

City of
Lake Mary
Florida



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year
Ended September 30, 2023





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CITY OF LAKE MARY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2023



Prepared by:
FINANCE DEPARTMENT



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Introductory Section



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City of Lake Mary

POST OFFICE BOX 958445
LAKE MARY, FLORIDA 32795-8445

(407) 585-1419
Kevin L. Smith
City Manager

Fax: (407) 585-1498
www.lakemaryfl.com

March 21, 2024

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, 2023. 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, 2023, 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, 2023 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 17,366. 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 1st of each year. The City Commission must hold public hearings on the proposed budget and adopt a final budget by September 30th 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).

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. Over the past year, we have been confronted with an assembly of systemic obstacles to include inflationary effects, supply chain delays, and recruitment/retention difficulties in the workforce. Individually, these issues certainly present challenges. Collectively, they are even more formidable. And, as we look forward, economists are projecting a slow-down of the nation's economy for the remainder of 2023, with only modest growth over the next two years. Although we obviously cannot dismiss those recent obstacles, nor predict the economic/other challenges that may await us in the coming years, we can be sure that we will continue to reflect prudent and considerate financial decisions to better position ourselves for those recent challenges and those unknowns that may still lie ahead.

On a positive note, Lake Mary's taxable values for 2023 are estimated to grow from \$3.22 billion to \$3.47 billion. This equates to a 7.87% increase over the prior year. The increase is due to improved commercial and residential valuations. Counter to the recent volatility resulting largely from the effects of the pandemic, taxable values appear to be stabilizing and mean-reverting. The City also continues to maintain a near equal split between commercial uses (54.68% of taxable value) verses residential uses (45.32% of taxable value).

With the City nearing build-out, continued proper planning and strategic initiatives are imperative to help maintain the City within the top rankings of great communities in Florida 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 a roadmap toward meeting our goals of providing City services that enhance our community's quality of life and maximize economic opportunity.

Overall development activity in the City continued with several active projects under construction such as the Orlando Health Lake Mary Hospital, Dunwoody Dental, Bent's Landing Medical Office and Retail Plaza, Astera Townhomes, and Home 2 Suites. Additional projects anticipated in the coming year(s) include Fontaine residential subdivision, Smart Office Phase II, Office Biscayne, and various additional residential and commercial infill projects. The City has reached a point where new growth must be carefully planned.

Additionally, *Downtown Lake Mary* continues to be a priority. Currently underway, a \$4.30 million multi-year transformational downtown improvement project, funded jointly by the City and Seminole County through the one-cent sales tax program and additionally through the American Rescue Plan Act (ARPA), will join Uptown/International Parkway, the Medical Corridor/Rinehart Road, and Midtown/Griffin Farms to provide multiple opportunities to those who wish to start or relocate a business and/or call Lake Mary

home. This project includes underground electrical power line conversion, streetlight upgrades, parking improvements, signal modifications at Country Club Road and Wilbur Avenue, new parks and park improvements, and streetscape enhancements along Country Club Road. Private sector developments within the downtown corridor include the Dwell at Lake Mary mixed-use project, continued build-out of the downtown core around City Hall, and other smaller scale commercial and residential redevelopment.

Beyond our downtown improvement project, significant utilization of ARPA funds is to fund one-time capital needs. Approximately \$6.80 million of these federal funds is earmarked in FY 2024. It will address several important areas including drainage/stormwater infrastructure, park enhancements, facility maintenance, IT upgrades, emergency generators, public safety vehicles, and the aforementioned improvements to our downtown area.

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, 2022. This was the thirty-first 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

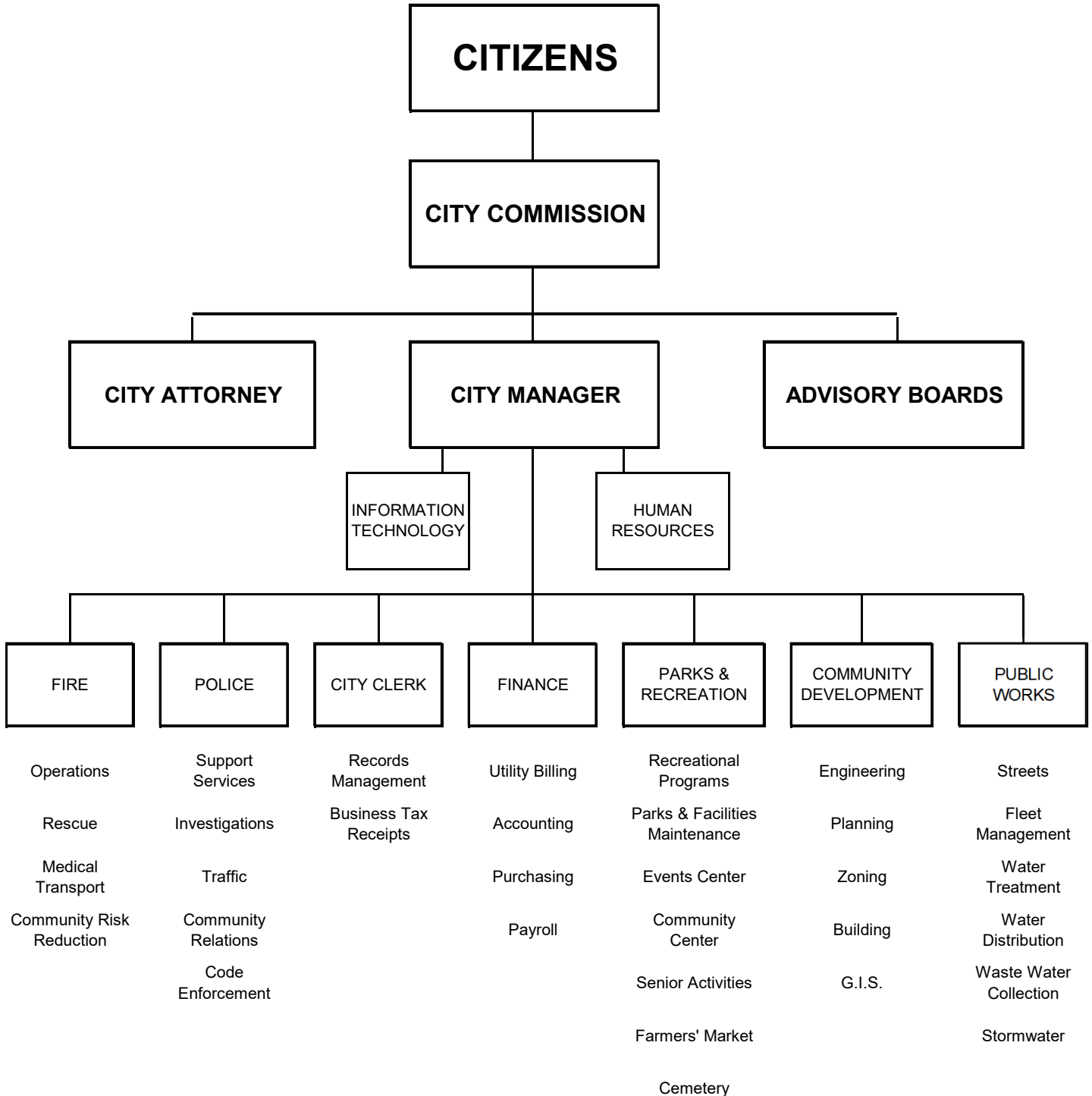
September 30, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF LAKE MARY, FLORIDA

ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2023**

CITY COMMISSION

David Mealor, Mayor

George Duryea

Jordan Smith

Sidney Miller, Deputy Mayor

Justin York

ADMINISTRATION

CITY MANAGER

Kevin Smith

FINANCE DIRECTOR

Brent Mason

CITY ATTORNEY

Catherine Reischmann

CITY CLERK

Amber Branton

ASSISTANT FINANCE DIRECTOR

Ehab Azer

COMMUNITY DEVELOPMENT DIRECTOR

Sabreena Colbert

PUBLIC WORKS DIRECTOR

Danielle Koury

PARKS & RECREATION DIRECTOR

Bryan Nipe

POLICE CHIEF

Michael Biles

FIRE CHIEF

Michael Johansmeyer



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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 Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *City of Lake Mary, Florida's* basic financial statements. The combining and individual fund financial statements 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 relates 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exist between the other information and the financial statements, or the other information otherwise appears to be materially misstatement. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2024, 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 the effectiveness of 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.

McDiarmid Davis

Orlando, Florida
February 13, 2024

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, 2023. 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, 2023 by \$143,104,126 (*net position*). Of this amount, \$40,793,931 represents unrestricted net position, and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,497,185 (or 3.24%). Governmental total net position increased by \$4,901,891 (or 6.83%). Business-type activities decreased by \$404,706 in 2023 (or 0.61%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined fund balances of \$35,060,719, an increase of \$4,969,735 in comparison with the prior year. Approximately 64% of this amount, or \$22,449,269, 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 \$23,212,701 (or 94%) of total expenditures and transfers out.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$2,583,186 and \$2,136,731 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 2023, 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, general capital project fund, and one-cent infrastructure sales tax fund which are considered to be major funds. Data from the other (9) nine 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 fund for the management of its fleet operations. Because this service predominately benefits 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 64-72 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 73-84 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 \$143,104,126 at the close of fiscal year ended September 30, 2023.

