742
Total primary government	\$ 26,260,628	\$ 15,322,284	\$ 285,656	\$ 3,021,165	(11,230,265)	3,598,742	(7,631,523)
General Revenues:							
Property taxes					8,186,030	-	8,186,030
Local option gas and use tax					263,392	-	263,392
Utility service taxes					2,365,056	-	2,365,056
State sales tax					1,131,015	-	1,131,015
Unrestricted investment earnings					1,514,774	418,992	1,933,766
Miscellaneous					209,070	7,907	216,977
Transfers					330,525	(330,525)	-
Total general revenues and transfers					13,999,862	96,374	14,096,236
Change in net position					2,769,597	3,695,116	6,464,713
Net Position - beginning of year					27,496,838	40,876,306	68,373,144
Net Position - end of year					\$ 30,266,435	\$ 44,571,422	\$ 74,837,857

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

CITY OF ORANGE CITY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2024

	General Fund	Impact Fee Special Revenue Fund	Community Redevelopment Special Revenue	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 25,264,703	\$ 2,614,570	\$ 2,327,345	\$ 503,851	\$ 30,710,469
Accounts receivable, net	918,840	-	-	-	918,840
Restricted cash	79,532	-	-	-	79,532
Due from other governments	142,037	-	-	-	142,037
Prepaid costs	103,033	-	127	883	104,043
Advances to other funds	1,847,925	-	-	-	1,847,925
Total assets	<u>\$ 28,356,070</u>	<u>\$ 2,614,570</u>	<u>\$ 2,327,472</u>	<u>\$ 504,734</u>	<u>\$ 33,802,846</u>
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 1,567,702	\$ -	\$ 110,329	\$ 132,528	\$ 1,810,559
Due to other funds	-	-	1,242,982	604,943	1,847,925
Deposits payable	269,624	-	-	-	269,624
Unearned revenue	154,385	-	-	-	154,385
Total liabilities	<u>1,991,711</u>	<u>-</u>	<u>1,353,311</u>	<u>737,471</u>	<u>4,082,493</u>
FUND BALANCES:					
Nonspendable	1,950,958	-	127	883	1,951,968
Restricted	79,532	-	974,034	371,323	1,424,889
Committed	1,585,148	2,614,570	-	-	4,199,718
Assigned	15,295,103	-	-	-	15,295,103
Unassigned	7,453,618	-	-	(604,943)	6,848,675
Total fund balances	<u>26,364,359</u>	<u>2,614,570</u>	<u>974,161</u>	<u>(232,737)</u>	<u>29,720,353</u>
Total liabilities and fund balances	<u>\$ 28,356,070</u>	<u>\$ 2,614,570</u>	<u>\$ 2,327,472</u>	<u>\$ 504,734</u>	

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	15,497,901
Accrued interest payable is not due in the current period, and therefore, is not reported in the funds	(5,647)
Long-term liabilities, are not due and payable in the current period, and therefore are not reported in the funds: Governmental notes payable and SBITA liabilities	(1,677,380)
Deferred inflows and outflows of resources related to pension earnings are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting	2,763,668
Compensated absences are not recorded as a liability in the governmental funds balance sheet	(730,001)
Net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds	(15,132,733)
The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet	(169,726)
Net position of governmental activities in the Statement of Net Position	<u>\$ 30,266,435</u>

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

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

	General Fund	Impact Fee Special Revenue Fund	Community Redevelopment Special Revenue	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 7,288,068	\$ -	\$ 897,962	\$ -	\$ 8,186,030
Franchise fees	1,663,574	-	-	-	1,663,574
Local option gas tax	263,392	-	-	-	263,392
Utility service taxes	2,365,056	-	-	-	2,365,056
Fees and fines	76,711	-	-	-	76,711
Licenses and permits	173,672	-	-	524,519	698,191
Intergovernmental	1,878,408	-	-	-	1,878,408
Impact fees/special assessments	-	241,612	-	603,385	844,997
Charges for services	159,429	-	-	-	159,429
Investment earnings	1,395,859	49,672	54,986	14,257	1,514,774
Contractual-DeBary Fire	2,190,276	-	-	-	2,190,276
Miscellaneous	403,009	-	-	1,383	404,392
Total revenues	<u>17,857,454</u>	<u>291,284</u>	<u>952,948</u>	<u>1,143,544</u>	<u>20,245,230</u>
EXPENDITURES:					
Current:					
General government	4,444,619	-	-	467,508	4,912,127
Public safety	8,832,779	-	-	550,039	9,382,818
Transportation	921,189	-	-	52,080	973,269
Culture and recreation	738,346	-	-	-	738,346
Economic Environment	-	-	27,641	-	27,641
Debt Service:					
Principal	219,380	-	-	17,035	236,415
Interest and other charges	22,259	-	-	1,569	23,828
Capital Outlay	1,966,931	148,735	572,857	855,676	3,544,199
Total expenditures	<u>17,145,503</u>	<u>148,735</u>	<u>600,498</u>	<u>1,943,907</u>	<u>19,838,643</u>
Excess (deficiency) of revenues over expenditures	<u>711,951</u>	<u>142,549</u>	<u>352,450</u>	<u>(800,363)</u>	<u>406,587</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	508,937	-	-	5,000	513,937
Transfers out	(5,000)	-	-	(178,412)	(183,412)
Total other financing sources (uses)	<u>503,937</u>	<u>-</u>	<u>-</u>	<u>(173,412)</u>	<u>330,525</u>
Net change in fund balances	1,215,888	142,549	352,450	(973,775)	737,112
Fund Balances, beginning of year	25,148,471	2,472,021	621,711	741,038	28,983,241
Fund Balances, end of year	<u>\$ 26,364,359</u>	<u>\$ 2,614,570</u>	<u>\$ 974,161</u>	<u>\$ (232,737)</u>	<u>\$ 29,720,353</u>

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

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

Net Change in Fund Balances - Total Governmental Funds: \$ 737,112

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

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

Expenditures for capital assets	3,544,199	
Current year depreciation	<u>(1,459,694)</u>	2,084,505

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position. (46,156)

Expenditures in the governmental funds for compensated absences are not recorded as expenses in the statement of activities. (16,291)

Expenditures in the governmental funds for other post employment benefits are not recorded as expenses in the statement of activities. (5,030)

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 (i.e., change in accrued interest). (5,647)

Long-Term liabilities, including notes payable are not due and payable in the current period, and therefore not reported in the funds:
Notes payable, SRF loan, and Subscriptions 236,415

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position (215,311)

Change in net position of governmental activities \$ 2,769,597

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF NET POSITION
ENTERPRISE FUNDS

September 30, 2024

	Utilities	Stormwater	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents, unrestricted	\$ 10,455,063	\$ 1,607,341	\$ 12,062,404
Cash and cash equivalents, restricted	742,830	144,648	887,478
Accounts receivable, net	751,619	-	751,619
Receivables from other governments	1,813,635	-	1,813,635
Prepaid items	46,586	1,382	47,968
Total current assets	13,809,733	1,753,371	15,563,104
Noncurrent Assets:			
Capital assets, net	44,186,710	7,202,938	51,389,648
Wastewater capacity	892,521	-	892,521
Total noncurrent assets	45,079,231	7,202,938	52,282,169
Total assets	58,888,964	8,956,309	67,845,273
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension outflows	521,050	23,277	544,327
Deferred outflows related to OPEB	18,665	1,338	20,003
Total deferred outflows of resources	539,715	24,615	564,330
LIABILITIES:			
Current Liabilities:			
Accounts payable	1,536,712	23,568	1,560,280
Accrued expenses	93,229	5,946	99,175
Accrued interest	4,749	-	4,749
Retainage payable	677,251	-	677,251
Customer deposits payable	413,036	-	413,036
Compensated absences - current	18,855	147	19,002
Notes, leases and subscriptions payable - current	395,876	144,648	540,524
Total current liabilities	3,139,708	174,309	3,314,017
Noncurrent Liabilities:			
Compensated absences	169,698	1,320	171,018
Subscription and lease liabilities	172,208	-	172,208
Notes payable	15,798,490	2,171,023	17,969,513
OPEB liability	46,588	3,339	49,927
Net pension liability	1,860,062	83,094	1,943,156
Total noncurrent liabilities	18,047,046	2,258,776	20,305,822
Total liabilities	21,186,754	2,433,085	23,619,839
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension inflows	174,759	7,807	182,566
Deferred inflows related to OPEB	33,384	2,392	35,776
Total deferred inflows of resources	208,143	10,199	218,342
NET POSITION:			
Net investment in capital assets	27,249,512	4,887,267	32,136,779
Restricted for debt service	329,794	144,648	474,442
Restricted for other purposes	4,324,010	-	4,324,010
Unrestricted	6,130,466	1,505,725	7,636,191
Total net position	\$ 38,033,782	\$ 6,537,640	\$ 44,571,422

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

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

	Utilities	Stormwater	Total
Operating Revenues:			
Charges for Services:			
Water sales	\$ 4,823,304	\$ -	\$ 4,823,304
Wastewater services	3,343,839	-	3,343,839
Stormwater fees	-	871,087	871,087
Total operating revenues	8,167,143	871,087	9,038,230
Operating Expenses:			
Purchase of wastewater treatment	1,328,980	-	1,328,980
Salaries, wages and benefits	2,397,433	106,434	2,503,867
Water production and supplies	404,542	-	404,542
Repairs and maintenance	502,803	25,436	528,239
Contractual services	445,333	221,640	666,973
Other operating expenses	749,466	56,725	806,191
Depreciation and amortization	1,738,375	446,931	2,185,306
Total operating expenses	7,566,932	857,166	8,424,098
Operating income	600,211	13,921	614,132
Nonoperating Revenues (Expenses):			
Interest and investment income	379,586	39,406	418,992
Proceeds from insurance	7,907	-	7,907
Interest expense	(30,372)	-	(30,372)
Total nonoperating revenue (expenses)	357,121	39,406	396,527
Income before contributions and transfers	957,332	53,327	1,010,659
Capital contributions	3,014,982	-	3,014,982
Transfers out	(330,525)	-	(330,525)
Change in net position	3,641,789	53,327	3,695,116
Net Position - beginning of year	34,391,993	6,484,313	40,876,306
Net Position, end of year	\$ 38,033,782	\$ 6,537,640	\$ 44,571,422

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

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

For the Year Ended September 30, 2024

	Utilities	Stormwater	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 8,135,812	\$ 871,087	\$ 9,006,899
Payments to suppliers	(5,061,243)	(333,385)	(5,394,628)
Payments to employees	(2,423,891)	(142,344)	(2,566,235)
Net cash provided (used) by operating activities	<u>650,678</u>	<u>395,358</u>	<u>1,046,036</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out to other funds	(330,525)	-	(330,525)
Net cash provided (used) by noncapital financing activities	<u>(330,525)</u>	<u>-</u>	<u>(330,525)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(10,253,395)	(653,631)	(10,907,026)
Insurance proceeds	7,907	-	7,907
Grants	2,242,140	198,042	2,440,182
Proceeds from long-term debt	6,267,851	-	6,267,851
Principal paid on long-term debt	(237,646)	(144,648)	(382,294)
Interest paid on long-term debt	(29,205)	-	(29,205)
Net cash used by capital and related financing activities	<u>(2,002,348)</u>	<u>(600,237)</u>	<u>(2,602,585)</u>
Cash Flows from Investing Activities:			
Investment income	379,586	39,406	418,992
Net cash provided by investing activities	<u>379,586</u>	<u>39,406</u>	<u>418,992</u>
Net Decrease in Cash and Cash Equivalents	(1,302,609)	(165,473)	(1,468,082)
Cash and Cash Equivalents, beginning of year	12,500,502	1,917,462	14,417,964
Cash and Cash Equivalents, end of year	<u>\$ 11,197,893</u>	<u>\$ 1,751,989</u>	<u>\$ 12,949,882</u>
Classified as:			
Cash and cash equivalents	\$ 10,455,063	\$ 1,607,341	\$ 12,062,404
Restricted cash and cash equivalents	742,830	144,648	887,478
Total	<u>\$ 11,197,893</u>	<u>\$ 1,751,989</u>	<u>\$ 12,949,882</u>

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

CITY OF ORANGE CITY, FLORIDA

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS - CONTINUED

For the Year Ended September 30, 2024

	<u>Utilities</u>	<u>Stormwater</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities			
Operating income	\$ 600,211	\$ 13,921	\$ 614,132
Adjustments Not Affecting Cash:			
Depreciation and amortization	1,738,375	446,931	2,185,306
Change in Assets and Liabilities:			
Accounts receivables	(39,021)	-	(39,021)
Inventory and other assets	4,644	(782)	3,862
Accounts payable	(1,634,763)	(28,802)	(1,663,565)
Accrued liabilities	14,520	(153)	14,367
Compensated absences	25,884	(144)	25,740
OPEB	(10,144)	(1,068)	(11,212)
Customer deposits	7,690	-	7,690
Deferred inflows of resources	105,316	3,317	108,633
Deferred outflows of resources	(49,357)	7,514	(41,843)
Net pension liability	(112,677)	(45,376)	(158,053)
Total adjustments	50,467	381,437	431,904
Net Cash Provided (Used) by Operating Activities	<u>\$ 650,678</u>	<u>\$ 395,358</u>	<u>\$ 1,046,036</u>

