

CITY OF LONGWOOD, FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2020

Historic

LONGWOOD



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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**CITY OF LONGWOOD,
FLORIDA**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

Prepared by:

Department of Financial Services

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LONGWOOD



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INTRODUCTORY SECTION



CITY OF LONGWOOD

Fostering citizen trust and cultivating a prosperous community

March 31, 2021

Honorable Mayor,
Members of the City Commission and
Citizens of the City of Longwood, Florida:

Pursuant to City Charter, in accordance with State law and the Rules of the Florida Auditor General, all general-purpose local governments are required to publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and that these statements be audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Commensurate with these requirements, we are pleased to present for your review and consideration the City of Longwood, Florida Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

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

McDermitt Davis & Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2020, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The organization, form and content of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Longwood, a municipality incorporated under Florida law in 1923, is located in Central Florida and is part of the greater Orlando metropolitan area. The City encompasses six (6) square miles and is a growing community with a population that has increased by more than 17% since 2010 to include more than 16,000 residents. With nearly 900 residential units coming on-line in the next 2 years, Longwood's population is expected to increase by another 10%. The City provides a traditional mix of services, including police and fire protection; construction and maintenance of highways, streets and other infrastructure; and recreational programs and events. Water and wastewater service is also provided to certain areas within the City, and sanitation services are provided to residential customers.

The City of Longwood operates under the Commission-Manager form of government. Policymaking and legislative authority are vested in the City Commission, consisting of five (5) City Commissioners, one (1) of whom is selected by the Commission to serve as Mayor on an annual basis. The City Commission is responsible for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and City Clerk. The City Commission is elected on a non-partisan basis by district and serves four-year (4) staggered terms. The City Manager is responsible for carrying out the policies established by the City Commission, overseeing the day-to-day operations of the City and appointing the executive staff.

The annual budget serves as the foundation for the City's financial planning and control. Executive staff is required to submit their budget requests to the City Manager, who then uses these requests as the starting point for developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission prior to August 1. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year.

The appropriated budget is prepared by fund, department and program. The City Manager may make transfers of appropriations between line items within a single program. Any other budget transfers or amendments must be adopted by ordinance or resolution by the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 20-21 as part of the basic financial statements for the

governmental funds. For other governmental funds with appropriated budgets, this comparison is presented in various sections, depending upon whether the fund is considered major or non-major.

Local Economy

In the 1950's, the City began transitioning from a “bedroom” community to a mixed retail and employment center with established neighborhoods. Today, Longwood has emerged as a fast-growing community mixing a quaint nationally-recognized Historic District with more than 1800 businesses – including regionally significant employers like Orlando Health South Seminole Hospital, UPS, and more.

Top Longwood employers include Orlando Health, South Seminole Hospital (1032 employees), United Parcel Service UPS (703 employees), D & A Building Services (338 employees), Comprehensive Energy Services (272 employees), Collis Roofing (231 employees) and Seminole County Schools (222 employees). The median age in the city is 44.0 with more than 42% of the population holding a college degree. We believe the aforementioned statistics provide for a young, diverse and well-educated workforce offering great opportunities for recruitment and training to those companies considering economic expansion within our community.

Long-term Financial Planning

The City continues to see healthy growth in property tax values, but is challenged by rising costs of health care, a competitive labor market and aging equipment and facilities. Total fund balance in the General Fund represents 31.1 percent of General Fund expenditures while unassigned fund balance represents 25.1 percent of that same amount, all of which fall within the Government Finance Officers Association best practice guidelines.

For future fiscal years, our continued focus will be on developing financial strategies for cost savings and improving operating efficiency while maintaining the existing level of services the City provides.

The City of Longwood updated and adopted a five-year Capital Improvements Plan (CIP) on September 21, 2020 for fiscal years 2020-21 through 2024-25. The CIP is a multi-year prioritized schedule of improvements that lists each capital improvement by the year it is intended to be purchased or commenced. Each year during the annual budget process the CIP is reviewed to ensure incorporation of all necessary capital improvements. It should be noted however, that the CIP is not a fixed document but a flexible, dynamic document that may change to reflect changing priorities, opportunities, costs, or different financing approaches.

Major Initiatives

With a fast-growing population, Longwood has been more attractive than ever to new development but has also been fortunate enough to see huge investments from long-time

community partners. Orlando Health South Seminole completed a \$20 million expansion including a new cardiac catheterization lab and a new entryway and lobby. UPS commenced construction on a \$27 million, 55,000 SF expansion to its Longwood distribution facility, which will add more than 40 high-paying jobs. Kustom US, a national property restoration firm, expanded its Longwood headquarters and looks to continue its impressive growth in the new location. These investments were bolstered by the opening of the city's long-awaited first Publix grocery store – which is a unique location situated to directly serve a number of great neighborhoods – as well as the opening of a new LA Fitness location that brought new life to a key gateway. Alta Longwood, a 263-unit apartment community, is nearing completion and will bring hundreds of new residents to Longwood's Heritage Village. The same developer, Wood Partners, announced the new 348-unit Alta Cypress community, which will join Lyman High School and Northland Church in anchoring new retail development at the fast-developing intersection of Dog Track Road and Ronald Reagan Boulevard. Longwood also was a leader in allowing businesses the flexibility to deal with the challenges created by COVID-19 through hassle-free expansions of temporary signage and outdoor dining standards to remove the red tape and help businesses during the pandemic.

Over the past year, the Longwood Fire Department has made some significant advances improving our efficiency and providing a safer and more consistent level of service to the citizens we proudly serve.

During this budget year, we were able to replace the oldest rescue truck in our fleet with a state of the art, 2020 model. This unit now proudly serves on the eastside of our city.

Like most of society the Fire Department has embraced technology to help us provide the highest level of service to our citizens. To support this technology, we installed mobile routers in all of our emergency vehicles to provide consistent internet connectivity. This upgrade provides emergency dispatch information during calls for service and supports our report writing tablets for collection of emergency medical information.

The department continues to prioritize the health and safety of our firefighters. To support this mission, we sponsored one of our members to receive advanced training in occupational cancer prevention and awareness. We were also able to upgrade a portion of our firefighter's protective clothing.

Additionally, we continue to focus on employee development by making it possible for our employees to attend local conferences as well as pursue job related courses at accredited teaching institutions. This not only allows for the sharing of new ideas and common solutions to the problems facing all fire departments. Three of our current firefighters successfully completed the year-long training to receive State of Florida Paramedic certification. We are continually investing in our next generation of public servants.

The members of the Longwood Police Department are truly committed to our community. They continue to diligently serve the law enforcement needs of city residents and many more who work and travel through the City of Longwood.

The members of the police department place great emphasis on community relations, and this has resulted in a strong relationship between the police department staff and the community it serves. This dedication to community relations includes officers interacting with members of the public regularly at neighborhood meetings, as well as attending community events at schools, churches, and many other functions. One of the many programs the Longwood officers participate in is the City of Longwood National Night Out. This is an entire evening that officers devote to the community by teaching crime prevention techniques, providing safety equipment to children, and promoting a police-community partnership. Officers also assist the city by coordinating the Longwood Christmas Parade, leading the Santa Run, and overseeing the safety of citizens and visitors that participate in our many local 5K races.

The department organized a community engagement group in 2020 which included a diverse group of community stakeholders, and the group's work led to the organization of the Longwood Police Department Community Forum. The Forum allows the public to interact with members of the department directly and be provided current internal information about the organization as well as crime statistics and other topics of community interest.

The department made technological improvements recently as well to promote transparency and continue to promote positive community relations. The agency has maintained in-car video camera systems in our patrol vehicles for more than 20 years. This equipment was updated in 2020 with the latest technology in body-worn cameras, and now all uniformed personnel are using these cameras in the field. The department's web page was updated with useful information designed to promote transparency with the public. All the department's policies can now easily be accessed on-line as can instructions for complimenting or critiquing the department or an officer's performance.

The department also offers services which encourage citizen involvement. Our volunteer Citizens On Patrol Program (C.O.P.) provides the opportunity for adults of all ages to assist the department by assisting the community. The police department has an active youth-based program called Longwood Police Explorers. The explorers program allows Longwood officers to mentor youth and introduce them to leadership and management skills. Explorers also learn the importance of ethical decision making and teamwork.

The department maintains a constant social media presence. Our community relations staff routinely share community posts and engage the public on multiple social media platforms. Social media has become one of our primary platforms to notify the public of crime prevention techniques. Social media has also been extremely beneficial in our effort to make the public aware of the services we provide, events taking place in the city, and interacting with citizens who might rarely have any law enforcement interaction.

The police department has also actively engaged our business community by offering unique services to promote safety in the work place, create lines of communication, and promote positive relationships with local business owners and those who frequent the businesses. Over the last year, the department initiated a Business Watch Program to connect with business owners and ensure law enforcement officers have current contact information in case of

emergency. Each business is also provided a business watch sticker for their entry door to point out their participation. Additionally, police personnel have created active shooter training designed to improve safety in the work place This training was provided to multiple businesses and churches in the city. Another service the police department offers is commercial site inspections where officers offer on- site crime prevention suggestions with improvements in environmental design concepts.

The police department has two sworn officers assigned as school resource officers at Lyman High School. A third school resource officer is assigned to Longwood Elementary. These officers provide greater security as well as student leadership, instruction, counseling, and mentoring services. All school resource officers attend quarterly trainings that prepare them for a variety of school related issues, which in turn allows us to secure our schools with exceptionally well trained and capable officers.

The City of Longwood has recently been recognized by AARP as being an Age Friendly City. The police department has created and continues to oversee several age friendly programs. With the assistance of Citizens On Patrol, the police department has created an RUOK Program, where volunteers are able to continually check on our elderly, special needs and at-risk residents. The police department has also teamed up with local agencies and are active in the Bring The Lost Home Project. This program allows officers to be able to trap the scent of those diagnosed with Alzheimer 's disease, Dementia, or Autism. This scent can then be used to assisting tracking canines in the event that a person is reported missing.

The Longwood Police Department was first accredited through the Commission for Florida Law Enforcement Accreditation (C.F.A.) in 2002. After several reaccreditation cycles, the police department was once again reaccredited in October of 2020 after continuing to demonstrate full compliance with all C.F.A. accreditation standards. The result of this most recent assessment serves as further confirmation of the department's dedication to provide professional service to the community.

The Longwood Public Works Department is made up of approximately 30 employees who are dedicated to Longwood's mission statement of "Fostering citizen trust and cultivating a prosperous community." The Department has many responsibilities to include Engineering, Streets, Stormwater, and Utilities. The department works together in close coordination with all of our city departments to deliver services every day to our 16,000+ residents.

Each of the Department's teams were faced with the challenges of continuing the work of maintaining the City's roads, water and sewer systems, while adapting to the safety guidelines including masks and social distancing for public health during the COVID-19 pandemic. Public Works took advantage of the shutdowns by utilizing the downtime for maintenance of our normally busy roadways and facilities by performing roughly 1,000 pothole repairs, a number of sidewalk improvements including the removal and replacement of sidewalks in several areas including Columbus Harbour, Tiberon, and Rangeline Road. Additionally, Public Works coordinated quarterly roadway sweepings, updated roadway markings and restriping, added lighting on Church Avenue and Warren Avenue, coordinated Duke Energy LED lighting

upgrades, monitored and maintained a full tree trimming schedule, and addressed any citizen concerns to help keep our Longwood community safe and operating smoothly.

On the Engineering side, in conjunction with Florida Department of Transportation (FDOT), the city is finalizing the design of a trail and sidewalk project along Church Avenue and Grant Street which will provide Longwood residents with direct access to the Cross Seminole Trail. Construction of the trail and sidewalks is planned for late summer of 2021. Further, the Public Works Department has partnered with FDOT for a complete streets concept study project on West Warren Ave., which will include enhanced crosswalks, sidewalks, and bicycle facilities. Engineering is also taking a lead role working on multiple beautification projects within the city which includes adding landscaping to the pond at SR 434 and I-4 as a gateway into Longwood, and landscaping on US 17-92 from Raven Avenue to Dog Track Road.

Staff continues to coordinate compliance of the Citywide Americans with Disabilities Act (ADA) program by adding curb cut ramps and detectable warning mats. Public Works is also actively engaged as a member of MetroPlan Orlando Technical Advisory Committee and Transportation Systems Management and Operations Committees, SunRail Technical Advisory Committee, and a member the City's Bicycle and Pedestrian Advisory Committee. The Department also plays a critical role in the review and inspection of private development in the City with stormwater management, infrastructure plans, right-of-way access, traffic studies, and more.

Public Works keeps the city compliant with annual stormwater regulations established by the Environmental Protection Agency (EPA) and with the National Pollutant Discharge Elimination System MS4 (NPDES) permit for discharge of stormwater from Municipal Separate Storm Sewer Systems. The Public Works Stormwater Division worked together with property owners to improve and clean various lakes and ponds to reestablish stormwater capacity. The Public Works Stormwater Division also provided storm event information and preparedness to our community, continuously clearing and maintaining storm drains, monitoring lake levels as well as implementing a citywide sandbag operation program.

Public Works utility staff applied for and successfully received over \$2,900,000 in grant and low interest loan funding in 2020 from the St. Johns River Water Management District (SJRWMD) and the Florida Department of Environmental Protection (FDEP) which aided in funding the Longwood Septic Tank Abatement program. With this funding, we were able to add new sewer connections and abandon an additional 80 septic tanks this year as well as install approximately 4,000 lineal feet of sewer main lines to provide sewer service to residential properties. In total, over 350 septic tanks have been abandoned and removed in the history of the program so far. Additionally, this year, with these funding sources the City of Longwood and the City of Altamonte Springs joined together to construct a \$3,800,000 sewer project which is approximately 17,000 feet of a 16" in diameter force main line. The new pipeline now sends wastewater generated from the new sewer connections and the rest of the City to Altamonte Springs for treatment.

This was an “extraordinary” year for Longwood Leisure Services. The 2019 fall and winter events such as the Longwood Arts and Crafts Festival, Truck or Treat, Celebrate the Season, Longwood Christmas Parade etc., helped garner crowds into the thousands and were well received. With the onset of COVID-19 beginning in February 2020, many events and programs had to be either cancelled or postponed. There were however a few bright spots during the pandemic. Throughout the year and despite COVID-19, we were able to keep all of our parks open safely so that the citizens could enjoy some quality recreational time and escape from the confines of being stuck inside when everything was closed down. We are also proud that Longwood hosted one of the only municipal summer camp programs in the county. Following COVID-19 guidelines to ensure the safety of our campers and counselors was paramount. Throughout the nine-week program, not one child contracted COVID-19 while in camp.

The City set a new banner program into motion which features 76 new banners along Ronald Reagan Blvd. Longwood businesses are able to advertise on the bottom portion of the banner while the top portion features scenic images of Longwood. With the support of the Longwood City Commission, the department has been able to plan out more city sponsored special events than any other municipality within the county.

Leisure Services has successfully carried out its vision of becoming a Monarch City USA member and currently has a burgeoning butterfly garden located in the tranquility area within Reiter Park. Hundreds of butterflies can be seen here during certain times of the year.

With funding from a Children’s Florida Recreation Development Assistance Program (FRDAP) grant there have been major upgrades at Candyland Park in the form of a new BMX pump track as well as a brand-new playground at Candyland Park. Both additions have been attracting widespread crowds. The pump track is one of a kind in the Central Florida region and has garnered much praise from the public. More updates to the skate park have been planned and should come to fruition in the near future.

The Farmers Market closed down in February for a period of time due to COVID-19, but reconvened under safe guidelines in June and continues to maintain a strong following. Our other reoccurring events, such as the car show and Thursday night food trucks provide great settings for those who enjoy local activities. We are looking forward to the impending renovation of the clock tower area as well as the parking lot in front of the historic hotel. With this renovation, the Leisure Services Department looks to possibly host some events in this area. The upgrades in electrical, lighting and spacing will be very conducive to smaller events.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Longwood for its comprehensive annual financial report for the fiscal year ending September 30, 2019. This was the twenty fourth year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1) year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this Comprehensive Annual Financial Report on a timely basis was made possible through the efficient, dedicated and professional efforts of everyone in the Financial Services Department. The significant amount of year-end closing procedures required prior to the audit could not have been accomplished without much hard work and personal sacrifice.

Appreciation must also be expressed to the City's auditors, McDirmit, Davis, & Company, LLC, whose suggestions and attention to detail enhanced the quality of this report.

Other City Departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year.

In closing, special thanks go to the Mayor and Commission for their unfailing support for maintaining the highest standards of professionalism in the management of Longwood's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Clint Gioielli". The signature is fluid and cursive, with the first name "Clint" being more prominent.

Clint Gioielli,
Acting City Manager

A handwritten signature in black ink, appearing to read "Judith Rosado". The signature is cursive and elegant, with the last name "Rosado" being more prominent.

Judith Rosado, MBA, MSA
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Longwood
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrell

Executive Director/CEO

MAYOR
DEPUTY MAYOR
COMMISSIONER
COMMISSIONER
COMMISSIONER
ACTING CITY MANAGER
CITY ATTORNEY
CITY CLERK
POLICE CHIEF
FIRE CHIEF
DIRECTOR OF FINANCIAL SERVICES
DIRECTOR OF COMMUNITY DEVELOPMENT
DIRECTOR OF HUMAN RESOURCES
DIRECTOR OF LEISURE SERVICES
DIRECTOR OF INFORMATION TECHNOLOGY
PUBLIC WORKS DIRECTOR

Richard Drummond
Abby Shoemaker
Matt Morgan
Brian D. Sackett
Matt McMillan
Clint Gioielli
Daniel Langley
Michelle Longo
David Dowda
Michael Peters
Judith Rosado
Chris Kintner
Lee Ricci
Chris Capizzi
Craig Dunn
Shad Smith

Citizens of Longwood

Elected Officials

Richard Drummond, Mayor – District 2
Abby Shoemaker, Deputy Mayor – District 1
Brian D. Sackett, Commissioner – District 5
Matt Morgan, Commissioner – District 4
Matt McMillan, Commissioner – District 3

Acting City Manager

Clint Gioielli

City Clerk

Michelle Longo

City Attorney

Dan Langley

Human Resources/Risk Management

Lee Ricci
Director

Community Development

Chris Kintner
Director

Financial Services

Judith Rosado
Director

Information Technology

Craig Dunn
Director

Public Works

Shad Smith
Director

Leisure Services

Chris Capizzi
Director

Fire Department

Mike Peters
Fire Chief

Police Department

David Dowda
Chief of Police

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Longwood, Florida

Report on the Financial Statements

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 Longwood, Florida* (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, and the respective changes in financial position, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit information, and budgetary comparison schedule on pages 3 through 13 and 60 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 introductory section, combining and individual nonmajor fund financial statements and statistical section, and the Schedule of Expenditures of State Financial Assistance (the Schedule) as required by the audit requirements of Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules, and the Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McDiarmid Davis

Orlando, Florida
March 31, 2021

The City of Longwood, Florida's (the City) management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page i) and the City's financial statements (beginning on page 14).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2020 by \$65,093,543 (net position). Of this amount, \$(3,162,448) (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As a result of the current year's activities, the City's total net position increased by \$1,549,214 or 2.4%.
- At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$9,588,421, an increase of \$1,819,691. Approximately 43.9% of this total amount, \$4,204,538, is available for spending at the City's discretion (unassigned fund balance).
- At the close of the most recent fiscal year, unassigned fund balance for the general fund was \$4,252,800 or 25.1% of total general fund expenditures.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$2,073,663 or 10.3%.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, physical environment, highway and streets, sanitation and parks and recreation. The business-type activities of the City include a Public Utilities system.

The government-wide financial statements include only the City itself (known as the primary government). There are no component units. The Public Utilities system functions as a department of the City, and therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City'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. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the Public Facilities Improvement Fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the Notes to the Financial Statements.

The basic governmental fund financial statements can be found on pages 16-21 of this report.

Proprietary Funds

The City maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Public Utilities system.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-59 of this report.

Required Supplementary Information (RSI)

RSI can be found on pages 60-64 of this report.

