



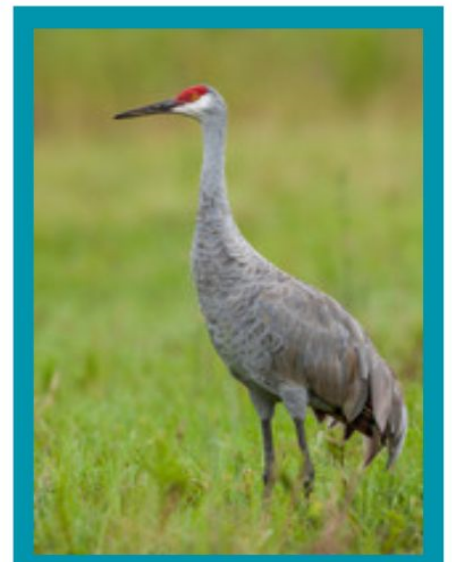
*Deltona*  
FLORIDA



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF DELTONA, FLORIDA  
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2023





# *City of Deltona, Florida*

*Deltona: A City on the Move*



## Annual Comprehensive Financial Report

For the year ended  
September 30, 2023

Prepared By:  
Finance Department

Submitted By:  
Glenn Whitcomb  
Interim City Manager

CITY OF DELTONA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Table of Contents

**Introductory Section**

Letter of Transmittal . . . . .	i
Certificate of Achievement . . . . .	vii
Organizational Chart . . . . .	viii
Elected Officials . . . . .	ix
Other Officials . . . . .	x

**Financial Section**

<b>Independent Auditors' Report . . . . .</b>	<b>1</b>
---	----------

<b>Management's Discussion and Analysis . . . . .</b>	<b>5</b>
---	----------

**Basic Financial Statements**

Government-Wide Financial Statements:	
Statement of Net Position . . . . .	21
Statement of Activities . . . . .	22
Fund Financial Statements:	
Balance Sheet – All Governmental Funds . . . . .	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position . . . . .	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds . . . . .	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities . . . . .	26
Statement of Net Position – Proprietary Fund . . . . .	27
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds . . . . .	29
Statement of Cash Flows – Proprietary Funds . . . . .	30
Statement of Fiduciary Net Position – Pension Trust Funds . . . . .	32
Statement of Changes in Fiduciary Net Position – Pension Trust Funds . . . . .	33

Notes to Financial Statements . . . . .	34
---	----

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund . . . . .		86
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Transportation Fund . . . . .		87

CITY OF DELTONA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Table of Contents (Continued)

Required Supplementary Information (Continued)

Schedules of Changes in Total OPEB Liability and Related Ratios . . . . .	88
Schedules of Changes in Firefighter Net Position Liability and Related Ratios . . . . .	89
Schedules of FRS Contributions and Investments Returns . . . . .	90
Schedules of Firefighters Contributions and Investments Returns . . . . .	91
Schedules of Proportionate Share of Net Pension Liability . . . . .	92
Notes to the Required Supplementary Information . . . . .	93

Supplemental Information

Combining Balance Sheet – Non-major Governmental Funds . . . . .	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds . . . . .	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Solid Waste Fund . . . . .	102
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Stormwater Utility Fund . . . . .	103
Schedule of Revenues and Expenditures – Budget and Actual Fire/Rescue Service Impact Fees Fund . . . . .	104
Schedule of Revenues and Expenditures – Budget and Actual State Housing Initiative Partnership . . . . .	105
Schedule of Revenues and Expenditures – Budget and Actual Community Development Block Grant Fund . . . . .	106
Schedule of Revenues and Expenditures – Budget and Actual Streetlighting Districts Fund . . . . .	107
Schedule of Revenues and Expenditures – Budget and Actual Park Impact Fees Fund . . . . .	108
Schedule of Revenues and Expenditures – Budget and Actual Tree Replacement Fees Fund . . . . .	109
Schedule of Revenues and Expenditures – Budget and Actual Law Enforcement Impact Fees Fund . . . . .	110
Schedule of Revenues and Expenditures – Budget and Actual Neighborhood Stabilization Program Fund . . . . .	111
Schedule of Revenues and Expenditures – Budget and Actual Transportation Impact Fees Fund . . . . .	112
Schedule of Revenues and Expenditures – Budget and Actual Lake Districts Fund . . . . .	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Community Redevelopment Area (CRA) . . . . .	114
Schedule of Revenues and Expenditures – Budget and Actual Capital Projects – Municipal Complex(s) Fund . . . . .	115
Schedule of Revenues and Expenditures – Budget and Actual Capital Projects – Park Projects Fund . . . . .	116

CITY OF DELTONA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Table of Contents (Continued)

**Statistical Section (Unaudited)**

**Financial Trends:**

Net Position by Component . . . . .	120
Changes in Net Position . . . . .	122
Fund Balances of Governmental Funds . . . . .	126
Changes in Fund Balances of Governmental Funds . . . . .	128
Tax Revenues by Source, Governmental Funds . . . . .	130

**Revenue Capacity:**

Assessed and Estimated Actual Value of Taxable Property . . . . .	131
Direct and Overlapping Property Tax Rates . . . . .	132
Principal Taxpayers . . . . .	133
Property Tax Levies and Collections . . . . .	134

**Debt Capacity:**

Ratios of Outstanding Debt by Type . . . . .	135
Direct and Overlapping Governmental Activities Debt . . . . .	136
Pledged-Revenue Coverage . . . . .	137

**Demographic and Economic Information:**

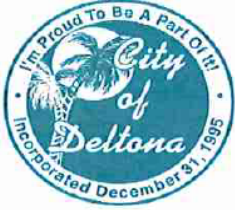
Demographic and Economic Statistics . . . . .	138
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**Operating Information:**

Full-time Equivalent City Government Employees by Function/Program . . . . .	141
Various Indicators by Function/Program . . . . .	142
Water Sold by Type of Customer . . . . .	143
Wastewater Sold by Type of Customer . . . . .	144
Principal Employers . . . . .	145

**Additional Elements of Report Prepared in Accordance with *Government Auditing Standards*, Issued by the Comptroller General of the United States and the *Rules of the Auditor General of the State of Florida***

Schedule of Expenditures of Federal Awards and State Financial Assistance . . . . .	147
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .	148
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and <i>Chapter 10.550, Rules of the Auditor General</i> . . . . .	150
Schedule of Findings and Questioned Costs – Federal and State Award Programs . . . . .	153
Independent Accountant's Report on Compliance with Section 218.415 . . . . .	155
Management Letter . . . . .	156



# City of Deltona

May 31, 2024

To the Honorable Mayor and  
Members of the City Commission and  
Citizens of the City of Deltona, Florida

Ladies and Gentlemen:

State law and local Charter require that every general-purpose local government publish a set of audited financial statements annually. This report is published to fulfill that requirement for the year ended September 30, 2023. The Annual Comprehensive Financial Report of the City of Deltona, for the fiscal year ended September 30, 2023, is hereby submitted pursuant to the City Charter, Florida Statutes, and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Management assumes full responsibility for the reliability and completeness of the information contained in this report based upon a comprehensive framework of internal controls that have been established for this purpose. The cost of internal control should not exceed anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Deltona, Florida (the "City").

Purvis, Gray, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Deltona's financial statements for the year ended September 30, 2023. The independent auditors' report is located at the front of the Financial Section of this report.

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

**FINANCE DEPARTMENT**  
2345 Providence Boulevard, Deltona, Florida 32725  
(386) 878-8100 • Fax (386) 878-8551  
[www.deltonafl.gov](http://www.deltonafl.gov)

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## ***City History***

The City of Deltona, Florida is located in the southwest corner of Volusia County, in the eastern central part of the Florida Peninsula. The City is situated along the Interstate 4 corridor approximately 25 miles northeast of Orlando and approximately 25 miles southwest of Daytona Beach. It currently occupies 46 square miles and is home to an estimated 95,918 residents in 2023. The City started as a planned community by the Deltona Corporation in 1962 and was incorporated on December 31, 1995. The unhurried lifestyle, combined with its location, has made the City an ideal choice for living the affordable Florida lifestyle. In general, the population of the City is becoming younger and more diversified in ethnicity.

The first inhabitants of southwest Volusia County were Nomadic Timucuan who found fish and fresh water plentiful in the area. After Florida became a state in 1845, steamboats began to make regular trips up the St. Johns River to Lake Monroe.

Visitors and residents poured into Florida and a community grew up on the shores of Lake Monroe at the steamboat landing. Named Enterprise, the little town soon boasted a schoolhouse, built in 1863, and two churches.

About the same time, Baron Frederick DeBary, a New York agent for Mumm's Champagne, arrived in the area. Baron DeBary bought several hundred acres near Enterprise to use as a hunting and fishing preserve. In 1871 Baron DeBary built a winter home where he entertained such notables as Presidents Grant and Cleveland, as well as members of Europe's royalty. Baron DeBary died in 1898 at the age of 83.

Southwest Volusia remained quiet from the turn of the century until 1962 when the Mackle Brothers – Elliott, Robert and Frank, Jr. - bought 17,203 acres, filed a planned unit development plan for a community of 35,143 lots and named the area Deltona. The community was based on the idea of a retirement community for Northern workers. Construction started almost immediately and the first Deltonans took up residence in April of 1963. By the end of 1963, Deltona had a population of 180 people comprised of 78 families. The initial concept of a retirement community quickly morphed into a bedroom community, housing the workforce of the Metro Orlando Area.



In 1970, the U.S. Census recorded 4,868 inhabitants. By 1980 Deltona's population was 15,710. The growth of the community continued at the amazing rate of about 130 new families per month to reach more than 52,000 people in 1991, culminating in a population of 93,677 as of the U.S. Census in 2020.

After two failed attempts, one in 1987 and one in 1990, the residents of the unincorporated Deltona community voted to incorporate as the City of Deltona in 1995. A seven-member Commission was elected and the Deltona Fire District was dissolved, replaced by fire protection services provided by the new City.



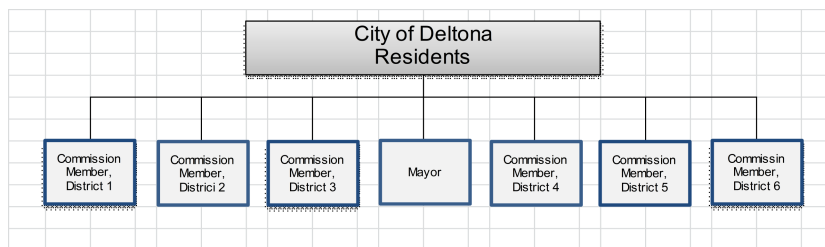
On November 7, 2003, the City realized its long-term goal of owning its own utility. The City purchased the Deltona water and wastewater system from Florida Water Services, acquiring all of its assets and adding many new employees to operate the new utility.

## **Profile of the Government**

The City of Deltona operates under a Commission-Manager form of government consisting of a seven-member Commission. Residents elect, through non-partisan elections, a Mayor who represents the City at large, and six Commissioners who each represent a specific district of the City.

Each member of the City Commission, including the Mayor, serves a four (4)-year term. Neither the Mayor nor any other Commission member may serve more than two consecutive four (4)-year terms in the same position.

The City Charter, as well as State and local laws and regulations, set forth the rights and obligations of the City and its government. The Commission is responsible for the establishment and adoption of City policy and appointing a City Manager and City Attorney. The City Manager serves as the Chief Executive Officer of the City, responsible for the execution of City policies and oversight of the City's day-to-day operations.



The City now employs approximately 395 people who provide a full range of services including fire/rescue protection, solid waste management, stormwater management, water and sewer service, construction and maintenance of road and street facilities, planning and development services, recreational and cultural activities, and general administrative services. The City contracts with the Volusia County Sheriff's Department via an interlocal agreement for law enforcement services in the City. In FY2023, the City had 80 contracted deputy sheriffs.

The financial statements in this report include the funds of all the activities under the jurisdiction of the City Commission. The financial reporting entity includes all the funds of the primary government (i.e., the City of Deltona, Florida as legally defined). Component units are legally separate entities for which a city is financially accountable. Currently, no entities outside the primary government meet the definition of a component unit of the City and so none are presented in this report.

The annual budget is the foundation for the City's planning and control of its finances. All City departments must submit annual budget requests to the City Manager. These requests are the starting point for developing the proposed budget. The City Manager presents the proposed budget to the City Commission for review in July through September of each year. The City Commission is required by law to hold public hearings on the proposed budget and to adopt a final budget no later than September 30<sup>th</sup> of each year, the close of the City's fiscal year. The adopted budget is presented by fund and department. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the department level, except for major capital projects budgeted in the Capital Projects funds, which are controlled at the project

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level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

## ***Local Economy and Economic Development***

The City's population is estimated at 95,918 for 2023, an increase of about .1% over the prior year. Deltona's population has increased every year since 2011; as the number of residents grows, so does commercial interest.

## ***Streets and Roads***

Deltona's increased population growth has necessitated many road and traffic projects, such as:

- Annual repaving and maintenance of City roads and sidewalks;
- Beautification of green spaces in City medians and interchanges;
- Intersection improvements citywide;
- Continued planning by the Southwest Deltona Community Redevelopment Agency (CRA) to add sidewalks and sidewalk improvements, safety improvements, and ADA improvements in the CRA area; and
- Collaboration with the Volusia County Transportation Planning Organization (TPO) on multiple projects, including American Disability Act projects and sidewalk expansions and connections citywide.

## ***Parks and Recreation***

Deltona takes great pride in its outstanding recreational facilities available to residents. FY2023 included the following improvements:

- New sports lighting at Vann Park ballfields; scoreboard installation at Dewey Boster Park and new American Disability Act accessible and inclusive playground equipment;

## ***Public Safety***

Efforts to improve quality of services to residents as well as safety and efficiency for first responders included:

- Ordered replacement fire engine, new transport vehicle and replacements for administration vehicles;

## ***Public Works***

- Field Operations purchased a new 12 yd dump truck ;

## ***Utility System***

Deltona Water, the City's water and wastewater utility, operates as an entity separate from general City activities. Its principal revenues come from user charges for water and wastewater services.

The following projects are in various stages of progress:

- Continuing upgrade of the Utility's Supervisory Control and Data Acquisition (SCADA) system;
- Project is in progress for "smart" water meters to enhance accuracy and give early warning of excess usage; and

- 
- Increase the amount of infrastructure replaced through renewal and replacement.

The greatest challenge facing the utility, by far, is developing a water supply and source strategy in connection with a capital plan that will enable the City to meet upcoming regulatory requirements. This process is ongoing.

### ***The Center at Deltona***

The Center, open to the public since December 2017, serves Deltona's seniors and also hosts special events, such as weddings, showers, and civic meetings. During FY2023, the Center hosted a monthly Bonkerz Comedy Show.

The Council on Aging's daytime senior activities program include providing meals and activities to seniors.

### ***Financial Outlook and Challenges***

The City's conservative approach to budgeting and spending has resulted in a healthy fund balance. The Commission has also set aside reserves designed to keep the City prepared for both emergencies and grant funding opportunities. As of September 30, 2023, these were:

- Economic Emergency Reserve – \$12,000,000
- Natural Disaster – \$10,299,000
- Operating Reserve – \$9,627,000
- Economic Development – \$525,600
- Grants Match – \$378,500

The Fitch Ratings have affirmed the Transportation and Capital Improvement Revenue Bond rating at AA, Outlook Stable in May 2023. Fitch Ratings have issued an A+ rating for the 2021 Utility Refunding Bond, however in FY2023, Fitch revised the Rating Outlook to Positive from Stable which reflects the system's strong financial profile driven by the continued trend of declining leverage.

Although Deltona enjoys brisk population growth, promising commercial interest, and increasing property values, it is a challenge to maintain quality service delivery to more people, especially with lean staffing, tight budgets, and limited revenue diversity. Property taxes – with statutory caps on both millage and underlying property values – remain the City's largest revenue source.

The City's utility, Deltona Water, faces even greater challenges as it prepares for a changing regulatory landscape while implementing new technology to improve its services.

The Stormwater Fund and Solid Waste Fund are funded by a special assessment on the property tax bill; the assessment has remained unchanged for over five years. This has proven to be challenging as costs continue to rise and revenues remain stagnant.

The City continually seeks opportunities to diversify revenue and enhance financial stability. Examples include:

- The Community Development Block Grant (CDBG) offered through the U.S. Department of Housing and Urban Development (HUD).
- The State Housing Initiatives Partnership (SHIP) through the State of Florida that funds home repair, down payment assistance and homeless prevention through rent and utility payment assistance; and low-interest State Revolving Fund (SRF) loans through the Florida Department of Environmental Protection to finance water projects;

- 
- Outreach to State lawmakers for specific appropriations, for a variety of projects;
  - ECHO grants awarded by Volusia County that fund ecological and recreational projects were not awarded in FY2023, however the City plans to pursue this funding source in the future; and aid for road and street projects via cooperation with the Volusia County Transportation Planning Organization (TPO);
  - Matching grants through the St. Johns River Water Management District (SJRWMD) to help fund major water utility improvements.
  - Regular evaluation of existing charges for services (e.g., building permits and inspections, park facilities) for adequacy;
  - Continued monitoring and enforcement of franchise fees for commercial solid waste haulers;
  - Automatic annual indexing of water/sewer customer charges in pace with the economy;

**Awards and acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Deltona, Florida, for its Annual Comprehensive Financial Report for the fiscal year ending September 30, 2022. The City has received this prestigious award every year since FY 1999/2000.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements. Each Certificate is valid for one year.

Staff believes this year's Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and intends to submit it to the GFOA for another Certificate.

The City has received the GFOA's Distinguished Budget Presentation Award for its Annual Budget for the fiscal year ending September 30, 2023. In order to qualify for the Distinguished Budget Presentation Award, a budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. The Mayor and Commission should also be commended for their unflinching support of the highest standards of professionalism in the management of the City of Deltona's finances.

Respectfully submitted,



Glenn Whitcomb  
Interim City Manager



Julia J. Johnson  
Deputy Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Deltona  
Florida**

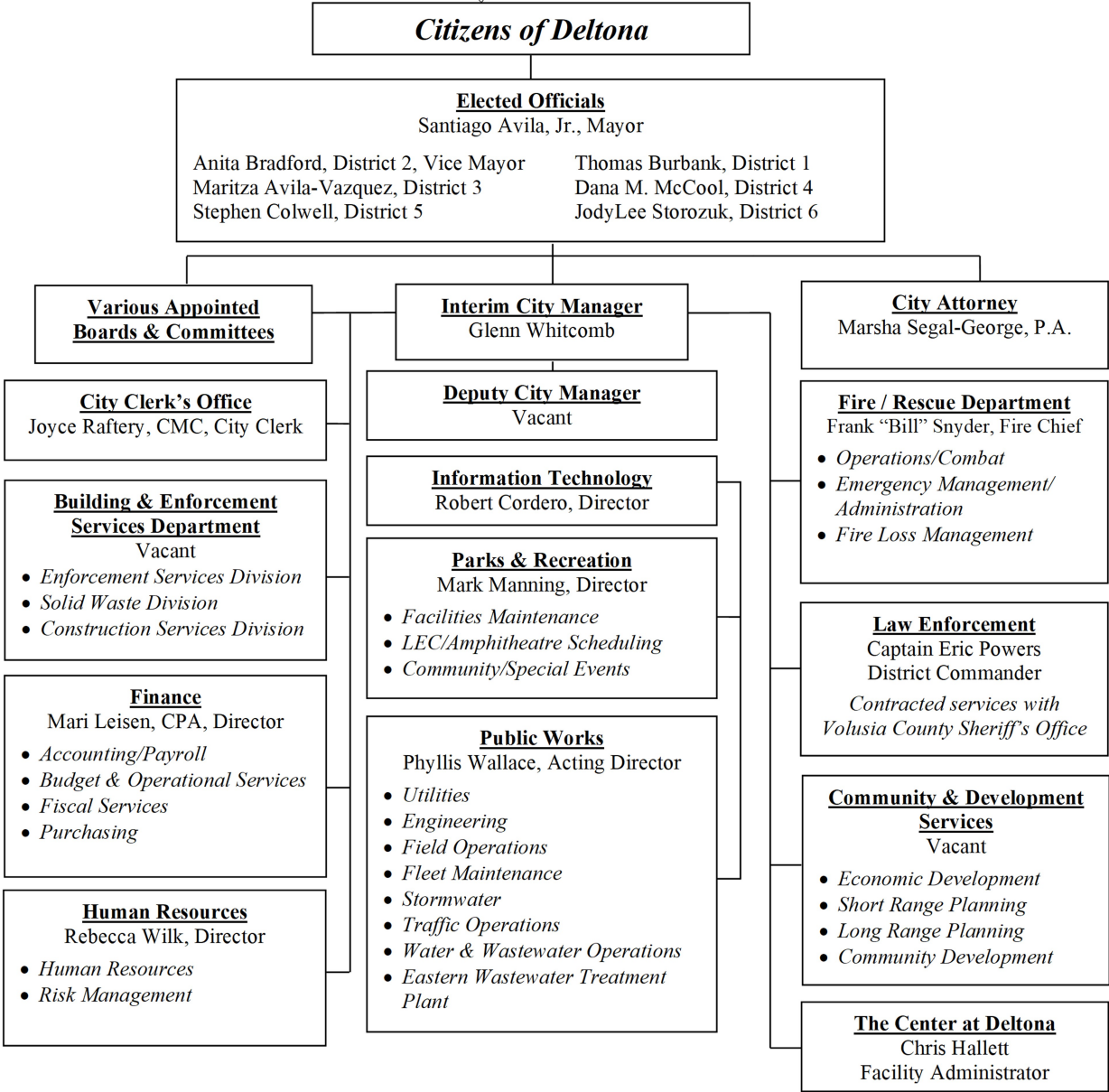
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

**ORGANIZATIONAL CHART**  
As of September 30, 2023



**Elected Officials  
As of September 30, 2023**



**Santiago Avila, Jr.  
Mayor**



**Thomas Burbank  
District 1**



**Anita Bradford  
Vice Mayor  
District 2**



**Maritza Avila-Vazquez  
District 3**



**Dana McCool  
District 4**



**Stephen Colwell  
District 5**



**JodyLee Storozuk  
District 6**

**CITY OF DELTONA, FLORIDA**

**OTHER OFFICIALS  
As of September 30, 2023**

Interim City Manager	- - - - -	Glenn Whitcomb
Deputy City Manager	- - - - -	Vacant
Acting Public Works Director	- - - - -	Phyllis Wallace
City Attorney	- - - - -	Marsha Segal-George, P.A.
Information Technology Director	- - - - -	Robert Cordero
City Clerk	- - - - -	Joyce Raftery
Finance Director	- - - - -	Mari Leisen, CPA
Human Resources Director	- - - - -	Rebecca Wilk
Community and Development Services Director	- - - - -	Vacant
Fire Chief	- - - - -	Frank “Bill” Snyder
Parks & Recreation Director	- - - - -	Mark Manning



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, 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 Deltona, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

## CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

[purvisgray.com](http://purvisgray.com)

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's Responsibility 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison information, schedule of changes in other postemployment benefit liability and related ratios, the schedules of changes in the employer's net position liability and related ratios, the schedule of employer contributions and schedule of investments returns, and schedule of proportionate share of net pension liability, 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

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

## INDEPENDENT AUDITOR'S REPORT

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 accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; 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 non-major fund financial statements, non-major fund budgetary comparison schedules and the schedule of expenditures of federal awards and state projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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 exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

### INDEPENDENT AUDITOR'S REPORT

reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



May 31, 2024  
Ocala, Florida

## Management's Discussion and Analysis

As management of the City of Deltona (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023 (FY2023). We encourage readers to consider this analysis in conjunction with additional information that has been provided in the letter of transmittal, which can be found on pages i-vi, and the City's financial statements and accompanying notes on pages 21-116.

### The Economy

According to the Florida Office of Economic and Demographic Research, the growth rates show improvement in the current year, a somewhat surprising result in an environment of persistent inflation and tight financial conditions. The state's GDP dipped to near zero (0.4%) in Fiscal Year 2019-20, bounced back to 4.7% in Fiscal Year 2020-21, and surged to 7.0% in fiscal year 2021-22. The state's economy expanded by 4.4% in Fiscal Year 2022-23, but the expectation is growth will decelerate to 2.8% and 1.1% over the current and next fiscal years as businesses and consumers transition from a high inflation environment to high interest rate environment.

The City of Deltona property values have been trending up in recent years; the City Commission voted for a millage rate of 7.65 for FY2023, a reduction from the 7.85 rate in FY2022. The City continues to use conservative revenue estimates and routinely monitors actual results, and may amend the budget, if needed, with Commission approval. To date, there has been no indication that the City's major revenue sources will fall significantly short of budget in FY2024.

### Hurricanes

Hurricane Ian arrived late September 2022 and caused catastrophic flooding in low-lying areas of Deltona. City staff spent many hours gathering data and submitting a Public Assistance grant request to the Federal Emergency Management Administration for reimbursement of \$4.2 million in damages. Before the flood waters receded, Hurricane Nicole arrived in November 2022. The cost to the City for damages was under \$100,000, but many residents sustained severe damage to their flooded homes. Hurricane Idalia made landfall in August 2023. The Emergency Operations Center was activated in anticipation of this storm, however the City was fortunate to have avoided the impact of this storm.

### Deltona Village

Deltona Village is a new mixed-use development located near the recently opened Amazon distribution center. The development is approved for retail, restaurants, hotels, medical and entertainment. Deltona strives to increase its commercial presence, amid a heavily residential community, to provide work opportunities for residents, as well as shopping and dining options. In April 2023, the approved 26.57 acres to be added to the 140 acres within the Deltona Village tract. This area will be a retail center to attract shoppers from neighboring cities and workers from Amazon. A Starbucks has recently been completed and new restaurant is under construction. There is 2.5 million square feet of commercial space under development.

### **American Rescue Plan Act**

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to local governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. The City was awarded \$13.9 million. The City received \$6.9 million in May 2021. The second allocation was received in FY2022. The funds are being used for a water meter replacement project. The new meter system will achieve substantial impacts and benefits for customers and utilities, including reduced costs for metering and billing, more customer control over consumption and improved billing accuracy and leak detection. By the end of FY2023, approximately 7,000 meters have been installed and the City continues to make substantial progress toward completion of the city-wide meter replacement project.

### **Fitch Ratings**

In FY2023, Fitch Ratings revised the Rating Outlook to Positive from Stable for the City of Deltona Utility System Revenue Bonds. Fitch has affirmed the A+ rating, which reflects the system's strong financial profile. The revision of the Outlook to Positive from Stable was driven by the continued trend of declining leverage.

In May 2023, Fitch reviewed the ratings of Deltona's General Government and based upon available information has concluded there should be no change in the existing rating. Fitch has affirmed the 'AA' rating on the transportation capital improvement refunding and revenue bonds, series 2016 issued by the City of Deltona, Florida and the city's Issuer Default Rating (IDR) at 'AA', the Rating Outlook is Stable. The IDR of 'AA' reflects the city's high fundamental financial flexibility given robust reserve levels and its significant expenditure flexibility. The city also benefits from a low long-term liability burden and a high independent legal ability to raise revenues.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the at the close of FY2023 by \$256,335,184 (net position). Of this amount, \$93,556,160 is unrestricted net position.
- The City's total net position changed by \$27,647,722 . Of the change, \$8,850,054 was attributed to governmental activities and \$18,797,668 to business-type activities.
- At September 30, 2023, the City's governmental funds reported combined ending fund balances \$109,835,489, a change of \$13,613,812 in comparison with the prior year. The amount of unassigned governmental fund balance was \$29,718,832 as of September 30, 2023.
- At September 30, 2023, the general fund balance was \$68,212,526, of this amount \$29,718,832 was unassigned.

## **Overview of the Financial Statements**

The City's basic financial statements are comprised of (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### ***Government-Wide Financial Statements***

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* shows how the City's net position changed during the most recent fiscal year. All events that affect net position are reported as they occur, regardless of the timing of related cash flows. As a result, some revenues and expenses reported in this statement will result in cash flows, both positive and negative, in future fiscal periods (e.g., uncollected taxes, pension obligations, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or most costs through user fees and charges (*business-type activities*). Governmental activities of the City include law enforcement and fire/rescue services, stormwater and solid waste management, city planning, code enforcement, street and sidewalk maintenance, recreational activities and general administrative services. The City's water and sewer utility comprise the entirety of its Business-type activities.

The City's government-wide financial statements can be found on pages 21-22 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, objectives or legal reasons. The City, like other State and local governments, uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary (or enterprise) funds and fiduciary funds.

### ***Governmental Funds***

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

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

The City presents financial statements for seventeen individual governmental funds. Two of these funds are considered to be major funds. Each major fund is presented separately in the governmental funds

Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Non-major governmental funds are presented in combining statements in the Supplemental Information section of this report.

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for all Governmental Funds to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 23-26 of this report.

### ***Proprietary Funds***

The City maintains one proprietary, or enterprise, fund. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer utility.

Enterprise fund financial statements provide the same information as the government-wide financial statements but with more detail. The water / sewer utility fund is the City's sole major enterprise fund. The basic enterprise fund financial statements can be found on pages 27-31 of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City programs. The accounting methods used for fiduciary funds are similar to that used for proprietary funds. Similarly, GASB does not require the presentation of budgetary comparison statements for fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

### ***Notes to the Financial Statements***

The Notes to the Financial Statements provide additional information intended to help the reader obtain a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 34-84 of this report.



***Other information***

In addition to the basic financial statements and accompanying notes, this report presents certain Required Supplementary Information concerning the City. This required supplementary information presents combining and individual fund statements and schedules and also provides information regarding the City's pension and other post-employment benefit obligations. The Required Supplementary Information can be found on pages 85-96 of this report.

This report also includes Supplemental Information on the City's non-major funds. Supplemental Information includes combining statements for certain non-major governmental funds presented immediately following the Required Supplementary Information, on pages 97-116 of this report. While this information is not required, it is intended to provide the reader with a complete picture of the governmental unit in its entirety.

**Government-wide Financial Analysis**

As noted earlier, the City's net position is one indicator of a government's financial position over time. At the close of the fiscal year, the City of Deltona reported assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$256,335,184. This is an change of 12.09% over the prior year.

By far, the largest portion of the City's net position, at 49.30%, is its Net Investment in Capital Assets, which represents capital assets (e.g., land, improvements, buildings, equipment and infrastructure), less any related debt issued to acquire those capital assets, that is still outstanding. The City uses its capital assets to provide services to its citizens, so these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided for by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The total deferred outflow of resources changed by \$(3,825,713) or (12.12)% from the prior year. Deferred inflows of resources changed by \$507,428 or 10%. The changes are a result of the deferred outflow and deferred inflow actuarial valuation reported by the State of Florida Retirement System (FRS), Firefighter Chapter 175 pension plan as well as GASB 87 regarding lease accounting. Deferred outflows and deferred inflows of resources are a portion of changes in net pension liability that are not immediately recognized in pension expense. The changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments. Deferred outflows also include charges incurred as part of debt issuance.

Long-term liabilities changed by \$(4,641,483) primarily due to the decrease in the pension liability for the Florida Retirement System and the Chapter 175 Firefighter pension plan.

The following table summarizes the components of the City's Net Position for the current and prior fiscal years:

**City of Deltona's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 120,572,074	\$ 104,857,599	\$ 55,107,131	\$ 57,229,003	\$ 175,679,205	\$ 162,086,602
Capital assets, net of depreciation	123,988,750	125,950,951	141,682,003	132,449,731	265,670,753	258,400,682
<b>Total assets</b>	<u>244,560,824</u>	<u>230,808,550</u>	<u>196,789,134</u>	<u>189,678,734</u>	<u>441,349,958</u>	<u>420,487,284</u>
Deferred charges on refunding	16,087	21,935	17,152,175	18,376,194	17,168,262	18,398,129
Deferred amounts related to pension	8,738,458	11,075,928	886,473	989,868	9,624,931	12,065,796
Deferred amounts related to OPEB	767,789	896,333	179,030	205,467	946,819	1,101,800
<b>Total deferred outflow of resources</b>	<u>9,522,334</u>	<u>11,994,196</u>	<u>18,217,678</u>	<u>19,571,529</u>	<u>27,740,012</u>	<u>31,565,725</u>
Current and other liabilities	10,297,222	7,634,828	13,118,032	22,257,130	23,415,254	29,891,958
Long-term liabilities	61,568,758	62,112,153	122,119,644	126,217,732	183,688,402	188,329,885
<b>Total liabilities</b>	<u>71,865,980</u>	<u>69,746,981</u>	<u>135,237,676</u>	<u>148,474,862</u>	<u>207,103,656</u>	<u>218,221,843</u>
Deferred Amounts related to pension	673,823	771,815	147,865	149,814	821,688	921,629
Deferred Amounts related to leases	3,328,237	3,881,684	-	-	3,328,237	3,881,684
Deferred Amounts related to OPEB	1,239,682	276,883	261,523	63,506	1,501,205	340,389
<b>Total deferred inflow of resources</b>	<u>5,241,742</u>	<u>4,930,382</u>	<u>409,388</u>	<u>213,320</u>	<u>5,651,130</u>	<u>5,143,702</u>
Net Position						
Net Investment in Capital Assets	90,008,360	93,156,845	36,366,083	23,804,994	126,374,443	116,961,839
Restricted	34,929,581	33,943,627	1,475,000	1,331,000	36,404,581	35,274,627
Unrestricted	52,037,495	41,024,910	41,518,665	35,426,086	93,556,160	76,450,996
<b>Total net position</b>	<u>\$ 176,975,436</u>	<u>\$ 168,125,382</u>	<u>\$ 79,359,748</u>	<u>\$ 60,562,080</u>	<u>\$ 256,335,184</u>	<u>\$ 228,687,462</u>

The City's total net position includes resources that are restricted in how they may be used; at the end of FY2023 this portion totaled \$36,404,581 , or 14.2 % , of total net position. Another \$93,556,160, or 36.50%, of the City's total net position were considered unrestricted and may be spent at the City's discretion for any legal purpose. The balances of the City's net position, restricted assets, and unrestricted assets for both governmental and business-type activities were positive as of September 30, 2023.