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

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

Note 1 - Summary of Significant Accounting Policies:

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

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

A. Reporting Entity:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

A. Reporting Entity (Continued):

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

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

B. Basic Financial Statements:

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

C. Basis of Presentation - Fund Accounting:

(1) Major Governmental Funds:

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

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

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

(2) Major Proprietary Funds:

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

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

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

(3) Nonmajor Governmental Funds:

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

D. Measurement Focus/Basis of Accounting:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

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

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

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

E. Budgets and Budgetary Accounting:

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

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

F. Accounts Receivable:

- (1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2024 was 7.1209, which means that the City has a tax margin of 2.8791 per \$1,000 and could raise up to \$3,324,134 in additional tax revenue per year from the present assessed valuation of \$1,154,573,935.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

F. Accounts Receivable (Continued):

The property tax calendar is as follows:

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

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

- All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year immediately following year of assessment.
 - A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised in April/May of the year immediately following the year of assessment.
 - Tax certificates are sold on all real properties with unpaid real property taxes on June 1 (lien date) of the year immediately following the year of assessment.
 - A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes by June 1 of the year immediately following the year of assessment.
- (2) Unbilled Utilities Accounts Receivable - Utilities revenues are generally recognized on the basis of cycle billings rendered monthly. The unbilled portion is accrued at year end by calculating the City's October billing cycle and prorating the amount of days applicable to the current year which amounted to \$693,727 at September 30, 2024.
- (3) Allowance for Uncollectible Accounts - Based upon an analysis of both past history and past due receivables, it is management's opinion that a \$35,956 allowance for uncollectible accounts is necessary. This balance relates entirely to the utilities enterprise fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

G. Long-term Obligations:

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

H. Cash and Investments:

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

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

I. Capital Assets:

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

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

Buildings	20-50 years
Water and Wastewater System	10-50 years
Machinery and Equipment	2-10 years
Improvements	10-20 years
Other Infrastructure	10-50 years
Intangibles	5-10 years

Subscription and right of use lease assets are capitalized and amortized over the life of the agreement.

J. Operating Revenues and Expenses:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

K. Revenues:

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

L. Inventory:

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

M. Compensated Absences:

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

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

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

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

N. Interfund Activity:

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

O. Restricted Assets:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

P. Prepaid Items:

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

Q. Unearned Revenue:

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

R. Estimates:

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

S. Deferred Outflows/Inflows of Resources:

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

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

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

The City has two items that qualify for reporting in this category for the year ended September 30, 2024, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB. Details on the composition of the deferred inflows related to pensions and OPEB are further discussed in Notes 7 and 12 respectively.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

T. Net Position Flow Assumptions:

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

U. Fund Balance Flow Assumptions:

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

V. New GASB Statements Implemented

In fiscal year 2024, the City has not implemented any new accounting standards with a material effect on the city's financial statements.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements:

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

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

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

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

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 3 - Cash and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City currently holds \$1,950 collectively in cash drawers.

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

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

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

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

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

Demand deposits and money market accounts are insured by federal depository insurance up to \$250,000 of the aggregate account balances for each entity. Amounts in excess of \$250,000 are fully insured by U.S. Government securities held in the Public Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. Demand deposits and cash on deposit bank balances at September 30, 2024 were approximately \$13,972,000.

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

Florida Prime - The Florida Prime (formerly known as Pool or Fund A) meets the requirements of and is classified as a "2a-7 like" pool. The SBA is not a registrant with, nor regulated by, the Securities and Exchange Commission or any other regulatory agency; however, the Florida Prime has adopted operating procedures consistent with the requirements for a 2a-7 like pool and the fair value of the position in the pool is equal to the value of the pool's shares. Such investments are stated at amortized cost in the accompanying financial statements. The Florida Prime is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2024 is 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The Florida Safe is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2024 is 53 days. Next interest rate reset dates used in the calculation of the WAM. The Florida Short Term Asset Reserve Government Fund (FL STAR) is rated by Standard and Poors and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2024 is 66 days. Next interest rate reset dates used in the calculation of the WAM.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 3 - Cash and Investments (Continued):

As of September 30, 2024 the funds are as follows:

	Florida Prime	FL Safe	FL STAR
General Fund	\$ 11,056,405	\$ 7,377,185	\$ 7,653,372
Utilities Enterprise Fund	4,841,827	-	-
	<u>\$ 15,898,232</u>	<u>\$ 7,377,185</u>	<u>\$ 7,653,372</u>

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

Credit Risk

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

Following is a summary of the carrying amount of the cash and cash equivalents owned by the City at September 30, 2024

	Carrying Amount	Fair Value
Cash and Cash Equivalents:		
Demand deposits, cash on deposit and petty cash	\$ 11,844,084	\$ 11,844,084
Florida Safe Investment Pool	7,377,185	7,377,185
Local Government Surplus Funds Trust Fund (Florida Prime)	15,898,232	15,898,232
Florida Short Term Asset Reserve Government Fund (FL STAR)	7,653,372	7,653,372
Total Cash and Cash Equivalents	<u>\$ 42,772,873</u>	<u>\$ 42,772,873</u>
Restricted Assets:		
Demand deposits and cash on deposit	<u>\$ 967,010</u>	<u>\$ 967,010</u>

Cash and cash equivalents of \$967,010 is restricted for customer deposits and debt service.

Note 4 - Due from Other Governments:

Amounts due from other governments at September 30, 2024 are as follows:

	General	Utilities
Local Option Gas Tax	\$ 22,712	\$ -
Sales Tax Revenue Sharing	71,911	-
Communication Services Tax	40,771	-
State of Florida - Grants	1,210	1,813,635
Due from Volusia County	5,433	-
	<u>\$ 142,037</u>	<u>\$ 1,813,635</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 5 - Capital Assets:

Capital asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Reclass	Ending Balance
Governmental Activities:					
Non-depreciable capital assets:					
Land and improvements	\$ 958,536	\$ 197,058	\$ -	\$ -	\$ 1,155,594
Construction in progress	2,689,197	1,716,446	-	(1,541,146)	2,864,497
	<u>3,647,733</u>	<u>1,913,504</u>	<u>-</u>	<u>(1,541,146)</u>	<u>4,020,091</u>
Depreciable capital assets:					
Buildings	2,584,608	54,469	(5,000)	-	2,634,077
Machinery and equipment	7,007,743	681,951	(971,469)	1,482,862	8,201,087
Infrastructure	10,386,869	894,275	-	58,284	11,339,428
Intangible	203,918	-	-	-	203,918
Subscription assets	408,763	-	-	-	408,763
	<u>20,591,901</u>	<u>1,630,695</u>	<u>(976,469)</u>	<u>1,541,146</u>	<u>22,787,273</u>
Less accumulated depreciation for:					
Buildings	(1,262,196)	(104,274)	4,792	-	(1,361,678)
Machinery and equipment	(5,195,148)	(625,910)	925,521	-	(4,895,537)
Infrastructure	(4,209,214)	(604,426)	-	-	(4,813,640)
Intangible	(25,104)	(31,057)	-	-	(56,161)
Subscription assets	(88,420)	(94,027)	-	-	(182,447)
	<u>(10,780,082)</u>	<u>(1,459,694)</u>	<u>930,313</u>	<u>-</u>	<u>(11,309,463)</u>
Depreciable capital assets, net	<u>9,811,819</u>	<u>171,001</u>	<u>(46,156)</u>	<u>1,541,146</u>	<u>11,477,810</u>
Total capital assets, net	<u>\$ 13,459,552</u>	<u>\$ 2,084,505</u>	<u>\$ (46,156)</u>	<u>\$ -</u>	<u>\$ 15,497,901</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 5 - Capital Assets (Continued):

	Beginning Balance	Increases	Decreases	Reclass	Ending Balance
Business-type Activities:					
Non-depreciable capital assets:					
Land and improvements	\$ 975,667	\$ 646,403	\$ -	\$ 22,220	\$ 1,644,290
Waste water capacity	892,521	-	-	-	892,521
Construction in progress	13,639,588	10,491,288	-	(46,554)	24,084,322
	<u>15,507,776</u>	<u>11,137,691</u>	<u>-</u>	<u>(24,334)</u>	<u>26,621,133</u>
Depreciable capital assets:					
Water and wastewater system	33,695,035	538,463	(11,378)	24,334	34,246,454
Stormwater infrastructure	7,700,709	119,433	-	-	7,820,142
Buildings and improvements	798,471	31,390	-	-	829,861
Equipment	1,194,344	155,690	(58,676)	-	1,291,358
Intangible	122,903	-	-	-	122,903
Right of use assets	301,063	-	-	-	301,063
Subscription assets	121,766	-	-	-	121,766
	<u>43,934,291</u>	<u>844,976</u>	<u>(70,054)</u>	<u>24,334</u>	<u>44,733,547</u>
Less accumulated depreciation for:					
Water and wastewater system	(14,224,547)	(1,546,397)	11,378	-	(15,759,566)
Stormwater infrastructure	(1,348,615)	(388,375)	-	-	(1,736,990)
Buildings and improvements	(601,536)	(19,557)	-	-	(621,093)
Equipment	(676,952)	(127,693)	58,676	-	(745,969)
Intangible	(16,980)	(14,654)	-	-	(31,634)
Right of use assets	(50,177)	(50,177)	-	-	(100,354)
Subscription assets	(38,452)	(38,453)	-	-	(76,905)
	<u>(16,957,259)</u>	<u>(2,185,306)</u>	<u>70,054</u>	<u>-</u>	<u>(19,072,511)</u>
Depreciable capital assets, net	<u>26,977,032</u>	<u>(1,340,330)</u>	<u>-</u>	<u>24,334</u>	<u>25,661,036</u>
Total capital assets, net	<u>\$ 42,484,808</u>	<u>\$ 9,797,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,282,169</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 199,952
Public safety	532,454
Transportation	424,697
Culture and recreation	302,591
Total depreciation expense - governmental activities	<u>\$ 1,459,694</u>
Business-type Activities:	
Utilities	\$ 1,738,375
Stormwater	446,931
Total depreciation expense - business-type activities	<u>\$ 2,185,306</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 6 - Long-Term Debt:

Capital Equipment Note- Private Placement

On December 12, 2019, the City issued \$569,259, 2.14% fixed rate, Capital Improvement Revenue Note, Series 2019, maturing December 2026, for the purchase of equipment. In the event of default, the noteholder may pursue any available remedy to enforce the payment of principal and interest on the bonds then outstanding. The principal outstanding as of September 30, 2024 totaled \$212,985.

The note is secured by a covenant to budget and appropriate. The total principal and interest remaining to be paid on this series is \$219,879. For the fiscal year, total principal and interest paid was \$87,952.

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	\$ 83,834	\$ 4,117
2026	85,641	2,311
2027	43,510	466
Total	<u>\$ 212,985</u>	<u>\$ 6,894</u>

State Revolving Fund Loan

In December 2015, the City executed a State Revolving Fund Loan agreement DW642000 for the City's drinking water project. The agreement provides for total funding of \$10,787,292 including \$9,159,681 of principal forgiveness. The loan period is for 30 years with an interest rate of 1.08 to 1.34 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$1,703,570. For the fiscal year, total principal and interest paid was \$66,806, and total pledged revenue was \$2,388,586.

In March 2018, the City executed a State Revolving Fund Loan agreement DW642030 for the City's stormwater project. The agreement provides for total funding of \$6,341,855. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The principal remaining to be paid on this series is \$5,145,330. The City used General Fund to pay about 31% of the loan. For the fiscal year, total principal and interest paid was \$321,584, and total pledged revenue was \$2,271,780.

In March 2021, the City executed a State Revolving Fund Loan agreement DW642040 for the City's drinking water design project. The agreement provides for total funding of \$520,261 with \$260,131 of principal forgiveness. The loan period is for 10 years with an interest rate of 1.07 percent. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$192,069. For the fiscal year, total principal and interest paid was \$27,438, and total pledged revenue was \$1,950,196.

In March 2021, the City executed a State Revolving Fund Loan agreement DW642050 for the City's drinking water construction project. The agreement provides for total funding of \$5,695,376. The loan period is for 20 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$4,596,793. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$1,922,758.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 6 - Long-Term Debt (Continued):

State Revolving Fund Loan (Continued)

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's drinking water construction project. The agreement provides for total funding of \$16,250,898 including \$1,763,127 of principal forgiveness. The loan period is for 30 years with no interest. The note is secured by gross revenues from the water and wastewater utilities net of operation and maintenance costs. The total principal and interest remaining to be paid on this series is \$8,310,287. For the fiscal year, there was no principal and interest paid, and total pledged revenue was \$1,922,758.