Statement of Net Position
 As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 45,675,351	\$ 40,973,070	\$ 19,728,892	\$ 19,404,933	\$ 65,404,243	\$ 60,378,003
Restricted assets	435,714	410,866	2,213,915	2,077,662	2,649,629	2,488,528
Capital assets	39,781,805	39,128,228	48,495,870	49,476,576	88,277,675	88,604,804
Total assets	<u>85,892,870</u>	<u>80,512,164</u>	<u>70,438,677</u>	<u>70,959,171</u>	<u>156,331,547</u>	<u>151,471,335</u>
Total deferred outflows of resources	4,828,721	7,861,334	58,436	69,205	4,887,157	7,930,539
Current liabilities	6,238,275	7,446,192	3,411,072	3,532,916	9,649,347	10,979,108
Non-current liabilities outstanding	3,593,737	5,008,124	384,475	385,284	3,978,212	5,393,408
Other liabilities (comp abs & opeb)	3,243,001	3,160,095	253,654	254,810	3,496,655	3,414,905
Total liabilities	<u>13,075,013</u>	<u>15,614,411</u>	<u>4,049,201</u>	<u>4,173,010</u>	<u>17,124,214</u>	<u>19,787,421</u>
Total deferred inflows of resources	963,296	977,696	27,068	29,816	990,364	1,007,512
Net investment in capital assets	39,781,805	39,128,228	48,495,870	49,476,576	88,277,675	88,604,804
Restricted	12,203,080	9,500,994	1,829,440	1,692,378	14,032,520	11,193,372
Unrestricted	24,698,397	23,152,169	16,095,534	15,656,596	40,793,931	38,808,765
Total net position	<u>\$ 76,683,282</u>	<u>\$ 71,781,391</u>	<u>\$ 66,420,844</u>	<u>\$ 66,825,550</u>	<u>\$ 143,104,126</u>	<u>\$ 138,606,941</u>

By far, the largest portion of the City's net position \$88,277,675 (or 61.7 %) 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 \$14,032,520 (or 9.81%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$40,793,931 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2023, 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 fourteen fiscal years.

The City's net position increased a total of \$4,497,185 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 \$4,497,185 or 3.24% in fiscal year 2023.

Governmental activities increased net position by \$4,901,891 in fiscal year 2023 compared to an increase of \$2,353,891 in 2022. The increase is related to investment income outperforming projections, building permits exceeding expectations due to construction at Orlando Health Lake Mary Hospital, and actual expenditures were 4% less than budget. Taxable values in the City also increased 11.81% than the prior year.

Business-type activities decreased net position by \$404,706 or 0.61% in fiscal year 2023 compared to an decrease of \$1,073,818 or 1.58% in 2022. The decrease is related to actual expenses exceeding its budget due to inflationary pressure.

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.

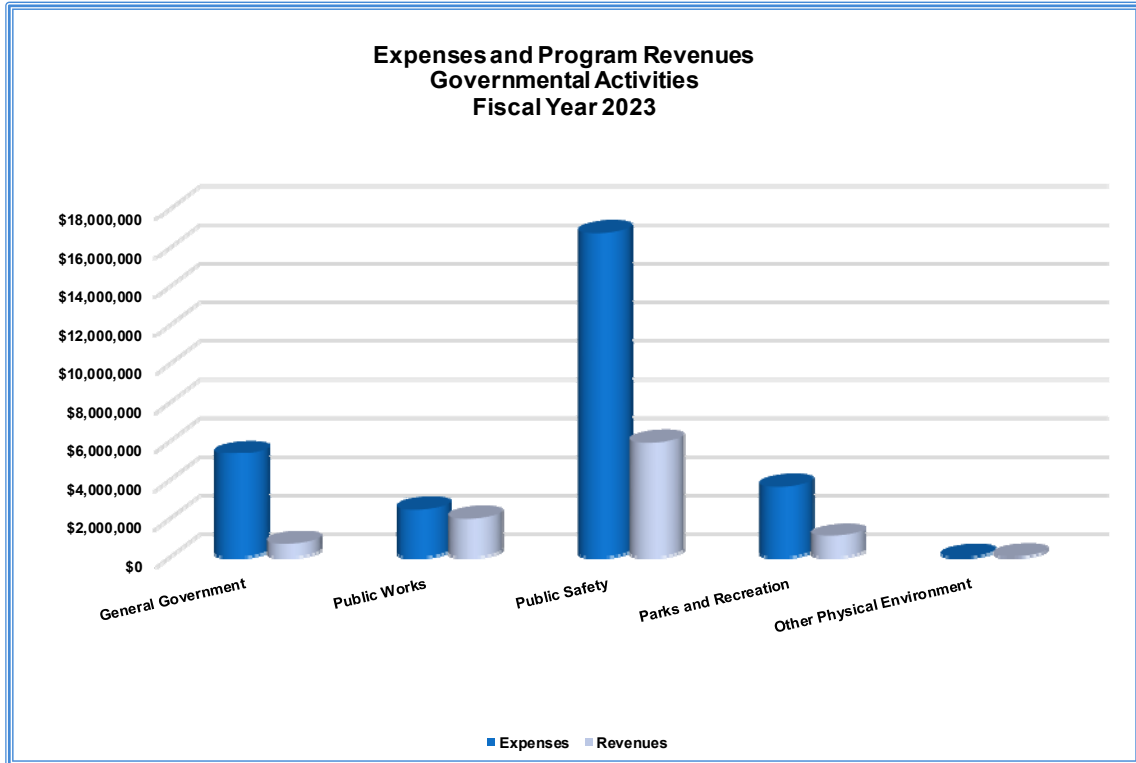
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 16.

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

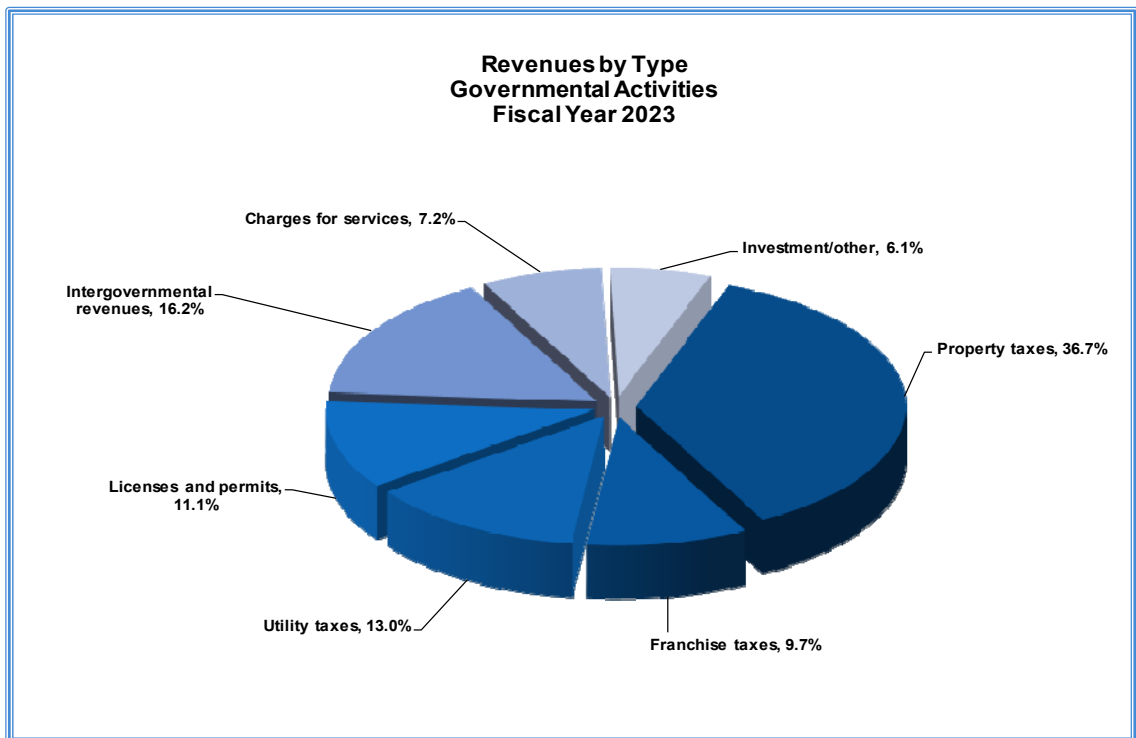
Changes In Net Position
For the Year Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,811,058	\$ 6,355,038	\$ 7,276,817	\$ 7,046,260	\$ 13,087,875	\$ 13,401,298
Operating grants and contributions	834,745	934,331	-	120,421	834,745	1,054,752
Capital grants and contributions	3,023,369	1,567,009	243,233	187,566	3,266,602	1,754,575
General revenues:						
Property taxes	11,175,967	9,996,724	-	-	11,175,967	9,996,724
Other taxes	6,919,460	6,448,333	-	-	6,919,460	6,448,333
Other revenues	3,864,451	2,069,751	770,724	(88,141)	4,635,175	1,981,610
Total revenues	<u>31,629,050</u>	<u>27,371,186</u>	<u>8,290,774</u>	<u>7,266,106</u>	<u>39,919,824</u>	<u>34,637,292</u>
Expenses:						
General government	5,340,462	4,774,557	-	-	5,340,462	4,774,557
Public works	2,438,561	2,947,381	-	-	2,438,561	2,947,381
Public safety	16,727,574	15,221,359	-	-	16,727,574	15,221,359
Parks and recreation	3,651,632	3,416,238	-	-	3,651,632	3,416,238
Other physical environment	6,730	7,760	-	-	6,730	7,760
Water and sewer	-	-	6,807,855	6,559,904	6,807,855	6,559,904
Stormwater	-	-	449,825	430,020	449,825	430,020
Total expenses	<u>28,164,959</u>	<u>26,367,295</u>	<u>7,257,680</u>	<u>6,989,924</u>	<u>35,422,639</u>	<u>33,357,219</u>
Increase (decrease) in net position before transfers	<u>3,464,091</u>	<u>1,003,891</u>	<u>1,033,094</u>	<u>276,182</u>	<u>4,497,185</u>	<u>1,280,073</u>
Transfers	<u>1,437,800</u>	<u>1,350,000</u>	<u>(1,437,800)</u>	<u>(1,350,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net position	4,901,891	2,353,891	(404,706)	(1,073,818)	4,497,185	1,280,073
Net position - October 1	71,781,391	69,427,500	66,825,550	67,899,368	138,606,941	137,326,868
Net position - September 30	<u>\$ 76,683,282</u>	<u>\$ 71,781,391</u>	<u>\$ 66,420,844</u>	<u>\$ 66,825,550</u>	<u>\$ 143,104,126</u>	<u>\$ 138,606,941</u>