Governmental activities resulted in an increase of net position by \$8,850,054 or 5.3%, while business-type activities increased net position by \$18,797,668, or 31.0%. The table below compares changes in the City's net position for the current and prior fiscal year, and is followed by explanations of the largest year-over-year differences.

**City of Deltona's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 25,267,065	\$ 22,745,268	\$ 28,045,728	\$ 27,167,230	\$ 53,312,793	\$ 49,912,498
Operating grants and contributions	2,561,665	3,516,095	-	-	2,561,665	3,516,095
Capital grants and contributions	1,658,275	3,348,124	12,361,904	4,976,407	14,020,179	8,324,531
General Revenues:						
Property taxes	29,187,545	25,522,507	-	-	29,187,545	25,522,507
Other taxes	18,578,957	17,335,789	-	-	18,578,957	17,335,789
State Shared Revenues	4,990,459	4,697,047	-	-	4,990,459	4,697,047
Other	5,086,901	840,038	1,635,075	(544,179)	6,721,976	295,859
<b>Total Revenues</b>	<b>87,330,867</b>	<b>78,004,868</b>	<b>42,042,707</b>	<b>31,599,458</b>	<b>129,373,574</b>	<b>109,604,326</b>
<b>Expenses:</b>						
Governmental Activities:						
General government	19,607,578	14,790,090	-	-	19,607,578	14,790,090
Public safety	27,180,328	27,491,279	-	-	27,180,328	27,491,279
Highways and streets	10,674,737	3,696,417	-	-	10,674,737	3,696,417
Culture & recreation	5,951,025	5,859,621	-	-	5,951,025	5,859,621
Economic environment	600,912	432,249	-	-	600,912	432,249
Physical environment	13,348,843	12,207,539	-	-	13,348,843	12,207,539
Interest on long-term debt	1,117,390	1,172,798	-	-	1,117,390	1,172,798
Business-type Activities:						
Water and sewer	-	-	23,245,039	21,130,846	23,245,039	21,130,846
<b>Total Expenses</b>	<b>78,480,813</b>	<b>65,649,993</b>	<b>23,245,039</b>	<b>21,130,846</b>	<b>101,725,852</b>	<b>86,780,839</b>
Excess (deficiency) of revenues over (under) expenses	8,850,054	12,354,875	18,797,668	10,468,612	27,647,722	22,823,487
<b>Other Financing Sources (Uses)</b>						
Operating Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	8,850,054	12,354,875	18,797,668	10,468,612	27,647,722	22,823,487
Net Position-beginning of year	168,125,382	155,770,507	60,562,080	50,093,468	228,687,462	205,863,975
Net Position-end of year	\$ 176,975,436	\$ 168,125,382	\$ 79,359,748	\$ 60,562,080	\$ 256,335,184	\$ 228,687,462

**Governmental Activities - Revenues**

**Program Revenues**

Program Revenues changed in total by approximately \$8,141,513 over the prior fiscal year, including a change of \$(122,482) for governmental and a change of \$8,263,995 for business-type revenues.

- Charges for services in governmental activities changed by \$2,521,797, or 11.09%, over the prior year, reflecting increase in administrative charges paid to the General Fund from other departments and an increase in fire department transport revenue received from Volusia County.
- Operating grants and contributions received by the City for governmental activities changed by \$(954,430), or (27.14)%, over the prior year, due to the decrease in CDBG and SHIP grant activity.
- Capital grants and contributions related to governmental activities changed by \$(1,689,849) in FY2023. The change in governmental revenues is due to grant revenue received in FY2022 for Elkcam paved shoulders project and imbedded light project. The grant was not received in FY2023.

**General revenues**

The City’s General revenues increased approximately \$5,201,618, or 10.94%, in total over the prior year, all of it from governmental activities.

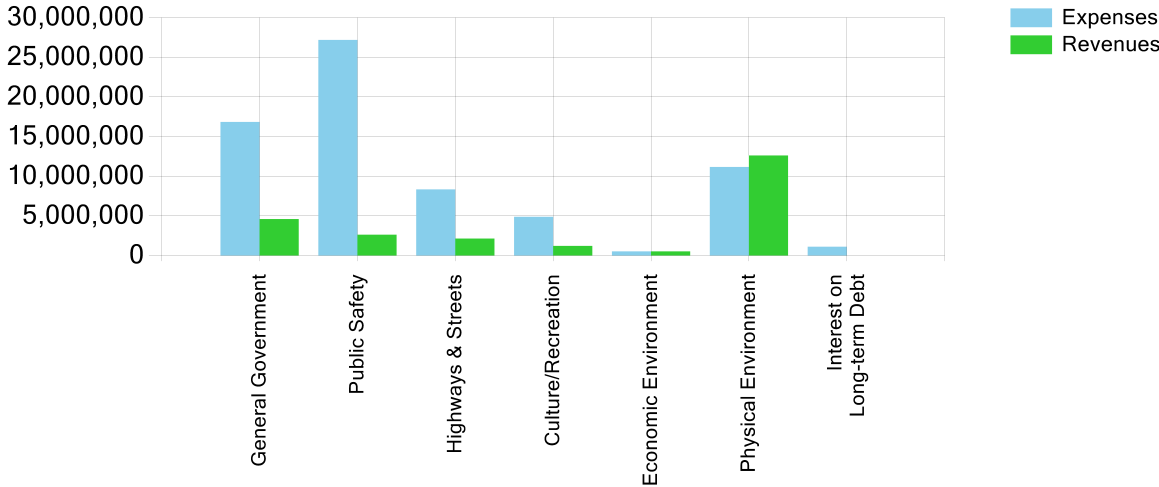
- All major general revenue sources increased over the prior year. Although the property tax millage rate levied for FY2023 decreased to 7.65 mills from the prior year of 7.85 mills, increased property values resulted in \$3,665,038 additional ad valorem receipts. State Revenue Sharing proceeds changed by \$293,412 and other taxes, including Public Service Taxes increased by \$1,243,168 from FY 2022. Charges for service increased by 2,521,797

**Governmental Activities - Expenses**

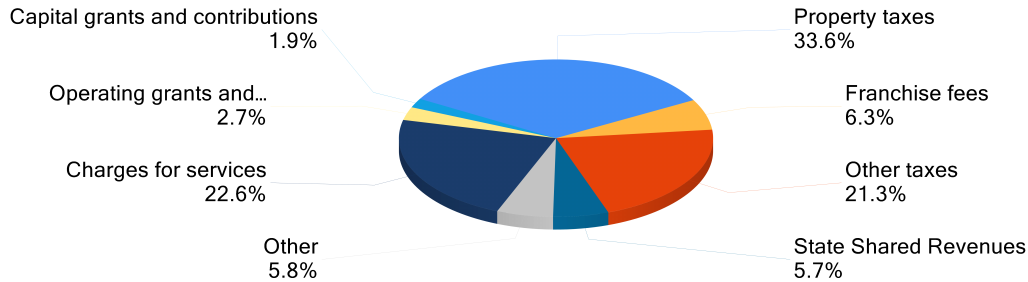
Governmental Activities expenses increased in total by \$12,830,820 or 19.54 %. There were some decreases in expenditure, however overall resulted in a increase. The largest changes were:

- Highways and Streets expenses increased by \$6,978,320, or 188.79% due to the cost of Hurricane Ian and Hurricane Nicole clean up and repairs.
- General Government expenses increased by \$4,817,488 or 32.57%. The increase is attributed to an increase in salaries due to cost of living increase, insurance premium costs and an increase in personnel in the City Manager Office.

**Expenses and Program Revenues – Governmental Activities**



**Revenues by Source – Governmental Activities**

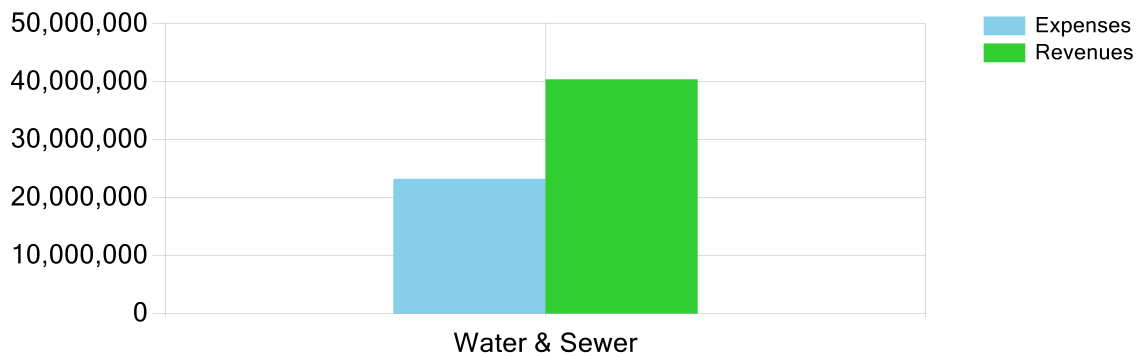


**Business-type Activities – Revenues & Expenses**

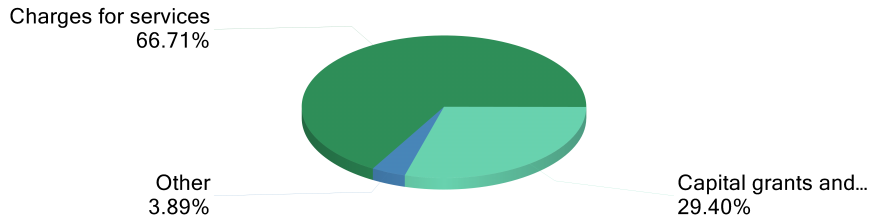
Business-type activities’ net position changed by \$18,797,668 in the 2022/2023 year. Included in this change were:

- Charges for Services changed by \$878,498 or 3.23%, due to annual increases in water/sewer rates.
- Capital Grants and Contributions increased by \$7,385,497, due to the recognition of the grant revenue received from the American Rescue Plan Act (ARPA) for the water meter replacement project. .
- Business-type expenses increased by \$2,114,193, or 10.01%, due cost of increase for personnel, increased fuel costs and an increase in repairs and maintenance on the sewer system.

**Expenses and Program Revenues – Business-type Activities**



### Revenues by Source – Business-type Activities



## Financial Analysis of the City’s Funds

### Governmental Funds

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. In contrast to the government-wide financial statements discussed in the previous paragraphs, the focus of the City’s *governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of *spendable* resources. This information is useful in assessing the City’s short-term financing capabilities and operational requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City’s net resources available for spending on any legal public purpose at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$109,835,489, a change of \$13,613,812, or 14.15% from the prior year. Approximately 27.1% of this amount, or \$29,718,832, constitutes *unassigned fund balance*, which is entirely in the City’s General Fund and is available for spending at the City’s discretion for any legal purpose. This unassigned portion of the fund balance changed by \$6,989,894 from the prior year, due to an excess of revenues over expenditures.

The City Commission maintains several fund balance reserves designed to ensure preparedness for unexpected hazards or opportunities. These are:

- Economic Emergency Reserve in the amount \$12,000,000;
- Operating Reserve of two (2) months of General Fund annual operating expenditures, totaling \$9,627,000 at September 30, 2023;

- Natural Disaster Reserve, initially established at \$6,000,000, was increased to \$8,000,000 by the Commission in 2018, with indexed increases authorized for each year thereafter. At September 30, 2023 the reserve is \$10,299,000.
- Economic Development and Infrastructure Incentive reserve with a combined total of \$525,600 as of September 30, 2023; and
- Grants Match reserve of \$378,500 as of September 30, 2023.

The use of any of these funds must be approved by the City Commission and must be consistent with the purposes for which they were established. One-time reserves decrease over time as they are used for their intended purposes.

The components of fund balance for all Governmental funds (not just the General Fund) as reported in accordance with GASB Statement No. 54, are as follows: \$804,399 is *non-spendable*, \$34,929,581 is *restricted*, \$5,711,776 is *committed*, \$38,670,901 is *assigned*, and \$29,718,832 is *unassigned*.

The General Fund is the City's major operating fund. At the end of the current fiscal year, the fund balance of the General Fund was \$68,212,526, of which \$29,718,832 was unassigned. Overall, a larger fund balance, particularly a larger unassigned fund balance, reflects better financial health and stability. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The General Fund's total fund balances represent 128.79% of total General Fund expenditures. The General Fund's unassigned fund balance represents 56.11% of total General Fund expenditures. The total fund balance of the City's General Fund changes by approximately \$10,696,575 or 18.60%, during the current fiscal year. The key contributing factors were:

- Revenues received in the General Fund were \$10,093,847 higher than prior year. The largest increases were from property tax, public service tax charges for service and interest income.
- Expenses in the General Fund were \$7,388,712 higher than FY2022, The most significant change was the increase in Highways and Streets due to the costs incurred from the clean up from the Hurricanes.

### ***Transportation Fund***

The Transportation fund balance increased \$371,953, or 1.67%. New residential and commercial development has increased transportation impact fee revenues.

### ***Proprietary Funds***

The net position of the City's Water and Sewer Utility Fund increased \$18,797,668 , or 31.04%, in fiscal year 2023. Charges for Services were up about \$878,498, or 3.23%, over the prior year, due to new residents, annual rate increases, and new developments. The City of Deltona received an allocation of \$13.9 million from the United State Treasury for the Coronavirus State and Local Fiscal Recovery Funds. The first installment was received in FY2021 and the second was received in FY2022. A project is underway in FY2023 to replace the water meters with the grant funds.

## General Fund Final Budgetary Highlights

The City adopts an annual budget for all governmental funds, and typically amend those budgets during the fiscal year as needed. A comparison of the General Fund's budget vs. the actual results of operations appears as part of the Required Supplementary Information in this report. Highlights of that comparison include:

- General Fund actual revenues exceeded budget by \$8,785,447. Charges for service, specifically permit fee revenue exceeded the budgeted amount by \$2,686,407 as the housing market continues to thrive. State revenue sharing and intergovernmental revenue exceeded budgeted amounts by \$998,578 and \$938,987, respectively. Interest income exceeded the budgeted amount by \$2,244,399
- General Fund operating expenditures ended the fiscal year \$6,313,794 under budget, due to position vacancies, most significantly in the Planning and Development Department.
- Capital outlay expenditures were under budget by approximately \$2,553,277 due to supply chain issues, most notably with the purchase and delivery of vehicles in Public Safety.

## Capital Asset and Debt Administration

### Capital Assets

The City's total investment in capital assets for its governmental and business-type activities as of September 30, 2023 was \$265,670,753 (net of accumulated depreciation). These assets include land, construction-in-progress, buildings and improvements, machinery and equipment, and infrastructure (roads, right-of-ways, stormwater and water and wastewater utility). The total change (additions less retirements and depreciation) in the City's investment in capital assets was \$7,263,562; a change of less than 2.81%. Further information on capital assets is presented in the Notes to the Financial Statements on pages 50-51 of this report.



**City of Deltona's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,119,518	\$ 15,119,518	\$ 3,150,692	\$ 3,150,692	\$ 18,270,210	\$ 18,270,210
Infrastructure Right of Way	4,372,500	4,372,500	-	-	4,372,500	4,372,500
Construction in Progress	5,225,801	4,213,727	21,637,373	12,864,175	26,863,174	17,077,902
Capitalized Intangibles	279,542	279,542	1,891,899	1,891,899	2,171,441	2,171,441
Right to Use - SBITA	102,521	-	15,088	-	117,609	-
Buildings & Improvements	94,343,263	92,207,106	148,765,475	143,424,831	243,108,738	235,631,937
Machinery & Equipment	33,578,212	31,752,476	40,322,483	39,435,446	73,900,695	71,187,922
Infrastructure	127,033,635	126,826,423	-	-	127,033,635	126,826,423
<b>Total</b>	<b>\$ 280,054,992</b>	<b>\$ 274,771,292</b>	<b>\$ 215,783,010</b>	<b>\$ 200,767,043</b>	<b>\$ 495,838,002</b>	<b>\$ 475,538,335</b>

**Debt Administration**

Outstanding debt balance is a key factor in a city's overall financial health. Too much outstanding debt is dangerous for the entity, but total avoidance of debt can deprive residents of needed improvements. Responsible borrowing, instead of pay-as-you-go funding, allows projects to proceed in today's dollars. Additionally, long-term debt ensures that both current *and* future residents who benefit from financed projects will help pay for them.

A government should not issue long-term debt for operating expenses, or to pay for assets whose useful lives will not meet or exceed the debt repayment schedule.

The following table presents the total principal amount of the City's outstanding debt obligations:

**City of Deltona Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue Bonds	\$ 29,915,000	\$ 30,720,000	\$ 94,485,000	\$ 97,150,000	\$ 124,400,000	\$ 127,870,000
Total Bonds	29,915,000	30,720,000	94,485,000	97,150,000	124,400,000	127,870,000
Bank Loan Payable	2,695,200	3,070,762	-	-	2,695,200	3,070,761
FDEP State Revolving Loans	-	-	28,060,033	29,798,716	28,060,033	29,798,717
Total Bonds and Loans	<b>\$ 32,610,200</b>	<b>\$ 33,790,762</b>	<b>\$ 122,545,033</b>	<b>\$ 126,948,716</b>	<b>\$ 155,155,233</b>	<b>\$ 160,739,478</b>

The City has no general obligation debt; all of its debt obligations are secured by designated revenue streams. Additionally, the City maintained debt-to-revenue ratios as required by its bond covenants. Detailed information on the City’s debt obligations is presented on pages 54-61 of this report.

In May 2023, Fitch reviewed the ratings of Deltona's General Government and based on available information has concluded there should be no change in the existing rating. Fitch Ratings has affirmed the 'AA' rating on the transportation capital improvement refunding and revenue bonds, series 2016 issued by the City of Deltona, Florida and the city's Issuer Default Rating (IDR) at 'AA', the Rating Outlook is Stable. The IDR of 'AA' reflects the city's high fundamental financial flexibility given robust reserve levels and its significant expenditure flexibility given robust reserve levels and its significant expenditure flexibility. The City also benefits from a low long-term liability burden and a high independent legal ability to raise revenues.

If FY2023, Fitch Ratings revised the Rating Outlook to Positive from Stable for the City of Deltona Utility System Revenue Bonds. Fich has affirmed the A+ rating, which reflects the system's strong financial profile. The revision of the Outlook to Positive from Stable was driven by the continued trend of declining leverage.

**Economic Factors, Future Budget, and Outlook**

The City’s unemployment rate as of September 30, 2023 was 3.4%, an increase from the prior year’s 3.0% rate. The data below is from the U.S Bureau of Labor Statistics.

Region	2023	2022	2021
Deltona	3.4%	3.0%	4.7%
Deltona-Daytona Beach-Ormond Beach Metro Area	3.5%	2.8%	4.3%
Volusia County	3.4%	2.8%	4.3%
Florida	3.0%	2.7%	3.9%
United States	3.6%	3.3%	4.6%

For FY2023 the taxable value of the City’s real property, personal property, and centrally assessed property, based on the 2022 tax roll, increased over the previous year by 17.57%. The City’s population is currently estimated at 95,918, an increase of approximately .14% over the prior year.

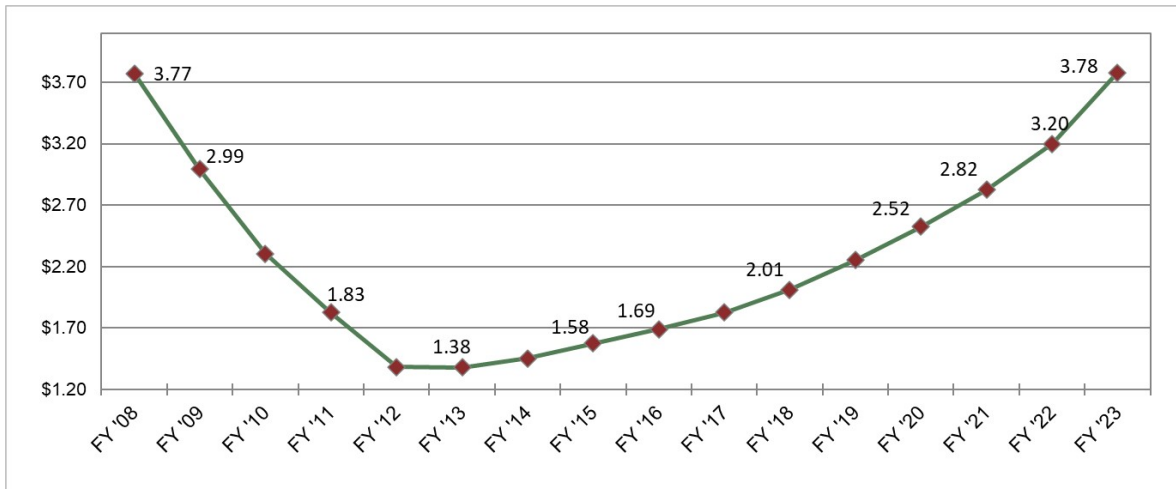
During the FY2023 budget process, the City Commission voted for an ad valorem (property) tax millage rate of 7.65 mils, which is a reduction from the FY2022 millage rate of 7.85. The rise in property values resulted in higher revenue collections than the prior year, underscoring an important principle of property taxation; millage is only one part of the property tax equation, and a higher (or lower) millage rate does not guarantee a higher (or lower) tax bill.

Numerous indications of economic growth are ongoing from the prior year;

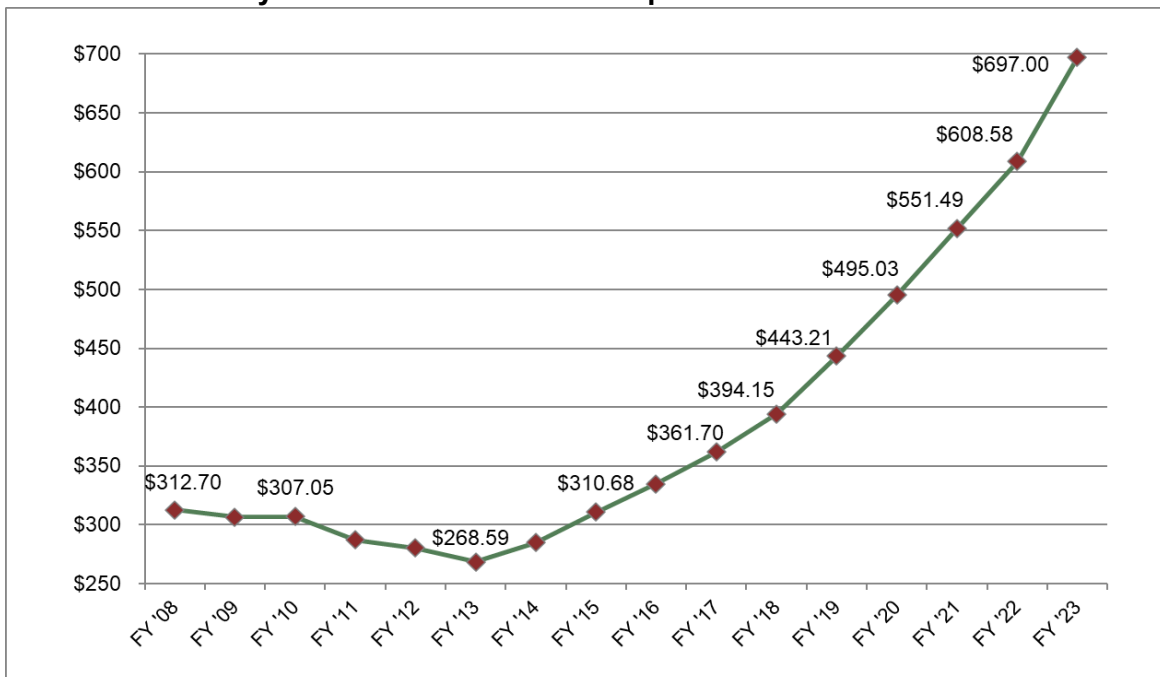
- Plans are underway for additional tenants in Deltona Village and Deltona’s Portland Industrial Park. The City continues to field interest from other potential commercial developers.

- The housing growth continues in Deltona, with the Construction Services department reporting high demand for building permits and inspections.
- Real estate prices have risen over the prior year, the Volusia County Property Appraiser reported in increase just value for FY2023 of 26.73%.
- The following charts show the historical increase in property values. The "Great Recession" in 2008 resulted in a significant downturn in real property taxable values. The City has finally recovered from that event.

**City of Deltona – Total Real Property Taxable Value**  
(in billions)



**City of Deltona – Tax Revenue per Residential Parcel**



In FY2023 budget, the Commission adopted a millage rate of 7.65 which is 12.27% more than the rolled back rate of 6.8141 mills, but well below the legal limit of 10.0 mills. City staff once again crafted a budget based on conservative revenue projections and expenditures based on thorough review of trends and departmental needs. As in the past, City staff vigilantly monitor actual results and adjust as needed.

Current and upcoming challenges facing the City include:

- Statutorily imposed caps on property values, millage rates, and certain fees;
- Limited opportunities to diversify revenue, especially for recurring operating expenses;
- Unfunded mandates from State and/or Federal government;
- Demand for technological advances tempered by the availability of funding;
- Demand for services driven by population growth coupled with Deltona's relatively low staffing levels (approximately 4.11 employees per 1,000 residents, excluding contracted law enforcement);
- Succession planning for the 39% of full-time City employees aged 50 and over, including incumbents in senior management positions;
- Maintaining competitiveness in the labor market, even with the \$15 minimum wage in place, the City has been unable to reach full employment;
- Ongoing need for both expansion and maintenance of existing infrastructure, especially water/sewer and streets.

### **Requests for Information**

This report is designed to provide a general overview of the City of Deltona, Florida's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Deltona, 2345 Providence Boulevard, Deltona, Florida 32725. You can also access the City's website at [www.deltonafl.gov](http://www.deltonafl.gov)

Statement of Net Position  
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 110,742,824	\$ 49,744,620	\$ 160,487,444
Cash with fiscal agent	179,337	-	179,337
Receivables (net)	2,799,373	3,938,469	6,737,842
Leases receivables	3,514,739	-	3,514,739
Due from other governments	2,531,402	-	2,531,402
Inventory and prepaids	804,399	1,245,563	2,049,962
Total current assets	<u>120,572,074</u>	<u>54,928,652</u>	<u>175,500,726</u>
Noncurrent assets:			
Assets not being depreciated	24,717,819	24,788,065	49,505,884
Assets being depreciated (Accumulated depreciation)	255,337,173 (156,066,242)	190,994,945 (74,101,007)	446,332,118 (230,167,249)
Other assets	-	178,479	178,479
Total noncurrent assets	<u>123,988,750</u>	<u>141,860,482</u>	<u>265,849,232</u>
Total assets	<u>244,560,824</u>	<u>196,789,134</u>	<u>441,349,958</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred charges on refunding	16,087	17,152,175	17,168,262
Deferred amounts related to pensions	8,738,458	886,473	9,624,931
Deferred amounts related to OPEB	767,789	179,030	946,819
Total deferred outflow of resources	<u>9,522,334</u>	<u>18,217,678</u>	<u>27,740,012</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,776,820	1,687,152	4,463,972
Accrued liabilities	1,738,768	1,288,400	3,027,168
Contracts/retainage payable	100,087	91,481	191,568
Deposits	81,205	1,003,973	1,085,178
Unearned revenue	2,767,698	4,410,811	7,178,509
Due within one year	2,832,644	4,636,215	7,468,859
Total current liabilities	<u>10,297,222</u>	<u>13,118,032</u>	<u>23,415,254</u>
Noncurrent liabilities:			
Due in more than one year	61,568,758	122,119,644	183,688,402
Total noncurrent liabilities	<u>61,568,758</u>	<u>122,119,644</u>	<u>183,688,402</u>
Total liabilities	<u>71,865,980</u>	<u>135,237,676</u>	<u>207,103,656</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	673,823	147,865	821,688
Deferred amounts related to leases	3,328,237	-	3,328,237
Deferred amounts related to OPEB	1,239,682	261,523	1,501,205
Total noncurrent liabilities	<u>5,241,742</u>	<u>409,388</u>	<u>5,651,130</u>
<b>NET POSITION</b>			
Net investment in capital assets	90,008,360	36,366,083	126,374,443
Restricted for:			
Culture and recreation	3,215,037	-	3,215,037
Physical environment	6,656,746	-	6,656,746
Public safety	882,830	-	882,830
Renewal and replacement	-	1,475,000	1,475,000
Road and street expenses	24,174,968	-	24,174,968
Unrestricted	52,037,495	41,518,665	93,556,160
Total net position	<u>\$ 176,975,436</u>	<u>\$ 79,359,748</u>	<u>\$ 256,335,184</u>

The notes to financial statements are an integral part of this statement.

Statement of Activities  
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 19,607,578	\$ 10,116,856	\$ -	\$ -	\$ (9,490,722)	\$ -	\$ (9,490,722)
Public safety	27,180,328	1,795,852	619,811	206,443	(24,558,222)	-	(24,558,222)
Highways and streets	10,674,737	215,416	1,358,030	762,167	(8,339,124)	-	(8,339,124)
Culture and recreation	5,951,025	525,512	-	689,665	(4,735,848)	-	(4,735,848)
Economic environment	600,912	-	527,089	-	(73,823)	-	(73,823)
Physical environment	13,348,843	12,613,429	56,735	-	(678,679)	-	(678,679)
Interest	1,117,390	-	-	-	(1,117,390)	-	(1,117,390)
Total governmental activities	<u>78,480,813</u>	<u>25,267,065</u>	<u>2,561,665</u>	<u>1,658,275</u>	<u>(48,993,808)</u>	<u>-</u>	<u>(48,993,808)</u>
Business-type activities:							
Water and Sewer Utility Fund	<u>23,245,039</u>	<u>28,045,728</u>	<u>-</u>	<u>12,361,904</u>	<u>-</u>	<u>17,162,593</u>	<u>17,162,593</u>
Total business-type activities	<u>23,245,039</u>	<u>28,045,728</u>	<u>-</u>	<u>12,361,904</u>	<u>-</u>	<u>17,162,593</u>	<u>17,162,593</u>
Total primary government	<u>\$ 101,725,852</u>	<u>\$ 53,312,793</u>	<u>\$ 2,561,665</u>	<u>\$ 14,020,179</u>	<u>\$ (48,993,808)</u>	<u>\$ 17,162,593</u>	<u>\$ (31,831,215)</u>
General Revenues:							
Taxes:							
Property taxes					29,187,545	-	29,187,545
Public service tax					9,456,641	-	9,456,641
Sales tax					6,627,061	-	6,627,061
Local option gas taxes					2,495,255	-	2,495,255
State shared revenues - non program specific					4,990,459	-	4,990,459
Investment income:							
Interest earnings					4,476,504	1,635,075	6,111,579
Miscellaneous					610,397	-	610,397
Total general revenues, special items, and transfers					<u>57,843,862</u>	<u>1,635,075</u>	<u>59,478,937</u>
Change in net position					8,850,054	18,797,668	27,647,722
Net position - beginning					168,125,382	60,562,080	228,687,462
Net position - ending					<u>\$ 176,975,436</u>	<u>\$ 79,359,748</u>	<u>\$ 256,335,184</u>

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

Balance Sheet  
Governmental Funds  
September 30, 2023

	General Fund	Transportation Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 65,443,836	\$ 22,341,429	\$ 22,957,559	\$ 110,742,824
Cash with fiscal agent	68,764	110,573	-	179,337
Receivables (net of allowances for uncollectibles)	2,781,995	-	17,378	2,799,373
Lease receivables	3,514,739	-	-	3,514,739
Due from other funds	203,338	-	-	203,338
Due from other governments	1,556,955	719,866	254,581	2,531,402
Inventory and prepaid items	804,399	-	-	804,399
Total assets	<u>74,374,026</u>	<u>23,171,868</u>	<u>23,229,518</u>	<u>120,775,412</u>
<b>LIABILITIES</b>				
Accounts payable	1,154,355	513,917	1,231,978	2,900,250
Accrued liabilities	1,597,703	4,014	57,478	1,659,195
Due to other funds	-	-	203,338	203,338
Unearned revenues	-	-	2,767,698	2,767,698
Deposits	81,205	-	-	81,205
Total liabilities	<u>2,833,263</u>	<u>517,931</u>	<u>4,260,492</u>	<u>7,611,686</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to leases	3,328,237	-	-	3,328,237
Total deferred inflows of resources	<u>3,328,237</u>	<u>-</u>	<u>-</u>	<u>3,328,237</u>
<b>FUND BALANCES</b>				
<b>Non-spendable:</b>				
Inventory and prepaid items	804,399	-	-	804,399
Total non-spendable fund balance	<u>804,399</u>	<u>-</u>	<u>-</u>	<u>804,399</u>
<b>Restricted:</b>				
Public safety	-	-	882,830	882,830
Highways and streets	-	22,653,937	1,521,031	24,174,968
Culture and recreation	-	-	3,215,037	3,215,037
Physical environment	-	-	6,656,746	6,656,746
Total restricted fund balance	<u>-</u>	<u>22,653,937</u>	<u>12,275,644</u>	<u>34,929,581</u>
<b>Committed:</b>				
Culture and recreation	-	-	4,558,600	4,558,600
Physical environment	63,011	-	1,090,165	1,153,176
Total committed fund balance	<u>63,011</u>	<u>-</u>	<u>5,648,765</u>	<u>5,711,776</u>
<b>Assigned:</b>				
Natural disasters	10,299,000	-	-	10,299,000
Operating reserve	9,627,000	-	-	9,627,000
Economic development	525,600	-	-	525,600
Grant match reserve	378,500	-	-	378,500
Capital outlay/projects	4,796,184	-	1,044,617	5,840,801
Economic emergency reserve	12,000,000	-	-	12,000,000
Total assigned fund balance	<u>37,626,284</u>	<u>-</u>	<u>1,044,617</u>	<u>38,670,901</u>
<b>Unassigned:</b>				
Unallocated	29,718,832	-	-	29,718,832
Total fund balances	<u>68,212,526</u>	<u>22,653,937</u>	<u>18,969,026</u>	<u>109,835,489</u>
Total liabilities and fund balances	<u>\$ 74,374,026</u>	<u>\$ 23,171,868</u>	<u>\$ 23,229,518</u>	<u>\$ 120,775,412</u>

Reconciliation of Balance Sheet  
To the Statement of Net Position  
September 30, 2023

Fund balances of Governmental Funds		\$ 109,835,489
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the Governmental Funds:		
Cost of capital assets	280,054,992	
Accumulated depreciation	<u>(156,066,242)</u>	123,988,750
Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Bonds and loans payable	(32,610,200)	
Subscription based information technology arrangement payable	(68,774)	
Accrued interest Stormwater loan	(56,230)	
Premium on bonds payable	(1,743,963)	
Deferred revenue - Debt Service Deposit Agreement	<u>(50,070)</u>	(34,529,237)
Certain liabilities related to employee benefits are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.		
Compensated absences	(3,261,303)	
Other post employment benefits liability	(821,757)	
Net pension liability	<u>(25,845,335)</u>	(29,928,395)
The difference between the reacquisition price and the net carrying amount of refunded debt is reported as a deferred outflow of resources in the government-wide statements and amortized over the life of the debt, but is not reported in the Governmental Funds.		
		16,087
Deferred inflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds:		
Deferred inflows related to pensions	(673,823)	
Deferred inflows related to other post-employment benefits	<u>(1,239,682)</u>	(1,913,505)
Deferred outflows of resources related to pensions and other post employment benefits are reported in the government-wide statements, but are not reported in the Governmental Funds:		
Deferred outflows related to pensions	8,738,458	
Deferred outflows related to other post-employment benefits	<u>767,789</u>	<u>9,506,247</u>
Net position of governmental activities		<u>\$ 176,975,436</u>

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



Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2023

	General Fund	Transportation Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 28,869,210	\$ -	\$ 318,335	\$ 29,187,545
Franchise fees	5,515,518	-	-	5,515,518
Public service tax	9,456,641	-	-	9,456,641
State revenue sharing	6,095,578	-	-	6,095,578
Intergovernmental	7,322,487	2,499,853	718,815	10,541,155
Charges for services	7,005,707	208,276	12,478,558	19,692,541
Fines and forfeitures	194,614	-	27,850	222,464
Impact fees	-	-	1,493,280	1,493,280
Interest income	2,444,399	1,169,105	863,000	4,476,504
Miscellaneous	365,093	-	284,546	649,639
Total revenues	<u>67,269,247</u>	<u>3,877,234</u>	<u>16,184,384</u>	<u>87,330,865</u>
<b>EXPENDITURES</b>				
Operating:				
General government	13,053,650	-	-	13,053,650
Public safety	25,860,439	-	-	25,860,439
Highways and streets	7,249,238	361,149	179,721	7,790,108
Culture and recreation	4,474,579	-	-	4,474,579
Economic environment	-	-	520,088	520,088
Physical environment	-	-	11,627,627	11,627,627
Debt service:				
Interest	231,378	826,662	153,845	1,211,885
Principal retirement	175,000	630,000	375,561	1,180,561
Capital outlay:				
General government	386,275	-	375,412	761,687
Public safety	973,364	-	-	973,364
Highways and streets	176,289	2,284,642	51,518	2,512,449
Culture and recreation	382,295	-	1,145,420	1,527,715
Physical environment	-	-	2,287,736	2,287,736
Total expenditures	<u>52,962,507</u>	<u>4,102,453</u>	<u>16,716,928</u>	<u>73,781,888</u>
Excess (deficiency) of revenues over expenditures	<u>14,306,740</u>	<u>(225,219)</u>	<u>(532,544)</u>	<u>13,548,977</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	3,000,000	597,172	3,675,000	7,272,172
Transfer(s) out	(6,675,000)	-	(597,172)	(7,272,172)
Other Financing Sources - SBITA	64,835	-	-	64,835
Total other financing source (uses)	<u>(3,610,165)</u>	<u>597,172</u>	<u>3,077,828</u>	<u>64,835</u>
Net change in fund balances	10,696,575	371,953	2,545,284	13,613,812
Fund balances - beginning	57,515,951	22,281,984	16,423,742	96,221,677
Fund balances - ending	<u>\$ 68,212,526</u>	<u>\$ 22,653,937</u>	<u>\$ 18,969,026</u>	<u>\$ 109,835,489</u>

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

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended September 30, 2023

Net change in fund balances of Governmental Funds \$ 13,613,812

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.

