



City of  
*Lake Mary*  
Florida



# Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021



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# **CITY OF LAKE MARY, FLORIDA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2021**



Prepared by:  
FINANCE DEPARTMENT



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# Introductory Section



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# City of Lake Mary

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**Kevin L. Smith**  
City Manager

Fax: (407) 585-1498  
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March 17, 2022

To the Honorable Mayor, City Commission and the Citizens of the City of Lake Mary, Florida:

It is with pleasure that we present to you the City of Lake Mary, Florida Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. This document fulfills the requirements set forth in Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

Management assumes full responsibility for the completeness and reliability of all information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated 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, 2021, 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 their examination, 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, 2021 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.

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

## ***Profile of the City***

The City of Lake Mary, Florida, a municipality incorporated under Florida law in 1973, is located in Central Florida and considered a part of the Orlando Metropolitan area. The City encompasses 9.9 square miles with an estimated population of 17,125. Land uses within Lake Mary consist primarily of single-family residential neighborhoods, retail businesses, Class A office space, light manufacturing and high-tech industries. Lake Mary is considered a major economic hub of the Orlando Metropolitan Area. Several large corporations maintain major operations within the City and is well renowned for its exceptional quality of life. This quality of life is enhanced by Lake Mary's strategic location on the North Interstate-4 corridor, the community's exceptional education system, and a skilled workforce.

In accordance with the City Charter, the City Commission, consisting of a mayor and four commissioners elected at large, appoints a City Manager who is responsible for the day-to-day administration of City services including all traditional municipal functions such as police and fire protection; emergency medical services; land use and building construction regulation; refuse collection; drainage and roadway system maintenance and construction; recreational facilities management to include programming for all ages; parks maintenance; cemetery management; fleet services; and all components of the water, wastewater and stormwater utility systems.

The annual budget serves as the foundation for the City of Lake Mary's financial planning and control. Department Directors are required to submit their budget requests to the City Manager who, in coordination with the Finance Department, uses them as the starting point in 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<sup>st</sup> of each year. The City Commission must hold public hearings on the proposed budget and adopt a final budget by September 30<sup>th</sup> which is prior to the close of the City's fiscal year. The appropriated budget is prepared by fund and program. The City Manager may make transfers between programs within the same fund. Any other budget transfers or amendments must be adopted by a budget resolution of the City Commission. The budget may be amended up until 60 days after the end of the fiscal year. 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 as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated budgets, this comparison is presented in the Combining and Individual Fund Statements and Schedules subsection of this report. The City's financial plan may be obtained from the City's website ([www.lakemaryfl.com](http://www.lakemaryfl.com)).

### ***Local economy***

The City of Lake Mary's economy is comprised of a well-established and growing business community that is represented by manufacturing, medical, retail, professional office and technology uses. During fiscal year 2021, it provided one of the most daunting challenges humanity has faced as the COVID-19 pandemic continued to touch our way of life. Much was affected, to include our nation's economy. Looking forward, as our society and economy trend towards recovery, it is more important than ever that we continue to make sound, considerate fiscal decisions to best position ourselves for those unknowns that may still lie ahead.

Lake Mary's taxable values for 2021 recorded a modest growth of 3.01%, notably lower than that of prior years. According to the Seminole County Property Appraiser's Office, there were several factors that contributed to this lessened rate including a *Save Our Homes* cap of 1.40% (particularly low), new construction being significantly lower (43%) in comparison to the prior year, and normally strong commercial valuations either declining or remaining static due in part to hotel and office space vacancies. There are indications that these trends are reversing themselves. However, future economic conditions are often difficult to predict and fail to materialize as anticipated.

As the City continues to approach green-field buildout, proper planning and strategic initiatives will be imperative. This type of forethought will ensure the City's economic health in the years to come and maintaining our place in the top rankings of great communities to operate a business, live, and raise a family.

### ***Long-term financial planning and major initiatives***

The City continues its commitment toward conservative financial planning. Our long-standing policy has been to prepare the annual budget encompassing all categories of revenue generation and expenditures including personnel, operating and capital costs. Perhaps the most important value we can point to is the use of our budget process as the roadmap toward meeting our goals of providing City services that enhance our community's quality of life and maximize economic opportunity.

During fiscal year 2021, overall development activity in the City continued to be strong with several active projects under construction including individual sites within Lake Mary Wellness and Technology Park such as The Helix apartments and Sonata Senior Living, and continued build-out of residential homes at Griffin Park. Two new major projects recently broke ground within the High-Tech Corridor, Phase II of the

Orlando Health Medical Campus and a new AdventHealth medical office building in Rinehart Place. Anticipated projects in the coming year(s) include new commercial outparcels at The Oaks Shopping Center, mixed use development called the Sanctuary at Fountain Parke, and various additional residential and commercial infill projects. The City is at a point where new growth must be carefully planned with respect to its guiding principles.

Investing in Lake Mary's downtown area continues to be a major focal point of the City. This includes the mixed-use Dwell at Lake Mary project, continued build-out of the Downtown core around City Hall, as well as smaller scale commercial and residential redevelopment on Crystal Lake Avenue and Wilbur Avenue. We will also see in the coming year(s) Phase II of the Veteran's and First Responders Memorial at Heritage Park.

The City strategically plans these projects for development so that it works within existing budget constraints so it is not necessary to incur new debt to finance these initiatives.

### ***Relevant financial policies***

It is the policy of the City, a long-standing goal of the City Commission, and management's position that the General Fund balance should always remain above 25% of projected expenditures and that the net position of the Enterprise Funds are above 25% of current year expenditures. The City has also adopted an investment policy with the objectives to safeguard principal, to ensure the preservation of capital, provide sufficient liquidity to meet the City's operating, payroll and capital requirements and to strive to increase the return on the portfolio but avoid assuming unreasonable investment risks.

### ***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 Lake Mary for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the twenty-ninth consecutive year that the City of Lake Mary has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet 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 Annual Comprehensive Financial Report on a timely basis is made possible through the efficient, dedicated and professional efforts of the Finance Department staff. The significant amount of year-end closing procedures required prior to the audit would not have been accomplished without much hard work and personal sacrifice.

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. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, special thanks go to the Mayor and Commission for their continued support and steadfast commitment to maintaining the financial integrity of the City. With their leadership, Lake Mary indeed has a secure financial future without compromising a total quality of life second to no other community in this area.

Respectfully submitted,

*Kevin L. Smith*

Kevin L. Smith  
City Manager

*Brent D. Mason*

Brent D. Mason  
Finance Director



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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Mary  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

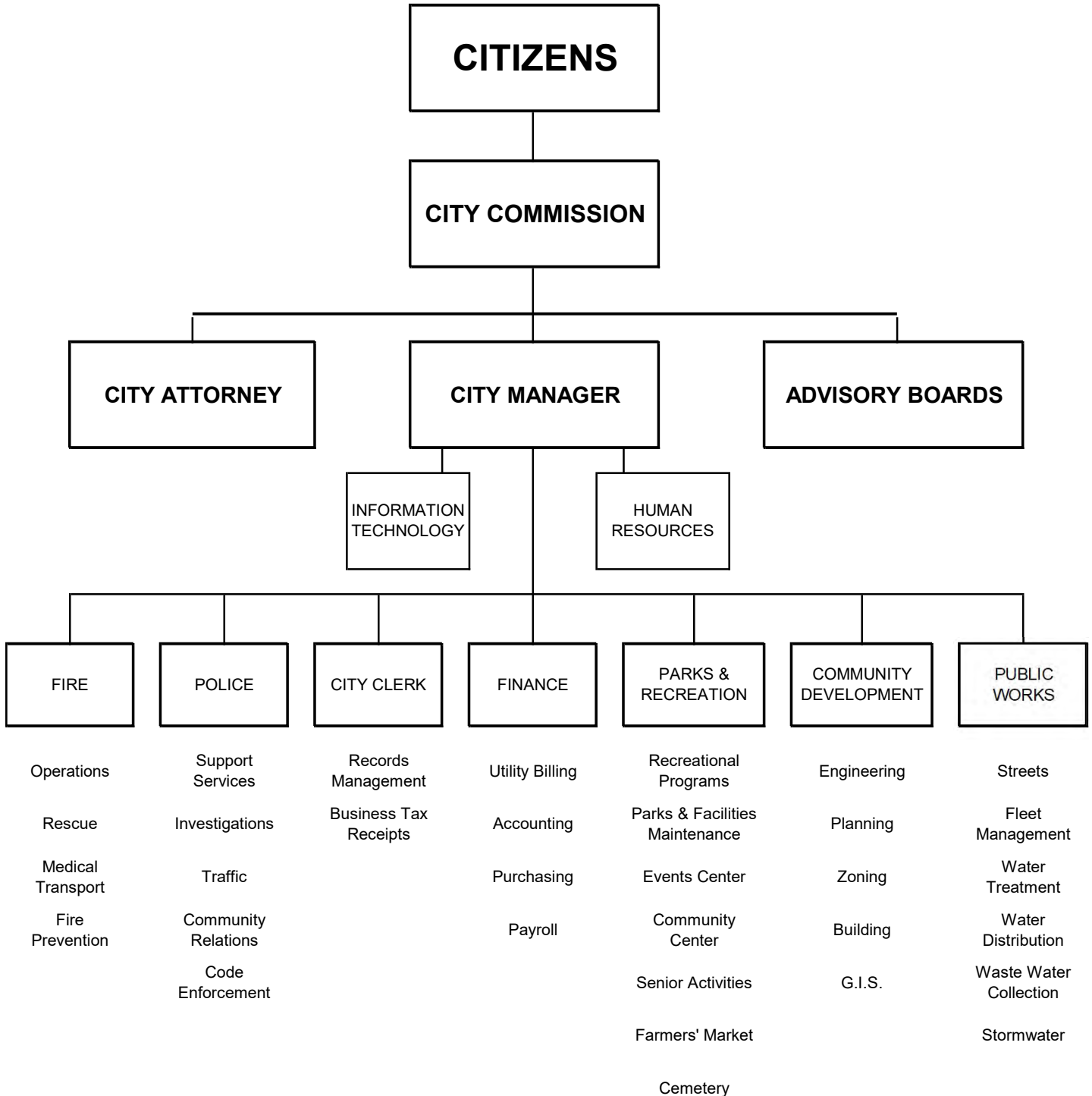
September 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF LAKE MARY, FLORIDA

## ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA  
PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2021**

**CITY COMMISSION**

David Mealor, Mayor

George F. Duryea

Jordan Smith

Sidney Miller, Deputy Mayor

Justin York

**ADMINISTRATION**

**CITY MANAGER**

Kevin L. Smith

**FINANCE DIRECTOR**

Brent D. Mason

**CITY ATTORNEY**

Catherine Reischmann

**CITY CLERK**

Michelle McCurdy

**ASSISTANT FINANCE DIRECTOR**

Ehab Azer

**COMMUNITY DEVELOPMENT DIRECTOR**

Stephen J. Noto

**PUBLIC WORKS DIRECTOR**

Bruce Paster

**PARKS & RECREATION DIRECTOR**

Bryan R. Nipe

**POLICE CHIEF**

Michael Biles

**FIRE CHIEF**

Frank Cornier



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# Financial Section



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## **FINANCIAL SECTION**

Independent Auditor's Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Notes to the Financial Statements  
Required Supplemental Information



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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
*City of Lake Mary, 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 Lake Mary, Florida*, (the "City") as of and for the year ended September 30, 2021, 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 audit 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 estimates made by management, as well as evaluating the overall 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 of Lake Mary, Florida*, as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, 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 management's discussion and analysis and pension and OPEB schedules, as listed in the table of contents, 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 of Lake Mary, Florida's* basic financial statements. The introductory section, combining and individual fund financial statements and statistical section 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 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 3, 2022, on our consideration of the *City of Lake Mary, Florida's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial 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 of Lake Mary, Florida's, internal control over financial reporting and compliance.

*McDiernit Davis*

Orlando, Florida  
March 3, 2022

# Management's Discussion and Analysis



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As management of The City of Lake Mary (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. The purpose of *management's discussion and analysis* (MD&A) is 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. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Lake Mary exceeded its liabilities and deferred inflows of resources at September 30, 2021 by \$137,326,868 (*net position*). Of this amount, \$37,486,721 represents unrestricted net position, may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$36,927,368 (or 36.78%). Governmental total net position increased by \$3,909,151 (or 5.97%). Business-type activities increased by \$33,018,217 in 2021 (or .94.66%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined fund balances of \$26,206,439, an increase of \$3,046,533 in comparison with the prior year. Approximately 71% of this amount, or \$18,598,588, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$19,243,588 (or 87%) of total expenditures and transfers out.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$5,544,228 and \$4,468,670 respectively.

### **Overview of the Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the City of Lake Mary's basic financial statements. The City's basic financial statements comprise 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 intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities, and deferred inflow/outflows of resources, 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 deteriorating.

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 the related cash flows*. Thus, revenues and expenses are reported for some items that will 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, streets, parks and recreation and other physical environment. The business-type activities of the City consist of the water, sewer, and stormwater systems.

The government-wide financial statements include only the City of Lake Mary (known as the *primary government*). There are no component units.

The government-wide financial statements can be found on pages 19-20 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over the 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, proprietary, and fiduciary funds.

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

During fiscal year 2021, the City utilized twelve (12) 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 capital project fund which are considered to be major funds. Data from the other (10) 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 and required supplemental information.

The City adopts an annual appropriated budget for its general fund, and most special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements may be found on pages 21-25 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and stormwater systems. *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City utilizes an internal service funds for the management of its fleet operations. Because of this service predominately benefit governmental rather than business-type functions, it has been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund (which is considered to be a major fund of the City) and the Stormwater fund. The Internal service fund is presented in the proprietary fund statements.

The basic proprietary fund financial statements can be found on pages 26-30 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 reported 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 31-32 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire 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 33-63 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 64-70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 71-84 of this report.

**Government-wide Overall Financial Analysis**

Statement of Net Position - As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Lake Mary, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,326,868 at the close of fiscal year ended September 30, 2021.

Statement of Net Position  
 As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 39,369,638	\$ 28,968,374	\$ 18,760,612	\$ 15,646,347	\$ 58,130,250	\$ 44,614,721
Restricted assets	441,528	335,157	1,865,527	2,695,102	2,307,055	3,030,259
Capital assets	41,238,703	42,045,555	50,599,662	18,143,084	91,838,365	60,188,639
Total assets	<u>81,049,869</u>	<u>71,349,086</u>	<u>71,225,801</u>	<u>36,484,533</u>	<u>152,275,670</u>	<u>107,833,619</u>
Total deferred outflows of resources	1,530,672	1,812,601	64,036	73,970	1,594,708	1,886,571
Current liabilities	3,638,816	2,128,099	2,784,591	1,106,354	6,423,407	3,234,453
Non-current liabilities outstanding	441,528	1,057,728	360,714	335,559	802,242	1,393,287
Other liabilities (comp abs & opeb)	3,301,613	3,196,678	239,099	231,416	3,540,712	3,428,094
Total liabilities	<u>7,381,957</u>	<u>6,382,505</u>	<u>3,384,404</u>	<u>1,673,329</u>	<u>10,766,361</u>	<u>8,055,834</u>
Total deferred inflows of resources	5,771,084	1,260,833	6,065	4,023	5,777,149	1,264,856
Net investment in capital assets	41,238,703	42,045,555	50,599,662	18,143,084	91,838,365	60,188,639
Restricted	6,516,969	4,049,021	1,504,813	2,359,543	8,021,782	6,408,564
Unrestricted	21,671,828	19,423,773	15,794,893	14,378,524	37,466,721	33,802,297
Total net position	<u>\$ 69,427,500</u>	<u>\$ 65,518,349</u>	<u>\$ 67,899,368</u>	<u>\$ 34,881,151</u>	<u>\$ 137,326,868</u>	<u>\$ 100,399,500</u>

By far, the largest portion of the City's net position \$91,838,365 (or 66.9%) reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, 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 used 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 \$8,021,782 (or 5.84%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$37,466,721 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2021, the City of Lake Mary is able to report positive balances in the government activities as a whole. This trend has been consistent for the previous thirteen fiscal years.

The City's net position increased a total of \$36,927,368 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Statement of Activities.** The following table 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 20.

Note that the City's net position increased by \$36,927,368 or 36.78% in fiscal year 2021.

Governmental activities increased net position by \$3,909,151 in fiscal year 2021 compared to a decrease of \$80,929 in 2020. The increase is due to the completion of the biennial street resurfacing program in FY 2020, taxable values in the City increased 6.75% than the prior year, and economic incentive payouts decreased compared to FY 2020.

Business-type activities increased net position by \$33,018,217 or 94.66% in fiscal year 2021 compared to an increase of \$99,717 or .29% in 2020. The increase primarily due to the City receiving a contributed asset (Water Treatment Plant) of \$33,345,400.

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.

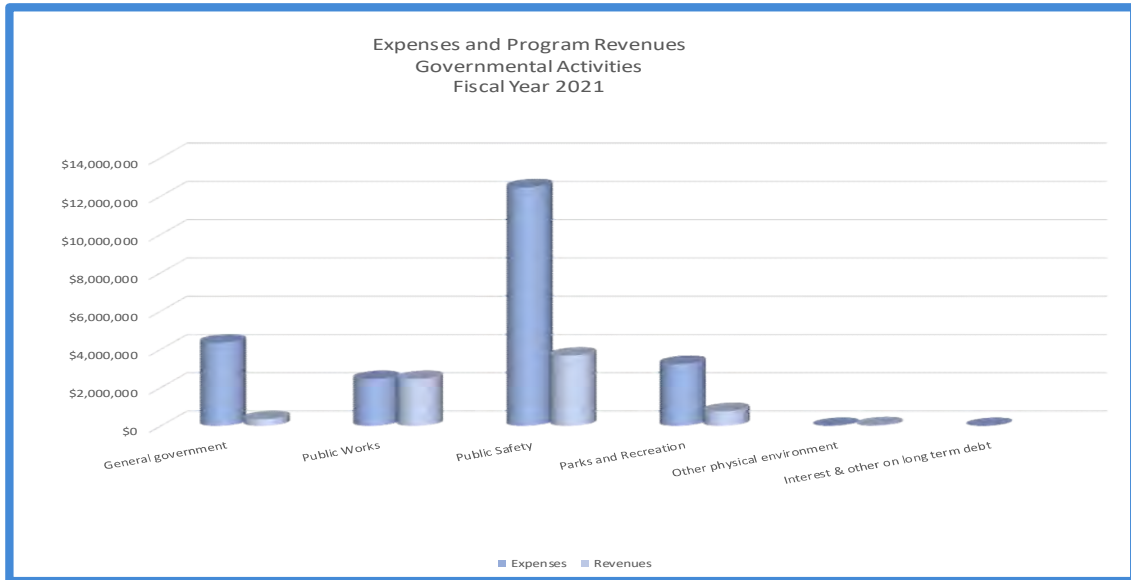
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 16.