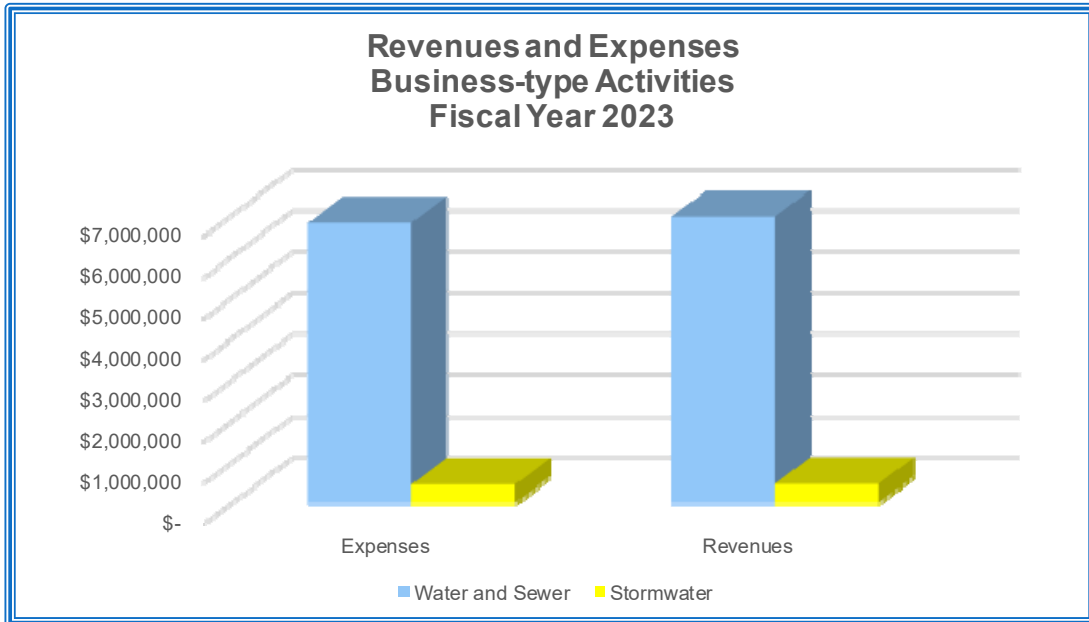
Expenses and revenues for governmental activities are shown graphically by function. Public safety is the largest category of expenses followed by general government.



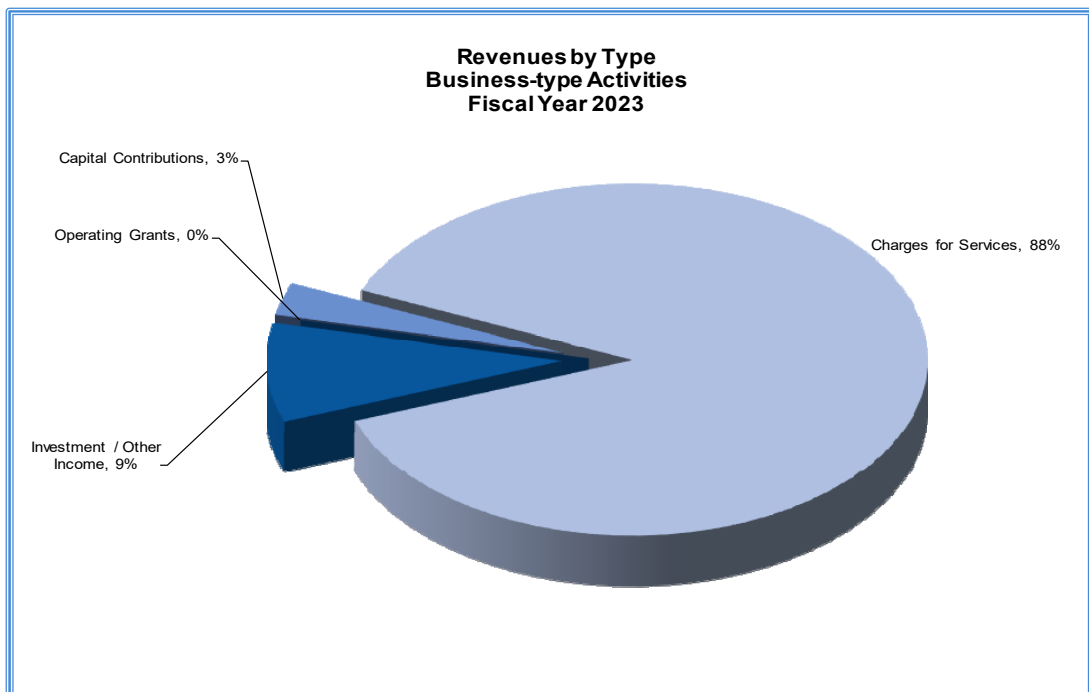
Revenue for governmental activities are shown graphically by type. The largest type of revenue for governmental activities is property taxes followed by intergovernmental revenues.



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, 2023, the City's governmental funds reported combined ending fund balances of \$35,060,719 an increase of \$4,969,735 in comparison with the prior year. Approximately 64% of this total amount \$22,449,269 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 \$12,611,450 or 36% of ending fund balance. Of this amount, \$5,577 is nonspendable as inventories and prepaid items; \$944,697 is restricted for special revenue funds, \$3,382,921 is restricted for capital projects funded by One-Cent Infrastructure Sales Tax and \$6,788,529 is restricted for building department; \$726,294 is committed to other capital projects. A total of \$650,000 is assigned to other capital projects and \$113,432 is assigned for subsequent years expenditures as approved by the City's Commission.

The General Fund is the chief operating fund of the City. The general fund manages 91% of the total governmental revenues. At September 30, 2023, the unassigned fund balance of the general fund was \$22,449,269 while the total fund balance increased to \$30,006,807. The increase is related to investment income outperforming projections, building permits exceeding expectations due to construction at Orlando Health Lake Mary Hospital, and actual expenditures were 4% less than budget. Taxable values in the City also increased 11.81% over the prior year. Unassigned fund balance represents 91% of the total general fund expenditures and transfers out, while total fund balance represents 122% of that same amount.

The adopted budget for the fiscal year 2023 projected an appropriation of fund balance in the amount of \$765,176. The actual increase to the fund balance of the City's General Fund was \$4,368,631 during the fiscal year. Total actual revenue collections were \$4,134,212 more favorable than projected. Ad valorem tax revenues were over projections by \$205,347. Licenses and permits exceed expectations by \$1,704,621 and investment revenues exceeded expectations by \$1,260,789. Several other revenue categories also outperformed. Overall expenditures were under budget by \$999,595 or 4%. Additional information regarding the general fund budget to actual variances can be found on page 25.

The General Capital Projects Fund increased \$63,574. The reason for this increase was due to capital projects costs remaining under budget.

The One-Cent Infrastructure Sales Tax Capital Projects Fund increased \$791,761. The increase is due to the completion of the biennial street resurfacing program in FY 2022.

The total fund balance of all the nonmajor governmental funds is \$944,697, a net decrease of \$254,231 when compared to fiscal year 2022. The decrease is due to impact fees paying a portion for the quintuple combination pumper fire truck.

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, 2023, unrestricted net position of the Water and Sewer Fund amounted to \$14,924,417, unrestricted net position of the Stormwater Utility Fund was \$1,171,117, and net position restricted for capital improvement in the Water and Sewer Fund was \$1,829,440. In total, the proprietary funds decreased net position by \$404,706 over the prior year. Operating revenues increased 3.3% while operating expenses increased 7.9%.