Bonds and loans payable	1,180,562	
Subscription based information technology arrangement payable	33,747	
Accrued interest Stormwater loan	1,988	
Premium on bonds payable	75,825	
Bond and loan issue costs	<u>16,682</u>	1,308,804

Certain revenues and expenditures are not recognized and/or payable in the current period and, accordingly, are not reported in the current period and therefore are not reported as liabilities in the Governmental Funds.

Compensated absences	(180,397)	
Subscription based information technology arrangement	(102,522)	
Other post employment benefits liability	(51,909)	
Net pension liability	<u>(3,775,533)</u>	(4,110,361)

Governmental Funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of those assets is depreciated (expensed) over their useful lives. This is the amount by which depreciation exceeded expenditures in the current period.

Capital asset purchases	5,408,388	
Less: depreciation expense	<u>(7,370,589)</u>	(1,962,201)

Change in net position of governmental activities \$ 8,850,054

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

Statement of Net Position  
Proprietary Fund  
September 30, 2023

	Business-Type Activities
	<u>Water and Sewer Utility Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 42,946,055
Restricted assets available for current liabilities	4,819,008
Receivables (net of allowance for uncollectibles)	3,938,469
Inventory	1,245,563
Total current assets	<u>52,949,095</u>
Noncurrent assets:	
Restricted assets	
Sinking fund - State Revolving Fund Loan	609,647
Sinking fund - Revenue bonds payable	3,709,945
Renewal and replacement account	1,475,000
Customer deposits	1,003,973
Less: current portion	<u>(4,819,008)</u>
Total restricted assets	<u>1,979,557</u>
Capital assets	
Capitalized intangible	1,891,899
Right to use - SBITA	15,088
Improvements other than buildings	136,978,876
Land	3,150,692
Buildings	11,786,598
Equipment	40,322,484
Construction in progress	21,637,373
(Accumulated depreciation)	<u>(74,101,007)</u>
Total capital assets - cost less depreciation	<u>141,682,003</u>
Prepaid bond insurance	178,479
Total noncurrent assets	<u>143,840,039</u>
Total assets	<u>196,789,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	17,152,175
Deferred amounts related to pensions	886,473
Deferred amounts related to OPEB	179,030
Total deferred outflow of resources	<u>18,217,678</u>
Total assets and deferred outflow of resources	<u>\$ 215,006,812</u>

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

Statement of Net Position  
Proprietary Fund  
September 30, 2023  
(Continued)

	Business-Type Activities
	<u>Water and Sewer Utility Fund</u>
<b>LIABILITIES</b>	
Current liabilities payable from current assets:	
Accounts and retainages payable	\$ 1,778,633
Accrued expenses	135,450
Unearned revenue	4,410,811
FDEP State Revolving Fund loan - current portion	1,765,662
Long term liabilities - current portion	<u>200,553</u>
Total current liabilities payable from current assets	<u>8,291,109</u>
Current liabilities payable from restricted assets:	
Deposits	1,003,973
Accrued interest payable	1,152,950
Revenue bonds current portion	<u>2,670,000</u>
Total current liabilities payable from restricted assets	<u>4,826,923</u>
Long-term liabilities:	
Long term liabilities - SBITA	5,186
Revenue bonds payable (net of related premium)	91,815,000
FDEP State Revolving Fund loan	26,294,372
Compensated absences	97,711
Other post employment benefits	210,169
Net pension liability	<u>3,697,206</u>
Total long-term liabilities	<u>122,119,644</u>
Total liabilities	<u>135,237,676</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pension	147,865
Deferred amounts related to OPEB	<u>261,523</u>
Total deferred inflows of resources	<u>409,388</u>
Total liabilities and deferred inflow of resources	<u>135,647,064</u>
<b>NET POSITION</b>	
Net investment in capital assets	36,366,083
Restricted for:	
Renewal and replacement	1,475,000
Unrestricted	<u>41,518,665</u>
Total net position	<u>\$ 79,359,748</u>

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

Statement of Revenues, Expenditures and Changes in Net Position  
Proprietary Fund  
For the Fiscal Year Ended September 30, 2023

	Business-Type Activities
	Water and Sewer Utility Fund
<b>Operating revenues:</b>	
Charges for services - water	\$ 16,581,551
Charges for services - wastewater	10,370,756
Connection fees	167,420
Other miscellaneous revenues	743,784
Total operating revenues	<u>27,863,511</u>
<b>Operating expenses:</b>	
Personal services	6,176,836
Operating expenses	6,585,560
Professional services	150,441
Depreciation	6,053,284
Insurance	388,497
Total operating expenses	<u>19,354,618</u>
Operating income (loss)	<u>8,508,893</u>
<b>Nonoperating revenues (expenses):</b>	
Investment income:	
Interest earnings (loss)	1,635,075
Interest expense	<u>(3,708,204)</u>
Total nonoperating revenue (expenses)	<u>(2,073,129)</u>
Income (loss) before contributions	6,435,764
<b>Capital grants and contributions:</b>	
Capital grant revenue	10,018,144
Capital contributions - water and wastewater	<u>2,343,760</u>
Total capital grants and contributions	<u>12,361,904</u>
Change in net position	18,797,668
Net position:	
Beginning of year	60,562,080
End of year	<u>\$ 79,359,748</u>

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

Statement of Cash Flows  
 Proprietary Fund  
 For the Fiscal Year Ended September 30, 2023

	Business-Type Activities
	Water and Sewer System Fund
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 27,396,260
Cash payments to suppliers for goods and services	(6,715,746)
Cash payments for employee services	(4,347,904)
Net cash provided by operating activities	<u>16,332,610</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	(14,757,311)
Bond and SRF loan principal payments	(4,403,683)
Bond and SRF loan interest payments	(3,713,021)
Grants	3,227,050
Proceeds from capital contributions	1,815,514
Net cash used in capital and related financing activities	<u>(17,831,451)</u>
<b>Cash flows from investing activities</b>	
Interest	1,451,654
Change in fair value of investments	183,421
Net cash provided by investing activities	<u>1,635,075</u>
Net increase (decrease) in cash and cash equivalents	136,234
Cash and cash equivalents - beginning of year	49,608,386
Cash and cash equivalents - end of year	<u>\$ 49,744,620</u>

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

Statement of Cash Flows  
 Proprietary Fund  
 For the Fiscal Year Ended September 30, 2023  
 (Continued)

	Business-Type Activities
	Water and Sewer System Fund
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>	
Cash and cash equivalents	\$ 42,946,055
Restricted cash and cash equivalents:	
Sinking fund - State Revolving Fund loan	609,647
Sinking fund - Revenue bonds payable	3,709,945
Renewal and replacement account	1,475,000
Customer deposits	1,003,973
Cash and cash equivalents, end of year	<u>\$ 49,744,620</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 8,508,893
Adjustments to reconcile operating income to cash provided by operating activities:	
Depreciation	6,053,284
Subscription based technology arrangements	15,088
(Increase) decrease in assets:	
Accounts receivable	(423,182)
Inventories	(95,509)
(Increase) decrease in deferred outflow of resources:	1,353,851
(Increase) decrease in liabilities:	
Accounts payable	504,261
Utility deposits	(44,070)
Accrued expenses	(5,872)
Net pension liability	567,811
Compensated absences	(79,346)
Subscription based technology arrangements	(4,889)
Other post employment benefits	(213,778)
(Increase) decrease in deferred inflow of resources:	196,068
Net cash provided by operating activities	<u>\$ 16,332,610</u>

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

Statement of Fiduciary Net Position  
Pension Trust Funds  
September 30, 2023

	Employee Retirement Funds
	<u>                    </u>
<b>ASSETS</b>	
Firefighters' Pension Investments:	
Cash and cash equivalents	\$ 172,694
Cash and short term investments	1,228,191
US Government Obligations	2,510,644
Mortgage Backed Securities	2,739,950
Municipal Obligations	150,554
Corporate Bonds	2,101,443
Foreign Bonds, Notes & Debentures	76,010
Mutual Funds/Fixed Income	1,066,582
Mutual Funds/Equity	18,954,443
Other Sundry Assets	7,251,949
Real Estate Funds	5,001,697
Pooled Equity	81,197
Contributions in Transit	22,072
Due from other governments	65,763
General Employees' Pension Investments:	
Stable Value/Cash Management	911,222
Bond	124,247
Balanced/Asset Allocation	1,487,311
U.S. Stock	785,508
International/Global Stock	330,028
Specialty	20,682
Prepaid items	4,863
Total assets	<u>45,087,050</u>
<b>LIABILITIES</b>	
Accounts payable	16,289
Total liabilities	<u>16,289</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	45,070,761
Total net position	<u>\$ 45,070,761</u>

The notes to financial statements are an integral part of the financial statement.



Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
For the Fiscal Year Ended September 30, 2023

	Employee Retirement Funds
<b>ADDITIONS</b>	
Employer	\$ 1,528,297
Contribution from General Fund - insurance premium surcharges received	647,369
Employee	575,527
Total contributions	<u>2,751,193</u>
Investment earnings:	
Interest and dividends	911,343
Net increase/(decrease) fair value of investments	4,125,620
Less investment expense	<u>(74,187)</u>
Total additions	<u>7,713,969</u>
<b>DEDUCTIONS</b>	
Benefit payments	1,973,654
Disability payments	205,963
Beneficiary payments	15,776
Forfeitures	35,554
Administration	159,097
Total deductions	<u>2,390,044</u>
Change in net position	5,323,925
Net position - beginning of the year	39,746,836
Net position - end of the year	<u>\$ 45,070,761</u>

The notes to financial statements are an integral part of the financial statement.

**Notes to the Financial Statements  
September 30, 2023**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Deltona (City) is a municipal corporation, incorporated December 31, 1995, governed by an elected mayor and six-member council. The City provides a full range of services including law enforcement and fire/rescue protection, solid waste management, storm water management, construction and maintenance of sidewalks, road and street facilities, planning and development services, recreational and cultural activities and general administrative services. The City also has a business-type operation that offers water and sewer utility services. The financial reporting entity consists of the primary government and component units, entities for which the government would be considered financially accountable. The determination of financial accountability includes consideration of a number of criteria including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity; (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the entity's fiscal dependency on the primary government. The City's financial reporting entity includes the following component unit:

Blended Component Unit - Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The Southwest Deltona Community Redevelopment Agency (SWDCRA) pursuant to Section 163.356, Florida Statutes, was established by City Resolution 2016-40 and Volusia County Resolution 2016-092.

The City of Deltona Commissioners comprise the seven-member board of the SWDCRA. The City and Volusia County provide tax increment revenue to the SWDCRA to be used for payment of improvement projects within the geographical area covered by the CRA.

Due to the appointment of the board in addition to the financial support provided by the City, management has determined the SWDCRA meets the criteria to be included as a component unit. Financial records for the SWDCRA are maintained by the City and City staff are responsible for the CRA's day-to-day operations. Due to the component unit existing to benefit the primary government the CRA is considered a blended component unit. The CRA benefits the primary government by providing funds for improvements within the area covered by the CRA, and this is the main use of revenues. The SWDCRA is included in this report as a non-major special revenue fund, but is also the subject of a separate audited financial report. The SWDCRA audit report is available from

City of Deltona  
Finance Department  
2345 Providence Boulevard  
Deltona, Florida 32725

<https://www.deltonafl.gov/finance-department/pages/comprehensive-annual-financial-reports>

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely almost exclusively on user fees and charges for services.

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

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

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 grantor are met.

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

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The City reports the following major governmental funds:

- **General Fund** - accounts for all fiscal activities of the general government, except those required to be accounted for in other funds, and is the City's primary operating fund.
- **Transportation Fund** - accounts for the fiscal activities relating to the City's share of the County's six-cent and five-cent local option tax on fuel. Under State law, the six-cent portion can be used only for general road improvements and maintenance; the five-cent portion can be used only to fund capital improvement projects that are necessary to meet the requirements of the City's Comprehensive Plan. Authorized expenditures of bond proceeds are defined by the bond covenants.

The City reports the following non-major fund types:

- **Special Revenue Funds** - account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).
- **Capital Projects Funds** - account for the acquisition of fixed assets or construction of major capital projects not being financed by enterprise or nonexpendable trust funds.

The City reports the following major enterprise fund:

- **Water and Sewer Utility Fund** - accounts for the acquisition and operation of the City owned water and sewer utility operations.

The City reports the following fiduciary fund type:

- **Pension Trust Funds** - account for the assets of the City employees' pension plans. These funds are accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

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

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* revenues and expenses. Operating revenues and expenses generally directly result from providing services and producing and delivering goods in connection with an enterprise fund's principal on-going operations. The principal operating revenues of the Water and Sewer Utility Fund, the City's enterprise fund, are charges to customers for utility sales and services. Operating expenses for the enterprise fund include the cost of the utility providing sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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**D. Assets, liabilities, and net position or equity**

*1. Deposits and investments*

In accordance with GASB Statement 72, the City reports its investments at fair value, except for investments that are not reported at fair value in accordance with GASB Statement 79. GASB Statement 79 applies to certain external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. Both of these pronouncements apply to all investments of the City, whether held as City investments or by the City's Firefighters' or General Employees' pension plans.

City Investments

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

The City's investment policy is established by resolution and is governed by Section 218.415, Florida Statutes. Authorized investments include the Local Government Surplus Funds Trust Fund Investment Pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts in State certified qualified public depositories, certificates of deposit in State certified qualified public depositories, and direct obligations of the U.S. Treasury and Federal agencies and instruments.

For the fiscal year ended September 30, 2023, GASB 79 applied to the City's investments in the Florida State Board of Administration's (Florida PRIME) and Florida Surplus Asset Trust Fund (FL SAFE) Local Government Investment Pools (LGIP), and certain money market funds. As a result, these investments were not reported at fair value, as indicated in Note III A. The issuers of these investments prepare separate financial reports.

All the City's other investments are reported at fair value in accordance with GASB Statement 72, which establishes a three-level hierarchy based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Firefighters' Pension Plan Investments

The investments of the Firefighters' Pension Plan are directed by the Firefighters' Pension Board of Trustees. The Trustees have adopted an Investment Policy for the Firefighters' Pension Plan to provide parameters for investments. The general investment objective is to obtain a reasonable total rate of return commensurate with the Prudent Investor Rule and Florida Statute 218.415.

Authorized investments for the Firefighter's Pension Plan include: 1) time, savings, and money market deposit accounts of an institution insured by the Federal Deposit Insurance Corporation (FDIC) provided the amount deposited does not exceed the insured amount; 2) obligations issued by the United States Governmental guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; 3) stocks, commingled funds administered by national or state banks; mutual funds or bonds or other evidences of

indebtedness, issued or guaranteed by a corporation organized under the laws of the U.S., any state or organized territory of the United States, or the District of Columbia; bonds issued by U.S. corporations; structured mortgage products issued by the United States Government; and mortgage related or asset backed securities not issued by the United States Government, and bonds issued by municipal issuers provided that certain criteria are met; 4) commingled stock, bond, timber, real estate or money market funds as may be approved by the Board; 5) foreign equities traded on a national exchange; and 6) real estate up to 10% of the assets of the fund.

General Employees' Pension Investments

As indicated in Note IV E, below, the General Employees' Pension Plan is a defined contribution plan that was closed to new members effective December 1, 2006. The City is the Trustee for the plan, but assets are held in employees' names and investments are directed by the participants.

Descriptions, amounts, and methods used to classify the City's investments are detailed in Note III A, *Deposits and Investments*.

2. *Receivables and payables*

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All real and tangible personal property taxes are due and payable on November 1st (the levy date) of each year or as soon thereafter as the assessment roll is certified by the Volusia County Property Appraiser. The County mails each property owner on the assessment roll a notice of the taxes due and the County collects the taxes for the City. Taxes may be paid upon receipt of such notice. The following discounts are applied for prompt payment of the levy: four percent (4%) if paid in the month of November; three percent (3%) if paid in the month of December; two percent (2%) if paid in the month of January; and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible property become delinquent on April 1st (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by State law.

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

For the enterprise fund, inventory at September 30, 2023 was \$1,245,563, comprised of material and supplies on hand.

Governmental activities inventory and prepaid items are \$804,399. This includes the fuel on hand in storage tanks located at Fire Station 65 and the Public Works Depot and a fire engine on order as of September 30, 2023.

Governmental fund inventory/prepaid items are recognized as expenditures using the consumption method.

4. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost that equals or exceeds \$5,000 and have an estimated useful life in excess of one year. However, there are some exceptions when an asset with an initial cost of less than \$5,000 may be capitalized such as with certain computer equipment. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amount spent for the construction or acquisition of infrastructure assets is capitalized and reported in the government-wide financial statements when the initial costs equal or exceed \$25,000 and they possess estimated useful lives in excess of more than one year.

For the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost of the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure being capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets, including infrastructure assets, those assets are capitalized and reported at historical cost; as assets are upgraded or replaced a corresponding reduction in an existing asset is taken, if applicable. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these assets at acquisition value at the date of donation.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by Governmental Activities and Business-Type Activities during the current fiscal year was \$1,211,885 and \$3,708,204, respectively.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Useful Lives</u>
Buildings	10-40 Years
Improvements Other Than Buildings	15-50 Years
Equipment	3-40 Years
Subscription-based Information Technology Arrangements	0-3 Years
Infrastructure	15-50 Years

5. *Compensated Absences*

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and enterprise financial statements. Compensated absences, for the government-wide and enterprise funds combined, as of September 30, 2023 were \$ 3,543,185 .

6. *Long-term obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issues are reported as other financing sources while discounts on debt issues are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

7. *On-Behalf Payments for Fringe Benefits*

The City receives on-behalf payments from the State of Florida to be used for Firefighters' Pension Plan enhancements. On-behalf payments to the City totaled \$647,369 for the fiscal year ended September 30, 2023. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP-basis government-wide and General Fund financial statements. The City records these funds as revenue in the General fund upon receipt, and then records a transfer of the funds to the Firefighters' Pension Plan.

8. *Deferred Outflows / Inflows of Resources*

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. Deferred Outflows of Resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City of Deltona has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. Deferred Inflows of Resources represent 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 of Deltona has three items that qualify for reporting in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City of Deltona reports deferred amounts related to pension, OPEB and leases.



9. *Leases*

GASB Statement No. 87, Leases, require recognition of certain right-to-use assets, lease liabilities, lease receivables and deferred inflows of resources.

At commencement of a lease when the City is the lessor, the City measures the lease receivable at the present value of expected rental receipts over the lease term. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for prepayments received prior to lease commencement. Estimates and judgments are sometimes made when determining the discount rate and overall term for leases. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflows of resources.

At commencement of a lease when the City is the lessee, the City initially measures the lease liability at the present value of total payments over the lease term. The lease asset is measured as the value of the lease liability, adjusted for any prepayments, plus certain initial direct costs.

10. *Subscription-based Information Technology Arrangements (SBITA)*

Effective October 1, 2022 the City adopted GASB Statement No. 96, SBITA. Implementation of this Statement changes accounting and financial reporting for IT software by requiring recognition of certain right-to-use assets and liabilities.

For purposes of applying this Statement, a SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, a government should assess whether it has both of the following: a. The right to obtain the present service capacity from use of the underlying IT assets as specified in the contract b. The right to determine the nature and manner of use of the underlying IT assets as specified in the contract. SBITAs include contracts that, although not explicitly identified as a SBITA, meet the definition of a SBITA in paragraph 6. That definition excludes contracts that solely provide IT support services but includes contracts that contain both a right-to-use IT asset component and an IT support services component.

At commencement of a SBITA, the City initially measures the SBITA liability at the present value of total payments over the term. The SBITA asset is measured as the value of the SBITA liability, adjusted for any prepayments, plus certain initial direct costs.

11. *Fund Equity / Net Position*

The City classifies net position in the government-wide and proprietary fund financial statements as follows:

- Net Investment in Capital Assets includes the City's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, loans or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- 
- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or grantor agency) limitations on their use. The City typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use of restricted funds for future projects.
  - Unrestricted Net Position typically includes unrestricted liquid assets. The City Commission has the authority to revisit or alter this designation at any time.

### Net position flow assumptions

The City may fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be consumed. It is the City's policy to consider restricted net position as consumed before unrestricted net position is applied.

In accordance with GASB Statement No. 54, the City classifies fund balance in the governmental fund financial statements as follows:

- Non-spendable fund balance is defined as resources that are in non-spendable form or are legally or contractually required to be maintained intact. This classification includes inventories, pre-paid amounts and non-financial assets held for resale.
- Restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by City Commission resolution but is not legally restricted. Committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned fund balance is defined as amounts that are constrained by the *intent* to be used for specific purposes, but are neither Restricted nor Committed. Intent is expressed by either the City Commission or a body, such as a board or committee, to which the City Commission has delegated the authority to assign amounts. Assigned amounts are not required to be established by formal action of the City Commission. An appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.
- Unassigned fund balance represents the City's residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund and may be used for any legal general purpose. The City's General Fund is the only fund that reports a positive unassigned fund balance amount.

### Fund balance flow assumptions

The City may fund outlays for a particular purpose from a combination of both restricted and unrestricted resources. 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 depleted. It is the City's policy, when permissible, to deplete fund balances in the following order: restricted fund balance, committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

The City Commission has adopted a Resolution creating a minimum fund balance policy. This policy established the following reserves: 1) a Natural Disaster reserve for the purpose of providing the means to respond to public emergencies and/or natural disasters and; 2) an operating reserve equal to two (2) months of General Fund annual operating expenditures for the purpose of providing the City with the fiscal means to respond to unexpected operational charges, legislative impacts, or other economic events affecting the City's operations that could not have easily been anticipated at the time the budget was prepared. These reserves are not intended to be contingency funds used to address unfunded expenditures or over-expenditures related to the provision of routine City services. The Commission approved replenishment of the reserve and its balance at September 30, 2023 was \$10,299,000 .

The operating reserve was \$9,627,000 as of September 30, 2023.

The City has also adopted a resolution establishing an additional fund balance reserve for economic incentives. This reserve has two components: one reserve for Economic Development equal to \$1,000,000 as well as a City Infrastructure fund balance reserve equal to \$1,000,000. These are both one-time only commitments intended to assist with economic development within the City until such time these reserves are depleted. Since inception of these reserves, the City Commission has authorized the use of \$1,474,400 of the City Infrastructure component, leaving an available combined reserve balance of \$525,600 as of September 30, 2023.

Finally, the City adopted resolutions establishing a Grants Match fund balance reserve of \$500,000 to provide funds that can be used to demonstrate available matching funds if required to qualify for grant funding opportunities. Since its inception, the Commission has approved a budget amendment to increase the reserve amount by \$500,000. As of September 30, 2023, the total Grants Match reserve totaled \$378,500.

### 12. *Future Accounting Pronouncements*

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for reporting periods beginning after June 15, 2023, and all reporting periods thereafter. The City is evaluating this Statement to determine its effect on the City's financial statements.

GASB Statement No. 101, *Compensated Absences*, effective for reporting periods beginning after December 15, 2023, and all reporting periods thereafter. The City is evaluating this Statement to determine its effect on the City's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, effective for reporting periods beginning after June 15, 2024, and all reporting periods thereafter. The City is evaluating this statement to determine its effect on the City's financial statements.

## II. Stewardship, compliance, and accountability

### A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The only exception is the Neighborhood Stabilization Grant Fund, which did not report budgeted amounts in FY2023. Other than interest income, the program had no activity and is waiting for close out from the Housing and Urban Development agency. All annual appropriations lapse at fiscal year-end.

On an annual basis the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing the following October 1<sup>st</sup>. Public hearings are held to obtain taxpayer input. Prior to October 1<sup>st</sup>, the budget is legally adopted through City Commission resolution.

The budget is prepared and adopted by fund, function and department. The legal level of budgetary control is at the department level. The City Manager may make transfers of appropriations within a department throughout the year. Transfers of appropriations between departments require the approval of the City Commission. Budget amendments that actually change the total revenue and/or expenses as legally adopted as part of the budget are brought forth to the City Commission for approval of an amending resolution.

Encumbrance accounting is employed in governmental funds. Operating encumbrances lapse at year end; capital encumbrances are carried forward into the subsequent year's budget with Commission approval.

III. Detailed Notes on All Activities and Funds

A. Deposits and investments

As of September 30, 2023, the City had the following investments:

Investment	Maturities	Ratings	Fair Value
State Board of Administration Local Government Surplus Funds			
Trust Fund (Florida PRIME)	35.3 Days average	AAA	\$ 10,566,313
Florida Surplus Asset Trust Fund (FLSAFE)	1 Day	AAA	14,780,201
Wells Fargo Government Obligations (Federal Agency Coupon) Securities	Up to 1.6 years	Aaa/AA+	10,144,396
Wells Fargo Government Obligations ( US Treasury Notes)	Up to 4.92 years	Aaa/AA+	23,760,224
Wells Fargo Money Market Funds	1 Day average	N/A	122,044
Wells Fargo Corporate Notes	Up to 4.66 years	A1/ A/A+	10,322,418
Wells Fargo Supranationals	Up to 1 year	Aaa/AAA	475,691
<b>Firefighters' Pension Investments:</b>			
Cash & Short Term Investments	N/A	N/A	1,167,423
U.S. Treasury Obligations	Up to 10 years	Aaa/AA+	2,510,644
Mortgage/Asset Backed Securities	up to 25 years	N/A	2,739,950
Municipal Obligations	up 7 years	N/A	150,554
Corporate Bonds	Up to 10 years	Baa3 - Aa3	2,101,443
Foreign Bonds Notes & Debentures	up to 4 years	N/A	76,010
Mutual Funds/Fixed Income	N/A	N/A	1,066,582
Mutual Funds/Equity	N/A	N/A	18,954,443
Sundry Assets	N/A	N/A	7,251,949
Real Estate Funds	N/A	N/A	5,001,697
Private Market Equity Funds	N/A	N/A	81,197
<b>General Employees' Pension Investments:</b>			
Stable Value/Money Market Funds	N/A	N/A	911,222
Bond Funds	N/A	N/A	124,247
Balanced /Asset Allocation Funds	up to 23 years	A-BBB	1,487,311
U.S. Stock Funds	N/A	N/A	785,508
International Stock Funds	N/A	N/A	330,028
Specialty	N/A	N/A	20,682
<b>Total Investments</b>			114,932,176
Accrued interest and dividends			260,372
Cash Deposits			90,116,554
<b>Total Deposits and Investments</b>			<u>\$ 205,309,102</u>
Shown in the accompanying Statements of Net Position as:			
Primary Government – Deposits and Investments			\$ 160,487,444
Fiduciary Funds – Deposits and Investments			44,821,658
<b>Total</b>			<u><u>\$ 205,309,102</u></u>

**Interest rate risk**

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The weighted average maturity of the City's investments is displayed in the preceding schedule. The City's Investment Policy states that the City will limit interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements of on-going operations and by investing operating funds primarily in shorter-term securities, money market mutual funds or similar investing pools.

**Credit risk**

Credit risk is the risk of loss due to the failure of the security issuer. The City's investment policy limits the investments to obligations with the highest credit ratings. Ratings for debt securities are displayed in the preceding schedule. The City's Firefighters' Pension Fund investments are limited, in the case of directly held securities, to securities in one of the three highest classification ratings. For indirect or commingled investments such as mutual funds, the weighted average of all such investments combined must be A/Aa or higher. Investment ratings are from Moody's Investors Service, Inc., and Standard & Poor's Ratings Group.

**Concentration of credit risk**

The City's investment policy states that securities will be diversified by maturity, issuer and class of security to avoid over-concentration of assets in any one area. The City's Firefighters' Pension Fund investment policy limits the investment in common stock, capital stock or convertible securities to 5% for any issuing company. Common stock, capital stock or convertible securities shall not exceed 65% of Plan assets.

**Custodial credit risk – deposits**

For deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. As of fiscal year end, the City's cash deposits were entirely covered by Federal depository insurance or by the banking network provided by Chapter 280, Florida Statutes. Florida Statutes provide for collateral pooling by banks and savings and loans and limit local government deposits to "authorized depositories."

**Custodial credit risk – investments**

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investments in the City's defined contribution general employee's pension plan are held by a counterparty not in the name of the City which creates custodial risk for all investments of this pension plan. The City has no formal policy relating to custodial credit risk for pension investments.

Investments in the City's Firefighters' Pension Plan have no custodial credit risk. The City's General Employees' Pension Plan was established with the adoption of Resolution No. 97-64. The City is the Trustee for the plan, however assets are held in employees' names and therefore the City is not exposed to any investment risk within the General Employees' Pension Plan.

### **Foreign currency risk – investments**

The City does not invest in foreign markets. However, there are foreign market options available to employees through the General Employees' Pension to which the City has no exposure. All of these pension investments are denominated in U.S. dollars.

### **Fair Value Measurement**

In accordance with GASB Statement No. 72, the City uses the market value approach for fair value measurements of its investments, and categorizes those measurements within the hierarchy based on valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Markets such as exchanges and broker/dealer markets are applicable; Level 2 inputs are other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. For example, quoted prices for similar assets such as the price or yield of a similar bond, or interest rates and yield curves; and Level 3 inputs are unobservable inputs for the asset, such as management's assumption for the default rate amount used only when relevant Level 1 and 2 inputs are unavailable.