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

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

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 79,532	\$ -	\$ 469,816	\$ 18,598	\$ 549,348	\$ 18,598
2026	79,532	-	1,100,310	17,750	1,179,842	17,750
2027	79,532	-	1,101,167	16,893	1,180,699	16,893
2028	79,532	-	1,102,034	16,026	1,181,566	16,026
2029	79,532	-	1,102,911	15,149	1,182,443	15,149
2030-2034	397,660	-	5,444,630	63,358	5,842,290	63,358
2035-2039	397,660	-	5,406,376	46,734	5,804,036	46,734
2040-2044	79,169	-	2,356,813	29,905	2,435,982	29,905
2045-2049	-	-	321,945	12,091	321,945	12,091
2050	-	-	33,204	190	33,204	190
Total	<u>\$ 1,272,149</u>	<u>\$ -</u>	<u>\$ 18,439,206</u>	<u>\$ 236,694</u>	<u>\$ 19,711,355</u>	<u>\$ 236,694</u>

Leases

In October 2022, the City entered into a 72 month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$301,063. As of September 30, 2024, the value of the lease liability is \$219,326. The City is required to make monthly fixed payments of \$3,985. The lease has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2024 of \$301,063 with accumulated amortization of \$100,354 is included with lease assets in Note 5. The City has 3 extension option(s), each for 12 months.

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

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2025	\$ 47,118	\$ 6,684
2026	52,013	5,017
2027	57,273	3,179
2028	62,922	1,157
Total	<u>\$ 219,326</u>	<u>\$ 16,037</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 6 - Long-Term Debt (Continued):

SBITA

In October 2022, the City entered into a 38 month subscription for the use of Tyler Incode Software. An initial subscription liability was recorded in the amount of \$141,533. As of September 30, 2024, the value of the subscription liability is \$47,425. The City is required to make annual fixed payments of \$49,028. The subscription has an interest rate of 3.3780%. The value of the right to use asset as of September 30, 2024 of \$243,533 with accumulated amortization of \$153,810 is included with subscription assets in Note 5. This subscription is split 50/50 between governmental activities and the Utility fund.

In January 2023, the City entered into a 57 month subscription for the use of Tyler Saas. An initial subscription liability was recorded in the amount of \$176,520. As of September 30, 2024, the value of the subscription liability is \$105,241. The City is required to make annual fixed payments of \$37,209. The subscription has an interest rate of 3.0043%. The value of the right to use asset as of September 30, 2024 of \$176,520 with accumulated amortization of \$65,034 is included with subscription assets in Note 5.

In December 2022, The City entered into a 60 month subscription for the use of Questica Software. An initial subscription liability was recorded in the amount of \$100,476. As of September 30, 2024, the value of the subscription liability is \$63,291. The City is required to make annual fixed payments of \$19,500. The subscription has an interest rate of 3.4450%. The value of the right to use asset as of September 30, 2024 of \$110,476 with accumulated amortization of \$40,507 is included with subscription assets in Note 5.

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

Year Ending September 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 77,079	\$ 6,143	\$ 23,711	\$ 801	\$ 100,790	\$ 6,944
2026	56,129	3,654	-	-	56,129	3,654
2027	59,038	1,874	-	-	59,038	1,874
Total	<u>\$ 192,246</u>	<u>\$ 11,671</u>	<u>\$ 23,711</u>	<u>\$ 801</u>	<u>\$ 215,957</u>	<u>\$ 12,472</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 6 - Long-Term Debt (Continued):

Long-term liability activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes Payable	\$ 295,051	\$ -	\$ (82,066)	212,985	\$ 83,834
SRF Loan	1,351,805	-	(79,656)	1,272,149	79,532
SBITA Liability	266,939	-	(74,693)	192,246	77,079
Compensated Absences	713,710	87,662	(71,371)	730,001	73,000
Other post employment benefits	221,393	-	(51,667)	169,726	-
Net Pension Liability	15,050,735	81,998	-	15,132,733	-
Governmental activity long-term liabilities	<u>\$ 17,899,633</u>	<u>\$ 169,660</u>	<u>\$ (359,453)</u>	<u>\$ 17,709,840</u>	<u>\$ 313,445</u>
Business-Type Activities					
SRF Loan	\$ 12,488,092	\$ 6,267,851	\$ (316,737)	\$ 18,439,206	\$ 469,693
Lease Liability	261,946	-	(42,620)	219,326	47,118
SBITA Liability	46,650	-	(22,939)	23,711	23,711
Compensated Absences	164,280	42,168	(16,428)	190,020	19,002
Other post employment benefits	61,139	-	(11,212)	49,927	-
Net Pension Liability	2,101,209	-	(158,053)	1,943,156	-
Business-type activity long-term liabilities	<u>\$ 15,123,316</u>	<u>\$ 6,310,019</u>	<u>\$ (567,989)</u>	<u>\$ 20,865,346</u>	<u>\$ 559,524</u>

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

Note 7 - Employee Benefit Plans:

A. Florida Retirement System

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

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

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

In addition to the above benefits, the Deferred Retirement Option Program (DROP) allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants. The employer contribution at fiscal year ended September 30, 2024 is 21.13%.

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

The HIS plan is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. At fiscal year ended September 30, 2024, the contribution rate was 2% of payroll.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

The HIS plan provides monthly payment assistance to retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payment is at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the plan may be amended only by the State Legislature with a change in the Statutes governing the plan.

Contributions - The FRS has many classes of membership. Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 2.00 percent HIS contribution rate, 0.06 percent administrative/educational fee and any applicable UAL rates. These classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2024, are as follows:

Regular Class - members not qualifying for other classes (16.63% [includes 3% employee contribution] from July 1, 2024 through September 30, 2024 and 16.57% [includes 3% employee contribution from October 1, 2023 through June 30, 2024.]

Senior Management Service Class – members of senior management who do not elect the optional annuity retirement program (37.52% [includes 3% employee contribution] from July 1, 2024 through September 30, 2024 and 37.52% [includes 3% employee contribution] from October 1, 2023 through June 30, 2024.)

Special Risk Class – members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (35.79% [includes 3% employee contribution] from July 1, 2024 through September 30, 2024 and 35.67% [includes 3% employee contribution] from October 1, 2023 through June 30, 2024.)

Elected State Officer's Class – certain elected City officials (61.68% [includes 3% employee contribution] from July 1, 2024 through September 30, 2024 and 61.68% [includes 3% employee contribution] from October 1, 2023 through June 30, 2024.)

- 4) Pension Liabilities and Deferred outflows of Resources and Deferred Inflows of Resources Related to Pensions and Health Insurance Subsidy - At September 30, 2024, the City reported a liability of \$13,717,832 for its proportionate share of the FRS Pension Plan's net pension liability and \$3,358,057 for its proportionate share of the HIS Plan net liability. The net pension liabilities were measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liabilities were based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the year ended June 30, 2024. At June 30, 2024, the City's proportionate share was 0.0355 percent and 0.0224 percent, which was an increase (decrease) of 0.0012 percent and 0.0006 percent from its proportionate share of 0.0343 and 0.0218 percent measured as of June 30, 2023 for both the FRS and HIS plans, respectively.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$2,133,421 for the FRS Pension Plan and \$205,343 for the HIS Plan. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,385,869	\$ -	\$ 32,424	\$ 6,448
Change of assumptions	1,880,154	-	59,430	397,551
Net difference between projected and actual earnings on Pension Plan Investments	-	911,758	-	1,214
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	706,273	287,358	216,807	-
City Pension Plan contributions subsequent to the measurement date	459,158	-	43,266	-
Total	<u>\$ 4,431,454</u>	<u>\$ 1,199,116</u>	<u>\$ 351,927</u>	<u>\$ 405,213</u>

The deferred outflows of resources related to FRS \$459,158 and HIS \$43,266 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported for the Plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FRS		HIS	
Fiscal Year Ending September 30:	Amount Recognized	Fiscal Year Ending September 30:	Amount Recognized
2025	\$ (174,903)	2025	\$ 3,523
2026	2,341,489	2026	(13,878)
2027	352,680	2027	(45,408)
2028	109,293	2028	(22,250)
2029	144,621	2029	(13,075)
Thereafter	-	Thereafter	(5,464)

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

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

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increases, average, including inflation	3.50%	3.50%
Investment Rate of Return net of pension plan investment expense, including inflation	6.70%	3.93%
Mortality rates were based	PUB-2010 base table, projected Generational with scale MP-2021	Generational PUB-2010 with projection scale MP-2021

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

The discount rate used to measure the HIS Plan liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. *Florida Retirement System (Continued)*

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash Equivalents	1.00%	3.30%	3.30%	1.10%
Fixed Income	29.00%	5.70%	5.60%	3.90%
Global Equity	45.00%	8.60%	7.00%	18.20%
Real Estate	12.00%	8.10%	6.80%	16.60%
Private Equity	11.00%	12.40%	8.80%	28.40%
Strategic Investments	2.00%	6.60%	6.20%	8.70%
Total	100.00%			
Assumed Inflation - Mean			2.40%	1.50%

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

- 8) Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability of the FRS and HIS Plans calculated using the discount rate of 6.70% and 3.93% respectively. Also presented is what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
FRS Plan			
City's Proportionate Share of the Net Pension Liability	\$ 24,129,186	\$ 13,717,832	\$ 4,996,115
	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
HIS Plan			
City's Proportionate Share of the Net Pension Liability	\$ 3,822,716	\$ 3,358,057	\$ 2,972,314

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 7 - Employee Benefit Plans (Continued):

A. Florida Retirement System (Continued)

Contributions:

The City's contributions, including employee contributions, to the Pension Plan totaled \$2,038,946 and to the HIS Plan \$192,391 for the fiscal year ended September 30, 2024.

Payables:

At September 30, 2024, the City reported a payable in the amount of \$131,250 to the Pension Plan and \$0 to the HIS Plan for outstanding contributions.

Expense:

The City's Investment Plan pension expense totaled \$442,203 for the fiscal year ended September 30, 2024.

Aggregates

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
FRS Pension Plan	\$ (13,717,832)	\$ (1,199,116)	\$ 4,431,454	\$ 2,133,421
HIS Pension Plan	(3,358,057)	(405,213)	351,927	205,343
	<u>\$ (17,075,889)</u>	<u>\$ (1,604,329)</u>	<u>\$ 4,783,381</u>	<u>\$ 2,338,764</u>

B. Deferred Compensation Plan

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

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 8 - Interfund Balances and Transfers:

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year ended September 30, 2024 consisted of the following:

Transfers In			
Transfers Out:	General Fund	Building Safety Fund	Total
Utilities Enterprise Fund	\$ 330,525	\$ -	\$ 330,525
Solid Waste	53,150	-	53,150
General Fund	-	5,000	5,000
Streetlighting District Fund	1,142	-	1,142
Kentucky Ave SAD Fund	124,120	-	124,120
	<u>\$ 508,937</u>	<u>\$ 5,000</u>	<u>\$ 513,937</u>

Purpose:

The transfer of \$1,142 from the Streetlighting District fund to the General Fund is to cover the administrative costs associated with administering the two streetlighting districts.

The transfer of \$53,150 from the Solid Waste Fund to the General Fund is the annual 10% franchise fee on residential solid waste.

The transfer of \$330,525 from the Utilities Enterprise Fund to the General Fund is to cover administrative costs including the city manager's and other general government employees' salaries and other unallocated costs.

The transfer of \$124,120 from the Kentucky Ave SAD fund to the General fund returns unspent construction funds previously contributed by the General Fund for the related road project.

The transfer of \$5,000 from the General fund to the Building Safety fund is for administrative costs including the general operating costs of building division .

The general fund has advanced the CRA fund \$1,242,982 to cover capital improvements funded by the City's SRF Loan. The CRA fund will repay the general fund amounts equal to the annual debt service on the loan, provided the CRA fund has sufficient incremental tax revenues.

The general fund has advanced the Kentucky Ave SAD fund \$604,943 to cover capital improvements. The Kentucky Ave SAD fund will repay the general fund amounts equal to the annual assessments received.

Note 9 - Fund Balance:

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

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The City had total nonspendable fund balance of \$1,950,958 in the general fund, with \$103,033 consisting of prepaid items, and \$1,847,925 which consists of advances to other funds. The Community Redevelopment Fund and the Building Safety Fund had nonspendable fund balances of \$127 and \$883, respectively, consisting of prepaid items.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 9 - Fund Balance (Continued):

Restricted - amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The City had restricted fund balance of \$1,425,013, which consists of \$32,485 at September 30, 2024 restricted for the Forfeiture Fund related expenditures; \$4,311 for streetlight district assessments; \$99,784 for Solid Waste assessments; \$234,360 for Tree bank fund; \$383 for Building Safety; \$974,034 for Community Redevelopment Fund and \$79,656 restricted for debt service in the general fund.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the City's highest level of decision-making authority. The City Council addresses these commitments through formal board action, such as, the adoption of a resolution or by motion prior to the City's fiscal year end. Both actions (resolution or motion) are equally binding. The City had committed fund balance at September 30, 2024 of \$2,614,570 related to the Impact Fee approved capital activity, and \$1,585,148 related to General Fund reserves.

Assigned - amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assignments can be made by the City Council. The City had assigned fund balance of \$15,295,103 at September 30, 2024. City Council has assigned fund balance of \$9,439,347 for various capital improvements, which have been reappropriated from fund balance in the subsequent year's budget. The City Council may also assign fund balance as it does when, fund balance is appropriated, to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget, which amounted to \$5,855,756 at September 30, 2024.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative fund balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. At September 30, 2024, the Kentucky Avenue SAD Fund had a deficit fund balance of \$604,943.

