

Annual Audit 2021

Presentation to: City of Bunnell, Florida

Presented by: James Halleran, CPA



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Independent Auditors' Reports

Opinion on financial statements (pages 1-2)

» Unmodified opinion

Internal control and compliance report (pages 47-48)

» One corrected prior year significant deficiency for reconciliation of account balances

State single audit control and compliance report (pages 52-53)

» No comments

» Test Wastewater Treatment Facility Loan and related grant \$997,955 of expenditures



Independent Auditors' Reports

Chapter 10.550 Auditor General Report (pages 54-56)

- » Overall Financial Condition Assessment is favorable
- » One comment 2021-001 impact fee accounting
- » Special district (CRA) reporting

Independent Accountants' Examination Report (page 51)

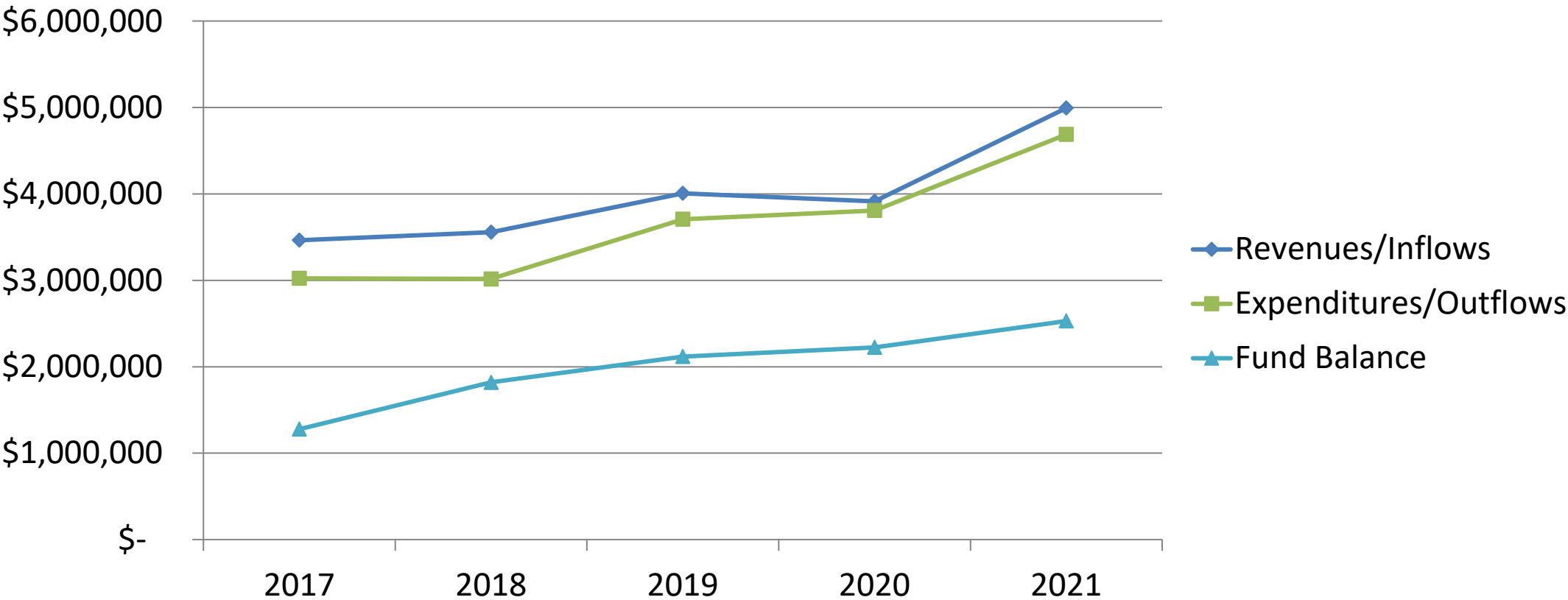
- » No noncompliance noted



Auditor's Comments History

	2021	2020	2019	2018	2017	2016	2015
Material Weaknesses	0	0	0	0	0	0	0
Significant Deficiencies	0	1	0	0	0	0	2
Single Audit Compliance	0	N/A	N/A	N/A	N/A	0	0
Suggestions	1	0	0	2	4	4	11

General Fund: 5-Year Trends



**Also, excludes \$732K and \$800K in 2017 for proceeds and principal payments, respectively, from refinancing of debt.*

Financial Health

GFOA recommendation:

» MINIMUM of 2 months (16.7%) of recurring expenditures and transfers out in assigned +unassigned fund balance

» Total assigned/unassigned fund balance

\$2,148,658

» 2021 expenditures and transfers out (excluding capital outlay)

\$4,206,309

» Assigned/unassigned fund balance as a percentage of 2021 expenditures and transfers out

60%

» Assigned/unassigned fund balance as a percentage of 2022 expenditures and transfers out

