

Annual Audit 2022

Presentation to: City of Bunnell, Florida

Presented by: James Halleran, CPA



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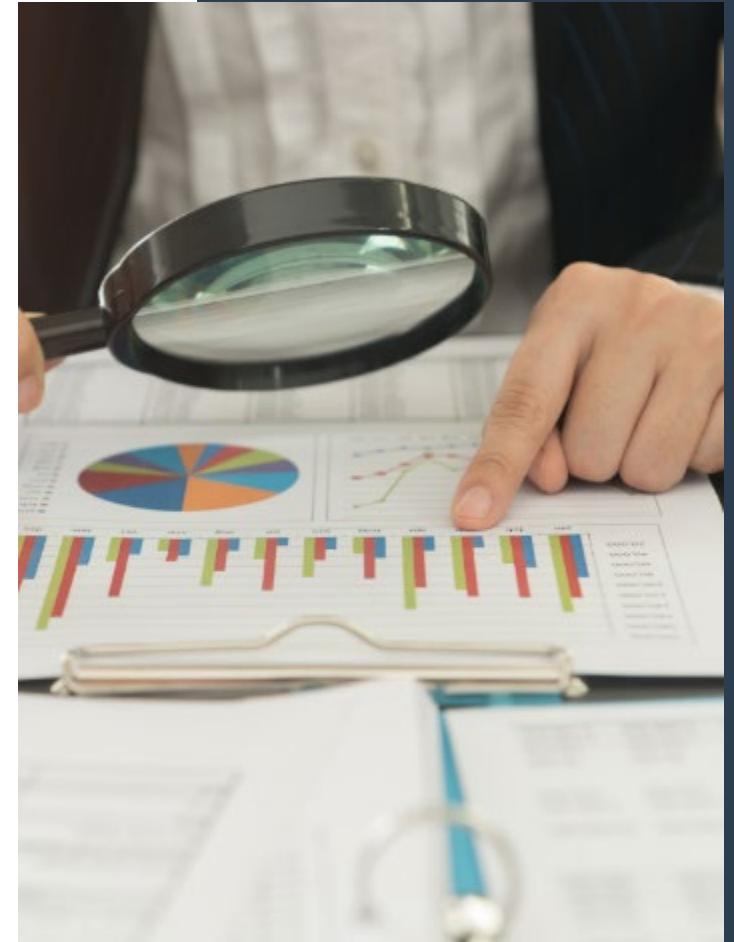
Independent Auditors' Reports

Opinion on financial statements (pages 1-3)

- » **Unmodified opinion – New Format**
- » **Adoption of GASB 87 Leases**

Internal control and compliance report (pages 52-53)

- » **No material weaknesses identified**
- » **No compliance findings**



Independent Auditors' Reports

Chapter 10.550 Auditor General Report (pages 54-56)