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

Note 10 - Commitments and Contingencies:

The City has a contract with Volusia County whereby Volusia County has agreed to provide a wastewater treatment and disposal system for the benefit of the City. This contract remains in effect until 2039, at which time the contract can be extended for additional ten-year terms. The fee for this service is established by Volusia County. The City's annual expense related to this contract for the year ended September 30, 2024 was approximately \$1,329,000.

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

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

The City has various in progress commitments in Governmental Funds and Enterprise Funds which amounted to approximately \$7,332,189 at September 30, 2024.

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

Note 11 - Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settled claims have not exceeded the specified commercial coverage limitations for the past three years. There have been no significant reductions in insurance coverage from the past year.

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

Plan Description

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

As of October 1, 2023, the valuation date, there were 127 active employees and 5 inactive employees currently receiving benefits. The OPEB liability of \$219,653 was measured as of September 30, 2024. The covered payroll was \$7,885,514, and the ratio of Net OPEB liability as a percentage of covered payroll was 2.79%.

Summary of Actuarial Methods and Assumptions:

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

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

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

Initial Health Care Cost Trend Rate	7.0%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2039
Valuation Date	October 1, 2023
Measurement Date	September 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.06%
Inflation Rate	3%
Salary Rate Increase	4%

* S&P Municipal Bond 20-year high-grade rate index as of September 30, 2024

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2023, to September 30, 2024.

	Total OPEB Liability
Balance as of 9/30/2023	\$ 282,532
Changes for the year:	
Service Cost	11,664
Interest on Total OPEB Liability	13,596
Difference Between Expected and Actual Experience	(53,153)
Changes of Assumptions and Other Inputs	(28,270)
Benefit Payments	(6,716)
Net Changes	\$ (62,879)
Balance as of 9/30/2024	<u>\$ 219,653</u>

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

	Decrease 3.06%	Discount Rate 4.06%	Increase 5.06%
Total OPEB Liability	\$ 234,306	\$ 219,653	\$ 205,335

The following presents the total liability of the city using the 2023 healthcare cost trend rate of 4.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 196,195	\$ 219,653	\$ 247,491

For the fiscal year ended September 30, 2024, the City had OPEB expense of \$17,155 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 34,732	\$ 49,095
Changes of assumptions	53,269	108,302
Total	<u>\$ 88,001</u>	<u>\$ 157,397</u>

CITY OF ORANGE CITY, FLORIDA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2024

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

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

<u>Fiscal Year Ending September 30,</u>	
2025	\$ (8,105)
2026	(8,105)
2027	(8,105)
2028	(6,188)
2029	(4,172)
Thereafter	(34,721)

Summary of Benefits:

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

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

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

Note 13 - Subsequent Events:

Subsequent to year end, the City drew funds on the State Revolving Fund Loan of approximately \$715,000.

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2024

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2024

Retiree Continuation Insurance Plan

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

Last Ten Fiscal Years*

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability							
Service cost	\$ 11,664	\$ 13,359	\$ 19,294	\$ 20,540	\$ 15,966	\$ 13,001	\$ 12,567
Interest	13,596	12,507	5,678	4,641	6,047	5,467	5,864
Differences between expected and actual experience	(53,153)	-	39,634	-	5,929	-	(715)
Changes of assumptions	(28,270)	(1,993)	(28,849)	(4,676)	18,429	970	(17,460)
Benefit Payments (1)	(6,716)	(7,063)	(7,387)	-	-	(1,448)	(1,592)
Other changes	-	-	-	-	1,423	161	(23,595)
Net change in total OPEB liability	(62,879)	16,810	28,370	20,505	47,794	18,151	(24,931)
Total OPEB liability, beginning	282,532	265,722	237,352	216,848	169,054	150,903	175,834
Total OPEB liability, ending	<u>\$ 219,653</u>	<u>\$ 282,532</u>	<u>\$ 265,722</u>	<u>\$ 237,353</u>	<u>\$ 216,848</u>	<u>\$ 169,054</u>	<u>\$ 150,903</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 7,885,514	\$ 6,555,267	\$ 6,310,190	\$ 6,184,006	\$ 6,184,006	\$ 5,930,325	\$ 5,930,325
Net OPEB liability as a percentage of covered-employee payroll	2.79%	4.31%	4.21%	3.84%	3.51%	2.85%	2.54%

Notes to Schedule:

(1) Includes the Implicit Rate Subsidy.

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

*Only 7 years of data available; additional years' information will be displayed as it becomes available

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

September 30, 2024

Florida Retirement System (FRS) Last 10 Fiscal Years					
	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0355%	\$ 13,717,832	\$ 7,570,166	181.21%	83.70%
2023	0.0343%	13,682,145	7,216,302	189.60%	82.38%
2022	0.0322%	11,990,016	6,342,352	189.05%	82.89%
2021	0.0320%	2,413,582	5,981,195	40.35%	96.40%
2020	0.0350%	15,184,345	6,965,227	218.00%	78.85%
2019	0.0350%	12,061,694	6,667,182	180.91%	82.61%
2018	0.0344%	10,359,566	6,430,153	161.11%	84.26%
2017	0.0336%	9,952,908	5,978,287	166.48%	83.89%
2016	0.0311%	7,849,063	5,378,013	145.95%	84.88%
2015	0.0278%	3,593,934	5,122,792	70.16%	92.00%

Health Insurance Subsidy (HIS) Last 10 Fiscal Years*					
	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0224%	\$ 3,358,057	\$ 7,570,166	44.36%	4.80%
2023	0.0218%	3,469,799	7,216,302	48.08%	4.12%
2022	0.0204%	2,165,981	6,342,352	34.15%	4.81%
2021	0.0201%	2,468,927	5,981,195	41.28%	3.56%
2020	0.0200%	2,447,865	6,965,227	35.14%	3.00%
2019	0.0199%	2,230,546	6,667,182	33.46%	2.63%
2018	0.0197%	2,083,710	6,430,153	32.41%	2.15%
2017	0.0187%	2,004,239	5,978,287	33.53%	1.64%
2016	0.0174%	2,030,081	5,378,013	37.75%	0.97%
2015	0.0169%	1,722,059	5,122,792	33.62%	0.50%

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

CITY OF ORANGE CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY

September 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 2,038,946	\$ 1,694,150	\$ 1,405,256	\$ 1,269,045	\$ 1,160,660	\$ 1,107,972	\$ 1,009,475	\$ 894,145	\$ 830,349	\$ 678,390
Contributions in Relation to the Contractually Required Contribution	(2,038,946)	(1,694,150)	(1,405,256)	(1,269,045)	(1,160,660)	(1,107,972)	(1,009,475)	(894,145)	(830,349)	(678,390)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 7,604,095	\$ 7,214,635	\$ 6,375,116	\$ 6,087,333	\$ 6,955,918	\$ 6,731,102	\$ 5,930,325	\$ 6,285,736	\$ 5,378,013	\$ 5,122,792
Contributions as a Percentage of Covered Payroll	26.81%	23.48%	22.04%	20.85%	16.69%	16.46%	17.02%	14.22%	15.44%	13.24%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 192,391	\$ 151,300	\$ 124,494	\$ 120,363	\$ 115,375	\$ 111,757	\$ 107,706	\$ 102,265	\$ 94,886	\$ 64,547
Contributions in Relation to the Contractually Required Contribution	(192,391)	(151,300)	(124,494)	(120,363)	(115,375)	(111,757)	(107,706)	(102,265)	(94,886)	(64,547)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 7,604,095	\$ 7,214,635	\$ 6,375,116	\$ 6,087,333	\$ 6,955,918	\$ 6,731,102	\$ 5,930,325	\$ 6,285,736	\$ 5,378,013	\$ 5,122,792
Contributions as a Percentage of Covered Payroll	2.53%	2.10%	1.95%	1.98%	1.66%	1.66%	1.82%	1.63%	1.76%	1.26%

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

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON GENERAL FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 7,358,767	\$ 7,287,967	\$ 7,288,068	\$ 101
Franchise Fees	1,526,800	1,526,800	1,663,574	136,774
Local Option Gas Tax	226,000	226,000	263,392	37,392
Utility Service Taxes	2,193,000	2,253,000	2,365,056	112,056
Fees and Fines	36,750	36,750	76,711	39,961
Licenses and Permits	191,000	191,000	173,672	(17,328)
Intergovernmental	1,814,503	3,178,835	1,878,408	(1,300,427)
Charges for Services	169,343	169,343	159,429	(9,914)
Investment Earnings	500,000	775,803	1,395,859	620,056
Contractual - DeBary Fire	2,240,676	2,190,276	2,190,276	-
Miscellaneous	211,087	339,297	403,009	63,712
Total revenues	<u>16,467,926</u>	<u>18,175,071</u>	<u>17,857,454</u>	<u>(317,617)</u>
EXPENDITURES:				
Current:				
General Government:				
City Council	258,163	300,638	255,976	44,662
Administration	1,087,252	1,107,252	1,105,074	2,178
City Clerk	307,714	327,938	320,597	7,341
Finance	516,534	537,134	599,008	(61,874)
Development Services	555,346	561,670	474,867	86,803
General Government	949,510	1,323,243	857,633	465,610
Fleet & Facilities	1,199,726	1,576,236	1,040,750	535,486
Public Safety:				
Police	4,183,948	5,595,222	4,676,080	919,142
Fire	3,523,552	4,501,696	3,679,049	822,647
DeBary Fire Services	1,988,697	1,938,297	1,618,139	320,158
Emergency and Disaster Relief	-	31,420	23,211	8,209
Transportation	1,264,720	3,968,809	1,635,517	2,333,292
Culture and Recreation:				
Parks Maintenance	1,094,777	1,156,515	859,602	296,913
Total expenditures	<u>16,929,939</u>	<u>22,926,070</u>	<u>17,145,503</u>	<u>5,780,567</u>
Excess (deficiency) of revenues over expenditures	<u>(462,013)</u>	<u>(4,750,999)</u>	<u>711,951</u>	<u>5,462,950</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	522,149	522,149	508,937	(13,212)
Transfers Out	(60,136)	(36,136)	(5,000)	31,136
Total other financing sources (uses)	<u>462,013</u>	<u>486,013</u>	<u>503,937</u>	<u>17,924</u>
Net change in fund balances	-	(4,264,986)	1,215,888	5,480,874
Fund Balances, beginning of year	<u>25,148,471</u>	<u>25,148,471</u>	<u>25,148,471</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 25,148,471</u>	<u>\$ 20,883,485</u>	<u>\$ 26,364,359</u>	<u>\$ 5,480,874</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
IMPACT FEE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Police Impact Fees	\$ 12,500	\$ 12,500	\$ 10,136	\$ (2,364)
Fire Impact Fees	17,500	17,500	24,398	6,898
Transportation Impact Fees	22,500	22,500	162,712	140,212
Community Park Impact Fees	7,500	7,500	44,366	36,866
Investment Earnings	-	-	49,672	49,672
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>291,284</u>	<u>231,284</u>
EXPENDITURES:				
Current:				
Public Safety:				
Police	53,256	53,256	51,835	1,421
Fire	93,900	93,900	74,841	19,059
Transportation	170,000	639,462	22,059	617,403
Culture and Recreation:				
Parks Maintenance	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>567,156</u>	<u>1,036,618</u>	<u>148,735</u>	<u>887,883</u>
Excess (deficiency) of revenues over expenditures	<u>(507,156)</u>	<u>(976,618)</u>	<u>142,549</u>	<u>1,119,167</u>
Net change in fund balances	<u>(507,156)</u>	<u>(976,618)</u>	<u>142,549</u>	<u>1,119,167</u>
Fund Balances, beginning of year	<u>2,472,021</u>	<u>2,472,021</u>	<u>2,472,021</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,964,865</u>	<u>\$ 1,495,403</u>	<u>\$ 2,614,570</u>	<u>\$ 1,119,167</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
CRA - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 979,466	\$ 896,161	\$ 897,962	\$ 1,801
Investment Earnings	-	-	54,986	54,986
Total revenues	<u>979,466</u>	<u>896,161</u>	<u>952,948</u>	<u>56,787</u>
EXPENDITURES:				
Current:				
Economic Environment	<u>2,733,334</u>	<u>1,438,081</u>	<u>600,498</u>	<u>837,583</u>
Total expenditures	<u>2,733,334</u>	<u>1,438,081</u>	<u>600,498</u>	<u>837,583</u>
Excess (deficiency) of revenues over expenditures	<u>(1,753,868)</u>	<u>(541,920)</u>	<u>352,450</u>	<u>894,370</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(79,660)</u>	<u>(79,660)</u>	-	79,660
Total other financing sources (uses)	<u>(79,660)</u>	<u>(79,660)</u>	-	79,660
Net change in fund balances	<u>(1,833,528)</u>	<u>(621,580)</u>	<u>352,450</u>	<u>974,030</u>
Fund Balances, beginning of year	<u>621,711</u>	<u>621,711</u>	<u>621,711</u>	-
Fund Balances, end of year	<u>\$ (1,211,817)</u>	<u>\$ 131</u>	<u>\$ 974,161</u>	<u>\$ 974,030</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2024

1. Summary of Significant Budget Policies

The City Council annually adopts budgets for the General Fund of the primary government. All appropriations are legally controlled at the fund and department level for the General Fund. On September 26, 2023, the City Council approved the original adopted budget and on November 12, 2024 approved the revised final budget reflected in the financial statements.