City of Lake Mary, Florida  
**Management's Discussion and Analysis**

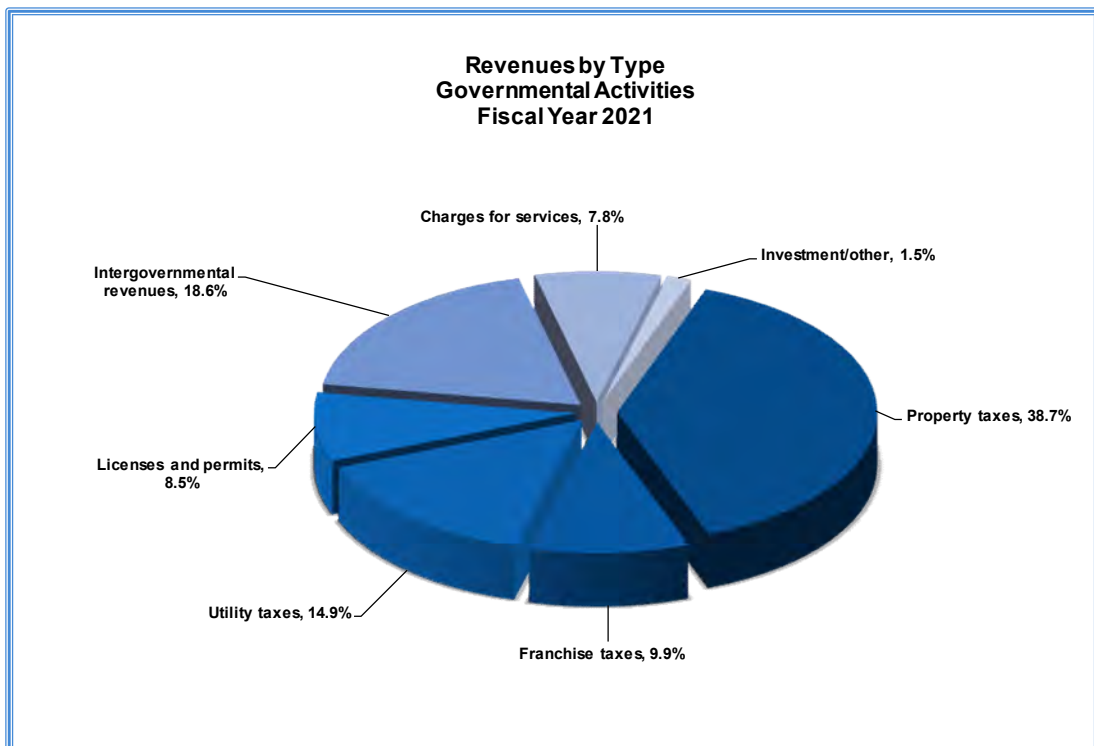
Changes In Net Position  
For the Year Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,356,113	\$ 4,139,931	\$ 6,802,269	\$ 6,865,586	\$ 11,158,382	\$ 11,005,517
Operating grants and contributions	1,656,204	840,678	-	-	1,656,204	840,678
Capital grants and contributions	1,303,415	986,966	33,475,491	392,718	34,778,906	1,379,684
General revenues:						
Property taxes	9,682,401	9,109,225	-	-	9,682,401	9,109,225
Other taxes	6,189,796	6,183,355	-	-	6,189,796	6,183,355
Other revenues	1,896,787	1,968,293	32,254	224,706	1,929,041	2,192,999
Total revenues	<u>25,084,716</u>	<u>23,228,448</u>	<u>40,310,014</u>	<u>7,483,010</u>	<u>65,394,730</u>	<u>30,711,458</u>
Expenses:						
General government	4,353,694	5,130,156	-	-	4,353,694	5,130,156
Public works	2,456,681	3,194,854	-	-	2,456,681	3,194,854
Public safety	12,471,851	12,991,032	-	-	12,471,851	12,991,032
Parks and recreation	3,236,722	3,220,419	-	-	3,236,722	3,220,419
Other physical environment	6,617	7,861	-	-	6,617	7,861
Interest and other on long term debt	-	115,055	-	-	-	115,055
Water and sewer	-	-	5,450,176	5,507,055	5,450,176	5,507,055
Stormwater	-	-	491,621	526,238	491,621	526,238
Total expenses	<u>22,525,565</u>	<u>24,659,377</u>	<u>5,941,797</u>	<u>6,033,293</u>	<u>28,467,362</u>	<u>30,692,670</u>
Increase (decrease) in net position before transfers	<u>2,559,151</u>	<u>(1,430,929)</u>	<u>34,368,217</u>	<u>1,449,717</u>	<u>36,927,368</u>	<u>18,788</u>
Transfers	<u>1,350,000</u>	<u>1,350,000</u>	<u>(1,350,000)</u>	<u>(1,350,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net position	<u>3,909,151</u>	<u>(80,929)</u>	<u>33,018,217</u>	<u>99,717</u>	<u>36,927,368</u>	<u>18,788</u>
Net position - October 1	<u>65,518,349</u>	<u>65,599,278</u>	<u>34,881,151</u>	<u>34,781,434</u>	<u>100,399,500</u>	<u>100,380,712</u>
Net position - September 30	<u>\$ 69,427,500</u>	<u>\$ 65,518,349</u>	<u>\$ 67,899,368</u>	<u>\$ 34,881,151</u>	<u>\$ 137,326,868</u>	<u>\$ 100,399,500</u>

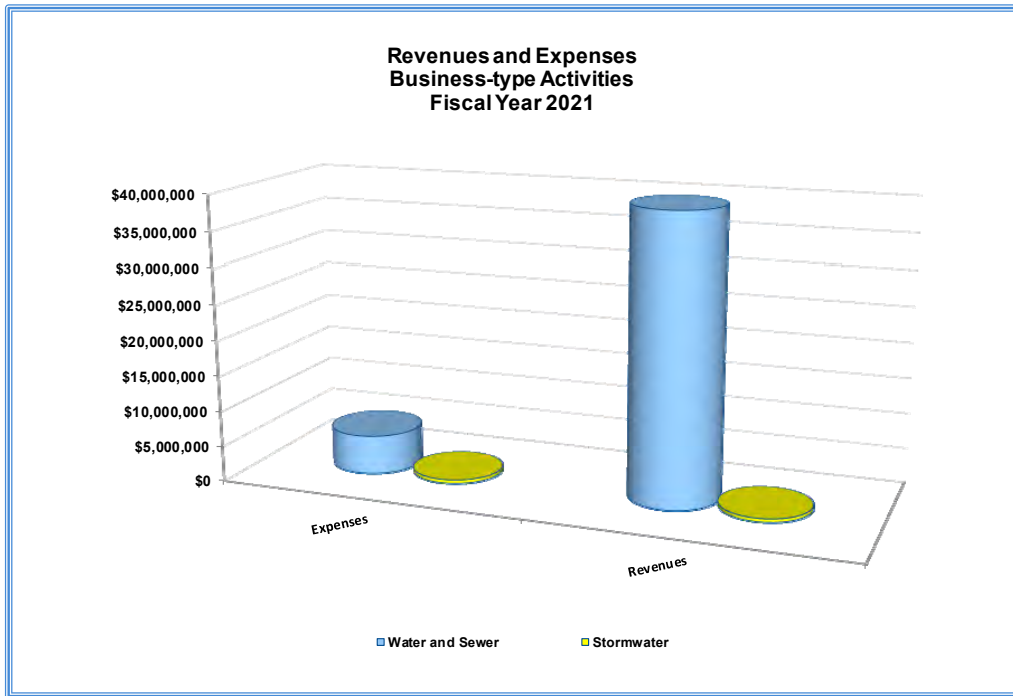
Expenses and revenues for governmental activities are shown graphically by function. Public safety is the largest category of expenses followed by general government.



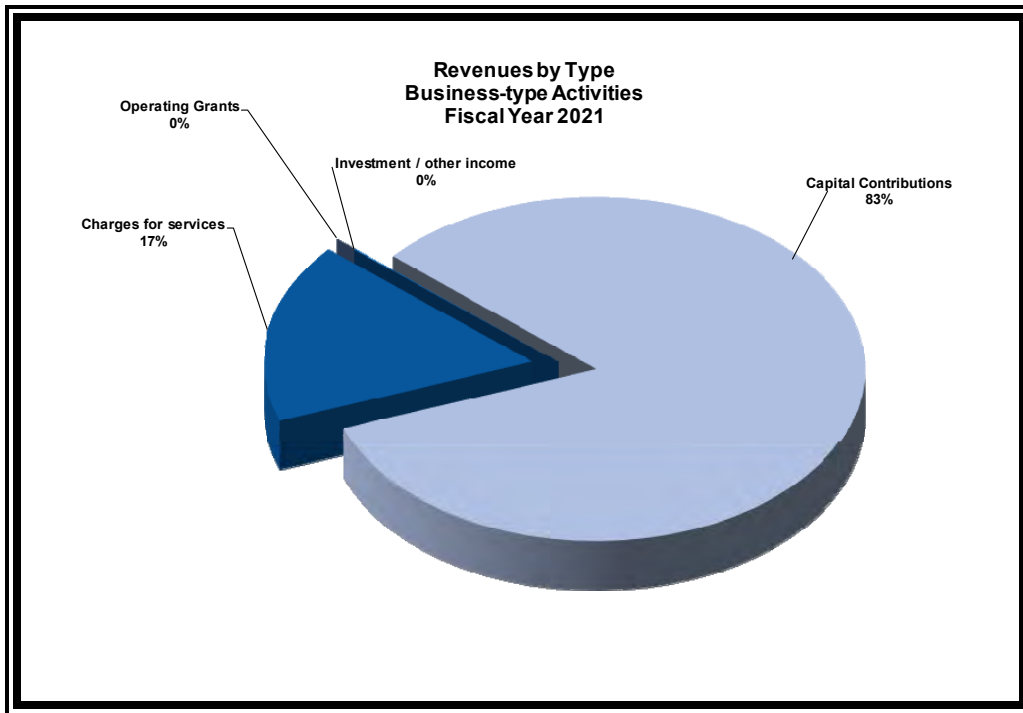
Revenue for governmental activities are shown graphically by type. The largest type of revenue for governmental activities is property taxes followed by intergovernmental revenues.



Revenues and expenses are shown by business-type activity. The Water and Sewer Fund is the largest business-type activity.



Revenues for business-type activities are shown graphically by type. The largest source of revenue is charges for services.



### **Financial Analysis of the City's Funds.**

As noted earlier, the City of Lake Mary 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 of Lake Mary's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Lake Mary itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Lake Mary's Commission.

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$26,206,439 an increase of \$3,046,533 in comparison with the prior year. Approximately 71% of this total amount \$18,598,588 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. Further information regarding unassigned fund balance can be found in the governmental funds financial statements starting on page 21. The remainder of fund balance is either *nonspendable, restricted, committed, or assigned*. These amounts totaled \$7,607,851 or 29% of ending fund balance. Of this amount, \$2,043 is nonspendable as inventories and prepaid items; \$937,436 is restricted for special revenue funds, \$2,551,126 is restricted for capital projects funded by One-Cent Infrastructure Sales Tax and \$3,028,407 is restricted for building department; \$443,839 is committed to other capital projects. A total of \$645,000 is assigned to other capital projects as approved by the City's Commission.

The General Fund is the chief operating fund of the City. The general fund manages 93% of the total governmental revenues. At September 30, 2021, the unassigned fund balance of the general fund was \$18,598,588 while the total fund balance increased to \$22,274,038. The increase was a result of taxable values in the City increased 6.75% than the prior year, economic incentive payouts decreased compared to FY 2020, and the increase in building permits due to several active projects under construction including individual sites within Lake Mary Wellness and Technology Park and continued build-out of residential homes at Griffin Park. 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 general fund expenditures. Unassigned fund balance represents 84% of total general fund expenditures and transfers out, while total fund balance represents 101% of that same amount.

The adopted budget for the fiscal year 2021 projected an appropriation of fund balance in the amount of \$90,666. The actual increase to the fund balance of the City's General Fund was \$2,440,788 during the fiscal year. Total actual revenue collections were \$1,103,382 more favorable than projected. Ad valorem tax revenues were over projections by \$73,477. Licenses and permits exceed expectations by \$749,537 and Charges for services revenues below expectations by \$8,672. Several other revenue categories also outperformed while some under performed. Overall expenditures were under budget by \$1,547,972 or 7%. Additional information regarding the general fund budget to actual variances can be found on page 25.

The total fund balance of all the nonmajor governmental funds is \$3,488,562, a net increase of \$1,152,009 when compared to fiscal year 2020. This increase is due to the completion of the biennial street resurfacing program in FY 2020.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At September 30, 2021, unrestricted net position of the Water and Sewer Fund amounted to \$15,091,568, unrestricted net position of the Stormwater Utility Fund was \$703,325, and net position restricted for capital improvement in the Water and Sewer Fund was \$49,007,086. In total, the proprietary funds increased net position by \$33,018,217 over the prior year. Operating revenues decreased .92% while operating expenses decreased 1.5%.

### **General Fund Budgetary Highlights**

**Original budget compared to final budget.** During fiscal year 2021, the general fund budget was amended to increase appropriations by \$939,916. Amendments were issued to account for projects related to CARES Act and a transfer to the capital project fund to cover the costs of the electronic timekeeping system and roof repairs at the Event Center. These items were not included in the original budget.



**Final budget compared to actual results.** The final amended general fund appropriations were \$23,578,491 and actual expenditures (budgetary basis) \$22,030,519. General fund revenues exceeded the original budget by \$1,923,398, or 9.0%. Significant budgetary variances between the final amended budget and actual results are listed below:

- Property Taxes received increased 6.29% from last year, due to an increase in property valuations.
- Licenses and Permits revenue outperformed projections by 54.6% due to several active projects under construction including individual sites within Lake Mary Wellness and Technology Park such as The Helix apartments and Sonata Senior Living, and continued build-out of residential homes at Griffin Park.
- Investment income reported an overall decrease of \$136,901 over budget due to recent economic conditions, including decrease in investments rate of return.
- Actual expenditures were less than amended appropriations by \$1,547,972, a variance of 6.63%. It is expected each year that actual expenditures will be 5% less than budget.

Transfers to other funds were:

- \$244,900 to the Capital Projects Fund.

Overall:

- The net increase in the fund balance of the general fund was \$2,440,788.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Lake Mary's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$91,838,365 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, water and sewer system, stormwater system, intangible assets, infrastructure, vehicles and equipment. The total net increase in the City's capital assets for the current fiscal year was \$31,649,726.

Capital Assets (net of depreciation)  
 As of September 30,

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,432,135	\$ 9,432,135	\$ 488,808	\$ 488,808	\$ 9,920,943	\$ 9,920,943
Buildings	10,952,474	11,548,658	59,000	70,800	11,011,474	11,619,458
Improvements other than bldg	578,029	619,805	-	-	578,029	619,805
Water/sewer system	-	-	47,338,670	14,660,506	47,338,670	14,660,506
Stormwater system	-	-	1,587,838	1,534,409	1,587,838	1,534,409
Intangible assets	1,480,728	1,457,041	-	-	1,480,728	1,457,041
Machinery and equipment	1,304,697	900,255	967,113	46,006	2,271,810	946,261
Vehicles	3,367,510	3,138,056	-	-	3,367,510	3,138,056
Infrastructure	13,935,061	14,623,068	-	-	13,935,061	14,623,068
Construction in progress	188,069	326,537	158,233	1,342,555	346,302	1,669,092
<b>Total</b>	<b>\$ 41,238,703</b>	<b>\$ 42,045,555</b>	<b>\$ 50,599,662</b>	<b>\$ 18,143,084</b>	<b>\$ 91,838,365</b>	<b>\$ 60,188,639</b>

Major capital asset events during the current fiscal year included the following:

- Contributed Water Treatment Plant - \$33,345,400.
- Meter Technology Upgrades - \$984,821
- Mobile Generators - \$228,228
- Downtown Stormwater Upgrades - \$222,813
- Tree City Park Playground Equipment - \$219,308
- EOC Digital AV Equipment (Municipal Complex) - \$97,776

Major capital assets included in Construction in Progress:

- PW Equipment Canopy - \$16,031
- Permitting Software - \$37,070
- Estella Park Improvements - \$25,405
- Rinehart Road: Turn Lane Rinehart and Timacuan - \$21,921

Additional information regarding the City's capital assets can be found in on pages 44-45 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had no outstanding debt. The debt was paid in full during the prior year. Business-type activities have no outstanding debt.

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes. The City's charter does require voter referendum for any lease purchase contracts or any other unfunded multi-year contracts for the purchase of real property or the construction of any capital improvement, the repayment of which extends beyond the end of any fiscal year. However, in the case of the Water and Sewer Fund the City Commission may declare an emergency to issue debt in order to meet a public emergency affecting the safety, health and welfare of the citizens where the requirements cannot be met through the prudent use of existing reserves.

Additional information regarding the City's long-term liabilities can be found in on pages 61 in the notes to the financial statements.

#### ***Economic Factors and Next Year's Budgets and Rates***

During the past fiscal year, the COVID-19 pandemic continued to change our way of life. Accordingly, a judicial fiscal approach is prudent as we navigate through FY 2022. There are several active projects under construction including individual sites within Lake Mary Wellness and Technology Park, Phase II of the Orlando Health Medical Campus, AdventHealth medical office building in Rinehart Place, and continued build-out of residential homes at Griffin Park. Anticipated projects in the coming year(s) include new commercial outparcels at The Oaks Shopping Center, mixed use development called the Sanctuary at Fountain Parke, and various additional residential and commercial infill projects.

Investing in Lake Mary's downtown area continues to be a major focal point of the City. This includes the mixed-use Dwell at Lake Mary project, continued build-out of the Downtown core around City Hall, as well as smaller scale commercial and residential redevelopment on Crystal Lake Avenue and Wilbur Avenue. We will also see in the coming year(s) Phase II of the Veteran's and First Responders Memorial at Heritage Park.

For FY 2022, taxable values in the City are projected to increase at a modest growth of 3.01%. There were several indicators that contributed to this lessened rate including a Save Our Homes cap of 1.40% (particularly low), new construction being significantly lower (43%), and normally strong commercial valuations either declined or remained static due to hotel and office space vacancies. There are signs of recovery, but future economic conditions are often difficult to forecast. As the City approaches green-field buildout, its strategic initiatives will turn its focus to redevelopment and business expansion. Through its ongoing commitment to stimulate the local economy, maintain essential services, and expand its labor force, the City of Lake Mary will continue to be the premier city to live, work, and raise a family.

For the ninth consecutive year, the City of Lake Mary held ad valorem millage rate at 3.5895. Combined property values reflecting a total increase of 3.01% which will yield \$247,855 more in ad valorem tax collections than last year. The budget also provides payments up to a total of \$249,525 for economic incentive program obligations payable after proof of fulfillment.

During the current fiscal year, the unassigned fund balance in the general fund was \$18,598,588. A total of \$645,000 of next year's appropriation is for transfers to fund general capital projects and the vehicle replacement fund.

#### ***Requests for Information***

This financial report is designed to provide a general overview of the City of Lake Mary's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, P.O. Box 958445, Lake Mary, Florida 32795.

# Basic Financial Statements



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City of Lake Mary, Florida  
Statement of Net Position  
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and equivalents	\$ 8,746,578	\$ 3,929,081	\$ 12,675,659
Investments	20,851,325	13,220,950	34,072,275
Interest receivable	17,965	9,987	27,952
Accounts receivable (net of allowance for uncollectibles)	1,784,099	949,073	2,733,172
Due from other governmental units	642,546	-	642,546
Unbilled service charges	2,358	438,511	440,869
Special assessments-current	2,863	5,935	8,798
Inventories	33,833	168,105	201,938
Prepaid items	-	38,970	38,970
Restricted Assets:			
Temporarily restricted investments	441,528	1,865,527	2,307,055
Net pension asset	7,288,071	-	7,288,071
Capital Assets not being depreciated:			
Land	9,432,135	488,808	9,920,943
Construction in progress	188,069	158,233	346,302
Capital assets net of accumulated depreciation:			
Buildings	10,952,474	59,000	11,011,474
Improvements other than buildings	578,029	-	578,029
Water/sewer system	-	47,338,670	47,338,670
Stormwater system	-	1,587,838	1,587,838
Intangible assets	1,480,728	-	1,480,728
Machinery and equipment	1,304,697	967,113	2,271,810
Vehicles	3,367,510	-	3,367,510
Infrastructure	13,935,061	-	13,935,061
<b>Total assets</b>	<b>81,049,869</b>	<b>71,225,801</b>	<b>152,275,670</b>
<b>Deferred outflows of resources</b>			
Deferred outflows of pension earnings	755,528	-	755,528
Deferred outflows related to OPEB	775,144	64,036	839,180
<b>Total deferred outflows of resources</b>	<b>1,530,672</b>	<b>64,036</b>	<b>1,594,708</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	1,161,177	780,388	1,941,565
Unearned revenue	2,477,639	2,004,203	4,481,842
Liabilities payable from restricted assets	441,528	360,714	802,242
Noncurrent liabilities:			
Due within one year	129,517	8,007	137,524
Due in more than one year	3,172,096	231,092	3,403,188
<b>Total liabilities</b>	<b>7,381,957</b>	<b>3,384,404</b>	<b>10,766,361</b>
<b>Deferred inflows of resources</b>			
Deferred inflows of pension earnings	5,697,669	-	5,697,669
Deferred inflows related to OPEB	73,415	6,065	79,480
<b>Total deferred inflows of resources</b>	<b>5,771,084</b>	<b>6,065</b>	<b>5,777,149</b>
<b>Net position</b>			
Net investment in capital assets	41,238,703	50,599,662	91,838,365
Restricted for capital projects	2,551,126	1,504,813	4,055,939
Restricted for building department	3,028,407	-	3,028,407
Restricted for other purposes	937,436	-	937,436
Unrestricted	21,671,828	15,794,893	37,466,721
<b>Total net position</b>	<b>\$ 69,427,500</b>	<b>\$ 67,899,368</b>	<b>\$ 137,326,868</b>

City of Lake Mary, Florida  
Statement of Activities  
For the Year Ended September 30, 2021

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities:							
General government	\$ 4,353,694	\$ 355,830	\$ -	\$ -	\$ (3,997,864)	\$ -	\$ (3,997,864)
Public works	2,456,681	5,310	1,150,844	1,303,415	2,888	-	2,888
Public safety	12,471,851	3,176,748	505,360	-	(8,789,743)	-	(8,789,743)
Parks and recreation	3,236,722	776,075	-	-	(2,460,647)	-	(2,460,647)
Other physical environment	6,617	42,150	-	-	35,533	-	35,533
<b>Total governmental activities</b>	<b>22,525,565</b>	<b>4,356,113</b>	<b>1,656,204</b>	<b>1,303,415</b>	<b>(15,209,833)</b>	<b>-</b>	<b>(15,209,833)</b>
Business-type activities:							
Water and sewer	5,450,176	6,333,144	-	33,475,491	-	34,358,459	34,358,459
Stormwater	491,621	469,125	-	-	-	(22,496)	(22,496)
<b>Total business-type activities</b>	<b>5,941,797</b>	<b>6,802,269</b>	<b>-</b>	<b>33,475,491</b>	<b>-</b>	<b>34,335,963</b>	<b>34,335,963</b>
<b>Total primary government</b>	<b>28,467,362</b>	<b>11,158,382</b>	<b>1,656,204</b>	<b>34,778,906</b>	<b>(15,209,833)</b>	<b>34,335,963</b>	<b>19,126,130</b>
General revenues:							
Property taxes					9,682,401	-	9,682,401
Franchise taxes					2,464,211	-	2,464,211
Utility taxes					3,725,585	-	3,725,585
Unrestricted intergovernmental revenues					1,684,168	-	1,684,168
Unrestricted investment earnings					64,752	32,175	96,927
Miscellaneous revenues					60,191	-	60,191
Gain on sale of asset					87,676	79	87,755
Transfers					1,350,000	(1,350,000)	-
<b>Total general revenues and transfers</b>					<b>19,118,984</b>	<b>(1,317,746)</b>	<b>17,801,238</b>
<b>Change in net position</b>					<b>3,909,151</b>	<b>33,018,217</b>	<b>36,927,368</b>
Net position - beginning					65,518,349	34,881,151	100,399,500
<b>Net position - ending</b>					<b>\$ 69,427,500</b>	<b>\$ 67,899,368</b>	<b>\$ 137,326,868</b>

City of Lake Mary, Florida  
 Balance Sheet  
 Governmental Funds  
 September 30, 2021