General Fund Budgetary Highlights

Original budget compared to final budget. During fiscal year 2023, the general fund budget was not amended, however, appropriations were transferred between functions.

Final budget compared to actual results. The final amended general fund appropriations were \$24,962,396 and actual expenditures (budgetary basis) were \$23,962,801. General fund revenues exceeded the original budget by \$4,134,212, or 18%. Significant budgetary variances between the final amended budget and actual results are listed below:

- Property Taxes increased 11.81% from last year due to improved commercial and residential valuation.
- Licenses and Permits revenue outperformed projections by 101.22% due to construction at Orlando Health Lake Mary Hospital.
- Intergovernmental revenues reported an overall increase of 6.93% over budget due to improved economic conditions.
- Charges for Services exceeded expectations by 5.50% due to park rentals.
- Actual expenditures were less than appropriations by \$999,595, a variance of 4%. It is expected each year that actual expenditures will be less than budget.

Transfers to other funds were:

- \$634,000 to the Capital Projects Fund.

Overall:

- The net increase in the fund balance of the general fund was \$4,368,631.

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, 2023, amounts to \$88,277,675 (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 decrease in the City's capital assets for the current fiscal year was \$327,129.

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

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,432,135	\$ 9,432,135	\$ 488,808	\$ 488,808	\$ 9,920,943	\$ 9,920,943
Buildings	9,793,032	10,372,197	35,400	47,200	9,828,432	10,419,397
Improvements other than bldg	518,143	484,770	-	-	518,143	484,770
Water/sewer system	-	-	44,734,427	45,914,408	44,734,427	45,914,408
Stormwater system	-	-	1,269,196	1,425,556	1,269,196	1,425,556
Intangible assets	1,578,935	1,498,998	-	-	1,578,935	1,498,998
Machinery and equipment	1,045,310	1,152,912	756,907	868,794	1,802,217	2,021,706
Vehicles	3,655,426	2,488,259	-	-	3,655,426	2,488,259
Infrastructure	12,566,873	13,251,260	-	-	12,566,873	13,251,260
Construction in progress	1,191,951	447,697	1,211,132	731,810	2,403,083	1,179,507
Total	\$ 39,781,805	\$ 39,128,228	\$ 48,495,870	\$ 49,476,576	\$ 88,277,675	\$ 88,604,804

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

- Quintuple combination pumper fire truck - \$1,045,966

Major capital assets included in Construction in Progress:

- Downtown Parking Improvements - \$727,671
- Lift Station Control Panel Upgrades - \$570,522
- PW Equipment Canopy - \$340,398
- Stair Step Park (Crystal Gardens) - \$217,138
- City Chambers Media Upgrades - \$132,010

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. 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

In the past fiscal year, we have been faced with a variety of obstacles that include inflationary effects, supply chain delays, and recruitment/retention difficulties in the workforce. Individually, these issues certainly present challenges. Although we obviously cannot dismiss those recent obstacles, nor predict the economic/other challenges that may await us in the coming years, we can be sure with this FY 2024 budget that we will continue to reflect prudent and considerate financial decisions to better position ourselves for those recent challenges and those unknowns that may still lie ahead.

On a positive note, development continues in the City with several active projects under construction such as Orlando Health Lake Mary Hospital, Dunwoody Dental, Bent's Landing Medical Office and Retail Plaza, Astera Townhomes, and Home 2 Suites. Additionally, Downtown Lake Mary continues to be a focal point of the City. Currently underway, a \$4.30 million multi-year transformational downtown improvement project, funded jointly by the City and Seminole County through the one-cent sales tax program and additionally through the American Rescue Plan Act (ARPA). It will join Uptown/International Parkway, the Medical Corridor/Rinehart Road, and Midtown/Griffin Farms to provide multiple opportunities to those who wish to start or relocate a business and/or call Lake Mary home.

Another priority for the City is the continued utilization of the \$8.75 million of ARPA funds. Approximately \$6.80 million of these funds is earmarked in FY 2024 to address several important areas including the downtown improvement project, park enhancements, drainage/stormwater infrastructure, facility maintenance, IT upgrades, emergency generators, and public safety vehicles.

The City's taxable values for FY 2024 are estimated to grow from \$3.22 billion to \$3.47 billion. This equates to a 7.87% increase over the prior year and generates approximately \$864,153 in additional ad valorem revenues. This increase is due to improved commercial and residential valuations. Also, for the eleventh consecutive year, the City of Lake Mary held the ad valorem millage rate at 3.5895.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 24,714,071	\$ 9,128,877	\$ 33,842,948
Investments	18,185,263	8,997,777	27,183,040
Interest receivable	5,222	2,438	7,660
Accounts receivable (net of allowance for uncollectibles)	1,616,243	943,520	2,559,763
Due from other governmental units	729,950	-	729,950
Unbilled service charges	2,354	457,224	459,578
Special assessments-current	2,927	5,935	8,862
Inventories	55,102	154,151	209,253
Prepaid items	3,580	38,970	42,550
Restricted Assets:			
Temporarily restricted investments	435,714	2,213,915	2,649,629
Net pension asset	360,639	-	360,639
Capital assets not being depreciated:			
Land	9,432,135	488,808	9,920,943
Construction in progress	1,191,951	1,211,132	2,403,083
Capital assets net of accumulated depreciation:			
Buildings	9,793,032	35,400	9,828,432
Improvements other than buildings	518,143	-	518,143
Water/sewer system	-	44,734,427	44,734,427
Stormwater system	-	1,269,196	1,269,196
Intangible assets	1,578,935	-	1,578,935
Machinery and equipment	1,045,310	756,907	1,802,217
Vehicles	3,655,426	-	3,655,426
Infrastructure	12,566,873	-	12,566,873
Total assets	85,892,870	70,438,677	156,331,547
Deferred outflows of resources			
Deferred outflows of pension earnings	4,134,309	-	4,134,309
Deferred outflows related to OPEB	694,412	58,436	752,848
Total deferred outflows of resources	4,828,721	58,436	4,887,157
Liabilities			
Accounts payable and other current liabilities	2,149,082	333,462	2,482,544
Unearned revenue	4,089,193	3,077,610	7,166,803
Liabilities payable from restricted assets	435,715	384,475	820,190
Noncurrent liabilities:			
Due within one year	124,100	9,146	133,246
Due in more than one year	6,276,923	244,508	6,521,431
Total liabilities	13,075,013	4,049,201	17,124,214
Deferred inflows of resources			
Deferred inflows of pension earnings	638,943	-	638,943
Deferred inflows related to OPEB	324,353	27,068	351,421
Total deferred inflows of resources	963,296	27,068	990,364
Net position			
Net investment in capital assets	39,781,805	48,495,870	88,277,675
Restricted for capital projects	4,109,215	1,829,440	5,938,655
Restricted for building department	6,788,529	-	6,788,529
Restricted for other purposes	944,697	-	944,697
Restricted for pensions	360,639	-	360,639
Unrestricted	24,698,397	16,095,534	40,793,931
Total net position	\$ 76,683,282	\$ 66,420,844	\$ 143,104,126

City of Lake Mary, Florida
Statement of Activities
For the Year Ended September 30, 2023

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
Primary government							
Governmental activities:							
General government	\$ 5,340,462	\$ 336,539	\$ -	\$ 329,756	\$ (4,674,167)	\$ -	\$ (4,674,167)
Public works	2,438,561	1,641	280,017	1,701,007	(455,896)	-	(455,896)
Public safety	16,727,574	4,370,471	554,728	992,606	(10,809,769)	-	(10,809,769)
Parks and recreation	3,651,632	1,074,782	-	-	(2,576,850)	-	(2,576,850)
Other physical environment	6,730	27,625	-	-	20,895	-	20,895
Total governmental activities	<u>28,164,959</u>	<u>5,811,058</u>	<u>834,745</u>	<u>3,023,369</u>	<u>(18,495,787)</u>	<u>-</u>	<u>(18,495,787)</u>
Business-type activities:							
Water and sewer	6,807,855	6,815,633	-	137,061	-	144,839	144,839
Stormwater	449,825	461,184	-	106,172	-	117,531	117,531
Total business-type activities	<u>7,257,680</u>	<u>7,276,817</u>	<u>-</u>	<u>243,233</u>	<u>-</u>	<u>262,370</u>	<u>262,370</u>
Total primary government	<u>35,422,639</u>	<u>13,087,875</u>	<u>834,745</u>	<u>3,266,602</u>	<u>(18,495,787)</u>	<u>262,370</u>	<u>(18,233,417)</u>
General revenues:							
Property taxes					11,175,967	-	11,175,967
Franchise taxes					2,948,122	-	2,948,122
Utility taxes					3,971,338	-	3,971,338
Unrestricted intergovernmental revenues					2,011,942	-	2,011,942
Unrestricted investment earnings (loss)					1,681,979	770,724	2,452,703
Miscellaneous revenues					137,978	-	137,978
Gain on sale of asset					32,552	-	32,552
Transfers					1,437,800	(1,437,800)	-
Total general revenues and transfers					<u>23,397,678</u>	<u>(667,076)</u>	<u>22,730,602</u>
Change in net position					<u>4,901,891</u>	<u>(404,706)</u>	<u>4,497,185</u>
Net position - beginning					71,781,391	66,825,550	138,606,941
Net position - ending					<u>\$ 76,683,282</u>	<u>\$ 66,420,844</u>	<u>\$ 143,104,126</u>