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

All major Special Revenue Funds budgets were legally adopted.

2. Material Violations

There were no material violations of the annual appropriated budget for the General Fund for the fiscal year ended September 30, 2024. In addition, there were excesses of budgetary expenditures for the period in the finance department of the general fund, transfers out of the Solid Waste Assessment fund, and transfers out of the Kentucky Ave SAD Assessment fund. These over expenditures were funded by under expenditures in other departments.

3. Budgetary Basis of Accounting

There were no adjustments necessary to convert fund financial statements on the GAAP basis to the budgetary basis:

CITY OF ORANGE CITY, FLORIDA

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

For the Year Ended September 30, 2024

CITY OF ORANGE CITY, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Forfeiture Fund

- This fund is established pursuant to the Florida Contraband Forfeiture Act for the receipts of contraband sales proceeds to be used for law enforcement, excluding normal operating expenditures.

Solid Waste Special Assessment Fund

- The Solid Waste Special Assessment Fund is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to residential solid waste services.

Streetlighting District Fund

- This is a special revenue fund that is used to account for the collection of the special assessment revenue and expenditures related to the Streetlighting Districts.

Kentucky Ave. (SAD) Assessment Fund

- Track activity related to special assessments.

Tree Bank Fund

- Track restricted tree bank revenues.

Building Safety Fund

- Break out building department.

CITY OF ORANGE CITY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Special Revenue Funds						
	Forfeiture Fund	Solid Waste Assessment Fund	Streetlighting District Fund	Kentucky Ave (SAD) Assessment Fund	Tree Bank Fund	Building Safety Fund	Total Funds
ASSETS:							
Cash and cash equivalents	\$ 32,485	\$ 141,854	\$ 5,411	\$ 29,000	\$ 244,360	\$ 50,741	\$ 503,851
Prepaid costs	-	-	-	-	-	883	883
Total assets	<u>\$ 32,485</u>	<u>\$ 141,854</u>	<u>\$ 5,411</u>	<u>\$ 29,000</u>	<u>\$ 244,360</u>	<u>\$ 51,624</u>	<u>\$ 504,734</u>
LIABILITIES:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 42,070	\$ 1,100	\$ 29,000	\$ 10,000	\$ 50,358	\$ 132,528
Due to other funds	-	-	-	604,943	-	-	604,943
Total liabilities	<u>-</u>	<u>42,070</u>	<u>1,100</u>	<u>633,943</u>	<u>10,000</u>	<u>50,358</u>	<u>737,471</u>
FUND BALANCES:							
Nonspendable	-	-	-	-	-	883	883
Restricted	32,485	99,784	4,311	-	234,360	383	371,323
Unassigned	-	-	-	(604,943)	-	-	(604,943)
Total fund balances	<u>32,485</u>	<u>99,784</u>	<u>4,311</u>	<u>(604,943)</u>	<u>234,360</u>	<u>1,266</u>	<u>(232,737)</u>
Total liabilities and fund balances	<u>\$ 32,485</u>	<u>\$ 141,854</u>	<u>\$ 5,411</u>	<u>\$ 29,000</u>	<u>\$ 244,360</u>	<u>\$ 51,624</u>	<u>\$ 504,734</u>

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

	Special Revenue Funds						
	Forfeiture Fund	Solid Waste Assessment Fund	Streetlighting District Fund	Kentucky Ave (SAD) Assessment Fund	Tree Bank Fund	Building Safety Fund	Total Funds
REVENUES:							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524,519	\$ 524,519
Special assessments	-	531,504	12,608	59,273	-	-	603,385
Investment earnings	625	6,282	212	-	5,201	1,937	14,257
Miscellaneous	-	-	-	-	-	1,383	1,383
Total revenues	625	537,786	12,820	59,273	5,201	527,839	1,143,544
EXPENDITURES:							
Current:							
General government	-	467,508	-	-	-	-	467,508
Public safety	-	-	-	-	-	550,039	550,039
Transportation	-	-	12,580	-	39,500	-	52,080
Debt Service							
Principal	-	-	-	-	-	17,035	17,035
Interest and other charges	-	-	-	-	-	1,569	1,569
Capital Outlay	-	-	-	855,676	-	-	855,676
Total expenditures	-	467,508	12,580	855,676	39,500	568,643	1,943,907
Excess (deficiency) of revenues over expenditures	625	70,278	240	(796,403)	(34,299)	(40,804)	(800,363)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	5,000	5,000
Transfers out	-	(53,150)	(1,142)	(124,120)	-	-	(178,412)
Total other financing sources (uses)	-	(53,150)	(1,142)	(124,120)	-	5,000	(173,412)
Net change in fund balances	625	17,128	(902)	(920,523)	(34,299)	(35,804)	(973,775)
Fund Balances, beginning of year	31,860	82,656	5,213	315,580	268,659	37,070	741,038
Fund Balances, end of year	\$ 32,485	\$ 99,784	\$ 4,311	\$ (604,943)	\$ 234,360	\$ 1,266	\$ (232,737)

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
FORFEITURE FUND - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 625	\$ 625
Total revenues	-	-	625	625
EXPENDITURES:				
Current:				
Public Safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	625	625
Net change in fund balance	-	-	625	625
Fund Balances, beginning of year	31,860	31,860	31,860	-
Fund Balances, end of year	<u>\$ 31,860</u>	<u>\$ 31,860</u>	<u>\$ 32,485</u>	<u>\$ 625</u>

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Residential Assessments	\$ 517,286	\$ 517,286	\$ 520,510	\$ 3,224
New Homes	2,500	2,500	10,994	8,494
Investment Earnings	-	-	6,282	6,282
Total revenues	519,786	519,786	537,786	18,000
EXPENDITURES:				
Current:				
Operating Expenditures	504,995	504,995	467,508	37,487
Total expenditures	504,995	504,995	467,508	37,487
Excess (deficiency) of revenues over expenditures	14,791	14,791	70,278	55,487
OTHER FINANCING SOURCES (USES):				
Transfers out	(50,701)	(50,701)	(53,150)	(2,449)
Total other financing sources (uses)	(50,701)	(50,701)	(53,150)	(2,449)
Net change in fund balance	(35,910)	(35,910)	17,128	53,038
Fund Balances, beginning of year	82,656	82,656	82,656	-
Fund Balances, end of year	\$ 46,746	\$ 46,746	\$ 99,784	\$ 53,038

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
STREETLIGHTING DISTRICT - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Special Assessments	\$ 12,624	\$ 12,624	\$ 12,608	\$ (16)
Investment Earnings	-	-	212	212
Total revenues	<u>12,624</u>	<u>12,624</u>	<u>12,820</u>	<u>196</u>
EXPENDITURES:				
Current:				
Transportation	<u>14,215</u>	<u>14,215</u>	<u>12,580</u>	<u>1,635</u>
Total expenditures	<u>14,215</u>	<u>14,215</u>	<u>12,580</u>	<u>1,635</u>
Excess (deficiency) of revenues over expenditures	<u>(1,591)</u>	<u>(1,591)</u>	<u>240</u>	<u>1,831</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,262)</u>	<u>(1,262)</u>	<u>(1,142)</u>	<u>120</u>
Total other financing sources (uses)	<u>(1,262)</u>	<u>(1,262)</u>	<u>(1,142)</u>	<u>120</u>
Net change in fund balance	(2,853)	(2,853)	(902)	1,951
Fund Balances, beginning of year	<u>5,213</u>	<u>5,213</u>	<u>5,213</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 2,360</u>	<u>\$ 2,360</u>	<u>\$ 4,311</u>	<u>\$ 1,951</u>

CITY OF ORANGE CITY, FLORIDA

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

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Special Assessments	\$ 60,000	\$ 60,000	\$ 59,273	\$ (727)
Total revenues	60,000	60,000	59,273	(727)
EXPENDITURES:				
Current:				
Transportation	-	979,796	855,676	124,120
Total expenditures	-	979,796	855,676	124,120
Excess (deficiency) of revenues over expenditures	60,000	(919,796)	(796,403)	123,393
OTHER FINANCING SOURCES (USES):				
Transfers out	(60,000)	(60,000)	(124,120)	(64,120)
Total other financing sources (uses)	(60,000)	(60,000)	(124,120)	(64,120)
Net change in fund balances	-	(979,796)	(920,523)	59,273
Fund Balances, beginning of year	315,580	315,580	315,580	-
Fund Balances, end of year	\$ 315,580	\$ (664,216)	\$ (604,943)	\$ 59,273

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
TREE BANK - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and Permits	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Investment Earnings	-	-	5,201	5,201
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>5,201</u>	<u>(4,799)</u>
EXPENDITURES:				
Current:				
Public safety	-	63,550	39,500	24,050
Total expenditures	<u>-</u>	<u>63,550</u>	<u>39,500</u>	<u>24,050</u>
Excess (deficiency) of revenues over expenditures	<u>10,000</u>	<u>(53,550)</u>	<u>(34,299)</u>	<u>19,251</u>
Net change in fund balances	10,000	(53,550)	(34,299)	19,251
Fund Balances, beginning of year	<u>268,659</u>	<u>268,659</u>	<u>268,659</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 278,659</u>	<u>\$ 215,109</u>	<u>\$ 234,360</u>	<u>\$ 19,251</u>

CITY OF ORANGE CITY, FLORIDA

BUDGET TO ACTUAL COMPARISON
BUILDING SAFETY - SPECIAL REVENUE FUND

For the Year Ended September 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ 480,000	\$ 524,000	\$ 524,519	\$ 519
Investment Earnings	-	-	1,937	1,937
Miscellaneous	-	-	1,383	1,383
Total revenues	<u>480,000</u>	<u>524,000</u>	<u>527,839</u>	<u>3,839</u>
EXPENDITURES:				
Current:				
Building Division	<u>540,136</u>	<u>576,387</u>	<u>568,643</u>	<u>7,744</u>
Total expenditures	<u>540,136</u>	<u>576,387</u>	<u>568,643</u>	<u>7,744</u>
Excess (deficiency) of revenues over expenditures	<u>(60,136)</u>	<u>(52,387)</u>	<u>(40,804)</u>	<u>11,583</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>60,136</u>	<u>36,136</u>	<u>5,000</u>	<u>(31,136)</u>
Total other financing sources (uses)	<u>60,136</u>	<u>36,136</u>	<u>5,000</u>	<u>(31,136)</u>
Net change in fund balances	-	(16,251)	(35,804)	(19,553)
Fund Balances, beginning of year	<u>37,070</u>	<u>37,070</u>	<u>37,070</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 37,070</u>	<u>\$ 20,819</u>	<u>\$ 1,266</u>	<u>\$ (19,553)</u>

STATISTICAL SECTION



CITY OF ORANGE CITY, FLORIDA

STATISTICAL SECTION

For the Year Ended September 30, 2024

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

CONTENTS

TABLES

Financial Trends

1 through 4

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

Revenue Capacity

5 through 8

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

Debt Capacity

9 through 11

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

Demographic and Economic Information

12 through 13

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

Operating Information

14 through 16

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

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

CITY OF ORANGE CITY, FLORIDA

TABLE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Prepared on the accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 6,823,702	\$ 7,652,289	\$ 8,614,451	\$ 8,986,632	\$ 10,080,529	\$ 9,625,706	\$ 9,119,370	\$ 11,121,269	\$ 11,545,757	\$ 12,978,595
Restricted	557,372	646,346	628,049	1,047,126	1,005,201	1,602,000	1,895,848	2,492,007	3,831,770	3,940,685
Unrestricted	4,832,747	3,522,587	249,665	(25,867)	250,156	1,161,600	4,975,564	11,024,444	12,119,311	13,347,155
Total governmental activities net position	\$12,213,821	\$11,821,222	\$ 9,492,165	\$10,007,891	\$ 11,335,886	\$ 12,389,306	\$ 15,990,782	\$ 24,637,720	\$ 27,496,838	\$ 30,266,435
Business-type activities										
Net investment in capital assets	\$ 7,616,441	\$10,283,233	\$ 16,076,379	\$20,963,248	\$ 24,351,126	\$ 24,138,415	\$ 24,536,284	\$ 25,369,116	\$ 29,688,120	\$ 32,136,779
Restricted	285,000	295,000	310,000	320,000	330,000	594,746	645,366	281,567	320,320	4,798,452
Unrestricted	4,030,677	3,291,079	4,048,384	5,008,520	5,019,856	7,584,339	10,232,996	12,404,966	10,867,866	7,636,191
Total business-type activities net position	\$11,932,118	\$13,869,312	\$ 20,434,763	\$26,291,768	\$ 29,700,982	\$ 32,317,500	\$ 35,414,646	\$ 38,055,649	\$ 40,876,306	\$ 44,571,422
Primary government										
Net investment in capital assets	\$14,440,143	\$17,935,522	\$ 24,690,830	\$29,949,880	34,431,655	33,764,121	33,655,654	36,490,385	41,233,877	45,115,374
Restricted	842,372	941,346	938,049	1,367,126	1,335,201	2,196,746	2,541,214	2,773,574	4,152,090	8,739,137
Unrestricted	8,863,424	6,813,666	4,298,049	4,982,653	5,270,012	8,745,939	15,208,560	23,429,410	22,987,177	20,983,346
Total primary government net position	\$24,145,939	\$25,690,534	\$ 29,926,928	\$36,299,659	\$ 41,036,868	\$ 44,706,806	\$ 51,405,428	\$ 62,693,369	\$ 68,373,144	\$ 74,837,857