GASB 72 applies to all investments except for money market investments, certain types of investment and insurance contracts, and investments in and held by external investment pools that measure investments at amortized cost or at net asset value (NAV) per share.

The City has the following fair value measurements as of September 30, 2023:

Investment	Valuation Hierarchy				
	Value at 09/30/2023	Not Reported at Fair Value	Level 1	Level 2	Level 3
City Investments					
Federal Agency Securities	10,144,396			10,144,396	
US Treasury Securities	23,760,224			23,760,224	
Money Market Funds	122,044	122,044			
Corporate Notes	10,322,418			10,322,418	
Supranationals	475,691			475,691	
Intergovernmental Investment Pools - FLSAFE	14,780,201	14,780,201			
Intergovernmental Investment Pools - SBA	10,566,312	10,566,312			
Firefighters' Pension Investments					
Cash & Short Term Investments	1,167,423		1,167,423		
U.S. Treasury Obligations	2,510,644			2,510,644	
Mortgage/Asset Backed Securities	2,739,950			2,739,950	
Municipal Obligations	150,554			150,554	
Corporate Bonds/Foreign Bonds, Notes & Debentures	2,177,453			2,177,453	
Mutual Funds-Fixed Income	1,066,582		1,066,582		
Mutual Funds-Equity	18,954,443		18,954,443		
Sundry Assets	7,251,949				7,251,949
Real Estate Funds	5,001,697				5,001,697
Private Market Equity Funds	81,197				81,197
General Employees' Pension Investments					
Stable Value/Money Market Funds	911,222	911,222			
Bond Funds	124,247	124,247			
Balanced /Asset Allocation Funds	1,487,311	1,487,311			
U.S. Stock Funds	785,508	785,508			
International Stock Funds	330,028	330,028			
Specialty	20,682	20,682			
Totals	<u>\$ 114,932,176</u>	<u>\$ 29,127,555</u>	<u>\$ 21,188,448</u>	<u>\$ 52,281,330</u>	<u>\$ 12,334,843</u>

City investments were categorized by the City's investment manager using an independent pricing service applying the leveling methodology across all securities in the specific sectors they manage. Level 1 inputs include quoted prices in active markets for identical assets at a measurement date, such as a stock exchange closing price. Level 2 inputs include inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly. Examples of Level 2 inputs are quoted prices for similar assets in active markets; quoted prices for identical or similar assets that are not active; interest rates and yield curves observable at a commonly quoted intervals; implied volatilities; credit spreads; and market-corroborated inputs. General Employees' Pension Investments were also categorized by the pension administrator using an independent pricing service. The unit prices are actively traded and quoted daily at 100% of unit value, not the individual assets comprising the fund. Therefore, the fund is not required to be reported within the level 1, 2 or 3 fair value hierarchy. Firefighters' Pension investments categorized in levels 1 and 2 were categorized by the pension administrator using criteria based on asset class, pricing source, and frequency. Firefighters' Pension investments categorized in level 3 were based on a Discounted Cashflow method.



**B. Receivables**

Receivables as of year-end shown on the Statement of Net Position for the City's Governmental Activities and Business-Type Activities, including the applicable allowances for uncollectible accounts, consist of:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Customers:			
Billed	\$ -	\$ 3,043,393	\$ 3,043,393
Unbilled	-	2,450,915	2,450,915
Services tax	1,481,918	-	1,481,918
Franchise fees	1,085,995	-	1,085,995
Business Tax	160,253	-	160,253
The Center	66,405	-	66,405
Miscellaneous	-	23,559	23,559
A/R - NSF check	4,802	-	4,802
Gross receivables	<u>2,799,373</u>	<u>5,517,867</u>	<u>8,317,240</u>
Less: allowance for uncollectibles	-	(1,579,398)	(1,579,398)
Net total receivables	<u>\$ 2,799,373</u>	<u>\$ 3,938,469</u>	<u>\$ 6,737,842</u>

Receivables due from other governments as of year-end shown on the Statement of Net Position for the City's Governmental Activities and Business-Type Activities are as follows:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
State of Florida - 5 & 6 Cent Gas Tax	\$ 719,866	\$ -	\$ 719,866
State of Florida - 1/2 Cent Sales Tax	1,013,493	-	1,013,493
State of Florida - Communications Tax	386,780	-	386,780
U.S. Dept. of Housing and Urban Development	254,581	-	254,581
Miscellaneous	156,682	-	156,682
Total Due from Other Governments	<u>\$ 2,531,402</u>	<u>\$ -</u>	<u>\$ 2,531,402</u>

Governmental funds report *unearned revenue* in connection with revenues not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
SHIP Grant fund advances received from grantor agency prior to meeting all eligibility requirements	\$ 2,309,279	\$ -
NSP 1 Program Income received but not earned	318,454	-
NSP 3 Program Income received but not earned	139,965	-
Coronavirus State and Local Fiscal Recovery Funds	-	4,410,811
Total Unearned Revenue	<u>\$ 2,767,698</u>	<u>\$ 4,410,811</u>

**C. Capital assets**

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

	Beginning Balance*	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 15,119,518	\$ -	\$ -	\$ 15,119,518
Infrastructure right of way	4,372,500	-	-	4,372,500
Construction in progress	4,213,727	6,051,867	(5,039,793)	5,225,801
Total capital assets, not being depreciated	23,705,745	6,051,867	(5,039,793)	24,717,819
Capital assets, being depreciated:				
Intangibles	279,542	-	-	279,542
Right to use - SBITA	102,521	-	-	102,521
Buildings and improvements	92,207,106	2,136,157	-	94,343,263
Machinery and equipment	31,752,476	1,950,424	(124,688)	33,578,212
Infrastructure (roads and streets)	126,826,423	207,212	-	127,033,635
Total capital assets, being depreciated	251,168,068	4,293,793	(124,688)	255,337,173
Less accumulated depreciation for:				
Amortization	(79,638)	(31,377)	-	(111,015)
Amortization - Right to use SBITA	-	(26,726)	-	(26,726)
Buildings and improvements	(60,374,787)	(2,610,382)	-	(62,985,169)
Machinery and equipment	(23,880,111)	(1,699,705)	124,688	(25,455,128)
Infrastructure (roads and streets)	(64,485,805)	(3,002,399)	-	(67,488,204)
Total accumulated depreciation	(148,820,341)	(7,370,589)	124,688	(156,066,242)
Total capital assets, being depreciated, net	102,347,727	(3,076,796)	-	99,270,931
<b>Governmental activities capital assets, net</b>	<b>\$ 126,053,472</b>	<b>\$ 2,975,071</b>	<b>\$ (5,039,793)</b>	<b>\$ 123,988,750</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,150,692	\$ -	\$ -	\$ 3,150,692
Construction in progress	12,864,175	13,999,882	(5,226,684)	21,637,373
Total capital assets, not being depreciated	16,014,867	13,999,882	(5,226,684)	24,788,065
Capital assets, being depreciated:				
Water rights - consumptive use permit	1,891,899	-	-	1,891,899
Intangible - right to use SBITA	15,088	-	-	15,088
Buildings and improvements	11,786,598	-	-	11,786,598
Improvements other than buildings	131,638,233	5,341,043	(399)	136,978,877
Machinery and equipment	39,435,446	1,156,228	(269,191)	40,322,483
Total capital assets, being depreciated	184,767,264	6,497,271	(269,590)	190,994,945
Less accumulated depreciation for:				
Water rights	(594,340)	(180,625)	-	(774,965)
Intangible - right to use SBITA	-	(5,029)	-	(5,029)
Buildings and improvements	(3,559,948)	(401,878)	-	(3,961,826)
Improvements other than buildings	(39,018,394)	(3,286,720)	399	(42,304,715)
Machinery and equipment	(25,144,630)	(2,179,033)	269,191	(27,054,472)
Total accumulated depreciation	(68,317,312)	(6,053,285)	269,590	(74,101,007)
Total capital assets, being depreciated, net	116,449,952	443,986	-	116,893,938
<b>Business-type activities capital assets, net</b>	<b>\$ 132,464,819</b>	<b>\$ 14,443,868</b>	<b>\$ (5,226,684)</b>	<b>\$ 141,682,003</b>

\*Beginning balances were adjusted for implementation of GASB Statement 96

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

**Governmental Activities:**

General government and administration	\$	3,344,063
Public safety		707,231
Highways and streets		538,392
Culture and recreation		1,296,085
Physical environment		1,484,818
Total depreciation expense - governmental activities	\$	7,370,589

**Business-type activities:**

Water and sewer utility - total additions to accumulated depreciation - Business-Type activities	\$	6,053,285
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**D. Construction and Other Significant Commitments**

The City uses encumbrances to control expenditure commitments throughout the fiscal year and enhance cash management. Encumbrances represent commitments related to contracts, including construction contracts, and purchase orders not yet filled. The City's active construction projects as of September 30, 2023 include street construction, public safety facilities, housing rehabilitation, parks projects and water and wastewater facilities. Balances reported as Contracts/Retainage Payable represent amounts due to vendors for completed work pending final approval and payment by the City. At year end, the City's construction and other significant commitments were:

	Encumbrances	Contracts/ Retainage Payable
Governmental Funds:		
Major funds:		
General Fund	\$ 240,445	\$ 6,589
Transportation Fund	801,738.00	
Nonmajor Funds	3,496,263	93,497
Total Governmental Funds	4,538,446	100,086
Enterprise Funds:		
Major fund:		
Water and Sewer Utility Fund	5,316,418	91,481
Total	\$ 9,854,864	\$ 191,567

Stormwater projects are financed from proceeds of the 2009 Stormwater Bank Note; Transportation projects are financed by proceeds of the Capital Improvement Revenue Refunding Bonds, Series 2016, and Local Option Gas Tax revenues. Projects within non-major governmental funds are funded by proceeds of the Capital Improvement Revenue Refunding Bonds, Series 2016, Federal and State grants, and by accumulated resources within each fund.

Enterprise Fund projects are financed from proceeds of the Taxable Utility System Refunding Revenue Bonds, Series 2021; State Revolving Fund (SRF) loans issued by the State of Florida, and utilities operating revenues.

**E. Interfund receivables, payables and transfers**

**Interfund balances at September 30, 2023 were:**

	Interfund	
	Receivable	Payable
General Fund:		
Community Development Block Grant Fund	\$ 203,338	\$ -
Community Development Block Grant Fund:		
General Fund	-	203,338
<b>Total</b>	<b>\$ 203,338</b>	<b>\$ 203,338</b>

Interfund transfers for the year ended September 30, 2023 were:

	Governmental Funds			
	General Fund	Transportation Fund	Non-Major	Total
			Governmental Funds	
Transfer(s) in	\$ 3,000,000	\$ 597,172	\$ 3,675,000	\$ 7,272,172
Transfer(s) out	(6,675,000)	-	(597,172)	(7,272,172)
<b>Total</b>	<b>\$ (3,675,000)</b>	<b>\$ 597,172</b>	<b>\$ 3,077,828</b>	<b>\$ -</b>

Transfers are used to move resources between funds in order to segregate or classify the resources to specific funds in order to comply with legal restrictions, budgetary restrictions, or grant requirements.

**F. Lease Receivables**

The City is the lessor in contracts with outside parties for the right to use land for communication towers. There are a number of lease terms ranging from 144 months to 36 months. The aggregate annual payments of \$196,749 at an interest rate of 2.50 percent based on FMS Bond, Inc. municipal bond yield for the AAA rated ten-year bonds. The City has \$3,514,739 in outstanding lease receivables and deferred inflows of \$3,328,237 at September 30, 2023. During the fiscal year, the City recognized \$231,952 in lease revenue and \$91,627 in lease interest.

Lease Receivables			
Fiscal Years Ended	Principal	Interest	Total
2024	196,749	84,453	281,202
2025	211,931	79,350	291,281
2026	220,759	73,945	294,704
2027	236,940	68,257	305,197
2028	248,134	62,125	310,259
2028-2033	1,162,767	228,633	1,391,400
2033-2038	675,122	102,504	777,626
2038-2043	265,503	53,043	318,546
2043-2048	174,071	26,921	200,992
2048-2053	122,763	4,789	127,552
Total	\$ 3,514,739	\$ 784,020	\$ 4,298,759

**G. Long-term debt**

Revenue bonds

**Capital Improvement Revenue Refunding Bonds, Series 2016**

On July 7, 2016, the City issued Capital Improvement Revenue Refunding Bonds, Series 2016, totaling \$35,750,000. The Bonds were issued to refund the outstanding principal of the Transportation Capital Improvement Revenue Bonds, Series 2006; to provide funding for road improvement and expansion projects; and to provide funding for the construction of a community center. The bonds are secured by a pledge of Half-Cent Sales Taxes, Public Service Taxes, and Local Communications Services Taxes.

The bonds bear interest at fixed rates from 2.00% to 5.00% and mature from October 1, 2017, to October 1, 2046. Interest is payable semiannually on April 1, and October 1. Annual principal payments are due on October 1, but will be paid in even monthly installments through a third party under a debt service forward delivery agreement until the maturity date of the original 2006 bonds in 2026. Annual debt service requirements through maturity are presented in the following table:

<b>Capital improvement Revenue Refunding Bonds, Series 2016</b>					
<b>Fiscal Years Ended</b>	<b>Transportation Portion</b>		<b>Community Center Portion</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2024	660,000	795,162	185,000	221,506	1,861,668
2025	695,000	762,163	195,000	212,256	1,864,419
2026	725,000	727,413	200,000	202,506	1,854,919
2027	765,000	691,163	210,000	192,506	1,858,669
2028	795,000	660,563	220,000	184,106	1,859,669
2029-2033	4,355,000	2,885,313	1,225,000	804,531	9,269,844
2034-2038	5,230,000	2,047,813	1,455,000	568,931	9,301,744
2039-2043	6,065,000	1,213,600	1,685,000	336,750	9,300,350
2044-2046	4,110,000	259,375	1,140,000	71,875	5,581,250
<b>Total</b>	<b>\$ 23,400,000</b>	<b>\$ 10,042,565</b>	<b>\$ 6,515,000</b>	<b>\$ 2,794,967</b>	<b>\$ 42,752,532</b>

**Debt service forward delivery agreement**

The City entered into a Debt Service Forward Delivery Agreement to administer debt service payments and to generate additional cash from the Transportation Capital Improvement Revenue Bonds, Series 2006. Under this agreement, the City makes level monthly payments of approximately \$155,077 to a trustee. The trustee, in turn, makes all debt service payments (principal and interest) as due. The City received a cash payment of \$333,670 for entering into this agreement. The entire amount was recognized as income in the fiscal year ended September 30, 2006 in the governmental funds but is classified as unearned revenue in the entity-wide statements and will be recognized in the Statement of Activities on a straight-line basis over the life of the original Series 2006 bond issue.

**Stormwater Bank Note, 2009 (Direct Borrowing)**

On April 8, 2009, the City entered into a loan agreement (direct borrowing) in the amount of \$6,569,345 with Branch Banking and Trust Company (BB&T). The loan was obtained in order to finance certain of the City’s costs of the capital improvements contained in the City’s adopted Stormwater Master Plan. The Note was issued for a period of twenty years and is scheduled to mature on May 1, 2029. The interest rate on the Note (“Note Rate”) is 5.01%. The Note is payable from, and secured solely by, revenues derived by the City from its stormwater utility assessments and the City’s covenant to budget and appropriate legally available non-ad valorem revenues as provided in the agreement. The City collected \$5,198,362 in stormwater utility assessments in the fiscal year ended September 30, 2023.

The note is subject to prepayment at the option of the City on or after May 1, 2019. In the event of default on the Note, a default interest rate of the Note Rate plus 2% shall be imposed on the outstanding Note balance, with all payments from the City applied first to interest and then to principal. As of September 30, 2023, the City has not defaulted on the Note.

Annual debt service requirements through maturity are presented in the following schedule:

<b>Stormwater Bank Note 2009</b>			
<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	394,861	135,030	529,891
2025	415,151	115,247	530,398
2026	436,485	94,448	530,933
2027	458,915	72,580	531,495
2028	482,497	49,588	532,085
2029	507,291	25,416	532,707
<b>Total</b>	<b>\$ 2,695,200</b>	<b>\$ 492,309</b>	<b>\$ 3,187,509</b>

**Business-type Activity Liabilities**

The following is a summary of long-term liabilities of the proprietary fund at September 30, 2023:

**State Revolving Loans (Direct Borrowings)**

On March 29, 2011, the City entered into a Clean Water State Revolving Fund loan agreement (direct borrowing) with Florida Water Pollution Control Financing Corporation, a division of the Florida Department of Environmental Protection. Proceeds of this financing arrangement were used to fund the planning, design and pre-construction activities of the City’s planned treatment and reuse facility. The City subsequently executed two amendments to this agreement to revise the total funding allocation to \$29,381,000. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds series 2021.

The loan balance as of September 30, 2023 was \$19,728,944. Interest in the amount of \$490,978 was capitalized prior to September 30, 2017. Repayment was scheduled over 40

semiannual loan payments, due every June 15th and December 15th, beginning June 15, 2016. Current year payments totaled \$1,765,450 with \$1,399,381 applied to principal.

Annual debt service requirements to maturity are presented in the following schedule:

<b>State Revolving Fund Loan #641800</b>			
<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	1,424,116	341,334	1,765,450
2025	1,449,291	316,158	1,765,449
2026	1,474,916	290,534	1,765,450
2027	1,500,998	264,452	1,765,450
2028	1,527,546	237,904	1,765,450
2029-2033	8,052,842	774,407	8,827,249
20234-2036	4,299,235	114,376	4,413,611
<b>Total</b>	<b>\$ 19,728,944</b>	<b>\$ 2,339,165</b>	<b>\$ 22,068,109</b>

On July 19, 2017, the City entered into a second Clean Water State Revolving Fund loan agreement (direct borrowing). The purpose of this financing arrangement is to fund, together with a cost-share grant from the St. Johns River Water Management District, improvements to the City’s reclaimed water system, including a surface water intake/pump station, a transmission main, covered storage for raw surface water, stormwater treatment, and water storage. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds, series 2021.

The total amount to repay the State is \$ \$7,088,575, including \$37,177 of capitalized interest and \$138,263 of service fees. The interest was capitalized prior to September 30, 2022. The loan balance was \$5,744,220 as of September 30, 2023. Repayment over 40 semiannual loan payments of \$189,447 due every June 15th and December 15th, began December 15, 2019.

Annual debt service requirements to maturity are presented in the following schedule:

<b>State Revolving Fund Loan #641830</b>			
<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	341,546	37,349	378,895
2025	343,803	35,091	378,894
2026	346,076	32,818	757,789
2027	348,364	30,531	1,136,683
2028	350,667	28,228	1,894,472
2029-2033	1,788,417	106,057	3,031,155
2034-2039	2,225,348	48,022	2,273,370
<b>Total</b>	<b>\$ 5,744,221</b>	<b>\$ 318,096</b>	<b>\$ 9,851,258</b>

On May 19, 2021, the City entered into a third Clean Water State Revolving Fund loan agreement (direct borrowing). The purpose of this financing arrangement is to fund, together with a cost-share grant from the St. Johns River Water Management District, improvements to the City’s reclaimed water system, including a surface water intake/pump station, a



transmission main for raw surface water. The lien on net revenues of the system is on a junior and subordinated lien position to the Taxable Utility System Refunding Revenue Bonds, series 2021.

The loan balance was \$2,586,868 as of September 30, 2023. Semiannual loans payments shall be paid beginning on February 15, 2025 and semiannually thereafter.

All Clean Water State Revolving Fund loans contain provisions that in the event of default, the State may 1) impose fees or charges and apply the resulting revenue to the outstanding Loan balance; 2) appoint a receiver to manage the water utility; 3) redirect any funds due to the City from any State revenue or tax sharing to the delinquent amount, plus an interest rate of 18% per year and processing costs; 4) sue for payment of amounts due or becoming due plus interest and processing costs, or 5) accelerate the repayment schedule or increase the interest rate by as much as 1.667 times the financing rate stipulated in the Loan agreement. As of September 30, 2023, the City has not defaulted on any loan.

**Taxable Utility System Refunding Revenue Bonds, Series 2021**

On March 3, 2021, the City issued Taxable Utility System Refunding Revenue Bonds, Series 2021 in the principal amount of \$98,690,000. The bonds bear interest at fixed rates ranging from 0.209% to 2.839% and mature from October 1, 2021 to October 1, 2050. The bonds are collateralized by a pledge of the net revenues of the system. Interest is payable semi-annually on April 1 and October 1, with annual principal payments due on October 1 of each year.

The 2021 Bonds have been assigned a rating of "A+" and an outlook of "Positive" by Fitch Ratings and "Stable" by S & P Global Ratings. The 2021 Bonds will allow the City to save approximately \$2 million annually in interest costs through 2039, for a net present value savings of approximately \$8.6 million.

Annual debt service requirements to maturity are presented in the following schedule:

<b>Utility System - Debt Service to Maturity Schedule – Series 2021 Bonds</b>			
<b>Fiscal Years</b>			
<b>Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	2,670,000	2,075,765	4,745,765
2025	2,680,000	2,065,770	4,745,770
2026	2,690,000	2,050,970	4,740,970
2027	2,710,000	2,028,977	4,738,977
2028	2,735,000	2,000,736	4,735,736
2029-2033	14,245,000	9,384,239	23,629,239
2034-2038	15,610,000	7,963,717	23,573,717
2039-2043	17,570,000	5,953,580	23,523,580
2044-2048	20,100,000	3,371,313	23,471,313
2049-2051	13,475,000	581,072	14,056,072
	<b>\$ 94,485,000</b>	<b>\$ 37,476,139</b>	<b>\$ 131,961,139</b>

**Subscription-based Information Technology Arrangements (SBITA)**

Effective October 1, 2022 the City adopted GASB Statement No. 96, SBITA. Implementation of this Statement changes accounting and financial reporting for IT software by requiring recognition of certain right-to-use assets and liabilities.

For purposes of applying this Statement, a SBITA is a contract that conveys control of the right to use another party’s IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, a government should assess whether it has both of the following: a.) The right to obtain the present service capacity from use of the underlying IT assets as specified in the contract b.) The right to determine the nature and manner of use of the underlying IT assets as specified in the contract. This excludes contracts that solely provide IT support services but includes contracts that contain both a right-to-use IT asset component and an IT support services component.

<b>Summary Governmental Fund SBITA</b>			
<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	33,803	1,400	35,203
2025	34,971	582	35,553
<b>Total</b>	<b>68,774</b>	<b>1,982</b>	<b>70,756</b>

<b>Summary Business-type Fund SBITA</b>			
<b>Fiscal Years Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	5,013	187	5,200
2025	5,186	14	5,200
<b>Total</b>	<b>\$ 10,199</b>	<b>\$ 201</b>	<b>\$ 10,400</b>

Pledged Revenues

**Governmental Activities - General Fund & Transportation Fund**

The City has pledged future revenues from Half-Cent Sales Taxes, Public Service Taxes, and Local Communications Services Taxes to repay the Capital Improvement Revenue Refunding Bonds, Series 2016. If, in any given year, these revenues collected are not sufficient to cover the principal and interest debt obligation of the Transportation Bond, the Bond Covenants require the City to appropriate any shortfall from non-Ad Valorem revenue collected in the General Fund. The bonds are payable through October 1, 2046. For the fiscal year ended September 30, 2023 pledged revenues totaled \$16,083,703 and the highest annual debt service (due in 2046) is \$1,861,000. At year end, pledged future revenues totaled \$42,752,531 which is the amount of the remaining principal and interest payments on the bonds as of September 30, 2023. Assuming no significant change in pledged revenues collected over the life of the bonds, total principal and interest payments would comprise approximately 10.2% of pledged revenues.

Although the City has pledged these revenues to repay the entire Series 2016 Bonds it is the City's intent to use the pledged revenues referenced above only to pay the portion of the Series 2016 Bonds used to fund construction of the community center. The portion of debt service allocated to the Transportation Fund, reflecting the portion of funds used to refund the Series 2006 bonds and fund various additional road and street improvements, will be paid using Gas Tax revenues that are accounted for in the Transportation fund. A Local Option Gas Tax agreement exists between all the cities within Volusia County as well as Volusia County. On June 3, 2013 the Commission approved a five year renewal of the existing contract from September 1, 2013 to August 31, 2018. On April 1, 2019, the Commission approved a one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2020. On August 17, 2020, the Commission approved a second one-year extension of the interlocal agreement with Volusia County for the distribution of proceeds of the local option fuel tax to August 31, 2021. On May 3, 2021, the Commission approved the Interlocal Agreement for Distribution of Proceeds of Local Option Fuel Tax September 1, 2021 to August 31, 2034.

**Governmental Activities - Stormwater Utility**

The City has pledged future stormwater utility assessments revenue to repay the Stormwater Bank Note secured in 2009. The note is payable through 2029. Principal and interest for the current year was \$529,406. Stormwater utility assessments for the current year totaled \$5,198,362. At year end, pledged future revenues totaled \$3,187,509, which was the amount of the remaining principal and interest on the Note as of September 30, 2023. Assuming no further interest rate changes or significant changes in collections of pledged revenue over the remaining life of the Note, total principal and interest on the Note would require approximately 10.18% of pledged revenue.

**Business-type Activities – Water and Sewer Utility**

The City has pledged future water and sewer customer Net Revenues to repay the City's Utility Bond issues. The Taxable Utility System Refunding Revenue Bonds, Series 2021 are payable through 2051 Net Revenues are gross revenues less operating expenses as defined

in the bond covenants. Net Revenues totaled \$14,562,177 for the current year.

The City has also pledged future water and sewer customer Net Revenues to repay its two State Revolving Fund (SRF) Loans from the Florida Department of Environmental Protection. The combined outstanding balance of the SRF loans was \$25,473,164 at September 30, 2023. Principal and Interest payments in the current fiscal year on the Revolving Fund Loans totaled \$2,144,344, or 13.9% of water and sewer customer Net Revenues.

### **Debt Service Reserve Funds**

A reserve fund provision in the City's Clean Water State Revolving Fund loan agreement went into effect on December 15, 2015. As a result, the City is required to make monthly deposits into a reserve account equal to 1/6th of one semi-annual loan payment for the duration of the loan repayment period. As a result, \$609,647 is reported in the noncurrent assets portion of the City's Proprietary Fund as of September 30, 2023.

Funding the debt service reserve does not require the City to actually expend the funds; it does, however, require the reserve funds to be classified as part of the City's restricted fund balance to reflect that the funds cannot be used for any purpose other than to meet debt service requirements. As a result, the amount available to fund infrastructure on a "pay as you go" basis is reduced, potentially resulting in the delay or cancellation of projects, or the use of alternative financing.

The Taxable Utility System Refunding Revenue Bonds, Series 2021; the Stormwater Bank Note; and the Capital Improvement Revenue Refunding Bonds, Series 2016, have no reserve requirement.

### **Changes in long-term liabilities**

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

The City's direct borrowing of \$2,695,200 related to governmental activities is the Stormwater Bank Note described in further detail on page 55, which is liquidated from resources of the Stormwater Fund. Capital Improvement Refunding Revenue Bonds and the Debt Service Deposit Agreement are liquidated from resources of the Transportation Fund and the General Fund. For governmental activities, liabilities for compensated absences, pension, and OPEB are liquidated from resources of the General Fund.

The City's direct borrowing of \$28,060,033 related to business-type activities are the Clean Water State Revolving Fund loans described in further detail on pages 55-57. All long-term liabilities for business-type activities are liquidated from the resources of the Enterprise Fund.

The City has no unused lines of credit as of September 30, 2023.

# City of Deltona, Florida

	Beginning Balance*	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Direct Borrowings:					
Stormwater Bank Note	\$ 3,070,762	\$ -	\$ 375,562	\$ 2,695,200	\$ 394,861
Other Debt:					
Capital Improvement Refunding					
Revenue Bonds Series 2016	30,720,000	-	805,000	29,915,000	845,000
Deferred Revenue, Debt Service Deposit Agreement	66,752	-	16,682	50,070	-
Add: Unamortized Premium	1,819,788	-	75,825	1,743,963	-
Right to use asset - SBITA	102,521	-	33,747	68,774	33,803
Net Pension Liability - Chapter 175	13,462,594	-	305,248	13,157,346	-
Net Pension Liability - FRS	10,846,684	1,841,305	-	12,687,989	-
OPEB	1,861,191	-	1,039,435	821,756	55,283
Compensated Absences	3,080,906	2,273,913	2,093,516	3,261,303	1,503,697
<b>Total Governmental Activities</b>	<b>\$ 65,031,198</b>	<b>\$ 4,115,218</b>	<b>\$ 4,745,015</b>	<b>\$ 64,401,401</b>	<b>\$ 2,832,644</b>
<b>Business-type Activities</b>					
Direct Borrowings:					
FDEP State Revolving Fund Loan #641800	\$ 21,128,325	\$ -	\$ 1,399,381	\$ 19,728,944	\$ 1,424,116
FDEP State Revolving Fund Loan #641830	6,083,523	-	339,302	5,744,221	341,546
FDEP State Revolving Fund Loan #641860	2,586,868	-	-	2,586,868	-
Total Direct Borrowings	29,798,716	-	1,738,683	28,060,033	1,765,662
Other Debt:					
Utility System Revenue Bonds					
Series 2021	97,150,000	-	2,665,000	94,485,000	2,670,000
Total Utility Bonds	97,150,000	-	2,665,000	94,485,000	2,670,000
Total Debt	126,948,716	-	4,403,683	122,545,033	4,435,662
SBITA - Liability	15,088	-	4,889	10,199	5,013
Net Pension Liability - FRS	3,129,395	567,811	-	3,697,206	-
OPEB	435,317	-	213,778	221,539	11,370
Compensated Absences	361,228	401,897	481,243	281,882	184,170
<b>Total Business-type Activities</b>	<b>\$ 130,889,744</b>	<b>\$ 969,708</b>	<b>\$ 5,103,593</b>	<b>\$ 126,755,859</b>	<b>\$ 4,636,215</b>

\*Beginning balances were adjusted for implementation of GASB Statement 96

#### **IV. Other Information**

##### **A. 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. To cover itself against these exposures, the City became a member of Preferred Government Insurance Trust (PGIT), a local government liability risk pool. The Pool has over 400 local government agency members. The Pool administers insurance activities relating to property loss (including boilers/machinery) and general, professional, automobile and public officials' liability. Additionally, Workers' Compensation, Employee Crime and petroleum storage tank coverage are provided. The Pool absorbs losses up to a specified amount each pool year and, in addition, purchases excess and other specific coverage from third-party carriers. The Pool assesses each member its pro rata share of the estimated amount required to meet current year projected losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the Pool can make additional limited assessments. Losses, if any, in excess of the Pool's ability to assess its members, revert back to the member that incurred the loss. The City's insurance costs are allocated among the appropriate City departments and funds.

Fiscal year 2023 was the second year of a two-year premium period. Premium changes are driven by increases in property and inland marine values and increases in workforce numbers. as well increase in premium costs.

The City's total insured property value increased by 3.97% in the current fiscal year, resulting in a 23.55% increase in the City's property insurance premium. The windstorm loss deductible remained unchanged at 3% of total loss.

Workers' Compensation premiums increased by 28.67% and auto premiums increased by 21.03%. In total, the City's annual premium increased by 24.13%.

There have been no settlements in excess of insurance coverage in any of the prior five years and as such, no additional assessments were levied against the City for the fiscal year ended September 30, 2023

##### **B. Commitments**

The City has an Interlocal Agreement with Volusia County, Florida, for the provision of various municipal services. These services include mosquito control, road and bridge, and traffic engineering. The agreement is renewable bi-annually based on the mutual agreement of both parties. Either party can terminate the agreement without cause or further liability with 90 days written notice. The annual contractual commitment is approximately \$40,000 with the applicable portion payable from both the City's General Fund and Stormwater Utility Fund.

The City also has an Interlocal Agreement with Volusia County, Florida, for the provision of law enforcement services within the City. The agreement term is renewable annually each year on October 1. Either party can terminate the agreement without cause or further liability with 180 days written notice. The annual contractual commitment was \$12,405,307 for the fiscal year ended September 30, 2023 payable from the City's General Fund. Total staffing includes 80 sworn officers and three administrative personnel.

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The City provides weekly residential garbage pick-up to its residents through a contract with a private company. The Commission entered into a new agreement with the company in July 2018. Under this current contract, the City pays \$12.69 per household per month to the vendor, plus tipping fees charged by the County for solid waste and yard waste disposal. Solid waste fees are considered pass-through fees and therefore, the City charges an annual assessment of \$202.80 for once-a-week garbage and yard waste services on all residential properties. The annual contractual commitment to the waste hauler was approximately \$5,194,906 and the County was approximately \$1,881,728 for fiscal year ended September 30, 2023, payable from the City's Solid Waste Management Fund.

**C. Contingent liabilities**

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

The City is often listed as a co-defendant in foreclosure cases when the City has a second mortgage or code enforcement lien recorded against the property being foreclosed. These types of cases require the City Attorney to file documents with the Court, but rarely result in costs to the City. Some of the liens either have priority over the mortgage in question or survive the foreclosure action and are eventually paid once the property is sold to a new owner.

The City is currently working with an attorney to resolve a penalty notice received from the IRS but believes there is reasonable cause for the penalty to be waived. The City has recorded a corresponding liability of \$450,000 related to this notice.

**D. Other postemployment benefits (OPEB) Plans**

The City follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for reporting the its OPEB Plan liability.

**Plan Description.** The Other Postemployment Benefit (OPEB) Plan is a single-employer benefit plan administered by the City. Pursuant to Chapter 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's health plan for medical and prescription drug coverage. The City subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan, on average, than those of active employees. The City does not offer any explicit subsidies for retiree coverage. The OPEB Plan does not issue a stand-alone report and is not included in the report of another entity. The City's OPEB Plan is a cost sharing plan that does not have a separately identifiable account with formal assets accumulated in a GASB compliant trust.