City of Lake Mary, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 14,936,082	\$ 4,228,326	\$ 1,220,039	\$ 776,553	\$ 21,161,000
Investments	14,384,028	53,317	2,589,055	168,034	17,194,434
Interest receivable	4,105	-	459	110	4,674
Receivables (net of allowance for uncollectibles)	1,616,243	-	-	-	1,616,243
Unbilled service charges	2,354	-	-	-	2,354
Due from other governments	258,478	-	471,472	-	729,950
Special assessments-current	2,927	-	-	-	2,927
Inventories	1,997	-	-	-	1,997
Prepaid expenses	3,580	-	-	-	3,580
Restricted investments	435,714	-	-	-	435,714
Total assets	\$ 31,645,508	\$ 4,281,643	\$ 4,281,025	\$ 944,697	\$ 41,152,873
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 568,725	\$ 115,764	\$ 898,104	\$ -	\$ 1,582,593
Accrued liabilities	508,642	-	-	-	508,642
Due to other governments	9,968	-	-	-	9,968
Unearned revenue	97,214	3,439,585	-	-	3,536,799
Other liabilities	18,437	-	-	-	18,437
Liabilities payable from restricted assets	435,715	-	-	-	435,715
Total liabilities	1,638,701	3,555,349	898,104	-	6,092,154
Fund balances:					
Nonspendable	5,577	-	-	-	5,577
Restricted	6,788,529	-	3,382,921	944,697	11,116,147
Committed	-	726,294	-	-	726,294
Assigned	763,432	-	-	-	763,432
Unassigned	22,449,269	-	-	-	22,449,269
Total fund balances	30,006,807	726,294	3,382,921	944,697	35,060,719
Total liabilities and fund balances	\$ 31,645,508	\$ 4,281,643	\$ 4,281,025	\$ 944,697	\$ 41,152,873

City of Lake Mary, Florida
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2023

Total fund balance, governmental funds	\$ 35,060,719
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.	36,091,532
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.	7,677,812
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.	3,865,425
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds:	
Compensated absences	(1,523,068)
Other post employment benefits	(1,691,755)
Net pension asset/liability are not due and payable in the current period and therefore, are not reported in the funds.	<u>(2,797,383)</u>
Net position of governmental activities	<u>\$ 76,683,282</u>

City of Lake Mary, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 11,175,967	\$ -	\$ -	\$ -	\$ 11,175,967
Franchise	2,948,122	-	-	-	2,948,122
Utility	3,971,338	-	-	-	3,971,338
Licenses and permits	3,388,621	-	-	-	3,388,621
Intergovernmental revenues	2,321,620	374,756	1,701,007	535,717	4,933,100
Charges for services	2,173,828	-	-	27,625	2,201,453
Impact fees/assessments	33,140	-	-	32,528	65,668
Fines and forfeitures	121,728	-	-	22,938	144,666
Investment income (loss)	1,342,789	-	122,834	35,356	1,500,979
Other	138,279	-	-	-	138,279
Total revenues	27,615,432	374,756	1,823,841	654,164	30,468,193
Expenditures					
Current:					
General government	4,861,724	340,523	-	-	5,202,247
Public works	1,425,593	27,674	311,829	-	1,765,096
Public safety	14,335,923	195,269	-	542,593	15,073,785
Parks and recreation	3,327,772	2,069	-	-	3,329,841
Other physical environment	-	-	-	5,920	5,920
Capital outlay:					
General government	11,789	133,227	-	-	145,016
Public works	-	-	720,251	-	720,251
Public safety	-	108,920	-	359,882	468,802
Parks and recreation	-	137,500	-	-	137,500
Total expenditures	23,962,801	945,182	1,032,080	908,395	26,848,458
Excess (deficiency) of revenues over (under) expenditures	3,652,631	(570,426)	791,761	(254,231)	3,619,735
OTHER FINANCING SOURCES (USES)					
Transfers in	1,350,000	634,000	-	-	1,984,000
Transfers out	(634,000)	-	-	-	(634,000)
Total other financing sources and uses	716,000	634,000	-	-	1,350,000
Net change in fund balances	4,368,631	63,574	791,761	(254,231)	4,969,735
Fund balances - beginning	25,638,176	662,720	2,591,160	1,198,928	30,090,984
Fund balances - ending	\$ 30,006,807	\$ 726,294	\$ 3,382,921	\$ 944,697	\$ 35,060,719

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, 2023

Net change in fund balances - total governmental funds:	\$	4,969,735
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	1,471,569	
Current year depreciation	<u>(1,654,169)</u>	(182,600)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position.		(2,904)
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 and allocated to governmental activities.		
Change in net position of the internal service funds	808,632	
General capital assets contributed to internal service funds	<u>(338,282)</u>	470,350
Cash pension contributions reported in the funds were less than the calculated pension expense on the statement of activities and therefore decrease net position.		(1,111,601)
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	(24,353)	
Change in OPEB liability	<u>(164,342)</u>	(188,695)
Change in net position of governmental activities	\$	<u>3,954,285</u>

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 10,970,620	\$ 10,970,620	\$ 11,175,967	\$ 205,347
Franchise	2,530,000	2,530,000	2,948,122	418,122
Utility	3,803,000	3,803,000	3,971,338	168,338
Licenses and permits	1,684,000	1,684,000	3,388,621	1,704,621
Intergovernmental	2,171,100	2,171,100	2,321,620	150,520
Charges for services	2,060,500	2,060,500	2,173,828	113,328
Impact fees/assessments	32,000	32,000	33,140	1,140
Fines and forfeitures	78,000	78,000	121,728	43,728
Investment income (loss)	82,000	82,000	1,342,789	1,260,789
Other	70,000	70,000	138,279	68,279
Total revenues	<u>23,481,220</u>	<u>23,481,220</u>	<u>27,615,432</u>	<u>4,134,212</u>
Expenditures				
Current:				
General government	5,641,115	5,536,115	4,861,724	674,391
Public safety	14,469,755	14,631,755	14,335,923	295,832
Public works	1,142,079	1,142,079	1,425,593	(283,514)
Parks and recreation	3,584,647	3,584,647	3,327,772	256,875
Capital outlay:				
General government	124,800	67,800	11,789	56,011
Total Expenditures	<u>24,962,396</u>	<u>24,962,396</u>	<u>23,962,801</u>	<u>999,595</u>
Excess (deficiency) of revenues over expenditures	<u>(1,481,176)</u>	<u>(1,481,176)</u>	<u>3,652,631</u>	<u>5,133,807</u>
Other financing sources (uses)				
Transfers in	1,350,000	1,350,000	1,350,000	-
Transfers out	(634,000)	(634,000)	(634,000)	-
Total other financing sources and uses	<u>716,000</u>	<u>716,000</u>	<u>716,000</u>	<u>-</u>
Net change in fund balances	<u>(765,176)</u>	<u>(765,176)</u>	<u>4,368,631</u>	<u>5,133,807</u>
Fund balances - beginning	25,638,176	25,638,176	25,638,176	-
Fund balances - ending	<u>\$ 24,873,000</u>	<u>\$ 24,873,000</u>	<u>\$ 30,006,807</u>	<u>\$ 5,133,807</u>

City of Lake Mary, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business Type Activities - Enterprise Funds			Governmental
				Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,864,051	\$ 3,264,826	\$ 9,128,877	\$ 3,553,071
Investments	8,857,925	139,852	8,997,777	990,829
Interest receivable	2,028	410	2,438	548
Accounts receivable (net of allowance for uncollectibles)	898,084	45,436	943,520	-
Unbilled service charges	423,620	33,604	457,224	-
Special assessments- current	1,399	4,536	5,935	-
Inventories	154,151	-	154,151	53,105
Prepaid items	38,970	-	38,970	-
Total current assets	16,240,228	3,488,664	19,728,892	4,597,553
Noncurrent Assets:				
Restricted investments:				
Customer deposits	384,475	-	384,475	-
Impact fee funds	1,829,440	-	1,829,440	-
Total restricted assets	2,213,915	-	2,213,915	-
Capital Assets:				
Land	488,808	-	488,808	-
Construction in progress	984,539	226,593	1,211,132	34,847
Buildings	472,000	-	472,000	-
Water/sewer system	57,019,471	-	57,019,471	-
Stormwater system	-	2,917,079	2,917,079	-
Intangible assets	102,200	-	102,200	-
Machinery and equipment	1,145,505	22,265	1,167,770	-
Vehicles	-	-	-	10,457,282
Less accumulated depreciation	(13,214,993)	(1,667,597)	(14,882,590)	(6,801,856)
Total capital assets (net of accumulated depreciation)	46,997,530	1,498,340	48,495,870	3,690,273
Total noncurrent assets	49,211,445	1,498,340	50,709,785	3,690,273
Total assets	\$ 65,451,673	\$ 4,987,004	\$ 70,438,677	\$ 8,287,826
Deferred outflows of resources				
Deferred outflows related to OPEB	49,530	8,906	58,436	-
Total deferred outflows of resources	49,530	8,906	58,436	-