	General Fund	General Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,089,829	\$ 1,835,052	\$ 1,572,660	\$ 6,497,541
Investments	18,217,507	53,317	1,626,884	19,897,708
Interest receivable	14,621	-	1,631	16,252
Receivables (net of allowance for uncollectibles)	1,721,616	-	-	1,721,616
Unbilled service charges	2,358	-	-	2,358
Due from other governments	329,134	-	313,412	642,546
Special assessments-current	2,863	-	-	2,863
Inventories	2,043	-	-	2,043
Restricted investments	441,528	-	-	441,528
<b>Total assets</b>	<u>\$ 23,821,499</u>	<u>\$ 1,888,369</u>	<u>\$ 3,514,587</u>	<u>\$ 29,224,455</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 562,188	\$ 67,320	\$ 26,025	\$ 655,533
Accrued liabilities	393,728	-	-	393,728
Due to other governments	7,895	-	-	7,895
Unearned revenue	100,429	1,377,210	-	1,477,639
Other liabilities	41,693	-	-	41,693
Liabilities payable from restricted assets	441,528	-	-	441,528
<b>Total liabilities</b>	<u>1,547,461</u>	<u>1,444,530</u>	<u>26,025</u>	<u>3,018,016</u>
Fund balances:				
Nonspendable	2,043	-	-	2,043
Restricted	3,028,407	-	3,488,562	6,516,969
Committed	-	443,839	-	443,839
Assigned	645,000	-	-	645,000
Unassigned	18,598,588	-	-	18,598,588
<b>Total fund balances</b>	<u>22,274,038</u>	<u>443,839</u>	<u>3,488,562</u>	<u>26,206,439</u>
<b>Total liabilities and fund balances</b>	<u>\$ 23,821,499</u>	<u>\$ 1,888,369</u>	<u>\$ 3,514,587</u>	<u>\$ 29,224,455</u>

**City of Lake Mary, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2021**

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Total fund balance, governmental funds	\$ 26,206,439
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	37,819,926
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,628,714
Deferred inflows and outflows of resources related to pension earnings and OPEB are not recognized in the governmental funds; however, they are recorded in the entity-wide statement of net position under full accrual accounting	(4,240,412)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Compensated absences	(1,592,582)
Other post employment benefits	(1,682,656)
Net pension asset/liability are not due and payable in the current period and therefore, are not reported in the funds	<u>7,288,071</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 69,427,500</u></u></b>



City of Lake Mary, Florida  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2021

	General Fund	General Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes:				
Property	\$ 9,682,401	\$ -	\$ -	\$ 9,682,401
Franchise	2,464,211	-	-	2,464,211
Utility	3,725,585	-	-	3,725,585
Licenses and permits	2,121,537	-	-	2,121,537
Intergovernmental revenues	2,950,580	-	1,709,959	4,660,539
Charges for services	1,912,828	-	42,150	1,954,978
Impact fees/assessments	34,464	-	91,576	126,040
Fines and forfeitures	116,408	-	20,398	136,806
Investment income	53,099	-	6,237	59,336
Other	60,194	-	-	60,194
<b>Total revenues</b>	<u>23,121,307</u>	<u>-</u>	<u>1,870,320</u>	<u>24,991,627</u>
<b>Expenditures</b>				
Current:				
General government	4,068,273	277,778	-	4,346,051
Public works	1,158,747	16,196	253,744	1,428,687
Public safety	13,328,936	83,746	406,544	13,819,226
Parks and recreation	2,884,895	-	-	2,884,895
Other physical environment	-	-	4,708	4,708
Capital outlay:				
General government	30,265	83,740	-	114,005
Public works	296,968	-	10,139	307,107
Public safety	17,535	66,369	43,176	127,080
Parks and recreation	-	263,335	-	263,335
<b>Total expenditures</b>	<u>21,785,619</u>	<u>791,164</u>	<u>718,311</u>	<u>23,295,094</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,335,688</u>	<u>(791,164)</u>	<u>1,152,009</u>	<u>1,696,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,350,000	244,900	-	1,594,900
Transfers out	(244,900)	-	-	(244,900)
<b>Total other financing sources and uses</b>	<u>1,105,100</u>	<u>244,900</u>	<u>-</u>	<u>1,350,000</u>
<b>Net change in fund balances</b>	2,440,788	(546,264)	1,152,009	3,046,533
Fund balances - beginning	19,833,250	990,103	2,336,553	23,159,906
<b>Fund balances - ending</b>	<u>\$ 22,274,038</u>	<u>\$ 443,839</u>	<u>\$ 3,488,562</u>	<u>\$ 26,206,439</u>

**City of Lake Mary, Florida**

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

**For the Year Ended September 30, 2021**

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Net change in fund balances - total governmental funds: \$ 3,046,533

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

Governmental funds report capital outlays as expenditures. In the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the period.

Expenditure for capital assets	763,300	
Current year depreciation	<u>(1,665,347)</u>	(902,047)

Internal service funds are used by management to charge the costs of fleet management and health insurance to individual funds. The change in net position of the internal service funds are reported allocated to governmental activities.

Change in net position of the internal service funds	76,521	
General capital assets contributed to internal service funds	<u>15,383</u>	91,904

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities and therefore increase net position		1,942,860
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Change in compensated absences	(107,503)	
Change in OPEB liability	<u>(162,596)</u>	(270,099)

<b>Change in net position of governmental activities</b>		<u><u>\$ 3,909,151</u></u>
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City of Lake Mary, Florida  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 9,608,924	\$ 9,608,924	\$ 9,682,401	\$ 73,477
Franchise	2,374,400	2,374,400	2,464,211	89,811
Utility	3,787,000	3,787,000	3,725,585	(61,415)
Licenses and permits	1,372,000	1,372,000	2,121,537	749,537
Intergovernmental	1,661,085	2,481,101	2,950,580	469,479
Charges for services	1,921,500	1,921,500	1,912,828	(8,672)
Impact fees/assessments	32,000	32,000	34,464	2,464
Fines and forfeitures	76,000	76,000	116,408	40,408
Investment income	190,000	190,000	53,099	(136,901)
Other	175,000	175,000	60,194	(114,806)
<b>Total revenues</b>	<u>21,197,909</u>	<u>22,017,925</u>	<u>23,121,307</u>	<u>1,103,382</u>
<b>Expenditures</b>				
Current:				
General government	4,779,444	4,659,444	4,068,273	591,171
Public safety	13,350,464	13,585,164	13,328,936	256,228
Public works	1,042,219	1,263,069	1,158,747	104,322
Parks and recreation	3,152,448	3,037,748	2,884,895	152,853
Capital outlay:				
General government	180,000	180,000	30,265	149,735
Public works	-	599,166	296,968	302,198
Public safety	9,000	9,000	17,535	(8,535)
<b>Total Expenditures</b>	<u>22,513,575</u>	<u>23,333,591</u>	<u>21,785,619</u>	<u>1,547,972</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,315,666)</u>	<u>(1,315,666)</u>	<u>1,335,688</u>	<u>2,651,354</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,350,000	1,350,000	1,350,000	-
Transfers out	(125,000)	(244,900)	(244,900)	-
<b>Total other financing sources and uses</b>	<u>1,225,000</u>	<u>1,105,100</u>	<u>1,105,100</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(90,666)</u>	<u>(210,566)</u>	<u>2,440,788</u>	<u>2,651,354</u>
Fund balances - beginning	19,833,250	19,833,250	19,833,250	-
<b>Fund balances - ending</b>	<u>\$ 19,742,584</u>	<u>\$ 19,622,684</u>	<u>\$ 22,274,038</u>	<u>\$ 2,651,354</u>

City of Lake Mary, Florida  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

	Business Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,371,984	\$ 2,557,097	\$ 3,929,081	\$ 2,249,037
Investments	13,107,159	113,791	13,220,950	953,617
Interest receivable	8,583	1,404	9,987	1,713
Accounts receivable (net of allowance for uncollectibles)	908,957	40,116	949,073	62,483
Unbilled service charges	406,017	32,494	438,511	-
Special assessments- current	1,399	4,536	5,935	-
Inventories	168,105	-	168,105	31,790
Prepaid items	38,970	-	38,970	-
<b>Total current assets</b>	<b>16,011,174</b>	<b>2,749,438</b>	<b>18,760,612</b>	<b>3,298,640</b>
Noncurrent Assets:				
Restricted investments:				
Customer deposits	360,714	-	360,714	-
Impact fee funds	1,504,813	-	1,504,813	-
<b>Total restricted assets</b>	<b>1,865,527</b>	<b>-</b>	<b>1,865,527</b>	<b>-</b>
Capital Assets:				
Land	488,808	-	488,808	-
Construction in progress	158,233	-	158,233	51,267
Buildings	472,000	-	472,000	-
Water/sewer system	58,402,306	-	58,402,306	-
Stormwater system	-	2,917,079	2,917,079	-
Intangible assets	102,200	-	102,200	-
Machinery and equipment	1,144,345	22,265	1,166,610	-
Vehicles	-	-	-	9,277,501
Less accumulated depreciation	(11,760,806)	(1,346,768)	(13,107,574)	(5,909,991)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>49,007,086</b>	<b>1,592,576</b>	<b>50,599,662</b>	<b>3,418,777</b>
<b>Total noncurrent assets</b>	<b>50,872,613</b>	<b>1,592,576</b>	<b>52,465,189</b>	<b>3,418,777</b>
<b>Total assets</b>	<b>\$ 66,883,787</b>	<b>\$ 4,342,014</b>	<b>\$ 71,225,801</b>	<b>\$ 6,717,417</b>
<b>Deferred outflows of resources</b>				
Deferred outflows related to OPEB	55,029	9,007	64,036	-
<b>Total deferred outflows of resources</b>	<b>55,029</b>	<b>9,007</b>	<b>64,036</b>	<b>-</b>

	Business Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Total	Internal Service Fund
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 388,856	\$ 2,785	\$ 391,641	\$ 56,917
Accrued liabilities	384,121	4,626	388,747	5,411
Compensated absences	5,823	2,184	8,007	2,110
Unearned revenue	4,203	2,000,000	2,004,203	1,000,000
<b>Total current liabilities</b>	<u>783,003</u>	<u>2,009,595</u>	<u>2,792,598</u>	<u>1,064,438</u>
Noncurrent Liabilities:				
Liabilities payable from restricted assets:				
Customer deposits	360,714	-	360,714	-
Compensated absences	66,968	25,121	92,089	24,265
Other noncurrent liabilities	119,452	19,551	139,003	-
<b>Total noncurrent liabilities</b>	<u>547,134</u>	<u>44,672</u>	<u>591,806</u>	<u>24,265</u>
<b>Total liabilities</b>	<u>1,330,137</u>	<u>2,054,267</u>	<u>3,384,404</u>	<u>1,088,703</u>
<b>Deferred inflows of resources</b>				
Deferred inflows related to OPEB	5,212	853	6,065	-
<b>Total deferred inflows of resources</b>	<u>5,212</u>	<u>853</u>	<u>6,065</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	49,007,086	1,592,576	50,599,662	3,418,777
Restricted for capital improvement	1,504,813	-	1,504,813	-
Unrestricted	15,091,568	703,325	15,794,893	2,209,937
<b>Total net position</b>	<u>\$ 65,603,467</u>	<u>\$ 2,295,901</u>	<u>\$ 67,899,368</u>	<u>\$ 5,628,714</u>



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City of Lake Mary, Florida  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended September 30, 2021

	Business Type Activities - Enterprise Funds			Governmental
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
<b>Operating revenues</b>				
Charges for sales and services:				
Water sales	\$ 3,108,330	\$ -	\$ 3,108,330	\$ -
Sewer revenue	2,627,254	-	2,627,254	-
Stormwater fees	-	468,945	468,945	-
Other service charges	597,560	180	597,740	1,305,718
<b>Total operating revenues</b>	<u>6,333,144</u>	<u>469,125</u>	<u>6,802,269</u>	<u>1,305,718</u>
Operating expenses:				
Costs of operations	4,293,188	320,348	4,613,536	285,470
Administration	151,761	-	151,761	-
Depreciation	993,684	169,384	1,163,068	1,036,816
OPEB expense	11,543	1,889	13,432	-
<b>Total operating expenses</b>	<u>5,450,176</u>	<u>491,621</u>	<u>5,941,797</u>	<u>1,322,286</u>
<b>Operating income (loss)</b>	<u>882,968</u>	<u>(22,496)</u>	<u>860,472</u>	<u>(16,568)</u>
Nonoperating revenues (expenses):				
Investment income	30,012	2,163	32,175	5,416
Gain on sale of capital assets	79	-	79	87,673
<b>Total non-operating revenue (expenses)</b>	<u>30,091</u>	<u>2,163</u>	<u>32,254</u>	<u>93,089</u>
<b>Income (loss) before contributions and transfers</b>	<u>913,059</u>	<u>(20,333)</u>	<u>892,726</u>	<u>76,521</u>
Capital contributions- impact fees	130,091	-	130,091	15,383
Capital contributions- developers and others	33,345,400	-	33,345,400	-
Transfers out	(1,350,000)	-	(1,350,000)	-
<b>Change in net position</b>	<u>33,038,550</u>	<u>(20,333)</u>	<u>33,018,217</u>	<u>91,904</u>
Net position - beginning	<u>32,564,917</u>	<u>2,316,234</u>	<u>34,881,151</u>	<u>5,536,810</u>
<b>Total net position - ending</b>	<u>\$ 65,603,467</u>	<u>\$ 2,295,901</u>	<u>\$ 67,899,368</u>	<u>\$ 5,628,714</u>

City of Lake Mary, Florida  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 5,425,676	\$ 450,147	\$ 5,875,823	\$ -
Other operating cash receipts	597,560	-	597,560	-
Receipts from interfund services provided	-	-	-	1,265,835
Payments to suppliers	(3,902,186)	(145,660)	(4,047,846)	(95,918)
Payments to employees	(863,864)	(168,436)	(1,032,300)	(222,576)
Net cash provided by operating activities	1,257,186	136,051	1,393,237	947,341
<b>Cash Flows From Noncapital financing activities</b>				
Operating grants	-	2,000,000	2,000,000	1,000,000
Transfers to other funds	(1,350,000)	-	(1,350,000)	-
Net cash provided (used) by non-capital financing activities	(1,350,000)	2,000,000	650,000	1,000,000
<b>Cash Flows From Capital and Related Financing Activities</b>				
Capital contributions - impact fees	130,091	-	130,091	-
Acquisition and construction of capital assets	(274,246)	-	(274,246)	(1,116,628)
Proceeds from sales of capital assets	79	-	79	87,673
Net cash provided (used) by capital and related financing activities	(144,076)	-	(144,076)	(1,028,955)
<b>Cash Flows From Investing Activities</b>				
Interest and dividends received	45,883	1,779	47,662	6,625
Net cash provided by investing activities	45,883	1,779	47,662	6,625
Net increase (decrease) in cash and cash equivalents	(191,007)	2,137,830	1,946,823	925,011
Cash and cash equivalents - October 1	1,562,991	419,267	1,982,258	1,324,026
Cash and cash equivalents - September 30	\$ 1,371,984	\$ 2,557,097	\$ 3,929,081	\$ 2,249,037
Cash and cash equivalents	\$ 1,371,984	\$ 2,557,097	\$ 3,929,081	\$ 2,249,037
<b>Total cash and cash equivalents</b>	\$ 1,371,984	\$ 2,557,097	\$ 3,929,081	\$ 2,249,037



	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 882,968	\$ (22,496)	\$ 860,472	\$ (16,568)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	993,684	169,384	1,163,068	1,036,816
(Increase) decrease in customer accounts receivable	(75,923)	831	(75,092)	(39,883)
(Increase) decrease in unbilled service charges	(261,675)	(19,809)	(281,484)	-
(Increase) decrease in special assessments	2,535	-	2,535	-
(Increase) decrease in inventory	(329)	-	(329)	(713)
(Increase) decrease in prepaid expense	1,009	7	1,016	52
(Increase) decrease in deferred outflows	8,537	1,397	9,934	-
Increase (decrease) in accounts payable	(93,210)	598	(92,612)	(16,747)
Increase (decrease) in accrued expenses	(231,269)	2,118	(229,151)	2,029
Increase (decrease) in OPEB obligation	1,251	205	1,456	-
Increase (decrease) in deferred inflows	1,755	287	2,042	-
Increase (decrease) in compensated absences payable	2,698	3,529	6,227	(17,645)
Increase (decrease) in customer deposits	25,155	-	25,155	-
Total adjustments	<u>374,218</u>	<u>158,547</u>	<u>532,765</u>	<u>963,909</u>
Net cash provided by operating activities	<u>\$ 1,257,186</u>	<u>\$ 136,051</u>	<u>\$ 1,393,237</u>	<u>\$ 947,341</u>

The Water and Sewer Fund had non-cash loss in the fair value of investments of \$38,564 and contributed assets of \$33,345,400. The Stormwater fund had a non-cash loss in the fair value of investment of \$947. The Internal Service Fund has a non-cash gain in the fair market value of investments of \$5,488. The Internal Service Fund also had a non-cash contribution of \$15,383 from other governmental funds for contributed assets.

City of Lake Mary  
**Statement of Fiduciary Net Position**  
September 30, 2021

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	<b>Total Employee Pension Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,027,603
Receivables:	
Interest receivable	92,013
<b>Total receivables</b>	<u>92,013</u>
Investments at fair value:	
Domestic corporate & govt bonds	18,349,385
Domestic stocks	27,232,147
International	3,733,931
Real estate	3,885,318
<b>Total Investments</b>	<u>53,200,781</u>
<b>Total assets</b>	<u>56,320,397</u>
<b>Liabilities</b>	
Accounts payable	73,935
Due to other funds	23,618
<b>Total liabilities</b>	<u>97,553</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 56,222,844</u>

City of Lake Mary, Florida  
**Statement of Changes in Fiduciary Net Position**  
For the Year Ended September 30, 2021

	<b>Total Employee Pension Funds</b>
<b>Additions</b>	
Contributions:	
City	\$ 1,453,056
State	406,544
Employee	321,389
<b>Total contributions</b>	<u>2,180,989</u>
Investment earnings:	
Interest	1,243,575
Net increase in fair value of investments	8,604,009
Less: investment expense	<u>(222,127)</u>
<b>Total net investment earnings</b>	<u>9,625,457</u>
<b>Total additions</b>	<u>11,806,446</u>
<b>Deductions</b>	
Benefit payments	1,666,069
Refunds of contributions	19,395
Administrative expenses	<u>108,084</u>
<b>Total deductions</b>	<u>1,793,548</u>
<b>Change in net position</b>	10,012,898
Net position - beginning	58,083,575
Prior period adjustment	<u>(11,873,629)</u>
<b>Net position - ending</b>	<u>\$ 56,222,844</u>

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The City of Lake Mary, Florida ("City"), a municipality incorporated under Chapter 73-422, Laws of Florida, in 1973, operates under the Commission - City Manager form of government. The City is located near the center of the State of Florida in the northwest part of Seminole County.

*The City of Lake Mary* is a municipal corporation governed by an elected mayor and a four member commission. The City provides a full range of municipal services, including police and fire protection, public works activities, parks and recreation, planning and development, and general administrative service. In addition, the City operates a water, sewer and stormwater utility.

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

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's 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 non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As a general rule, the effect of interfund activity has been removed from the government-wide statements. Exceptions to this rule are charges between the City's water, sewer and stormwater 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.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The statement of activities demonstrates the degree to which 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 as general revenues.

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category, governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following funds:

**Major Governmental Funds**

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

**The General Capital Project Fund** - accounts for acquisition or construction of capital facilities, equipment purchases and general capital improvements, estimated to cost in excess of \$5,000.

The government reports the following major enterprise funds:

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

**The Stormwater Utility Fund**- is an enterprise fund that accounts for the operation and maintenance of the City's stormwater system.

Additionally, the government reports the following fund types:

**Special Revenue Funds** - account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Non-major special revenue funds include the Police Education Fund, Law Enforcement Trust Fund, Police Impact Fees Fund, Fire Impact Fees Fund, Public Works Impact Fees Fund, Recreation Impact Fees Fund, Police and Fire Premium Tax Trust, and the Cemetery 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 fund includes the One-Cent Infrastructure Sales Tax Fund.

**Internal Service Funds** - are used to account for the City's fleet maintenance operations and vehicle rental on a cost reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements their amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 revenue 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees and utility taxes, licenses, fines and forfeitures, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Only the portion of special assessment 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.

The proprietary and pension trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Unearned revenues in governmental funds include amounts collected before revenue recognition criteria are met. The unearned amount typically consists of license revenue collected in advance of the ensuing year.

**Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year for the general fund and most special revenue funds. The police & firefighter premium tax trust special revenue fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. Formal budget integration is not employed for the capital projects funds because capital projects funds are appropriated on a project-length basis. Transfers of appropriations between departments require the approval of the City Manager. Revisions that alter the total expenditures of any fund must be approved by the City Commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, And Net Position/Fund Balance**

*Cash and cash equivalents*

The government'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 \$660 available as petty cash.

The City maintains a cash and investment pool that is used by all funds. This pool includes deposits and overnight repurchase agreements. Pooled cash is classified as "Cash" in the Balance Sheet. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

*Investments*

Investments for the government are reported at fair value (generally based on quoted market prices) and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

*Inventories and prepaid items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant and equipment 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 as assets with an initial, individual cost of more than \$5,000 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. Items with an individual cost between \$1,000 and \$4,999 are accounted for in a separate subsystem and inventoried annually. The value of these items for 2021 is \$2,330,586 for governmental funds, \$47,416 for business-type activities and \$59,170 for internal service funds.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Land and construction in progress are not depreciated. The other property, plant and equipment and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15-50 years
Machinery and equipment	5-10 years
Water/sewer system	15-60 years
Stormwater system	15-60 years
Structures	25 years
Intangible assets	5-10 years
Infrastructure	25-100 years
Heavy equipment vehicles	7-15 years
Light vehicles	3-5 years

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

*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 government has two items which qualify for reporting in this category. It is the deferred outflow of pension resources, and deferred outflows related to OPEB.