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

Expenses	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 2,567,621	\$ 3,012,446	\$ 2,637,169	\$ 2,794,659	\$ 3,188,748	\$ 3,300,566	\$ 2,945,936	\$ 3,488,881	\$ 4,029,736	\$ 5,169,382
Public safety	5,108,840	6,247,281	7,045,247	8,125,224	8,853,471	9,304,186	7,376,700	8,852,404	10,663,374	10,123,755
Transportation	1,196,175	1,508,542	1,107,884	1,611,000	1,920,073	2,153,632	1,842,482	1,778,663	2,173,905	1,410,532
Culture and recreation	537,128	541,844	1,265,752	693,156	652,902	634,319	744,382	968,556	1,041,712	1,044,764
Economic environment	-	-	10,822	12,046	14,158	24,693	14,956	250,917	49,750	28,250
Interest on long-term debt	8,358	-	-	-	-	9,086	44,879	9,311	12,752	29,475
Total governmental activities expenses	9,418,122	11,310,113	12,066,874	13,236,085	14,629,352	15,426,482	12,969,335	15,348,732	17,971,229	17,806,158
Business-type activities:										
Water and wastewater system	3,337,193	3,577,722	3,881,259	4,048,452	4,163,674	5,008,858	5,750,227	6,308,740	7,115,921	7,597,304
Stormwater	-	78,101	102,091	221,775	352,153	433,037	515,948	664,005	1,058,321	857,166
Total business-type activities expenses	3,337,193	3,655,823	3,983,350	4,270,227	4,515,827	5,441,895	6,266,175	6,972,745	8,174,242	8,454,470
Total primary government expenses	\$ 12,755,315	\$ 14,965,936	\$ 16,050,224	\$ 17,506,312	\$ 19,145,179	\$ 20,868,377	\$ 19,235,510	\$ 22,321,477	\$ 26,145,471	\$ 26,260,628
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,579,408	2,327,456	2,417,373	2,485,552	3,056,020	3,266,574	3,376,431	3,488,312	3,310,772	2,994,079
Public safety	1,538,576	1,732,887	1,799,228	1,838,168	1,942,570	2,041,877	2,171,911	2,356,139	2,364,361	2,516,383
Transportation	344,900	366,401	391,186	422,213	444,213	406,037	474,825	611,296	1,173,156	739,021
Culture and recreation	24,061	76,571	40,265	30,512	38,139	18,394	20,760	34,797	43,467	34,571
Operating grants and contributions	994,570	85,438	113,316	491,300	831,487	1,220,285	331,168	6,842,726	739,494	285,686
Capital grants and contributions	-	114,297	154,178	432,918	903,831	203,543	161,257	49,200	65,661	6,183
Total governmental activities program revenues	5,481,515	4,703,050	4,915,546	5,700,663	7,216,260	7,156,710	6,536,352	13,382,470	7,696,911	6,575,923
Business-type activities:										
Charges for services:										
Water and wastewater system	4,176,905	4,440,775	4,574,779	4,541,038	4,848,397	5,915,616	6,908,121	7,344,386	7,827,655	8,167,143
Stormwater	-	553,682	580,751	609,144	628,135	687,590	720,542	777,099	821,319	871,087
Operating grants and contributions	28,935	148,118	-	-	-	-	-	-	290,942	-
Capital grants and contributions	-	314,435	3,456,591	5,239,319	2,705,959	1,717,117	2,011,558	1,321,014	2,115,665	3,014,982
Total business-type activities program revenues	4,205,840	5,457,010	8,612,121	10,389,501	8,182,491	8,320,323	9,640,221	9,442,499	11,055,581	12,053,212
Total primary government program revenues	9,687,355	10,160,060	13,527,667	16,090,164	15,398,751	15,477,033	16,176,573	22,824,969	18,752,492	18,629,135

CHANGES IN NET POSITION

Continued

LAST TEN FISCAL YEARS

(Prepared on the accrual basis of accounting)

Net (Expense)/Revenue	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities	(3,936,607)	(6,607,063)	(7,151,328)	(7,535,422)	(7,413,092)	(8,269,772)	(6,432,983)	(1,966,262)	(10,274,318)	(11,230,235)
Business-type activities	868,647	1,801,187	4,628,771	6,119,274	3,666,664	2,878,428	3,374,046	2,469,754	2,881,339	3,598,742
Total primary government net expense	<u>\$ (3,067,960)</u>	<u>\$ (4,805,876)</u>	<u>\$ (2,522,557)</u>	<u>\$ (1,416,148)</u>	<u>\$ (3,746,428)</u>	<u>\$ (5,391,344)</u>	<u>\$ (3,058,937)</u>	<u>\$ 503,492</u>	<u>\$ (7,392,979)</u>	<u>\$ (7,631,493)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,835,377	3,992,652	4,289,865	5,025,511	5,420,268	5,910,975	6,488,502	7,058,750	7,904,965	8,186,030
Local option gas and use tax	194,547	210,491	222,898	230,519	227,464	245,357	231,451	216,863	229,699	263,392
Utility service taxes	1,451,019	1,450,946	1,452,492	1,548,629	1,811,278	1,892,751	1,982,187	2,104,883	2,356,583	2,365,056
State sales tax	584,986	620,006	679,175	808,666	840,898	792,650	938,679	1,065,567	1,151,125	1,131,015
Unrestricted investment earnings	10,781	9,140	18,247	29,390	41,000	46,457	10,465	86,011	902,206	1,514,774
Miscellaneous	68,351	58,487	89,855	111,777	132,373	157,823	92,138	202,297	271,045	209,070
Transfers	159,900	(127,258)	(1,930,261)	258,750	267,806	277,179	291,037	(121,171)	317,813	330,525
Total governmental activities	<u>6,304,961</u>	<u>6,214,464</u>	<u>4,822,271</u>	<u>8,013,242</u>	<u>8,741,087</u>	<u>9,323,192</u>	<u>10,034,459</u>	<u>10,613,200</u>	<u>13,133,436</u>	<u>13,999,862</u>
Business-type activities:										
Investment earnings	4,087	1,172	1,582	1,582	2,001	10,910	3,838	28,476	207,874	418,992
Miscellaneous	-	7,577	4,837	28,307	8,355	4,359	10,299	16,133	45,757	7,907
Gain on disposal	-	-	-	-	-	-	-	5,469	3,500	-
Transfers	(159,900)	127,258	1,930,261	(258,750)	(267,806)	(277,179)	(291,037)	121,171	(317,813)	(330,525)
Total business-type activities	<u>(155,813)</u>	<u>136,007</u>	<u>1,936,680</u>	<u>(228,861)</u>	<u>(257,450)</u>	<u>(261,910)</u>	<u>(276,900)</u>	<u>171,249</u>	<u>(60,682)</u>	<u>96,374</u>
Total primary government	6,149,148	6,350,471	6,758,951	7,784,381	8,483,637	9,061,282	9,757,559	10,784,449	13,072,754	14,096,236
Change in Net Position										
Functions and Programs										
Governmental activities	2,368,354	(392,599)	(2,329,057)	477,820	1,327,995	1,053,420	3,601,476	8,646,938	2,859,118	2,769,627
Business-type activities	712,834	1,937,194	6,565,451	5,890,413	3,409,214	2,616,518	3,097,146	2,641,003	2,820,657	3,695,116
Total primary government	<u>\$ 3,081,188</u>	<u>\$ 1,544,595</u>	<u>\$ 4,236,394</u>	<u>\$ 6,368,233</u>	<u>\$ 4,737,209</u>	<u>\$ 3,669,938</u>	<u>\$ 6,698,622</u>	<u>\$ 11,287,941</u>	<u>\$ 5,679,775</u>	<u>\$ 6,464,743</u>

CITY OF ORANGE CITY, FLORIDA

TABLE 3

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

	<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	\$ 120,242	\$ 87,800	\$ 103,117	\$ 100,666	\$ 103,333	\$ 1,498,826	\$ 1,501,536	\$ 1,446,204	\$ 2,109,537
Restricted	-	-	-	79,287	-	54,994	79,532	54,994	79,656
Committed	-	-	-	-	-	-	-	-	-
Assigned	1,354,722	694,077	1,053,781	342,677	490,799	1,369,591	1,104,551	1,085,206	10,462,669
Unassigned	8,542,451	8,633,352	5,784,872	7,140,432	9,249,870	10,876,990	13,529,117	19,555,032	12,496,609
Total general fund	<u>\$ 10,017,415</u>	<u>\$ 9,415,229</u>	<u>\$ 6,941,770</u>	<u>\$ 7,663,062</u>	<u>\$ 9,844,002</u>	<u>\$ 13,800,401</u>	<u>\$ 16,214,736</u>	<u>\$ 22,141,436</u>	<u>\$ 25,148,471</u>
All other governmental funds									
Nonspendable	-	-	-	-	-	-	-	-	987
Committed	\$ 484,602	\$ 489,942	\$ 603,258	\$ 722,330	\$ 910,518	\$ 1,515,896	\$ 1,786,092	\$ 2,398,587	\$ 2,472,021
Restricted	72,770	157,468	24,791	245,509	94,683	43,509	61,380	102,359	1,361,762
Unassigned	-	-	-	-	-	(919,238)	(514,766)	(133,690)	-
Total all other governmental funds	<u>\$ 557,372</u>	<u>\$ 647,410</u>	<u>\$ 628,049</u>	<u>\$ 967,839</u>	<u>\$ 1,005,201</u>	<u>\$ 640,167</u>	<u>\$ 1,332,706</u>	<u>\$ 2,367,256</u>	<u>\$ 3,834,770</u>

TABLE 4

CITY OF ORANGE CITY, FLORIDA

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

	2015	2016	2017	2018	2019
REVENUES					
Property taxes	\$ 3,835,377	\$ 3,992,652	\$ 4,289,865	\$ 5,025,511	\$ 5,420,268
Franchise fees	1,388,094	1,207,730	1,168,329	1,245,420	1,299,447
Local option gas tax	194,547	210,491	222,898	230,519	227,464
Utility service taxes	1,451,019	1,450,946	1,452,492	1,548,629	1,811,278
Fees and fines	47,595	37,866	26,393	20,288	22,429
Licenses and permits	371,598	469,346	599,236	610,078	1,161,022
Intergovernmental	1,487,484	1,137,065	1,266,730	1,890,546	2,852,431
Impact fees/special assessments	-	-	-	-	-
Charges for services	185,503	462,890	251,914	214,965	594,194
Impact fees	548,300	194,505	483,644	600,372	208,778
Investment earnings	10,781	9,140	18,247	29,390	41,000
Contractual - DeBary Fire and PW	1,373,291	1,438,124	1,545,004	1,650,365	1,703,823
Miscellaneous	332,318	434,017	343,326	389,072	347,407
Total revenues	11,225,907	11,044,772	11,668,078	13,455,155	15,689,541
EXPENDITURES					
Current:					
General government	2,567,062	2,686,782	2,426,057	2,501,028	2,722,333
Public safety	5,089,990	5,549,894	6,054,775	6,932,578	6,927,371
Transportation	1,257,034	1,256,655	1,475,164	1,300,869	1,394,989
Culture and recreation	256,070	289,492	339,410	402,929	418,235
Economic environment	-	-	9,508	10,505	10,970
Debt service:					
Principal	24,036	-	-	-	-
Interest and other charges	8,358	-	-	-	-
Capital outlay	1,444,084	1,680,167	1,925,723	1,504,914	2,541,685
Total expenditures	10,646,634	11,462,990	12,230,637	12,652,823	14,015,583
Excess (deficiency) of revenues over expenditures	579,273	(418,218)	(562,559)	802,332	1,673,958
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	-	-	-
Subscriptions Issued	-	-	-	-	-
Notes payable issued	-	-	-	-	276,538
Transfers in	436,281	273,345	295,479	391,359	322,164
Transfer out	(276,381)	(367,275)	(2,225,740)	(132,609)	(54,358)
Total other financing sources and use:	159,900	(93,930)	(1,930,261)	258,750	544,344
Net change in fund balance	\$ 739,173	\$ (512,148)	\$ (2,492,820)	\$ 1,061,082	\$ 2,218,302
Debt service as a percentage of noncapital expenditures	0.35%	0.00%	0.00%	0.00%	0.00%