	Business Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Liabilities				
Current Liabilities:				
Accounts payable	\$ 283,957	\$ 11,259	\$ 295,216	\$ 23,004
Accrued liabilities	34,889	3,357	38,246	6,438
Compensated absences	7,936	1,210	9,146	2,254
Unearned revenue	804,203	2,273,407	3,077,610	552,394
Total current liabilities	1,130,985	2,289,233	3,420,218	584,090
Noncurrent Liabilities:				
Liabilities payable from restricted assets:				
Customer deposits	384,475	-	384,475	-
Compensated absences	91,267	13,917	105,184	25,924
Other noncurrent liabilities	120,004	19,320	139,324	-
Total noncurrent liabilities	595,746	33,237	628,983	25,924
Total liabilities	1,726,731	2,322,470	4,049,201	610,014
Deferred inflows of resources				
Deferred inflows related to OPEB	23,085	3,983	27,068	-
Total deferred inflows of resources	23,085	3,983	27,068	-
Net position				
Net investment in capital assets	46,997,530	1,498,340	48,495,870	3,690,273
Restricted for capital improvement	1,829,440	-	1,829,440	-
Unrestricted	14,924,417	1,171,117	16,095,534	3,987,539
Total net position	\$ 63,751,387	\$ 2,669,457	\$ 66,420,844	\$ 7,677,812



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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, 2023

	Business Type Activities - Enterprise Funds			Governmental
	Stormwater Utility		Totals	Activities
	Water & Sewer Fund	Fund		Internal Service Fund
Operating revenues				
Charges for sales and services:				
Water sales	\$ 3,087,741	\$ -	\$ 3,087,741	\$ -
Sewer revenue	2,947,942	-	2,947,942	-
Stormwater fees	-	461,184	461,184	-
Other service charges	779,950	-	779,950	1,451,055
Total operating revenues	6,815,633	461,184	7,276,817	1,451,055
Operating expenses:				
Costs of operations	5,268,819	291,786	5,560,605	320,987
Administration	224,697	-	224,697	-
Depreciation	1,302,939	157,089	1,460,028	962,518
OPEB expense	11,400	950	12,350	-
Total operating expenses	6,807,855	449,825	7,257,680	1,283,505
Operating income (loss)	7,778	11,359	19,137	167,550
Nonoperating revenues (expenses):				
Investment income (loss)	643,298	127,426	770,724	181,000
Gain (loss) on sale of capital assets	-	-	-	34,000
Total non-operating revenue (expenses)	643,298	127,426	770,724	215,000
Income (loss) before contributions and transfers	651,076	138,785	789,861	382,550
Capital contributions- impact fees	137,061	-	137,061	338,282
Capital contributions- intergovernmental	-	106,172	106,172	947,606
Transfers in	-	-	-	87,800
Transfers out	(1,437,800)	-	(1,437,800)	-
Change in net position	(649,663)	244,957	(404,706)	1,756,238
Net position - beginning	64,401,050	2,424,500	66,825,550	5,921,574
Total net position - ending	\$ 63,751,387	\$ 2,669,457	\$ 66,420,844	\$ 7,677,812

City of Lake Mary, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 5,876,409	\$ 456,287	\$ 6,332,696	\$ -
Other operating cash receipts	779,950	-	779,950	-
Receipts from interfund services provided	-	-	-	1,451,055
Payments to suppliers	(4,515,190)	(167,350)	(4,682,540)	(112,012)
Payments to employees	(947,928)	(155,171)	(1,103,099)	(224,751)
Net cash provided by operating activities	<u>1,193,241</u>	<u>133,766</u>	<u>1,327,007</u>	<u>1,114,292</u>
Cash Flows From Noncapital financing activities				
Transfers to/from other funds	(1,437,800)	-	(1,437,800)	87,800
Net cash provided (used) by non-capital financing activities	<u>(1,437,800)</u>	<u>-</u>	<u>(1,437,800)</u>	<u>87,800</u>
Cash Flows From Capital and Related Financing Activities				
Capital contributions - impact fees	137,061	-	137,061	-
Acquisition and construction of capital assets	(373,150)	(106,172)	(479,322)	(1,801,599)
Proceeds from sales of capital assets	-	-	-	34,000
Net cash provided (used) by capital and related financing activities	<u>(236,089)</u>	<u>(106,172)</u>	<u>(342,261)</u>	<u>(1,767,599)</u>
Cash Flows From Investing Activities				
Investments purchased	(5,000,000)	-	(5,000,000)	-
Interest and dividends received	373,114	72,350	445,464	100,196
Net cash provided by investing activities	<u>(4,626,886)</u>	<u>72,350</u>	<u>(4,554,536)</u>	<u>100,196</u>
Net increase (decrease) in cash and cash equivalents	(5,107,534)	99,944	(5,007,590)	(465,311)
Cash and cash equivalents - October 1	10,971,585	3,164,882	14,136,467	4,018,382
Cash and cash equivalents - September 30	<u>\$ 5,864,051</u>	<u>\$ 3,264,826</u>	<u>\$ 9,128,877</u>	<u>\$ 3,553,071</u>

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 7,778	\$ 11,359	\$ 19,137	\$ 167,550
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,302,939	157,089	1,460,028	962,518
(Increase) decrease in customer accounts receivable	(138,883)	(4,307)	(143,190)	-
(Increase) decrease in unbilled service charges	(19,582)	(590)	(20,172)	-
(Increase) decrease in inventory	20,820	-	20,820	(9,553)
(Increase) decrease in deferred outflows	9,941	828	10,769	-
Increase (decrease) in accounts payable	(1,990)	(12,147)	(14,137)	(6,561)
Increase (decrease) in accrued expenses	1,430	(2,965)	(1,535)	(610)
Increase (decrease) in OPEB obligation	3,996	333	4,329	-
Increase (decrease) in deferred inflows	(2,537)	(211)	(2,748)	-
Increase (decrease) in compensated absences payable	10,138	(15,623)	(5,485)	948
Increase (decrease) in customer deposits	(809)	-	(809)	-
Total adjustments	<u>1,185,463</u>	<u>122,407</u>	<u>1,307,870</u>	<u>946,742</u>
Net cash provided by operating activities	<u>\$ 1,193,241</u>	<u>\$ 133,766</u>	<u>\$ 1,327,007</u>	<u>\$ 1,114,292</u>

The Water and Sewer Fund had non-cash gain in the fair value of investments of \$50,842. The Stormwater Fund had a non-cash gain in the fair value of investment of \$9,146. The Internal Service Fund has a non-cash gain in the fair market value of investments of \$17,628 and a noncash contribution of \$338,282 from other governmental funds for contributed assets.

City of Lake Mary, Florida
Statement of Fiduciary Net Position
September 30, 2023

	Total Employee Pension Funds
Assets	
Cash and cash equivalents	\$ 1,764,497
Receivables:	
Interest receivable	207,421
Total receivables	<u>207,421</u>
Investments at fair value:	
Domestic corporate & govt bonds	16,947,284
Domestic stocks	29,643,859
Real estate	4,091,656
Total investments	<u>50,682,799</u>
Total assets	<u>52,654,717</u>
Liabilities	
Accounts payable	219,464
Due to other funds	58,684
Total liabilities	<u>278,148</u>
Net Position Restricted for Pensions	<u>\$ 52,376,569</u>

City of Lake Mary, Florida
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2023

	<u>Total Employee Pension Funds</u>
Additions	
Contributions:	
City	\$ 1,162,168
State	535,717
Employee	<u>350,958</u>
Total contributions	<u>2,048,843</u>
Investment earnings:	
Interest	1,098,836
Net increase in fair value of investments	4,087,391
Less: investment expense	<u>(231,371)</u>
Total net investment earnings	<u>4,954,856</u>
Total additions	<u>7,003,699</u>
Deductions	
Benefit payments	2,046,720
Refunds of contributions	120,212
Administrative expenses	<u>116,850</u>
Total deductions	<u>2,283,782</u>
Change in net position	4,719,917
Net position - beginning	47,656,652
Net position - ending	<u><u>\$ 52,376,569</u></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.

One-Cent Infrastructure Sales Tax Fund - *Capital Projects Funds* - is used to account for acquisition and construction activity for large-scale projects of the general government.

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, Police Impact Fees Fund, Fire Impact Fees Fund, Public Works Impact Fees Fund, Recreation Impact Fees Fund, Law Enforcement Trust Fund, Police and Fire Premium Tax Trust, and the Cemetery 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 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, and grants received before all eligibility is met.

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 executed 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 2023 is \$2,083,387 for governmental funds, \$36,781 for business-type activities and \$55,870 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 assets 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 assets 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, 2023, 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, 2023 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 GASB Statements Implemented

In fiscal year 2023, the City implemented Government Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and SBITA liabilities to be recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for SBITA accounting based on the foundational principle that SBITA are financings of the right to use the underlying asset. To the extent relevant, the standards for SBITA are based on the standards established in (GASB) Statement No. 87, *Leases*, as amended. Implementation had no significant effect on the City's financial statements.