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. City of Lake Mary has two items that qualify for reporting in this category for the year ended September 30, 2021, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB.

*Net position flow assumption*

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

*Fund balance flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.



**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations of the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Commission is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Commission has by resolution authorized the finance director to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The General Fund is the only fund that reports a positive unassigned fund balance. However, in other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Revenues and expenditures/expenses**

*Program revenues*

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*Property taxes*

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, 2021 was 3.5895 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.

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Compensated absences***

Vacation

City of Lake Mary policy permits employees to accumulate up to 240 hours per fiscal year end, of earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave benefits, which are eligible for payment at 50% upon separation from government service, to a maximum of 240 hours of pay. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

*Proprietary funds operating and nonoperating revenues and expenses*

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

**New accounting standards**

In fiscal year 2021, the City implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary exists. Governments with activities meeting this criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The City does not consider the general employees' pension to meet the criteria for reporting as fiduciary activities due to the City's administrative involvement with those funds. As such, the employees' pension fund is no longer presented in the fiduciary statements, and the beginning fund balance of the fiduciary funds decreased by \$11,873,629.

**Prior Period Adjustments**

As stated above in the new accounting standards, the general employees' pension fund is excluded from the City's Fiduciary Statements but was previously included in the prior years, affecting the comparability of financial statements for those years. As a result of this change, beginning fiduciary net position has been adjusted by \$11,873,629.

**Other significant accounting policies**

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities 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.

## **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 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 statements of activities**

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

## **NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **Budgetary information**

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Commission. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
2. Public hearings are conducted to obtain taxpayers comments.
3. The budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
4. The City Manager is authorized to transfer budgeted amounts between departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Commission. Expenditures may not exceed legal appropriations at the fund level. All appropriations lapse at year-end.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and most Special Revenue Funds. The Police & Firefighter Premium Tax Trust Special Revenue Fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. Formal budget integration is not employed for the Capital Project Funds because projects are approved individually.
6. The budgets for the General Fund and Special Revenue Funds are legally adopted on a basis consistent with generally accepted accounting principles.
7. Budgeted amounts are as originally adopted, or as amended, in accordance with City ordinance.
8. The Budgetary Comparison Schedules shown in the accompanying supplemental information present comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

### **Fund balance/net position policy**

In accordance with Resolution No's 800 and 924, the City designates that a minimum amount equal to 25 percent of the current fiscal year expenditures of the General Fund be maintained as unassigned fund balance and 25 percent of the current year expenditures of each Enterprise Fund, as unrestricted net position. The purpose of this policy is to provide the capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs/occurrences, and maintain historical fund balance/net position stability which may provide advantageous interest rates in the event of issuing debt.

If, at the end of any fiscal year, the actual amount of unassigned fund balance, or unrestricted net position falls below the required level, the City Manager and City Commission review the circumstances creating the shortfall and develop a plan for restoring or amending the requirements. Compliance with the resolution is part of the annual budget process.

**NOTE 4 DEPOSITS AND INVESTMENTS**

**Cash deposits with financial institutions**

*Custodial credit risk-deposits*, In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

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.

**Investments**

The City utilizes a pooled investment concept for all its funds to maximize its investment program. Income for this internal pooling is allocated to the respective funds based upon the sources of funds invested.

As of September 30, 2021, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (years)
U.S. Agencies	\$ 8,601,722	2.54 years
Certificates of deposit	74,296	n/a
Commercial paper	27,703,312	210 days
Total Fair Value of Investments	\$ 36,379,330	

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. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. The valuation technique(s) to value Level 2 investment is a model that takes into consideration both the yield curve and option adjusted spread (OAS) to determine the fair market value. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs. Level 2 investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered active.

The City has the following recurring fair value measurements as of September 30, 2021:

- U.S. Agencies of \$8,601,722 are valued using Level 2 inputs.
- Commercial paper of \$27,703,312 is valued using Level 2 inputs.

*Interest rate risk*. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the investment of current operating funds to an average maturity of less than 36 months. Investments of bond reserves, construction funds, and other non-operating funds maturity may not exceed 5 years.

**NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)**

*Credit risk.* The City limits investments to Local Government Investment Pool (SBA), SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts or certificates of deposit in state certified qualified public depositories, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities or investment trusts registered under the investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian, i.e. mutual funds. The SBA is administered by the State of Florida. Investments held consist of U.S. Treasury obligations, short-term federal agency obligations, repurchase agreements, and commercial paper. The City has no investment position with SBA on September 30, 2021. All agencies held by the City on September 30, 2021, are rated AA+ or higher by Standard & Poor's.

*Concentration of credit risk.* Assets held shall be diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instruments, dealer or bank through which these instruments are bought and sold. Diversification strategies within the established guidelines of the City's investment Policy shall be reviewed and revised periodically as necessary.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failures of the counterparty, the government will not be able to recover the value of it investments or collateral securities that are in the possession of an outside party. The City's investments are insured or registered and held by its agent in the City's name.

As of September 30, 2021, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

City of Lake Mary Pension Funds had the following investments on September 30, 2021:

Investment Type	Police Officers' Pension Funds Fair Value	Weighted Average Maturity (years)	Firefighters' Pension Funds Fair Value	Weighted Average Maturity (years)
U.S. Treasuries	\$ 299,411	20.31	\$ 729,211	13.01
U.S. Agencies & BAB's	2,660,363	15.68	2,171,055	15.29
Corporate Bonds	6,754,458	7.14	5,734,887	5.40
Corporate Stocks	14,086,080	n/a	13,146,067	n/a
International & other securities	3,733,931	n/a	-	n/a
Real Estate	1,250,976	n/a	2,634,342	n/a
Total Investments	<u>28,785,219</u>		<u>24,415,562</u>	
Cash and Cash Equivalents	1,418,017	n/a	1,609,586	n/a
Total Cash and Investments	<u>\$ 30,203,236</u>		<u>\$ 26,025,148</u>	

\* Contains U.S. Treasuries and/or agencies, but specific identification is not available.

The City has the following recurring fair value measurements as of September 30, 2021 for pension funds:

- U.S. Treasuries of are valued using Level 2 inputs.
- U.S. Agencies and BABS are valued using Level 2 inputs
- Corporate Bonds are valued using Level 2 inputs
- Corporate Stocks are valued using Level 1 inputs
- International & other are valued using Level 1 inputs
- Real Estate are valued using Level 3 inputs

**NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)**

*Interest rate risk.* The pension fund investment policy limits the duration of fixed income portfolio to within 50% to 150% of the duration of the Merrill Lynch Master Bond Index.

*Credit risk.* Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Foreign bonds are prohibited. Of Police Pension investments, 17% are rated by Moody's as A3 or better, 18% are rated by Moody's as Baa1 to Baa3, and 65% unrated. Fire Pension investments are 21% rated by Moody's as A3 or better, 12% rated Baa1 to Baa3, with 67% unrated. Unrated investments are typically U.S. Agency backed securities.

*Concentration of credit risk.* The pension investment policy does not allow for an investment in any one issuer that is in excess of five percent of the pension fund's fixed income portfolio.

*Foreign currency risk.* The police pension fund invests only in ADR's which are traded in U.S. Dollars mitigating any foreign currency risk, while firefighter pension invests in i-series foreign investment. Due to the nature of these investment vehicles, it has been determined that these investments carry a minimal risk of fluctuation in foreign currency valuation.

As of September 30, 2021, the Police and Fire Pension funds had satisfied the objectives and requirements laid out in their respective investment policy and held no investments that were not in compliance with policy.

**NOTE 5 RECEIVABLES**

**Receivables**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, all other governmental funds in the aggregate, water and sewer fund, stormwater fund, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts:

Receivables	General Fund	Water and Sewer Fund	Stormwater Fund	Internal Service Fund	Total
Accounts receivables	\$ 2,221,910	\$ 960,604	\$ 67,588	\$ 62,483	\$ 3,312,585
Less: allowance for uncollectibles	<u>(500,294)</u>	<u>(51,647)</u>	<u>(27,472)</u>	<u>-</u>	<u>(579,413)</u>
Net receivables	<u>\$ 1,721,616</u>	<u>\$ 908,957</u>	<u>\$ 40,116</u>	<u>\$ 62,483</u>	<u>\$ 2,733,172</u>

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**NOTE 6 CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,877,375	\$ -	\$ -	\$ 6,877,375
Land under infrastructure	2,554,760	-	-	2,554,760
Construction in progress	326,537	116,766	(255,234)	188,069
Total capital assets, not being depreciated	<u>9,758,672</u>	<u>116,766</u>	<u>(255,234)</u>	<u>9,620,204</u>
Capital assets, being depreciated:				
Buildings	25,010,103	-	-	25,010,103
Improvements other than building	4,368,995	69,652	-	4,438,647
Intangible assets	1,576,517	38,249	-	1,614,766
Equipment	3,327,507	649,563	(283,269)	3,693,801
Infrastructure	28,615,807	10,045	-	28,625,852
Vehicles	8,251,878	1,266,270	(240,647)	9,277,501
Total capital assets, being depreciated:	<u>71,150,807</u>	<u>2,033,779</u>	<u>(523,916)</u>	<u>72,660,670</u>
Less accumulated depreciation for:				
Buildings	(13,461,445)	(596,184)	-	(14,057,629)
Improvements other than buildings	(3,749,190)	(111,428)	-	(3,860,618)
Intangible assets	(119,476)	(14,562)	-	(134,038)
Equipment	(2,427,252)	(245,121)	283,269	(2,389,104)
Infrastructure	(13,992,739)	(698,052)	-	(14,690,791)
Vehicles	(5,113,822)	(1,036,816)	240,647	(5,909,991)
Total accumulated depreciation	<u>(38,863,924)</u>	<u>(2,702,163)</u>	<u>523,916</u>	<u>(41,042,171)</u>
Total capital assets, being depreciated, net	<u>32,286,883</u>	<u>(668,384)</u>	<u>-</u>	<u>31,618,499</u>
Governmental activities capital assets, net	<u>\$ 42,045,555</u>	<u>\$ (551,618)</u>	<u>\$ (255,234)</u>	<u>\$ 41,238,703</u>

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 488,808	\$ -	\$ -	\$ 488,808
Construction in progress	1,342,555	88,576	(1,272,898)	158,233
Total capital assets, not being depreciated	<u>1,831,363</u>	<u>88,576</u>	<u>(1,272,898)</u>	<u>647,041</u>
Capital assets, being depreciated:				
Buildings	472,000	-	-	472,000
Water/sewer system	24,805,972	33,596,334	-	58,402,306
Stormwater system	3,449,223	222,813	(754,957)	2,917,079
Intangible Assets	102,200	-	-	102,200
Machinery and equipment	250,149	984,821	(68,360)	1,166,610
Total capital assets, being depreciated:	<u>29,079,544</u>	<u>34,803,968</u>	<u>(823,317)</u>	<u>63,060,195</u>
Less accumulated depreciation for:				
Buildings	(401,200)	(11,800)	-	(413,000)
Water/sewer system	(10,145,466)	(918,170)	-	(11,063,636)
Stormwater system	(1,914,814)	(169,384)	754,957	(1,329,241)
Intangible Assets	(102,200)	-	-	(102,200)
Machinery and equipment	(204,143)	(63,714)	68,360	(199,497)
Total accumulated depreciation	<u>(12,767,823)</u>	<u>(1,163,068)</u>	<u>823,317</u>	<u>(13,107,574)</u>
Total capital assets, being depreciated, net	<u>16,311,721</u>	<u>33,640,900</u>	<u>-</u>	<u>49,952,621</u>
Business-type capital assets, net	<u>\$ 18,143,084</u>	<u>\$ 33,729,476</u>	<u>\$ (1,272,898)</u>	<u>\$ 50,599,662</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 137,472
Public works	698,138
Police	211,696
Fire	254,749
Parks	361,383
Other physical environment	1,909
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,036,816
Total depreciation expense	<u>\$ 2,702,163</u>

Depreciation expense was charged to business type activities as follows:

Water/sewer system	\$ 993,684
Stormwater system	169,384
Total depreciation expense	<u>\$ 1,163,068</u>

During the year ending September 30, 2021, the City received a contributed asset (water treatment plant) of \$33,345,400.



**NOTE 7 PENSION OBLIGATIONS**

***Police and Fire Employee Pension Plans:***

The City maintains two separate single-employer, defined benefit pension plans for police officers and firefighters, which are maintained as Pension Trust Funds and included as part of the City's reporting entity. These pension plans do not issue stand-alone financial reports. These plans also provide for disability and survivor benefits.

Each system is independently governed by separate boards of trustees. Assets may not be transferred from one plan to another or used for any purpose other than to benefit each system's participants as defined in their authorizing ordinances. Administrative expenses and fees attributable to each plan are deducted from the plan assets. These funds are reported using the full accrual basis of accounting. The benefits and refunds of each defined benefit plan are recognized when due and payable in accordance with the terms of the plan.

These plans are established by and operated in accordance with Chapters 175 (Fire) & 185 (Police), Florida Statutes. The State requires local governments to make the actuarially determined contribution. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds including subsequent amendments thereto. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the Florida Division of Retirement reviews and approves each local government's actuarial report and has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

With the recent adoption by the Florida Legislation of Chapter 2015-39, Laws of Florida, a separate Defined Contribution component of the Police and Fire Employee Pensions plans was established by October 1, 2015 and will provide special benefits in the form of a supplemental retirement, termination, death and disability benefits to be funded solely and entirely by premium tax monies. The Share Plan benefits are additional to the benefits currently provided by the defined benefit component currently provided. Individual Member share accounts shall be established as of September 30, 2015 for all members actively employed as of October 1, 2014. Funds will be allocated to eligible members on each valuation date based on an individual's total years of Credited Service to the sum of all individuals to whom allocations are being made.

The annual pension cost, and required contribution for September 30, 2021, were determined as part of the actuarial valuation of each plan as of October 1, 2020, and reviewed as part of the actuarial valuation as of October 1, 2020, using the entry age normal actuarial cost method.

**Police Officers' Pension Plan Description**

*Plan administration:* The City of Lake Mary Police Officer's Pension is a single employer defined benefit pension plan that provides pensions for all full-time active and future police officers of the City. The sole and exclusive administration and responsibility for proper operation of the Plan and for making effective the provisions of the Plan is vested in the Board of Trustees (Board). The Board is hereby designated as the plan administrator. The Board shall consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the Lake Mary City Commission, and two (2) of whom shall be Members of the System, who shall be elected by a majority of the Police Officers who are Members of the System. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such person's name shall be submitted to the Lake Mary City Commission.

*Plan Membership as of October 1, 2020:*

Inactive Plan members or beneficiaries currently receiving benefits	28
Inactive Plan members entitled to but not yet receiving benefits	25
Active Plan Members	46
Total	99

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

*Benefits Provided.* The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Date: Age 50 and completion of 5 years of Credited Service.

Benefit: Determined as for Normal Retirement, reduced by 3% per year preceding Normal Retirement Date.

Termination Benefit:

Less than 5 years: Refund of Contributions

5 or more years: Refund of Contributions or vested accrued benefit payable at Normal (unreduced) or Early (reduced) retirement date.

Disability Retirement:

Line of Duty: The greater of 1) 50% of salary at the time of disability or 2) the Member's accrued pension.

Non Line-of-Duty: A vested Member receives the greater of 1) the Member's accrued pension, or 2) 25% of salary at the time of disability. A Member that is not vested receives the Members' Accumulated Contributions.

Pre-Retirement Death Benefits:

Vested In-Line of Duty: Spouse will receive the greater of 1) 10% of the Member's yearly compensation for life of 2) the monthly actuarial equivalent of the accrued normal or early retirement Benefit. If there is no Spouse, then a dependent child can receive benefit until age 18.

Vested Not-In-Line of Duty: Actuarial equivalent of accrued benefit.

Non-Vested: Refund of Member's Accumulated Contributions.

*Contributions.* The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2021, the active member contribution rate was 5.0% of annual pay, and the City plus State contribution is the remaining requirement.

**Investments**

*Investment Policy:* The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing the short-term volatility of results. To achieve these objectives, the Board seeks to create a conservative, well diversified and balanced portfolio of high quality equity, convertible, fixed income, real estate, master limited partnerships and money market securities. The following was the Board's adopted asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity securities	40.00%
International equity	15.00%
Bonds	25.00%
Convertibles	10.00%
Private real estate	5.00%
Infrastructure	5.00%
Total	<u>100.00%</u>

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

*Concentrations.* The plan did not hold investments in any one organization that exceeded the limitations set forth in the investment policy.

*Rate of Return.* For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 22.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 5 years of Credited Service, or (2) 20 years of Credited Service).

Participation: Not to exceed 60 months.

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as of September 30, 2021 is \$0.

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

The components of the net pension liability of the City on September 30, 2021 were as follows:

	Police Officers' Pension Fund
Total pension liability	\$ 25,295,536
Plan fiduciary net position	(30,221,618)
City's net pension liability (asset)	<u>\$ (4,926,082)</u>
Plan fiduciary net position as a percentage of total pension liability	119.47%

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to all measurement periods

Inflation	2.5%
Salary increases	Age Based
Discount rate	7.0%
Investment rate of return	7.0%

Mortality rates were based on the Mortality Improvement Scale MP-2018. Mortality assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates used are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk participants.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study dated May 5, 2021.

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	8.3%
International Equity	4.1%
Bonds	3.1%
Convertibles	7.8%
Private Real Estate	5.5%
Infrastructure	7.0%

*Discount Rate.* The discount rate used to measure the total pension liability 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 City 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.

**City of Lake Mary Police Officers' Pension Plan  
Changes in Net Pension Liability**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2020	\$ 23,256,810	\$ 24,677,390	\$ (1,420,580)
Changes for the year:			
Service cost	867,986	-	867,986
Interest	1,774,467	-	1,774,467
Share plan allocation	27,901	-	27,901
Differences between expected and actual experience	(161,209)	-	(161,209)
Changes of assumption	460,045	-	460,045
Contributions - employer	-	583,427	(583,427)
Contributions - state	-	192,457	(192,457)
Contributions - employee	-	170,772	(170,772)
Net investment income	-	5,585,272	(5,585,272)
Benefit payments, including refunds of employee contributions	(930,464)	(930,464)	-
Administrative expense	-	(57,236)	57,236
Net changes	2,038,726	5,544,228	(3,505,502)
Balances at September 30, 2021	<u>\$ 25,295,536</u>	<u>\$ 30,221,618</u>	<u>\$ (4,926,082)</u>

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability (asset)	\$ (1,958,260)	\$ (4,926,082)	\$ (7,392,650)

**Deferred outflows and inflows of resources:**

For the year ended September 30, 2021, the City will recognize a pension expense of \$(56,100). On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 183,294	\$ 161,591
Changes of assumptions	345,033	22,258
Net difference between Projected and actual earnings on pension plan investments	-	2,613,422
Total	<u>\$ 528,327</u>	<u>\$ 2,797,271</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Total year ended September 30:		
	2022	\$ (448,503)
	2023	(391,115)
	2024	(682,125)
	2025	(747,201)
	2026	-
	Thereafter	-

**Firefighters' Pension Plan Description**

*Plan administration.* The City of Lake Mary Firefighters' Pension Trust Fund is single employer defined benefit pension plan that provides pensions for all active and future, full time or volunteer firefighters who participate in the plan as a condition of employment. The Board is hereby designated as the plan administrator. The Board shall consist of five (5) Trustees, two (2) of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the Lake Mary City Commission, and two (2) of whom shall be Members of the System, who shall be elected by a majority of the Firefighters who are Members of the System. The fifth Trustee shall be chosen by a majority of the previous four (4) Trustees as provided for herein, and such person's name shall be submitted to the Lake Mary City Commission.

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

*Plan Membership as of October 1, 2020:*

Inactive Plan members or beneficiaries currently receiving benefits	17
Inactive Plan members entitled to but not yet receiving benefits	3
Active Plan Members	43
Total	63

*Benefits Provided.* The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date: Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.

Benefit: 3.2% of Average Final Compensation times Credited Service.

Early Retirement:

Date: Age 50 and completion of 10 years of Credited Service.

Benefit: Determined as for Normal Retirement, reduced by 3% per year preceding Normal Retirement Date.

Termination Benefit:

Less than 5 years: Refund of Member Contributions plus 5% compounded annual interest.

5 or more years: Refund of Contributions or Vested Accrued benefit payable at Normal (unreduced) or Early (reduced) retirement date.

Disability Retirement:

Line of Duty: The greater of 1) 50% of salary at the time of disability or 2) the Member's accrued normal retirement benefit. Non Line-of-Duty: A vested Member with 5 years of Credited Service, receives the greater of 1) 25% of salary at the time of disability or 2) the Member's accrued normal retirement taking into account compensation earned and service credited until the date of disability. A Member that is not vested receives the Members' Accumulated Contributions plus 5% compounded annual interest.

Pre-Retirement Death Benefits:

Vested In-Line of Duty: Beneficiary will receive a monthly benefit based on the greater of 1) 1/12<sup>th</sup> of 10% of the Member's current annual salary on the date of death or 2) the monthly actuarial equivalent of the accrued normal retirement benefit. In lieu of the Normal Form, the beneficiary may elect to receive the greater of a lump sum of the present value of the member's accrued benefit or a refund of the member's contributions with interest.

Vested Not-In-Line of Duty: Any member with 5 or more years of Credited Service is considered vested. The member's beneficiary will receive a monthly benefit based on the greater of 1) 1/12<sup>th</sup> of 5% of the member's current annual salary on the date of death or 2) the Actuarial equivalent of 50% of the present value of the member's accrued Normal Retirement Benefit taking into account Compensation earned and service credited until the date of death.

Non-Vested: Refund of Member's Accumulated Contributions with 5% compounded annual interest.