Other Information

The budget schedules for the major capital projects fund is on pages 65 after the RSI. The combining statements referred to earlier in connection with nonmajor governmental funds are presented after this. Combining and individual nonmajor governmental fund statements and schedules can be found on pages 66-78 of this report.

Government-Wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$65,093,543 at the close of the most recent fiscal year.

Over half (\$63,775,023 or 98%) of the City's net position reflect its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, 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 be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position \$4,480,968 (or 6.9%) represents resources that are subject to external restrictions on how they may be used. Assets restricted include the Special Law Enforcement Trust Fund, restrictions for building permits and inspections, and amounts restricted for renewal and replacement of the Public Utilities.

Unrestricted net position (\$3,162,448) or (4.9%) may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed Statement of Net Position for the current and prior year. For more detail see the Statement of Net Position on page 14.

Statement of Net Position
As of September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 12,258,053	\$ 10,548,818	\$ 755,123	\$ 414,858	\$ 13,013,176	\$ 10,963,676
Capital assets	44,703,909	45,762,971	34,892,760	31,139,310	79,596,669	76,902,281
Total assets	56,961,962	56,311,789	35,647,883	31,554,168	92,609,845	87,865,957
Deferred Outflows of Resources						
Deferred outflow of pension and OPEB	3,363,742	3,438,610	124,106	75,250	3,487,848	3,513,860
Liabilities:						
Current liabilities	2,138,197	1,815,964	808,701	1,233,533	2,946,898	3,049,497
Long-term liabilities	16,923,447	16,142,359	9,296,967	6,088,382	26,220,414	22,230,741
Other liabilities	-	-	219,193	236,273	219,193	236,273
Total liabilities	19,061,644	17,958,323	10,324,861	7,558,188	29,386,505	25,516,511
Deferred Inflows of Resources						
Deferred inflow of pension and OPEB	1,543,510	2,240,376	74,135	78,601	1,617,645	2,318,977
Net Position:						
Net investment in capital assets	34,389,184	35,441,291	29,385,839	25,625,720	63,775,023	61,067,011
Restricted for:						
Renewal and replacement	-	-	2,290,157	2,020,980	2,290,157	2,020,980
Capital projects	-	-	940,242	862,019	940,242	862,019
Building permits and inspections	1,104,091	-	-	-	1,104,091	-
Special law enforcement	146,478	144,930	-	-	146,478	144,930
Unrestricted	4,080,797	3,965,479	(7,243,245)	(4,516,090)	(3,162,448)	(550,611)
Total net position	\$ 39,720,550	\$ 39,551,700	\$ 25,372,993	\$ 23,992,629	\$ 65,093,543	\$ 63,544,329

Statement of Changes in Net Position.

The table on page 8 reflects the Statement of Changes in Net Position for the current and prior year. For more detailed information see the Statement of Activities on page 15.

Note that the City's net position increased by \$1,549,214 or 2.4% in fiscal year 2020. The previous fiscal year, 2019, net position increased by \$836,422 or 1.3%.

Governmental activities increased net position by \$168,850 in fiscal year 2020 compared to an increase of \$129,857 in 2019. The decrease in 2020 is due to increased transfers.

Business-type activities increased net position by \$1,380,364 in fiscal year 2020 compared to an increase of \$706,565 in 2019. The increase in 2019 is due to increased transfers.

Following the Changes in Net Position table is a series of bar and pie charts that relay in pictorial form the revenues and expenses for each of the governmental and business-type activities as well as the revenue 'source' for each.

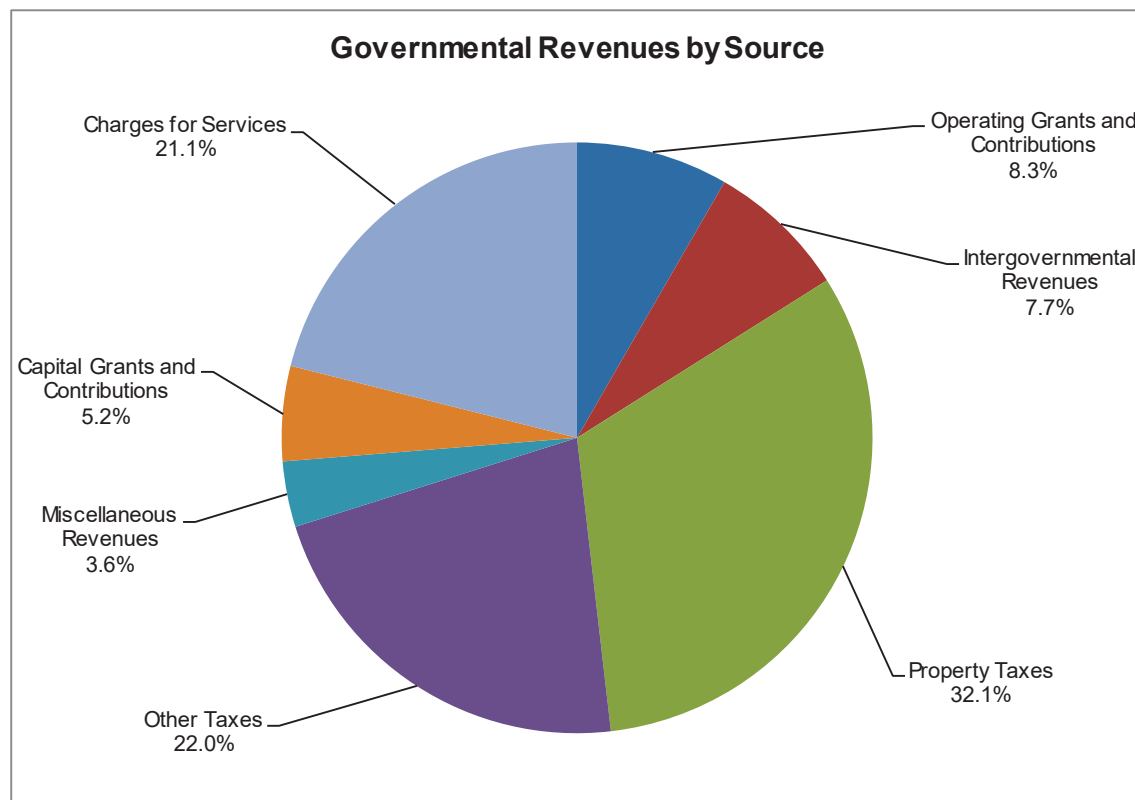
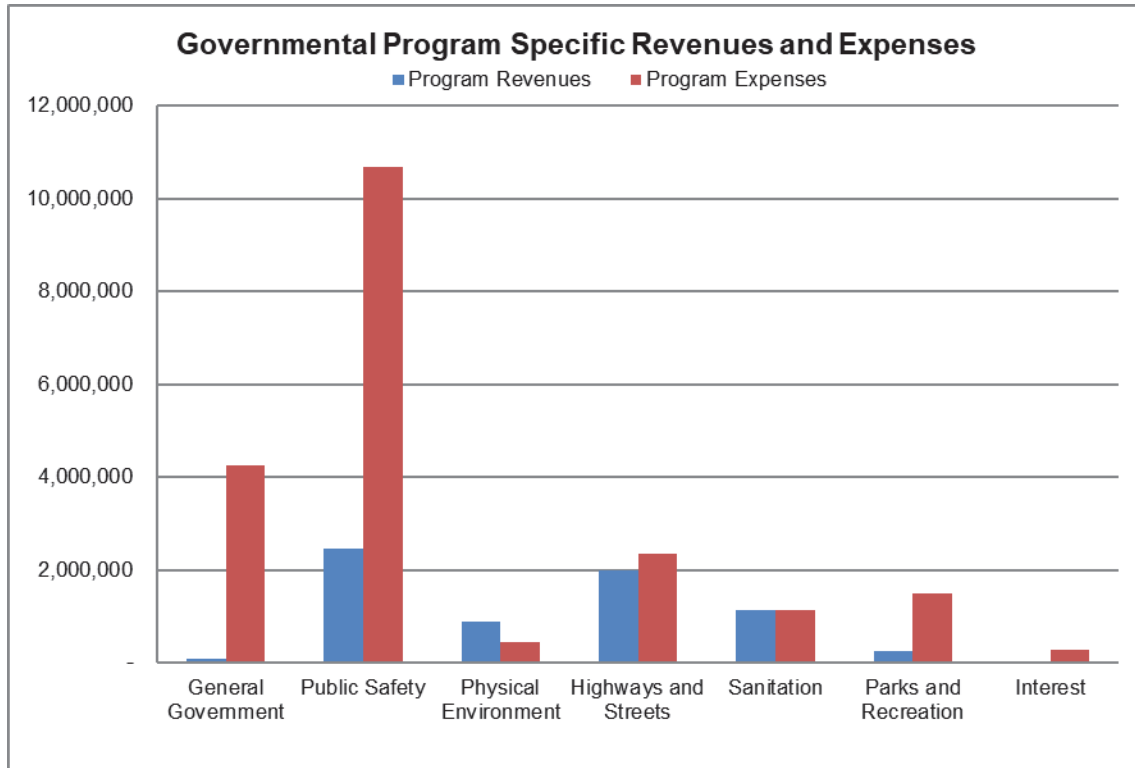
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 11.

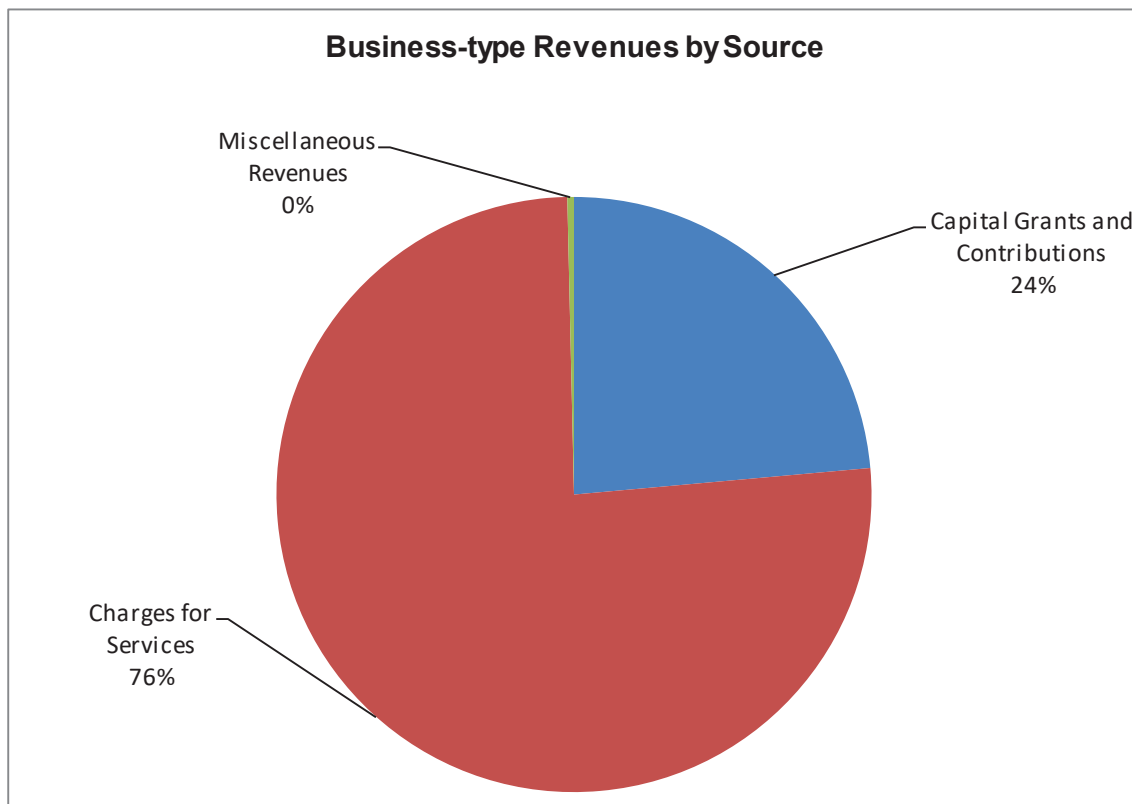
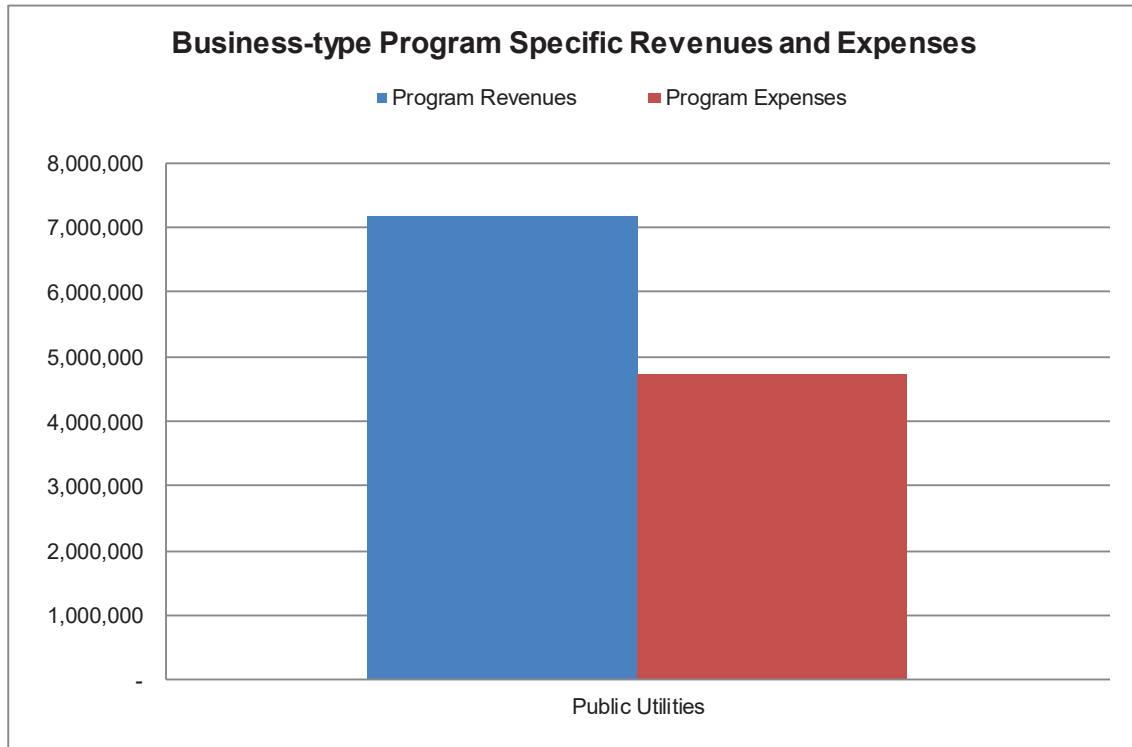
Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, franchise and utility taxes, communication services tax, intergovernmental revenue, investment earnings or miscellaneous revenue. This chart is intended to show the amount of program expenses funded by specific program revenues.

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**Changes in Net Position
For the Year Ended September 30,**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,150,575	\$ 4,590,700	\$ 5,482,548	\$ 5,159,085	\$ 9,633,123	\$ 9,749,785
Operating grants and contributions	1,638,454	1,238,089	-	-	1,638,454	1,238,089
Capital grants and contributions	1,020,729	1,029,530	1,699,372	1,084,136	2,720,101	2,113,666
General revenues:						
Property taxes	6,325,018	5,898,540	-	-	6,325,018	5,898,540
Other taxes	4,324,368	4,220,126	-	-	4,324,368	4,220,126
Other	2,229,380	2,072,237	34,885	47,490	2,264,265	2,119,727
Total revenues	19,688,524	19,049,222	7,216,805	6,290,711	26,905,329	25,339,933
Expenses:						
General government	4,251,484	4,557,783	-	-	4,251,484	4,557,783
Public safety	10,675,460	10,240,166	-	-	10,675,460	10,240,166
Physical environment	439,398	288,174	-	-	439,398	288,174
Highways and streets	2,345,571	2,472,903	-	-	2,345,571	2,472,903
Sanitation	1,135,921	1,084,575	-	-	1,135,921	1,084,575
Parks and recreation	1,500,607	1,406,858	-	-	1,500,607	1,406,858
Interest on long-term debt	271,832	274,541	-	-	271,832	274,541
Public utilities	-	-	4,735,842	4,178,511	4,735,842	4,178,511
Total expenses	20,620,273	20,325,000	4,735,842	4,178,511	25,356,115	24,503,511
Increase (decrease) in net position before transfers	(931,749)	(1,275,778)	2,480,963	2,112,200	1,549,214	836,422
Transfers	1,100,599	1,405,635	(1,100,599)	(1,405,635)	-	-
Increase in Net Position	168,850	129,857	1,380,364	706,565	1,549,214	836,422
Net position, October 1	39,551,700	39,421,843	23,992,629	23,286,064	63,544,329	62,707,907
Net position, September 30	\$ 39,720,550	\$ 39,551,700	\$ 25,372,993	\$ 23,992,629	\$ 65,093,543	\$ 63,544,329





Financial Analysis of the City's Funds

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

Governmental Funds

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

As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$9,588,421, an increase of \$1,819,691, from the prior year. Approximately 43.9% or \$4,204,538 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$5,383,883, is either nonspendable, as prepaids and advances, restricted for special revenue funds, committed to capital projects, or assigned to subsequent year expenditures or capital projects.

The General Fund is the primary operating fund of the City. At September 30, 2020, the unassigned fund balance of the General Fund was \$4,252,800 while the total fund balance was \$5,285,679. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25.1% of total General Fund expenditures, while total fund balance represents 31.1% of that same amount. The fund balance of the General Fund increased by \$1,357,487 due to an increase in revenues. Property taxes, which comprised 32.1% of the City's governmental activity revenues, increased by \$426,478. This increase was primarily due to the increase in taxable value of property in the City. Other increases in revenue this year were due to reimbursements received from FEMA for hurricanes Irma and Dorian by \$707,125, and other miscellaneous revenue by \$487,501. Expenses also increased this year by \$295,273 when compared to prior year expenses of \$20,325,000 to this year \$20,620,273; and increased revenues offset by increased expenses. This is the second year in a row that revenues exceeded expenditures.

The Public Facilities Improvement Fund has a total fund balance of \$1,996,131. The fund realized an increase in total fund balance of \$30,835 in 2020 due to savings associated with expenditures budgeted but not incurred.

Proprietary Funds

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

At September 30, 2020, unrestricted net position of the Public Utilities Enterprise Fund amounted to \$(7,243,245) and total net position increased \$1,380,364. This increase is due to grant revenues.

General Fund Budgetary Highlights

Differences between the original General Fund budgeted expenditures and transfers out and the final amended General Fund budget amounted to \$113,298. The increase in appropriations can be briefly summarized as follows: \$95,000 increased budget for consulting services; \$9,510 increased budget for lease vehicles; \$1,234 increased budget for debt service; and \$7,553 budgeted for reappropriation of funds unused in the prior fiscal year.

Actual expenditures were less than final appropriations by \$1,725,742, a variance of 10%, due to savings associated with personnel services (vacant positions, terminations); savings associated to liability insurance and insurance deductible expenses; and savings associated with operating expenditures budgeted but not incurred in desire to reduce spending due to the downturn in the economy.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$79,596,669 (net of accumulated depreciation), for an increase of \$2,694,388 over the prior year. This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 3.5% (a 2.3% decrease for governmental activities, and a 12.1% increase for business-type activities).

Major capital assets completed or acquired during the current fiscal year included the following:

- North CR 427 (Ronald Reagan) Septic Abatement \$2,079,303
- FRDAP Candyland Park \$287,788

Major capital assets included in construction in progress:

- Resurfacing of local streets \$23,360
- ADA Transition Plan Community Building \$14,050
- Ronald Reagan Boulevard Complete Street \$10,242
- Bicycle Pedestrian Plan Projects \$38,857
- Corridor Landscaping/Hardscaping \$365,194
- Reiter Park \$76,993
- 17-92 Median Landscaping \$13,308
- AMI Meter Installation \$89,896
- AC Water Main Replacement \$873,304
- Lift Station Rehabilitation \$25,600
- New Main Connect Wildmere Lift Station \$54,022
- Longdale Septic Tank Abatement \$47,221
- E Longwood Septic Tank Abatement \$1,982,965
- E Longwood Septic Tank Abatement PH2 \$95,431
- Grant Street WM Replacement \$22,276
- Longwood Transmission Main \$199,539
- Water Plan R&R \$7,223
- Rock Lake Outfall \$27,852
- Update to Stormwater master plan \$81,914
- Bennett Drive/UPS Pond \$31,411

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Additional information on the City's capital assets can be found in Note 6 of this report.