**Summary of Membership Information.** As of September 30, 2022 Actuarial Measurement the City had 336 OPEB members, 332 active and 4 inactive. All inactive members are retired employees.

**Changes in the Total OPEB Plan Liability.** The following table shows the change in the City’s OPEB plan liability:

Description	Total
Service Cost	\$ 98,753
Interest on the Total OPEB Plan Liability	51,544
Changes of Benefit Terms	-
Difference between expected and actual experience of the total OPEB liability	(954,382)
Changes of Assumptions and Other Inputs	(365,862)
Benefit Payments	(83,266)
Net change in Total OPEB Liability	(1,253,213)
Total OPEB Liability - Beginning	2,296,508
Total OPEB Liability - Ending	<u>\$ 1,043,295</u>

**Actuarial Valuation and Measurement Dates.** September 30, 2022 was the actuarial valuation date. For purposes of calculating and reporting the OPEB liability, valuation date amounts were the measurement date of September 30, 2022, using standard actuarial techniques.

**Funded Status and Funding Progress.** As of September 30, 2022, the total OPEB Plan liability was \$1,043,295 and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered-employee payroll (annual payroll of active participating employees) was \$18,772,952 and the ratio of the total OPEB plan liability to the covered-employee payroll was 5.56%.

The OPEB plan contribution requirements of the District and OPEB Plan members are established and may be amended through Commission action. The City has not advance-funded or established a funding methodology for the annual OPEB expense or the net OPEB Plan liability, and the OPEB plan is financed on a pay-as-you-go basis.

**Actuarial Valuation Methods and Assumptions.** Actuarial valuations of an ongoing OPEB 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 and termination, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the OPEB plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The OPEB liability calculation was based on the Individual Entry Age Normal Cost Method, with an increasing Normal Cost pattern consistent with the salary increase assumptions.

Demographic assumptions employed in the actuarial valuation for General employees were the same as those employed in the July 1, 2022 actuarial valuation of the FRS Benefit Pension Plan. These demographic assumptions were developed by FRS from an Actuarial Experience Study, and therefore are appropriate for use in the OPEB plan actuarial valuation. These include assumed rates of future termination, mortality, disability, and retirement. Retirement rates for firefighters were based on the age and years of service of participants.



Mortality tables used in the July 1, 2022 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class and Special Risk Class members. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.

The total OPEB plan liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Description	
Inflation	2.5 percent
Salary Increases - General Employees in FRS	Rates of Salary Increase for General Employees in the FRS plan vary between 3.4% to 7.8%
Salary Increases - Firefighters	5.0 percent
Salary Increases - Employees in General Employees' Pension Plan	2.5 percent

Healthcare cost trend rates were based on the Getzen model, with trend starting at -4.48% in 2023 (to reflect actual premiums), 6.25% in 2023 and gradually decreasing to an ultimate trend rate of 4.00%.

Aging factor expenses were based on the 2013 SOA Study “Health Care Costs – From Birth to Death.” Administrative expenses are included in the per capita health costs.

**Discount Rate.** There are no invested plan assets held in trust to finance the OPEB plan liability. The discount rate used equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA rating as of the measurement date. For the purpose of the OPEB plan valuation, the municipal bond rate was 4.40%.

The City’s annual OPEB expense totaled \$108,090 for the fiscal year ended September 30, 2023. At September 30, 2023, the City reported deferred outflows and inflows of resources related to the OPEB plan liability from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 811,977	\$ 871,392
Change of assumptions and other inputs	89,336	629,813
Contributions subsequent to the Measurement Date	45,506	-
Total	\$ 946,819	\$ 1,501,205

The deferred outflows of resources related of \$45,506 resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the liability in the year ending September 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB are recognized in expense as follows:

Fiscal Year Ending September 30	Amortization
2024	\$ (42,207)
2025	(37,305)
2026	(34,033)
2027	(34,036)
2028	(34,034)
Thereafter	(418,277)
Total	<u>\$ (599,892)</u>

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate. The following presents the District's OPEB plan liability calculated using the discount rate of 4.40%, as well as what the OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.40%) or 1 percentage point higher (5.40%) than the current rate:

	1% Decrease 3.40%	Current Discount Rate 4.40%	1% Increase 5.40%
OPEB Plan Liability	<u>\$ 1,161,406</u>	<u>\$ 1,043,295</u>	<u>\$ 941,217</u>

Sensitivity of the City's Total OPEB Liability to the Healthcare Cost Trend Rate Assumption. Regarding the sensitivity of the total OPEB liability, calculated using the assumed trend rates as well as what the OPEB Plan's total liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
OPEB Plan Liability	<u>\$ 911,604</u>	<u>\$ 1,043,295</u>	<u>\$ 1,205,116</u>

**E. Employee retirement systems and pension plans**

Firefighters' Pension Plan

**Plan Description**

The *City of Deltona Firefighters' Pension Plan* (the Firefighters' Plan) is a single-employer, defined benefit pension plan for firefighters adopted through local ordinance on December 14, 1998, with an effective date of October 1, 1997. The establishment of the Plan, and any amendments thereto, are at the sole discretion of the City Commission.

The Plan was established, and operates within, the parameters of Chapter 175 of the Florida Statutes. This Statute governs fire pension plans in the State of Florida. The Plan's amortization periods are closed. The Plan is administered by a five-member Board of Trustees (the Board). Two members of the Board must be members of the Plan elected by a majority of all members of the Plan; two members must be residents of the City appointed

by the City Commission; the fifth member is elected by a majority of the other four Board members.

### **Funding Policy**

The Florida Constitution requires local governments to make actuarially-determined contributions. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being used for funding purposes. The funding method and determination of benefits payable are provided for in the Florida Legislature, under which the Plan was created, including subsequent amendments.

Additionally, the State collects a locally authorized insurance premium surcharge on certain real and personal property insurance policies within the corporate limits of Deltona. The funds can be distributed only after the State has ascertained that the City has met its actuarial funding requirement for the most recently completed fiscal year. These funds are recorded in the General Fund, then immediately transferred to the pension fund. The pension fund records these amounts as revenue, while the General Fund records the transfer as an additional pension contribution expense.

Direct costs for Plan administration are paid from Plan assets. However, City staff do perform administrative functions at no cost to the Plan.

### **Benefits**

The Plan provides retirement, termination, disability, and survivor benefits to all full-time certified firefighters. Benefits, as established by the City Commission, are determined by a calculation using length of service and average final compensation. Benefits of the Plan are recognized when due and payable in accordance with the terms of the Plan. Average final compensation (AFC) is the average of the employee's highest 5 years of the previous 10 years of compensation.

#### Normal Retirement

Normal retirement is the earlier of age 55 with 10 years Credited Service, or 25 years of Credited, regardless of age. Members earn benefits at the rate of 3% for each year of Creditable Service since October 1, 1997. The Plan also allows members a one-time option to obtain service credit for years of employment prior to October 1, 1997. This Past Service credit is at a 2% benefit rate for each year of creditable service. Members with 25 or more years of service receive an increase of their Past Service Credit from 2% to 3% provided that the total benefit percent does not exceed 100%. There is an overall maximum benefit of 100% of the AFC.

#### Early Retirement

Early retirement is permitted at age 50 with 10 years of Credited Service. The accrued benefit for early retirement is reduced by 3.0% for each year prior to the Normal Retirement date.

#### Supplemental Benefit

A supplemental benefit of \$10.00 times total years of service at retirement with a maximum of \$250 is provided.

#### Cost of Living Allowance (COLA)

All Retirees who have completed at least 21 years of service, and those Retirees who retire with an In-Line of Duty disability retirement, shall receive an automatic 2.35% COLA beginning on the later of the attainment of age 52 or three (3) years following benefit

commencement. This benefit shall not be payable to terminated vested Members. Additionally, beneficiaries and joint annuitants of deceased Retirees shall receive COLA adjustments, based on the age or years of service of the deceased Retiree.

Disability Benefit

A disability retirement benefit of a minimum of 60% of AFC is provided to any Member injured in-the-line-of-duty. A disability retirement benefit is provided at the accrued normal retirement benefit, but shall not be less than 25% of AFC to Members who are disabled from a non-service connected injury who have more than 10 years of Credited Service.

Pre-Retirement Death Benefit

The pre-retirement death benefit is the benefit accrued to the date of death payable to designated beneficiary for 10 years at the normal or early retirement date, at the option of the beneficiary. In the case of a participant's death prior to vesting, no retirement benefit shall be payable; the beneficiary will be entitled to a refund of the participant's contributions, however.

Vesting

Full vesting occurs with 10 years of Credited Service. Members who do not attain 10 years of Credited Service are refunded their member contributions when separated. Vested Members may choose their accrued benefit payable, or a refund of contributions.

**Membership**

As of October 1, 2022, there were a total of 132 participants. 73 of these participants are active Plan members; 18 are inactive Plan members entitled to, but not yet receiving, benefits; and 41 are inactive Plan members or beneficiaries currently receiving benefits.

**Contributions**

The Plan, as approved by the City Commission, requires members to contribute 11.4% of their annualized compensation. City contributions are equal to the remaining amount necessary for payment of Normal (current year) Cost and amortization of the accrued past service liability over 30 years. The City contribution is offset by estimated insurance premium receipts.

The Plan is operated as a Pension Trust Fund and is included as part of the City's reporting entity; therefore separate financial statements are not required.

**Investments**

Investments are reported at fair value and are managed by third party money managers. Investments that do not have an established market are reported at estimated fair market value.

The following asset allocation policy was adopted by the Board and was in effect as of the year ended September 30, 2023.

Asset Class	Target Allocation
Domestic Equity	45%
International Equity	10%
Broad Market Fixed Income	15%
Global Fixed Income	5%
Private Real Estate	10%
Private Equity	10%
Alternative	5%
Total	100%

**Concentrations**

The Plan did not hold investments in any one organization that represent 5% or more of the Plan’s Fiduciary Net Position.

**Rate of Return**

For the year ended September 30, 2023 the annual money-weighted rate of return of Plan investments, net of Plan investment expense, was 12.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

The Firefighters’ Plan provides a Deferred Retirement Option Program for Members who have satisfied Normal Retirement requirements. The Member must elect to enter DROP within 12 months after reaching Normal Retirement. A Member can remain in DROP until s/he attains age 60 or 35 total years of service, whichever is earlier, up to a maximum participation of 96 months.

While in DROP, a Member may choose to have his/her account credited with interest of 6% per year or an interest rate equal to the net investment return realized by the System for that quarter. The Member may change his/her election only once.

For the year ended September 30, 2023 the DROP balance was \$1,596,717.

**Net Pension Liability**

The components of the City’s Net Pension Liability related to the Firefighters’ Plan on September 30, 2023 were:

Total Pension Liability	\$ 54,569,109
Plan Fiduciary Net Position	(41,411,763)
City's Net Pension Liability	<u>\$ 13,157,346</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.89%

**Actuarial Assumptions**

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2022 GASB 67/68 measurement date September 30, 2023 and GASB 68 Reporting date September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Long-Term rate of return	7.50%

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. This assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Millimans’s July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the significant assumptions was dated August 11, 2021.

The Long-Term Expected Rate of Return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class.

For 2023 the inflation rate assumption of the investment advisor was 2.5%. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan’s target asset allocation as of September 30, 2023 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
Private Real Estate	4.50%
Private Equity	8.50%
Alternative	6.15%

**Changes in Net Pension Liability - Firefighters' Pension Plan  
September 30, 2023**

GASB 67/68 Measurement Date	9/30/2023	9/30/2022
GASB 68 Reporting Period Ending	9/30/2023	9/30/2022
Total Pension Liability		
Service Cost	\$ 1,235,877	\$ 1,215,872
Interest	3,797,542	3,495,668
Share Plan Allocation	98,684	52,087
Changes of benefit terms	-	-
Experience gains/losses	1,021,941	1,059,889
Changes of assumptions	651,854	-
Contributions - Buyback	-	11,343
Benefit Payments	(1,937,140)	(1,828,544)
Net Change in Total Pension Liability	4,868,758	4,006,315
Total Pension Liability - Beginning	49,700,351	45,694,036
Total Pension Liability - Ending (a)	\$ 54,569,109	\$ 49,700,351
Plan Fiduciary Net Position		
Contributions - Employer	1,446,000	1,467,404
Contributions - State	647,369	554,173
Contributions - Employee	575,527	560,259
Contributions - Buyback	-	11,343
Net Investment Income	4,601,347	(6,630,390)
Benefit Payments	(1,937,140)	(1,828,544)
Administrative Expense	(159,097)	(101,681)
Other	-	-
Net Change in Plan Fiduciary Net Position	5,174,006	(5,967,436)
Plan Fiduciary Net Position - Beginning	36,237,757	42,205,193
Adjustment to beginning of year	-	-
Plan Fiduciary Net Position - Ending (b)	\$ 41,411,763	\$ 36,237,757
Net Pension Liability - Ending (a) - (b)	\$ 13,157,346	\$ 13,462,594
Plan Fiduciary Net Position		
As % of Total Pension Liability	75.89%	72.91%
Covered Payroll	5,048,481	4,914,549
Net Pension Liability		
As % of Covered Payroll	260.62%	273.93%

**Discount Rate**

The Discount Rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that City contribution rates will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Firefighters' Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the Long-Term Expected Rate of Return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The City's Net Pension Liability based on a 7.50% discount rate is \$13,157,346. The table below presents the effect on the Net Pension Liability if the discount rate were reduced or increased by 1.00%.

<b>Sensitivity to Changes in Discount Rate - Firefighters' Pension Plan</b>		
<b>September 30, 2023</b>		
GASB 67/68 Measurement Date	09/30/2023	09/30/2022
GASB 68 Reporting Period Ending	09/30/2023	09/30/2022
Discount Rate	7.50%	7.60%
+1% Discount Rate	8.50%	8.60%
-1% Discount Rate	6.50%	6.60%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ 13,157,346	\$ 13,462,594
1% Increase in Discount Rate	\$ 7,173,540	\$ 7,981,891
1% Decrease in Discount Rate	\$ 20,448,482	\$ 20,133,438

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

For the year ended September 30, 2023, the City recognized a Pension Expense of \$3,490,121 related to the Firefighters' Pension Plan. On September 30, 2023 the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>City of Deltona Firefighters' Pension</b>		
Differences between Expected and Actual Experience	\$ 2,082,949	\$ 194,982
Change in assumptions	1,066,790	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,445,471	-
<b>Total</b>	<b>\$ 5,595,210</b>	<b>\$ 194,982</b>



Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions will be recognized in Pension Expense as follows:

Year Ended September 30,	Amount
2023	\$ 1,104,011
2024	1,215,474
2025	2,140,816
2026	147,417
2027	420,910
Thereafter	371,600
Total	<u>\$ 5,400,228</u>

General Employees' Pension Plan

**Plan Description**

The *City of Deltona General Employees' Pension Plan* (the Employee Plan) is a single-employer, defined contribution pension plan adopted through City resolution on December 17, 1997, with an effective date of October 1, 1997. The Plan is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code that covers all full-time employees of the City, excluding certified firefighters, as described in "Membership," below.

**Membership**

The Employee Plan was closed to new members by the City effective December 1, 2006 when the City opted to enroll in the Florida Retirement System (FRS). As of September 30, 2023, 8 employees were still enrolled in the Plan.

**Funding Policy**

The Employee Plan is administered by an outside party and requires the City to contribute 10% of each participant's base earnings to a pension trust. Base earnings includes W-2 earnings, plus any contribution made pursuant to a salary reduction agreement not included under section 125 of the Internal Revenue Code, less unscheduled overtime and on call pay. Participants are not required to contribute to the Employee Plan; all contributions are voluntary, unmatched by the City, and made on an after-tax basis. The Plan has a five-year graduated vesting schedule and all participants are fully vested in the Plan. The Plan permits withdrawals for retirement, termination and disability. The Plan does not allow participants to borrow against their accounts.

For the fiscal year ended September 30, 2023, the City's total covered payroll for employees eligible to participate in the Plan was \$817,960 compared with a total payroll for the City of \$19,561,630. The required employer contribution and the contribution actually made amounted to \$81,796, or 10% of covered payroll. Investments are reported at fair value. There have been no revisions to the Plan since its adoption.

The City is the Trustee for the plan; assets are held in employees' names, however, and therefore the City is not exposed to custodial risk. Because the plan is a defined-contribution plan, there is no Net Pension Liability, Deferred Outflows, or Deferred Inflows reported in connection with this Plan.

Florida Retirement System Plans (FRS)

**General Information**

The City participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit public employee retirement system, administered by the State of Florida Department of Management Services, Division of Retirement. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“FRS Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”).

Effective July 1, 2002, the FRS implemented a defined contribution plan (“Investment Plan”) under Section 121.4501, Florida Statutes, as an alternative available to all FRS members in lieu of the FRS Pension Plan and covers the same classes of employees as the FRS Pension Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Employee and employer contributions are directed to individual member accounts, and members may select various approved investments to which they allocate their contributions and account balances. Benefits in the Investment Plan vest after one year of service.

The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

**FRS Pension Plan Description**

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The FRS Pension Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Florida Statutes Chapter 121, as may be amended from time to time by the State legislature, provides the methodology for determining contribution rates for the various membership classes of the FRS. Benefits are established by Chapter 21, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law may be made only by an act of the Florida State Legislature. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan.

The State of Florida annually issues a publicly available financial report that includes financial statements as well as required supplementary information for the FRS. The most recent report is available from:

State of Florida Department of Management Services  
Division of Retirement  
Post Office Box 9000  
Tallahassee, Florida 32315-9000

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

## **Membership**

The City passed Resolution #2006-39, which allowed all eligible employees to enroll in FRS with the State of Florida (a defined benefit pension plan) with an effective date of December 1, 2006, or continue to participate in the pre-existing defined contribution pension plan known as the City of Deltona General Employees' Pension Plan. All general employees hired after December 1, 2006 are compulsory members of FRS. General employees who elected to participate in FRS with the State of Florida had the option to purchase past service credit back to October 1, 1997. For each general employee who opted to purchase past service, their General Employees' Pension Plan assets were transferred directly to FRS with the State of Florida. As of September 30, 2023, there were 258 employees enrolled in FRS.

## **Benefits**

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

For FRS Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age. The final average compensation for the members hired after July 1, 2011 will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if a member was initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment (COLA) is three percent (3.0%) per year. If a member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated COLA. The annual COLA is a prorated portion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not receive a cost-of-living adjustment after retirement.

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

## **Contributions/Funding**

Effective July 1, 2011, all active members of the FRS Pension Plan, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to

member contributions, governmental employers are required to make contributions to the FRS Pension Plan based on state-wide contribution rates established by the Florida Legislature.

These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2023, respectively, were as shown below:

	September 30,		
	2021	2022	2023
Regular Class	10.82%	11.91%	13.57%
Senior Management Service Class	29.01%	31.57%	34.52%
Reemployed retirees	5.85%	5.89%	6.78%
DROP Participants	18.34%	18.60%	21.13%

The City made all required contributions to the FRS Pension Plan which totaled \$1,664,544 for fiscal year ended September 30, 2023.

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

As of September 30, 2023, the City reported a liability of \$10,913,383 for its proportionate share of the FRS Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City’s proportionate share of the net pension liability was based on the City’s contributions for FY 2021/2022 relative to the City’s contributions for FY 2021/2022 of all participating members. At June 30, 2023, the City’s proportionate share was 0.02739%, which was an increase of 0.00044% percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$2,475,093. In addition the City reported current deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
<b>FRS Pension Plan</b>		
Differences between Expected and Actual Experience	\$ 1,024,673	\$ -
Change of Assumptions	711,425	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	455,772	-
Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions	715,826	139,712
City FRS Pension Plan Contributions Subsequent to the Measurement Date	395,294	-
<b>Total</b>	<b>\$ 3,302,990</b>	<b>\$ 139,712</b>

The deferred outflow of resources of \$395,294 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2024	\$ 502,258
2025	92,061
2026	1,933,852
2027	198,126
2028	41,687
Thereafter	-
<b>Total</b>	<b>\$ 2,767,984</b>

**Actuarial Assumptions**

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
<b>Total</b>	<b>100.0%</b>			
Assumed Inflation - Mean		2.4%		1.4%

(1) As outlined in the FRS Plan's Investment Policy

**Discount Rate**

The discount rate used to measure the total pension liability was 6.70%. The FRS 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 the calculation of the total pension liability is equal to the long-term expected rate of return.

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

Shown below is the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well the City’s proportionate share of the net pension liability calculated using a discount rate one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

**City Net FRS Pension Plan Liability Based on Discount Rate**

1% Decrease in Discount Rate to 5.70%	Current Discount Rate 6.70%	1% Increase in Discount Rate to 7.70%
\$ 18,642,281	\$ 10,913,383	\$ 4,447,236

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

At September 30, 2023, the City reported a payable in the amount of \$190,570 for contributions in-transit to the FRS Pension Plan required for the fiscal year ended September 30, 2023.

FRS Health Insurance Subsidy Plan (HIS Plan)

**Plan Description**

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time.

**Benefits**

The benefit received by HIS Plan members is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligibility for this benefit requires a retiree under a State-administered retirement system to provide proof of health insurance coverage which may include Medicare.

For fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a monthly minimum HIS payment of \$30 and a monthly maximum HIS payment of \$150.

**Contributions**

The HIS Plan is funded by required contributions from participating FRS employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution was 1.66%.

The City contributed 100% of its statutorily required contributions for fiscal year ended September 30, 2023. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City made all required contributions to the HIS Plan which totaled \$229,434 for fiscal year ended September 30, 2023.

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

As of September 30, 2023, the City reported a liability of \$5,476,811 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City’s proportionate share of the net pension liability was based on the City’s contributions for FY 2022/20232 relative to the City’s contributions for FY 2021/2022 of all participating members. At June 30, 2023, the City’s proportionate share was .03445%, which was an increase of .0003 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$2,185,097. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>FRS Health Insurance Subsidy Plan (HIS Plan)</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between Expected and Actual Experience	\$ 80,104	\$ 12,843
Change of Assumptions	143,852	474,151
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,826	-
Changes in Proportion and Differences between City FRS Pension Plan Contributions and Proportionate Share of Contributions	425,541	-
City FRS Pension Plan Contributions Subsequent to the Measurement Date	74,408	-
<b>Total</b>	<b>\$ 726,731</b>	<b>\$ 486,994</b>

The deferred outflow of resources of \$74,408 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2023	\$ 71,820
2024	76,863
2025	47,354
2026	(11,901)
2027	(16,495)
Thereafter	(2,312)
Total	\$ 165,329

**Actuarial Assumptions**

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.65%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables. The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**Discount Rate**

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



**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

**City Net HIS Plan Liability Based on Discount Rate**

1% Decrease in Discount Rate to 2.65%	Current Discount Rate 3.65%	1% Increase in Discount Rate to 4.65%
\$ 6,242,482	\$ 5,471,811	\$ 4,832,976

**Pension Plan Fiduciary Net Position**

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

**Payables to the Pension Plan**

At September 30, 2023, the City reported a payable in the amount of \$17,295 for contributions in-transit to the HIS Pension Plan required for the fiscal year ended September 30, 2023.

**Summary of Pension Plans Liability / Inflows / Outflows / Expense**

The following chart presents a summary of the GASB 68 implementation information for each of the City's pension plans.

<b>GASB 68</b>				
<b>Summary of Pension Plans</b>				
<b>As of September 30, 2023</b>	<b>Net Pension Liability</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Pension Expense</b>
<b>FRS - Governmental</b>				
Pension	(8,613,171)	2,592,314	(109,651)	1,942,549
Health Insurance Subsidy	(4,074,818)	550,934	(369,190)	1,656,520
FRS - Governmental - Total	<u>(12,687,989)</u>	<u>3,143,248</u>	<u>(478,841)</u>	<u>3,599,069</u>
<b>FRS - Deltona Water</b>				
Pension	(2,300,212)	710,676	(30,061)	532,544
Health Insurance Subsidy	(1,396,994)	175,797	(117,804)	528,577
FRS - Deltona Water - Total	<u>(3,697,206)</u>	<u>886,473</u>	<u>(147,865)</u>	<u>1,061,121</u>
<b>Total FRS</b>				
Pension	(10,913,383)	3,302,990	(139,712)	2,475,093
Health Insurance Subsidy	(5,471,811)	726,731	(486,994)	2,185,097
FRS - Total	<u>(16,385,194)</u>	<u>4,029,721</u>	<u>(626,706)</u>	<u>4,660,190</u>
Firefighters' Pension Plan	(13,157,346)	5,595,210	(194,982)	3,490,121
<b>Total</b>	<u>(29,542,540)</u>	<u>9,624,931</u>	<u>(821,688)</u>	<u>8,150,311</u>

The following schedule summarizes the general and fire pension plan assets and changes in the net position of the plans:

Schedule of Pension Plan Net Position as of September 30, 2023 (1)			
	Firefighters' Pension Trust Fund	General Employees' Pension Trust Fund (2)	Total
<b>Assets</b>			
Cash and Investments	\$ 41,335,354	\$ 3,658,998	\$ 44,994,352
Member Contributions in Transit	22,072	-	22,072
Due from Other Governments	65,763	-	65,763
Prepaid	4,863	-	4,863
<b>Total Assets</b>	<b>41,428,052</b>	<b>3,658,998</b>	<b>45,087,050</b>
<b>Liabilities</b>			
Accounts Payable	16,289	-	16,289
<b>Total Liabilities</b>	<b>16,289</b>	<b>-</b>	<b>16,289</b>
<b>Net Position</b>			
Reserved for Employees' Pension	\$ 41,411,763	\$ 3,658,998	\$ 45,070,761
<b>Additions</b>			
Contributions			
Employer	\$ 1,446,000	\$ 82,297	\$ 1,528,297
State of Florida	647,369	-	647,369
Employee	575,527	-	575,527
Buyback	-	-	-
<b>Total Contributions</b>	<b>2,668,896</b>	<b>82,297</b>	<b>2,751,193</b>
Investment earnings			
Interest and dividends	829,820	81,522	911,342
Net change in fair value of investments	3,839,820	285,800	4,125,620
Less investment expense	(68,293)	(5,893)	(74,186)
<b>Total investment income (loss)</b>	<b>4,601,347</b>	<b>361,429</b>	<b>4,962,776</b>
<b>Total Additions</b>	<b>7,270,243</b>	<b>443,726</b>	<b>7,713,969</b>
<b>Deductions</b>			
Benefit Payments - Retirement	1,679,847	293,807	1,973,654
Benefit Payments - Disability	205,963	-	205,963
Benefit Payments - Beneficiary	15,776	-	15,776
Forfeitures	35,554	-	35,554
Administration	159,097	-	159,097
<b>Total Deductions</b>	<b>2,096,237</b>	<b>293,807</b>	<b>2,390,044</b>
<b>Net Increase</b>	<b>5,174,006</b>	<b>149,919</b>	<b>5,323,925</b>
<b>Net Position Reserved for Employees'</b>			
<b>Pension Benefits</b>			
Beginning of Year	36,237,757	3,509,079	39,746,836
<b>End of Year</b>	<b>\$ 41,411,763</b>	<b>\$ 3,658,998</b>	<b>\$ 45,070,761</b>

(1) The above table includes the two single employer plans maintained by the City of Deltona and does not include the defined benefit plans for general employees administered by the Florida Retirement System.

(2) Defined contribution plan.

**Other Pension Plan Information**

The Required Supplementary Information following the Notes to the Financial Statements presents multi-year trend information regarding the Changes in Net Pension Liability, Contributions and Investment Returns as well as information regarding Methods and Assumptions used to Determine Contribution Rates

**REQUIRED SUPPLEMENTARY INFORMATION**

# City of Deltona, Florida

General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 28,486,000	\$ 28,486,000	\$ 28,869,210	\$ 383,210
Franchise fees	4,671,200	4,671,200	5,515,518	844,318
Public service tax	8,607,800	8,607,800	9,456,641	848,841
State revenue sharing	5,097,000	5,097,000	6,095,578	998,578
Intergovernmental	6,383,500	6,383,500	7,322,487	938,987
Charges for services	4,319,300	4,319,300	7,005,707	2,686,407
Fines and forfeitures	166,000	166,000	194,614	28,614
Interest income	200,000	200,000	2,444,399	2,244,399
Miscellaneous	553,000	553,000	365,093	(187,907)
Total revenues	<u>58,483,800</u>	<u>58,483,800</u>	<u>67,269,247</u>	<u>8,785,447</u>
<b>EXPENDITURES</b>				
General government:				
City Commission	448,000	448,000	391,916	56,084
City Manager	1,858,300	1,858,300	1,559,041	299,259
City Clerk	694,800	694,800	671,217	23,583
Fiscal Services	1,739,300	1,965,300	1,766,971	198,329
City Attorney	952,100	952,100	692,197	259,903
Planning and Development Services	1,983,100	1,983,100	908,198	1,074,902
Construction Services	2,103,600	2,103,600	1,592,549	511,051
Human Resources	1,027,800	1,023,800	746,878	276,922
General Government	2,108,200	2,198,200	2,646,458	(448,258)
Enforcement Services	2,582,100	2,582,100	2,078,225	503,875
Total general government	<u>15,497,300</u>	<u>15,809,300</u>	<u>13,053,650</u>	<u>2,755,650</u>
Public safety:				
Law Enforcement	12,477,200	12,477,200	12,449,651	27,549
Fire Administration	2,450,300	2,450,300	2,121,708	328,592
Fire Operations	11,344,300	11,344,300	11,289,080	55,220
Total public safety	<u>26,271,800</u>	<u>26,271,800</u>	<u>25,860,439</u>	<u>411,361</u>
Highways and streets:				
Public Works - Traffic Division	879,500	824,500	806,607	17,893
Public Works - Engineering	272,000	272,000	270,140	1,860
Public Works - Field Operations	1,190,300	7,079,300	5,376,560	1,702,740
Public Works - Administration	284,200	284,200	250,402	33,798
Public Works - Fleet Maintenance	491,800	546,800	545,529	1,271
Total highways and streets	<u>3,117,800</u>	<u>9,006,800</u>	<u>7,249,238</u>	<u>1,757,562</u>
Culture and recreation:				
Parks and Recreation	4,800,100	4,882,100	3,651,157	1,230,943
The Center at Deltona	981,700	981,700	823,422	158,278
Total culture and recreation	<u>5,781,800</u>	<u>5,863,800</u>	<u>4,474,579</u>	<u>1,389,221</u>
Total operating	<u>50,668,700</u>	<u>56,951,700</u>	<u>50,637,906</u>	<u>6,313,794</u>
Debt service:				
Interest	238,600	238,600	231,378	7,222
Principal retirement	165,000	165,000	175,000	(10,000)
Total debt service	<u>403,600</u>	<u>403,600</u>	<u>406,378</u>	<u>(2,778)</u>
Capital outlay:				
General government	450,400	488,400	386,275	102,125
Public safety	1,200,000	3,047,000	973,364	2,073,636
Highways and streets	300,000	300,000	176,289	123,711
Culture and recreation	636,100	636,100	382,295	253,805
Total capital outlay	<u>2,586,500</u>	<u>4,471,500</u>	<u>1,918,223</u>	<u>2,553,277</u>
Total expenditures	<u>53,658,800</u>	<u>61,826,800</u>	<u>52,962,507</u>	<u>8,864,293</u>
Excess (deficiency) of revenues over expenditures	<u>4,825,000</u>	<u>(3,343,000)</u>	<u>14,306,740</u>	<u>17,649,740</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	3,000,000	3,000,000	3,000,000	-
Transfer(s) out	(6,675,000)	(6,675,000)	(6,675,000)	-
Other Financing Sources - SBITA	-	-	64,835	64,835
Total other financing source (uses)	<u>(3,675,000)</u>	<u>(3,675,000)</u>	<u>(3,610,165)</u>	<u>64,835</u>
Net change in fund balances	1,150,000	(7,018,000)	10,696,575	17,714,575
Fund balance, beginning	57,515,951	53,913,346	57,515,951	3,602,605
Fund balance, ending	<u>\$ 58,665,951</u>	<u>\$ 46,895,346</u>	<u>\$ 68,212,526</u>	<u>\$ 21,317,180</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Transportation Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,394,000	\$ 4,172,500	\$ 2,499,853	\$ (1,672,647)
Charges for services	-	-	208,276	208,276
Interest income	3,500	3,500	1,169,105	1,165,605
Total revenues	<u>2,397,500</u>	<u>4,176,000</u>	<u>3,877,234</u>	<u>(298,766)</u>
<b>EXPENDITURES</b>				
Operating:				
Highways and streets	348,600	424,600	361,149	63,451
Total operating	<u>348,600</u>	<u>424,600</u>	<u>361,149</u>	<u>63,451</u>
Debt service:				
Interest	856,700	856,700	826,662	30,038
Principal retirement	600,000	600,000	630,000	(30,000)
Total debt service	<u>1,456,700</u>	<u>1,456,700</u>	<u>1,456,662</u>	<u>38</u>
Capital outlay:				
General government	1,250,000	3,624,800	-	3,624,800
Highways and streets	-	-	2,284,642	(2,284,642)
Physical environment	1,654,000	15,937,100	-	15,937,100
Total capital outlay	<u>2,904,000</u>	<u>19,561,900</u>	<u>2,284,642</u>	<u>17,277,258</u>
Total expenditures	<u>4,709,300</u>	<u>21,443,200</u>	<u>4,102,453</u>	<u>17,340,747</u>
Excess (deficiency) of revenues over expenditures	<u>(2,311,800)</u>	<u>(17,267,200)</u>	<u>(225,219)</u>	<u>17,041,981</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	672,000	672,000	597,172	(74,828)
Total other financing source (uses)	<u>672,000</u>	<u>672,000</u>	<u>597,172</u>	<u>(74,828)</u>
Net change in fund balances	(1,639,800)	(16,595,200)	371,953	16,967,153
Fund balance, beginning	22,281,984	17,444,273	22,281,984	4,837,711
Fund balance, ending	<u>\$ 20,642,184</u>	<u>\$ 849,073</u>	<u>\$ 22,653,937</u>	<u>\$ 21,804,864</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Schedule of Changes in Total OPEB Liability and Related Ratios  
Measurement Year Ended September 2022  
Last 10 Fiscal Years\*

Measurement Year Ended September 30,	2022	2021	2020	2019	2018	2017
<b>A. Total OPEB liability</b>						
1. Service Cost	\$ 98,753	\$ 90,622	\$ 103,689	\$ 79,490	\$ 57,354	\$ 59,355
2. Interest on the Total OPEB Liability	51,544	53,687	40,144	50,563	40,797	36,325
3. Changes of assumptions and other inputs		-	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	(954,382)	-	1,095,506	-	39,009	-
5. Changes of assumptions and other inputs	(365,862)	54,420	(393,673)	37,173	40,255	(60,483)
6. Benefit payments	(83,266)	(78,565)	(50,861)	(52,775)	(37,228)	(41,406)
<b>7. Net change in Total OPEB Liability</b>	<b>(1,253,213)</b>	<b>120,164</b>	<b>794,805</b>	<b>114,451</b>	<b>140,187</b>	<b>(6,209)</b>
<b>8. Total OPEB Liability - Beginning</b>	<b>2,296,508</b>	<b>2,176,344</b>	<b>1,381,539</b>	<b>1,267,088</b>	<b>1,126,901</b>	<b>1,133,110</b>
<b>9. Total OPEB Liability - Ending</b>	<b>\$ 1,043,295</b>	<b>\$ 2,296,508</b>	<b>\$ 2,176,344</b>	<b>\$ 1,381,539</b>	<b>\$ 1,267,088</b>	<b>\$ 1,126,901</b>
<b>B. Covered □ Employee Payroll</b>	<b>\$ 18,772,952</b>	<b>\$ 18,281,303</b>	<b>\$ 16,378,953</b>	<b>\$ 16,097,651</b>	<b>\$ 15,774,073</b>	<b>\$ 15,530,777</b>
<b>C. Total OPEB Liability as a Percentage</b>	<b>5.56%</b>	<b>12.56%</b>	<b>13.29%</b>	<b>8.58%</b>	<b>8.03%</b>	<b>7.26%</b>

\* The amounts presented for each fiscal year were determined as of September 30. The City implemented GASB Statement 75 for fiscal year ended September 30, 2018. As a result, this Schedule will present 10 years of information as available.