*Contributions.* The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2021, the active member contribution rate was 5.0% of annual pay, and the City and state contribution was the remaining requirement.

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

**Investments**

*Investment Policy.* The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - that exceeds the actuarial interest rate assumption on an annual basis. Additionally, the Board, in performing their investment duties, shall comply with fiduciary standards set forth in the Employee Retirement Income Security Act of 1974, U.S.C. s1104 (a) (1) (A)-(C).

The following was the Board's adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
Domestic equity securities	35.00%
Global infrastructure	5.00%
Convertible securities	10.00%
International equity	15.00%
Private real estate	5.00%
Fixed income	30.00%
Total	<u>100.00%</u>

*Concentrations.* The plan did not hold investments in any one organization that represented 5% or more of the Pension Plan's fiduciary net position.

*Rate of Return.* For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 19.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

Eligibility: Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 5 years of Credited Service, or (2) 20 years of Credited Service).

Participation: Not to exceed 60 months

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as of September 30, 2021 is \$94,126.

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

The components of the net pension liability of the City on September 30, 2021 were as follows:

Total pension liability	<u>\$ 23,671,302</u>
Plan fiduciary net position	(26,033,291)
City's net pension liability (asset)	<u>\$ (2,361,989)</u>
Plan fiduciary net position as a percentage of total pension liability	109.98%

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to all measurement periods

Inflation		2.5%
Salary increases	4% to 8% service-based table	
Investment rate of return		7.0%

Mortality rates are based on the RP-2000 Combined Healthy Participant Mortality Table for males and females. The provision for future mortality improvements is being made by using Scale BB after 2000. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 FRS valuation, as mandated by Chapter 112.63, Florida Statutes.

The long-term expected return is the 30-year average return, or since- inception average return for those assets that did not exist prior to 1984, less inflation measured by CPI. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic equity	8.33%
International equity	4.05%
Bonds	3.12%
Convertibles	7.80%
Private real estate	5.53%
Infrastructure	6.99%

*Discount Rate.* The discount rate used to measure the total pension liability 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.

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**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

**City of Lake Mary Firefighters' Pension Plan  
Changes in Net Pension Liability**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2020	\$ 22,278,163	\$ 21,555,592	\$ 722,571
Changes for the year:			
Service cost	819,268	-	819,268
Interest	1,590,395	-	1,590,395
Differences between expected and actual experience	81,119	-	81,119
Assumption changes	(364,810)	-	(364,810)
Contributions - employer and state		1,092,745	(1,092,745)
Contributions - employee	-	150,617	(150,617)
Net investment income	-	4,040,185	(4,040,185)
Benefit payments, including refunds of employee contributions	(753,688)	(753,688)	-
Refunds	(1,312)	(1,312)	-
Other (change in state contribution reserve)	22,167	-	22,167
Administrative expense	-	(50,848)	50,848
Net changes	1,393,139	4,477,699	(3,084,560)
Balances at September 30, 2021	\$ 23,671,302	\$ 26,033,291	\$ (2,361,989)

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability (asset)	\$ 479,313	\$ (2,361,989)	\$ (4,730,255)

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:**

For the year ended September 30, 2021, the City will recognize a pension expense of \$(18,131). On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 174,443	\$ 195,537
Changes in assumptions	52,758	401,489
Actual investment earnings different than assumed	-	2,303,372
Total	\$ 227,201	\$ 2,900,398

**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Total year ended September 30:

2022	\$	(702,328)
2023		(655,445)
2024		(691,827)
2025		(548,740)
2026		(49,064)
Thereafter		(25,793)

**Aggregate Amounts of All Pension Plans**

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2021 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
Police Pension Plan	\$ 4,926,082	\$ (2,797,271)	\$ 528,327	\$ (56,100)
Firefighters' Pension Plan	2,361,989	(2,900,398)	227,201	(18,131)
Total	<u>\$ 7,288,071</u>	<u>\$ (5,697,669)</u>	<u>\$ 755,528</u>	<u>\$ (74,231)</u>

**General Pension Plan:**

The General Employees Pension Plan (General Plan) is a defined contribution plan covering all other full-time and permanent part-time employees of the City. This plan is authorized by and may be amended by the City Commission. The City makes employee contributions of 10%, with an available match of up to an additional 2.5%. Employees can make voluntary contributions of up to 10% of annual compensation. Employees are eligible to participate in the General Plan after 6 months of employment. Employees are immediately vested in their own contributions and earnings on those contributions. Vesting of City contributions is 20% after the first year and each year thereafter, with full vesting after 5 years. Benefits are available at termination, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 60. The loan provision for the plan permits loans from participant contributions only. All loans are due in full at termination.

For the fiscal year ending September 30, 2021, payroll for the employees covered by this plan was \$4,574,212. Employer contributions required and made were \$541,759, with voluntary contributions of \$111,356. During FY 2021, the City was able to reallocate forfeited funds remaining in the plan to reduce its cash contribution by \$32,000. As of September 30, 2021, participation in the plan consisted of 84 active members. The outstanding employee loan amount at September 30, 2021 was \$35,781.

There is no actuarial valuation required for this plan.

During the fiscal year, the General Plan held no securities issued by the employer.

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**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

***Individual Fiduciary Fund Statements***

Individual statements of net position for the three plans included in the City of Lake Mary fiduciary funds are as follows:

**City of Lake Mary, Florida**  
**Individual Statements of Fiduciary Net Position**  
**September 30, 2021**

	<b>Police Pension Trust</b>	<b>Fire Pension Trust</b>	<b>Total Employee Pension Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,418,017	\$ 1,609,586	\$ 3,027,603
Receivables:			
Interest receivable	62,819	29,194	92,013
Total receivables	<u>62,819</u>	<u>29,194</u>	<u>92,013</u>
Investments at fair value			
Domestic corporate & govt bonds	9,714,232	8,635,153	18,349,385
Domestic stocks	14,086,080	13,146,067	27,232,147
International	3,733,931	-	3,733,931
Real estate	1,250,976	2,634,342	3,885,318
Total Investments	<u>28,785,219</u>	<u>24,415,562</u>	<u>53,200,781</u>
Total assets	<u><u>30,266,055</u></u>	<u><u>26,054,342</u></u>	<u><u>56,320,397</u></u>
<b>LIABILITIES</b>			
Accounts payable	44,437	29,498	73,935
Due to other funds	-	23,618	23,618
Total liabilities	<u>44,437</u>	<u>53,116</u>	<u>97,553</u>
<b>Net Position Restricted for Pensions</b>	<u><u>\$ 30,221,618</u></u>	<u><u>\$ 26,001,226</u></u>	<u><u>\$ 56,222,844</u></u>

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**NOTE 7 PENSION OBLIGATIONS (CONTINUED)**

Individual statements of the changes in fiduciary net position are as follows:

**City of Lake Mary, Florida**  
**Individual Statements of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2021**

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
<b>ADDITIONS</b>			
Contributions:			
City	\$ 583,427	\$ 869,629	\$ 1,453,056
State	192,457	214,087	406,544
Employee	170,772	150,617	321,389
Total contributions	<u>946,656</u>	<u>1,234,333</u>	<u>2,180,989</u>
Investment Earnings:			
Interest	634,767	608,808	1,243,575
Increase in fair value of investments	5,080,650	3,523,359	8,604,009
Less: investment expense	(130,145)	(91,982)	(222,127)
Total net investment earnings	<u>5,585,272</u>	<u>4,040,185</u>	<u>9,625,457</u>
Total additions	<u>6,531,928</u>	<u>5,274,518</u>	<u>11,806,446</u>
<b>DEDUCTIONS</b>			
Benefit payments	912,381	753,688	1,666,069
Refunds of contributions	18,083	1,312	19,395
Administrative expenses	57,236	50,848	108,084
Total deductions	<u>987,700</u>	<u>805,848</u>	<u>1,793,548</u>
Change in net position	5,544,228	4,468,670	10,012,898
Net position - beginning	<u>24,677,390</u>	<u>21,532,556</u>	<u>46,209,946</u>
Net position - ending	<u>\$ 30,221,618</u>	<u>\$ 26,001,226</u>	<u>\$ 56,222,844</u>

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Pursuant to Resolution 830, and in accordance with Florida Statutes Section 112.0801, the City of Lake Mary makes continuation of group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This single-employer benefit plan has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has ten 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 does not issue stand-alone financial statements.

As of October 1, 2019, the valuation date, there were 180 active employees and 10 inactive employees currently receiving benefits. The OPEB liability of \$1,821,660 was measured as of September 30, 2021 and was determined by the actuarial valuation. The covered payroll was \$10,234,767, and the ratio of Net OPEB liability as a percentage of covered payroll was 17.80%.

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Summary of Actuarial Methods & 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. The Liability of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan provision, (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 actuary provided guidance with respect to the economic assumptions, demographic assumptions, and the health care participant rate assumptions.

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	6.5%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2036
Additional Information	
Valuation Date	October 1, 2019
Measurement Date	September 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate*	2.14%
Inflation Rate	3%
Salary Rate Increase	4%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 10,234,767
Net OPEB Liability as a Percentage of Covered Payroll	17.80%

\* 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.

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2020, to September 30, 2021.

	<b>Total OPEB Liability</b>
Balance as of 9/30/2020	\$ 1,802,585
Changes for the year:	
Service Cost	\$ 87,953
Interest on Total OPEB Liability	37,852
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	(39,144)
Benefit Payments	(67,586)
Other Changes	-
Net Changes	\$ 19,075
Balance as of 9/30/2021	<u>\$ 1,821,660</u>

**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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 point higher than the current discount rate:

	Decrease 1.43%	Discount Rate 2.43%	Increase 3.43%
Net OPEB Liability	\$ 1,960,074	\$ 1,821,660	\$ 1,692,954

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

	Decrease 1%	Health Care Trend	Increase 1%
Net OPEB Liability	\$ 1,648,160	\$ 1,821,660	\$ 2,022,901

For the fiscal year ended September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 397,044	\$ -
Changes of assumptions	442,136	79,480
Total	<u>\$ 839,180</u>	<u>\$ 79,480</u>

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

Fiscal Year Ending September 30,	
2022	\$ 117,809
2023	117,809
2024	117,809
2025	117,809
2026	117,809
Thereafter	170,655

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**NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Summary of Benefits

The City of Lake Mary provides optional post-employment medical, prescription drug and dental insurance coverage to eligible individuals. Eligible individuals include all regular, full-time employees and certain elected officials of the City of Lake Mary who retire from active service and are eligible for retirement or disability benefits under the general employee or fire and police pension plans. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. The medical plan is the Florida Blue “BlueCare 60” HMO with prescription drug copays of \$15/\$45/\$75. Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether single or family coverage.

**NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The water treatment plant enhancement project was carried forward into fiscal year 2022 in the amount of \$163,795.

The emergency lift station generator was carried forward into fiscal year 2022 in the amount of \$228,825.

*Encumbrances.* As discussed in note 3, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor and re-appropriated October 1, 2021 were as follows:

	<u>Encumbrances</u>
General fund	\$ 42,270
Nonmajor governmental funds	8,400
Enterprise funds	469,408
Internal Service fund	6,309
	<u>\$ 526,387</u>

**NOTE 10 RISK MANAGEMENT**

**Public Risk Management of Florida**

The City is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has approximately 55 local government agency members. The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials’ liability, workers’ compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage’s from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pool’s ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2021. The cost of the insurance is allocated among the appropriate departments and funds.

**NOTE 11 LEASE OBLIGATIONS**

**Capital Leases:**

On September 30, 2021, the City had no capital leases outstanding.

**NOTE 11 LEASE OBLIGATIONS (CONTINUED)**

**Operating Leases:**

The City leases copier equipment, digital mailing system equipment and folder/inserters equipment under non-cancelable operating leases with a duration of 60 months each. The total cost for such leases was \$26,303 for the year ended September 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending September 30,	
2022	\$ 23,299
2023	10,187
2024	7,333
2025	4,810
<b>Total Operating Leases</b>	<b>\$ 45,629</b>

**NOTE 12 LONG TERM LIABILITIES**

During the year ended September 30, 2021, the following changes occurred in long term liabilities:

	Balance 09/30/2020	Reductions	Additions	Balance 09/30/2021	Balance Due within One Year
<b>Governmental activities</b>					
Other post employment benefits	\$ 1,665,038	\$ -	\$ 17,618	\$ 1,682,656	\$ -
Net pension Liability	722,571	(722,571)	-	-	-
Compensated absences	1,531,640	(48,594)	135,911	1,618,957	129,517
Governmental activity long -term liabilities	<u>\$ 3,919,249</u>	<u>\$ (771,165)</u>	<u>\$ 153,529</u>	<u>\$ 3,301,613</u>	<u>\$ 129,517</u>
<b>Business-type activities</b>					
Other post employment benefits	\$ 137,547	\$ -	\$ 1,456	\$ 139,003	\$ -
Compensated absences	93,869	(6,200)	12,427	100,096	8,007
Business-type activity long-term liabilities	<u>\$ 231,416</u>	<u>\$ (6,200)</u>	<u>\$ 13,883</u>	<u>\$ 239,099</u>	<u>\$ 8,007</u>

**NOTE 13 FUND BALANCE**

*Minimum fund balance policy.* In accordance with Resolution No's. 800 and 924, the City designates that a minimum amount equal to 25 percent of the current fiscal year expenditures of the General Fund be maintained as unassigned fund balance and 25 percent of the current year expenditures of each Enterprise Fund, as unrestricted net position. The purpose of this policy is to provide the capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs/occurrences, and maintain historical fund balance/net position stability which may provide advantageous interest rates in the event of issuing debt.



**NOTE 13 FUND BALANCE (CONTINUED)**

If, at the end of any fiscal year, the actual amount of unassigned fund balance, or unrestricted net position falls below the required level, the City Manager and City Commission review the circumstances creating the shortfall and develop a plan for restoring or amending the requirements. Compliance with the resolution is part of the annual budget process.

At September 30, 2021, the City's governmental fund balances were classified as follows:

Fund Balances	General Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory/prepays	\$ 2,043	\$ -	\$ -	\$ 2,043
Restricted for:				
Public works	-	-	43,616	43,616
Public safety	-	-	613,190	613,190
Parks and recreation	-	-	187,172	187,172
Other physical environment	-	-	93,458	93,458
Building department	3,028,407	-	-	3,028,407
Other capital projects	-	-	2,551,126	2,551,126
Committed to:				
Other capital projects	-	443,839	-	443,839
Assigned to:				
Capital projects	645,000	-	-	645,000
Unassigned fund balance	18,598,588	-	-	18,598,588
<b>Total fund balance</b>	<b>\$ 22,274,038</b>	<b>\$ 443,839</b>	<b>\$ 3,488,562</b>	<b>\$ 26,206,439</b>

**NOTE 14 INTERFUND TRANSFERS**

The composition of interfund transfers for the year ended September 30, 2021 is as follows:

Recipient Fund	Amount	Purpose
General Fund	1,350,000	Transfer from Water and Sewer Fund to cover costs of General Fund services provided to the Water and Sewer Fund, such as Customer Service, Finance, Human Resources, Purchasing, Information Technology Services, City Manager, City Clerk and Community Development.
Capital Projects Fund	244,900	Transfer from General Fund to provide for general capital improvements of the City.

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**NOTE 15            CONTINGENCIES**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 16            TAX ABATEMENTS**

In accordance with s. 288.106, Florida Statutes and in partnership with Seminole County and the State of Florida, the City has agreed to participate in the Qualified Target Industry (QTI) Tax Refund Program. Under the Statutes, the City may offer tax refund incentives for companies that create high wage jobs in targeted high value-added industries. Qualified companies who create jobs in Florida receive tax refunds depending on the number of new jobs created, salary level, and certain other criteria. Currently resolutions have been adopted to support incentives and approve expenditures for several area businesses.

For the fiscal year ended September 30, 2021, the City abated taxes totaling \$180,000 under this program.

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**CITY OF LAKE MARY POLICE OFFICERS' PENSION FUND**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
 Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 867,986	\$ 847,935	\$ 711,092	\$ 815,164	\$ 786,087	\$ 699,691	\$ 671,221	\$ 680,756
Interest	1,774,467	1,636,092	1,538,000	1,476,466	1,363,629	1,215,442	1,166,563	1,073,198
Change in excess state money	-	-	-	-	-	(185,349)	-	-
Share plan allocation	27,901	29,315	23,487	16,131	13,125	212,226	-	-
Differences between expected and actual experience	(161,209)	366,589	(162,738)	(621,805)	(44,067)	(57,497)	(698,228)	-
Assumption changes	460,045	(44,515)	-	-	41,017	375,825	-	-
Contributions - buy back	-	-	-	11,000	-	36,773	23,490	-
Benefit payments, including refunds of member contributions	(930,464)	(1,090,450)	(787,146)	(757,705)	(611,052)	(574,995)	(504,618)	(494,468)
<b>Net change in total pension liability</b>	<b>2,038,726</b>	<b>1,744,966</b>	<b>1,322,695</b>	<b>939,251</b>	<b>1,548,739</b>	<b>1,722,116</b>	<b>658,428</b>	<b>1,259,486</b>
<b>Total pension liability - beginning</b>	<b>23,256,810</b>	<b>21,511,844</b>	<b>20,189,149</b>	<b>19,249,898</b>	<b>17,701,159</b>	<b>15,979,043</b>	<b>15,320,615</b>	<b>14,061,129</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 25,295,536</b>	<b>\$ 23,256,810</b>	<b>\$ 21,511,844</b>	<b>\$ 20,189,149</b>	<b>\$ 19,249,898</b>	<b>\$ 17,701,159</b>	<b>\$ 15,979,043</b>	<b>\$ 15,320,615</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 583,427	\$ 548,192	\$ 540,893	\$ 629,559	\$ 620,418	\$ 600,951	\$ 690,683	\$ 789,579
Contributions - state	192,457	195,285	183,629	168,916	162,904	154,751	139,620	133,190
Contributions - employee	170,772	156,615	149,072	139,682	139,829	137,252	128,132	136,573
Contributions - buy back	-	-	-	11,000	-	36,773	23,490	-
Net investment income	5,585,272	1,774,969	634,605	1,641,052	2,177,717	1,584,417	(142,157)	1,416,817
Benefit payments, including refunds of member contributions	(930,464)	(1,090,450)	(787,146)	(757,705)	(611,052)	(574,995)	(504,618)	(494,468)
Administrative expense	(57,236)	(52,854)	(52,749)	(53,223)	(50,923)	(37,977)	(41,419)	(26,130)
<b>Net change in plan fiduciary net position</b>	<b>5,544,228</b>	<b>1,531,757</b>	<b>668,304</b>	<b>1,779,281</b>	<b>2,438,893</b>	<b>1,901,172</b>	<b>293,731</b>	<b>1,955,561</b>
<b>Plan fiduciary net position - beginning</b>	<b>24,677,390</b>	<b>23,145,633</b>	<b>22,477,329</b>	<b>20,698,048</b>	<b>18,259,155</b>	<b>16,357,983</b>	<b>16,064,252</b>	<b>14,108,691</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 30,221,618</b>	<b>\$ 24,677,390</b>	<b>\$ 23,145,633</b>	<b>\$ 22,477,329</b>	<b>\$ 20,698,048</b>	<b>\$ 18,259,155</b>	<b>\$ 16,357,983</b>	<b>\$ 16,064,252</b>
<b>City's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (4,926,082)</b>	<b>\$ (1,420,580)</b>	<b>\$ (1,633,789)</b>	<b>\$ (2,288,180)</b>	<b>\$ (1,448,150)</b>	<b>\$ (557,996)</b>	<b>\$ (378,940)</b>	<b>\$ (743,637)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>119.47%</b>	<b>106.11%</b>	<b>107.59%</b>	<b>111.33%</b>	<b>107.52%</b>	<b>103.15%</b>	<b>102.37%</b>	<b>104.85%</b>
<b>Covered payroll</b>	<b>\$ 3,415,446</b>	<b>\$ 3,132,289</b>	<b>\$ 2,981,442</b>	<b>\$ 2,793,634</b>	<b>\$ 2,796,590</b>	<b>\$ 2,745,050</b>	<b>\$ 2,562,188</b>	<b>\$ 2,441,186</b>
<b>City's net pension liability (asset) as a percentage of covered payroll</b>	<b>-144.23%</b>	<b>-45.35%</b>	<b>-54.80%</b>	<b>-81.91%</b>	<b>-51.78%</b>	<b>-20.33%</b>	<b>-14.79%</b>	<b>-30.46%</b>

**Notes to Schedule:**

*Changes of assumptions*

For measurement date 9/30/21 and 9/30/20, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

For measurement date 9/30/19, the inflation rate assumption was lowered from 2.60% to 2.50% matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/17, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. The inflation assumption rate was lowered from 2.7% to 2.6%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 9/30/16, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from the RP-2000 Combined Healthy Table to the mortality table used by the Florida Retirement System for the special risk employees.