City of Longwood, Florida

Capital Assets (Net of Depreciation)

As of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,672,052	\$ 5,672,052	\$ 462,581	\$ 462,581	\$ 6,134,633	\$ 6,134,633
Buildings	2,194,514	2,309,147	26,302	29,342	2,220,816	2,338,489
Improvements Other Than Buildings	4,037,045	4,336,817	23,951,731	22,497,608	27,988,776	26,834,425
Infrastructure	24,125,866	24,958,165	-	-	24,125,866	24,958,165
Vehicles and Equipment	2,303,735	2,222,672	267,420	337,016	2,571,155	2,559,688
Intangibles	-	-	3,538,085	3,582,704	3,538,085	3,582,704
Construction in Progress	6,370,697	6,264,118	6,646,641	4,230,059	13,017,338	10,494,177
Total capital assets, net	\$ 44,703,909	\$ 45,762,971	\$ 34,892,760	\$ 31,139,310	\$ 79,596,669	\$ 76,902,281

Noncurrent Liabilities

At September 30, 2020, the City had no general obligation or revenue bond debt outstanding. Increases in long term debt is due to new debt issued exceeding principal payments.

Additional information on the City's noncurrent liabilities can be found in Note 9 of this report.

City of Longwood, Florida

Noncurrent Liabilities

As of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ 89,723	\$ 248,586	\$ -	\$ 34,800	\$ 89,723	\$ 283,386
Note Payable	10,225,002	10,073,094	8,506,921	5,478,790	18,731,923	15,551,884
Total	\$ 10,314,725	\$ 10,321,680	\$ 8,506,921	\$ 5,513,590	\$ 18,821,646	\$ 15,835,270

Economic Factors and Next Year's Budgets and Rates

During the current fiscal year, fund balance in the General Fund increased by \$1,357,487 to \$5,285,679. The City has appropriated \$381,869 of this amount for spending in the 2020/2021 fiscal year budget. It is intended that this use of available fund balance will reduce the need to raise taxes and minimize fee increases during the 2020/2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Director, 175 West Warren Avenue, Longwood, FL 32750. The Comprehensive Annual Financial Report is also available at the City's website located at www.longwoodfl.org.

Historic

LONGWOOD



F l o r i d a

BASIC FINANCIAL STATEMENTS

Historic

LONGWOOD



F l o r i d a

City of Longwood, Florida
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 6,216,220	\$ -	\$ 6,216,220
Investments	2,458,179	-	2,458,179
Accounts receivable, net of allowance	639,681	609,570	1,249,251
Due from other governmental units	736,871	539,136	1,276,007
Internal balances	1,603,396	(1,603,396)	-
Prepays	23,509	1,170	24,679
Net pension asset	580,197	-	580,197
Restricted cash	-	1,166,435	1,166,435
Impact fees and assessments receivable	-	42,208	42,208
Capital assets:			
Not being depreciated	12,042,749	7,109,222	19,151,971
Being depreciated, net	32,661,160	27,783,538	60,444,698
Total assets	56,961,962	35,647,883	92,609,845
Deferred Outflows of Resources			
Deferred outflows of pensions	2,980,906	75,774	3,056,680
Deferred outflows related to OPEB	382,836	48,332	431,168
Total deferred outflows of resources	3,363,742	124,106	3,487,848
Liabilities:			
Accounts payable and other current liabilities	1,691,905	808,701	2,500,606
Due to other governmental units	51,667	-	51,667
Unearned revenues	267,380	-	267,380
Customer deposits	-	219,193	219,193
Accrued interest	127,245	-	127,245
Noncurrent liabilities:			
Due within one year	1,657,152	590,182	2,247,334
Due in more than one year	15,266,295	8,706,785	23,973,080
Total liabilities	19,061,644	10,324,861	29,386,505
Deferred Inflows of Resources:			
Deferred inflows of pensions	1,397,252	55,670	1,452,922
Deferred inflows related to OPEB	146,258	18,465	164,723
Total deferred inflows of resources	1,543,510	74,135	1,617,645
Net Position:			
Net investment in capital assets	34,389,184	29,385,839	63,775,023
Restricted for:			
Renewal and replacement	-	2,290,157	2,290,157
Capital projects	-	940,242	940,242
Building permits and inspections	1,104,091	-	1,104,091
Special law enforcement	146,478	-	146,478
Unrestricted	4,080,797	(7,243,245)	(3,162,448)
Total net position	\$ 39,720,550	\$ 25,372,993	\$ 65,093,543

Historic

LONGWOOD



F l o r i d a

City of Longwood, Florida
Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Program Revenue		Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					Business-type Activities
Governmental Activities:					
General Government	\$ 4,251,484	\$ 97,850	\$ -	\$ -	\$ (4,153,634)
Public Safety	10,675,460	1,988,790	466,763	-	(8,219,907)
Physical Environment	439,398	787,669	110,824	-	459,095
Highways & Streets	2,345,571	-	1,060,867	919,802	(364,902)
Sanitation	1,135,921	1,123,275	-	-	(12,646)
Parks and Recreation	1,500,607	152,991	-	100,927	(1,246,689)
Interest on Long-term debt	271,832	-	-	-	(271,832)
Total governmental activities	20,620,273	4,150,575	1,638,454	1,020,729	(13,810,515)
Business-type activities:					
Public Utilities	4,735,842	5,482,548	-	1,699,372	2,446,078
Total business-type activities	\$ 4,735,842	\$ 5,482,548	\$ -	\$ 1,699,372	\$ 2,446,078
Total primary government	\$ 25,356,115	\$ 9,633,123	\$ 1,638,454	\$ 2,720,101	\$ (13,810,515)
General Revenues:					
Taxes:					
Property taxes					6,325,018
Franchise and utility taxes					3,546,900
Communications services tax					777,468
Unrestricted intergovernmental revenues					1,519,584
Unrestricted investment earnings					25,485
Miscellaneous					642,542
Gain on Sale of Capital Assets					9,255
Transfers					1,100,599
					(1,100,599)
Total general revenues and transfers					13,979,365
Change in net position					(1,065,714)
Net position, beginning					1,549,214
Net position, ending					63,544,329
					\$ 39,720,550
					\$ 25,372,993
					\$ 65,093,543

City of Longwood, Florida
Balance Sheet - Governmental Funds
September 30, 2020

	General Fund	Public Facilities Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,250,766	\$ 126,216	\$ 2,839,238	\$ 6,216,220
Investments	2,458,179	-	-	2,458,179
Accounts receivable (net of allowance for uncollectibles)	472,203	86,503	80,975	639,681
Due from other funds	205,540	-	-	205,540
Due from other governmental units	342,612	90,546	303,713	736,871
Prepays	23,509	-	-	23,509
Advances to other funds	140,000	1,818,396	-	1,958,396
Total assets	\$ 6,892,809	\$ 2,121,661	\$ 3,223,926	\$ 12,238,396
Liabilities:				
Accounts payable	\$ 498,733	\$ 51,541	\$ 315,679	\$ 865,953
Accrued liabilities	803,989	-	21,963	825,952
Due to other funds	-	-	205,540	205,540
Advances from other funds	-	-	355,000	355,000
Due to other governments	42,657	-	9,010	51,667
Unearned revenue	261,751	-	5,629	267,380
Total liabilities	1,607,130	51,541	912,821	2,571,492
Deferred Inflows of Resources:				
Unavailable revenue	-	73,989	4,494	78,483
Fund Balances (deficits):				
Nonspendable	163,509	-	-	163,509
Spendable:				
Restricted	-	-	1,250,569	1,250,569
Committed	-	1,996,131	487,376	2,483,507
Assigned	869,370	-	616,928	1,486,298
Unassigned	4,252,800	-	(48,262)	4,204,538
Total fund balances	5,285,679	1,996,131	2,306,611	9,588,421
Total liabilities, deferred inflows and fund balances(deficits)	\$ 6,892,809	\$ 2,121,661	\$ 3,223,926	\$ 12,238,396

City of Longwood, Florida
**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**
September 30, 2019

Total Fund Balance, Governmental Funds	\$	9,588,421
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		44,703,909
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Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.		78,483
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Deferred inflows and outflows of resources related to pension earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting.		1,820,232
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Net pension asset		580,197
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Capital leases payable	(89,723)
Notes payable	(10,225,002)
Accrued interest payable	(127,245)
Net pension liability	(2,170,709)
OPEB liability	(3,340,535)
Compensated absences	(1,097,478)

Net Position of Governmental Activities in the Statement of Net Position	\$	39,720,550
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City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	General Fund	Public Facilities Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property tax	\$ 6,325,018	\$ -	\$ -	\$ 6,325,018
Franchise tax	1,738,196	-	-	1,738,196
Utility tax	1,808,704	-	-	1,808,704
Communications services tax	777,468	-	-	777,468
Local option gas tax	-	353,742	-	353,742
Licenses and permits	227,803	-	689,267	917,070
Intergovernmental revenue	3,041,042	905,751	100,927	4,047,720
Charges for services	1,973,918	-	758,834	2,732,752
Fines and forfeitures	113,201	-	23,523	136,724
Special assessments	-	22,629	95,091	117,720
Investment earnings	17,762	17,515	22,467	57,744
Miscellaneous revenue	629,338	-	62,213	691,551
Total revenues	16,652,450	1,299,637	1,752,322	19,704,409
Expenditures:				
Current:				
General government	3,520,155	-	-	3,520,155
Public safety	8,939,277	-	537,734	9,477,011
Physical environment	-	-	544,997	544,997
Highways and streets	997,946	80,069	-	1,078,015
Sanitation	1,135,921	-	-	1,135,921
Parks and recreation	1,449,159	-	56,673	1,505,832
Debt Service:				
Principal	605,715	739,356	61,884	1,406,955
Interest and other charges	163,474	56,099	57,262	276,835
Capital Outlay	163,378	393,278	892,450	1,449,106
Total expenditures	16,975,025	1,268,802	2,151,000	20,394,827
Excess (deficiency) of revenues over expenditures	(322,575)	30,835	(398,678)	(690,418)
Other Financing Sources (uses):				
Sale of general capital assets	9,510	-	-	9,510
Proceeds from long-term debt	-	-	1,400,000	1,400,000
Transfers in	1,804,402	-	133,850	1,938,252
Transfers out	(133,850)	-	(703,803)	(837,653)
Total other financing sources (uses)	1,680,062	-	830,047	2,510,109
Net change in fund balances	1,357,487	30,835	431,369	1,819,691
Fund balances, beginning	3,928,192	1,965,296	1,875,242	7,768,730
Fund balances, ending	\$ 5,285,679	\$ 1,996,131	\$ 2,306,611	\$ 9,588,421

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

Year Ended September 30, 2020

Net Change in Fund Balances, total governmental funds:	\$	1,819,691
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for Capital Assets	1,479,088	
Current Year Depreciation	<u>(2,535,042)</u>	(1,055,954)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position	(3,108)
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Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position	(271,271)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other post employment benefits	(239,961)	
Accrued interest	5,003	
Compensated absences	<u>(67,110)</u>	(302,068)

The issuance of long-term debt such as capital leases, provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Proceeds from long-term debt	(1,400,000)	
Principal Payments	<u>1,406,955</u>	6,955

Special assessment revenue reported in the funds in the current year must be eliminated from the statement of activities since revenue was recognized in the prior year.	(25,395)
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Change in net position of governmental activities	<u><u>\$</u></u>	<u>168,850</u>
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Statement of Revenues, Expenditures and Changes in Fund Balances -**Budget and Actual - General Fund**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 6,237,873	\$ 6,237,873	\$ 6,325,018	\$ 87,145
Franchise tax	1,801,535	1,801,535	1,738,196	(63,339)
Utility tax	1,728,834	1,728,834	1,808,704	79,870
Communications services tax	820,128	820,128	777,468	(42,660)
Licenses and permits	188,220	188,220	227,803	39,583
Intergovernmental revenue	3,359,224	3,186,673	3,041,042	(145,631)
Charges for services	2,153,722	2,153,722	1,973,918	(179,804)
Fines and forfeitures	117,600	117,600	113,201	(4,399)
Investment earnings	5,000	5,000	17,762	12,762
Miscellaneous revenue	313,600	801,101	629,338	(171,763)
Total revenues	16,725,736	17,040,686	16,652,450	(388,236)
Expenditures:				
Current:				
General government:				
City commission	101,084	97,140	81,024	16,116
City clerk	417,540	417,540	367,110	50,430
City manager	241,234	241,234	183,019	58,215
City attorney	180,000	183,944	199,943	(15,999)
Personnel	883,469	883,469	628,650	254,819
Purchasing	105,231	105,231	103,205	2,026
Finance	375,231	521,643	473,226	48,417
Community development	924,481	924,481	694,729	229,752
Other-unclassified	915,487	919,439	848,915	70,524
Total general government	4,143,757	4,294,121	3,579,821	714,300
Public Safety				
Police	5,026,990	4,985,497	4,619,183	366,314
Fire	4,903,329	4,903,329	4,642,025	261,304
Total public safety	9,930,319	9,888,826	9,261,208	627,618

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund (Continued)**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Highways and streets:				
Streets and fleet	\$ 1,230,688	\$ 1,230,689	\$ 997,946	\$ 232,743
Total highways and streets	1,230,688	1,230,689	997,946	232,743
Sanitation	1,196,000	1,196,000	1,135,921	60,079
Parks and recreation:				
Recreational programs	1,959,319	1,963,745	1,840,876	122,869
Total parks and recreation	1,959,319	1,963,745	1,840,876	122,869
Capital Outlay	127,386	127,386	159,253	(31,867)
Total expenditures	18,587,469	18,700,767	16,975,025	1,725,742
Excess (deficiency) of revenues over expenditures	(1,861,733)	(1,660,081)	(322,575)	1,337,506
Other Financing Sources (uses):				
Sale of general capital assets	-	9,510	9,510	-
Transfers in	1,804,402	1,804,402	1,804,402	-
Transfers out	(133,850)	(133,850)	(133,850)	-
Total other financing sources (uses)	1,670,552	1,680,062	1,680,062	-
Net change in fund balances	(191,181)	19,981	1,357,487	1,337,506
Fund balance, beginning	3,928,192	3,928,192	3,928,192	-
Fund balance, ending	\$ 3,737,011	\$ 3,948,173	\$ 5,285,679	\$ 1,337,506

City of Longwood, Florida
Statement of Net Position
Proprietary Fund
September 30, 2020

	Public Utilities
Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable, net	609,570
Restricted cash	1,166,435
Receivables from other governments	539,136
Prepaid	1,170
Total current assets	2,316,311
Noncurrent assets:	
Impact fees and assessments receivable	42,208
Capital Assets:	
Not being depreciated	7,109,222
Being depreciated, net	27,783,538
Total noncurrent assets	34,934,968
Total assets	37,251,279
Deferred Outflows of Resources:	
Deferred outflows on pension and OPEB	124,106
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	601,610
Retainage payable	207,091
Due to other funds	1,603,396
Compensated absences	9,756
Customer deposits	219,193
Notes payable	580,426
Total current liabilities	3,221,472
Noncurrent liabilities:	
Compensated absences	87,802
Net pension liability	270,759
OPEB	421,729
Notes payable	7,926,495
Total noncurrent liabilities	8,706,785
Total liabilities	11,928,257
Deferred Inflows of Resources:	
Deferred inflows on pension and OPEB	74,135
Net Position:	
Net investment in capital assets	29,385,839
Restricted for renewal and replacement	2,290,157
Restricted for capital projects	940,242
Unrestricted	(7,243,245)
Total net position	\$ 25,372,993

**Statement of Revenues, Expenses and Changes in Fund Net Position -
Proprietary Fund**

Year Ended September 30, 2020

	Public Utilities
Operating Revenues:	
Charges for sales and services	\$ 5,482,548
Miscellaneous	145
Total operating revenues	5,482,693
Operating Expenses:	
Personnel	1,429,665
Supplies and services	1,749,246
Amortization	171,944
Depreciation	1,264,033
Total operating expenses	4,614,888
Operating income	867,805
Nonoperating Revenues (Expenses):	
Investment earnings	25,485
Gain on sale of capital assets	9,255
Interest expense	(120,954)
Total nonoperating expenses	(86,214)
Income before contributions and transfers	781,591
Capital Contributions	1,699,372
Transfers Out	(1,100,599)
Change in Net Position	1,380,364
Net position, beginning	23,992,629
Net position, ending	\$ 25,372,993

City of Longwood, Florida
Statement of Cash Flows -
Proprietary Fund
Year Ended September 30, 2020

	Business-Type Activities Public Utilities
Cash Flows From Operating Activities:	
Receipts from customers	\$ 5,404,846
Payments to suppliers	(2,111,206)
Payments to employees	(1,267,733)
Net cash provided by (used in) operating activities	2,025,907
Cash Flows From Noncapital Financing Activities:	
Due to other funds	(450,412)
Transfers to other funds	(1,100,599)
Net cash provided by (used in) noncapital financing activities	(1,551,011)
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	(5,248,699)
Sale of capital assets	9,255
Interest payments	(120,954)
Grants	1,853,697
Impact fees	81,132
Principal payments on notes payable and capital leases	(290,549)
Proceeds from notes payable	3,283,880
Net cash provided by (used in) in capital and related financing activities	(432,238)
Cash Flows From Investing Activities:	
Investment income	25,485
Net cash provided by (used in) investing activities	25,485
Net increase (decrease) in cash and cash equivalents	68,143
Cash and cash equivalents, beginning of year	1,098,292
Cash and cash equivalents, end of year	\$ 1,166,435
Classified as:	
Cash and cash equivalents	\$ -
Restricted cash, customer deposits	1,166,435
Total cash and cash equivalents	\$ 1,166,435
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 867,805
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,264,033
Amortization expense	171,944
Increase in accounts receivable	(84,190)
Increase in deferred outflows	(48,856)
Decrease in assessments receivable	23,423
Decrease in prepaid	3,600
Decrease in accounts payable	(365,560)
Increase in OPEB	173,995
Increase in compensated absences	8,647
Decrease in customer deposits	(17,080)
Decrease in deferred inflows	(4,466)
Increase in net pension liability	32,612
Net cash provided by (used in) operating activities	\$ 2,025,907

City of Longwood, Florida
Statement of Fiduciary Net Position -
Fiduciary Fund
September 30, 2020

	<u>Pension Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 176,386</u>
Receivables:	
Employer and employee	<u>251,873</u>
Total receivables	<u>251,873</u>
Investments, at fair value:	
U.S. Government obligations	6,151,455
Equities	<u>15,720,386</u>
Total Investments	<u>21,871,841</u>
Total assets	<u>22,300,100</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 22,300,100</u></u>

City of Longwood, Florida
Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended September 30, 2020

	<u>Pension Fund</u>
Additions:	
Contributions:	
City	\$ 621,751
State	353,595
Employee	<u>48,810</u>
Total contributions	<u>1,024,156</u>
Investment Earnings:	
Net increase in the fair value of investments	1,359,065
Investment Expense	<u>(30,553)</u>
Net investment earnings	<u>1,328,512</u>
Total additions	<u>2,352,668</u>
Deductions:	
Refunds of Contributions	244,179
Administrative Expenses	<u>34,826</u>
Total deductions	<u>279,005</u>
Change in net position	2,073,663
Net position, beginning	<u>20,226,437</u>
Net position, ending	<u><u>\$ 22,300,100</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Historic

LONGWOOD



F l o r i d a

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Longwood, Florida (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow.

Reporting Entity

The City is a political subdivision of the State of Florida located in Seminole County. The legislative branch of the City is composed of a five-member elected Commission (the City Commission). The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the City Manager.