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, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
U.S. Agencies	\$ 7,160,062	1.29 years
Certificates of deposit	74,312	n/a
Commercial paper	21,601,766	23 days
Government portfolio	996,529	n/a
Total Fair Value of Investments	<u>\$ 29,832,669</u>	

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, 2023:

- U.S. Agencies of \$7,160,062 are valued using Level 2 inputs.
- Commercial paper of \$21,601,766 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, 2023. All agencies held by the City on September 30, 2023, 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, 2023, 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, 2023:

Investment Type	Police Officers' Pension Funds Fair Value	Weighted Average Maturity (years)	Firefighters' Pension Funds Fair Value	Weighted Average Maturity (years)
U.S. Treasuries	\$ 885,840	5.73	\$ 1,742,268	9.57
U.S. Agencies & BAB's	1,318,630	11.33	2,190,163	16.05
Corporate Bonds	6,227,848	10.41	4,582,535	7.40
Corporate Stocks	17,211,171	n/a	12,432,688	n/a
Real Estate	1,549,158	n/a	2,542,498	n/a
Total Investments	27,192,647		23,490,152	
Cash and Cash Equivalents	870,724	n/a	893,773	n/a
Total Cash and Investments	\$ 28,063,371		\$ 24,383,925	

* 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, 2023 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
- 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, 16% are rated by Moody’s as A3 or better, 16% are rated by Moody’s as Baa1 to Baa3, and 68% unrated. Fire Pension investments are 10% rated by Moody’s as A3 or better, 8% rated Baa1 to Baa3, with 82% 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, 2023, 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	Water and Sewer			Total
	General Fund	Fund	Stormwater Fund	
Accounts receivables	\$ 2,003,133	\$ 959,218	\$ 84,532	\$ 3,046,883
Less: allowance for uncollectibles	<u>(386,890)</u>	<u>(61,134)</u>	<u>(39,096)</u>	<u>(487,120)</u>
Net receivables	<u>\$ 1,616,243</u>	<u>\$ 898,084</u>	<u>\$ 45,436</u>	<u>\$ 2,559,763</u>

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NOTE 6 CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,877,375	\$ -	\$ -	\$ 6,877,375
Land under infrastructure	2,554,760	-	-	2,554,760
Construction in progress	447,697	915,711	(171,457)	1,191,951
Total capital assets, not being depreciated	<u>9,879,832</u>	<u>915,711</u>	<u>(171,457)</u>	<u>10,624,086</u>
Capital assets, being depreciated:				
Buildings	25,010,103	-	-	25,010,103
Improvements other than building	4,428,771	104,809	-	4,533,580
Intangible assets	1,602,680	105,526	(6,825)	1,701,381
Equipment	3,239,130	179,739	(441,733)	2,977,136
Infrastructure	28,634,277	8,000	-	28,642,277
Vehicles	8,886,225	2,129,685	(558,628)	10,457,282
Total capital assets, being depreciated:	<u>71,801,186</u>	<u>2,527,759</u>	<u>(1,007,186)</u>	<u>73,321,759</u>
Less accumulated depreciation for:				
Buildings	(14,637,906)	(579,165)	-	(15,217,071)
Improvements other than buildings	(3,944,001)	(71,436)	-	(4,015,437)
Intangible assets	(103,682)	(25,589)	6,825	(122,446)
Equipment	(2,086,218)	(285,592)	439,984	(1,931,826)
Infrastructure	(15,383,017)	(692,387)	-	(16,075,404)
Vehicles	(6,397,966)	(962,518)	558,628	(6,801,856)
Total accumulated depreciation	<u>(42,552,790)</u>	<u>(2,616,687)</u>	<u>1,005,437</u>	<u>(44,164,040)</u>
Total capital assets, being depreciated, net	<u>29,248,396</u>	<u>(88,928)</u>	<u>(1,749)</u>	<u>29,157,719</u>
Governmental activities capital assets, net	<u>\$ 39,128,228</u>	<u>\$ 826,783</u>	<u>\$ (173,206)</u>	<u>\$ 39,781,805</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 488,808	\$ -	\$ -	\$ 488,808
Construction in progress	731,810	479,322	-	1,211,132
Total capital assets, not being depreciated	<u>1,220,618</u>	<u>479,322</u>	<u>-</u>	<u>1,699,940</u>
Capital assets, being depreciated:				
Buildings	472,000	-	-	472,000
Water/sewer system	57,019,471	-	-	57,019,471
Stormwater system	2,917,079	-	-	2,917,079
Intangible Assets	102,200	-	-	102,200
Machinery and equipment	1,167,770	-	-	1,167,770
Total capital assets, being depreciated:	<u>61,678,520</u>	<u>-</u>	<u>-</u>	<u>61,678,520</u>
Less accumulated depreciation for:				
Buildings	(424,800)	(11,800)	-	(436,600)
Water/sewer system	(11,105,063)	(1,179,981)	-	(12,285,044)
Stormwater system	(1,491,523)	(156,360)	-	(1,647,883)
Intangible Assets	(102,200)	-	-	(102,200)
Machinery and equipment	(298,976)	(111,887)	-	(410,863)
Total accumulated depreciation	<u>(13,422,562)</u>	<u>(1,460,028)</u>	<u>-</u>	<u>(14,882,590)</u>
Total capital assets, being depreciated, net	<u>48,255,958</u>	<u>(1,460,028)</u>	<u>-</u>	<u>46,795,930</u>
Business-type capital assets, net	<u>\$ 49,476,576</u>	<u>\$ (980,706)</u>	<u>\$ -</u>	<u>\$ 48,495,870</u>
Depreciation expense was charged to governmental functions as follows:				
General government				\$ 165,170
Public works				692,473
Police				214,213
Fire				251,713
Parks				329,790
Other physical environment				810
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets				962,518
Total depreciation expense				<u>\$ 2,616,687</u>
Depreciation expense was charged to business type activities as follows:				
Water/sewer system				\$ 1,302,939
Stormwater system				157,089
Total depreciation expense				<u>\$ 1,460,028</u>

NOTE 7 PENSIONS

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, 2023, were determined as part of the actuarial valuation of each plan as of October 1, 2022, and reviewed as part of the actuarial valuation as of October 1, 2022, 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, 2022:

Inactive Plan members or beneficiaries currently receiving benefits	30
Inactive Plan members entitled to but not yet receiving benefits	32
Active Plan Members	44
Total	106

NOTE 7 PENSIONS (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 or 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, 2023, 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, 2023:

<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 PENSIONS (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, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.31%. 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, 2023 is \$0.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023. 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, 2023 were as follows:

	Police Officers' Pension Fund
Total pension liability	\$ 27,659,089
Plan fiduciary net position	(28,019,728)
City's net pension liability (asset)	<u>\$ (360,639)</u>
Plan fiduciary net position as a percentage of total pension liability	101.30%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 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, 2021 FRS valuation report for special risk participants.

The actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study dated May 5, 2021.

NOTE 7 PENSIONS (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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.2%
International Equity	2.9%
Bonds	1.7%
Convertibles	5.9%
Private Real Estate	5.9%
Infrastructure	5.1%

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 <u>(a)</u>	Increase (Decrease) Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability (Asset) <u>(a)-(b)</u>
Balances at September 30, 2022	\$ 26,575,274	\$ 25,436,542	\$ 1,138,732
Changes for the year:			
Service cost	686,106	-	686,106
Interest	1,866,910	-	1,866,910
Share plan allocation	59,243	-	59,243
Differences between expected and actual experience	(345,968)	-	(345,968)
Changes of assumption	-	-	-
Contributions - employer	-	537,255	(537,255)
Contributions - state	-	255,139	(255,139)
Contributions - employee	-	187,028	(187,028)
Net investment income	-	2,848,786	(2,848,786)
Benefit payments, including refunds of employee contributions	(1,182,476)	(1,182,476)	-
Administrative expense	-	(62,546)	62,546
Net changes	1,083,815	2,583,186	(1,499,371)
Balances at September 30, 2023	<u>\$ 27,659,089</u>	<u>\$ 28,019,728</u>	<u>\$ (360,639)</u>

NOTE 7 PENSIONS (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)	\$ 2,863,436	\$ (360,639)	\$ (3,039,815)

Deferred Outflows and Inflows of Resources

For the year ended September 30, 2023, the City will recognize a pension expense of \$1,318,431. On September 30, 2023, 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	\$ -	\$ 398,664
Changes of assumptions	115,011	-
Net difference between Projected and actual earnings on pension plan investments	1,667,355	-
Total	<u>\$ 1,782,366</u>	<u>\$ 398,664</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:

2024	\$ 310,905
2025	245,829
2026	1,042,473
2027	(215,505)
2028	-
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 PENSIONS (CONTINUED)

Plan Membership as of October 1, 2022:

Inactive Plan members or beneficiaries currently receiving benefits	21
Inactive Plan members entitled to but not yet receiving benefits	5
Active Plan Members	39
Total	65

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) 1/12th 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) 1/12th 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, 2023, the active member contribution rate was 5.0% of annual pay, and the City and state contribution was the remaining requirement.