The inflation assumption rate was lowered from 3% to 2.7%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

\* Prior years' data unavailable

**CITY OF LAKE MARY POLICE OFFICERS' PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
 Last Ten Fiscal Years\*\*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 747,983	\$ 714,162	\$ 679,769	\$ 768,249	\$ 760,672	\$ 746,654	\$ 830,294	\$ 922,768
Contributions in relation to the actuarially determined contributions	747,983	714,162	701,035	782,344	770,197	746,654	830,303	922,768
Contribution deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,266)</u>	<u>\$ (14,095)</u>	<u>\$ (9,525)</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ -</u>
<b>Covered payroll</b>	<b>\$ 3,415,466</b>	<b>\$ 3,132,289</b>	<b>\$ 2,981,442</b>	<b>\$ 2,793,634</b>	<b>\$ 2,796,590</b>	<b>\$ 2,745,050</b>	<b>\$ 2,562,188</b>	<b>\$ 2,441,186</b>
<b>Contributions as a percentage of covered payroll</b>	<b>21.90%</b>	<b>22.80%</b>	<b>23.51%</b>	<b>28.00%</b>	<b>27.54%</b>	<b>27.20%</b>	<b>32.41%</b>	<b>37.80%</b>

\*\* Prior years' data unavailable

**Notes to Schedule**

Valuation Date: 10/1/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality	Healthy Lives: Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB. <i>Disabled Lives:</i> Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
Interest rate	7.5% per year compounded annually, net of investment related expenses.
Retirement age:	Earlier of 1) Age 55 and 5 years of service or 2) completion of 20 years of service, regardless of age. In addition, members who are eligible to retire on the valuation date are assumed to retire one year later.
Early retirement:	Commencing at the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at a rate of 5% per year.
Disability rates:	See Table below. It is assumed that 75% of disablements and active member deaths are service related.
Termination rates:	See table below.
Marriage rates:	Assume all are married.
Salary increases:	7% per year until the assumed retirement age. Projected salary at retirement is increased by an individually determined amount, based on data provided by the City, to account for non-regular payments.
Payroll growth assumption	2.79% per year (3.8% for 10/1/14). This assumption complies with Part VII of Chapter 112, Florida Statutes.
Funding Method:	Entry Age Normal Actuarial Cost Method.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Other Information

**Termination and Disability Rate Table**

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.0%	0.03%
30	7.0%	0.04%
40	4.0%	0.07%
50	0.0%	0.18%

**City of Lake Mary Police Officers' Pension Plan**  
**Schedule of Investment Returns**  
 Last Ten Fiscal Years\*\*

	09/30/21	09/30/20	09/30/19	09/30/18	09/30/17	09/30/16	09/30/15	09/30/14
Annual money-weighted rate of return, net of investment expense	22.71%	8.33%	3.41%	7.93%	11.89%	9.63%	-0.88%	9.92%

\*\* Prior years' data unavailable

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**CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
 Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 819,268	\$ 759,939	\$ 674,747	\$ 679,044	\$ 748,823	\$ 705,489	\$ 694,024	\$ 694,679
Interest	1,590,395	1,485,894	1,380,937	1,299,727	1,314,284	1,246,237	1,200,113	1,102,822
Changes of benefit terms	-	6,572	-	-	232,790	-	-	-
Differences between expected and actual experience	81,119	(79,059)	201,627	(48,492)	(102,108)	(254,774)	(653,507)	-
Changes of assumptions	(364,810)	-	-	21,320	(310,888)	193,914	178,939	-
Change in state contribution reserve	22,167	13,937	8,652	(630,795)	(898,642)	(119,357)	-	-
Refunds	(1,312)	-	(7,277)	-	(9,323)	(31,602)	-	-
Benefit payments, including refunds of member contributions	(753,688)	(752,462)	(943,810)	3,776	-	(438,239)	(768,302)	(298,350)
<b>Net change in total pension liability</b>	<b>1,393,139</b>	<b>1,434,821</b>	<b>1,314,876</b>	<b>1,324,580</b>	<b>974,936</b>	<b>1,301,668</b>	<b>651,267</b>	<b>1,499,151</b>
<b>Total pension liability - beginning</b>	<b>22,278,163</b>	<b>20,843,342</b>	<b>19,528,466</b>	<b>18,203,886</b>	<b>17,228,950</b>	<b>15,927,282</b>	<b>15,276,015</b>	<b>13,776,864</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 23,671,302</b>	<b>\$ 22,278,163</b>	<b>\$ 20,843,342</b>	<b>\$ 19,528,466</b>	<b>\$ 18,203,886</b>	<b>\$ 17,228,950</b>	<b>\$ 15,927,282</b>	<b>\$ 15,276,015</b>
<b>Plan fiduciary net position</b>								
Contributions - employer and state	\$ 1,092,745	\$ 998,131	\$ 866,252	\$ 797,096	\$ 855,027	\$ 758,955	\$ 755,836	\$ 746,249
Contributions - employee	150,617	145,991	137,515	220,192	207,761	124,011	117,356	118,503
Net investment income	4,040,185	2,132,171	824,687	1,192,068	1,623,631	1,283,870	18,601	1,153,908
Benefit payments, including refunds of member contributions	(753,688)	(752,462)	(943,810)	(630,795)	(898,642)	(438,239)	(768,302)	(298,350)
Refunds	(1,312)	-	(7,277)	-	(9,323)	(31,602)	-	-
Administrative expense	(50,848)	(59,382)	(54,397)	(50,726)	(59,898)	(41,718)	(37,977)	(25,374)
<b>Net change in plan fiduciary net position</b>	<b>4,477,699</b>	<b>2,464,449</b>	<b>822,970</b>	<b>1,527,835</b>	<b>1,718,556</b>	<b>1,655,277</b>	<b>85,514</b>	<b>1,694,936</b>
<b>Plan fiduciary net position - beginning</b>	<b>21,555,592</b>	<b>19,091,143</b>	<b>18,268,173</b>	<b>16,740,338</b>	<b>15,021,782</b>	<b>13,366,505</b>	<b>13,280,991</b>	<b>11,586,055</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 26,033,291</b>	<b>\$ 21,555,592</b>	<b>\$ 19,091,143</b>	<b>\$ 18,268,173</b>	<b>\$ 16,740,338</b>	<b>\$ 15,021,782</b>	<b>\$ 13,366,505</b>	<b>\$ 13,280,991</b>
<b>City's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (2,361,989)</b>	<b>\$ 722,571</b>	<b>\$ 1,752,199</b>	<b>\$ 1,260,293</b>	<b>\$ 1,463,548</b>	<b>\$ 2,207,168</b>	<b>\$ 2,560,777</b>	<b>\$ 1,995,024</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>109.98%</b>	<b>96.76%</b>	<b>91.59%</b>	<b>93.55%</b>	<b>91.96%</b>	<b>87.19%</b>	<b>83.92%</b>	<b>86.94%</b>
<b>Covered payroll</b>	<b>\$ 3,012,342</b>	<b>\$ 2,919,822</b>	<b>\$ 2,750,300</b>	<b>\$ 2,607,420</b>	<b>\$ 2,577,693</b>	<b>\$ 2,480,211</b>	<b>\$ 2,746,205</b>	<b>\$ 2,771,053</b>
<b>City's net pension liability (asset) as a percentage of covered payroll</b>	<b>-78.41%</b>	<b>24.75%</b>	<b>63.71%</b>	<b>48.33%</b>	<b>56.78%</b>	<b>88.99%</b>	<b>93.25%</b>	<b>72.00%</b>

**Notes to Schedule:**

Effective October 1, 2017, the pre-retirement mortality assumption was changed to the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2016. This change was not reflected as of the September 30, 2017 measurement date.

\* Prior years data unavailable

**CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
 Last Ten Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,061,549	\$ 991,280	\$ 857,544	\$ 783,008	\$ 840,843	\$ 757,952	\$ 752,016	\$ 732,586
Contributions in relation to the actuarially determined contributions	1,070,578	984,194	857,600	793,320	851,147	758,955	752,863	746,249
Contribution deficiency (Excess)	\$ (9,029)	\$ 7,086	\$ (56)	\$ (10,312)	\$ (10,304)	\$ (1,003)	\$ (847)	\$ (13,663)
<b>Covered payroll</b>	\$ 3,012,342	\$ 2,919,822	\$ 2,750,300	\$ 2,607,420	\$ 2,577,693	\$ 2,480,211	\$ 2,746,205	\$ 2,771,053
<b>Contributions as a percentage of covered payroll</b>	35.54%	33.71%	31.18%	30.43%	33.02%	30.60%	27.41%	26.93%

**Notes to Schedule**

Valuation Date: 10/1/2020

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level percentage of payroll, closed
- Remaining amortization: 20 years
- Asset valuation method: 5-year smoothed market
- Inflation: 2.5% per year
- Salary increases: 4.00% - 8.00% service-based table, including 2.50% inflation
- Interest rate: 7.00%
- Retirement age: Experience-based table of rates
- Mortality: RP 2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB
- Termination rates: See table below. Rates do not apply to members eligible to retire and do not include separation on account of death or disability.
- Marriage rates: Assume all are married.
- Disability rates: See Table below. It is assumed that 75% of disablements and active member deaths are service related.

\* Prior years' data unavailable

Other Information

Termination and Disability Rate Table

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	4.5%	0.14%
25	3.0%	0.14%
30	2.3%	0.19%
35	1.5%	0.24%
40	0.8%	0.34%
45	0.5%	0.48%
50	0.1%	0.87%

**CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN**  
**SCHEDULE OF INVESTMENT RETURNS**  
 Last Ten Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	19.68%	11.61%	4.96%	7.10%	11.55%	10.10%	0.60%	10.60%

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\* only 8 years of data available



**Schedule of Changes in the City's Net OPEB Liability and Related Ratios**  
Last Ten Fiscal Years\*

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
<b>Total OPEB Liability</b>				
Service cost	\$ 87,953	\$ 70,305	\$ 49,541	\$ 48,653
Interest	37,852	39,207	38,629	17,856
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	177,761	-	443,172
Changes of assumptions	(39,144)	373,244	5,760	(74,759)
Benefit Payments (2)	(67,585)	(65,494)	(52,957)	(44,920)
Other changes	-	78,635	246	142,228
<b>Net change in total OPEB liability</b>	<b>19,076</b>	<b>673,658</b>	<b>41,219</b>	<b>532,230</b>
<b>Total OPEB liability, beginning (1)</b>	<b>1,802,585</b>	<b>1,128,927</b>	<b>1,087,708</b>	<b>555,478</b>
<b>Total OPEB liability, ending</b>	<b>\$ 1,821,661</b>	<b>\$ 1,802,585</b>	<b>\$ 1,128,927</b>	<b>\$ 1,087,708</b>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 10,234,767	\$ 10,234,767	\$ 8,983,813	\$ 8,983,813
Net OPEB liability as a percentage of covered payroll	17.80%	17.61%	12.57%	12.11%

Notes to Schedule:

- (1) Fiscal Year 2018 beginning results calculated using a 3.35% Discount Rate index as of 9/30/2018.
- (2) Includes the Implicit Rate Subsidy.

\* additional years' information will be displayed as it becomes available

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# Combining and Individual Statements and Schedules



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# **Non-Major Governmental Funds**

## **SPECIAL REVENUE FUNDS**

POLICE EDUCATION FUND - This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.

IMPACT FEES FUNDS - These funds are used to account for impact fees levied on new development and are restricted for use in funding capital facilities and equipment that are directly related to new growth. Such capital expenditures must benefit the governmental activity for which collected, as indicated in the name of each fund; Police, Fire, Public Works, and Recreation.

LAW ENFORCEMENT TRUST FUNDS - STATE & FEDERAL - These funds are used to account for revenue and expenditures to be used for School Resource Officers, crime prevention, drug education programs or other law enforcement purposes in accordance with Chapter 932.7055 Florida Statutes.

POLICE AND FIRE PREMIUM TAX TRUST FUND - This special revenue fund is used to account for State contributions included as a part of insurance premiums paid by businesses within City limits, to be used solely for the benefit of police and fire pension plans.

LAKE MARY CEMETERY FUND - This fund is used to account for cemetery activities.

## **CAPITAL FUNDS**

ONE-CENT INFRASTRUCTURE SALES TAX FUND - is funded solely by Local Infrastructure Sales Surtax, and is restricted for transportation improvement projects only.

**Special Revenue**

	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees	Law Enforcement Trust Fund - State
<b>Assets</b>						
Cash and cash equivalents	\$ 83,430	\$ 57,348	\$ 281,467	\$ 40,353	\$ 142,106	\$ 49,669
Investments	52,363	40,431	7,999	3,240	44,967	12,765
Interest receivable	71	52	153	23	99	33
Due from other governments	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 135,864</b>	<b>\$ 97,831</b>	<b>\$ 289,619</b>	<b>\$ 43,616</b>	<b>\$ 187,172</b>	<b>\$ 62,467</b>
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Restricted:						
Public works	\$ -	\$ -	\$ -	\$ 43,616	\$ -	\$ -
Public safety	135,864	97,831	289,619	-	-	62,467
Parks and recreation	-	-	-	-	187,172	-
Other physical environment	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-
<b>Total fund balances</b>	<b>135,864</b>	<b>97,831</b>	<b>289,619</b>	<b>43,616</b>	<b>187,172</b>	<b>62,467</b>
<b>Total liabilities and fund balances</b>	<b>\$ 135,864</b>	<b>\$ 97,831</b>	<b>\$ 289,619</b>	<b>\$ 43,616</b>	<b>\$ 187,172</b>	<b>\$ 62,467</b>

Special Revenue				Capital Projects		
Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total	One-Cent Infrastructure Sales Tax Fund	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 27,357	\$ -	\$ 93,413	\$ 775,143	\$ 797,517	\$ 797,517	\$ 1,572,660
52	-	-	161,817	1,465,067	1,465,067	1,626,884
-	-	45	476	1,155	1,155	1,631
-	-	-	-	313,412	313,412	313,412
<u>\$ 27,409</u>	<u>\$ -</u>	<u>\$ 93,458</u>	<u>\$ 937,436</u>	<u>\$ 2,577,151</u>	<u>\$ 2,577,151</u>	<u>\$ 3,514,587</u>
-	-	-	-	26,025	26,025	26,025
-	-	-	-	26,025	26,025	26,025
\$ -	\$ -	\$ -	\$ 43,616	\$ -	\$ -	\$ 43,616
27,409	-	-	613,190	-	-	613,190
-	-	-	187,172	-	-	187,172
-	-	93,458	93,458	-	-	93,458
-	-	-	-	2,551,126	2,551,126	2,551,126
<u>27,409</u>	<u>-</u>	<u>93,458</u>	<u>937,436</u>	<u>2,551,126</u>	<u>2,551,126</u>	<u>3,488,562</u>
<u>\$ 27,409</u>	<u>\$ -</u>	<u>\$ 93,458</u>	<u>\$ 937,436</u>	<u>\$ 2,577,151</u>	<u>\$ 2,577,151</u>	<u>\$ 3,514,587</u>

City of Lake Mary, Florida  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2021

	Special Revenue					
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees	Law Enforcement Trust Fund - State
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Impact fees/assessments	-	27,001	39,516	5,310	19,749	-
Fines and forfeitures	8,502	-	-	-	-	11,896
Investment earnings	253	140	603	91	381	147
<b>Total revenues</b>	<u>8,755</u>	<u>27,141</u>	<u>40,119</u>	<u>5,401</u>	<u>20,130</u>	<u>12,043</u>
<b>Expenditures</b>						
Current:						
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Other physical environment	-	-	-	-	-	-
Capital outlay:						
Public works	-	-	-	-	-	-
Public safety	-	37,468	5,708	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>37,468</u>	<u>5,708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>8,755</u>	<u>(10,327)</u>	<u>34,411</u>	<u>5,401</u>	<u>20,130</u>	<u>12,043</u>
<b>Net change in fund balances</b>	8,755	(10,327)	34,411	5,401	20,130	12,043
Fund balances - beginning	127,109	108,158	255,208	38,215	167,042	50,424
<b>Fund balances - ending</b>	<u>\$ 135,864</u>	<u>\$ 97,831</u>	<u>\$ 289,619</u>	<u>\$ 43,616</u>	<u>\$ 187,172</u>	<u>\$ 62,467</u>



Special Revenue				Capital Projects		
Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total	One-Cent Infrastructure Sales Tax Fund	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ 406,544	\$ -	\$ 406,544	\$ 1,303,415	\$ 1,303,415	\$ 1,709,959
-	-	42,150	42,150	-	-	42,150
-	-	-	91,576	-	-	91,576
-	-	-	20,398	-	-	20,398
113	-	6	1,734	4,503	4,503	6,237
113	406,544	42,156	562,402	1,307,918	1,307,918	1,870,320
-	-	-	-	253,744	253,744	253,744
-	406,544	-	406,544	-	-	406,544
-	-	4,708	4,708	-	-	4,708
-	-	-	-	10,139	10,139	10,139
-	-	-	43,176	-	-	43,176
-	406,544	4,708	454,428	263,883	263,883	718,311
113	-	37,448	107,974	1,044,035	1,044,035	1,152,009
113	-	37,448	107,974	1,044,035	1,044,035	1,152,009
27,296	-	56,010	829,462	1,507,091	1,507,091	2,336,553
\$ 27,409	\$ -	\$ 93,458	\$ 937,436	\$ 2,551,126	\$ 2,551,126	\$ 3,488,562

City of Lake Mary, Florida  
 Police Education Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 8,000	\$ 8,000	\$ 8,502	\$ 502
Investment income	1,200	1,200	253	(947)
<b>Total revenues</b>	<u>9,200</u>	<u>9,200</u>	<u>8,755</u>	<u>(445)</u>
<b>Expenditures</b>				
Current:				
Public safety	10,000	10,000	-	10,000
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>(800)</u>	<u>(800)</u>	<u>8,755</u>	<u>9,555</u>
Fund balances - beginning	127,109	127,109	127,109	-
<b>Fund balances - ending</b>	<u>\$ 126,309</u>	<u>\$ 126,309</u>	<u>\$ 135,864</u>	<u>\$ 9,555</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida  
 Police Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Impact fees/assessments	\$ 25,000	\$ 25,000	\$ 27,001	\$ 2,001
Investment income	500	500	140	(360)
<b>Total revenues</b>	<u>25,500</u>	<u>25,500</u>	<u>27,141</u>	<u>1,641</u>
<b>Expenditures</b>				
Capital outlay:				
Public safety	-	37,470	37,468	2
<b>Total expenditures</b>	<u>-</u>	<u>37,470</u>	<u>37,468</u>	<u>2</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>25,500</u>	<u>(11,970)</u>	<u>(10,327)</u>	<u>1,643</u>
Fund balances - beginning	108,158	108,158	108,158	-
<b>Fund balances - ending</b>	<u>\$ 133,658</u>	<u>\$ 96,188</u>	<u>\$ 97,831</u>	<u>\$ 1,643</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida  
 Fire Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Impact fees/assessments	\$ 15,000	\$ 20,710	\$ 39,516	\$ 18,806
Investment income	1,800	1,800	603	(1,197)
<b>Total revenues</b>	<u>16,800</u>	<u>22,510</u>	<u>40,119</u>	<u>17,609</u>
<b>Expenditures</b>				
Capital outlay:				
Public safety	-	5,710	5,708	2
<b>Total expenditures</b>	<u>-</u>	<u>5,710</u>	<u>5,708</u>	<u>2</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>16,800</u>	<u>16,800</u>	<u>34,411</u>	<u>17,611</u>
Fund balances - beginning	255,208	255,208	255,208	-
<b>Fund balances - ending</b>	<u>\$ 272,008</u>	<u>\$ 272,008</u>	<u>\$ 289,619</u>	<u>\$ 17,611</u>

\* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida  
Public Works Impact Fees Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2021

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Impact fees/assessments	\$ 2,000	\$ 2,000	\$ 5,310	\$ 3,310
Investment income	250	250	91	(159)
<b>Total revenues</b>	<u>2,250</u>	<u>2,250</u>	<u>5,401</u>	<u>3,151</u>
<b>Expenditures</b>				
Capital outlay:				
Public works	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>2,250</u>	<u>2,250</u>	<u>5,401</u>	<u>3,151</u>
Fund balances - beginning	38,215	38,215	38,215	-
<b>Fund balances - ending</b>	<u>\$ 40,465</u>	<u>\$ 40,465</u>	<u>\$ 43,616</u>	<u>\$ 3,151</u>

\* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida  
 Recreation Impact Fees Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Impact fees/assessments	\$ 20,000	\$ 20,000	\$ 19,749	\$ (251)
Investment income	800	800	381	(419)
<b>Total revenues</b>	<u>20,800</u>	<u>20,800</u>	<u>20,130</u>	<u>(670)</u>
<b>Expenditures</b>				
Capital outlay:				
Parks and recreation	150,000	150,000	-	150,000
<b>Total expenditures</b>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>(129,200)</u>	<u>(129,200)</u>	<u>20,130</u>	<u>149,330</u>
Fund balances - beginning	167,042	167,042	167,042	-
<b>Fund balances - ending</b>	<u>\$ 37,842</u>	<u>\$ 37,842</u>	<u>\$ 187,172</u>	<u>\$ 149,330</u>

\* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida  
 Law Enforcement Trust Fund - State  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and forfeitures	\$ 3,500	\$ 3,500	\$ 11,896	\$ 8,396
Investment income	450	450	147	(303)
<b>Total revenues</b>	<u>3,950</u>	<u>3,950</u>	<u>12,043</u>	<u>8,093</u>
<b>Expenditures</b>				
Current:				
Public safety	1,600	1,600	-	1,600
<b>Total expenditures</b>	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>2,350</u>	<u>2,350</u>	<u>12,043</u>	<u>9,693</u>
Fund balances - beginning	50,424	50,424	50,424	-
<b>Fund balances - ending</b>	<u>\$ 52,774</u>	<u>\$ 52,774</u>	<u>\$ 62,467</u>	<u>\$ 9,693</u>

\* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida  
 Law Enforcement Trust Fund - Federal  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

---

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 113	\$ 113
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>-</u>	<u>-</u>	<u>113</u>	<u>113</u>
Fund balances - beginning	27,296	27,296	27,296	-
<b>Fund balances - ending</b>	<u>\$ 27,296</u>	<u>\$ 27,296</u>	<u>\$ 27,409</u>	<u>\$ 113</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.