Note: Covered-Employee Payroll presented for the 2022 measurement year is an estimate based on the data submitted for the September 30, 2022 valuation. GASB Statement 75 defines Covered-Employee Payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.



Schedule of Changes in Firefighter Net Pension Liability and Related Ratios  
Last 10 Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total pension liability					
Service cost	\$ 1,235,877	\$ 1,215,872	\$ 1,152,416	\$ 987,101	\$ 833,961
Interest	3,797,542	3,495,668	3,290,497	2,994,794	2,852,171
Change in excess State money	-	-	-	-	-
Share plan allocation	98,684	52,087	16,840	4,007	-
Changes of benefit terms	-	-	1,089,278	-	(10,789)
Differences between expected and actual experience	1,021,941	1,059,889	56,218	713,396	(209,917)
Change of assumptions	651,854	-	338,260	19,482	376,031
Contributions - Buy Back	-	11,343	34,098	-	-
Benefit payments, incl. refunds of EE contributions	(1,937,140)	(1,828,544)	(1,773,770)	(1,668,383)	(1,916,442)
Net change in total pension liability	4,868,758	4,006,315	4,203,837	3,050,397	1,925,015
Total pension liability - beginning	49,700,351	45,694,036	41,490,199	38,439,802	36,514,787
Total pension liability - ending (a)	54,569,109	49,700,351	45,694,036	41,490,199	38,439,802
Plan fiduciary net position					
Contributions - employer	1,446,000	1,467,404	1,419,011	1,298,760	1,139,188
Contributions - State	647,369	554,173	483,679	458,013	440,929
Contributions - employee	575,527	560,259	390,409	337,757	326,448
Contributions - Buy Back	-	11,343	34,098	-	-
Net investment income	4,601,347	(6,630,390)	7,226,916	3,348,269	893,565
Benefit payments, incl. refunds of EE contributions	(1,937,140)	(1,828,544)	(1,773,770)	(1,668,383)	(1,916,442)
Administrative expense	(159,097)	(101,681)	(86,045)	(91,103)	(79,996)
Net change in plan fiduciary net position	5,174,006	(5,967,436)	7,694,298	3,683,313	803,692
Plan fiduciary net position - beginning	36,237,757	42,205,193	34,510,895	30,827,582	30,023,890
Plan fiduciary net position - ending (b)	41,411,763	36,237,757	42,205,193	34,510,895	30,827,582
Net pension liability - ending (a) - (b)	\$ 13,157,346	\$ 13,462,594	\$ 3,488,843	\$ 6,979,304	\$ 7,612,220
Plan fiduciary net position as a % of total pension liability	75.89%	72.91%	92.36%	83.18%	80.20%
Covered payroll (1), (2)	5,048,481	4,914,549	4,880,113	4,221,959	4,080,595
Net pension liability as a % of covered payroll	260.62%	273.93%	71.49%	165.31%	186.55%

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability					
Service cost	\$ 764,177	\$ 736,394	\$ 763,355	\$ 859,133	\$ 885,170
Interest	2,747,916	2,569,262	2,296,697	2,171,585	2,001,624
Change in excess State money	-	-	(291,211)	10,559	280,653
Share plan allocation	(1,281)	-	145,606	-	-
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(465,047)	161,964	169,396	(460,180)	-
Change of assumptions	355,957	455,206	1,069,919	-	-
Contributions - Buy Back	46,174	-	-	-	-
Benefit payments, incl. refunds of EE contributions	(1,729,690)	(1,011,240)	(1,010,671)	(811,049)	(661,426)
Net change in total pension liability	1,718,206	2,911,586	3,143,091	1,770,048	2,506,021
Total pension liability - beginning	34,796,581	31,884,995	28,741,904	26,971,856	24,465,835
Total pension liability - ending (a)	36,514,787	34,796,581	31,884,995	28,741,904	26,971,856
Plan fiduciary net position					
Contributions - employer	960,204	856,758	990,000	1,099,856	747,410
Contributions - State	432,767	418,946	437,671	432,954	435,643
Contributions - employee	299,956	297,214	298,328	306,677	322,286
Contributions - Buy Back	46,174	-	-	-	-
Net investment income	2,512,787	3,250,594	2,031,264	(125,150)	1,994,535
Benefit payments, incl. refunds of EE contributions	(1,729,690)	(1,011,240)	(1,010,671)	(811,049)	(661,426)
Administrative expense	(80,148)	(56,858)	(60,624)	(67,747)	(53,091)
Net change in plan fiduciary net position	2,442,050	3,755,414	2,685,968	835,541	2,785,357
Plan fiduciary net position - beginning	27,581,840	23,826,426	21,140,458	20,304,917	17,519,560
Plan fiduciary net position - ending (b)	30,023,890	27,581,840	23,826,426	21,140,458	20,304,917
Net pension liability - ending (a) - (b)	\$ 6,490,897	\$ 7,214,741	\$ 8,058,569	\$ 7,601,446	\$ 6,666,939
Plan fiduciary net position as a % of total pension liability	82.22%	79.27%	74.73%	73.55%	75.28%
Covered payroll (1), (2)	3,749,453	3,715,168	3,729,106	5,148,777	4,028,572
Net pension liability as a % of covered payroll	173.12%	194.20%	216.10%	147.64%	165.49%

Notes to Schedule:

(1) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.

(2) The covered payroll numbers are shown in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Schedule of Florida Retirement System Contributions  
Last 10 Years

	Year Ended									
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contributions	\$ 1,664,544	\$ 1,426,047	\$ 1,142,938	\$ 903,351	\$ 785,496	\$ 732,583	\$ 663,026	\$ 590,334	\$ 559,079	\$ 507,053
Contributions in relation to the actuarially determined contributions	(1,664,544)	(1,426,047)	(1,142,938)	(903,351)	(785,496)	(732,583)	(663,026)	(590,334)	(559,079)	(507,053)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,916,746	\$ 13,126,220	\$ 11,439,703	\$ 10,388,422	\$ 10,141,856	\$ 9,494,763	\$ 8,915,167	\$ 8,322,149	\$ 7,525,843	\$ -
Contributions as % of covered payroll	11.96%	10.86%	9.99%	8.70%	7.75%	7.72%	7.44%	7.09%	7.43%	7.20%

Schedule of FRS - Health Insurance Subsidy Contributions  
Last 10 Years (1)

	Year Ended									
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially determined contributions	\$ 229,434	\$ 217,895	\$ 189,899	\$ 172,448	\$ 168,355	\$ 157,613	\$ 140,558	\$ 137,737	\$ 102,871	\$ 86,063
Contributions in relation to the actuarially determined contributions	(229,434)	(217,895)	(189,899)	(172,448)	(168,355)	(157,613)	(140,558)	(137,737)	(102,871)	(86,063)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,916,746	\$ 13,126,220	\$ 11,439,703	\$ 10,388,422	\$ 10,141,856	\$ 9,494,763	\$ 8,915,167	\$ 8,322,149	\$ 7,525,843	\$ -
Contributions as % of covered payroll	1.65%	1.66%	1.66%	1.66%	1.66%	1.66%	1.58%	1.66%	1.37%	1.22%

Required Supplementary Information

Schedule of Firefighter Pension Contributions  
Last 10 Fiscal Years

	Year Ended									
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014 (1)
Actuarially determined contribution	\$ 1,846,926	\$ 1,837,289	\$ 1,859,034	\$ 1,680,340	\$ 1,571,029	\$ 1,357,302	\$ 1,255,727	\$ 1,197,043	\$ 1,176,873	\$ 902,400
Contributions from reserve	-	-	-	-	-	-	305	-	-	-
Contributions in relation to the actuarially determined contributions	1,994,685	1,969,490	1,885,850	1,754,628	1,580,117	1,394,252	1,275,704	1,427,671	1,522,251	902,400
Contribution deficiency (excess)	\$ (147,759)	\$ (132,201)	\$ (26,816)	\$ (74,288)	\$ (9,088)	\$ (36,950)	\$ (20,282)	\$ (230,628)	\$ (345,378)	\$ -
Covered payroll (1) (2)	\$ 5,048,481	\$ 4,914,549	\$ 4,880,113	\$ 4,221,959	\$ 4,080,595	\$ 3,749,453	\$ 3,715,168	\$ 3,729,106	\$ 5,148,777	\$ 4,028,572
Contributions as % of covered payroll	39.51%	40.07%	38.64%	41.56%	38.72%	37.19%	34.34%	38.28%	29.57%	22.40%

Schedule of Firefighters' Pension Investment Returns  
Last 10 Fiscal Years (1)

	Year Ended									
	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014 (1)
Annual money-weighted rate of return	12.46%	-15.43%	20.60%	10.66%	2.96%	8.99%	13.39%	9.32%	-0.59%	11.27%
Net of investment expense										

- (1) For the 2016 Reporting Period Ending 2015, the Covered Payroll was based on Pensionable Salary.
- (2) The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.
- (3) Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 Actuarial Valuation for the City of Deltona Firefighters' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

# City of Deltona, Florida

## Schedule of Proportionate Share of Net Pension Liability Last 10 Years

Florida Retirement System - Pension:	Year Ended									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City proportion of net pension liability	0.0274%	0.0278%	0.0258%	0.0241%	0.0228%	0.0236%	0.0233%	0.0227%	0.0217%	0.0203%
City's proportionate share of the net pension liability	\$ 10,913,383	\$ 10,354,074	\$ 1,946,459	\$ 10,466,605	\$ 7,843,254	\$ 7,123,024	\$ 6,897,132	\$ 5,738,827	\$ 2,801,727	\$ 1,239,732
City's covered payroll	13,725,928	12,484,807	10,792,327	10,320,335	9,787,756	9,321,586	8,788,560	8,322,149	7,381,569	7,030,329
City's proportionate share of the net pension liability as a percentage of its covered payroll	79.51%	82.93%	18.04%	101.42%	80.13%	76.41%	78.48%	68.96%	37.96%	17.63%
Plan fiduciary net position as a percentage of the total pension liability (1)	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Florida Retirement System - Health Insurance Subsidy:	Year Ended									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City proportion of net pension liability	0.0345%	0.0342%	0.0305%	0.0296%	0.0293%	0.0285%	0.0275%	0.0269%	0.0242%	0.2335%
City's proportionate share of the net pension liability	\$ 5,471,811	\$ 3,622,006	\$ 3,737,664	\$ 3,612,131	\$ 3,274,088	\$ 3,019,844	\$ 2,944,478	\$ 3,138,324	\$ 2,468,473	\$ 2,196,677
City's covered payroll	13,725,928	10,792,327	10,792,327	10,320,335	9,787,756	9,321,586	8,788,560	8,322,149	7,381,569	7,030,329
City's proportionate share of the net pension liability as a percentage of its covered payroll	39.86%	33.56%	34.63%	35.00%	33.45%	32.40%	33.50%	37.71%	33.44%	31.25%
Plan fiduciary net position as a percentage of the total pension liability (1)	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

(1) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Annual Comprehensive Financial Report.

**Notes to the Required Supplementary Information  
September 30, 2023**

**Note 1**

Firefighter Pension Insurance Premium

The City received \$647,369 from the State of Florida for the Firefighter Pension Insurance Premium Tax. This is money charged to all homeowners on their homeowners' insurance bill to provide additional pension benefits to firefighters. As required by Generally Accepted Accounting Principles (GAAP), this money was recorded in the General Fund as revenue with an offsetting equal expense in public safety. Once received, this money was immediately transferred to the Firefighters pension fund to fund pension benefits above and beyond what the City provides.

**Note 2**

Schedule Change in Other Postemployment Benefit (OPEB) Plan Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The discount rate was changed from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

**Note 4 Methods and Assumptions Used to Determine Contribution Rates**

Firefighters' Pension Plan September 30, 2023																	
Funding method:	Entry Age Normal Actuarial Cost Method. Loads for determining minimum required contribution: Interest - half year, based on a current 7.50% assumption. Salary - None.																
Amortization method:	New UAAL amortization bases are amortized over 15 (previously 30) years.																
Remaining amortization period:	14 Years (as of 10/01/2022)																
Inflation:	2.5% per year																
Mortality:	PubS.H-2010 base table varies by member category and gender, projected generationally with Scale MP-2018																
Interest rate:	7.50% (previously 7.60%) per year compounded annually, net of investment related expenses.																
Retirement age:	2.0% for each year eligible for Early Retirement																
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">% Retiring During the Year (Normal Retirement)</th> </tr> <tr> <th>Yrs Following 1st Eligibility</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>0</td><td>33.3%</td></tr> <tr><td>1</td><td>33.3%</td></tr> <tr><td>2</td><td>33.3%</td></tr> <tr><td>3</td><td>10.0%</td></tr> <tr><td>4</td><td>10.0%</td></tr> <tr><td>5+</td><td>100.0%</td></tr> </tbody> </table>	% Retiring During the Year (Normal Retirement)		Yrs Following 1st Eligibility	Rate	0	33.3%	1	33.3%	2	33.3%	3	10.0%	4	10.0%	5+	100.0%
% Retiring During the Year (Normal Retirement)																	
Yrs Following 1st Eligibility	Rate																
0	33.3%																
1	33.3%																
2	33.3%																
3	10.0%																
4	10.0%																
5+	100.0%																
	The current assumed rates of retirement resulted from the August 11, 2021 Experience Study.																
Disability rate:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Age</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>25</td><td>0.27%</td></tr> <tr><td>35</td><td>0.39%</td></tr> <tr><td>45</td><td>0.60%</td></tr> <tr><td>55</td><td>1.86%</td></tr> </tbody> </table>	Age	Rate	25	0.27%	35	0.39%	45	0.60%	55	1.86%						
Age	Rate																
25	0.27%																
35	0.39%																
45	0.60%																
55	1.86%																
	Assumption: 90% of disablements are service related. The current assumed rates resulted from the August 11, 2021 Experience Study. All previous assumed rates are consistent with other Florida firefighter plans.																
Termination rate:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">% Terminating During the Year (Normal Retirement)</th> </tr> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>&lt;2</td><td>8.0%</td></tr> <tr><td>2-4</td><td>4.0%</td></tr> <tr><td>5-19</td><td>2.0%</td></tr> <tr><td>20+</td><td>0.0%</td></tr> </tbody> </table>	% Terminating During the Year (Normal Retirement)		Service	Rate	<2	8.0%	2-4	4.0%	5-19	2.0%	20+	0.0%				
% Terminating During the Year (Normal Retirement)																	
Service	Rate																
<2	8.0%																
2-4	4.0%																
5-19	2.0%																
20+	0.0%																
	The current assumed rates of termination resulted from the August 11, 2021 Experience Study.																
Salary increases:	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Service</th> <th>Rate</th> </tr> </thead> <tbody> <tr><td>&lt;5</td><td>6.00%</td></tr> <tr><td>5-12</td><td>5.00%</td></tr> <tr><td>15+</td><td>4.50%</td></tr> </tbody> </table>	Service	Rate	<5	6.00%	5-12	5.00%	15+	4.50%								
Service	Rate																
<5	6.00%																
5-12	5.00%																
15+	4.50%																
	Previously 5.0% per year. The current rates resulted from the August 11, 2021 Experience Study.																
Cost-of-Living adjustment (COLA):	2.35% automatic COLA beginning at the later of age 52 or three (3) years following benefit commencement, payable to all service retirees who have completed at least 21 years of service, and all line-of-duty disability retirees.																
Payroll growth:	0.0% per year for amortization of UAAL. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.																
Actuarial asset method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period.																

Required Supplementary Information

### Changes in benefit terms:

For measurement date 09/30/2022, amounts reported as changes of benefit terms, resulted from Ordinance No. 03-2021. This Ordinance provided the following benefit changes:

1. Effective October 1, 2021, a participant shall be required to contribute 11.4% of his or her salary to the plan.
2. Effective October 1, 2021, the normal retirement benefit shall be an amount equal to the participant's credited years of service multiplied by 3.2% of their average final compensation as a full-time firefighter. Those participants who complete less than 25 years of service shall continue to receive a 2% multiplier for all credited service accrued prior to October 1, 1997.
3. Pre-retirement death benefit is expanded to provide a benefit to participants that die prior to their normal or early retirement date as a direct and proximate result of their service as a firefighter. There shall be no minimum service requirement for eligibility of benefits. The benefits payable shall be the greater of the accrued normal retirement benefit and 60% of average final compensation. This benefit is paid presuming the participant had retired immediately before dying and chosen 100% joint survivor optional form of benefit.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

### Changes of Assumptions:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 11, 2021 actuarial experience study:

1. The investment return assumption was reduced from 7.60% to 7.50% per year based on the October 1, 2022 actuarial experience study.
2. The assumed rates of individual salary increases were changed from a flat 5.0% per year, net of investment related expenses.
3. The assumed rates of Retirement were amended to reflect recent experience.
4. The assumed rates of pre-retirement withdrawal were amended to be based upon service only instead of both age and service.
5. The assumed rates of disability were increased.

For measurement date 09/30/2022, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board of Trustees, the investment return assumptions has been reduced from 7.60% to 7.50%, net of investment related expenses, in conjunction with this valuation.

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.68% to 7.60%.

For measurement date 09/30/2020, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.76% to 7.68%.

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.84% to 7.76%.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.92% to 7.84%.

For measurement date 09/30/2017, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the investment rate of return of return was lowered from 8.00% to 7.92%.

Florida Retirement System June 30, 2023	
Amortization method:	Level Percentage of Pay, Closed, Layered
Remaining amortization period:	Effective July 1, 2022: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier 1 pay
Payroll growth:	3.25% per year
Recognition Method:	Asymptotic
Corridor:	80% - 120% of fair value
Inflation:	2.40% per year
Salary increases:	* Varies by membership class and length of service
Investment rate of return	6.70% - chosen by the 2023 FRS Actuarial Assumption Conference and is the same as the investment return assumption that is used as the discount rate for determining the net pension liability.
Cost-of-Living adjustment (COLA):	3% for pre-July 2011 benefit service; 0% thereafter
Retirement age:	* Varies by tier, membership class, age and gender
Turnover:	* Varies by membership class, length of service, age and gender
Mortality:	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2018
Termination rate:	* Varies by tier, membership class
Asset valuation method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period.

\* Refer to FRS Valuation Report for specific information.

FRS Health Insurance Subsidy June 30, 2023	
Amortization method:	Level Percentage of Pay, Closed, Layered
Remaining amortization period:	Effective July 1, 2022: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier 1 pay
Recognition Method:	Asymptotic
Corridor:	80% - 120% of fair value
Inflation:	2.40% per year
Mortality:	Generational Pub-2010 with Projection Scale MP-2018
Interest rate:	3.65% per year (previous year 3.54%)
Retirement age:	* Varies by tier, membership class, age and gender
Turnover:	* Varies by membership class, length of service, age and gender
Cost-of-Living adjustment (COLA):	3% for pre-July 2011 benefit service; 0% thereafter
Termination rate:	* Varies by tier, membership class
Salary increases including inflation:	3.25% per year
Payroll growth:	3.25% per year
Asset valuation method:	All assets are valued at fair value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual fair value investment return against expected fair value investment return) over a five year period.

\* Refer to FRS Valuation Report for specific information.

Senate Bill 7024 increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45.00 to a maximum of \$225.00.

Required Supplementary Information



**SUPPLEMENTAL INFORMATION**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2023

	Special Revenue Funds							
	Solid Waste	Stormwater Utility Fund	Fire/Rescue Service Impact Fees Funds	State Housing Initiatives Partnership Fund	Community Development Block Grant Fund	Streetlighting Districts Fund	Park Impact Fees Fund	Tree Replacement Fees Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,943,605	\$ 5,610,215	\$ 461,346	\$ 2,334,379	\$ -	\$ 7,583	\$ 3,215,037	\$ 1,090,165
Receivables (net of allowances for uncollectibles)	17,378	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	239,213	-	-	-
Total assets	<u>1,960,983</u>	<u>5,610,215</u>	<u>461,346</u>	<u>2,334,379</u>	<u>239,213</u>	<u>7,583</u>	<u>3,215,037</u>	<u>1,090,165</u>
<b>LIABILITIES</b>								
Accounts payable	605,087	342,545	-	25,100	35,875	12,676	-	-
Accrued liabilities	1,633	55,845	-	-	-	-	-	-
Due to other funds	-	-	-	-	203,338	-	-	-
Unearned revenues	-	-	-	2,309,279	-	-	-	-
Total liabilities	<u>606,720</u>	<u>398,390</u>	<u>-</u>	<u>2,334,379</u>	<u>239,213</u>	<u>12,676</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>								
<b>Restricted:</b>								
Public safety	-	-	461,346	-	-	-	-	-
Highways and streets	-	-	-	-	-	(5,093)	-	-
Culture and recreation	-	-	-	-	-	-	3,215,037	-
Physical environment	1,354,263	5,211,825	-	-	-	-	-	-
Total restricted fund balances	<u>1,354,263</u>	<u>5,211,825</u>	<u>461,346</u>	<u>-</u>	<u>-</u>	<u>(5,093)</u>	<u>3,215,037</u>	<u>-</u>
<b>Committed:</b>								
Culture and recreation	-	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	1,090,165
Total committed fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090,165</u>
<b>Assigned:</b>								
Capital outlay/projects	-	-	-	-	-	-	-	-
Total assigned fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,354,263</u>	<u>5,211,825</u>	<u>461,346</u>	<u>-</u>	<u>-</u>	<u>(5,093)</u>	<u>3,215,037</u>	<u>1,090,165</u>
Total liabilities and fund balances	<u>\$ 1,960,983</u>	<u>\$ 5,610,215</u>	<u>\$ 461,346</u>	<u>\$ 2,334,379</u>	<u>\$ 239,213</u>	<u>\$ 7,583</u>	<u>\$ 3,215,037</u>	<u>\$ 1,090,165</u>

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2023  
 (Continued)

	Special Revenue Funds			Capital Projects Funds		Total Nonmajor Governmental Funds	
	Law Enforcement Impact Fees Fund	Neighborhood Stabilization Grant Funds	Lake Districts Fund	Community Redevelopment Area CRA	Municipal Complexes Fund		Park Projects Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 421,484	\$ 443,051	\$ 91,030	\$ 1,526,124	\$ 1,125,327	\$ 4,688,213	\$ 22,957,559
Receivables (net of allowances for uncollectibles)	-	-	-	-	-	-	17,378
Due from other governments	-	15,368	-	-	-	-	254,581
Total assets	<u>421,484</u>	<u>458,419</u>	<u>91,030</u>	<u>1,526,124</u>	<u>1,125,327</u>	<u>4,688,213</u>	<u>23,229,518</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	372	-	80,710	129,613	1,231,978
Accrued liabilities	-	-	-	-	-	-	57,478
Due to other funds	-	-	-	-	-	-	203,338
Unearned revenues	-	458,419	-	-	-	-	2,767,698
Total liabilities	<u>-</u>	<u>458,419</u>	<u>372</u>	<u>-</u>	<u>80,710</u>	<u>129,613</u>	<u>4,260,492</u>
<b>FUND BALANCES (DEFICITS)</b>							
<b>Restricted:</b>							
Public safety	421,484	-	-	-	-	-	882,830
Highways and streets	-	-	-	1,526,124	-	-	1,521,031
Culture and recreation	-	-	-	-	-	-	3,215,037
Physical environment	-	-	90,658	-	-	-	6,656,746
Total restricted fund balances	<u>421,484</u>	<u>-</u>	<u>90,658</u>	<u>1,526,124</u>	<u>-</u>	<u>-</u>	<u>12,275,644</u>
<b>Committed:</b>							
Culture and recreation	-	-	-	-	-	4,558,600	4,558,600
Physical environment	-	-	-	-	-	-	1,090,165
Total committed fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,558,600</u>	<u>5,648,765</u>
<b>Assigned:</b>							
Capital outlay/projects	-	-	-	-	1,044,617	-	1,044,617
Total assigned fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,044,617</u>	<u>-</u>	<u>1,044,617</u>
Total fund balances	<u>421,484</u>	<u>-</u>	<u>90,658</u>	<u>1,526,124</u>	<u>1,044,617</u>	<u>4,558,600</u>	<u>18,969,026</u>
Total liabilities and fund balances	<u>\$ 421,484</u>	<u>\$ 458,419</u>	<u>\$ 91,030</u>	<u>\$ 1,526,124</u>	<u>\$ 1,125,327</u>	<u>\$ 4,688,213</u>	<u>\$ 23,229,518</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended September 30, 2023

	Special Revenue Funds							Tree Replacement Fees Fund
	Solid Waste	Stormwater Utility Fund	Fire/Rescue Service Impact Fees Funds	State Housing Initiatives Partnership Fund	Community Development Block Grant Fund	Streetlighting Districts Fund	Park Impact Fees Fund	
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	242,115	298,780	-	-	-
Charges for services	7,065,032	5,198,362	-	-	-	153,680	-	56,735
Fines and forfeitures	27,850	-	-	-	-	-	-	-
Impact fees	-	-	136,519	-	-	-	689,665	-
Interest income	135,707	287,432	12,483	60,017	-	1,982	94,745	37,924
Miscellaneous	284,337	209	-	-	-	-	-	-
Total revenues	7,512,926	5,486,003	149,002	302,132	298,780	155,662	784,410	94,659
<b>EXPENDITURES</b>								
Operating:								
Highways and streets	-	-	-	-	-	179,721	-	-
Economic environment	-	-	-	302,132	217,956	-	-	-
Physical environment	7,461,803	4,128,411	-	-	-	-	-	30,200
Debt service:								
Interest	-	153,845	-	-	-	-	-	-
Principal retirement	-	375,561	-	-	-	-	-	-
Capital outlay:								
General government	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	80,824	-	-	-
Physical environment	-	2,287,736	-	-	-	-	-	-
Total expenditures	7,461,803	6,945,553	-	302,132	298,780	179,721	-	30,200
Excess (deficiency) of revenues over expenditures	51,123	(1,459,550)	149,002	-	-	(24,059)	784,410	64,459
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer(s) in	-	535,000	-	-	-	-	-	-
Transfer(s) out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	535,000	-	-	-	-	-	-
Net change in fund balances	51,123	(924,550)	149,002	-	-	(24,059)	784,410	64,459
Fund balances - beginning	1,303,140	6,136,375	312,344	-	-	18,966	2,430,627	1,025,706
Fund balances - ending	\$ 1,354,263	\$ 5,211,825	\$ 461,346	\$ -	\$ -	\$ (5,093)	\$ 3,215,037	\$ 1,090,165

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended September 30, 2023  
 (Continued)

	Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds	
	Law Enforcement Impact Fees Fund	Neighborhood Stabilization Grant Funds	Transportation Impact Fees Fund	Lake Districts Fund	Community Redevelopment Area CRA	Municipal Complexes Fund		Park Projects Fund
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 318,335	\$ -	\$ -	\$ 318,335
Intergovernmental	-	(13,806)	-	-	191,726	-	-	718,815
Charges for services	-	-	-	4,749	-	-	-	12,478,558
Fines and forfeitures	-	-	-	-	-	-	-	27,850
Impact fees	69,924	-	597,172	-	-	-	-	1,493,280
Interest income	12,164	13,806	-	2,909	37,000	49,420	117,411	863,000
Miscellaneous	-	-	-	-	-	-	-	284,546
Total revenues	<u>82,088</u>	<u>-</u>	<u>597,172</u>	<u>7,658</u>	<u>547,061</u>	<u>49,420</u>	<u>117,411</u>	<u>16,184,384</u>
<b>EXPENDITURES</b>								
Operating:								
Highways and streets	-	-	-	-	-	-	-	179,721
Economic environment	-	-	-	-	-	-	-	520,088
Physical environment	-	-	-	7,213	-	-	-	11,627,627
Debt service:								
Interest	-	-	-	-	-	-	-	153,845
Principal retirement	-	-	-	-	-	-	-	375,561
Capital outlay:								
General government	-	-	-	-	-	375,412	-	375,412
Highways and streets	-	-	-	-	51,518	-	-	51,518
Culture and recreation	-	-	-	-	-	-	1,064,596	1,145,420
Physical environment	-	-	-	-	-	-	-	2,287,736
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,213</u>	<u>51,518</u>	<u>375,412</u>	<u>1,064,596</u>	<u>16,716,928</u>
Excess (deficiency) of revenues over expenditures	<u>82,088</u>	<u>-</u>	<u>597,172</u>	<u>445</u>	<u>495,543</u>	<u>(325,992)</u>	<u>(947,185)</u>	<u>(532,544)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer(s) in	-	-	-	-	-	20,000	3,120,000	3,675,000
Transfer(s) out	-	-	(597,172)	-	-	-	-	(597,172)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(597,172)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>3,120,000</u>	<u>3,077,828</u>
Net change in fund balances	82,088	-	-	445	495,543	(305,992)	2,172,815	2,545,284
Fund balances - beginning	339,396	-	-	90,213	1,030,581	1,350,609	2,385,785	16,423,742
Fund balances - ending	<u>\$ 421,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,658</u>	<u>\$ 1,526,124</u>	<u>\$ 1,044,617</u>	<u>\$ 4,558,600</u>	<u>\$ 18,969,026</u>

**Solid Waste**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 6,729,200	\$ 6,729,200	\$ 7,065,032	\$ 335,832
Fines and forfeitures	10,000	10,000	27,850	17,850
Interest income	7,000	7,000	135,707	128,707
Miscellaneous	70,000	70,000	284,337	214,337
Total revenues	<u>6,816,200</u>	<u>6,816,200</u>	<u>7,512,926</u>	<u>696,726</u>
<b>EXPENDITURES</b>				
Physical environment	6,820,300	7,820,300	7,461,803	358,497
Total expenditures	<u>6,820,300</u>	<u>7,820,300</u>	<u>7,461,803</u>	<u>358,497</u>
Net change in fund balances	(4,100)	(1,004,100)	51,123	1,055,223
Fund balance, beginning	1,303,140	1,160,515	1,303,140	142,625
Fund balance, ending	<u>\$ 1,299,040</u>	<u>\$ 156,415</u>	<u>\$ 1,354,263</u>	<u>\$ 1,197,848</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Stormwater Utility Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,100,000	\$ 5,100,000	\$ 5,198,362	\$ 98,362
Interest income	6,200	6,200	287,432	281,232
Miscellaneous	-	-	209	209
Total revenues	<u>5,106,200</u>	<u>5,106,200</u>	<u>5,486,003</u>	<u>379,803</u>
<b>EXPENDITURES</b>				
Operating:				
Physical environment	4,576,300	4,626,300	4,128,411	497,889
Total operating	<u>4,576,300</u>	<u>4,626,300</u>	<u>4,128,411</u>	<u>497,889</u>
Debt service:				
Interest	171,900	171,900	153,845	18,055
Principal retirement	357,600	357,600	375,561	(17,961)
Total debt service	<u>529,500</u>	<u>529,500</u>	<u>529,406</u>	<u>94</u>
Capital outlay:				
Physical environment	2,209,500	6,580,100	2,287,736	4,292,364
Total capital outlay	<u>2,209,500</u>	<u>6,580,100</u>	<u>2,287,736</u>	<u>4,292,364</u>
Total expenditures	<u>7,315,300</u>	<u>11,735,900</u>	<u>6,945,553</u>	<u>4,790,347</u>
Excess (deficiency) of revenues over expenditures	<u>(2,209,100)</u>	<u>(6,629,700)</u>	<u>(1,459,550)</u>	<u>5,170,150</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	535,000	535,000	535,000	-
Total other financing source (uses)	<u>535,000</u>	<u>535,000</u>	<u>535,000</u>	<u>-</u>
Net change in fund balances	(1,674,100)	(6,094,700)	(924,550)	5,170,150
Fund balance, beginning	6,136,375	4,938,588	6,136,375	1,197,787
Fund balance, ending	<u>\$ 4,462,275</u>	<u>\$ (1,156,112)</u>	<u>\$ 5,211,825</u>	<u>\$ 6,367,937</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Fire/Rescue Service Impact Fees Funds  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Impact fees	\$ 171,000	\$ 171,000	\$ 136,519	\$ (34,481)
Interest income	500	500	12,483	11,983
Total revenues	<u>171,500</u>	<u>171,500</u>	<u>149,002</u>	<u>(22,498)</u>
Net change in fund balances	171,500	171,500	149,002	(22,498)
Fund balance, beginning	312,344	108,140	312,344	204,204
Fund balance, ending	<u>\$ 483,844</u>	<u>\$ 279,640</u>	<u>\$ 461,346</u>	<u>\$ 181,706</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.