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

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this rule are charges between the City's public utilities function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Public Utilities Fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Major Governmental Funds

General Fund

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

Public Facilities Improvement Fund

A capital projects fund used to account for the general government's construction activities, the majority of which involves roadway improvements.

Nonmajor Governmental Fund Types

Special Revenue Funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Nonmajor special revenue funds include the Special Assessments Fund, the Grant Fund, the Police Education Fund, the Special Law Enforcement Trust Fund, Stormwater Management Fund, the Parks and Events Fund, the Citizens on Patrol (COPs) Fund, the Community Emergency Response Team (CERT) Fund, and the Building Permits and Inspections Fund.

Capital projects funds are used to account for acquisition and construction activity for large -scale projects of the general government. Non-major capital project funds include Capital Projects Fund.

Major Proprietary Fund

Public Utilities Enterprise Fund

Used to account for operations of the City's water and wastewater systems, which are financed and operated in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on a continuing basis are financed or recovered primarily through user charges.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund

Pension Fund

Accounts for contributions to the Florida Municipal Pension Trust Fund.

Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City currently holds \$1,200 available for petty cash.

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." The long-term portion of advances between funds, as reported in the fund financial statements have been classified as nonspendable unless the funds associated with repayment of the advances are otherwise restricted for specific purposes.

All receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 60 days comprise the accounts receivable allowance for uncollectibles.

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2020 was 5.50 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Seminole County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements. All property is reassessed according to its fair market value on January 1 of each year. All taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

Inventory and Prepaid Items

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

Restricted Assets

The use of certain assets may be restricted by specific provisions of debt covenants, state regulations, and/or agreements with various parties. Resources for customer deposits and amounts for impact fees within the Public Utilities Enterprise Fund are segregated and classified as restricted assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received.

The City defines capital assets, in accordance with Chapter 274.02, Florida Statutes, as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Sewer contract cost (purchases of capacity) is capitalized and amortized over the life of the agreement.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 40 years
Improvements other than buildings	10 - 50 years
Infrastructure	20 - 50 years
Vehicles and equipment	3 - 10 years

Compensated Absences

The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's accumulated unused hours and rate of pay, including the City's share of Social Security and Medicare taxes and pension contribution. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences are generally liquidated by the General Fund.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the proprietary fund financial statements and in the applicable governmental or business-type activities column in the government-wide financial statements. Such obligations are recognized as a liability in the governmental funds financial statements only when due.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of pension earnings reported in the enterprise and government-wide statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Flow Assumption

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

Net Position / Fund Balances

The fund government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted net position, and unrestricted net position.

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance of this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents net position that does not meet the definition of "net investment in capital assets" or "restricted."

In the governmental fund financial statements, financial reserves are now classified by components of fund balance per GASB Statement No. 54. Classifications of fund balance are established by City Commissioners and the senior management team and may be classified as committed or assigned. These tentative plans for expenditures can be increased, reduced, or eliminated by similar actions. The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used. See "Note 12 - Fund Balances" for additional information.

Use of Estimates

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

New GASB Statements Implemented

In fiscal year 2020, the City implemented Government Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of provisions in certain other statements. There was no effect on beginning balances of the City for the implementation of this statement.

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NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual appropriations budgets are adopted for all funds except the Pension Trust Fund. Budgets for the governmental funds are adopted on a basis consistent with GAAP, except that on-behalf payments received from the state are not budgeted in the General Fund. Principal and interest are included in the appropriate function on the budget statements.

Budgetary Process and Compliance

1. On or before August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public Hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is enacted through the passage of an ordinance.
4. The City Commission may make supplemental appropriations in excess of those estimated for the year up to the amount of available revenues. During fiscal year 2020 the City made several amendments to the budget.
5. The City cannot legally exceed the budget; however, at any time during the year, the City Commission may, by ordinance, transfer part or all of any unencumbered appropriation balance among programs within a department and/or transfer part or all of any unencumbered appropriation balance from one department to another. The legal level of budgetary control is at the program level (i.e. finance, police, recreation programs), since the City Manager may transfer funds between line items within a program.
6. Unexpended and unencumbered appropriations lapse at year-end.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Deficit Fund Equity

The Special Assessments Special Revenue Fund has a deficit fund balance of \$44,086 and the Police Education Special Revenue Fund has a deficit fund balance of \$4,176 at September 30, 2020.

Appropriations in Excess of Funds Available

Appropriations for the Special Assessments, Police Education Special Revenue Fund were in excess of anticipated revenue and available fund balance. The Special Assessments Special Revenue Fund was established for the purpose of accounting for Neighborhood Beautification Capital Projects Assessments. The assessments are created to be repaid over a ten - thirteen year period. The City Commission elected to provide funding for these projects by using General Fund reserves (in lieu of issuing debt instruments) with the expectation that the transfers would be returned as collected up to the end of the term of the assessments

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

The City's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for each banking relationship. Remaining balances are collateralized pursuant to Chapter 280, Florida Statutes. Under this chapter all depositories holding public funds collateralize deposits in excess of FDIC insurance with the State Treasurer. In the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss.

The City's pooled cash account is held pursuant to a banking services agreement. Interest earned on the pooled cash is allocated monthly among the funds based on the percentage of each fund's cash balances to the total.

Investments

Instead of establishing a written investment policy, the City elected to limit investment to the four categories indicated in Florida Statutes, Chapter 218.415, which are as follows:

1. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Chapter 163.01, Florida Statutes;
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in state-certified qualified public depositories, as defined in Chapter 280.02, Florida Statutes;
4. Direct obligations of the U.S. Treasury.

The City does not have an investment policy that addresses credit risk, concentration of credit risk, custodial credit risk, or interest rate risk. However, all deposits are potentially subject to custodial credit risk. The City policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposit Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2020, all of the City's bank deposits were in qualified public depositories.

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair value to be presented as a component of investment income. Investments are presented at fair value, which is based on available market values. The State Board of Administration (SBA) Local Government Investment Pool (LGIP), operated by the Florida State Board of Administration, is a “2a-7-like” pool in accordance with GASB 31; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value. The LGIP is not a registrant with the SEC; however, the State of Florida does provide regulatory oversight.

Investments held by the City at September 30, 2020 are detailed below:

Investment Type	Fair Value	Credit Rating	Weighted Avg. Maturity
LGIP:			
Florida Prime	\$ 2,458,179	AAAm	48 days

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Investments categorized as Level 2 are reported at the net asset value of fund portfolio, whereby the underlying assets are valued based on quoted prices or market-corroborated input. Investments categorized as Level 3 are reported at the net asset value of the fund portfolio, which is invested in a variety of financial instruments, some of which are valued using significant unobservable inputs.

The City has the following recurring fair value measurements as September 30, 2020:

Investments Valued by Fair Value Level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities:				
FMLvT Diversified Large Cap Equity	\$ 7,959,410	\$ -	\$ 7,959,410	\$ -
FMLvT Diversified Small to Mid Cap	2,248,919	-	2,248,919	-
FMLvT International Equity	3,505,668	-	3,505,668	-
Fixed Income:				
FMLvT Broad Market HQ Bond	3,064,704	-	3,064,704	-
FMLvT Core Plus Fixed Income	3,086,752	-	-	3,086,752
FMLvT Core Real Estate Fund	2,006,389	-	-	2,006,389
	<u>\$ 21,871,842</u>	<u>\$ -</u>	<u>\$ 16,778,701</u>	<u>\$ 5,093,141</u>

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments: Pension Fund

The City adopted an investment policy for the Florida Municipal Pension Trust Fund. The authorized investments include: repurchase agreement, direct obligations of U. S. Treasury, investments purchased by the SBA, commercial paper, bankers' acceptances, certificates of deposit, SEC registered money market funds, obligations of the agencies or instrumentalities of the Federal Government, corporate fixed income securities, Guaranteed Investment Contracts, equity assets, and Florida Municipal Investment Trust Portfolios.

The investments held by the City's Florida Municipal Pension Trust Fund at September 30, 2020 are detailed below:

Investment Type	Fair Value	Weighted Avg. Maturity	Credit Rating
Pension Fund:			
FMLvT Broad market HQ Bond Fund	\$ 3,064,704	6.60 years	Aa/S4
FMLvT Core Plus Fixed Income	3,086,752	5.82 years	Not rated
Equities	15,720,386	N/A	Not rated
Total investments	21,871,842		
Cash and cash equivalents	176,386		
Total cash and investments	<u>\$ 22,048,228</u>		

Interest Rate Risk

The Policy does not specifically address interest rate risk, except to say the manager of the pension trust funds shall apply the prudent person rule.

Credit Risk

The City's investment policy limits credit risk by restricting investments to those authorized above.

Custodial Credit Risk

Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2020, none of the Trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

The City's Trust investment policy requires diversification, and places limits on the percentage of funds that may be invested with an individual issuer and type of investment. The policy established the following limitation on portfolio composition - "a maximum of 70% of portfolio investment in equity securities". At September 30, 2020, there were no security investments in the Trust that were over their respective limitations.

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NOTE 5 RECEIVABLES

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

	Accounts Receivable	Allowance for Uncollectible Accounts	Accounts Receivable, net
Governmental Funds:			
General Fund	\$ 479,638	\$ (7,435)	\$ 472,203
Public Facilities Improvement Fund	86,503	-	86,503
Special Assessments Fund	4,494	-	4,494
Stormwater Management Fund	117,407	(41,188)	76,219
Police Education Fund	262	-	262
	688,304	(48,623)	639,681
Proprietary Fund:			
Public Utilities	683,866	(74,296)	609,570
	\$ 1,372,170	\$ (122,919)	\$ 1,249,251

\$73,989 included in accounts receivable above in the Public Facilities Improvement Fund is not considered to be available to liquidate liabilities of the current period. In addition, \$4,494 included in accounts receivable above in the Special Assessments Special Revenue Fund is not considered to be available to liquidate liabilities of the current period. These receivables totaling \$78,483 are reported as deferred inflows of resources in the governmental funds balance sheet.

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NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,672,052	\$ -	\$ -	\$ 5,672,052
Construction in progress	6,264,118	520,575	(413,996)	6,370,697
Total capital assets, not being depreciated	11,936,170	520,575	(413,996)	12,042,749
Capital assets, being depreciated:				
Buildings	4,978,998	-	-	4,978,998
Improvements other than buildings	7,585,148	20,157	-	7,605,305
Infrastructure	40,262,090	335,269	-	40,597,359
Vehicles and equipment	11,042,552	1,017,083	(377,118)	11,682,517
Total capital assets, being depreciated	63,868,788	1,372,509	(377,118)	64,864,179
Less accumulated depreciation for:				
Buildings	(2,669,851)	(114,633)	-	(2,784,484)
Improvements other than buildings	(3,248,331)	(319,929)	-	(3,568,260)
Infrastructure	(15,303,925)	(1,167,568)	-	(16,471,493)
Vehicles and equipment	(8,819,880)	(932,912)	374,010	(9,378,782)
Total accumulated depreciation	(30,041,987)	(2,535,042)	374,010	(32,203,019)
Total capital assets, being depreciated, net	33,826,801	(1,162,533)	(3,108)	32,661,160
Governmental activities capital assets, net	\$ 45,762,971	\$ (641,958)	\$ (417,104)	\$ 44,703,909

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NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 462,581	\$ -	\$ -	\$ 462,581
Construction in progress	4,230,059	5,030,829	(2,614,247)	6,646,641
Total capital assets, not being depreciated	4,692,640	5,030,829	(2,614,247)	7,109,222
Capital assets, being depreciated:				
Buildings	114,235	-	-	114,235
Improvements other than buildings	40,179,785	2,614,248	-	42,794,033
Vehicles and equipment	1,770,674	31,272	(74,695)	1,727,251
Intangibles	6,750,420	127,325	-	6,877,745
Total capital assets, being depreciated	48,815,114	2,772,845	(74,695)	51,513,264
Less accumulated depreciation for:				
Buildings	(84,893)	(3,040)	-	(87,933)
Improvements other than buildings	(17,682,177)	(1,160,125)	-	(18,842,302)
Vehicles and equipment	(1,433,658)	(100,868)	74,695	(1,459,831)
Intangibles	(3,167,716)	(171,944)	-	(3,339,660)
Total accumulated depreciation	(22,368,444)	(1,435,977)	74,695	(23,729,726)
Total capital assets, being depreciated, net	26,446,670	1,336,868	-	27,783,538
Business-type activities capital assets, net	\$ 31,139,310	\$ 6,367,697	\$ (2,614,247)	\$ 34,892,760

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

Governmental Activities:	
General government	\$ 601,179
Public safety	639,408
Highways and streets	1,238,159
Parks and recreation	56,296
Total depreciation expense, governmental activities	\$ 2,535,042
Business-type Activities:	
Public utilities	\$ 1,435,977

Intangibles represent Wholesale Sewer Capacity rights which are acquired from Seminole County as new connections occur and these rights are amortized over the expected life of the intangible asset (term of contracts). During 2020, \$127,325 additional units were acquired, and amortization was recorded in the amount of \$171,944, resulting in unamortized sewer capacity balance of \$3,538,085 at September 30, 2020.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at September 30, 2020 is as follows:

Receivable fund	Payable fund	Amount
General Fund	Special Assessments Fund	\$ 140,000
Public Facilities Improvement Fund	Special Assessments Fund	215,000
Public Facilities Improvement Fund	Public Utilities Fund	1,603,396
General Fund	Grants Fund	201,102
General Fund	Police Education	4,438

The outstanding balances payable by the Special Assessments Fund and Public Utilities Fund resulted from advances made that are expected to be collected and repaid as collected in future years.

The composition of interfund transfers for the year ended September 30, 2020 is:

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
Transfer Out:			
General fund	\$ -	\$ 133,850	\$ 133,850
Nonmajor governmental funds	703,803	-	703,803
Public utilities Fund	1,100,599	-	1,100,599
Total	\$ 1,804,402	\$ 133,850	\$ 1,938,252

The transfers into the General Fund are to cover costs of utility billing, finance, personnel, purchasing, computer services, City Manager, City Clerk, and other city-wide services.

NOTE 8 LEASES

As lessee:

The City has entered into lease agreements as lessee for financing the acquisition of a storage area network, sewer cleaner truck, fire rescue equipment, police vehicles, radios, and equipment. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date. The aggregate cost and accumulated depreciation of assets acquired through capital leases that remain outstanding are:

	Governmental Activities	Business-type Activities
Asset:		
Vehicles and equipment	\$ 734,773	\$ -
Less: accumulated depreciation	(734,773)	-
	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 were as follows:

Fiscal year ending September 30,	Governmental Activities	Business-type Activities
2021	91,949	-
Total minimum lease payments	91,949	-
Less: amount representing interest	(2,226)	-
Present value of minimum lease payments	\$ 89,723	\$ -

As lessor:

As of September 30, 2020, the City leases certain property pursuant to operating lease agreements which expire in 2056. For the year ended September 30, 2020 rental income totaled \$49,009. Minimum future rentals in years subsequent to September 30, 2020 are:

Fiscal year ending September 30,	Amount
2021	\$ 14,598
2022	14,598
2023	14,598
2024	14,598
2025	14,598
Thereafter	291,960
	\$ 364,950

NOTE 9 LONG-TERM LIABILITIES

The City issued Capital Improvement Revenue Note, Series 2016 in the amount of \$1,312,571 with interest of 2.19% to finance the purchase of various vehicles and equipment. Note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$954,373. For the fiscal year, principal and interest paid on this series was \$127,642. In the event of default the note will bear interest at the default rate, and the noteholder shall be entitled to enforce payment.

The City issued Transportation Improvement Revenue Note, Series 2016 in the amount of \$5,900,000 with interest of 1.45% to finance various transportation improvements. Note is secured local option gas tax and the infrastructure sales surtax. Total principal and interest remaining to be paid on this series is \$3,153,070. For the fiscal year, principal and interest paid on this series was \$788,752 and total pledged revenue was \$1,259,493. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

The City issued Capital Improvement Revenue Note, Series 2017 in the amount of \$4,000,000 with interest of 2.78% to finance park and recreational improvements. Note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$3,922,870. For the fiscal year, principal and interest paid was \$327,096. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

The City issued Capital Improvement Revenue Note, Series 2020 in the amount of \$1,400,000 with interest of 1.8% to finance the purchase of various vehicles and equipment. Note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$1,471,562, no principal or interest was due.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

In 2018, the City executed the Capital Improvement Revenue Note, Series 2017B for the costs of constructing certain park, recreational and other capital improvements and certain costs related to the acquisition and installation of equipment to be located within the City. This agreement provides for total funding of \$2,000,000. The note period is for 10 years with an interest rate of 2.49 percent. The note is secured by a covenant to budget and appropriate. Total principal and interest remaining to be paid on this series is \$1,837,745, and principal and interest paid was \$229,718. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

In 2017, the City executed the Clean Water State Revolving Fund Loan agreement WW590500 for the South Longwood Septic Tank Abatement Phase I project. This agreement provides for total funding of \$4,071,303. The loan period is for 20 years with an interest rate of .91 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$3,994,345, and principal and interest paid was \$228,249.

In 2018, the City executed the Clean Water State Revolving Fund Loan agreement WW590510 for the South Longwood Septic Tank Abatement Phase II project, and Lake Ruth and Springwood Septic Tank Abatement project. This agreement provides for total funding of \$3,002,597. The loan period is for 20 years with an interest rate of .83 percent to 1.17 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$3,164,591, and principal and interest paid was \$129,432 .

In 2019, the City executed the Clean Water State Revolving Fund Loan agreement WW590520 for the Longwood Septic Tank Abatement Transmission Main. This agreement provides for total funding of \$3,410,044. The loan period is for 20 years with an interest rate of 1.26 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$1,501,464, no principal or interest is due in the current year.

In 2019, the City executed the Clean Water State Revolving Fund Loan agreement WW590530 for the East Longwood Septic Tank Abatement Project. This agreement provides for total funding of \$1,108,984. The loan period is for 20 years with an interest rate of .91 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$407,576, no principal or interest is due in the current year.

In 2020, the City executed the Clean Water State Revolving Fund Loan agreement WW590540 for the Longwood Collection System Expansion Project. This agreement provides for total funding of \$3,382,900. The loan period is for 20 years with an interest rate of .40 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. As of September 30, 2020, no amounts have been drawn on the loan.

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

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NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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

Year ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,457,681	\$ 223,477	\$ 580,426	\$ 80,252
2022	1,586,286	190,647	586,150	74,529
2023	1,613,839	160,421	592,163	68,513
2024	1,641,703	129,664	598,243	62,435
2025	1,234,605	98,507	604,385	56,293
2026-2030	2,065,506	243,548	2,388,940	196,201
2031-2035	625,382	26,531	1,865,029	103,624
2036-2040	-	-	1,291,585	23,708
	<u>\$ 10,225,002</u>	<u>\$ 1,072,795</u>	<u>\$ 8,506,921</u>	<u>\$ 665,555</u>

A summary of noncurrent liability activity for the year ended September 30, 2020 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases payable	\$ 248,586	\$ -	\$ (158,863)	\$ 89,723	\$ 89,723
Notes payable - direct borrowing	10,073,094	1,400,000	(1,248,092)	10,225,002	1,457,681
Net pension liability - FRS & HIS	1,909,253	261,456	-	2,170,709	-
OPEB liability	2,881,058	459,477	-	3,340,535	-
Compensated absences	1,030,368	613,954	(546,844)	1,097,478	109,748
	<u>\$ 16,142,359</u>	<u>\$ 2,734,887</u>	<u>\$ (1,953,799)</u>	<u>\$ 16,923,447</u>	<u>\$ 1,657,152</u>
Business-type Activities:					
Capital leases payable	\$ 34,800	\$ -	\$ (34,800)	\$ -	\$ -
Note payable - direct borrowing	41,340	-	(4,149)	37,191	4,251
SRF loan payable	5,437,450	3,343,932	(311,652)	8,469,730	576,175
Net pension liability - FRS & HIS	238,147	32,612	-	270,759	-
OPEB liability	247,734	173,995	-	421,729	-
Compensated absences	88,911	55,039	(46,392)	97,558	9,756
	<u>\$ 6,088,382</u>	<u>\$ 3,605,578</u>	<u>\$ (396,993)</u>	<u>\$ 9,296,967</u>	<u>\$ 590,182</u>

Long-term liabilities of governmental activities are generally liquidated by the General Fund.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Florida Retirement System

City employees hired before December 31, 1995, participate in the Florida Retirement System (FRS), a cost-sharing multiple employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

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

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

The State of Florida issues a report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to Florida Retirement System, Tallahassee, Florida 32399-1560.