City of Lake Mary, Florida  
 Lake Mary Cemetery Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 42,150	\$ 37,150
Investment income	175	175	6	(169)
<b>Total revenues</b>	<u>5,175</u>	<u>5,175</u>	<u>42,156</u>	<u>36,981</u>
<b>Expenditures</b>				
Current:				
Other physical environment	18,600	18,600	4,708	13,892
<b>Total expenditures</b>	<u>18,600</u>	<u>18,600</u>	<u>4,708</u>	<u>13,892</u>
<b>Excess (deficiency) of revenues over (under) expenditures*</b>	<u>(13,425)</u>	<u>(13,425)</u>	<u>37,448</u>	<u>50,873</u>
Fund balances - beginning	56,010	56,010	56,010	-
<b>Fund balances - ending</b>	<u>\$ 42,585</u>	<u>\$ 42,585</u>	<u>\$ 93,458</u>	<u>\$ 50,873</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

City of Lake Mary, Florida  
Combining Statements of Fiduciary Net Position  
September 30, 2021

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,418,017	\$ 1,609,586	\$ 3,027,603
Receivables:			
Interest receivable	62,819	29,194	92,013
<b>Total receivables</b>	<u>62,819</u>	<u>29,194</u>	<u>92,013</u>
Investments at fair value:			
Domestic corporate & govt bonds	9,714,232	8,635,153	18,349,385
Domestic stocks	14,086,080	13,146,067	27,232,147
International	3,733,931	-	3,733,931
Real estate	1,250,976	2,634,342	3,885,318
<b>Total investments</b>	<u>28,785,219</u>	<u>24,415,562</u>	<u>53,200,781</u>
<b>Total assets</b>	<u>30,266,055</u>	<u>26,054,342</u>	<u>56,320,397</u>
<b>Liabilities</b>			
Accounts payable	44,437	29,498	73,935
Due to other funds	-	23,618	23,618
<b>Total liabilities</b>	<u>44,437</u>	<u>53,116</u>	<u>97,553</u>
<b>Net Position Restricted for Pensions</b>	<u>\$ 30,221,618</u>	<u>\$ 26,001,226</u>	<u>\$ 56,222,844</u>

City of Lake Mary, Florida  
Combining Statements of Changes in Fiduciary Net Position  
For the Year Ended September 30, 2021

	Police Pension Trust	Fire Pension Trust	Total Employee Pension Funds
<b>Additions</b>			
Contributions:			
City	\$ 583,427	\$ 869,629	\$ 1,453,056
State	192,457	214,087	406,544
Employee	170,772	150,617	321,389
<b>Total contributions</b>	<u>946,656</u>	<u>1,234,333</u>	<u>2,180,989</u>
Investment Earnings:			
Interest	634,767	608,808	1,243,575
Net increase in fair value of investments	5,080,650	3,523,359	8,604,009
Less: investment expense	(130,145)	(91,982)	(222,127)
<b>Total net investment earnings</b>	<u>5,585,272</u>	<u>4,040,185</u>	<u>9,625,457</u>
<b>Total additions</b>	<u>6,531,928</u>	<u>5,274,518</u>	<u>11,806,446</u>
<b>Deductions</b>			
Benefit payments	912,381	753,688	1,666,069
Refunds of contributions	18,083	1,312	19,395
Administrative expenses	57,236	50,848	108,084
<b>Total deductions</b>	<u>987,700</u>	<u>805,848</u>	<u>1,793,548</u>
<b>Change in net position</b>	5,544,228	4,468,670	10,012,898
Net position - beginning *	24,677,390	21,532,556	46,209,946
<b>Net position - ending</b>	<u>\$ 30,221,618</u>	<u>\$ 26,001,226</u>	<u>\$ 56,222,844</u>

\* Balance doesn't include \$11,873,624 from the general employee plan, excluded per Note 1



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# Statistical Section



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# Statistical Section

This part of the City of Lake Mary's annual comprehensive 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 health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	85
<b>Revenue Capacity</b>  These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	94
<b>Debt Capacity</b> 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.  There are no limitations placed upon the amount of debt the City of Lake Mary may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.  The City of Lake Mary has no general obligation bonds outstanding.	99
<b>Demographic and Economic Information</b>  These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	102
<b>Operating Information</b> 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.	104
<b>Supplemental Information</b>  These schedules contain trend data for pension funds, and building permit fees collection/expense schedule, which are viewed by management as required information.	109

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

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

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 40,789	\$ 40,193	\$ 41,873	\$ 41,948
Restricted	2,563	802	1,021	1,546
Unrestricted	<u>19,827</u>	<u>21,501</u>	<u>18,500</u>	<u>16,248</u>
Total governmental activities net position	<u>\$ 63,179</u>	<u>\$ 62,496</u>	<u>\$ 61,394</u>	<u>\$ 59,742</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 18,603	\$ 18,127	\$ 18,478	\$ 18,363
Restricted	747	1,008	1,050	1,152
Unrestricted	<u>14,861</u>	<u>15,195</u>	<u>14,417</u>	<u>14,631</u>
Total business-type activities net position	<u>\$ 34,211</u>	<u>\$ 34,330</u>	<u>\$ 33,945</u>	<u>\$ 34,146</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 59,392	\$ 58,320	\$ 60,351	\$ 60,311
Restricted	3,310	1,810	2,071	2,698
Unrestricted	<u>34,688</u>	<u>36,696</u>	<u>32,917</u>	<u>30,879</u>
Total primary government net position	<u>\$ 97,390</u>	<u>\$ 96,826</u>	<u>\$ 95,339</u>	<u>\$ 93,888</u>



Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 42,226	\$ 41,987	\$ 41,150	\$ 40,467	\$ 42,045	\$ 41,239
1,099	1,567	1,313	3,075	4,049	6,517
<u>16,613</u>	<u>16,916</u>	<u>19,221</u>	<u>22,057</u>	<u>19,424</u>	<u>21,672</u>
<u>\$ 59,938</u>	<u>\$ 60,470</u>	<u>\$ 61,684</u>	<u>\$ 65,599</u>	<u>\$ 65,518</u>	<u>\$ 69,428</u>
\$ 18,672	\$ 18,119	\$ 17,636	\$ 18,598	\$ 18,143	\$ 50,599
1,037	1,817	1,861	1,967	2,359	1,505
<u>14,177</u>	<u>14,257</u>	<u>14,469</u>	<u>14,216</u>	<u>14,379</u>	<u>15,795</u>
<u>\$ 33,886</u>	<u>\$ 34,193</u>	<u>\$ 33,966</u>	<u>\$ 34,781</u>	<u>\$ 34,881</u>	<u>\$ 67,899</u>
\$ 60,898	\$ 60,106	\$ 58,786	\$ 59,065	\$ 60,188	\$ 91,838
2,136	3,384	3,174	5,042	6,408	8,022
<u>30,790</u>	<u>31,173</u>	<u>33,690</u>	<u>36,273</u>	<u>33,803</u>	<u>37,467</u>
<u>\$ 93,824</u>	<u>\$ 94,663</u>	<u>\$ 95,650</u>	<u>\$ 100,380</u>	<u>\$ 100,399</u>	<u>\$ 137,327</u>

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

<b>Expenses</b>	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
General government	\$ 3,998	\$ 4,093	\$ 3,797	\$ 3,609	\$ 3,529	\$ 4,174	\$ 4,633	\$ 4,675	\$ 5,130	\$ 4,354
Public works	1,178	1,614	1,508	1,583	2,733	1,954	3,289	1,712	3,195	2,456
Public safety	10,392	10,803	11,548	11,504	11,841	12,537	11,814	12,666	12,991	12,472
Parks and recreation	2,516	2,553	2,688	2,863	2,924	3,182	3,091	3,270	3,220	3,237
Other physical environment	12	10	9	13	11	8	6	8	8	7
Interest & other fiscal charges on long-term debt	267	130	127	111	94	82	79	84	115	-
<b>Total governmental activities</b>	<b>18,363</b>	<b>19,203</b>	<b>19,677</b>	<b>19,683</b>	<b>21,132</b>	<b>21,937</b>	<b>22,912</b>	<b>22,415</b>	<b>24,659</b>	<b>22,526</b>
<b>Business-type activities:</b>										
Water & Sewer	3,401	3,483	3,852	3,531	3,863	4,672	5,149	4,797	5,507	5,450
Stormwater	331	366	397	435	452	463	473	505	526	492
<b>Total business-type activities</b>	<b>3,732</b>	<b>3,849</b>	<b>4,249</b>	<b>3,966</b>	<b>4,315</b>	<b>5,135</b>	<b>5,622</b>	<b>5,302</b>	<b>6,033</b>	<b>5,942</b>
<b>Total expenses</b>	<b>\$ 22,095</b>	<b>\$ 23,052</b>	<b>\$ 23,926</b>	<b>\$ 23,649</b>	<b>\$ 25,447</b>	<b>\$ 27,072</b>	<b>\$ 28,534</b>	<b>\$ 27,717</b>	<b>\$ 30,692</b>	<b>\$ 28,468</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 255	\$ 302	\$ 314	\$ 292	\$ 298	\$ 276	\$ 323	\$ 394	\$ 290	\$ 356
Public works	10	14	2	1	9	13	6	9	10	5
Public safety	1,853	2,496	1,625	1,922	2,801	3,382	3,651	4,034	3,221	3,177
Parks and recreation	705	738	749	858	906	896	920	927	604	776
Other physical environment	6	2	9	3	2	13	10	12	15	42
Operating grants and contributions	692	644	653	692	795	761	951	1,533	841	1,656
Capital grants and contributions	313	33	198	915	1,090	934	1,033	1,036	987	1,304
<b>Total governmental activities</b>	<b>3,834</b>	<b>4,229</b>	<b>3,550</b>	<b>4,683</b>	<b>5,901</b>	<b>6,275</b>	<b>6,894</b>	<b>7,945</b>	<b>5,968</b>	<b>7,316</b>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Program Revenues</b>										
Business-type activities:										
Charges for services										
Water & Sewer	4,337	4,278	4,305	4,471	4,752	5,359	5,938	6,211	6,430	6,333
Stormwater	284	380	399	409	414	413	415	414	435	469
Operating grants and contributions	-	-	-	-	99	31	-	-	-	-
Capital grants and contributions	37	261	42	161	44	779	112	225	393	33,476
Total business-type activities	4,658	4,919	4,746	5,041	5,309	6,582	6,465	6,850	7,258	40,278
Total program revenues	\$ 8,492	\$ 9,148	\$ 8,296	\$ 9,724	\$ 11,210	\$ 12,857	\$ 13,359	\$ 14,795	\$ 13,226	\$ 47,594
Net (expense)/revenue										
Governmental activities	\$ (14,529)	\$ (14,974)	\$ (16,127)	\$ (15,000)	\$ (15,231)	\$ (15,662)	\$ (16,018)	\$ (14,470)	\$ (18,691)	\$ (15,210)
Business-type activities	926	1,070	497	1,075	994	1,447	843	1,548	1,225	34,336
Total net expense	\$ (13,603)	\$ (13,904)	\$ (15,630)	\$ (13,925)	\$ (14,237)	\$ (14,215)	\$ (15,175)	\$ (12,922)	\$ (17,466)	\$ 19,126
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 6,073	\$ 6,029	\$ 6,147	\$ 6,385	\$ 6,867	\$ 7,225	\$ 7,812	\$ 8,367	\$ 9,109	\$ 9,682
Franchise fees	2,200	2,098	2,187	2,234	2,226	2,292	2,353	2,507	2,377	2,464
Utility taxes	3,910	4,071	3,839	3,737	3,658	3,653	3,759	3,884	3,806	3,726
Unrestricted intergovernmental revenues	1,011	1,053	1,139	1,259	1,299	1,416	1,400	1,529	1,451	1,684
Unrestricted investment earnings	277	2	220	228	98	149	228	716	417	65
Miscellaneous revenues	212	127	466	143	130	182	555	128	71	60
Gain on sale of asset	-	-	-	-	-	36	29	88	29	88
Transfers in/(out)	850	950	1,027	1,039	1,149	1,240	1,200	1,166	1,350	1,350
Total general revenues, transfers and special item	14,533	14,330	15,025	15,025	15,427	16,193	17,336	18,385	18,610	19,119
Business-type activities:										
Investment earnings	171	-	144	164	60	100	145	433	225	32
Gain/(Loss) on sale of capital	-	-	1	-	1	-	-	-	-	-
Transfers in/(out)	(850)	(950)	(1,027)	(1,039)	(1,149)	(1,240)	(1,200)	(1,166)	(1,350)	(1,350)
Total business-type activities	(679)	(950)	(882)	(875)	(1,088)	(1,140)	(1,055)	(733)	(1,125)	(1,318)
Total primary government	\$ 13,854	\$ 13,380	\$ 14,143	\$ 14,150	\$ 14,339	\$ 15,053	\$ 16,281	\$ 17,652	\$ 17,485	\$ 17,801
<b>Change in Net Position</b>										
Governmental activities	\$ 4	\$ (644)	\$ (1,102)	\$ 25	\$ 196	\$ 531	\$ 1,318	\$ 3,915	\$ (81)	\$ 3,909
Business-type activities	247	120	(385)	200	(94)	307	(212)	815	100	33,018
Total change in net position	\$ 251	\$ (524)	\$ (1,487)	\$ 225	\$ 102	\$ 838	\$ 1,106	\$ 4,730	\$ 19	\$ 36,927



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

Fiscal Year	Property Tax	Franchise Fees	Utility Tax	Total
2012	\$ 6,073	\$ 2,200	\$ 3,910	\$ 12,183
2013	6,029	2,098	4,071	12,198
2014	6,147	2,187	3,839	12,173
2015	6,385	2,234	3,737	12,356
2016	6,867	2,226	3,658	12,751
2017	7,225	2,292	3,653	13,170
2018	7,811	2,353	3,758	13,922
2019	8,367	2,507	3,884	14,758
2020	9,109	2,377	3,806	15,292
2021	9,682	2,464	3,726	15,872

**Taxes included in Unrestricted Intergovernmental Revenues**

Fiscal Year	Sales Tax	State Revenue Sharing	Other	Total
2012	\$ 800	\$ 200	\$ 10	\$ 1,010
2013	834	213	6	1,053
2014	881	238	20	1,139
2015	975	272	12	1,259
2016	1,009	289	1	1,299
2017	1,080	316	20	1,416
2018	1,142	339	4	1,485
2019	1,155	363	11	1,529
2020	1,096	333	22	1,451
2021	1,258	408	18	1,684

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

	Fiscal Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund			
Nonspendable:			
Inventory/prepays	\$ 4	\$ 3	\$ 14
Restricted:	-	-	-
Assigned to:			
Debt service	574	632	632
Health insurance benefits	308	258	151
Capital projects	-	2,130	755
Subsequent year expenditures	847	383	1,172
Unassigned:	<u>14,636</u>	<u>14,136</u>	<u>12,645</u>
Total general fund	<u>\$ 16,369</u>	<u>\$ 17,542</u>	<u>\$ 15,369</u>
All other governmental funds			
Nonspendable:			
Inventory/Prepays	15	64	5
Restricted for:			
Public works	20	34	17
Public safety	827	768	618
Parks and recreation	96	177	182
Other physical environment	27	25	31
Other capital projects	1,717	752	-
Committed to:			
Debt service	457	559	573
Other capital projects	832	-	1,016
Unassigned:	<u>-</u>	<u>(15)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,991</u>	<u>\$ 2,364</u>	<u>\$ 2,442</u>

Fiscal Year						
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 14	\$ 13	\$ 9	\$ 29	\$ 9	\$ 10	\$ 2
-	-	-	-	1,741	1,713	3,028
337	336	336	349	310	-	-
301	249	-	-	-	-	-
760	970	932	1,100	973	125	645
652	1,093	863	99	58	-	-
<u>13,036</u>	<u>13,237</u>	<u>14,313</u>	<u>17,005</u>	<u>17,999</u>	<u>17,985</u>	<u>18,599</u>
<u>\$ 15,100</u>	<u>\$ 15,898</u>	<u>\$ 16,453</u>	<u>\$ 18,582</u>	<u>\$ 21,090</u>	<u>\$ 19,833</u>	<u>\$ 22,274</u>
-	-	-	-	-	-	-
18	27	40	126	27	38	44
396	316	409	424	497	568	613
194	237	155	106	134	167	187
27	22	30	38	45	56	93
561	257	1,184	1,111	2,102	1,507	2,551
582	295	297	308	310	-	-
985	842	384	201	973	990	444
-	-	-	-	-	-	-
<u>\$ 2,763</u>	<u>\$ 1,996</u>	<u>\$ 2,499</u>	<u>\$ 2,314</u>	<u>\$ 4,088</u>	<u>\$ 3,326</u>	<u>\$ 3,932</u>

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

	Fiscal Year		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Revenues</b>			
Taxes			
Property	\$ 6,073	\$ 6,029	\$ 6,147
Franchise fees	2,200	2,098	2,187
Utility taxes	3,910	4,071	3,839
Licenses and Permits	1,099	1,772	1,138
Intergovernmental revenues	2,027	1,740	2,002
Charges for services	1,374	1,326	1,340
Impact fees/assessments	245	320	72
Fines and forfeitures	100	124	138
Investment earnings	243	(2)	187
Miscellaneous	212	127	465
Total revenues	<u>17,483</u>	<u>17,605</u>	<u>17,515</u>
<b>Expenditures</b>			
General government	3,283	3,572	3,503
Public works	669	1,008	901
Public safety	10,149	10,516	10,800
Parks and recreation	2,003	2,096	2,191
Other physical environment	6	4	3
Capital outlay	3,546	3,192	2,321
Debt service			
Principal	4,735	344	493
Interest	257	128	125
Other charges	36	-	-
Total expenditures	<u>24,684</u>	<u>20,860</u>	<u>20,337</u>
Excess of revenues over (under) expenditures	(7,201)	(3,255)	(2,822)
<b>Other financing sources (uses)</b>			
Transfers in	1,657	1,474	3,747
Transfers out	(807)	(882)	(3,020)
Refunding bonds issued	4,250	-	-
Sale of capital assets	-	2,209	-
Total other financing sources (uses)	<u>5,100</u>	<u>2,801</u>	<u>727</u>
Net change in fund balances	<u>\$ (2,101)</u>	<u>\$ (454)</u>	<u>\$ (2,095)</u>
Debt service as a percentage of noncapital expenditures	23.79%	2.67%	3.43%



Fiscal Year						
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,385	\$ 6,867	\$ 7,225	\$ 7,811	\$ 8,367	\$ 9,109	\$ 9,683
2,234	2,226	2,292	2,353	2,507	2,377	2,465
3,737	3,658	3,653	3,758	3,884	3,806	3,726
1,146	1,960	2,549	2,584	2,831	2,294	2,122
2,877	3,051	3,124	3,433	4,110	3,290	4,661
1,744	1,730	1,697	2,008	2,154	1,529	1,955
65	198	232	156	189	200	126
110	117	88	152	191	106	137
198	85	131	209	659	383	56
143	129	185	556	128	73	60
<u>18,639</u>	<u>20,021</u>	<u>21,176</u>	<u>23,020</u>	<u>25,020</u>	<u>23,167</u>	<u>24,991</u>
3,467	3,649	4,021	4,513	4,650	4,987	4,346
961	2,002	1,269	2,599	1,008	2,422	1,429
10,937	11,279	11,912	12,048	12,361	12,865	13,819
2,404	2,476	2,718	2,681	2,896	2,798	2,885
8	7	5	3	5	5	5
1,150	727	810	675	637	695	811
515	532	254	259	265	2,663	-
109	92	80	77	82	101	-
-	-	-	-	-	-	-
<u>19,551</u>	<u>20,764</u>	<u>21,069</u>	<u>22,855</u>	<u>21,904</u>	<u>26,536</u>	<u>23,295</u>
(912)	(743)	107	165	3,116	(3,369)	1,696
2,502	2,263	2,228	3,101	3,075	4,721	1,595
(1,538)	(1,489)	(1,278)	(1,322)	(1,909)	(3,371)	(245)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>964</u>	<u>774</u>	<u>950</u>	<u>1,779</u>	<u>1,166</u>	<u>1,350</u>	<u>1,350</u>
<u>\$ 52</u>	<u>\$ 31</u>	<u>\$ 1,057</u>	<u>\$ 1,944</u>	<u>\$ 4,282</u>	<u>\$ (2,019)</u>	<u>\$ 3,046</u>
3.39%	3.11%	1.65%	1.51%	1.63%	10.70%	-

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

Fiscal Year Ended September 30,	Real Property					Personal Property
	Total Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial	
2012	1,495,579	733,736	49.06%	761,843	50.94%	229,932
2013	1,499,779	726,203	48.42%	773,576	51.58%	224,093
2014	1,557,724	752,221	48.29%	805,503	51.71%	214,614
2015	1,639,404	798,459	48.70%	840,945	51.30%	216,769
2016	1,758,058	837,237	47.62%	920,821	52.38%	225,238
2017	1,883,482	874,480	46.43%	1,009,002	53.57%	203,864
2018	2,034,005	952,550	46.83%	1,081,455	53.17%	210,076
2019	2,194,085	1,021,506	46.56%	1,172,578	53.44%	223,373
2020	2,402,448	1,092,920	45.49%	1,309,527	54.51%	236,580
2021	2,567,665	1,167,576	45.47%	1,400,089	54.53%	237,557

Source: Seminole County Property Appraiser's Office

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<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>
323,645	1,726,089	3.6355	2,096,002	82.35%
318,523	1,724,479	3.6355	2,091,729	82.44%
312,166	1,772,968	3.5895	2,144,228	82.69%
279,537	1,856,824	3.5895	2,276,067	81.58%
276,099	1,983,960	3.5895	2,452,454	80.90%
281,616	2,088,057	3.5895	2,594,859	80.47%
296,208	2,244,781	3.5895	2,800,133	80.17%
308,922	2,418,182	3.5895	3,015,482	80.19%
329,160	2,639,740	3.5895	3,290,356	80.23%
360,060	2,806,017	3.5895	3,485,508	80.51%

**City of Lake Mary, Florida**  
**Property Tax Rates**  
**Direct and Overlapping<sup>1</sup> Governments**  
**Last Ten Fiscal Years<sup>2</sup>**

Overlapping Rates									
Fiscal Year	City of Lake Mary Operating Millage <sup>3</sup>	Seminole County			School District			St. John's Water Management District	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2012	3.6355	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	16.7339
2013	3.6355	4.8751	0.1700	5.0451	7.5530	0.0000	7.5530	0.3313	16.5649
2014	3.5895	4.8751	0.0000	4.8751	8.3610	0.0000	8.3610	0.3283	17.1539
2015	3.5895	4.8751	0.0000	4.8751	7.8970	0.0000	7.8970	0.3164	16.6780
2016	3.5895	4.8751	0.0000	4.8751	7.8490	0.0000	7.8490	0.3023	16.6159
2017	3.5895	4.8751	0.0000	4.8751	7.5570	0.0000	7.5570	0.2885	16.3101
2018	3.5895	4.8751	0.0000	4.8751	6.5690	0.0000	6.5690	0.2724	15.3060
2019	3.5895	4.8751	0.0000	4.8751	6.3130	0.0000	6.3130	0.2562	15.0338
2020	3.5895	4.8751	0.0000	4.8751	5.9340	0.0000	5.9340	0.2287	14.6273
2021	3.5895	4.8751	0.0000	4.8751	5.8250	0.0000	5.8250	0.2189	14.5085

Source: Seminole County Tax Collectors Office

<sup>1</sup>. Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Mary.