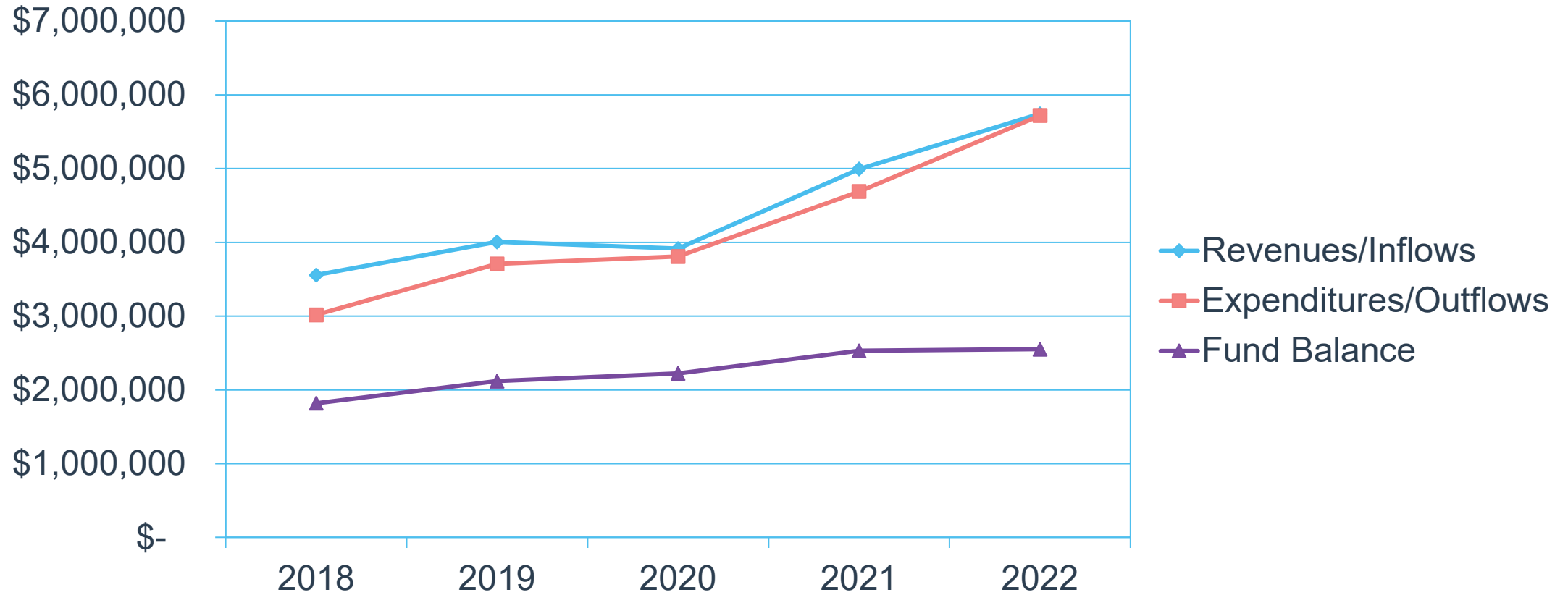
- » **Overall Financial Condition Assessment is inconclusive**
- » **One corrected prior year comment 2021-001 on impact fee accounting**
- » **Special district (CRA) reporting**

Independent Accountants' Examination Report on FL Investment Statutes (page 57)