State Housing Initiatives Partnership Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,612,000	\$ 2,143,159	\$ 242,115	\$ (1,901,044)
Interest income	-	1,000	60,017	59,017
Total revenues	1,612,000	2,144,159	302,132	(1,842,027)
<b>EXPENDITURES</b>				
Operating:				
Economic environment	1,612,000	2,144,159	302,132	1,842,027
Total operating	1,612,000	2,144,159	302,132	1,842,027
Total expenditures	1,612,000	2,144,159	302,132	1,842,027
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Community Development Block Grant Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,073,000	\$ 1,325,846	\$ 298,780	\$ (1,027,066)
Total revenues	<u>1,073,000</u>	<u>1,325,846</u>	<u>298,780</u>	<u>(1,027,066)</u>
<b>EXPENDITURES</b>				
Operating:				
Economic environment	1,073,000	741,246	217,956	523,290
Total operating	<u>1,073,000</u>	<u>741,246</u>	<u>217,956</u>	<u>523,290</u>
Capital outlay:				
Culture and recreation	-	150,000	80,824	69,176
Physical environment	-	434,600	-	434,600
Total capital outlay	<u>-</u>	<u>584,600</u>	<u>80,824</u>	<u>503,776</u>
Total expenditures	<u>1,073,000</u>	<u>1,325,846</u>	<u>298,780</u>	<u>1,027,066</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Streetlighting Districts Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 175,000	\$ 175,000	\$ 153,680	\$ (21,320)
Interest income	-	-	1,982	1,982
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>155,662</u>	<u>(19,338)</u>
<b>EXPENDITURES</b>				
Operating:				
Highways and streets	175,000	179,750	179,721	29
Total operating	<u>175,000</u>	<u>179,750</u>	<u>179,721</u>	<u>29</u>
Total expenditures	<u>175,000</u>	<u>179,750</u>	<u>179,721</u>	<u>29</u>
Net change in fund balances	-	(4,750)	(24,059)	(19,309)
Fund balance, beginning	18,966	34,227	18,966	(15,261)
Fund balance, ending	<u>\$ 18,966</u>	<u>\$ 29,477</u>	<u>\$ (5,093)</u>	<u>\$ (34,570)</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Park Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Impact fees	\$ 1,024,000	\$ 1,024,000	\$ 689,665	\$ (334,335)
Interest income	1,000	1,000	94,745	93,745
Total revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>784,410</u>	<u>(240,590)</u>
Net change in fund balances	1,025,000	1,025,000	784,410	(240,590)
Fund balance, beginning	2,430,627	1,417,538	2,430,627	1,013,089
Fund balance, ending	<u>\$ 3,455,627</u>	<u>\$ 2,442,538</u>	<u>\$ 3,215,037</u>	<u>\$ 772,499</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Tree Replacement Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 56,735	\$ 6,735
Interest income	1,000	1,000	37,924	36,924
Total revenues	<u>51,000</u>	<u>51,000</u>	<u>94,659</u>	<u>43,659</u>
<b>EXPENDITURES</b>				
Operating:				
Physical environment	150,000	150,000	30,200	119,800
Total operating	<u>150,000</u>	<u>150,000</u>	<u>30,200</u>	<u>119,800</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>30,200</u>	<u>119,800</u>
Net change in fund balances	(99,000)	(99,000)	64,459	163,459
Fund balance, beginning	1,025,706	961,171	1,025,706	64,535
Fund balance, ending	<u>\$ 926,706</u>	<u>\$ 862,171</u>	<u>\$ 1,090,165</u>	<u>\$ 227,994</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Law Enforcement Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Impact fees	\$ 94,000	\$ 94,000	\$ 69,924	\$ (24,076)
Interest income	500	500	12,164	11,664
Total revenues	<u>94,500</u>	<u>94,500</u>	<u>82,088</u>	<u>(12,412)</u>
Net change in fund balances	94,500	94,500	82,088	(12,412)
Fund balance, beginning	339,396	232,602	339,396	106,794
Fund balance, ending	<u>\$ 433,896</u>	<u>\$ 327,102</u>	<u>\$ 421,484</u>	<u>\$ 94,382</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

**Neighborhood Stabilization Grant Funds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended September 30, 2023**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ (13,806)	\$ (13,806)
Interest income	-	-	13,806	13,806
Operating:				
Total operating	-	-	-	-
Total revenues	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Transportation Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Impact fees	\$ 672,000	\$ 672,000	\$ 597,172	\$ (74,828)
Total revenues	<u>672,000</u>	<u>672,000</u>	<u>597,172</u>	<u>(74,828)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) out	(672,000)	(672,000)	(597,172)	74,828
Total other financing source (uses)	<u>(672,000)</u>	<u>(672,000)</u>	<u>(597,172)</u>	<u>74,828</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.



Lake Districts Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 4,749	\$ (251)
Interest income	500	500	2,909	2,409
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>7,658</u>	<u>2,158</u>
<b>EXPENDITURES</b>				
Operating:				
Physical environment	22,200	22,200	7,213	14,987
Total operating	<u>22,200</u>	<u>22,200</u>	<u>7,213</u>	<u>14,987</u>
Total expenditures	<u>22,200</u>	<u>22,200</u>	<u>7,213</u>	<u>14,987</u>
Net change in fund balances	(16,700)	(16,700)	445	17,145
Fund balance, beginning	90,213	75,380	90,213	14,833
Fund balance, ending	<u>\$ 73,513</u>	<u>\$ 58,680</u>	<u>\$ 90,658</u>	<u>\$ 31,978</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Community Redevelopment Area (CRA)  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 303,800	\$ 303,800	\$ 318,335	\$ 14,535
Intergovernmental	211,000	211,000	191,726	(19,274)
Interest income	1,500	1,500	37,000	35,500
Total revenues	<u>516,300</u>	<u>516,300</u>	<u>547,061</u>	<u>30,761</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Highways and streets	162,500	551,500	51,518	499,982
Total capital outlay	<u>162,500</u>	<u>551,500</u>	<u>51,518</u>	<u>499,982</u>
Total expenditures	<u>162,500</u>	<u>551,500</u>	<u>51,518</u>	<u>499,982</u>
Net change in fund balances	353,800	(35,200)	495,543	530,743
Fund balance, beginning	1,030,581	701,831	1,030,581	328,750
Fund balance, ending	<u>\$ 1,384,381</u>	<u>\$ 666,631</u>	<u>\$ 1,526,124</u>	<u>\$ 859,493</u>

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Capital Projects - Municipal Complex(es) Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 49,420	\$ 49,420
Total revenues	-	-	49,420	49,420
<b>EXPENDITURES</b>				
Capital outlay:				
General government	20,000	1,258,000	375,412	882,588
Total capital outlay	20,000	1,258,000	375,412	882,588
Total expenditures	20,000	1,258,000	375,412	882,588
Excess (deficiency) of revenues over expenditures	(20,000)	(1,258,000)	(325,992)	932,008
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	20,000	20,000	20,000	-
Total other financing source (uses)	20,000	20,000	20,000	-
Net change in fund balances	-	(1,238,000)	(305,992)	932,008
Fund balance, beginning	1,350,609	387,937	1,350,609	962,672
Fund balance, ending	\$ 1,350,609	\$ (850,063)	\$ 1,044,617	\$ 1,894,680

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

Capital Projects - Park Projects Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 117,411	\$ 117,411
Total revenues	-	-	117,411	117,411
<b>EXPENDITURES</b>				
Capital outlay:				
Culture and recreation	3,120,000	4,041,000	1,064,596	2,976,404
Total capital outlay	3,120,000	4,041,000	1,064,596	2,976,404
Total expenditures	3,120,000	4,041,000	1,064,596	2,976,404
Excess (deficiency) of revenues over expenditures	(3,120,000)	(4,041,000)	(947,185)	3,093,815
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer(s) in	3,120,000	3,120,000	3,120,000	-
Total other financing source (uses)	3,120,000	3,120,000	3,120,000	-
Net change in fund balances	-	(921,000)	2,172,815	3,093,815
Fund balance, beginning	2,385,785	855,921	2,385,785	1,529,864
Fund balance, ending	\$ 2,385,785	\$ (65,079)	\$ 4,558,600	\$ 4,623,679

Note: This schedule is prepared based on Generally Accepted Accounting Principles.

This part of the City of Deltona’s comprehensive annual financial report presents unaudited 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.

**Page**

**Financial Trends**

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

Net Position by Component . . . . .	118
Changes in Net Position . . . . .	120
Fund Balances of Governmental Funds . . . . .	124
Changes in Fund Balances of Governmental Funds . . . . .	126
Tax Revenues by Source, Governmental Funds . . . . .	128

**Revenue Capacity**

*These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.*

Assessed Value and Estimated Actual Value of Taxable Property . . . . .	129
Direct and Overlapping Property Tax Rates . . . . .	130
Principal Taxpayers. . . . .	131
Property Tax Levies and Collections . . . . .	132

**Debt Capacity**

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

Ratios of Outstanding Debt by Type . . . . .	133
Direct and Overlapping Governmental Activities Debt . . . . .	134
Pledged-Revenues Coverage . . . . .	135

**Demographic and Economic Information**

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

Demographic and Economic Statistics . . . . .	136
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**Operating Information**

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

Full-time Equivalent City Government Employees by Function/Program . . . 140  
Various Indicators by Function/Program. . . . . 142  
Water Sold by Type of Customer . . . . . 143  
Wastewater Sold by Type of Customer . . . . . 144  
Principal Employers . . . . . 145

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in the fiscal year ending in 2003; schedules presenting government-wide information include information beginning in that year.*

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**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ending</b>			
	<b>9/30/2014 <sup>2</sup></b>	<b>9/30/2015</b>	<b>9/30/2016</b>	<b>9/30/2017</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 110,706,931	\$ 108,401,939	\$ 105,221,673	\$ 101,069,631
Restricted	6,189,970	5,663,458	1,887,349	6,730,311
Unrestricted	20,686,833	10,926,168	15,686,772	14,563,146
Total governmental activities net position	137,583,734	124,991,565	122,795,794	122,363,088
<b>Business-type activities</b>				
Net investment in capital assets	20,279,612	8,971,176	9,179,533	11,508,363
Restricted	2,135,000	2,440,000	2,562,000	3,753,847
Unrestricted	215,715	14,789,152	16,321,569	14,134,062
Total business-type activities net position	22,630,327	26,200,328	28,063,102	29,396,272
<b>Primary government</b>				
Net investment in capital assets	130,986,543	117,373,115	114,401,206	112,577,994
Restricted	8,324,970	8,103,458	4,449,349	10,484,158
Unrestricted	20,902,548	25,715,320	32,008,341	28,697,208
Total primary government net position	\$ 160,214,061	\$ 151,191,893	\$ 150,858,896	\$ 151,759,360

(2) The City implemented GASB 68, Accounting and Financial Reporting for Pensions during fiscal year 2015 resulting in a restatement of net position. Information shown for fiscal year 09/30/2014 does not reflect this restatement.



# City of Deltona, Florida

	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
\$	99,095,304	\$ 96,724,458	\$ 93,763,813	\$ 94,980,502	\$ 93,156,845	\$ 90,008,360
	9,329,975	12,607,482	17,034,381	26,113,093	33,943,627	34,929,581
	<u>11,781,629</u>	<u>18,869,555</u>	<u>25,747,689</u>	<u>34,676,912</u>	<u>41,024,910</u>	<u>52,037,495</u>
	<u>120,206,908</u>	<u>128,201,495</u>	<u>136,545,883</u>	<u>155,770,507</u>	<u>168,125,382</u>	<u>176,975,436</u>
	14,523,669	13,877,566	17,945,449	21,037,223	23,804,994	36,366,083
	3,840,878	5,139,604	5,529,066	1,286,000	1,331,000	1,475,000
	<u>16,501,927</u>	<u>18,879,185</u>	<u>17,679,747</u>	<u>27,770,245</u>	<u>35,426,087</u>	<u>41,518,665</u>
	<u>34,866,474</u>	<u>37,896,355</u>	<u>41,154,262</u>	<u>50,093,468</u>	<u>60,562,081</u>	<u>79,359,748</u>
	113,618,973	110,602,024	111,709,262	116,017,725	116,961,839	126,374,443
	13,170,853	17,747,086	22,563,447	27,339,093	35,274,627	36,404,581
	<u>28,283,556</u>	<u>37,748,740</u>	<u>43,427,436</u>	<u>62,447,157</u>	<u>76,450,997</u>	<u>93,556,160</u>
\$	<u>155,073,382</u>	<u>\$ 166,097,850</u>	<u>\$ 177,700,145</u>	<u>\$ 205,803,975</u>	<u>\$ 228,687,463</u>	<u>\$ 256,335,184</u>

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ending			
	9/30/2014	9/30/2015	9/30/2016	9/30/2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 8,861,121	\$ 8,803,880	\$ 9,871,687	\$ 9,663,089
Public safety	18,739,948	19,275,384	20,172,859	20,860,782
Highways and Streets	5,854,936	5,250,591	6,998,228	5,286,799
Culture and recreation	2,460,610	3,187,936	3,461,263	3,643,807
Economic environment	1,287,852	779,135	1,211,567	1,123,193
Physical environment	9,371,600	9,886,113	10,028,308	12,373,464
Interest on long-term debt	918,193	871,801	1,063,855	1,414,625
Total governmental activities	<u>47,494,260</u>	<u>48,054,840</u>	<u>52,807,767</u>	<u>54,365,759</u>
Business-type activities:				
Personal services	3,912,583	4,082,115	4,739,631	4,539,029
Operating expenses	3,553,520	3,385,042	3,683,026	3,494,403
Professional services	70,400	117,347	89,925	176,818
Depreciation	2,902,120	3,090,310	3,415,578	5,360,478
Insurance	102,534	136,383	210,048	246,082
Bad debts	63,145	48,262	46,413	69,262
Total business-type activities	<u>10,604,302</u>	<u>10,859,459</u>	<u>12,184,621</u>	<u>13,886,072</u>
Total primary government expenses	<u>58,098,562</u>	<u>58,914,299</u>	<u>64,992,388</u>	<u>68,251,831</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	1,416,182	1,361,612	1,472,403	1,592,496
Public safety	63,588	73,901	86,010	110,117
Transportation	-	-	-	-
Culture and recreation	81,534	82,056	87,335	83,266
Physical environment	8,641,978	8,631,239	9,884,780	9,914,862
Operating grants and contributions	2,957,233	1,864,952	2,387,961	3,029,544
Capital grants and contributions	660,950	722,705	802,528	1,967,287
Total governmental activities program revenues	<u>13,821,465</u>	<u>12,736,465</u>	<u>14,721,017</u>	<u>16,697,572</u>
Business-type activities:				
Charges for services:				
Water	9,947,411	10,583,825	11,236,728	12,039,375
Wastewater	5,772,488	6,149,503	6,627,115	7,021,658
Connection fees	266,720	278,040	237,845	210,595
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,335,167	2,673,012	629,774	724,619
Total business-type activities program revenues	<u>17,321,786</u>	<u>19,684,380</u>	<u>18,731,462</u>	<u>19,996,247</u>
Total primary government program revenues	<u>31,143,251</u>	<u>32,420,845</u>	<u>33,452,479</u>	<u>36,693,819</u>
<b>Net (expenses) revenues</b>				
Governmental activities	(33,672,795)	(35,318,375)	(38,086,750)	(37,668,187)
Business-type activities	6,717,484	8,824,921	6,546,841	6,110,175
Total primary government net (expenses) revenues	<u>\$ (26,955,311)</u>	<u>\$ (26,493,454)</u>	<u>\$ (31,539,909)</u>	<u>\$ (31,558,012)</u>

# City of Deltona, Florida

	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
\$	9,925,730	\$ 11,304,730	\$ 12,291,428	\$ 13,302,302	\$ 14,790,090	\$ 19,607,578
	21,268,214	22,765,508	25,318,259	22,695,563	27,491,279	27,180,328
	6,585,923	6,158,939	4,753,089	3,594,963	3,696,417	10,674,737
	5,014,201	4,810,073	4,347,312	4,822,599	5,859,621	5,951,025
	603,734	411,574	1,098,328	1,340,566	432,249	600,912
	14,815,727	11,604,617	11,939,299	11,803,473	12,207,539	13,348,843
	1,105,150	1,065,755	1,277,657	1,226,684	303,739	1,117,390
	<u>59,318,679</u>	<u>58,121,196</u>	<u>61,025,372</u>	<u>58,786,150</u>	<u>64,780,934</u>	<u>78,480,813</u>
	4,893,378	5,243,935	5,447,500	4,977,170	5,861,380	6,176,836
	3,964,286	4,104,257	3,815,120	4,239,165	4,934,255	6,577,925
	179,322	194,629	351,037	410,568	167,677	150,441
	5,160,240	5,078,200	7,564,362	6,009,016	5,930,494	6,053,284
	248,284	246,463	217,527	255,197	295,429	388,497
	31,962	23,688	196,746	49,718	163,487	7,635
	<u>14,477,472</u>	<u>14,891,172</u>	<u>17,592,292</u>	<u>15,940,834</u>	<u>17,352,722</u>	<u>19,354,618</u>
	<u>73,796,151</u>	<u>73,012,368</u>	<u>78,617,664</u>	<u>74,726,984</u>	<u>82,133,656</u>	<u>97,835,431</u>
	2,380,318	2,293,251	2,775,088	3,092,212	3,601,325	10,116,856
	189,088	431,022	741,244	1,066,357	1,292,673	1,795,852
	-	242,920	257,253	272,032	272,460	215,416
	254,627	341,785	223,884	342,500	567,754	525,512
	9,930,744	10,972,570	11,808,202	12,020,815	12,316,291	12,613,429
	4,126,128	7,266,096	6,004,326	3,505,229	3,516,095	2,561,665
	2,116,024	1,819,572	3,597,593	9,409,068	3,348,124	1,658,275
	<u>18,996,929</u>	<u>23,367,216</u>	<u>25,407,590</u>	<u>29,708,213</u>	<u>24,914,722</u>	<u>29,487,005</u>
	11,532,682	13,495,703	15,273,236	16,705,725	17,676,534	17,325,335
	7,344,660	7,713,908	8,291,125	8,961,402	9,305,268	10,370,756
	203,035	197,365	183,925	186,585	185,428	167,420
	-	-	-	-	-	-
	3,746,715	1,513,141	2,276,174	2,278,457	4,976,407	12,361,904
	<u>22,827,092</u>	<u>22,920,117</u>	<u>26,024,460</u>	<u>28,132,169</u>	<u>32,143,637</u>	<u>40,225,415</u>
	<u>41,824,021</u>	<u>46,287,333</u>	<u>51,432,050</u>	<u>57,840,382</u>	<u>57,058,359</u>	<u>69,712,420</u>
	(40,321,750)	(34,753,980)	(35,617,782)	(29,077,936)	(40,735,271)	(48,993,808)
	8,349,620	8,028,945	8,432,168	12,191,334	14,790,915	20,870,797
\$	<u>(31,972,130)</u>	<u>(26,725,035)</u>	<u>(27,185,614)</u>	<u>(16,886,602)</u>	<u>(25,944,356)</u>	<u>(28,123,011)</u>

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Continued)**

	Fiscal Year Ending			
	9/30/2014	9/30/2015	9/30/2016	9/30/2017
<b>General revenues &amp; other changes in net position</b>				
<b>Governmental activities:</b>				
Taxes:				
Property taxes	\$ 11,968,962	\$ 12,897,291	\$ 13,771,773	\$ 14,770,931
Franchise fees	3,794,039	3,773,535	3,605,362	3,735,850
Public service tax	7,374,907	7,313,495	7,499,797	7,127,906
Sales tax	4,137,246	4,430,466	4,678,595	4,876,557
Local option gas taxes	2,079,370	2,161,422	2,274,920	2,342,719
State revenue sharing	2,428,680	2,743,728	2,887,043	3,158,126
Investment earnings	189,946	178,098	332,012	370,353
Miscellaneous income	522,845	1,023,867	841,477	888,039
Transfers out	-	(118,000)	-	(35,000)
Total governmental activities	<u>32,495,995</u>	<u>34,403,902</u>	<u>35,890,979</u>	<u>37,235,481</u>
<b>Business-type activities:</b>				
Investment earnings	38,539	73,986	140,317	44,199
Gain on sale of capital assets	(400,322)	13,144	9,467	(2,841)
Changes in FV of Derivative Instruments	-	-	-	-
Grant reimbursements	-	-	-	-
Interest expense and issue costs	(4,686,741)	(5,322,939)	(5,728,589)	(5,751,540)
Miscellaneous income	863,034	910,635	894,738	898,177
Transfers in	-	118,000	-	35,000
Total business-type activities	<u>(4,185,490)</u>	<u>(4,207,174)</u>	<u>(4,684,067)</u>	<u>(4,777,005)</u>
Total primary government	<u>28,310,505</u>	<u>30,196,728</u>	<u>31,206,912</u>	<u>32,458,476</u>
<b>Change in net position</b>				
Governmental activities	(1,176,800)	(914,473)	(2,195,771)	(432,706)
Business-type activities	2,531,994	4,617,747	1,862,774	1,333,170
Total primary government	<u>\$ 1,355,194</u>	<u>\$ 3,703,274</u>	<u>\$ (332,997)</u>	<u>\$ 900,464</u>

City of Deltona, Florida

	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023
\$	16,050,125	\$ 17,925,314	\$ 20,061,820	\$ 22,333,526	\$ 25,522,507	\$ 29,187,545
	4,019,845	4,197,228	4,225,503	4,347,280	4,694,765	-
	7,321,620	7,559,957	7,856,175	8,073,033	8,395,262	9,456,641
	5,177,402	5,230,594	5,106,467	5,918,048	6,532,623	6,627,061
	2,372,411	2,426,376	2,106,284	2,385,289	2,407,904	2,495,255
	3,315,348	3,489,272	3,088,019	3,695,615	4,697,047	4,990,459
	484,257	1,211,566	872,167	83,917	-	4,476,504
	591,425	708,260	645,735	1,465,854	1,709,097	610,397
	(2,200,000)	-	-	-	-	-
	<u>37,132,433</u>	<u>42,748,567</u>	<u>43,962,170</u>	<u>48,302,562</u>	<u>53,959,205</u>	<u>57,843,862</u>
	31,962	514,364	308,674	-	-	1,635,075
	25,962	69,857	116,294	47,675	21,578	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	(6,218,021)	(5,583,285)	(5,599,229)	(3,299,804)	(4,343,881)	(3,708,204)
	1,029,018	-	-	-	-	-
	2,200,000	-	-	-	-	-
	<u>(2,931,079)</u>	<u>(4,999,064)</u>	<u>(5,174,261)</u>	<u>(3,252,129)</u>	<u>(4,322,303)</u>	<u>(2,073,129)</u>
	<u>34,201,354</u>	<u>37,749,503</u>	<u>38,787,909</u>	<u>45,050,433</u>	<u>49,636,902</u>	<u>55,770,733</u>
	(3,189,317)	7,994,587	8,344,388	19,224,624	12,354,875	8,850,054
	5,418,541	3,029,881	3,257,907	8,939,206	10,468,612	18,797,668
\$	<u>2,229,224</u>	<u>\$ 11,024,468</u>	<u>\$ 11,602,295</u>	<u>\$ 28,163,830</u>	<u>\$ 22,823,487</u>	<u>\$ 27,647,722</u>

**FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Years Ending September 30			
	2014	2015	2016	2017
<b>General fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Non-spendable / prepaid items	22,362	14,992	14,851	18,745
Restricted	-	-	-	-
Committed	40,812	40,936	41,147	41,312
Assigned	16,020,014	16,136,340	16,589,108	14,474,475
Unassigned	7,674,812	8,981,736	9,635,529	12,567,773
Total general fund	<u>23,758,000</u>	<u>25,174,004</u>	<u>26,280,635</u>	<u>27,102,305</u>
<b>All other governmental funds</b>				
Reserved	-	-	-	-
Non-spendable / prepaid items				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Restricted				
Special revenue funds	6,304,396	5,757,646	21,011,880	21,474,149
Capital projects funds	-	-	7,561,453	-
Committed				
Special revenue funds	477,628	455,702	526,313	502,478
Capital projects funds	10,118	483,295	233,166	527,996
Assigned				
Special revenue funds	-	-	-	-
Capital projects funds	1,758,236	1,678,660	1,235,001	2,508,010
Unassigned reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 8,550,378</u>	<u>\$ 8,375,303</u>	<u>\$ 30,567,813</u>	<u>\$ 25,012,633</u>

**City of Deltona, Florida**

2018	2019	2020	2021	2022	2023	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,436	16,366	16,454	22,759	36,045	804,399	
-	-	-	-	-	-	
41,583	42,022	42,383	20,216	20,299	63,011	
15,510,536	16,626,834	17,849,268	19,254,003	34,730,669	37,626,284	
<u>9,447,435</u>	<u>15,592,763</u>	<u>24,414,794</u>	<u>34,616,368</u>	<u>22,728,938</u>	<u>29,718,832</u>	
<u>25,031,990</u>	<u>32,277,985</u>	<u>42,322,899</u>	<u>53,913,346</u>	<u>57,515,951</u>	<u>68,212,526</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
21,864,240	22,807,450	24,369,034	26,113,093	33,943,626	34,929,581	
-	-	-	-	-	-	
426,812	849,423	901,413	961,171	1,025,706	1,090,165	
586,072	443,654	794,950	855,921	2,385,785	4,558,600	
-	-	-	-	-	-	
837,775	912,349	957,267	387,937	1,350,609	1,044,617	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 23,714,899</u>	<u>\$ 25,012,876</u>	<u>\$ 27,022,664</u>	<u>\$ 28,318,122</u>	<u>\$ 38,705,726</u>	<u>\$ 41,622,963</u>	

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	Fiscal Years Ending September 30			
	2014	2015	2016	2017
<b>Revenues:</b>				
Property taxes	\$ 11,968,962	\$ 12,897,291	\$ 13,771,773	\$ 14,770,931
Franchise fees	3,794,039	3,773,535	3,605,362	3,735,850
Public service tax	7,374,907	7,313,495	7,499,797	7,127,906
State revenue sharing	3,282,682	3,658,848	3,812,168	4,173,536
Intergovernmental	8,183,246	7,528,163	8,042,853	10,063,162
Charges for services	10,331,558	10,780,552	11,994,146	12,086,231
Fines and forfeitures	278,252	276,842	228,067	234,579
Impact fees	207,732	398,924	483,530	503,993
Interest income	189,945	178,098	332,011	370,353
Miscellaneous	706,138	452,618	842,290	901,512
Total revenues	<u>46,317,461</u>	<u>47,258,366</u>	<u>50,611,997</u>	<u>53,968,053</u>
<b>Expenditures:</b>				
General government	7,654,652	8,023,934	8,241,710	8,224,597
Public safety	17,980,929	18,880,368	19,786,845	20,179,572
Highways and Streets	2,492,186	2,018,282	2,083,596	2,066,471
Culture/Recreation	2,114,798	2,314,768	2,451,590	2,524,211
Economic environment	1,235,584	186,860	552,472	1,165,616
Physical environment	7,750,348	8,072,636	8,101,164	10,245,545
Capital outlay	5,060,728	3,939,674	9,154,776	11,872,669
Debt service				
Interest	948,336	902,201	860,435	1,509,843
Principal	1,034,231	1,081,524	1,214,449	878,038
Total expenditures	<u>46,271,792</u>	<u>45,420,247</u>	<u>52,447,037</u>	<u>58,666,562</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>45,669</u>	<u>1,838,119</u>	<u>(1,835,040)</u>	<u>(4,698,509)</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of debt	-	-	35,277,003	-
Premium on revenue bonds	-	-	2,293,694	-
Escrow payments to retire old bonds	-	-	(12,436,515)	-
Revenue bonds proceeds from debt service agreement	-	-	-	-
Transfers from other funds	147,995	1,530,838	1,545,580	1,061,389
Transfers to other funds	(147,995)	(1,648,838)	(1,545,580)	(1,096,389)
Total other financing sources (uses)	<u>-</u>	<u>(118,000)</u>	<u>25,134,182</u>	<u>(35,000)</u>
<b>Net change in fund balances</b>	<u>\$ 45,669</u>	<u>\$ 1,720,119</u>	<u>\$ 23,299,142</u>	<u>\$ (4,733,509)</u>
<b>* Debt service as a percentage of noncapital expenditures</b>	<u>4.8%</u>	<u>4.8%</u>	<u>4.8%</u>	<u>5.0%</u>

\* Note: Calculation excludes non-capitalized capital.



# City of Deltona, Florida

	2018	2019	2020	2021	2022	2023
\$	16,050,125	\$ 17,925,314	\$ 20,061,820	\$ 22,333,526	\$ 25,522,507	\$ 29,187,545
	4,019,845	4,197,228	4,225,504	4,347,280	4,694,765	5,515,518
	7,321,620	7,559,957	7,856,175	8,073,033	8,395,262	9,456,641
	4,356,464	4,555,855	4,011,548	4,813,245	6,031,549	6,095,578
	11,149,718	13,188,854	13,932,527	11,863,225	12,041,820	10,541,155
	13,202,430	14,623,008	16,127,252	17,057,995	18,288,575	19,692,541
	153,437	144,815	166,581	187,830	261,252	222,464
	1,053,958	1,409,676	1,647,119	1,411,499	2,154,954	1,493,280
	484,257	1,211,566	872,167	83,918	-	4,476,504
	537,509	1,207,646	561,729	1,285,045	1,483,243	649,639
	<u>58,329,363</u>	<u>66,023,919</u>	<u>69,462,422</u>	<u>71,456,596</u>	<u>78,873,927</u>	<u>87,330,865</u>
	8,594,368	9,265,463	9,295,438	9,689,699	12,672,501	13,053,650
	20,777,602	21,889,343	22,527,037	23,927,309	25,177,735	25,860,439
	2,119,725	2,441,266	2,752,814	3,250,667	3,065,952	7,790,108
	3,036,194	3,151,541	2,969,177	3,368,906	4,548,470	4,474,579
	429,791	905,224	800,049	1,113,067	432,249	520,088
	12,624,119	9,518,935	9,637,591	9,718,468	10,409,626	11,627,627
	9,527,373	7,921,059	7,035,304	5,112,397	6,188,071	8,062,951
	1,465,914	1,419,769	1,371,371	1,320,431	1,266,909	1,211,885
	922,326	967,348	1,018,142	1,069,747	1,122,206	1,180,561
	<u>59,497,412</u>	<u>57,479,948</u>	<u>57,406,923</u>	<u>58,570,691</u>	<u>64,883,719</u>	<u>73,781,888</u>
	<u>(1,168,049)</u>	<u>8,543,971</u>	<u>12,055,499</u>	<u>12,885,905</u>	<u>13,990,208</u>	<u>13,548,977</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,097,521	3,594,150	3,258,275	1,470,210	9,690,996	7,272,172
	<u>(5,297,521)</u>	<u>(3,594,150)</u>	<u>(3,258,275)</u>	<u>(1,470,210)</u>	<u>(9,690,996)</u>	<u>(7,272,172)</u>
	<u>(2,200,000)</u>	-	-	-	-	-
\$	<u><u>(3,368,049)</u></u>	<u><u>8,543,971</u></u>	<u><u>12,055,499</u></u>	<u><u>12,885,905</u></u>	<u><u>13,990,208</u></u>	<u><u>13,548,977</u></u>
	<u>4.6%</u>	<u>4.7%</u>	<u>4.7%</u>	<u>4.4%</u>	<u>4.1%</u>	<u>4.1%</u>

**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(Amounts Expressed in Thousands)*

Fiscal Year	Ad Valorem Tax	Franchise Fees		Public Service Tax			Total
		Electric	Other	Electric	Telecom- munication	Gas	
2014	11,947	3,742	52	4,617	2,642	116	23,116
2015	12,866	3,723	51	4,707	2,486	120	23,953
2016	13,772	3,560	46	5,125	2,257	118	24,878
2017	14,767	3,677	59	4,913	2,087	128	25,631
2018	15,946	3,950	70	5,099	2,089	133	27,287
2019	17,785	4,137	60	5,459	1,971	130	29,542
2020	19,803	4,101	124	5,758	1,960	137	31,883
2021	22,137	4,287	213	5,972	1,956	145	34,710
2022	25,219	4,634	253	6,131	2,106	158	38,501
2023	29,169	5,459	336	7,013	2,255	188	44,420
Change 2014-2023	144.2%	45.9%	546.2%	51.9%	-14.6%	62.1%	92.2%

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

<b>Fiscal Year Beginning</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Valuation</b>	<b>Total Direct Rate</b>	<b>Total Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2014	2,740,782	113,795	2,854,577	7.9900	3,130,217	91.2%
2015	2,893,546	113,527	3,007,073	7.9900	3,441,163	87.4%
2016	3,098,720	115,403	3,214,123	7.9500	3,833,028	83.9%
2017	3,428,497	120,726	3,549,223	7.8500	4,449,555	79.8%
2018	3,834,440	121,495	3,955,935	7.8500	5,201,004	76.1%
2019	4,187,860	124,544	4,312,404	7.8500	5,807,862	74.3%
2020	4,540,927	136,562	4,677,489	7.8500	6,229,613	75.1%
2021	3,647,833	249,063	3,896,896	7.8500	3,943,041	98.8%
2022	5,933,192	217,073	6,150,265	7.6500	8,875,770	69.3%
2023	6,805,052	223,035	7,028,087	7.3500	10,391,923	67.6%

Source: County of Volusia Property Appraiser.