Funding Policy:

The FRS has ten (10) classes of membership. Only three (3) classes are applicable to the City's eligible employees. These three (3) classes, with descriptions and contribution rates in effect during the period ended September 30, 2020 are as follows:

Regular Class - Members not qualifying for other classes (13.00% [includes 3% employee contribution] from July 1, 2020 through September 30, 2020 and 11.47% [includes 3% employee contribution] from October 1, 2019 through June 30, 2020.)

Special Risk Class - members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (27.45% [includes 3% employee contribution] from July 1, 2020 through September 30, 2020 and 28.48% [includes 3% employee contribution] from October 1, 2019 through June 30, 2020.)

DROP - Members in DROP program (16.98% from July 1, 2020 through September 30, 2020 and 14.60% from October 1, 2019 through June 30, 2020.)

Plan Description

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

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

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

Contributions

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

These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$157,052 for the fiscal year ended September 30, 2020.

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

At September 30, 2020, the City reported a liability of \$2,089,906 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was .00482 percent, which was a decrease of .0004 percent from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$107,908. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,985	\$ -
Change of assumptions	378,340	-
Net difference between projected and actual earnings on pension plan Investments	124,435	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	354,699
Pension plan contributions subsequent to the measurement date	43,860	-
	<u>\$ 626,620</u>	<u>\$ 354,699</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$43,860 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year Ended September 30,	
2021	\$ 6,227
2022	99,250
2023	87,081
2024	40,960
2025	(5,457)
Thereafter	-
	<u>\$ 228,061</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 %
Salary Increases	3.25%, average, including inflation
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP 2018.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.20%	2.20%	1.20%
Fixed income	19.00%	3.00%	2.90%	3.50%
Global equities	54.20%	8.00%	6.70%	17.10%
Real estate	10.30%	6.40%	5.80%	11.70%
Private equity	11.10%	10.80%	8.10%	25.70%
Strategic investments	4.40%	5.50%	5.30%	6.90%
Total	100.00%			
Assumed Inflation - mean			2.40%	1.70%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	Discount Rate Minus 1% 5.80%	Current Discount Rate 6.80%	Discount Rate Plus 1% 7.80%
City's proportionate share of net pension liability (FRS)	\$ 3,337,229	\$ 2,089,906	\$ 1,048,137

Pension Plan Fiduciary Net Position

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

NOTE 10 **EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

Payables to the Pension Plan

At September 30, 2020, the City reported a payable in the amount of \$20,188 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

HIS Plan

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020 was 1.66% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$15,768 for the fiscal year September 30, 2020.

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

At September 30, 2020, the City reported a liability of \$351,562 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was .0028 percent, which was a decrease of .0003 percent from its proportionate share measured as of June 30, 2019.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$(38,567). In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 37,803	\$ 20,442
Differences between expected and actual experience	14,381	271
Net difference between projected and actual earnings on pension plan investments	281	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	126,569
Pension plan contributions subsequent to the measurement date	4,177	-
	<u>\$ 56,642</u>	<u>\$ 147,282</u>

The deferred outflows of resources related to the HIS Plan, totaling \$4,177 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. 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,	
2021	\$ (35,320)
2022	(23,300)
2023	(19,889)
2024	(10,258)
2025	(5,211)
Thereafter	(839)
	<u>\$ (94,817)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary Increases	3.25%, average, including inflation
Municipal Bond Rate	2.21 % net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate:

	Discount Rate Minus 1% 1.21%	Current Discount Rate 2.21%	Discount Rate Plus 1% 3.21%
City's proportionate share of net pension liability (FRS)	\$ 406,390	\$ 351,562	\$ 306,685

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 Comprehensive Annual Financial Report.

Investment Plan

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

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

There was no pension expense for the City's Investment Plan for the fiscal year ended September 30, 2020, since none of the employees participating in the Florida Retirement System elected the Investment Plan.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Florida Municipal Pension Trust Fund (MPF)

Employees hired after January 1, 1996 participate in one of two public employee retirement systems established under City ordinances. The first is a defined benefit plan for police and firefighters which is included as part of the City's reporting entity in a Pension Trust Fund. The second is a defined contribution plan for all other employees of the City. The second plan is discussed later under the sub-heading General Employee 401 (a) Pension Plan and it is not included as a Pension Trust Fund.

Each plan is independently governed by separate boards of trustees and the City Commission may amend plan provisions by resolution. Assets may not be transferred between plans, or used for any purpose other than to benefit each plan's participants as defined in their authorizing ordinances. The Police and Firefighters Pension board contracts with the Florida Municipal Pension Trust Fund (FMPTF), a private, not-for-profit corporation established by the Florida League of Cities (FLC) for FLC members who wish to use its services. The FMPTF acts as a common investment and administrative agent for its members, contracting with a bank custodian, investment manager and actuary to provide a commingled investment fund and plan valuation services.

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

Plan descriptions and contribution information

Membership of the Police and Firefighters Pension Plan consisted of the following at September 30, 2020:

	Police and Firefighters' Pension Trust
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	60
Active Plan Members	77
	<u>144</u>

Plan Descriptions

The Police and Firefighters Pension Plan (Police and Fire Plan) is a local law, single employer, defined benefit pension plan as defined under Florida Statutes, Chapters 175 and 185, which covers all sworn police officers and firefighters hired after January 1, 1996. Employees are eligible to participate in the plan immediately upon employment with the City, and they are vested in the plan after five years of service. Benefits are available after normal retirement at age 55 with 5 years of service, or at any age with 25 years of service. The normal retirement benefit is the number of years of credited service multiplied by 3% and multiplied by average final monthly compensation.

Benefits Provided

In addition to retirement benefits described above, all participants are also eligible for service incurred disability benefits, as well as non-service incurred disability benefits. The participant is eligible immediately if disability was incurred during the course of his or her employment, however the participant must have earned at least 10 years of credited service if disability was incurred other than during the course of employment with the City. The Plan also has a pre-retirement death benefit. In the case of the death of a vested participant prior to retirement, the beneficiary will receive the participant's monthly accrued benefit payable at normal retirement age for 10 years certain plus an immediate \$50,000 lump sum payment. In the case of the death of a non-vested participant prior to retirement, the beneficiary will receive the participant's accumulated contributions plus an immediate \$50,000 lump sum payment.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Contributions

Employees must make a minimum mandatory contribution of 1%, in order to take advantage of the insurance premium tax rebate provided for in the statutes. City and State contributions are the remaining amount necessary to pay current costs and amortize unfunded past service costs, if any, as provided in Part VII of Chapter 112, Florida Statutes. The actuarially determined employer/state contribution for the year ended September 30, 2020 was 20.27% of covered payroll.

Significant Accounting Policies - Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value.

Net Pension Liability (Asset) - The City's net pension liability (asset) was measured as September 30, 2020, and the pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020. The components of the net pension liability of the sponsor on September 30, 2020 were as follows:

Total Pension Liability (Asset)	\$ 19,083,074
Less Fiduciary Net Position	(19,663,271)
Net Pension Liability (Asset)	<u>\$ (580,197)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.04%

The above plan fiduciary net position, or market value, does not agree to the Statement of Fiduciary Net Position on page 31 because the actuary is not including The DRAGO (Defined Retirement Accumulation Group Obligation) balance of \$2,636,829 This balance is Chapter 175/185 contributions received in excess of the "base amount" which are deposited into the DRAGO Fund.

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.77%
Salary increase	4%
Discount rate	7.00%
Investment rate of return	7.00%

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB. Assumed disability is based on gender and age and ranges from .067% for males and .040% for females at age 25 to 1.00% for males and .84% for females at age 55.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation	Expected Long-Term Real Return
Core Bonds	15.00%	1.60% per annum
Core plus	15.00%	2.10% per annum
U.S. Large Cap Equity	34.00%	4.60% per annum
U.S. Small Cap Equity	11.00%	5.50% per annum
Non-U.S. Equity	15.00%	6.70% per annum
Core real estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.23% per annum

Discount rate

The discount rate used to measure the total pension liability at September 30, 2020 was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balances at September 30, 2019	\$ 16,817,077	\$ (17,809,571)	\$ (992,494)
Changes for a Year:			
Service cost	936,881	-	936,881
Expected interest growth	1,230,672	(1,269,511)	(38,839)
Unexpected investment income	-	79,626	79,626
Demographic experience	342,623	-	342,623
Contributions-employer & state	-	(924,563)	(924,563)
Contributions-employee	-	(48,810)	(48,810)
Benefit payments and refunds	(244,179)	244,179	-
Administrative expense	-	65,379	65,379
Balances at September 30, 2020	\$ 19,083,074	\$ (19,663,271)	\$ (580,197)

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one (1) percentage point lower (6.00%) or one (1) percentage point higher (8.00%) than the current rate adopted by the Plan's board.

	Discount Rate Minus 1% 6.00%	Current Discount Rate 7.00%	Discount Rate Plus 1% 8.00%
Police and Firefighters':			
Net Pension Liability (Asset)	\$ 2,525,082	\$ (580,197)	\$ (3,078,992)

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

For the year ended September 30, 2020 the City recognized pension expense of \$1,134,181. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on MPF pension plan investments	\$ 45,694	\$ -
Net difference of demographic gain/loss	865,248	548,042
Net changes of assumptions	1,462,476	402,899
	<u>\$ 2,373,418</u>	<u>\$ 950,941</u>

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,	MPF
2021	\$ 243,185
2022	412,019
2023	357,733
2024	273,378
2025	125,646
Thereafter	10,516
	<u>\$ 1,422,477</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2020 are as follows:

	Governmental Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
MPF Pension Plan	\$ 580,197	\$ (950,941)	\$ 2,373,418	\$ 209,618
FRS Pension Plan	(1,858,135)	(315,363)	557,128	95,942
HIS Pension Plan	(312,574)	(130,948)	50,360	(34,289)
	<u>\$ (1,590,512)</u>	<u>\$ (1,397,252)</u>	<u>\$ 2,980,906</u>	<u>\$ 271,271</u>
	Business-Type Activities			
	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
FRS Pension Plan	\$ (231,771)	\$ (39,336)	\$ 69,492	\$ 11,967
HIS Pension Plan	(38,988)	(16,334)	6,282	(4,277)
	<u>\$ (270,759)</u>	<u>\$ (55,670)</u>	<u>\$ 75,774</u>	<u>\$ 7,690</u>

General Employee 401(a) Pension Plan

The City maintains a single-employer defined contribution pension plan for all General Employees hired after December 1, 2001. All full-time general employees hired after January 1, 1996 were brought into the plan through the transfer of assets from the Florida Municipal Pension Trust Fund. This is a tax-qualified plan pursuant to section 401(a) of the Internal Revenue Code (IRC). This plan was established by the Longwood City Commission through Resolution 01-1038.

The plan, administered by a third party and sponsored by the Florida League of Cities provides for the employer to contribute 10% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account.

Employees are eligible to participate immediately upon employment, and the vesting schedule provides for employees to be fully vested after five years of service. No retirement age has been designated by the employer. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2020, employer contributions required and made totaled \$370,074.

At September 30, 2020, There were 70 active employees participating in the plan. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to reduce funding requirements in future years. For the year ended September 30, 2020, no forfeitures were used to reduce the City's pension expense. The plan does not issue a separate financial report.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the Plan) administered by four separate companies created in accordance with IRC Section 457(b). The Plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or other unforeseen non-reimbursed emergency. Because all assets of the plan must be held in trust for the exclusive benefit of plan participants and their beneficiaries, these plans are not accounted for in the City's financial statements.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (OPEB)

In accordance with Florida Statutes Section 112.0801, the City makes available, through the City's current provider, continued group health insurance to all eligible retirees and dependents, provided certain service and normal age requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has nine (9) retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan, which is a single-employer plan, does not issue stand-alone financial statements. In addition, the plan does not issue a separate audited GAAP-basis postemployment benefit plan report.

As of October 1, 2019, the valuation date, there were 137 active employees and 9 inactive employees currently receiving benefits. The OPEB liability of \$3,762,264 was measured as of September 30, 2020 and was determined by the actuarial valuation. The covered payroll was \$7,912,567, and the ratio of Net OPEB liability as a percentage of covered payroll was 47.55%.

Summary of actuarial methods and assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	7%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2024
Additional Information	
Valuation Date	October 1, 2019
Measurement Date	September 30, 2020
Actuarial Cost Method	Entry Age Normal
Discount Rate*	2.14%
Inflation Rate	3%
Salary Rate Increase	3%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 7,912,567
Net OPEB Liability as a Percentage of Covered Payroll	47.55%

* Discount rate of 2.14% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2020

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

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2019 to September 30, 2020.

	Total OPEB Liability
Balance as of September 30, 2019	\$ 3,128,792
Changes for the year:	
Service Cost	\$ 389,460
Interest on Total OPEB Liability	74,158
Difference Between Expected & Actual Experience	(181,828)
Changes of Assumptions and Other Inputs	458,114
Benefit Payments	(106,432)
Other Changes	-
Net Changes	\$ 633,472
Balance as of September 30, 2020	<u>\$ 3,762,264</u>

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

	Decrease 1.14%	Discount Rate 2.14%	Increase 3.14%
Total OPEB Liability	\$ 4,261,788	\$ 3,762,264	\$ 335,809

The following presents the total liability of the city using the 2020 healthcare cost trend rate of 7 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 3,199,900	\$ 3,762,264	\$ 4,458,743

For the fiscal year ended September 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 164,723
Changes of assumptions	431,168	-
Total	<u>\$ 431,168</u>	<u>\$ 164,723</u>

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

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

Fiscal Year Ending		
September 30,		
<hr/>		
2021	\$	28,370
2022		28,370
2023		28,370
2024		28,370
2025		28,370
Thereafter		124,595
		<hr/>
		266,445
		<hr/>

NOTE 12 FUND BALANCES

In accordance with GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the classifications described below.

Nonspendable Fund Balance - amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - amounts that can be used only for specific purposes determined by formal action of Commissioners, the City's highest level of decision making authority, with formal action occurring prior to year end. The formal action required is adoption of an ordinance. Commitments may be modified or rescinded by Commissioners adopting another ordinance.

Assigned Fund Balance - includes spendable fund balance amounts intended by management to be used for a specific purpose, as discussed in Note 1. The Commission has by resolution authorized the Financial Services Director to assign fund balance for encumbrances and also for appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's budget.

Unassigned Fund Balance - this is the residual classification for the general fund only. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund, except the General Fund, if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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NOTE 12 FUND BALANCES (CONTINUED)

At September 30, 2020, the City's governmental fund balances were classified as follows:

	General Fund	Public Facilities Improvement Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Prepays	\$ 23,509	\$ -	\$ -	\$ 23,509
Advances	140,000	-	-	140,000
Restricted for:				
Public safety - Special law enforcement	-	-	146,478	146,478
Building permits and inspection	-	-	1,104,091	1,104,091
Committed to:				
Public facility improvement	-	1,996,131	-	1,996,131
Stormwater	-	-	350,875	350,875
Parks and Events	-	-	108,057	108,057
Citizens on Patrol (COPs)	-	-	17,504	17,504
Community Emergency Response Team (CERT)	-	-	10,940	10,940
Assigned for:				
Subsequent years expenditure	381,869	-	-	381,869
Capital projects	487,501	-	616,928	1,104,429
Unassigned	4,252,800	-	(48,262)	4,204,538
Total fund balance	\$ 5,285,679	\$ 1,996,131	\$ 2,306,611	\$ 9,588,421

NOTE 13 RISK MANAGEMENT

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees and natural disasters. The City does not retain risk. Commercial insurance coverage is maintained in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have a material impact on the financial position of the City. The amount of insurance settlements has not exceeded insurance coverage for any of the past three fiscal years.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grants

The City participates in several programs that are fully or partially funded by grants received from state, county or federal governmental agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor. As of September 30, 2020 the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

Litigation

During the ordinary course of its operations, the City is a party to various claims, legal actions, and complaints. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's management and legal counsel, these matters are not anticipated to have a material financial impact on the City.

Construction Commitments

At September 30, 2020, the City had entered into contracts for construction in the amount of \$13,391,820.

NOTE 14 COMMITMENTS AND CONTINGENCIES (Continued)

Encumbrances

At September 30, 2020, the City has the following significant encumbrances:

Public Facilities Improvement Fund	\$	559,117
Nonmajor Funds		<u>141,177</u>
	\$	<u>700,294</u>

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year end, the City had additional loan draws of \$473,934 on SRF loan 590520; and \$340,671 on SRF loan 590530.

Retiree Continuation Insurance Plan

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

Last 10 Fiscal Years*

	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service cost	\$ 389,460	\$ 222,862	\$ 220,186
Interest	74,158	108,836	101,706
Differences between expected and actual experience	(181,828)	-	-
Changes of assumptions	458,114	20,908	-
Benefit Payments	(106,432)	(81,391)	(75,797)
Other changes	-	-	-
Net change in total OPEB liability	633,472	271,215	246,095
Total OPEB liability, beginning	3,128,792	2,857,577	2,611,482
Total OPEB liability, ending	<u>\$ 3,762,264</u>	<u>\$ 3,128,792</u>	<u>\$ 2,857,577</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	\$ 7,912,567	\$ 6,372,465	\$ 6,372,465
Net OPEB liability as a percentage of covered payroll	47.55%	49.10%	44.84%

* Prior years' data is unavailable.

City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2020

Police and Firefighters' Pension Plan									
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios									
Last 10 Fiscal Years*									
	2014	2015	2016	2017	2018	2019	2020		
Total Pension Liability:									
Service cost	\$ 474,397	\$ 362,084	\$ 618,506	\$ 853,537	\$ 780,844	\$ 842,962	\$ 936,881		
Expected interest growth	544,108	685,935	512,750	815,869	1,034,948	1,115,500	1,230,672		
Differences between expected and actual experience	-	(395,734)	191,162	1,208,857	(523,709)	(206,136)	342,623		
Changes of assumptions	-	(1,074,401)	2,831,688	406,136	-	-	-		
Benefit payments	(61,875)	(37,140)	(53,374)	(53,435)	(177,727)	(176,971)	(244,179)		
Net change in total pension liability	956,630	(459,256)	4,100,732	3,230,964	1,114,356	1,575,355	2,265,997		
Total pension liability, beginning	6,298,296	7,254,926	6,795,670	10,896,402	14,127,366	15,241,722	16,817,077		
Total pension liability, ending (a)	\$ 7,254,926	\$ 6,795,670	\$ 10,896,402	\$ 14,127,366	\$ 15,241,722	\$ 16,817,077	\$ 19,083,074		
Plan Fiduciary Net Position:									
Contributions-employer	\$ 203,639	\$ 226,409	\$ 267,486	\$ 881,459	\$ 1,200,362	\$ 1,306,505	\$ 924,563		
Contributions-state	306,831	279,151	288,494	-	-	-	-		
Contributions-employee	30,855	34,304	40,529	41,578	41,442	45,730	48,810		
Net Investment Income	750,974	(137,296)	832,676	1,662,867	1,038,867	868,873	1,189,885		
Benefit Payments	(26,611)	(37,140)	(53,374)	(53,435)	(177,727)	(176,971)	(244,179)		
Administrative Expense	(67,488)	(44,598)	(54,619)	(43,844)	(46,232)	(69,568)	(65,379)		
Net change in plan fiduciary net position	1,198,200	320,830	1,321,192	2,488,625	2,056,712	1,974,569	1,853,700		
Plan fiduciary net position, beginning	8,449,443	9,647,643	9,968,473	11,289,665	13,778,290	15,835,002	17,809,571		
Plan fiduciary net position, ending (b)	\$ 9,647,643	\$ 9,968,473	\$ 11,289,665	\$ 13,778,290	\$ 15,835,002	\$ 17,809,571	\$ 19,663,271		
Net Pension Liability(Asset) - ending (a) - (b)	\$ (2,392,717)	\$ (3,172,803)	\$ (393,263)	\$ 349,076	\$ (593,280)	\$ (992,494)	\$ (580,197)		
Plan fiduciary net position as a percentage of total pension liability	132.98%	146.69%	103.61%	97.53%	103.89%	105.90%	103.04%		
Covered payroll	\$ 2,821,105	\$ 2,805,739	\$ 2,961,226	\$ 3,689,106	\$ 3,426,047	\$ 3,718,491	\$ 4,096,439		
Net pension liability as a percentage of covered payroll	-84.81%	-113.08%	-13.28%	9.46%	-17.32%	-26.69%	-14.16%		

* Prior years' data is unavailable.