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

	2020	2021	2022	2023	2024
REVENUES					
Property taxes	\$ 5,910,975	\$ 6,488,502	\$ 7,058,750	\$ 7,904,965	\$ 8,186,030
Franchise fees	1,268,617	1,343,099	1,431,523	1,680,433	1,663,574
Local option gas tax	245,357	231,451	216,863	229,699	263,392
Utility service taxes	1,892,751	1,982,187	2,104,883	2,356,583	2,365,056
Fees and fines	26,643	47,174	49,157	51,504	76,711
Licenses and permits	1,298,900	1,355,548	1,354,325	888,896	698,191
Intergovernmental	1,976,402	1,613,770	7,944,074	2,601,397	1,878,408
Impact fees/special assessments	-	-	1,133,842	1,084,293	844,997
Charges for services	1,109,906	310,079	263,842	196,277	159,429
Impact fees	299,304	784,191	-	-	-
Investment earnings	46,457	10,465	86,011	902,206	1,514,774
Contractual - DeBary Fire and PW	1,781,752	1,837,621	2,036,683	2,079,835	2,190,276
Miscellaneous	345,659	275,687	436,888	536,446	404,392
Total revenues	16,202,723	16,279,774	24,116,841	20,512,534	20,245,230
EXPENDITURES					
Current:					
General government	2,888,976	3,029,653	3,324,357	3,390,996	4,912,127
Public safety	7,161,324	7,607,346	8,106,621	8,778,620	9,382,818
Transportation	1,441,842	1,445,371	1,656,350	1,750,258	973,269
Culture and recreation	456,326	522,700	686,170	706,285	738,346
Economic environment	21,124	16,804	13,793	17,870	27,641
Debt service:					
Principal	38,249	165,808	158,291	240,809	236,415
Interest and other charges	9,086	44,879	9,311	12,752	23,828
Capital outlay	2,552,529	843,108	3,079,527	1,805,971	3,544,199
Total expenditures	14,569,456	13,675,669	17,034,420	16,703,561	19,838,643
Excess (deficiency) of revenues over expenditures	1,633,267	2,604,105	7,082,421	3,808,973	406,587
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	-	-	-	-	-
Subscriptions Issued	-	-	-	347,763	-
Notes payable issued	1,680,919	211,732	-	-	-
Transfers in	454,928	396,091	403,053	960,742	513,937
Transfer out	(177,749)	(105,054)	(524,224)	(642,929)	(183,412)
Total other financing sources and uses	1,958,098	502,769	(121,171)	665,576	330,525
Net change in fund balance	\$ 3,591,365	\$ 3,106,874	\$ 6,961,250	\$ 4,474,549	\$ 737,112
Debt service as a percentage of noncapital expenditures	0.39%	1.64%	1.20%	1.70%	1.60%

TABLE 5

CITY OF ORANGE CITY, FLORIDA

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

Fiscal Year	Estimated Market Value		Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2015	651,261,340	94,058,070	218,252,303	527,067,107	7.4900
2016	678,491,531	89,179,203	217,673,966	549,996,768	7.4500
2017	723,709,685	87,125,986	222,289,211	588,546,460	7.4500
2018	777,294,578	85,322,431	230,806,662	631,810,347	8.0650
2019	847,820,688	85,876,915	252,691,908	681,005,695	8.0340
2020	946,427,391	89,772,541	281,509,395	754,691,537	7.8332
2021	1,030,026,222	109,713,127	313,073,298	826,666,051	7.8332
2022	1,120,125,760	115,072,550	329,573,886	905,612,230	7.7900
2023	1,258,133,252	134,527,652	367,500,840	1,025,160,064	7.6900
2024	1,435,790,320	146,614,324	428,807,789	1,153,596,855	7.1209

Source: Volusia County Property Appraiser

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

Fiscal Year	City of Orange City, Florida Operating Millage (2)	Overlapping Rates (1)					Total Millage
		Volusia		St. Johns Water Mgmt	FL Inland Nav. District	Hospital Operating & Debt	
		School Board	County				
2015	7.4900	7.3360	7.2709	0.3164	0.0345	1.9237	24.3715
2016	7.4500	7.1970	7.2709	0.3023	0.0320	1.6679	23.9201
2017	7.4500	6.8480	7.0520	0.2885	0.0320	1.5900	23.2605
2018	8.0650	6.5200	7.0520	0.2724	0.0320	2.3660	24.3074
2019	8.0340	6.2810	6.6464	0.2562	0.0320	2.1751	23.4247
2020	7.8332	6.0810	6.1420	0.2414	0.0320	1.9080	22.6376
2021	7.8332	5.9070	5.9674	0.2287	0.0320	1.5035	21.6553
2022	7.7900	5.8020	5.8986	0.2189	0.0320	1.4073	21.5488
2023	7.6900	5.4820	5.7134	0.1974	0.0320	1.0816	20.1964
2024	7.1209	5.4090	5.6708	0.1793	0.0288	0.9806	19.3894

Source: Volusia County Property Appraiser

Notes:

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

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

PRINCIPAL PROPERTY TAXPAYERS, CURRENT YEAR AND TEN YEARS AGO

SEPTEMBER 30, 2024

Taxpayer Name	Type of Business	2024		Percentage of Total City Taxable Assessed Value	2015		Percentage of Total City Taxable Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
John Knox Village of Central FL	Assisted Living Facility	\$ 44,316,263	1	3.84%	\$ 13,697,760	3	2.60%
Northland Grandeville LLC	Apartments (316)	34,360,077	2	2.98%	17,208,345	1	3.26%
EBSCO Integra Landings LLC	Apartments (270)	31,136,824	3	2.70%	17,125,059	2	3.25%
KRG Orange City Saxon LLC	Saxon Crossings	18,245,728	4	8.34%	11,198,012	5	11.20%
Enterprise Cove Apts LLC	Apartments	17,647,649	5	1.89%	-		0.00%
Sun Orange City, LLC	Orange City RV	16,056,045	6	7.34%	9,265,302	7	9.27%
985 W Volusia LLC	Shopping Center	15,869,141	7	1.70%	10,026,854	6	2.35%
Walmart Stores East LP	Retail Store	13,880,277	8	1.20%	12,227,181	4	2.32%
Publix Super Markets Inc	Crown Center Plaza North	13,760,213	9	1.19%	9,200,179	8	1.75%
Orange City SDC, LLC	Shopping Center - Marketplace	13,534,794	10	1.17%	-		0.00%
Total For Principal Taxpayers		218,807,011		32.35%	99,948,692		36.00%
Total For Other Taxpayers		934,789,844		81.03%	427,118,415		81.04%
Total		<u>\$ 1,153,596,855</u>		<u>100.00%</u>	<u>\$ 527,067,107</u>		<u>100.00%</u>

Source: Volusia County Property Appraiser

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	3,947,733	3,695,147	93.60%	89,495	3,784,642	95.87%
2016	4,097,476	3,813,028	93.06%	143,907	3,956,934	96.57%
2017	4,384,671	4,064,996	92.71%	72,124	4,137,120	94.35%
2018	5,095,737	4,669,059	91.63%	118,917	4,787,976	93.96%
2019	5,483,079	5,005,616	91.29%	91,114	5,096,731	92.95%
2020	5,903,748	5,273,860	89.33%	200,265	5,474,125	92.72%
2021	6,475,441	5,755,676	88.88%	171,731	5,927,407	91.54%
2022	7,054,719	6,322,476	89.62%	104,843	6,427,319	91.11%
2023	7,884,360	6,975,310	88.47%	127,945	7,103,255	90.09%
2024	8,205,146	7,288,068	88.82%	146,506	7,434,574	90.61%

Source: Volusia County Property Appraiser

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)
	Special Assessment Revenue	Capital Improvement SRF Loan	Notes Payable	SBITA Liability	Utility Refunding Revenue 2005 (2)	Capital Improvement SRF Loan	Lease Liability	SBITA Liability			
2015	-	-	-	-	2,235,000	-	-	-	2,235,000	1.20%	193
2016	-	-	-	-	1,950,000	-	-	-	1,950,000	0.99%	167
2017	-	-	-	-	1,655,000	579,457	-	-	2,234,457	1.09%	189
2018	-	-	-	-	1,345,000	1,517,538	-	-	2,862,538	1.31%	244
2019	-	276,538	-	-	1,025,000	2,140,556	-	-	3,442,094	1.48%	284
2020	-	1,386,198	531,010	-	695,000	6,018,874	-	-	8,631,082	3.53%	694
2021	-	1,511,105	454,027	-	355,000	6,220,318	-	-	8,540,450	3.27%	633
2022	-	1,431,455	375,386	-	-	7,194,967	-	-	9,001,807	3.01%	648
2023	-	1,351,805	295,051	266,939	-	12,488,092	261,946	46,650	14,710,482	4.92%	1,058
2024	-	1,272,149	212,985	192,246	-	18,439,206	219,326	23,711	20,359,622	6.18%	1,370

Notes:

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**AS OF SEPTEMBER 30, 2024**

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Orange City Share of Debt</u>
Debt Repaid with Property Taxes:			
County of Volusia, Florida:			
General Obligation Bonds	-	0.00%	-
Other Debt:			
District School Board of Volusia County, Florida:			
State School bonds	-	1.82%	-
Sales Tax Revenue Bonds	24,156,216	1.82%	439,298
Certificates of Participation	231,665,873	1.82%	4,213,007
Notes and Capital Leases	8,200,873	1.82%	149,139
County of Volusia, Florida			
Revenue Bonds	39,260,000	2.09%	822,097
Notes Payable	<u>20,816,334</u>	2.09%	<u>435,890</u>
Total Overlapping Debt:	\$ 324,099,296		\$ 6,059,430
Direct Debt: City of Orange City			<u>\$ 1,677,380</u>
Total Direct & Overlapping Debt:			<u><u>\$ 7,736,810</u></u>

Source:

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

Debt outstanding data provided by each governmental unit.

- (1) For School Board overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,152,262,488 and dividing by the School Board's taxable value of \$63,360,900,788.
- (2) For Volusia County's overlapping debt, the percentage applicable to Orange City was determined by taking the City's taxable value of \$1,152,262,488 and dividing by Volusia County's taxable value of \$55,027,348,227.

TABLE 11

CITY OF ORANGE CITY, FLORIDA

PLEDGED REVENUE COVERAGE

BUSINESS-TYPE ACTIVITIES

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Basic Covenant Coverage
				Principal	Interest	Total	
2015	4,176,905	2,524,487	1,652,418	280,000	93,728	373,728	4.421
2016	4,440,775	2,648,948	1,791,827	285,000	65,996	350,996	5.105
2017	4,574,779	3,081,657	1,493,122	295,000	73,331	368,331	4.054
2018	4,542,620	3,353,609	1,189,011	310,000	58,411	368,411	3.227
2019	4,850,398	3,454,250	1,396,148	320,000	47,004	367,004	3.804
2020	5,918,956	4,107,702	1,811,254	415,831	52,132	467,963	3.871
2021	6,911,959	4,051,496	2,860,463	496,606	39,829	536,435	5.332
2022	7,372,862	4,714,824	2,658,038	533,112	27,545	560,657	4.741
2023	8,812,628	5,603,905	3,208,723	308,824	21,461	330,285	9.715
2024	9,457,222	6,238,792	3,218,430	316,737	19,435	336,172	9.574

Notes:

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

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

Fiscal Year	Estimated Population (1)	School Enrollment (2)	Median Household Effective Buying Income (3)	Per Capita Personal Income (3)	Personal Income (4)	Unemployment Rate (4)
2015	11,569	5,764	43,419	36,641	18,610,435,000	5.7%
2016	11,679	5,609	41,117	38,176	19,782,310,000	5.5%
2017	11,850	5,500	40,788	38,807	20,543,253,000	5.1%
2018	11,720	5,216	43,838	40,658	21,902,076,000	4.3%
2019	12,103	5,308	46,760	42,374	23,201,619,000	3.7%
2020	12,436	4,857	49,494	44,180	24,444,162,000	3.4%
2021	13,483	5,323	49,494	46,475	26,095,706,000	7.7%
2022	13,898	5,569	56,786	52,964	29,893,649,000	4.6%
2023	14,313	5,462	63,075	53,559	31,021,130,000	3.1%
2024	14,866	5,401	66,581	55,824	32,955,808,000	3.3%

Sources:

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

(2) Volusia County School Board 2024 ACFR not available for school enrollment. (average used)

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

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

TABLE 13

CITY OF ORANGE CITY, FLORIDA

PRINCIPAL EMPLOYERS

<u>Employer</u>	<u>September 30, 2024</u>			<u>September 30, 2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>
Florida Hospital Fish Memorial	1,377	1	9%	971	1	8%
John Knox Village	608	2	4%	687	2	6%
Volusia County Schools	518	3	3%	480	4	4%
Wal-Mart	400	4	3%	484	3	4%
Orange City Racing & Card Club	289	5	2%	(1)		
Publix - Lakeland for Store #422	198	6	1%	174	5	2%
Home Depot	160	7	1%	(1)		
Target	140	8	1%	129	10	1%
Orange City Nursing & Rehab Ctr.	137	9	1%	165	6	1%
City of Orange City	132	10	1%	114	12	1%
Lowe's Home Improvement	128	11	1%	132	8	1%
Olive Garden Italian Restaurant #1228	120	12	1%	(1)		
Kohl's	96	13	1%	130	9	1%
Asbury Automotive Group (Coggin)		(1)	0%	161	7	1%
Texas Roadhouse		(1)		126	11	1%
TOTAL	<u>4,303</u>		<u>29%</u>	<u>3,753</u>		<u>32%</u>
Population	<u>14,866</u>			<u>11,569</u>		

Source: City of Orange City, Finance Department

(1) Information not available.