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Per One Thousand Dollars of Taxable Value)**

Fiscal Year Beginning	* Direct Rate		** Overlapping Rates				Total
	City of Deltona	County of Volusia	Volusia County School Board	St. Johns River Water Management District	Florida Inland Navigation District	West Volusia Hospital Authority	
2014	7.99000	7.27090	7.33600	0.31640	0.03450	1.92370	24.87150
2015	7.99000	7.27090	7.19700	0.30230	0.03200	1.66790	24.46010
2016	7.95000	7.05200	6.84800	0.28850	0.03200	1.59000	23.76050
2017	7.85000	7.05200	6.52000	0.27240	0.03200	2.36600	24.09240
2018	7.85000	6.64640	6.28100	0.25620	0.03200	2.17510	23.24070
2019	7.85000	6.54200	6.08100	0.24140	0.03200	1.90800	22.65440
2020	7.85000	6.15090	5.90700	0.22870	0.03200	1.50350	21.67210
2021	7.85000	6.29860	5.80200	0.21890	0.03200	1.40730	21.60880
2022	7.65000	5.71340	5.48200	0.19740	0.03200	1.08160	20.15640
2023	7.35000	5.67080	5.40900	0.17930	0.02880	0.98060	19.61850

\* The City of Deltona has no General Obligation debt, therefore the direct rate has no components.

\*\* The overlapping rate represents agencies which have taxing authority within the area. These rates plus the City rate is the total mileage rate attributable to property within the City.

**PRINCIPAL TAXPAYERS  
CURRENT AND NINE YEARS AGO  
FISCAL YEARS ENDING**

Taxpayer	September 30, 2014			September 30, 2023		
	Assessed Valuation (in 1000's)	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation (in 1,000's)	Rank	Percentage of Total Taxable Assessed Value
LIT Deltona Logistics LLC	\$ -		0.0%	\$ 67,488	1	1.5%
Florida Power & Light Company	18,056	2	1.1%	47,079	2	1.0%
Amazon.com Services LLC	-		0.0%	45,451	3	1.0%
Duke Energy Florida LLC	26,210	1	1.6%	35,565	4	0.8%
Upward America SE Property Owner	-		0.0%	22,110	5	0.5%
Walmart Stores East LP	12,797	3	0.8%	14,991	6	0.3%
2018-3 IH Borrower LP	-		0.0%	13,475	7	0.3%
2017-1 IH Borrower LP	-		0.0%	13,077	8	0.3%
Lowes Home Centers Inc	8,677	6	0.5%	11,106	9	0.2%
THR Florida LP	-		0.0%	10,732	10	0.2%
Publix Super Markets Inc	7,370	8	0.4%	-		0.0%
Bright House Networks LLC	8,256	7	0.5%	-		0.0%
D O T Properties N V	6,941	9	0.4%	-		0.0%
Federal National Mortgage Assoc	11,078	4	0.7%	-		0.0%
IH2 Property Floirda LP	9,219	5	0.6%	-		0.0%
EPIC properties of	6,221	10	0.4%	-		0.0%
All Others	1,546,587		93.1%	4,320,786		93.9%
	<u>\$ 1,661,412</u>		<u>100.0%</u>	<u>\$ 4,601,860</u>		<u>100.0%</u>

Source: County of Volusia Property Appraiser.

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

<b>Fiscal Year Ended</b>	<b>Total Tax Levy</b>	<b>Current Levy Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent Total Collections To Levy</b>
2014	12,320,107	11,947,445	97.0%	21,517	11,968,962	97.1%
2015	13,320,346	12,866,342	96.6%	48,008	12,914,350	97.0%
2016	14,250,718	13,771,773	96.6%	29,458	13,801,231	96.8%
2017	15,207,700	14,767,290	97.1%	3,641	14,770,931	97.1%
2018	16,560,083	15,946,213	96.3%	23,942	15,970,155	96.4%
2019	18,474,255	17,784,965	96.3%	14,541	17,799,506	96.3%
2020	20,574,753	19,803,493	96.3%	127,629	19,931,122	96.9%
2021	22,990,429	22,136,623	96.3%	30,143	22,166,766	96.4%
2022	26,415,611	25,219,007	95.5%	60,473	25,279,480	95.7%
2023	30,266,750	29,168,656	96.4%	18,889	29,187,545	96.4%

Florida Statute 197.012 allows a discount for early payment of taxes of 4% in November, 3% in December, 2% in January and 1% in February. Taxes become delinquent on April 1 each year.

The County Tax Collector is responsible for collecting and remitting all property taxes. They do not keep track of amounts which are past due on a regular basis. Once a year they consolidate all past due amounts and have a tax certificate sale. The money obtained from this sale is then distributed to the proper taxing authority.

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

Year Ended	Governmental Activities			BusinessType Activities				Total Government Debt	Per Capita Debt	Debt as a Percentage of Personal Income (1)
	Trans- portation Bond (2) (3)	Capital Improvement Bond (2) (3)	Storm- water Bank Note	2013 Utility System Refunding Bonds (2)	2014 Utility System Revenue Bonds (2)	2021 Utility System Revenue Bonds	State Revolving Fund Loan			
2014	13,165,300	-	5,484,541	81,589,822	-	-	-	100,239,663	1,161	3.60%
2015	12,319,858	-	5,233,017	80,225,865	23,218,501	-	25,066,944	146,064,185	1,669	5.16%
2016	-	37,074,738	4,968,568	78,611,908	23,184,143	-	27,871,882	171,711,239	1,931	5.61%
2017	-	36,398,913	4,690,530	76,932,950	22,689,787	-	27,041,208	167,753,388	1,864	5.40%
2018	-	35,693,088	4,398,204	74,973,993	22,655,431	-	29,922,218	167,642,934	1,842	5.11%
2019	-	34,957,263	4,090,856	72,945,036	22,146,074	-	32,083,364	166,222,593	1,816	4.80%
2020	-	34,186,438	3,767,714	70,836,078	21,626,717	-	30,610,068	161,027,015	1,719	4.43%
2021	-	33,380,613	3,427,967	-	-	98,690,000	28,924,016	164,422,596	1,732	4.26%
2022	-	32,539,788	3,070,761	-	-	97,150,000	27,211,861	159,972,410	1,670	3.82%
2023	-	29,915,000	2,695,200	-	-	91,815,000	25,473,177	149,898,377	1,563	2.92%

(1) Source for Per Capita Income - US Dept. of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)

(2) Figures include relevant premiums.

(3) Capital Improvement Revenue Refunding Bonds, Series 2016, refunded Transportation Bonds, Series 2006

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

<b>Taxing Authority</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Deltona</b>	<b>Amount Applicable to Deltona</b>
City of Deltona (1)	\$ 32,610,200	100%	\$ 32,610,200
County of Volusia (2)	64,483,611	0%	-
Volusia County School Board (3)	691,789,162	0%	-
Total Direct and Overlapping Debt	<u>\$ 788,882,973</u>		<u>\$ 32,610,200</u>

- (1) Governmental debt only; excludes business-type activities debt.
- (2) Source: County of Volusia Finance Department; percentage based on Deltona's total taxable property value compared to Volusia County's total taxable property value.
- (3) Source: Volusia County School Board June 2023 ACFR.



**PLEGDED-REVENUE COVERAGE  
LAST THREE FISCAL YEARS**

<b>Water and Sewer Revenue Bonds</b>						
<b>Fiscal Year Ended</b>	<b>(1)</b>	<b>(2)</b>	<b>Net</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
	<b>Utility Revenues</b>	<b>Less Operating Expenses</b>	<b>Available Revenue</b>			
2021	25,853,712	9,897,763	15,955,949	2,640,000	4,422,356	2.26
2022	27,167,230	11,824,499	15,342,731	1,540,000	2,088,401	4.23
2023	27,863,511	11,488,571	16,374,940	2,665,000	2,083,341	3.45

<b>Water and Sewer - State Revolving Fund (3)</b>						
<b>Fiscal Year Ended</b>	<b>Utility Revenues</b>	<b>Less Operating Expenses (3)</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
	2021	\$ 25,853,712	\$ 16,960,119			
2022	\$ 27,167,230	\$ 15,452,900	11,714,330	1,712,155	432,190	5.46
2023	\$ 27,863,511	\$ 16,236,912	11,626,599	1,738,684	405,661	5.42

<b>Capital Improvement Revenue Refunding Bonds Series 2016</b>						
	<b>Pledged Revenues</b>		<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
	<b>1/2 Cent Sales Tax</b>	<b>Service Taxes</b>	<b>Revenue</b>			
2021	5,918,048	8,073,033	13,991,081	730,000	1,131,669	7.52
2022	6,532,623	8,395,262	14,927,885	765,000	1,095,169	8.03
2023	6,627,061	9,456,641	16,083,702	805,000	1,056,919	8.64

<b>Stormwater Bank Note</b>						
	<b>Stormwater Assessments</b>		<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
	<b>Improved</b>	<b>Unimproved</b>	<b>Revenue</b>			
2021	4,648,060	367,155	5,015,215	339,747	188,762	9.49
2022	4,780,088	371,762	5,151,850	357,206	171,741	9.74
2023	4,847,567	350,795	5,198,362	375,561	153,845	9.82

- (1) For purposes of debt coverage all water and sewer revenues are included and water and sewer impact fees are excluded. Interest income is included.
- (2) Operating expenses do not include depreciation.
- (3) Repayment of the State Revolving Fund (SRF) loan, which is subordinate to the 2021 revenue bond. The Net Available Revenue presented in this table is comprised of pledged revenues less operating expenses, which include debt service on the 2021 bond to reflect the SRF loan's subordinate status.

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

Year	Per Capita Income (1)						
	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia
2013-14	41,497	34,782	37,844	42,986	37,206	34,437	34,530
2014-15	42,737	35,786	38,007	41,806	37,558	32,571	36,052
2015-16	44,429	37,698	39,591	42,851	39,012	33,800	37,802
2016-17	45,953	38,266	41,515	44,703	39,534	34,765	38,807
2017-18	47,684	40,541	42,541	46,231	43,464	35,864	40,658
2018-19	50,070	42,190	44,647	49,049	46,100	36,997	42,374
2019-20	52,426	43,425	46,250	51,156	48,387	38,293	44,180
2020-21	55,675	46,563	49,390	53,403	54,533	41,553	46,475
2021-22	62,270	49,831	54,979	58,539	64,282	45,152	52,964
2022-23	64,806	52,291	55,374	59,581	69,224	44,521	53,559

Year	Median Household Income (2)						
	Florida	Lake	Orange	Seminole	Sumter	Marion	Volusia
2013-14	45,872	44,510	46,416	55,846	47,766	37,986	40,461
2014-15	47,212	45,465	47,556	57,875	49,874	39,339	41,714
2015-16	47,507	46,403	47,943	57,010	50,350	39,459	41,117
2016-17	48,900	47,141	49,391	58,538	52,594	40,295	42,240
2017-18	50,883	49,734	51,586	60,739	54,771	41,964	43,838
2018-19	53,267	51,884	54,335	63,760	55,228	43,361	43,760
2019-20	59,227	54,513	58,254	66,768	57,226	45,371	49,494
2020-21	59,198	57,660	63,133	69,954	63,464	49,079	53,554
2021-22	61,777	60,013	65,784	73,002	63,323	50,808	56,786
2022-23	67,917	66,239	72,629	79,490	70,105	55,265	63,075

(1) Source US Department of Commerce, Bureau of Economic Analysis (Florida Research Economic Database)

(2) Source USDA, Economic Research Service, County-level Data Sets

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Continued)**

Year	Cost of Living Index Volusia and Surrounding Counties (1)					
	Volusia	Lake	Orange	Seminole	Sumter	Marion
2013-14	98.25	97.02	100.49	99.17	95.45	94.97
2014-15	94.75	96.33	99.78	98.72	94.19	93.43
2015-16	95.33	96.99	100.46	99.03	94.83	94.41
2016-17	95.57	97.23	100.71	99.28	95.07	93.29
2017-18	95.72	97.38	100.87	99.44	96.03	93.88
2018-19	95.73	97.52	100.85	99.30	96.49	93.59
2019-20	96.00	97.80	101.13	99.58	95.74	93.37
2020-21	95.67	97.46	100.78	99.24	96.2	93.51
2021-22	94.81	95.21	101.5	99.36	97.11	93.31
2022-23	94.26	95.40	101.3	99.02	96.96	92.96

Year	Unemployment Volusia and Surrounding Counties (2)				
	Volusia	Lake	Orange	Seminole	Marion
2013-14	6.80	6.40	5.80	5.70	7.30
2014-15	5.80	5.50	5.00	4.90	6.40
2015-16	5.10	4.90	4.40	4.30	5.80
2016-17	4.30	4.10	3.70	3.60	4.90
2017-18	3.70	3.40	3.10	3.10	4.20
2018-19	3.70	3.50	3.20	3.20	4.30
2019-20	5.90	7.40	9.80	6.00	5.30
2020-21	4.30	4.30	4.50	3.80	4.70
2021-22	4.60	4.70	5.20	4.10	4.90
2022-23	3.40	3.30	3.00	2.90	3.90

(1) Source Florida Polytechnic University, Director of Economic Analysis, "The 2021 Florida Price Level Index"

(2) U.S. Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Concluded)**

Fiscal Year	Population (1)			Unemployment Rate (2)	School (3)		Personal Income (4) Deltona / Daytona Beach / Ormond Beach (millions of dollars)	
	Deltona	County	% of City		Enrollment	Attendance		
2014	86,360	503,851	17.14%	7.2%	12,330	96.3%	\$	20,966
2015	87,497	510,494	17.14%	6.3%	12,396	96.2%	\$	22,594
2016	88,922	517,411	17.19%	5.2%	12,351	96.6%	\$	23,994
2017	89,984	523,405	17.19%	4.6%	13,152	95.5%	\$	24,924
2018	91,007	531,062	17.14%	3.8%	12,218	96.3%	\$	26,703
2019	91,520	538,763	16.99%	3.6%	13,035	94.4%	\$	28,381
2020	93,677	549,786	17.04%	6.7%	10,106	94.4%	\$	29,917
2021	94,953	561,625	16.91%	4.7%	11,146	-	\$	32,089
2022	95,782	564,412	16.97%	3.0%	11,788	-	\$	36,707
2023	95,918	572,815	16.75%	3.0%	11,774	-	\$	38,660

(1) Source: Office of Economic & Demographic Research.

(2) City of Deltona Unemployment Rate. Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

(3) Source: Volusia County School Board. \*The Volusia County School Board does not provide the Attendance Percentage any longer.

(4) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

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

Function/Program	Full-Time Equivalent Employees									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Commission	1.0	1.0	1.0	1.0	0.5	0.5	0.5	1.0	1.5	1.5
City Manager	7.5	7.0	8.0	7.0	9.0	10.0	10.0	10.5	9.5	9.0
City Clerk	5.5	5.5	5.5	5.5	5.5	5.0	5.0	6.0	7.0	5.0
Finance	12.0	11.0	11.0	11.0	11.0	11.0	9.0	9.0	9.8	13.8
Information Technology Services	6.0	6.0	7.0	8.0	8.0	7.0	7.0	7.0	9.0	9.0
City Attorney	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	-	-
Planning & Development Services	8.0	7.0	10.0	10.0	11.0	11.0	13.0	12.0	12.0	13.0
Building & Zoning Services	10.5	10.5	7.5	7.5	12.5	16.5	20.0	18.7	19.0	19.0
Human Resources	4.5	4.5	4.5	4.5	5.0	4.5	5.5	6.5	7.0	7.0
General Government	-	0.5	1.0	1.0	1.0	1.0	2.0	1.0	2.0	1.0
Enforcement Services	16.0	18.0	19.0	19.0	19.0	17.0	16.0	16.3	23.0	24.0
Parks & Recreation	26.0	26.5	29.0	31.0	30.0	30.0	31.0	31.0	44.5	31.0
The Center at Deltona	-	-	-	-	7.0	8.5	8.5	7.5	7.5	7.0
<b>Total general government</b>	<b>99.0</b>	<b>99.5</b>	<b>105.5</b>	<b>106.5</b>	<b>120.5</b>	<b>123.0</b>	<b>128.5</b>	<b>127.5</b>	<b>151.8</b>	<b>140.3</b>
<b>*Police Officers</b>	<b>76.0</b>	<b>76.0</b>	<b>76.0</b>	<b>76.0</b>	<b>76.0</b>	<b>79.0</b>	<b>83.0</b>	<b>83.0</b>	<b>80.0</b>	<b>80.0</b>
<b>Fire &amp; Rescue:</b>										
Firefighters	69.0	69.0	69.0	69.0	72.0	72.0	78.0	78.0	78.0	78.0
Administration & Communication	8.0	8.0	11.0	11.0	11.0	13.0	13.0	13.0	14.0	15.0
<b>Total Fire &amp; Rescue</b>	<b>77.0</b>	<b>77.0</b>	<b>80.0</b>	<b>80.0</b>	<b>83.0</b>	<b>85.0</b>	<b>91.0</b>	<b>91.0</b>	<b>92.0</b>	<b>93.0</b>
<b>Total public safety</b>	<b>153.0</b>	<b>153.0</b>	<b>156.0</b>	<b>156.0</b>	<b>159.0</b>	<b>164.0</b>	<b>174.0</b>	<b>174.0</b>	<b>172.0</b>	<b>173.0</b>
<b>Public Works</b>	<b>28.0</b>	<b>29.0</b>	<b>29.0</b>	<b>31.0</b>	<b>31.0</b>	<b>33.0</b>	<b>36.0</b>	<b>30.9</b>	<b>30.9</b>	<b>30.0</b>
Storm Water	26.0	28.0	28.0	30.0	33.0	36.0	36.0	38.5	38.5	37.6
Grant funded positions	3.0	3.0	-	-	-	-	-	-	-	-
<b>Total public services</b>	<b>57.0</b>	<b>60.0</b>	<b>57.0</b>	<b>61.0</b>	<b>64.0</b>	<b>69.0</b>	<b>72.0</b>	<b>69.4</b>	<b>69.4</b>	<b>67.6</b>
<b>Water/Sewer utility</b>	<b>67.0</b>	<b>76.0</b>	<b>78.0</b>	<b>82.0</b>	<b>82.0</b>	<b>87.0</b>	<b>92.0</b>	<b>93.5</b>	<b>94.5</b>	<b>92.7</b>
Solid Waste	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total public services</b>	<b>69.0</b>	<b>78.0</b>	<b>80.0</b>	<b>83.0</b>	<b>83.0</b>	<b>88.0</b>	<b>93.0</b>	<b>94.5</b>	<b>95.5</b>	<b>93.7</b>
<b>Total government employees</b>	<b>378.0</b>	<b>390.5</b>	<b>398.5</b>	<b>406.5</b>	<b>426.5</b>	<b>444.0</b>	<b>467.5</b>	<b>465.4</b>	<b>488.7</b>	<b>474.6</b>

\* Law enforcement services contracted with Volusia County Sheriff's Office  
Source: City Finance Department

**VARIOUS INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General</b>										
Last charter amendment	November 8, 2022									
Number of Commissioners	7	7	7	7	7	7	7	7	7	7
Form of government	Commissioner: 4 Year Term of Office - Appointed City Manager									
Municipal boundaries (1)	41	41	41	41	41	41	41	41	41	41
<b>Police</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of Police officers	76	76	76	76	76	79	83	83	83	83
Number of patrol vehicles	76	76	76	76	76	79	83	83	83	83
Number of arrests	3,986	3,453	3,142	2,963	2,506	2,139	2,810	1,667	1,810	4,350
<b>Fire</b>										
Number of stations	5	5	5	5	5	5	5	5	5	5
Number of vehicles (engines)	9	9	9	9	9	9	8	9	9	9
Number of calls	9,074	9,608	9,987	10,876	10,618	10,185	10,462	11,144	11,980	11,738
Number of vehicles responding										19234
<b>Building</b>										
Building permits issued	3,877	3,722	5,072	7,130	8,557	6,712	9,983	9,991	10,383	10,769
Average price of single family Residential construction	321,660	380,443	329,098	266,490	265,753	265,930	277,308	294,707	303,906	387,791
Value of permits issued (\$1,000's of dollars)	66,653	61,229	61,401	107,779	192,812	118,919	297,505	244,076	446,630	369,211
<b>Recreation</b>										
Number of parks	20	20	20	21	21	21	23	23	24	24
Acres maintained	314	314	314	317	317	317	352	352	352	362
Number of buildings	30	30	30	30	30	30	30	30	30	29
Number of people served	283,000	296,000	315,000	315,000	350,000	350,000	365,000	385,000	395,000	395,000
<b>Library</b>										
Number of libraries	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Miles of streets	423.54	423.54	423.54	423.54	423.54	437.30	437.30	442.00	467.00	467.00
Number of street lighting districts	40	42	42	44	37	44	45	45	45	45
Number of city maintained traffic signals	16	16	18	20	20	20	22	22	22	26
Number of school signals	35	35	34	34	34	34	34	32	32	34
Number of buildings	2	2	2	2	2	2	2	2	2	2
Number of pedestrian crosswalk flashing lights									30	30
<b>Water</b>										
Number of units served	33,515	33,577	33,646	33,743	33,889	34,394	34,389	34,177	34,512	36,069
Average daily flow (2)	9.11	9.52	9.86	9.55	8.95	8.95	7.44	7.56	7.48	7.80
Miles of water main	501	501	501	501	454	457	457	464	469	472
Number of plants	17	17	17	17	17	17	17	17	17	17
Number of vehicles	34	38	50	51	48	48	48	48	57	51
Number of buildings	29	29	29	29	29	29	29	29	29	29
Reclaimed Main (AWS) Alternative Water Supply				33	33	35	35	39	44	44
<b>Wastewater</b>										
Miles of sanitary sewers	93	93	93	93	91	93	93	94	91	102
Number of vehicles	15	15	11	10	10	10	10	10	10	10
Number of buildings	4	4	7	7	7	7	7	7	7	7
Number of plants	1	1	2	2	2	2	2	2	2	2

- (1) Square miles.
- (2) Millions of gallons.

Source: Various City Departments

**WATER RELATED INDICATORS - LAST THREE FISCAL YEARS  
WATER SOLD BY CUSTOMER TYPE  
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2021	2022	2023
Single / Multi Family Residences	2,162.98	2,130.54	2,128.38
Commercial / Multi Family Commercial	105.81	104.26	99.30
Hydrant	8.04	6.15	2.65
Bulk	68.39	124.12	41.49
Irrigation	45.90	47.72	47.38
Totals	2,391.12	2,412.79	2,319.20

**WATER RATES BY CUSTOMER TYPE**

Type of Customer	2021 Fiscal Year Eff. 05/1/21	
	Inside City Limits	Outside City Limits
<b>Water Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 5,000	2.15	2.69
5,001 - 10,000	4.33	5.41
10,001 - 20,000	7.58	9.47
over 20,001	15.16	18.95
<b>Commercial</b>		
Rates apply to all usage - no cap	4.14	5.17
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	4.33	5.41
10,001 - 20,000	7.58	9.47
over 20,001	15.16	18.95

Type of Customer	2022 Fiscal Year Eff. 12/1/2021	
	Inside City Limits	Outside City Limits
<b>Water Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 5,000	2.25	2.81
5,001 - 10,000	4.54	5.67
10,001 - 20,000	7.95	9.93
over 20,001	15.91	19.88
<b>Commercial</b>		
Rates apply to all usage - no cap	4.34	5.42
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	4.54	5.67
10,001 - 20,000	7.95	9.93
over 20,001	15.91	19.88

Type of Customer	2023 Fiscal Year Eff. 12/01/2022	
	Inside City Limits	Outside City Limits
<b>Water Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 5,000	2.36	2.95
5,001 - 10,000	4.76	5.95
10,001 - 20,000	8.34	10.42
over 20,001	16.70	20.87
<b>Commercial</b>		
Rates apply to all usage - no cap	4.55	5.69
<b>Irrigation Rates (Per 1,000 gallons consumed)</b>		
0 - 10,000	4.76	5.95
10,001 - 20,000	8.34	10.42
over 20,001	16.70	20.87

(1) The City had both a rate structure and a rate change effective with bills dated on or after December 1, 2022.

**WASTEWATER RELATED INDICATORS - LAST THREE FISCAL YEARS  
WASTEWATER SOLD BY CUSTOMER TYPE  
(In Millions of Gallons)**

Type of Customer	Fiscal Year		
	2021	2022	2023
Single / Multi Family Residences	255.05	260.82	270.76
Multi Family Residences	-	-	-
Commercial / Multi Family Commercial	89.53	85.58	82.27
Bulk	13.22	19.48	16.72
Reclaimed - Residential & Commercial	229.81	289.91	325.15
<b>Totals</b>	<b>587.61</b>	<b>655.79</b>	<b>694.90</b>

**WASTEWATER RATES BY CUSTOMER TYPE**

Type of Customer	2021 Fiscal Year Eff. 5/1/21	
	Inside City Limits	Outside City Limits
<b>Sewer Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 2,000	-	-
2,001 - 5,000	16.11	20.41
5,000+	20.95	26.19
<b>Commercial</b>		
Rates apply to all usage - no cap	17.40	21.75
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.73	2.16

Type of Customer	2022 Fiscal Year Eff. 12/1/21	
	Inside City Limits	Outside City Limits
<b>Sewer Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 2,000	-	-
2,001 - 5,000	16.91	21.13
5,000+	21.99	27.48
<b>Commercial</b>		
Rates apply to all usage - no cap	18.27	22.83
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.81	2.26

Type of Customer	2023 Fiscal Year Eff. 12/1/22	
	Inside City Limits	Outside City Limits
<b>Sewer Rates (Per 1,000 gallons consumed)</b>		
<b>Residential</b>		
0 - 2,000	-	-
2,001 - 5,000	17.75	22.18
5,000+	23.08	28.85
<b>Commercial</b>		
Rates apply to all usage - no cap	20.13	23.97
<b>Reclaimed (Per 1,000 gallons consumed)</b>		
Rates apply to all usage - no cap	1.90	2.37

(1) The City had a rate change effective with bills dated on or after December 1, 2022.



**PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

Employer	2023 (1)			2014 (2)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Amazon	1577	1	15.84%			
Publix Supermarkets	520	2	5.22%	563	2	5.43%
Walmart	501	3	5.03%	350	3	3.38%
City of Deltona	360	4	3.62%	304	4	2.93%
Methodist Children's Home	231	5	2.32%	180	6	1.74%
McDonalds	204	6	2.05%	177	7	1.71%
Winn Dixie	159	7	1.60%	170	8	1.64%
Lowe's	140	8	1.41%			
Wendy's	99	9	0.99%			
USPS	91	10	0.91%			
Galaxy Middle School				160	9	1.54%
Daytona State College				1,256	1	12.12%
Pine Ridge High School				250	6	2.41%
Deltona Middle School				153	10	1.48%
<b>Total</b>	<b>3,882</b>		<b>38.99%</b>	<b>3,563</b>		<b>34.38%</b>

(1) Source: Department of Economic Opportunity, Bureau of Workforce Statistics & Economic Research

(2) Source: City's Comprehensive Annual Financial Report for FYE 09/30/14

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,  
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED  
STATES AND THE *RULES OF THE AUDITOR GENERAL OF  
THE STATE OF FLORIDA***

**CITY OF DELTONA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>Grantor/Pass-Through Grantor/Program Title</b>	<b>Grant Number</b>	<b>Assistance Listing Number</b>	<b>Program or Award Amount</b>	<b>Expenses</b>	<b>Subrecipient Award Amount</b>
<b><u>FEDERAL AWARDS</u></b>					
<b>United States Department of Housing and Urban Development</b>					
Community Development Block Grant	B-19-MC-12-0049	14.218	583,241	4,305	-
Community Development Block Grant	B-21-MC-12-0049	14.218	604,193	80,824	0
COVID-19 Community Development Block Grant	B-20-MW-12-0049	14.218	738,809	168,809	83,000
Community Development Block Grant - NSP #1	B-08-MN-12-0006	14.218	6,635,909	44,842	-
<b>Total United States Department of Housing and Urban Development:</b>				<u>298,780</u>	<u>83,000</u>
<b>United States Department of the Treasury</b>					
COVID-19 Coronavirus State and Local Recovery Funds	SLT-2324	21.027	13,972,193	9,561,382	-
<b>Total United States Department of Treasury:</b>				<u>9,561,382</u>	<u>-</u>
<b>United States Department of Homeland Security</b>					
<i>Passed Through State of Florida Division of Emergency Management</i>					
Hazard Mitigation Grant Program	H0161	97.039	259,352	13,327	-
<b>Total United States Department of Homeland Security</b>				<u>13,327</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 9,873,489</u>	<u>\$ 83,000</u>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>					
<b>State of Florida Department of Environmental Protection</b>					
Statewide Surface Water Restoration and Wastewater Projects	LPA0102	37.039	150,000	150,000	-
Statewide Surface Water Restoration and Wastewater Projects	LPA0102	37.039	300,000	300,000	-
<b>Total State of Florida Department of Environmental Protection:</b>				<u>450,000</u>	<u>-</u>
<b>Florida Housing Finance Corporation</b>					
State Housing Initiatives Partnership Program	FY2022/2023	40.901	1,753,814	302,132	-
<b>Total Florida Housing Finance Corporation</b>				<u>302,132</u>	<u>-</u>
<b>Florida Department of Management Services</b>					
Cybersecurity Technical Assistance Grants	DMS-22/23-400	72.009	66,432	66,432	-
<b>Total Florida Department of Management Services</b>				<u>66,432</u>	<u>-</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ 818,564</u>	<u>\$ -</u>
<b>TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>				<u>\$ 10,692,053</u>	<u>\$ 83,000</u>

**Notes to the Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

The accompanying Schedule of Federal Awards of the City of Deltona, Florida is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance.

**Indirect Cost Rate**

The City has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

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

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deltona, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 31, 2024.

**Report of Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

**CERTIFIED PUBLIC ACCOUNTANTS**

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Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-1.

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



May 31, 2024  
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, 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 Deltona, Florida's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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, and Chapter 10.550, *Rules of the Auditor General* 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.

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City of Deltona  
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**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 non-compliance 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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.

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

**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, non-compliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designated 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.



May 31, 2024  
Ocala, Florida



**SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS FEDERAL AND STATE AWARD PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30,  
2023 CITY OF DELTONA, FLORIDA**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	Yes

**Federal Awards and State Projects**

Internal Control over Major Programs/Projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs/Projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(A) , or Chapter 10.557 for local government entities?	No
Identification of Major Programs:	

**Federal Program**

U.S. Department of Treasury: Coronavirus State and Local Government Fiscal Recovery Funds	AL No. 21.027
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**State Projects**

Florida Department of Environmental Protection Statewide Water Quality Restoration Projects	CSFA No. 37.039
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Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$750,000
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	\$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	Yes

**SCHEDULE OF FINDINGS AND QUESTIONED  
COSTS FEDERAL AND STATE AWARD PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30,  
2023 CITY OF DELTONA, FLORIDA**

**SUMMARY OF AUDITOR'S RESULTS**

**Other Issues**

**Current Year Financial Statement Non-Compliance Findings**

*2023-1*

During our audit we were made aware that the City of Deltona, Florida (the City) had not timely filed Internal Revenue Service (IRS) form 1095-C for the years ended 2016 through 2019. Management indicated that applicable forms were distributed to plan participants; however, the IRS copies had not been submitted due to software issues in uploading required documents to the IRS website. Management has since completed such submissions; however, the IRS has assessed penalties and is working with an attorney to abate or reduce the assessed penalties. In relation to the assessed penalties, City has recorded a liability of \$450,000 as of September 30, 2023.

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

We have examined the City of Deltona, Florida's (the City) compliance with requirements of Section 218.415, Florida Statutes as of and for the year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specific requirements.

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor and City Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than those specified parties.



May 31, 2024  
Ocala, Florida

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## MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Deltona, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 31, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the 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 Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants 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 May 31, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note I of the City's basic financial statements as of and for the year ended September 30, 2023, for this information).

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City of Deltona  
Deltona, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.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'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.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipally, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Southwest Deltona Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

### Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 other than as reported in Finding 2023-1 in the schedule of findings and questioned costs.

### Purpose of this Letter

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

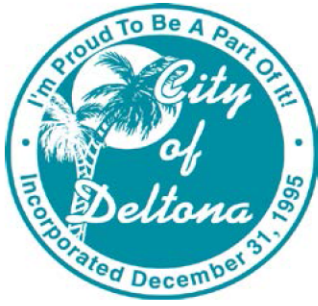
Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

**MANAGEMENT LETTER**

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, accompanying reports, or other matters.

A handwritten signature in blue ink that reads "Purvis Gray". The letters are cursive and somewhat stylized.

May 31, 2024  
Ocala, Florida



# City of Deltona

## RESPONSE TO MANAGEMENT LETTER COMMENTS

Honorable Mayor and City Commissioners  
City of Deltona  
Deltona, Florida

### **Additional Matters:**

2023-1 - The City is currently collaborating closely with our tax attorney and our city attorney on this matter and are actively and assertively defending our stance. Our legal counsel is deeply involved in developing a comprehensive strategy to ensure our position is upheld, and we are committed to pursuing every available legal avenue to protect our interests.

May 31, 2024  
Deltona, FL

**Finance Department**  
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