Police and Firefighters' Pension Plan

Schedule of Contributions

Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020
Reconciliation of Plan Fiduciary Net Position to the Statement of Net Position for the Fiduciary Fund:							
Plan fiduciary net position per RSI, end of year	\$ 9,647,643	\$ 9,968,473	\$ 11,289,665	\$ 13,778,290	\$ 15,835,002	\$ 17,809,571	\$ 19,663,271
Add DRAGO** account balance	1,823,105	1,950,722	2,087,273	2,233,400	2,338,774	2,416,866	2,636,829
Fiduciary fund net position, end of year	<u>\$ 11,470,748</u>	<u>\$ 11,919,195</u>	<u>\$ 13,376,938</u>	<u>\$ 16,011,690</u>	<u>\$ 18,173,776</u>	<u>\$ 20,226,437</u>	<u>\$ 22,300,100</u>

Schedule of Contributions

Actuarially determined contribution	\$ 493,914	\$ 471,925	\$ 631,429	\$ 1,124,702	\$ 1,159,109	\$ 1,011,565	\$ 989,397
Contributions in relation to actuarially determined contribution	493,914	471,925	555,980	881,459	1,200,362	1,306,505	924,563
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (75,449)</u>	<u>\$ (243,243)</u>	<u>\$ 41,253</u>	<u>\$ 294,940</u>	<u>\$ (64,834)</u>
Covered payroll	\$ 2,821,105	\$ 2,805,739	\$ 2,961,226	\$ 3,689,106	\$ 3,426,047	\$ 3,718,491	\$ 4,096,439
Contributions as a percentage of covered payroll	17.51%	16.82%	18.78%	23.89%	35.04%	35.14%	22.57%

Notes to Schedule

Valuation date	10/1/2013	10/1/2014	10/1/2015	10/1/2016	10/1/2017	10/1/2018	10/1/2019
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Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage, open
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value
Inflation	2.77%
Salary Increases	4%, including inflation
Investment Rate of Return	7%
Retirement Age	Assumed to occur at normal retirement age
Mortality basis	Sex distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB.

Schedule of Investment Returns

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	8.45%	5.48%	4.08%	8.55%	7.00%	5.53%	6.60%

* Prior years' data is unavailable.

** DRAGO is the Defined Retirement Accumulation Group Obligation. DRAGO Fund assets are commingled with pension fund assets, but are not included in Net Pension Liability.

Schedule of City's Proportionate Share of Net Pension Liability
Florida Retirement System
Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.00482%	0.00522%	0.00614%	0.00685%	0.00747%	0.00825%	0.01037%
City's proportionate share of the net pension liability	\$ 2,089,906	\$ 1,797,534	\$ 1,850,039	\$ 2,025,647	\$ 1,886,066	\$ 1,065,428	\$ 632,976
City's covered payroll	\$ 999,335	\$ 1,045,752	\$ 1,172,226	\$ 1,201,971	\$ 1,342,395	\$ 1,396,020	*
City's proportionate share of the net pension liability as a percentage of its covered payroll	209.13%	171.89%	157.82%	168.53%	140.50%	76.32%	*
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* Not available

Schedule of City's Proportionate Share of Net Pension Liability
HIS
Last 10 Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.00288%	0.00313%	0.00359%	0.00377%	0.00432%	0.00480%	0.00604%
City's proportionate share of the net pension liability	\$ 351,562	\$ 349,866	\$ 379,863	\$ 403,204	\$ 503,538	\$ 490,015	\$ 564,874
City's covered payroll	\$ 999,335	\$ 1,045,752	\$ 1,172,226	\$ 1,201,971	\$ 1,342,395	\$ 1,396,020	*
City's proportionate share of the net pension liability as a percentage of its covered payroll	35.18%	33.46%	32.41%	33.55%	37.51%	35.10%	*
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* Not available

** prior years not available

Schedule of City's Contributions
Florida Retirement System
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 157,052	\$ 165,469	\$ 167,849	\$ 183,096	\$ 182,157	\$ 213,505
Contributions in relation to the contractually required contributions	<u>157,052</u>	<u>165,469</u>	<u>167,849</u>	<u>183,096</u>	<u>182,157</u>	<u>213,505</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 949,756	\$ 1,073,567	\$ 1,099,332	\$ 1,232,564	\$ 1,342,395	\$ 1,396,020
Contributions as a percentage of covered payroll	16.54%	15.41%	15.27%	14.85%	13.57%	15.29%

Schedule of City's Contributions
HIS
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 15,768	\$ 17,825	\$ 18,253	\$ 20,465	\$ 22,145	\$ 18,367
Contributions in relation to the contractually required contributions	<u>15,768</u>	<u>17,825</u>	<u>18,253</u>	<u>20,465</u>	<u>22,145</u>	<u>18,367</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 949,756	\$ 1,073,567	\$ 1,099,332	\$ 1,232,564	\$ 1,342,395	\$ 1,396,020
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.65%	1.32%

* prior years not available

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

Historic

LONGWOOD



F l o r i d a

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

PUBLIC FACILITIES IMPROVEMENT FUND - This fund is used to account for the paving of all soil-based streets, install sidewalks and improve the City roadway system. Funding is derived from property taxes, assessments, and the Local Option Gas Tax.

City of Longwood, Florida
Public Facilities Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Local option gas tax	\$ 417,415	\$ 417,415	\$ 353,742	\$ (63,673)
Intergovernmental revenue	980,000	980,000	905,751	(74,249)
Special assessments	45,000	45,000	22,629	(22,371)
Miscellaneous revenue	2,250,000	3,170,000	-	(3,170,000)
Investment earnings	8,000	8,000	17,515	9,515
Total revenues	3,700,415	4,620,415	1,299,637	(3,320,778)
Expenditures:				
Current:				
Highways and streets:				
Public facilities improvements	795,457	916,136	875,524	40,612
Parks and recreation:				
Recreational programs	-	-	-	-
Capital outlay	3,125,000	5,009,070	393,278	4,615,792
Total expenditures	3,920,457	5,925,206	1,268,802	4,656,404
Excess (deficiency) of revenues over expenditures	(220,042)	(1,304,791)	30,835	1,335,626
Net change in fund balances	(220,042)	(1,304,791)	30,835	1,335,626
Fund balances, beginning	1,965,296	1,965,296	1,965,296	-
Fund balances, ending	\$ 1,745,254	\$ 660,505	\$ 1,996,131	\$ 1,335,626

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

BUILDING AND INSPECTIONS SERVICES FUND - This fund was established to separately account for the revenues and expenditures of the Building Division. One of the goals of the fund is to ensure that the fees collected would entirely cover the costs of providing the service.

POLICE EDUCATION FUND - This fund is used to account for revenues received pursuant to Florida Statutes which impose a \$2.00 court cost against persons convicted for violations of state penal or criminal statutes or a municipal or county ordinance where said offense occurred within the City of Longwood. Funds must be used to educate and train law enforcement personnel.

SPECIAL LAW ENFORCEMENT TRUST FUND - This fund is used to account for property confiscated in police enforcement activities pursuant to Florida Statutes (Florida Contraband Forfeiture Act). Funds must be used for police operations.

STORMWATER FUND - This fund is used to account for stormwater expenditures for drainage and stormwater projects. Funding is derived from stormwater utility fees.

PARKS AND EVENTS FUND - This fund was established to separately account for events pertaining to leisure services. Funding is derived from fundraising events, sponsorships, and donations.

CITIZENS ON PATROL (COP) FUND - This fund was established to separately account for activities related to community outreach program. Funding is derived from food sales and donations.

COMMUNITY EMERGENCY RESPONSE TEAM (CERT) FUND - This fund was established to separately account for activities related to fire safety practices within our community. Funding is derived from fundraising events.

SPECIAL ASSESSMENTS FUND - This fund is used to account for capital and maintenance special assessment revenue collected for neighborhood beautification programs.

GRANTS FUND - This fund is used to account for the City's grant revenues and expenditures.

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUND - This fund is used to account for the acquisition of capital equipment. Funding is derived from capital leases and proceeds of sales of capital assets.

	Special Revenue Funds				
	Building Permits and Inspections	Police Education Fund	Special Law Enforcement Trust Fund	Stormwater Management Fund	Park and Events Fund
Assets:					
Cash and cash equivalents	\$ 1,135,424	\$ -	\$ 146,478	\$ 304,387	\$ 113,579
Accounts receivable, net	-	262	-	76,219	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Prepays	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 1,135,424	\$ 262	\$ 146,478	\$ 380,606	\$ 113,579
Liabilities:					
Liabilities:					
Accounts payable	\$ 2,622	\$ -	\$ -	\$ 21,840	\$ 5,522
Accrued expenditures	14,072	-	-	7,891	-
Due to other funds	-	4,438	-	-	-
Advances from other funds	-	-	-	-	-
Due to other governments	9,010	-	-	-	-
Unearned revenue	5,629	-	-	-	-
Total liabilities	31,333	4,438	-	29,731	5,522
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Spendable:					
Restricted	1,104,091	-	146,478	-	-
Committed	-	-	-	350,875	108,057
Assigned	-	-	-	-	-
Unassigned	-	(4,176)	-	-	-
Total fund balances	1,104,091	(4,176)	146,478	350,875	108,057
Total Liabilities, deferred inflows and fund balances	\$ 1,135,424	\$ 262	\$ 146,478	\$ 380,606	\$ 113,579

Special Revenue Funds							
Citizens on Patrol (COPs) Fund	Community Emergency Response Team (CERT) Fund	Special Assessments Fund	Grants	Total Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds	
\$ 17,562	\$ 11,268	\$ 310,310	\$ -	\$ 2,039,008	\$ 800,230	\$ 2,839,238	
-	-	4,494	-	80,975	-	80,975	
-	-	-	-	-	-	-	
-	-	1,684	201,102	202,786	100,927	303,713	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 17,562</u>	<u>\$ 11,268</u>	<u>\$ 316,488</u>	<u>\$ 201,102</u>	<u>\$ 2,322,769</u>	<u>\$ 901,157</u>	<u>\$ 3,223,926</u>	
\$ 58	\$ 328	\$ 1,080	\$ -	\$ 31,450	\$ 284,229	\$ 315,679	
-	-	-	-	21,963	-	21,963	
-	-	-	201,102	205,540	-	205,540	
-	-	355,000	-	355,000	-	355,000	
-	-	-	-	9,010	-	9,010	
-	-	-	-	5,629	-	5,629	
<u>58</u>	<u>328</u>	<u>356,080</u>	<u>201,102</u>	<u>628,592</u>	<u>284,229</u>	<u>912,821</u>	
-	-	4,494	-	4,494	-	4,494	
-	-	-	-	-	-	-	
-	-	-	-	1,250,569	-	1,250,569	
17,504	10,940	-	-	487,376	-	487,376	
-	-	-	-	-	616,928	616,928	
-	-	(44,086)	-	(48,262)	-	(48,262)	
<u>17,504</u>	<u>10,940</u>	<u>(44,086)</u>	<u>-</u>	<u>1,689,683</u>	<u>616,928</u>	<u>2,306,611</u>	
<u>\$ 17,562</u>	<u>\$ 11,268</u>	<u>\$ 316,488</u>	<u>\$ 201,102</u>	<u>\$ 2,322,769</u>	<u>\$ 901,157</u>	<u>\$ 3,223,926</u>	

City of Longwood, Florida
**Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - Nonmajor Governmental Funds**
Year Ended September 30, 2020

	Special Revenue Funds				
	Building Permits and Inspections	Police Education Fund	Special Law Enforcement Trust Fund	Stormwater Fund	Parks and Events Fund
Revenues:					
Licenses and Permits	\$ 689,267	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-
Charges for Services	-	-	-	695,344	58,169
Fines and Forfeitures	-	3,765	19,758	-	-
Special assessments	-	-	-	-	-
Investment Earnings	11,375	-	1,246	2,757	338
Miscellaneous	59,540	-	-	-	2,373
Total revenues	760,182	3,765	21,004	698,101	60,880
Expenditures:					
Current:					
Public safety	505,843	5,173	19,456	-	-
Physical environment	-	-	-	492,058	-
Parks and Recreation	-	-	-	-	56,673
Debt service:					
Principal	3,697	-	-	58,187	-
Interest and other charges	724	-	-	6,038	-
Capital Outlay	-	-	-	95,081	-
Total expenditures	510,264	5,173	19,456	651,364	56,673
Excess (deficiency) of revenues over expenditures	249,918	(1,408)	1,548	46,737	4,207
Other Financing Sources (Uses):					
Proceeds from long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	103,850
Transfers out	(656,516)	-	-	(47,287)	-
Total other financing sources (uses)	(656,516)	-	-	(47,287)	103,850
Net change in fund balances	(406,598)	(1,408)	1,548	(550)	108,057
Fund balances, beginning	1,510,689	(2,768)	144,930	351,425	-
Fund balances, ending	\$ 1,104,091	\$ (4,176)	\$ 146,478	\$ 350,875	\$ 108,057

Special Revenue Funds						
Citizens on Patrol (COPs) Fund	Community Emergency Response Team (CERT) Fund	Special Assessments Fund	Grants	Total Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 689,267	\$ -	\$ 689,267
-	-	-	-	-	100,927	100,927
2,730	2,591	-	-	758,834	-	758,834
-	-	-	-	23,523	-	23,523
-	-	95,091	-	95,091	-	95,091
49	36	2,631	-	18,432	4,035	22,467
300	-	-	-	62,213	-	62,213
3,079	2,627	97,722	-	1,647,360	104,962	1,752,322
5,575	1,687	-	-	537,734	-	537,734
-	-	52,939	-	544,997	-	544,997
-	-	-	-	56,673	-	56,673
-	-	-	-	61,884	-	61,884
-	-	-	-	6,762	50,500	57,262
-	-	-	-	95,081	797,369	892,450
5,575	1,687	52,939	-	1,303,131	847,869	2,151,000
(2,496)	940	44,783	-	344,229	(742,907)	(398,678)
-	-	-	-	-	1,400,000	1,400,000
20,000	10,000	-	-	133,850	-	133,850
-	-	-	-	(703,803)	-	(703,803)
20,000	10,000	-	-	(569,953)	1,400,000	830,047
17,504	10,940	44,783	-	(225,724)	657,093	431,369
-	-	(88,869)	-	1,915,407	(40,165)	1,875,242
\$ 17,504	\$ 10,940	\$ (44,086)	\$ -	\$ 1,689,683	\$ 616,928	\$ 2,306,611

Building Permits and Inspections Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 756,000	\$ 756,000	\$ 689,267	\$ (66,733)
Investment Earnings	3,000	3,000	11,375	8,375
Miscellaneous	20,000	20,000	59,540	39,540
Total revenues	<u>779,000</u>	<u>779,000</u>	<u>760,182</u>	<u>(18,818)</u>
Expenditures:				
Current:				
Public Safety:				
Building inspections	556,636	726,341	510,264	216,077
Total expenditures	<u>556,636</u>	<u>726,341</u>	<u>510,264</u>	<u>216,077</u>
Excess (deficiency) of revenues over expenditures	<u>222,364</u>	<u>52,659</u>	<u>249,918</u>	<u>197,259</u>
Other Financing Sources (Uses):				
Transfers Out	(656,516)	(656,516)	(656,516)	-
Total other financing sources(uses)	<u>(656,516)</u>	<u>(656,516)</u>	<u>(656,516)</u>	<u>-</u>
Net change in fund balances	<u>(434,152)</u>	<u>(603,857)</u>	<u>(406,598)</u>	<u>197,259</u>
Fund balances, beginning	1,510,689	1,510,689	1,510,689	-
Fund balances, ending	<u><u>\$ 1,076,537</u></u>	<u><u>\$ 906,832</u></u>	<u><u>\$ 1,104,091</u></u>	<u><u>\$ 197,259</u></u>

Police Education Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 7,000	\$ 7,000	\$ 3,765	\$ (3,235)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>3,765</u>	<u>(3,235)</u>
Expenditures:				
Current:				
Public safety	<u>7,000</u>	<u>5,571</u>	<u>5,173</u>	<u>398</u>
Total public safety	<u>7,000</u>	<u>5,571</u>	<u>5,173</u>	<u>398</u>
Excess (deficiency) of revenues over expenditures	-	1,429	(1,408)	(2,837)
Fund balances, beginning	<u>(2,768)</u>	<u>(2,768)</u>	<u>(2,768)</u>	<u>-</u>
Fund balances, ending	<u><u>\$ (2,768)</u></u>	<u><u>\$ (1,339)</u></u>	<u><u>\$ (4,176)</u></u>	<u><u>\$ (2,837)</u></u>

Special Law Enforcement Trust Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ 19,758	\$ 19,758
Investment Earnings	-	-	1,246	1,246
Total revenues	-	-	21,004	21,004
Expenditures:				
Current:				
Public safety	42,750	86,896	19,456	67,440
Total public safety	42,750	86,896	19,456	67,440
Total expenditures	42,750	86,896	19,456	67,440
Excess (deficiency) of revenues over expenditures	(42,750)	(86,896)	1,548	88,444
Fund balances, beginning	144,930	144,930	144,930	-
Fund balances, ending	<u>\$ 102,180</u>	<u>\$ 58,034</u>	<u>\$ 146,478</u>	<u>\$ 88,444</u>

Stormwater Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 734,500	\$ 734,500	\$ 695,344	\$ (39,156)
Investment Earnings	3,000	3,000	2,757	(243)
Total revenues	<u>737,500</u>	<u>737,500</u>	<u>698,101</u>	<u>(39,399)</u>
Expenditures:				
Current:				
Physical environment	649,446	690,813	556,283	134,530
Capital Outlay	<u>157,000</u>	<u>223,044</u>	<u>95,081</u>	<u>127,963</u>
Total expenditures	<u>806,446</u>	<u>913,857</u>	<u>651,364</u>	<u>262,493</u>
Excess (deficiency) of revenues over expenditures	(68,946)	(176,357)	46,737	223,094
Other Financing Sources (Uses):				
Transfers Out	<u>(47,287)</u>	<u>(47,287)</u>	<u>(47,287)</u>	-
Total other financing sources and uses	<u>(47,287)</u>	<u>(47,287)</u>	<u>(47,287)</u>	-
Net change in fund balances	(116,233)	(223,644)	(550)	223,094
Fund balances, beginning	<u>351,425</u>	<u>351,425</u>	<u>351,425</u>	-
Fund balances, ending	<u><u>\$ 235,192</u></u>	<u><u>\$ 127,781</u></u>	<u><u>\$ 350,875</u></u>	<u><u>\$ 223,094</u></u>

Park and Events Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,400	\$ 5,400	\$ 58,169	\$ 52,769
Investment Earnings	-	-	338	338
Miscellaneous	3,500	3,500	2,373	(1,127)
Total revenues	8,900	8,900	60,880	51,980
Expenditures:				
Current:				
Parks and Recreation	112,750	112,750	56,673	56,077
Total expenditures	112,750	112,750	56,673	56,077
Excess (deficiency) of revenues over expenditures	(103,850)	(103,850)	4,207	108,057
Other Financing Sources (Uses):				
Transfers In	103,850	103,850	103,850	-
Total other financing sources and uses	103,850	103,850	103,850	-
Net change in fund balances	-	-	108,057	108,057
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ 108,057	\$ 108,057