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

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Function/Program</u>										
General government										
Administration	6.00	5.90	5.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	4.00	4.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Planning and Zoning	5.00	5.00	4.92	4.92	4.92	4.92	4.92	4.92	4.10	4.03
Police										
Officers	25.00	25.00	26.00	28.00	28.00	29.00	29.00	29.00	30.00	31.00
Civilians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire										
Firefighters and officers	20.50	20.50	20.50	20.50	20.50	23.25	23.25	23.25	23.25	24.00
Civilians	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Public Works										
Public Works	14.25	13.00	11.00	11.00	11.75	11.75	11.75	12.00	11.50	12.75
Parks Maintenance	2.00	3.50	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Utilities Enterprise	16.75	19.60	19.50	19.50	19.75	21.50	21.50	25.75	25.75	26.75
CRA Fund	-	-	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.15
Building Safety Fund (1)	-	-	-	-	-	-	-	-	0.82	0.82
Stormwater Fund	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
TOTAL	<u>99.50</u>	<u>102.50</u>	<u>103.00</u>	<u>106.50</u>	<u>107.50</u>	<u>115.00</u>	<u>115.00</u>	<u>119.50</u>	<u>121.00</u>	<u>125.00</u>

Source: City of Orange City Annual Budget Book

Notes:

(1) Building Safety Fund created in FY 23

TABLE 15

CITY OF ORANGE CITY

OPERATING INDICATORS BY FUNCTION/PROGRAM

<u>Function/Program</u>	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Arrests	945	777	676	503	506	480	442	428	463	622
Parking violations	94	72	107	60	85	47	92	53	122	76
Uniformed Traffic citations	1,640	1,394	1,003	826	1,510	1,076	2,559	2,226	2,889	4,129
911 Calls (1)	12,689	13,935	13,935	13,436	13,153	13,576	14,448	10,371	N/A	N/A
Cases investigated (CID)	318	385	344	458	303	416	366	359	240	290
Cases submitted to State Attorney (1)	1,289	1,890	903	703	672	1,156	680	637	N/A	N/A
Code enforcement cases	680	657	842	424	362	217	180	174	241	342
Code enforcement fines (dollars)	111,420	42,915	45,377	6,915	17,735	3,400	9,126	18,300	6,570	39,250
Animal control (captured animals)	160	564	521	284	97	45	23	32	88	77
Fire										
Emergency responses	6,608	7,114	7,629	7,313	6,587	7,412	7,350	7,560	7,433	7,890
Fires extinguished	100	94	97	108	133	238	352	202	179	115
Inspections	870	740	1,048	916	916	1,200	1,023	1,328	1,050	2,275
Public education programs	72	63	119	92	82	125	150	125	137	135
Public Works										
Street resurfacing (miles)	3	1.56	0	0	1	1	1	0.61	0.57	-
Potholes repaired	38	41	44	52	55	60	45	45	45	95
Parks and Recreation										
Park usage permits	190	180	230	193	320	42	68	90	104	90
General government										
Construction permits issued	849	917	952	987	944	1,352	1,597	1,287	1,079	1,066
Value of construction permits (thousands)	12,330	28,229	43,259	43,103	96,635	121,220	112,123	150,000	70,486	80,273
New commercial	3	2	6	5	2	9	2	8	33	14
New commercial value (thousands)	3,772	2,514	16,058	16,105	55,304	50,668	68,828	17,855	70,541	52,115
New residential	4	14	21	47	104	200	149	54	37	107
New residential value (thousands)	1,272	6,818	8,612	14,100	29,182	52,675	41,786	18,825	18,006	36,575
New redevelopment	0	9	9	2	2	-	-	-	2	1
New redevelopment value (thousands)	0	8,981	5,114	1,536	935	-	-	-	1,950	876
Annexations - number	4	3	1	3	151	2	-	-	-	-
Acres	74.54	10.23	1.87	5.99	242	8	-	-	-	-
Taxable value	1,214,604	361,079	0	125,692	19,113,522	196,253	-	-	-	-
Business licenses (new)	130	115	137	144	115	124	104	162	208	80
Legal notices published	34	36	38	38	36	60	70	58	109	54
Water										
New connections	6	9	25	53	91	210	220	39	17	48
Water mains breaks	12	24	15	19	8	14	17	17	40	13
Average daily consumption (1,000 gal.)	1,150	1,177	1,215	1,618	1,600	1,617	1,603	1,600	1,700	1,201
Water Accounts	3,904	3,845	3,983	4,021	4,088	4,315	4,426	4,376	4,419	4,467
Irrigation Accounts	413	401	399	401	404	405	393	392	389	388
Reclaim Accounts	8	29	35	47	166	318	463	578	578	612

Source: Various City departments

Notes:

(1) Statistical information not available.

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

<u>Function/Program</u>	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	16	18	19	19	19	19	20	22
Fire stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Street (miles)	10.3	10.3	10.3	10.3	40.26	40.26	40.3	40.3	40.3	42.4
Highways (miles)	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Streetlights	500	500	500	500	533	533	533	533	533	782
Traffic signals	2	2	2	2	2	2	4	4	4	4
Parks and recreation										
Parks	9	9	9	7	10	10	10	10	10	10
Acreage	70	70	70	76.62	90	90	80.34	80.34	80.34	80
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball fields	5	5	5	5	5	5	5	5	5	6
Soccer/football fields	2	2	2	2	1	1	1	1	1	1
Tennis/pickleball courts	2	2	2	2	2	2	2	2	2	2
Basketball/volleyball courts	2.5	2.5	4	4	3	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Shuffleboard facility	1	1	1	1	1	1	0	0	0	0
Splash pad	2	2	2	2	2	2	1	1	1	1
Water										
Water mains (miles)	89.04	91.04	90.28	94	96.2	97.17	97.2	97.2	96.55	97.55
Fire hydrants	481	503	500	506	527	540	536	536	537	556
Storage capacity (1,000 gal.)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Sewage (1)										
Wastewater lift stations	16	16	16	21	21	23	24	24	24	25
Stormwater										
Stormwater retention areas	15	15	15	19	19	23	31	31	31	31

Source: Various city departments

Notes:

(1) Processed by Volusia County



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COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Orange City, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McDermitt Davis

Orlando, Florida
March 13, 2025

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

Honorable Mayor and City Council
City of Orange City, Florida

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

We have audited the *City of Orange City's* (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services State Projects Compliance Supplement*, and Chapter 10.550, Rules of the Auditor General, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

McDiarmid Davis

Orlando, Florida
March 13, 2025

CITY OF ORANGE CITY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended September 30, 2024

Award type	Assistance		
Grantor	Listing/		
Pass-through grantor	CSFA	Agency or Pass-through	
Grantor program title	Number	Entity Grant Number	Expenditures
Federal Grants			
United States Environmental Protection Agency			
Drinking Water State Revolving Funds Capitalization Grants	66.468	LS642090	\$ 205,790
Passed through State of Florida, Department of Environmental Protection			
Drinking Water State Revolving Funds Capitalization Grants	66.468	DW642041	2,666,507
United States Department of Treasury			
Passed through State of Florida, Department of Environmental Protection			
Coronavirus State and Local Funds *	21.027	WG100	2,126,031
Coronavirus State and Local Funds *	21.027	23PLN32	140,000
United States Department of Justice			
Bulletproof Vest Partnership Program	16.607		<u>3,070</u>
Total federal awards			<u><u>\$ 5,141,398</u></u>
State Awards			
Florida Department of Environmental Protection			
State Revolving Fund, Drinking Water Facility Construction *	37.076	DW642050	\$ 2,229,049
Florida Springs Grant Program, Septic to Sewer Project	37.052	37983	115,448
Blue Spring Nutrient Reduction, Septic to Sewer Construction	37.039	LPA0119	<u>292,403</u>
Total state awards			<u><u>\$ 2,636,900</u></u>

* Denotes a major program or project

CITY OF ORANGE CITY, FLORIDA

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

Year Ended September 30, 2024

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Orange City (the City) under programs of the federal and state government for the year ended September 30, 2024. 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, 2024, even if the grant or loan was received subsequent to that date. Federal and state expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Loans and Loan Guarantees:

In January 2022, the City executed a State Revolving Fund Loan agreement DW642041 for the City's pipe rehabilitation and looping project. Loan balance as of September 30, 2024 is \$8,310,287. Loan expenditures reported in the current year Schedule are \$2,666,507.

In March 2023, the City executed a State Revolving Fund Loan agreement DW642050 for the City's greensand filter improvements project. Loan balance as of September 30, 2024 is \$4,596,793. Loan expenditures reported in the current year Schedule are \$2,229,049.

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.

CITY OF ORANGE CITY, FLORIDA

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

Year Ended September 30, 2024

Section I - Summary of Independent Auditor's Results:

Financial Statements

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

Federal Programs and State Projects

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

Identification of Major Federal Programs and State Projects

Federal	21.027	Coronavirus State and Local Funds
State	37.076	Drinking Water Facility Construction

Dollar threshold used to distinguish between type A and type B programs	Federal \$750,000	State \$750,000
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Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance?	<u> X </u> Yes	___ 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 Projects Summary Schedule of Prior Year Findings:	No Prior Year Findings
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MANAGEMENT LETTER

Honorable Mayor and City Council
City of Orange City, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Orange City, Florida*, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 13, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit.

The City did have a PACE program operate within the City.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of Orange City, a list of all program administrators and third-party administrators ("TPA") that administered the program.

See Attached Listing

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the City of Orange City, the full names and contact information of each such program administrator and third-party administrator.

See Attached Listing

Additional Matters

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

Purpose of this Letter

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

McDiarmid Davis

Orlando, Florida
March 13, 2025

PACE Programs

Florida Resiliency and Energy District ("FRED")

156 Tuskawilla Road, Suite 2340
Winter Springs, FL 32708
407-712-6356
info@fdcbonds.com
Robert J. Harvey, Executive Director

Third Party Administrator:

Peachtree Group
3500 Lenox Road, Suite 625
Atlanta, GA 30326
404-497-4111
info@peachtreegroup.com

Florida Green Finance Authority

c/o Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, FL 33410
561-630-4922
jcandela@sdsinc.org
Todd Wodraska, Manager and Secretary

Third Party Administrators

Renew Financial Group, LLC
555 12th Street, Suite 1650
Oakland, CA 94607
844-736-3934
info@renewfinancial.com

Petros PACE Finance, LLC
300 Colorado Street, Suite 2000
Austin, TX 78701
512-599-9037
krusso@throughco.com

Green Corridor Property Assessment Clean Energy (PACE) District

5385 North Nob Hill Road
Sunrise, FL 33351
786-271-9208
customer.care@ygrene.com

Third Party Administrators:

Ygrene
6303 Blue Lagoon Drive, Suite 400
Miami, FL 33126
866-634-1358
customer.care@ygrene.com

Willdan Financial Services
27368 Via Industria, Suite 200
Temecula, CA 92590
866-807-6864
posr@willdan.com

Florida PACE Funding Agency

6650 Professional Parkway, Suite 102
Sarasota, FL 34240
850-400-PACE
info@FloridaPACE.gov
Wendi Leach, Executive Director

Third Party Administrators:

FortiFi
12770 High Bluff Drive, Suite 260
San Diego, CA 92130
858-345-2000
info@fortifi.com

Home Run

750 University Avenue, Suite 140
Los Gatos, CA 95032
800-231-6991
info@homerunfinancing.com

Bayview

4425 Ponce de Leon Boulevard
Coral Gables, FL 33146
844-518-2343
info@bayviewpace.com

NorthBridge

114 W 47th Street
New York, NY 10036
212-946-6897
info@NorthBridgeops.com



1800 Pembroke Drive, Suite 170
Orlando, Florida 32810
407-843-5406
www.mcdermittdavis.com

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

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

We have examined City of Orange City's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Orange City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

McDermitt Davis

Orlando, Florida
March 13, 2025

AFFIDAVIT

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

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

FURTHER AFFIANT SAYETH NAUGHT.



Devlin Moore, Finance Director
City of Orange City

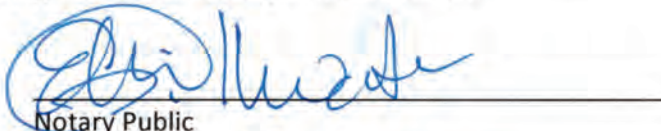
By any public officer, trustee, or personal representative:

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 13th day of February, 2025 by Devlin Moore, Finance Director, who is personally known to me or who has produced (type of identification) as identification.



ELISA MILLWATER
Commission # HH 402705
Expires July 15, 2027


Notary Public

Elisa Millwater
Name typed, printed or stamped
My Commission Expires: July 15, 2027



THE HEART OF SOUTHWEST VOLUSIA



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