<sup>2</sup>. Taxes levied for the current fiscal year are based on the prior year taxable value.

<sup>3</sup>. Lake Mary's direct rate is for operating millage. There is no debt service millage.

**City of Lake Mary, Florida**  
**Principal Property Taxpayers**  
**September 30, 2021**  
**(amounts expressed in thousands)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Primera Towers (FL) JV	\$ 109,008	1	3.87%	-	-	-
MAA Alloy, LLC	82,627	2	2.93%	-	-	-
Starwood Cap Group Global	76,598	3	2.72%	-	-	-
RAR2-252 Wheelhouse LLC	54,311	4	1.93%	-	-	-
Verizon Corporate Resources	47,491	5	1.69%	-	-	-
Timacuan Fee Owner, LLC	45,668	6	1.62%	-	-	-
Bell Bentley Park Apartments	44,220	7	1.57%	-	-	-
Duke Energy (formerly Progress Energy Florida)	33,008	8	1.17%	16,404	9	0.95%
Station House Apartments, LLC	31,701	9	1.13%	-	-	-
Additional Financial	30,193	10	1.07%	-	-	-
DRA CLP Heathrow (formerly part of Crescent Resources)	-	-	-	59,751	1	3.46%
Sun Life Assurance Co of Canada (formerly a part of Crescent Resources, Inc)	-	-	-	35,007	2	2.03%
DRA CRT Lake Mary Center	-	-	-	25,859	3	1.50%
A T & T Mobility LLC	-	-	-	24,512	4	1.42%
Heathrow Hotel Owners LLC (Marriott Hotel)	-	-	-	21,379	5	1.24%
Golfview Apartments	-	-	-	18,544	6	1.07%
Central Florida Educators	-	-	-	17,440	7	1.01%
North Point LP	-	-	-	17,192	8	1.00%
ACP/Utah II LLC	-	-	-	16,182	10	0.94%
<b>Totals</b>	<b>\$ 554,825</b>		<b>19.69%</b>	<b>\$ 252,270</b>		<b>14.62%</b>

Source: Seminole County Property Appraiser (www.scpafll.org)

**City of Lake Mary, 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
2012	6,304	6,049	95.95%	17	6,066	96.22%
2013	6,256	6,013	96.12%	8	6,021	96.24%
2014	6,403	6,138	95.86%	3	6,141	95.91%
2015	6,661	6,382	95.81%	1	6,383	95.83%
2016	7,116	6,866	96.49%	9	6,875	96.61%
2017	7,514	7,216	96.03%	2	7,218	96.06%
2018	8,121	7,809	96.16%	50	7,859	96.77%
2019	8,700	8,416	96.74%	15	8,431	96.91%
2020	9,499	9,094	95.74%	45	9,139	96.21%
2021	10,115	9,637	95.27%	-	9,637	95.27%

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

Fiscal Year Ended September 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita
	Refunding Revenue Notes <sup>3,4</sup>	Revenue Bonds			
2012	5,325	-	5,325	0.95%	382
2013	4,981	-	4,981	0.87%	338
2014	4,488	-	4,488	0.76%	298
2015	3,973	-	3,973	0.64%	250
2016	3,441	-	3,441	0.55%	213
2017	3,187	-	3,187	0.48%	194
2018	2,928	-	2,928	0.42%	175
2019	2,663	-	2,663	0.37%	153
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

- 1 The City has no outstanding Debt.
- 2 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- 3 Refunding Revenue bonds were refunded in 2002 and 2003 which included a new issue of \$4 million and again in 2007 which included a new issue of \$5 million.
- 4 Refunding Revenue bonds were paid off in 2020.

**City of Lake Mary, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2021**  
**(amounts expressed in thousands)**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Seminole County General Obligation Debt <sup>3</sup>	\$ -	7.41%	\$ -
Subtotal, overlapping debt			
Direct Debt:			
Public Improvement Refunding Revenue Note Series 2012 <sup>2</sup>	-	100%	-
Total direct and overlapping debt	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>

Sources:

Seminole County Property Appraiser's Office  
Seminole County Finance Department  
Seminole County School Board

<sup>1</sup> Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Lake Mary.

<sup>2</sup> City of Lake Mary does not currently have any General Obligation Debt.

<sup>3</sup> Seminole County paid off all General Obligation Debt during FY 2013.



**City of Lake Mary, Florida  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**General Government**

Fiscal Year Ended Sept 30,	Public Service Taxes	Half-Cent Sales Tax	Electric Franchise Fees	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage	Coverage without Franchise Fees
2012	3,909,797	800,438	1,770,383	6,480,618	n/a	n/a	n/a
2013	4,071,330	834,141	2,097,880	7,003,351	n/a	n/a	n/a
2014	3,838,444	880,882	2,187,203	6,906,529	n/a	n/a	n/a
2015	3,736,703	974,881	2,234,131	6,945,715	n/a	n/a	n/a
2016	3,658,443	1,009,414	2,225,932	6,893,789	n/a	n/a	n/a
2017	3,653,348	1,079,903	2,291,757	7,025,008	n/a	n/a	n/a
2018	3,758,514	1,142,132	2,352,535	7,253,181	n/a	n/a	n/a
2019	3,884,349	1,155,380	2,507,390	7,547,119	n/a	n/a	n/a
2020	3,806,352	1,096,343	2,377,003	7,279,698	n/a	n/a	n/a
2021	3,725,586	1,258,169	2,464,211	7,447,966	n/a	n/a	n/a

**City of Lake Mary, Florida  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

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Fiscal Year	Population <sup>1</sup>	Personal Income (amounts expressed in thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education Level in Years of Formal Schooling <sup>1</sup>	School Enrollment <sup>2</sup>	Unemployment Rate <sup>3</sup>
2012	13,937	558,985	40,108	37.6	14.31	2,344	8.4%
2013	14,740	572,620	38,848	42.4	14.15	2,377	6.3%
2014	15,037	590,668	39,281	43.1	14.24	2,296	5.7%
2015	15,905	624,056	39,236	44.1	14.24	2,312	4.9%
2016	16,119	629,141	39,031	45	14.24	2,259	4.5%
2017	16,447	665,692	40,475	40.9	14.24	2,228	3.2%
2018	16,746	691,350	41,285	39.2	14.24	2,209	2.7%
2019	17,449	721,454	41,346	39.7	14.4	2,274	2.8%
2020	17,633	756,085	42,879	45.7	14.71	2,033	6.4%
2021	17,125	799,755	46,701	44.9	14.76	2,090	4.8%

Sources:

- 1 Metro Orlando Economic Development Commission (estimates), [www.incomebyzipcode.com](http://www.incomebyzipcode.com)
- 2 Lake Mary Elementary; Lake Mary Preparatory School added 2003; Crystal Lake Elementary added 2006;
- 3 Florida Department of Economic Opportunity, Local Area Unemployment Statistics Program

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

Employer	2021 <sup>1</sup>			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Deloitte Consulting LLP	2,100	1	6.00%	-	-	-
Chase Bank Card Service	1,800	2	5.14%	1,634	2	4.67%
Seminole State College of Florida	1,455	3	4.16%	-	-	-
Liberty Mutual Insurance Company	1,325	4	3.79%	-	-	-
Verizon Corporate Resources Group	1,296	5	3.70%	-	-	-
Converges	1,100	6	3.14%	1,771	1	5.06%
American Automobile Association	873	7	2.49%	-	-	-
Universal American Corp	800	8	2.29%	-	-	-
Agro Power Development, Inc.	650	9	1.86%	-	-	-
Centralsquare Technologies	500	10	1.43%	-	-	-
Fiserv	-	-	-	661	3	1.89%
AIG Marketing	-	-	-	638	4	1.82%
Symantec	-	-	-	621	5	1.77%
A B B Power	-	-	-	403	6	1.15%
Sunguard H T E Inc	-	-	-	359	7	1.03%
CuraScript	-	-	-	348	8	0.99%
Faro Technologies	-	-	-	216	9	0.62%
Plus Communications	-	-	-	181	10	0.52%
<b>Total</b>	<b>9,799</b>		<b>28.00%</b>	<b>6,832</b>		<b>19.52%</b>

Source: Orlando Business Journal, Dun and Bradstreet, Business Locations

Note 1: The City of Lake Mary has an estimated daytime population of over 35,000 with approximately **2,324** business tax receipts issued as of 9/30/2021



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**City of Lake Mary, Florida**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

Full-time Equivalent Employees as of September 30,

<b>Function</b>	<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>	<u>2021</u>
General Government	29	29	30	31	28	29	30	32	32	33
Public Safety:										
Police										
Sworn Officers	40	40	41	43	43	44	45	46	47	48
Non sworn officers	3	3	3	3	3	3	3	3	3	3
Civilians	13	13	13	13	13	13	5	5	5	5
Fire										
Firefighters and officers	38	38	39	39	39	39	39	42	42	43
Fire Prevention	4	4	4	4	4	4	4	4	4	3
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	21	21	21	21	21	22	23	24	24	22
Parks and Recreation	28	27	28	29	30	30	31	31	31	31
<b>Total</b>	<u>177</u>	<u>176</u>	<u>180</u>	<u>184</u>	<u>182</u>	<u>185</u>	<u>181</u>	<u>188</u>	<u>189</u>	<u>189</u>

Source: City of Lake Mary Departmental Monthly Reports

Notes:

- 1 Police civilians include emergency communications center operations personnel.
- 2 Building and Life Safety was changed from Fire to General Government in 2012.

**City of Lake Mary, Florida  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Police</b>				
Auto Accidents	637	666	635	686
Physical arrests	467	476	449	443
Criminal Investigations Conducted	396	452	433	424
Total Calls for Service	53,482	57,005	57,487	62,401
<b>Fire &amp; Life Safety</b>				
Public Education Programs	62	68	64	86
Number of emergency calls answered	3,683	3,851	3,893	4,348
Medical Transports	1,639	1,772	1,816	1,845
<b>Highways and streets</b>				
Streets paved (miles)	-	5.3	5.1	1.7
Streets resurfaced (tons/asphalt)	4,038.3	3,368.2	2,066.3	2,083.5
Sidewalks/bike paths built or repaired (feet)	1,122	699	1,960	1,040
<b>Culture and recreation</b>				
Tennis membership	155	142	152	153
Events Center rentals	299	270	295	324
<b>Water</b>				
New connections	26	39	35	20
Number of customers	5,111	5,130	5,179	5,193
Water main breaks	124	179	230	205
Average daily consumption (millions of gallons)	3.19	3.02	2.95	3.09
Meter reads	61,521	61,630	62,202	62,449
<b>General Government</b>				
Total Permits Issued	1,512	1,530	1,302	1,763
Construction inspections	5,284	4,391	4,221	5,280
Employment applications received	1,124	719	542	727
Personnel actions processed	525	345	348	388
Legal Notices published	79	49	33	32
Business Tax Receipts issued	1,823	2,032	1,773	1,999
Accidents & Injuries reviewed	69	43	54	44
Land Use amendments & rezonings	25	12	11	8
License/Permit Reviews	839	841	651	776
Employee paychecks issued	5,082	5,109	5,040	5,202
Checks deposited	38,285	36,036	33,065	32,774
A/P Checks issued	2,377	2,649	2,660	2,944
Purchase orders/EPO's processed	464	486	601	743
Purchasing Card Transactions	2,700	2,800	3,501	3,525

Source: City of Lake Mary Departmental Monthly Reports

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
764	753	826	893	674	609
524	409	403	281	133	114
457	438	422	233	344	418
80,802	89,976	118,859	119,016	147,684	149,753
179	152	151	177	34	66
4,620	3,938	3,071	4,867	4,810	5,339
1,959	2,141	2,034	2,038	1,974	2,152
8.8	1.6	5.0	1.7	-	-
8,635.2	1,293.8	7,889.6	1,576.6	10,116.4	1,748.0
689	533	701	695	609	659
164	164	204	160	212	215
308	280	296	299	175	198
45	34	58	32	31	25
5,241	5,336	5,289	5,309	5,304	5,233
230	282	80	79	65	84
3.24	3.29	3.11	3.25	3.21	3.41
62,803	64,032	63,518	63,758	56,038	76,212
2,018	1,320	2,476	2,206	2,890	2,971
5,804	5,406	8,709	8,101	8,537	5,325
902	873	626	538	561	378
417	408	399	370	355	303
29	26	41	36	31	57
1,983	2,016	2,138	2,185	2,574	2,324
65	68	54	71	53	43
15	11	14	7	9	11
962	894	1,077	936	754	788
5,433	5,354	5,007	5,210	5,105	5,054
33,256	31,338	30,103	29,844	21,006	20,331
2,972	3,002	2,961	2,962	2,908	2,864
591	332	403	403	400	379
3,519	3,742	3,874	3,900	3,348	3,607

**City of Lake Mary, Florida**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	43	52	53	54
Fire stations	2	2	2	2
Highways and streets				
Streets - paved (miles)	56.90	57.30	57.30	59.00
Streets - unpaved (miles)	2.46	2.46	2.46	2.46
Street lights	1,087	1,087	1,087	1,087
Traffic Signals	12	12	13	13
Culture and recreation				
Park acreage	39	39	39	72
Parks	9	9	9	11
Tennis courts	9	9	9	9
Community centers	2	2	3	3
Historical Museum	1	1	1	1
Water				
Water mains (miles)	104.2	104.2	104.2	104.2
Fire hydrants	541	541	541	547
Maximum daily capacity (millions of gallons)	12.96	12.96	12.96	12.96
Sewer				
Sanitary sewers (miles)	32.40	32.40	32.40	32.40
Storm sewers (miles)	54.33	54.51	54.51	54.51

Source: City of Lake Mary Departmental Monthly Reports



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Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1	1	1	1	1	1
51	51	51	54	54	54
2	2	2	2	2	2
66.05	66.05	66.05	66.05	66.05	66.05
2.46	2.46	2.46	2.46	2.46	2.46
1,135	1,135	1,135	1,135	1,135	1,135
13	14	14	14	14	14
72	72	72	72	72	72
11	11	11	11	11	11
9	9	9	9	9	9
3	3	3	3	3	3
1	1	1	1	1	1
104.2	104.2	104.2	104.2	104.2	104.2
547	548	548	548	548	548
12.96	12.96	12.96	12.96	12.96	12.96
32.53	32.53	32.53	32.53	32.53	32.53
54.67	54.67	54.67	54.67	54.67	54.67

**City of Lake Mary**  
**Schedule of Revenues by Source and Expense by Type**  
**Police Officers Pension Fund**  
**Last Ten Fiscal Years**

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses	
2012	1,798,291	862,007	413,590	9,716	78,652	29,778	27.6%
2013	1,736,623	1,024,089	449,143	11,515	86,575	32,915	32.3%
2014	1,343,668	1,059,341	494,468	-	101,770	26,130	32.8%
2015	(18,596)	981,925	504,618	-	123,560	41,419	27.4%
2016	1,699,762	929,727	561,058	13,938	115,345	37,977	22.0%
2017	1,522,770	923,151	611,052	-	122,082	50,923	22.2%
2018	1,784,206	949,157	747,148	10,557	143,154	53,223	22.5%
2019	769,928	873,594	781,411	5,735	135,323	52,749	17.8%
2020	1,894,038	900,092	1,084,727	5,723	119,069	52,854	17.0%
2021	5,715,418	946,656	930,463	-	130,145	57,236	17.0%

**City of Lake Mary**  
**Schedule of Revenues by Source and Expense by Type**  
**Firefighters Pension Fund**  
**Last Ten Fiscal Years**

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses	
2012	1,364,885	775,763	307,335	-	43,914	29,942	22.9%
2013	1,245,814	827,901	282,664	-	48,776	34,022	23.6%
2014	1,210,082	864,752	298,350	-	56,174	25,374	24.1%
2015	85,344	873,192	768,302	-	66,743	37,977	25.7%
2016	1,354,582	881,963	438,239	31,602	70,712	41,718	24.2%
2017	1,702,754	1,052,484	898,642	10,440	79,123	59,898	26.3%
2018	1,276,270	1,006,976	630,795	6,239	84,202	50,726	23.6%
2019	908,387	1,003,711	930,424	14,687	83,700	54,397	24.8%
2020	2,202,137	1,151,208	752,462	-	69,966	59,382	27.3%
2021	4,132,167	1,234,333	753,688	1,312	91,982	50,848	29.0%

**City of Lake Mary**  
**Schedule of Building Revenues by Source and Expense by Type**  
**Building Department**  
**Last Ten Fiscal Years**

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>				
Permit Fees				
Building Permits	\$ 760,820	\$ 1,377,161	\$ 729,386	\$ 791,306
Electrical Permits	63,819	45,976	77,580	39,037
Plumbing Permits	43,687	30,639	28,629	20,018
Mechanical Permits	25,243	32,685	50,765	38,298
Misc Building Fees	16,476	25,300	23,134	28,240
Total revenues	<u>910,045</u>	<u>1,511,761</u>	<u>909,494</u>	<u>916,899</u>
<b>Expenditures</b>				
Building Salaries & Benefits	420,993	372,839	389,676	310,049
Operating Expenditures	63,890	52,577	53,896	56,229
Capital Expenditures	-	9,733	5,500	-
Allocation of Indirect Costs & Bldg Deprec.	464,438	492,305	516,920	547,935
Total expenditures	<u>949,321</u>	<u>927,454</u>	<u>965,992</u>	<u>914,213</u>
Excess of revenues over (under) expenditures	<u>\$ (39,276)</u>	<u>\$ 584,307</u>	<u>\$ (56,498)</u>	<u>\$ 2,686</u>

This reconciliation is prepared as a management tool to verify compliance with FS 553.80 (7).

Fiscal Year					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,494,458	\$ 1,858,541	\$ 1,957,333	\$ 2,122,462	\$ 1,651,389	\$ 1,549,279
81,153	120,991	98,793	99,616	92,150	99,056
31,440	49,820	35,221	28,834	41,557	28,588
53,552	61,414	65,666	107,733	41,361	44,907
<u>37,120</u>	<u>68,182</u>	<u>55,886</u>	<u>71,711</u>	<u>38,583</u>	<u>28,138</u>
<u>1,697,723</u>	<u>2,158,948</u>	<u>2,212,899</u>	<u>2,430,356</u>	<u>1,865,040</u>	<u>1,749,968</u>
320,963	406,782	445,026	486,773	511,130	492,414
51,848	55,259	74,762	66,876	75,204	129,918
-	-	-	-	-	30,265
<u>564,373</u>	<u>581,304</u>	<u>570,477</u>	<u>527,266</u>	<u>534,186</u>	<u>525,952</u>
<u>937,184</u>	<u>1,043,345</u>	<u>1,090,265</u>	<u>1,080,915</u>	<u>1,120,520</u>	<u>1,178,549</u>
<u>\$ 760,539</u>	<u>\$ 1,115,603</u>	<u>\$ 1,122,634</u>	<u>\$ 1,349,441</u>	<u>\$ 744,520</u>	<u>\$ 571,419</u>
			estimated gain/(loss) total since 1996		3,028,407



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## Other Reports



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

Honorable Mayor and City Commission  
*City of Lake Mary, 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 Lake Mary, Florida* (the City) as of and for the year ended September 30, 2021, 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 3, 2022.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 the 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 3, 2022

## MANAGEMENT LETTER

Honorable Mayor and City Commission  
*City of Lake Mary, Florida*

### Report on the Financial Statements

We have audited the financial statements of *City of Lake Mary, Florida* as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 3, 2022.

### 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and the 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 dated March 3, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no 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 Lake Mary, 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 Lake Mary, 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 of Lake Mary*. It is management's responsibility to monitor the *City of Lake Mary, Florida's* financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

**Additional Matters**

Section 10.554(1)(j)3., Rules of the Auditor General, require 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, the commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiarmid Davis*

Orlando, Florida  
March 3, 2022



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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 Lake Mary, Florida*

We have examined City of Lake Mary's, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. 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 Lake Mary, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

*McDermitt Davis*

Orlando, Florida  
March 3, 2022



# City of Lake Mary

Incorporated in 1973

March 03, 2022

## AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Title XV: Land Usage, Chapter 150.15 Impact Fees, of City of Lake Mary Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Brent Mason  
Finance Director

State of Florida  
County of Seminole

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this (date) 3/3/22 by (name of person acknowledging) Brent Mason, who is personally known to me or who has produced (type of identification) \_\_\_\_\_ as identification.



Michelle McCurdy  
Notary Public - Signature

Michelle McCurdy  
Name Typed, printed or stamped  
My Commission Expires: 6/5/22



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