Citizens on Patrol (COPs) Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 2,775	\$ 2,775	\$ 2,730	\$ (45)
Investment Earnings	-	-	49	49
Miscellaneous	500	500	300	(200)
Total revenues	3,275	3,275	3,079	(196)
Expenditures:				
Current:				
Public Safety	20,275	20,275	5,575	14,700
Capital Outlay	3,000	3,000	-	3,000
Total expenditures	23,275	23,275	5,575	17,700
Excess (deficiency) of revenues over expenditures	(20,000)	(20,000)	(2,496)	17,504
Other Financing Sources (Uses):				
Transfers In	20,000	20,000	20,000	-
Total other financing sources and uses	20,000	20,000	20,000	-
Net change in fund balances	-	-	17,504	17,504
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ 17,504	\$ 17,504

Community Emergency Response Team (CERT) Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 4,500	\$ 4,500	\$ 2,591	\$ (1,909)
Investment Earnings	-	-	36	36
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>2,627</u>	<u>(1,873)</u>
Expenditures:				
Current:				
Public Safety	<u>14,500</u>	<u>14,500</u>	<u>1,687</u>	<u>12,813</u>
Total expenditures	<u>14,500</u>	<u>14,500</u>	<u>1,687</u>	<u>12,813</u>
Excess (deficiency) of revenues over expenditures	(10,000)	(10,000)	940	10,940
Other Financing Sources (Uses):				
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources and uses	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	-	-	10,940	10,940
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,940</u>	<u>\$ 10,940</u>

City of Longwood, Florida
Special Assessments Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Beautification assessments	\$ 98,811	\$ 98,811	\$ 95,091	\$ (3,720)
Investment earnings	3,500	3,500	2,631	(869)
Total revenues	102,311	102,311	97,722	(4,589)
Expenditures:				
Current:				
Physical environment:				
Streets and fleet	75,923	75,923	52,939	22,984
Total expenditures	75,923	75,923	52,939	22,984
Excess (deficiency) of revenues over expenditures	26,388	26,388	44,783	18,395
Fund deficit, beginning	(88,869)	(88,869)	(88,869)	-
Fund deficit, ending	<u>\$ (62,481)</u>	<u>\$ (62,481)</u>	<u>\$ (44,086)</u>	<u>\$ 18,395</u>

Capital Projects Fund**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenue	\$ -	\$ -	\$ 100,927	\$ 100,927
Investment Earnings	6,000	6,000	4,035	(1,965)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>104,962</u>	<u>98,962</u>
Expenditures				
Debt service:				
Interest and cost charges	36,850	41,000	50,500	(9,500)
Capital outlay	<u>4,898,366</u>	<u>4,952,501</u>	<u>797,369</u>	<u>4,155,132</u>
Total expenditures	<u>4,935,216</u>	<u>4,993,501</u>	<u>847,869</u>	<u>4,145,632</u>
Excess (deficiency) of revenues over expenditures	(4,929,216)	(4,987,501)	(742,907)	4,244,594
Other Financing Sources (Uses):				
Notes payable issued	<u>4,929,216</u>	<u>5,027,665</u>	<u>1,400,000</u>	<u>(3,627,665)</u>
Total Other Financing Sources (Uses)	<u>4,929,216</u>	<u>5,027,665</u>	<u>1,400,000</u>	<u>(3,627,665)</u>
Net change in fund balances	-	40,164	657,093	616,929
Fund balances, beginning	<u>(40,165)</u>	<u>(40,165)</u>	<u>(40,165)</u>	-
Fund balances, ending	<u>\$ (40,165)</u>	<u>\$ (1)</u>	<u>\$ 616,928</u>	<u>\$ 616,929</u>

STATISTICAL SECTION

Historic

LONGWOOD



F l o r i d a

Statistical Section

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

Contents	<u>Page</u>
Financial Trends	79
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	85
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	89
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The City of Longwood has no general obligation bonds outstanding.	
Demographic and Economic Information	91
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	93
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

Historic

LONGWOOD



F l o r i d a

The City of Longwood, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 32,831	\$ 33,426	\$ 34,732	\$ 34,534	\$ 34,957	\$ 33,357	\$ 28,923	\$ 34,491	\$ 35,441	\$ 34,389
Restricted	146	124	126	206	191	255	64	112	145	1,251
Unrestricted	8,748	7,706	6,573	7,133	7,382	7,331	10,872	4,819	3,966	4,081
Total Governmental Activities Net Position	41,725	41,256	41,431	41,873	42,530	40,943	39,859	39,422	39,552	39,721
Business-type Activities										
Net Investment in Capital Assets	14,073	14,044	14,037	14,756	14,228	15,547	20,447	22,477	25,626	29,386
Restricted	-	-	-	-	-	-	858	1,989	2,883	3,230
Unrestricted	2,314	2,986	2,969	2,258	2,828	1,590	(1,180)	(1,180)	(4,516)	(7,243)
Total Business-type Activities Net Position	16,387	17,030	17,006	17,014	17,056	17,137	20,125	23,286	23,993	25,373
Primary Government										
Net Investment in Capital Assets	46,904	47,470	48,769	49,290	49,185	48,904	49,370	56,968	61,067	63,775
Restricted	146	124	126	206	191	255	922	2,101	3,028	4,481
Unrestricted	11,062	10,692	9,542	9,391	10,210	8,921	9,692	3,639	(550)	(3,162)
Total Primary Government Net Position	\$ 58,112	\$ 58,286	\$ 58,437	\$ 58,887	\$ 59,586	\$ 58,080	\$ 59,984	\$ 62,708	\$ 63,545	\$ 65,094

City of Longwood, Florida
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government	\$ 2,818	\$ 2,568	\$ 2,872	\$ 3,009	\$ 3,066	\$ 3,765	\$ 4,320	\$ 4,596	\$ 4,558	\$ 4,251
Public safety	7,973	6,667	7,705	8,280	8,679	9,098	9,546	9,580	10,240	10,675
Physical environment	128	1,530	800	252	289	740	312	337	288	439
Highways and streets	2,339	2,285	2,289	2,231	2,138	2,490	2,245	3,038	2,473	2,346
Sanitation	1,007	1,008	1,005	1,024	1,027	1,032	1,031	936	1,084	1,136
Parks and recreation	1,080	1,122	868	847	1,159	1,176	1,111	1,220	1,409	1,501
Interest & other fiscal charges on long-term debt	41	61	66	51	35	65	305	255	274	272
Total Governmental Activities Expenses	15,386	15,241	15,605	15,694	16,393	18,366	18,870	19,962	20,326	20,620
Business-type Activities:										
Public Utilities	2,217	2,217	2,182	2,450	2,646	2,689	3,131	3,563	4,179	4,736
Total Primary Government Expense	\$ 17,603	\$ 17,458	\$ 17,787	\$ 18,144	\$ 19,039	\$ 21,055	\$ 22,001	\$ 23,525	\$ 24,505	\$ 25,356
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 9	\$ 8	\$ 12	\$ 75	\$ 141	\$ 115	\$ 130	\$ 138	\$ 165	\$ 98
Public safety	1,272	1,248	1,315	1,604	1,794	1,554	1,873	2,014	2,375	1,989
Physical environment	703	724	708	712	718	713	734	758	758	788
Highways and streets	-	-	-	-	-	-	-	-	-	-
Sanitation	1,124	1,100	1,096	1,105	1,113	1,108	1,118	1,095	1,104	1,123
Parks and recreation	204	190	191	196	204	179	186	162	189	153
Operating grants and contributions	715	493	875	1,003	676	627	657	1,264	1,238	1,638
Capital grants and contributions	587	271	532	32	686	817	1,094	2,525	1,030	1,021
Total Governmental Activities Program Revenues	\$ 4,614	\$ 4,034	\$ 4,729	\$ 4,727	\$ 5,332	\$ 5,113	\$ 5,792	\$ 7,956	\$ 6,859	\$ 6,810
Business-type Activities:										
Charges for services:										
Public Utilities	3,390	3,473	3,059	3,314	3,685	3,882	5,299	4,841	5,159	5,483
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	186	75	177	185	548	-	2,129	3,271	1,084	1,699
Total Business-type Activities Program Revenues	3,576	3,548	3,236	3,499	4,233	3,882	7,428	8,112	6,243	7,182
Total Primary Government Program Revenues	\$ 8,190	\$ 7,582	\$ 7,965	\$ 8,226	\$ 9,565	\$ 8,995	\$ 13,220	\$ 16,068	\$ 13,102	\$ 13,992

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (10,772)	\$ (11,207)	\$ (10,876)	\$ (10,967)	\$ (11,061)	\$ (13,253)	\$ (13,078)	\$ (12,006)	\$ (13,467)	\$ (13,810)
Business-type Activities	1,359	1,331	1,054	1,049	1,587	1,193	4,297	4,549	2,064	2,446
Total Primary Government Net Expense	\$ (9,413)	\$ (9,876)	\$ (9,822)	\$ (9,918)	\$ (9,474)	\$ (12,060)	\$ (8,781)	\$ (7,457)	\$ (11,403)	\$ (11,364)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 4,457	\$ 4,178	\$ 4,489	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325
Franchise and utility taxes	3,111	2,965	2,813	2,936	2,971	2,994	3,107	3,212	3,449	3,547
Communications services tax	1,174	1,020	990	879	785	762	768	771	771	777
Unrestricted intergovernmental revenues	1,222	1,552	1,562	1,673	1,725	1,726	1,519	1,598	1,621	1,520
Unrestricted investment earnings	42	165	28	9	19	25	74	116	99	58
Gain on sale of capital assets	1,924	15	-	-	33	-	68	58	-	9
Miscellaneous revenues	269	122	65	276	172	259	136	425	353	643
Transfers in (out)	1,022	722	1,104	1,063	1,328	1,145	1,320	1,303	1,406	1,101
Total Governmental Activities	\$ 13,221	\$ 10,739	\$ 11,051	\$ 11,409	\$ 11,678	\$ 11,666	\$ 11,994	\$ 12,864	\$ 13,598	\$ 13,980
Business-type Activities:										
Investment earnings	3	5	4	1	11	10	11	17	39	25
Gain on sale of capital assets	-	-	-	-	5	-	-	2	2	9
Miscellaneous revenues	27	29	22	21	32	23	-	-	6	-
Transfers in (out)	(1,022)	(722)	(1,104)	(1,063)	(1,328)	(1,145)	(1,320)	(1,303)	(1,406)	(1,101)
Total Business-type Activities	(992)	(688)	(1,078)	(1,041)	(1,280)	(1,112)	(1,309)	(1,284)	(1,359)	(1,067)
Total Primary Government	\$ 12,229	\$ 10,051	\$ 9,973	\$ 10,368	\$ 10,398	\$ 10,554	\$ 10,685	\$ 11,580	\$ 12,239	\$ 12,913
Change in Net Position										
Governmental Activities	\$ 2,449	\$ (468)	\$ 175	\$ 442	\$ 617	\$ (1,587)	\$ (1,084)	\$ 858	\$ 131	\$ 170
Business-type Activities	367	643	(24)	8	307	81	2,988	3,265	705	1,379
Total Primary Government	\$ 2,816	\$ 175	\$ 151	\$ 450	\$ 924	\$ (1,506)	\$ 1,904	\$ 4,123	\$ 836	\$ 1,549

City of Longwood, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Franchise Fee	Utility Tax	Local Option		Sales Tax	State Revenue Sharing		Total
				Gas Tax					
2011	\$ 4,457	\$ 1,604	\$ 2,654	\$ 359		\$ 574	\$ 376		\$ 10,024
2012	\$ 4,178	\$ 1,584	\$ 2,400	\$ 332		\$ 154	\$ 378		\$ 9,026
2013	\$ 4,489	\$ 1,462	\$ 2,341	\$ 361		\$ 5	\$ 391		\$ 9,049
2014	\$ 4,573	\$ 1,501	\$ 2,314	\$ 364		\$ -	\$ 406		\$ 9,158
2015	\$ 4,645	\$ 1,537	\$ 2,219	\$ 379		\$ 528	\$ 431		\$ 9,739
2016	\$ 4,755	\$ 1,499	\$ 2,257	\$ 392		\$ 809	\$ 441		\$ 10,153
2017	\$ 5,002	\$ 1,581	\$ 2,294	\$ 405		\$ 862	\$ 475		\$ 10,619
2018	\$ 5,381	\$ 1,624	\$ 2,358	\$ 406		\$ 910	\$ 508		\$ 11,187
2019	\$ 5,899	\$ 1,741	\$ 2,480	\$ 407		\$ 929	\$ 530		\$ 11,986
2020	\$ 6,325	\$ 1,738	\$ 2,586	\$ 354		\$ 907	\$ 488		\$ 12,398

City of Longwood, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 502	\$ 271	\$ 143	\$ 145	\$ 140	\$ 144	\$ 145	\$ 144	\$ 148	\$ 164
Assigned	2,572	1,795	1,367	1,488	1,370	757	1,226	135	-	869
Unassigned	3,183	2,977	3,041	3,083	2,768	3,066	1,951	2,745	3,780	4,253
Total General Fund	<u>\$ 6,257</u>	<u>\$ 5,043</u>	<u>\$ 4,551</u>	<u>\$ 4,716</u>	<u>\$ 4,278</u>	<u>\$ 3,967</u>	<u>\$ 3,322</u>	<u>\$ 3,024</u>	<u>\$ 3,928</u>	<u>\$ 5,286</u>
All Other Governmental Funds										
Nonspendable	\$ 215	\$ 217	\$ 445	\$ 215	\$ 2	\$ -	\$ -	\$ 514	\$ 30	\$ -
Restricted	146	124	169	462	930	1,088	1,316	1,647	1,655	1,251
Committed	2,779	3,022	2,163	2,776	2,949	3,846	8,417	2,656	2,316	2,484
Assigned	-	-	-	-	-	-	-	-	-	617
Unassigned	(290)	(207)	(255)	(201)	(181)	(178)	(234)	(99)	(161)	(48)
Total All Other Governmental Funds	<u>\$ 2,850</u>	<u>\$ 3,156</u>	<u>\$ 2,522</u>	<u>\$ 3,252</u>	<u>\$ 3,700</u>	<u>\$ 4,756</u>	<u>\$ 9,499</u>	<u>\$ 4,718</u>	<u>\$ 3,840</u>	<u>\$ 4,304</u>

City of Longwood, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes										
Property	\$ 4,457	\$ 4,178	\$ 4,489	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325
Local Option Gas Tax	359	332	361	365	379	392	405	406	407	354
Franchise and utility taxes	4,257	3,985	3,803	3,815	3,756	3,755	3,755	3,982	4,220	4,324
Licenses and Permits	402	384	380	615	892	516	1,022	1,008	1,240	917
Intergovernmental	2,679	1,886	2,441	2,518	2,708	2,779	2,865	4,488	4,257	4,048
Charges for Services	2,640	2,597	2,703	2,752	2,756	2,786	2,728	2,713	2,847	2,733
Impact Fees/Assessments	143	122	147	151	147	147	140	187	118	118
Fines and Forfeitures	230	223	188	270	219	236	158	152	168	137
Investment Earnings	41	165	(65)	32	19	25	75	116	99	58
Miscellaneous	303	264	163	185	326	334	212	504	432	691
Total revenues	\$ 15,511	\$ 14,136	\$ 14,610	\$ 15,276	\$ 15,847	\$ 15,725	\$ 16,482	\$ 18,937	\$ 19,687	\$ 19,705
Expenditures										
General Government	2,745	2,995	2,658	2,731	3,125	3,399	3,550	3,940	3,829	3,520
Public Safety	7,455	7,320	7,699	7,505	8,082	7,986	8,384	8,813	9,469	9,477
Physical Environment	272	200	311	310	280	333	286	251	195	545
Highways and Streets	1,516	1,432	1,411	1,356	1,261	1,273	1,445	1,778	1,400	1,078
Sanitation	1,007	1,008	1,005	1,024	1,027	1,032	1,031	936	1,085	1,136
Parks and Recreation	910	992	772	819	879	969	994	1,129	1,425	1,506
Capital Outlay	5,254	2,696	2,914	1,222	2,449	2,044	6,689	8,920	1,921	1,449
Debt Service										
Principal	339	550	627	725	384	357	1056	1347	1490	1407
Interest	42	62	66	51	35	44	251	220	252	277
Total expenditures	\$ 19,540	\$ 17,255	\$ 17,463	\$ 15,743	\$ 17,522	\$ 17,437	\$ 23,686	\$ 27,334	\$ 21,066	\$ 20,395
Excess of Revenues Over (Under) Expenditures	(4,029)	(3,119)	(2,853)	(467)	(1,675)	(1,712)	(7,204)	(8,397)	(1,379)	(690)
Other Financing Sources (Uses)										
Transfers In	1,716	1,152	1,430	1,255	1,628	1,508	1,690	2,360	2,198	1,938
Transfers Out	(693)	(445)	(326)	(192)	(300)	(363)	(370)	(1,057)	(792)	(838)
Notes Payable Issued	-	-	-	-	-	1,313	9,900	1,955	-	1,400
Capital Lease Proceeds	805	1,340	480	206	357	-	-	-	-	-
Sale of Capital Assets	2,144	164	143	93	-	-	82	58	-	10
Total Other Financing Sources (Uses)	3,972	2,211	1,727	1,362	1,685	2,458	11,302	3,316	1,406	2,510
Net Change in Fund Balances	\$ (57)	\$ (908)	\$ (1,126)	\$ 895	\$ 10	\$ 746	\$ 4,098	\$ (5,081)	\$ 27	\$ 1,820
Debt Service as a Percentage of Noncapital Expenditures	2.67%	4.20%	4.76%	5.34%	2.78%	2.54%	7.72%	8.30%	9.08%	8.90%

City of Longwood, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year Ended September 30</u>	<u>Real Property</u>	<u>Taxable Agricultural Property</u>	<u>Personal Property</u>	<u>Centrally Assessed Property</u>	<u>Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2011	\$ 828,635	-	\$ 91,167	\$ 469	\$ 324,271	\$ 920,271	4.9900	\$ 1,244,542	73.94%
2012	\$ 778,999	-	\$ 83,268	\$ 518	\$ 298,342	\$ 862,785	4.9900	\$ 1,161,127	74.31%
2013	\$ 758,526	-	\$ 84,706	\$ 526	\$ 277,483	\$ 843,758	5.5000	\$ 1,121,241	75.25%
2014	\$ 797,789	-	\$ 77,146	\$ 564	\$ 322,683	\$ 857,723	5.5000	\$ 1,136,735	75.45%
2015	\$ 774,314	-	\$ 82,861	\$ 547	\$ 304,917	\$ 872,391	5.5000	\$ 1,177,308	74.10%
2016	\$ 864,803	-	\$ 73,632	\$ 601	\$ 345,700	\$ 894,793	5.5000	\$ 1,240,493	72.13%
2017	\$ 936,085	-	\$ 79,243	\$ 589	\$ 378,436	\$ 937,802	5.5000	\$ 1,316,238	71.25%
2018	\$ 1,017,931	-	\$ 93,653	\$ 617	\$ 420,246	\$ 1,015,331	5.5000	\$ 1,435,577	70.73%
2019	\$ 1,099,438	-	\$ 92,555	\$ 608	\$ 467,823	\$ 1,111,096	5.5000	\$ 1,578,919	70.37%
2020	\$ 1,191,327	-	\$ 97,254	\$ 685	\$ 544,810	\$ 1,192,671	5.5000	\$ 1,737,481	68.64%

Source: Seminole County Property Appraiser

City of Longwood, Florida
Direct and Overlapping Governments Property Tax Rates (1)
Last Ten Fiscal Years
(amounts expressed in millage)
(tax levies per \$1,000 of assessed valuation)

Fiscal Year	Direct Rate			Overlapping Rates						Total Direct & Overlapping Rates	
	City of Longwood Operating Millage	Debt Service Millage	Total Direct Millage	Seminole County			School District				St. John's Water Management District
				Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2011	4.9900	-	4.9900	4.8751	0.1700	5.0451	7.8010	-	7.8010	0.4158	18.2519
2012	4.9900	-	4.9900	4.8751	0.1700	5.0451	7.7220	-	7.7220	0.3313	18.0884
2013	5.5000	-	5.5000	4.8751	0.1700	5.0451	7.5530	-	7.5530	0.3313	18.4294
2014	5.5000	-	5.5000	4.8751	-	4.8751	8.3610	-	8.3610	0.3283	19.0644
2015	5.5000	-	5.5000	4.8751	-	4.8751	7.8970	-	7.8970	0.3164	18.5885
2016	5.5000	-	5.5000	4.8751	-	4.8751	7.8490	-	7.8490	0.3023	18.5264
2017	5.5000	-	5.5000	4.8751	-	4.8751	7.5570	-	7.5570	0.2885	18.2206
2018	5.5000	-	5.5000	4.8751	-	4.8751	6.5690	-	6.5690	0.2724	17.2165
2019	5.5000	-	5.5000	4.8751	-	4.8751	6.3130	-	6.3130	0.2562	16.9443
2020	5.5000	-	5.5000	4.8751	-	4.8751	6.1330	-	6.1330	0.2414	16.7495

Source: Seminole County Tax Collectors Office

(1) Property tax rates for the fiscal year are based on prior years millage rates.