- » **No noncompliance noted**

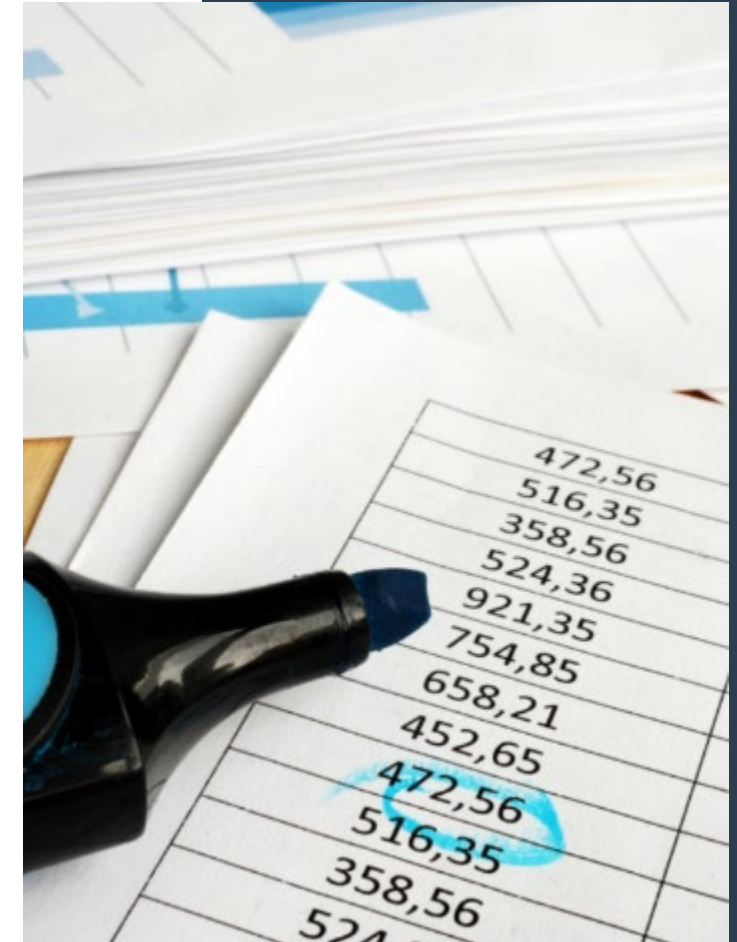


General Fund: 5-Year Trend



Financial Health – General Fund

- » **GFOA recommendation MINIMUM of 2 months (16.7%) of recurring expenditures and transfers out in assigned +unassigned fund balance**
- » **Total assigned/unassigned fund balance** **\$2,541,086**
- » **2022 expenditures and transfers out (excluding capital outlay)** **\$5,239,064**
- » **Assigned/unassigned fund balance as a percentage of 2022 expenditures and transfers out** **49%**
- » **Assigned/unassigned fund balance as a percentage of 2023 Budgeted expenditures and transfers out** **35%**



City's Reserve Policy

Net Equity Reserves

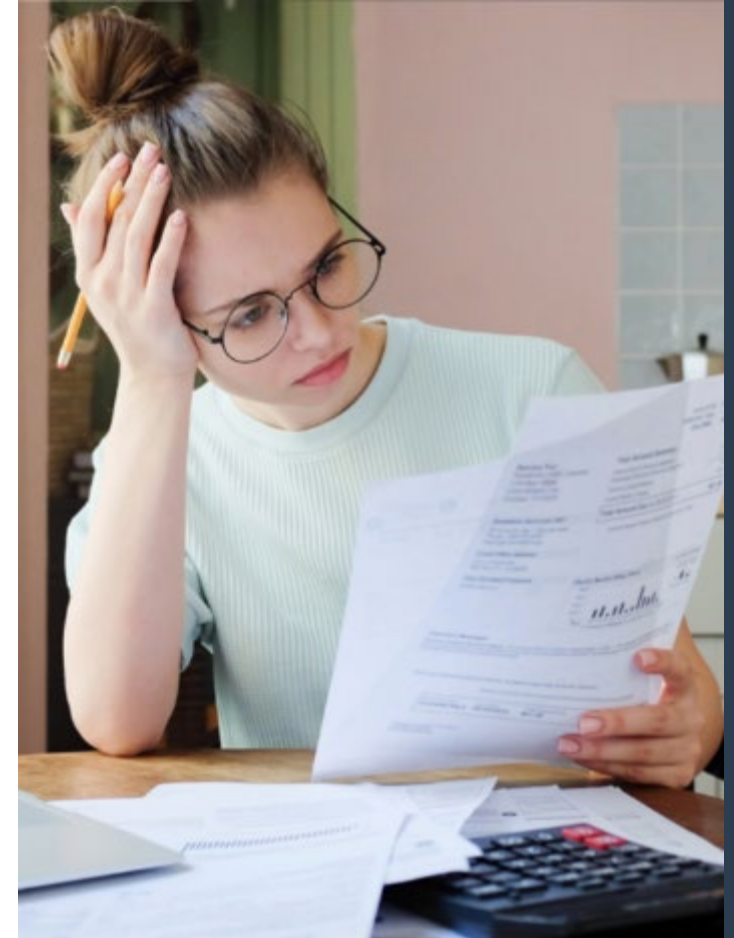
- » **A fund's equity in pooled cash less liabilities due and payable within the next 12 months**

Optimal level (of net equity reserves)

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

Applies to 4 funds at 9/30/2022

- » **General Fund 31% (40% at 9/30/2021)**
- » **Water Fund 115% (89% at 9/30/2021)**
- » **Sewer Fund 115% (61% at 9/30/2021)**
- » **Solid Waste Fund 39% (70% at 9/30/2021)**



Business-Type Funds

History of Unrestricted Net Position in Enterprise Funds:

<u>Fund</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Water/Sewer	N/A	N/A	N/A	N/A	3,805,156
Water	2,628,827	2,110,461	1,795,482	1,918,123	
Sewer	2,680,955	2,137,938	1,795,452	1,888,715	
Solid Waste	522,510	661,305	535,353	366,611	157,315

Business-Type Funds

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

<u>Fund</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Water/Sewer	N/A	N/A	N/A	N/A	141%
Water	177%	147%	122%	130%	
Sewer	150%	130%	105%	114%	
Solid Waste	58%	88%	77%	55%	24%

Other Items

Note 7 – Long-Term Debt

- » **Governmental activities – paid off \$494K of debt; \$285K of leases subject to newly implemented GASB 87**
- » **Business-type - \$5.3 million, includes \$136K of leases subject to newly implemented GASB 87**

Note 12 – Recent Accounting Pronouncements

- » **GASB 96 Subscription-Based IT Arrangements (SBITA) effective FYE 9/30/2023**
- » **GASB 91 Conduit Debt effective 9/30/2023**
- » **GASB 101 Compensated Absences effective FYE 9/30/2024**

Note 13 – Subsequent Events – New SRF loan for Wastewater Treatment Plant expansion, no draw downs as of report date, total expected amount is \$8.2 million



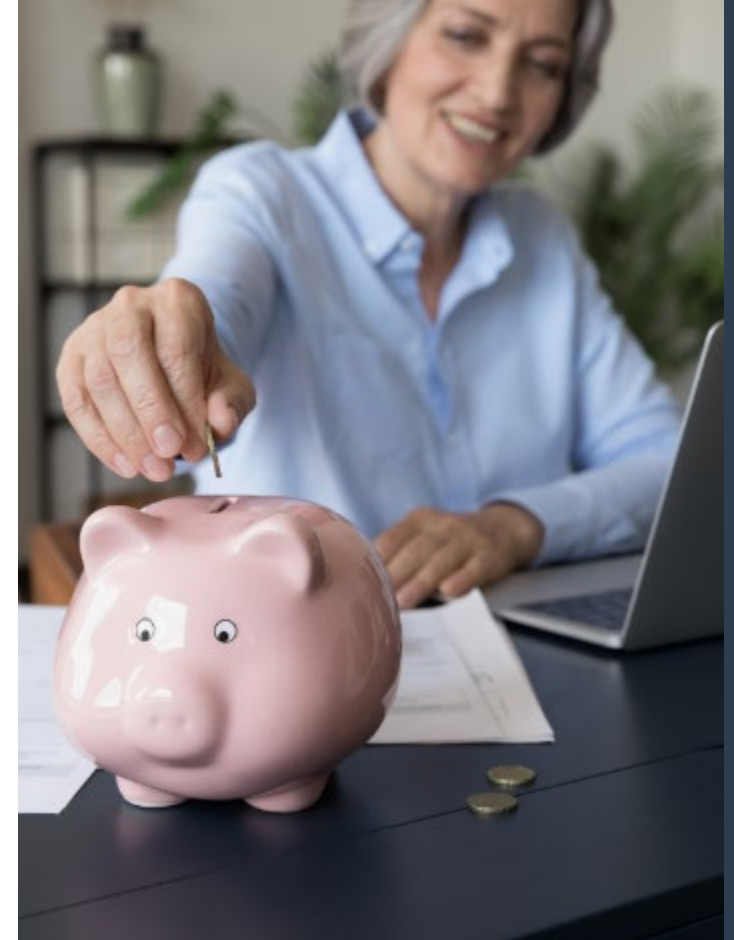
Pension Funds

Note 9 Employees' Retirement Plans

- » **\$3,953,215** (\$1,527,080 – 2021) 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) - \$3,198,048**
 - » **FRS Health Insurance Subsidy (City's proportionate share) - \$755,167**

Percent Funded

- » **FRS – 82.89%** (96.40% - 2021)
- » **FRS HIS – 4.81%** (3.56% - 2021)



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QUESTIONS

Contact



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