47%



City's Reserve Policy

Net Equity Reserves

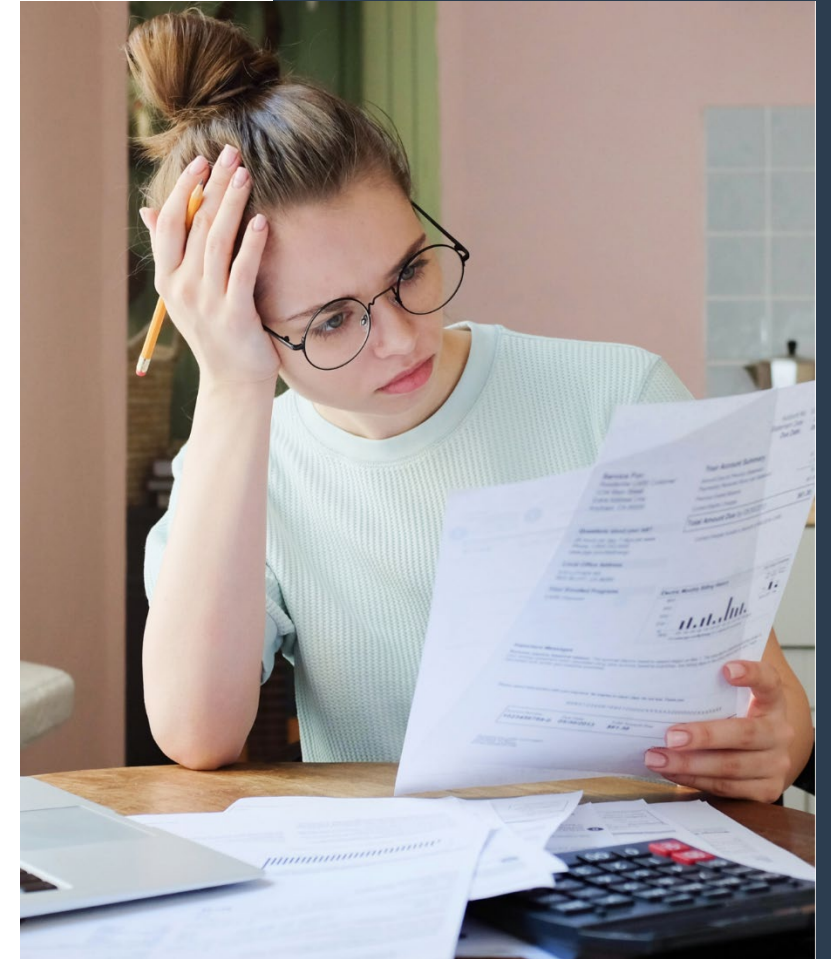
» A fund's equity in pooled cash less liabilities due and payable within the next 12 months

Optimal level (of net equity reserves)

- » 17% of the operating budget, or
- » A net equity reserve equal to at least 54 days (14.8%)

Applies to 4 funds at 9/30/2021

- » General Fund 40% (35% at 9/30/2020)
- » Water Fund 89% (87% at 9/30/2020)
- » Sewer Fund 74% (61% at 9/30/2020)
- » Solid Waste Fund 70% (62% at 9/30/2020)



Business-Type Funds

History of Unrestricted Net Position in Enterprise Funds:

<u>Fund</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Water/Sewer	N/A	N/A	N/A	3,805,156	3,560,758
Water	2,110,461	1,795,482	1,918,123		
Sewer	2,137,938	1,795,452	1,888,715		
Solid Waste	661,305	535,353	366,611	157,315	116,257

Business-Type Funds

History of Unrestricted Net Position as a % of Operating Expenses (plus interest, Amortization & Losses):

<u>Fund</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>
Water/Sewer	N/A	N/A	N/A	141%	144%
Water	147%	122%	130%		
Sewer	130%	105%	114%		
Solid Waste	88%	77%	55%	24%	13%

Other Items

Note 7 – Long-Term Debt

- » Governmental activities - \$494K; continued to pay down existing debt (\$52K)
- » Business-type - \$5.5 million; \$220K of new SRLF debt for sewer

Note 12 – Recent Accounting Pronouncements

- » GASB 87 Leases effective FYE 9/30/2022
- » GASB 96 Subscription-Based IT Arrangements (SBITA) effective FYE 9/30/2023
- » GASB 91 Conduit Debt effective 9/30/2023

Note 14 – Subsequent Events – Purchase of land for \$228,000 for new admin and police complex



Pension Funds

Note 9 Employees' Retirement Plans

» \$1,527,080 (\$4,507,686 – 2020) of unfunded net pension liabilities required to be shown as a liability on government-wide and enterprise fund's statements of net position

- » Florida Retirement System (City's proportionate share) - \$661,804
- » FRS Health Insurance Subsidy (City's proportionate share) - \$865,276

» Percent Funded

- » FRS – 96.40% (78.85% - 2020)
- » FRS HIS – 3.56% (3.00% - 2020)



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QUESTIONS?



CONTACT

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