City of Longwood, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
AIC Longwood LLC	\$ 43,183	1	3.62%	\$ -		-
RS Weston Park LLC	28,840	2	2.42%	-		-
Watervue Partners LLC	18,039	3	1.51%	-		-
Duke Energy Florida Inc	14,933	4	1.25%	-		-
American Eagle Island Lake LLC	13,580	5	1.14%	-		-
1944 Unionport Assoc LLC	10,391	6	0.87%	7,075	5	0.77%
United Parcel Service, Inc.	9,538	7	0.80%	8,017	4	0.87%
GS Realty Inc	7,754	8	0.65%	5,490	7	0.60%
Longwood Maple LLC	7,428	9	0.62%	-		0.00%
PSAF Dev Partners LP	5,881	10	0.49%	-		0.00%
CMCP-Island Lake LLC	-		-	12,725	1	1.38%
Progress Energy	-		-	10,354	2	1.13%
American Industrial Center IX	-		-	6,241	6	0.68%
American Industrial Center LTD	-		-	8,449	3	0.93%
General Electric Credit	-		-	5,101	10	0.55%
Orlando Mob Owners LLC	-		-	5,283	9	0.57%
Courtesy Auto Group Inc	-		-	5,444	8	0.59%
Totals	<u>\$ 159,567</u>		<u>13.38%</u>	<u>\$ 74,179</u>		<u>8.07%</u>

Source: Seminole County Property Appraiser

City of Longwood, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 4,604	\$ 4,456	96.79%	\$ -	\$ 4,456	96.79%
2012	\$ 4,319	\$ 4,134	95.72%	\$ 44	\$ 4,178	96.74%
2013	\$ 4,653	\$ 4,448	95.59%	\$ 41	\$ 4,489	96.48%
2014	\$ 4,727	\$ 4,531	95.85%	\$ 42	\$ 4,573	96.74%
2015	\$ 4,798	\$ 4,645	96.81%	\$ 45	\$ 4,690	97.75%
2016	\$ 4,943	\$ 4,703	95.14%	\$ 52	\$ 4,755	96.20%
2017	\$ 5,158	\$ 4,945	95.87%	\$ 57	\$ 5,002	96.98%
2018	\$ 5,584	\$ 5,381	96.36%	\$ -	\$ 5,381	96.36%
2019	\$ 6,111	\$ 5,898	96.51%	\$ -	\$ 5,898	96.51%
2020	\$ 6,560	\$ 6,325	96.42%	\$ -	\$ 6,325	96.42%

Source: Seminole County Tax Collector and City of Longwood Finance Department

City of Longwood, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended September 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases	Water Revenue Bonds	Notes Payable			
2011	n/a	\$ 1,308	n/a	n/a	n/a	n/a	\$ 1,308	0.36%	\$ 96
2012	n/a	\$ 2,099	n/a	n/a	n/a	n/a	\$ 2,099	0.60%	\$ 159
2013	n/a	\$ 1,951	n/a	n/a	n/a	n/a	\$ 1,951	0.55%	\$ 142
2014	n/a	\$ 1,432	n/a	n/a	n/a	n/a	\$ 1,432	0.37%	\$ 106
2015	n/a	\$ 1,405	n/a	n/a	n/a	n/a	\$ 1,405	0.37%	\$ 102
2016	\$ 1,313	\$ 1,047	n/a	n/a	n/a	\$ 1,313	\$ 3,673	0.93%	\$ 257
2017	\$ 10,418	\$ 798	n/a	\$ 104	n/a	\$ 1,791	\$ 13,111	3.42%	\$ 891
2018	\$ 11,292	\$ 520	n/a	\$ 70	n/a	\$ 5,661	\$ 17,543	4.20%	\$ 1,177
2019	\$ 10,073	\$ 249	n/a	\$ 35	n/a	\$ 5,479	\$ 15,836	3.68%	\$ 1,049
2020	\$ 10,225	\$ 90	n/a	\$ -	n/a	\$ 8,507	\$ 18,822	4.02%	\$ 1,221

Note: No Revenue Bond Debt

City of Longwood, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(amounts expressed in thousands)

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Seminole County GO Debt	\$ -	0.00%	\$ -
Direct Debt:			
City of Longwood Capital Leases	\$ 90	100.00%	\$ 90
City of Longwood Notes Payable	<u>\$ 10,225</u>	100.00%	<u>\$ 10,225</u>
Total Direct Debt	<u>\$ 10,315</u>		<u>\$ 10,315</u>
Total direct and overlapping debt	<u><u>\$ 10,315</u></u>		<u><u>\$ 10,315</u></u>

Sources:

Overlapping GO debt for Seminole County obtained from Seminole County Finance Department. The percentage of overlapping debt applicable to the City of Longwood is estimated using the population of the City of Longwood and Seminole County.

City of Longwood, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income ¹</u>	<u>Median Age ¹</u>	<u>Education Level in Years of Formal Schooling ¹</u>	<u>School Enrollment ²</u>	<u>Unemploy- ment Rate ³</u>
2011	13,657	\$ 347,502	\$ 25,445	39.4	13.47	3,907	9.7%
2012	13,212	\$ 357,887	\$ 27,088	35.4	13.64	2,230 **	7.7%
2013	13,733	\$ 391,638	\$ 28,518	42.1	13.68	2,325	6.3%
2014	13,553	\$ 379,416	\$ 27,995	42.7	13.46	2,261	4.9%
2015	13,741	\$ 394,229	\$ 28,690	43.1	13.53	2,650	4.1%
2016	14,311	\$ 383,893	\$ 26,825	42.8	12.89	2,638	4.3%
2017	14,718	\$ 418,183	\$ 28,413	43.3	13.64	2,550	3.6%
2018	14,899	\$ 431,997	\$ 28,995	43.6	13.59	2,401	2.6%
2019	15,099	\$ 430,895	\$ 28,538	43.8	13.66	2,167	2.4%
2020	15,409	\$ 467,632	\$ 30,348	44.0	13.79	2,122	7.2%

** School enrollment dropped due to the closing of Longwood Elementary and the relocation of Choices in Learning, Charter School

Sources:

- 1 Orlando Economic Development Commission
- 2 Lyman High School
- 3 Per City of Longwood Economic Development Department

**City of Longwood, Florida
Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Orlando Health-South Seminole Hospital	1032	1	8.83%	1089	1	7.46%
UPS	703	2	6.01%	*	*	*
D&A Building Services	338	3	2.89%	*	*	*
Comprehensive Energy Services	272	4	2.33%	101	7	0.69%
Collis Roofing	231	5	1.98%	365	2	2.50%
Seminole County Schools	222	6	1.90%	230	3	1.58%
S.I. Goldman	176	7	1.51%	*	*	*
City Of Longwood	170	8	1.45%	156	4	1.07%
Longwood Health and Rehabilitation Center	162	9	1.39%	*	*	*
Arc Delray	159	10	1.36%	*	*	*
Total	<u>3,465</u>		<u>29.64%</u>	<u>1,941</u>		<u>16.27%</u>

Sources:

- 2 Per Orlando Economic Development (www.orlandoedc.com), the City of Longwood has an estimated workplace population of 11,692 with approximately 1,680 business establishments for 2020.
- 3 * Information is not available.

City of Longwood
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	24	23	25	27	27	28	29	32	32	33
Public Safety:										
Police										
Sworn Officers	40	40	40	40	42	43	43	43	44	44
Non sworn Officers	2	2	2	2	2	2	2	1	1	1
Civilians	5	5	5	5	4	5	5	5	5	5
Fire										
Firefighters and Officers	39	39	45	45	40	47	40	44	44	43
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	28	28	27	25	22	25	25	25	27	29
Parks and Recreations	12	12	10	10	12	14	14	16	17	14
Total	151	150	155	155	150	165	159	167	171	170

City of Longwood, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Auto Accidents	1012	737	812	808	899	915	967	949	1017	789
Physical arrests	1644	917	1061	808	912	891	806	621	532	283
Criminal Investigations Conducted	476	426	473	438	467	508	453	468	445	365
Total Calls for Service	49793	44380	41577	40103	43982	45288	41052	43134	45466	56478
911 Calls Received	3741	3544	3634	3356	3453	3587	3796	3415	3394	3019
Evidence Processed (pieces)	2625	2502	1930	1936	2312	2290	2020	2173	1974	1584
Fire										
Number of emergency calls answered	3681	4038	4138	4130	4551	4200	4538	4755	4912	4770
Medical Transports	1890	1994	2122	2042	2234	2271	2092	2330	2507	2276
Highways and streets										
Streets paved (miles)	60.5	60.85	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1
Streets resurfaced (tons/asphalt)	*	*	*	*	*	*	*	*	*	2150
Sidewalks/bike paths built or repaired (feet)	5163	5180	3200	1500	2600	8380	1035	82450	1500	7200
Culture and recreation										
Sports Complex ball games & field rentals ⁽³⁾	2112	2115	2134	1970	2140	2135	1400	1408	1416	402
Community Bldg rentals ⁽³⁾	176	175	195	224	188	150	189	174	154	43
Water										
New connections	8	13	0	0	4	130	118	158	321	69
Number of customers	5795	5809	5829	5510	6054	6184	6341	6486	6697	6758
Water main breaks	0	0	0	6	4	3	2	4	4	5
Average daily consumption (millions of gallons)	2	1.947	2	1.897	1.826	1.815	1.834	1.817	1.875	1.855
Meter reads	66570	69600	67250	67269	69984	71679	73067	74026	76104	79661
General Government										
Employment applications received ⁽¹⁾	304	325	161	201	239	248	420	1200	1500	990
Personnel actions processed	197	250	205	270	272	311	355	327	298	237
Legal Notices published	64	41	33	48	39	67	68	44	43	56
Business Tax Licenses issued:										
New Licenses	302	102	243	235	201	204	160	169	227	123
Renewals	1768	1508	1460	1227	1422	1345	1138	1364	1245	1126
Accidents & Injuries reviewed	46	31	51	20	32	39	43	35	38	59
Land Use changes	10	2	3	13	5	5	4	0	1	4
Site Plan Reviews	11	7	4	3	8	7	6	9	14	5
Total Permits Issued	1179	1132	1050	1200	1478	1167	1551	1758	1822	1590
Construction inspections ⁽⁴⁾	2943	2743	2715	3100	4058	1986	2344	5426	3832	10891
PR Checks issued	4256	4134	4180	3991	4039	4281	4225	4289	4301	4368
A/P Checks issued	3621	3663	2662	2400	2760	4045	3162	2711	3903	2886
Purchase orders processed ⁽²⁾	448	406	360	364	370	213	387	2575	3038	3051

* Data not available

Note 1-increase in 2018 due to automating application/recruitment process and Out recruitments now hit Google search engine which generates more hits.

Note 2-increase in 2018 due to new Edmunds system and the way it processes payments.

Note 3-decrease in 2020 due to Covid-19 virus.

Note 4-increase in 2020 due to increase in the total number of projects as well as having multi-family projects that have a lot more inspections.

Sources:

Various departments, City of Longwood

City of Longwood, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	47	51	53	52	52	58	61	58	63	63
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)	60.5	60.85	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1
Streets - unpaved (miles)	0.63	0.38	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Street lights	814	814	814	818	814	814	814	814	814	814
Traffic Signals	24	24	24	24	24	24	24	24	25	25
Culture and recreation										
Park acreage	42	42	42	42	42	42	42	42	42	42
City playgrounds & passive parks	9	9	10	10	10	10	10	10	10	10
Tennis courts	4	4	5	5	5	5	5	5	5	5
Basketball courts	5.5	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Futsal courts (soccer)	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Historical Museum	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	68.8	69	69	85	69.5	69.75	70.25	72.25	72.25	73.75
Fire hydrants	561	564	548	545	544	551	554	569	569	592
Maximum daily capacity (millions of gallons)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Sanitary sewers (miles)	22.5	22.5	22.7	40.9	23	23.5	26.9	29.9	29.9	37.5
Storm sewers (miles)	*	*	*	*	*	*	*	*	*	*

Sources:

Various departments, City of Longwood

Notes

* Information not available

City of Longwood, Florida
Schedule of Revenues by Source and Expense by Type
Police Officers & Firefighters Pension Fund
Last Ten Fiscal Years

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll (1)
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses	
2011	\$ 58,116	\$ 489,209	-	\$ 1,849	\$ 13,531	\$ 22,360	6.1%
2012	\$ 1,227,569	\$ 485,676	-	\$ 1,400	\$ 14,545	\$ 18,874	6.6%
2013	\$ 1,055,247	\$ 513,122	-	\$ 2,631	\$ 16,665	\$ 36,678	6.6%
2014	\$ 878,167	\$ 515,522	\$ 23,310	\$ 63,724	\$ 19,133	\$ 48,355	7.2%
2015	\$ (9,679)	\$ 567,427	\$ -	\$ 37,140	\$ -	\$ 44,598	8.1%
2016	\$ 969,227	\$ 596,509	\$ 51,945	\$ 1,429	\$ 21,360	\$ 33,259	16.0%
2017	\$ 1,808,976	\$ 622,819	\$ 51,944	\$ 1,491	\$ 23,925	\$ 19,919	21.2%
2018	\$ 1,195,204	\$ 1,260,309	\$ 103,298	\$ 143,880	\$ 26,922	\$ 18,513	28.0%
2019	\$ 1,032,588	\$ 1,393,677	\$ 169,491	\$ 134,545	\$ 28,721	\$ 40,846	22.1%
2020	\$ 1,359,065	\$ 1,038,207	\$ 243,677	\$ 499	\$ 30,552	\$ 34,827	20.3%

Note (1) The City of Longwood Police Officers & Firefighters Pension Plan was implemented in 1996 for new employees hired after January 1, 1996. Employees hired prior to that date continue to participate in the Florida Retirement System.

**City of Longwood, Florida
Miscellaneous Statistics
September 30, 2020**

ITEM	2020
Date of Incorporation	1923
Form of government	Commission/Manager
Number of municipal employees (including police and fire)	170
Population	15,409
City of Longwood facilities and services:	
Miles of streets:	
Paved	61.1
Unpaved	0.13
Parks and recreation:	
Park acreage	42
Community Center	1
Athletic Fields	7
Tennis Courts	5
Futsal Courts (soccer)	1
Basketball Courts	6
City playgrounds and passive parks	10
Fire Protection:	
Stations	2
Employees	44
Police Protection:	
Stations	1
Employees	50
Wastewater collection system:	
Miles of sanitary sewers	37.5
Lift Stations	43
Daily average treatment	*
Plants(s) capacity (MGD)	*
Disposal plants	*
Water distribution system:	
Miles of water mains	72.25
Daily average:	
Consumption (Millions/Gallons)	1.9
Plant capacity (Millions/Gallons)	7.2
Service connections	6612
Deep wells	5
Fire hydrants	592
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	0
Number of elementary school instructors	0
Number of high schools	1
Number of high school instructors	129
Hospitals:	
Number of hospitals	1
Number of patient beds	206

* No treatment plant within the City. Flow to Seminole County 110,000 gallons and
400,000 gallons/day to Altamonte - AM

Sources:

Various departments, City of Longwood
School Board of Seminole County
Orlando Regional Hospital (South Seminole Website)

Historic

LONGWOOD



F l o r i d a

OTHER REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND 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 Longwood, 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 Longwood, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Longwood, Florida'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material weakness of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

McDermitt Davis

Orlando, Florida
March 31, 2021

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

Honorable Mayor and City Council
City of Longwood, Florida

Report on Compliance for Each Major State Project

We have audited the *City of Longwood's* (the City) compliance with the types of compliance requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2020. The City's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state projects based on our audit of the types of compliance requirements referred to above. 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; Chapter 10.550, *Rules of the Auditor General*. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major state project for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

McDiarmid Davis

Orlando, Florida
Month 31, 2021

City of Longwood, Florida
Schedule of Expenditures of State Financial Assistance
Year Ended September 30, 2020

Award type				
Grantor		CSFA	Agency or Pass-through	
Grantor project title	Number	Entity	Grant Number	Expenditures
State Award				
State of Florida, Department of Environmental Protection				
Florida Recreation Development Assistance Program - Candyland	37.017		P19046	\$ 100,000
Transmission Main Project *	37.077		WW590520	1,093,433
East Longwood Septic Abatement *	37.077		WW590530	661,542
				<u>1,754,975</u>
Pass through: St. Johns River Water Management District				
Septic Tank Abatement Program Transmission Main Project	37.052		32300	<u>501,156</u>
Total State of Florida, Department of Environmental Protection				<u>2,356,131</u>
State of Florida, Department of State				
Hurricane Dorian			FEMA 4468-DR-FL	<u>1,996</u>
Total State of Florida, Department of State				<u>1,996</u>
Total state awards				<u>\$ 2,358,127</u>

* Denotes a major project

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Longwood (the City) under projects of the state government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Therefore, amounts reported on the Schedule are based on expenditures incurred as of September 30, 2020, even if grant or loan was received subsequent to that date. Pass-through entity identifying numbers are presented where available.

NOTE 3 LOANS AND LOAN GUARANTEES

In 2019, the City executed State Revolving Fund Loan agreements WW590520, and WW590530 for the City's transmission main project and East Longwood Septic Abatement. Loan balances as of September 30, 2020 are \$1,428,735, and \$394,930 for WW590520, and WW590530, respectively. Loan expenditures reported in the current year SEFA is \$1,093,433 and \$661,542 for WW590520 and WW590530, respectively.

NOTE 4 FEMA EXPENDITURES

Expenditures for State of Florida Department of State Hurricane Grants include \$1,996 of expenditures that were incurred in prior fiscal years.

Section I - Summary of Independent Auditor's Results:

Financial Statements

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

State Projects

Type of auditors' report issued on compliance for major projects:	Unmodified Opinion	
Internal control over major State project:		
• Material weakness identified?	___ Yes	<u> X </u> No
• Significant deficiency identified	___ Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550?	___ Yes	<u> X </u> No

Identification of Major State Projects

CSFA 37.077	Transmission main project
CSFA 37.077	East Longwood septic abatement

Dollar threshold used to distinguish between type A and type B projects: State \$706,839

Section II - Financial Statement Findings: None

Section III - State Award Findings and Questioned Costs: None

Section IV - State Award Summary Schedule of Prior Year Findings: There were no audit findings for the year ended September 30, 2019.

MANAGEMENT LETTER

Honorable Mayor and City Commissioners
City of Longwood, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Longwood, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 31, 2021.

Auditor's Responsibility

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, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 2021 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have one recommendation.

ML 20-01 Grant Management

During our audit, we noted that grant reporting was generally decentralized, and the finance department did not always have finalized grant reporting packages easily available to assist with the grant reporting process. We recommend that the City implement procedures to provide final copies of all grant reporting to the finance department for grant compliance.

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "McDiarmid Davis". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Orlando, Florida
March 31, 2021



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

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

The Honorable Mayor and City Commissioners
City of Longwood, Florida

We have examined City of Longwood's, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Longwood, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

McDermitt Davis

Orlando, Florida
March 31, 2021