NOTE 7 PENSIONS (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, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity securities	35.00%
International equity	15.00%
Bonds	30.00%
Real estate	5.00%
Infrastructure	5.00%
Convertibles	10.00%
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, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.32%. 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, 2023 is \$513,463.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2023. 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, 2023 were as follows:

	<u>Firefighters' Pension Fund</u>
Total pension liability	\$ 27,573,547
Plan fiduciary net position	(24,415,525)
City's net pension liability (asset)	<u>\$ 3,158,022</u>
Plan fiduciary net position as a percentage of total pension liability	88.55%

NOTE 7 PENSIONS (CONTINUED)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 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 PUB-2010 Headcount Weighted Safety Below Median Employee Table for males and females. The provision for future mortality improvements is being made by using scale MP-2018 after 2010. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2021 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 1993, 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	7.2%
International equity	2.9%
Bonds	1.7%
Real estate	6.0%
Infrastructure	5.1%
Convertibles	5.9%

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 PENSIONS (CONTINUED)

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

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at September 30, 2022	\$ 25,721,796	\$ 22,263,270	\$ 3,458,526
Changes for the year:			
Service cost	809,571	-	809,571
Interest	1,822,740	-	1,822,740
Differences between expected and actual experience	148,483	-	148,483
Assumption changes	-	-	-
Contributions - employer and state	-	929,463	(929,463)
Contributions - employee	-	163,930	(163,930)
Net investment income	-	2,106,069	(2,106,069)
Benefit payments, including refunds of employee contributions	(984,456)	(984,456)	-
Refunds	-	-	-
Other (change in state contribution reserve)	55,413	(8,447)	63,860
Administrative expense	-	(54,304)	54,304
Net changes	<u>1,851,751</u>	<u>2,152,255</u>	<u>(300,504)</u>
Balances at September 30, 2023	<u>\$ 27,573,547</u>	<u>\$ 24,415,525</u>	<u>\$ 3,158,022</u>

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)	\$ 6,433,994	\$ 3,158,022	\$ 436,394

Deferred Outflows and Inflows of Resources:

For the year ended September 30, 2023, the City will recognize a pension expense of \$1,515,027. On September 30, 2023, 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	\$ 447,394	\$ 36,912
Changes in assumptions	2,228	203,367
Net difference between Projected and actual earnings on pension plan investments	1,902,321	-
Total	<u>\$ 2,351,943</u>	<u>\$ 240,279</u>

NOTE 7 PENSIONS (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:

2024	\$	452,145
2025		595,232
2026		1,094,909
2027		(55,370)
2028		24,748
Thereafter		-

Aggregate Amounts of All Pension Plans

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2023 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
Police Pension Plan	\$ 360,639	\$ (398,664)	\$ 1,782,366	\$ 1,318,431
Firefighters' Pension Plan	(3,158,022)	(240,279)	2,351,943	1,515,027
Total	<u>\$ (2,797,383)</u>	<u>\$ (638,943)</u>	<u>\$ 4,134,309</u>	<u>\$ 2,833,458</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, 2023, payroll for the employees covered by this plan was \$4,675,717. Employer contributions required and made were \$549,528, with voluntary contributions of \$96,857. During FY 2023, the City was able to reallocate forfeited funds remaining in the plan to reduce its cash contribution by \$35,000. As of September 30, 2023, participation in the plan consisted of 84 active members. The outstanding employee loan amount at September 30, 2023 was \$8,965.

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 PENSIONS (CONTINUED)

Individual Fiduciary Fund Statements

Individual statements of net position for the two 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, 2023

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Assets			
Cash and cash equivalents	\$ 870,724	\$ 893,773	\$ 1,764,497
Receivables:			
Interest receivable	141,408	66,013	207,421
Total receivables	<u>141,408</u>	<u>66,013</u>	<u>207,421</u>
Investments at fair value			
Domestic corporate & govt bonds	8,432,318	8,514,966	16,947,284
Domestic stocks	17,211,171	12,432,688	29,643,859
Real estate	1,549,158	2,542,498	4,091,656
Total Investments	<u>27,192,647</u>	<u>23,490,152</u>	<u>50,682,799</u>
Total assets	<u><u>28,204,779</u></u>	<u><u>24,449,938</u></u>	<u><u>52,654,717</u></u>
Liabilities			
Accounts payable	185,051	34,413	219,464
Due to other funds	-	58,684	58,684
Total liabilities	<u>185,051</u>	<u>93,097</u>	<u>278,148</u>
Net Position Restricted for Pensions	<u><u>\$ 28,019,728</u></u>	<u><u>\$ 24,356,841</u></u>	<u><u>\$ 52,376,569</u></u>

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NOTE 7 PENSIONS (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, 2023

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Additions			
Contributions:			
City	\$ 537,254	\$ 624,914	\$ 1,162,168
State	255,139	280,578	535,717
Employee	187,028	163,930	350,958
Total contributions	<u>979,421</u>	<u>1,069,422</u>	<u>2,048,843</u>
Investment Earnings:			
Interest	611,077	487,759	1,098,836
Increase in fair value of investments	2,373,337	1,714,054	4,087,391
Less: investment expense	(135,627)	(95,744)	(231,371)
Total net investment earnings	<u>2,848,787</u>	<u>2,106,069</u>	<u>4,954,856</u>
Total additions	<u>3,828,208</u>	<u>3,175,491</u>	<u>7,003,699</u>
Deductions			
Benefit payments	1,154,172	892,548	2,046,720
Refunds of contributions	28,304	91,908	120,212
Administrative expenses	62,546	54,304	116,850
Total deductions	<u>1,245,022</u>	<u>1,038,760</u>	<u>2,283,782</u>
Change in net position	2,583,186	2,136,731	4,719,917
Net position - beginning	25,436,542	22,220,110	47,656,652
Net position - ending	<u>\$ 28,019,728</u>	<u>\$ 24,356,841</u>	<u>\$ 52,376,569</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 have assets accumulated in any GASB-compliant trust and does not issue stand-alone financial statements.

As of October 1, 2021, the valuation date, there were 179 active employees and 7 inactive employees currently receiving benefits. The OPEB liability of \$1,831,079 was measured as of September 30, 2023 and was determined by the actuarial valuation. The covered payroll was \$11,530,724, and the ratio of Net OPEB liability as a percentage of covered payroll was 15.88%.

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	7.0%
Ultimate Health Care Cost Trend Rate	4.5%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2038
Additional Information	
Valuation Date	October 1, 2021
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.87%
Inflation Rate	3%
Salary Rate Increase	4%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 11,530,724
Net OPEB Liability as a Percentage of Covered Payroll	15.88%

* Discount rate of 4.87% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2023.

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2021, to September 30, 2023.

	<u>Total OPEB Liability</u>
Balance as of 9/30/2022	\$ 1,769,145
Changes for the year:	
Service Cost	82,479
Interest on Total OPEB Liability	82,261
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	(13,624)
Benefit Payments	(89,182)
Other Changes	-
Net Changes	<u>61,934</u>
Balance as of 9/30/2023	<u>\$ 1,831,079</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:

	<u>Decrease 3.87%</u>	<u>Discount Rate 4.87%</u>	<u>Increase 5.87%</u>
Net OPEB Liability	\$ 1,972,533	\$ 1,831,079	\$ 1,701,206

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:

	<u>Decrease 1%</u>	<u>Health Care Trend</u>	<u>Increase 1%</u>
Net OPEB Liability	\$ 1,663,309	\$ 1,831,079	\$ 2,025,081

For the fiscal year ended September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 265,875	\$ 2,383
Changes of assumptions	486,973	349,038
Total	<u>\$ 752,848</u>	<u>\$ 351,421</u>

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

<u>Fiscal Year Ending September 30,</u>	
2024	\$ 101,133
2025	101,133
2026	101,133
2027	77,592
2028	47,283
Thereafter	(26,847)

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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

1. Replacement vehicles were carried forward into fiscal year 2024 in the amount of \$804,214.
2. The downtown parking improvements were carried into fiscal year 2024 in the amount of \$335,721.
3. A roof replacement at the police department was carried forward into fiscal year 2024 in the amount of \$212,050.
4. North Country Club Road and Wilbur Avenue signal modification was carried forward into fiscal year 2024 in the amount of \$192,296.

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, 2023 were as follows:

	Encumbrances
General fund	\$ 65,291
General capital projects fund	591,603
One-Cent infrastructure sales tax fund	543,495
Nonmajor governmental funds	-
Enterprise funds	338,585
Internal Service fund	896,339
	\$ 2,435,313

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, 2023. The cost of the insurance is allocated among the appropriate departments and funds.

NOTE 11 LONG TERM LIABILITIES

During the year ended September 30, 2023, the following changes occurred in long term liabilities:

	<u>Balance</u> <u>09/30/2022</u>	<u>Reductions</u>	<u>Additions</u>	<u>Balance</u> <u>09/30/2023</u>	<u>Balance Due</u> <u>within One Year</u>
Governmental activities					
Other post employment benefits	\$ 1,634,150	\$ -	\$ 57,605	\$ 1,691,755	\$ -
Net pension Liability	4,597,258	(1,439,236)	-	3,158,022	-
Compensated absences	1,525,945	(74,049)	99,350	1,551,246	124,100
Governmental activity long -term liabilities	<u>\$ 7,757,353</u>	<u>\$ (1,513,285)</u>	<u>\$ 156,955</u>	<u>\$ 6,401,023</u>	<u>\$ 124,100</u>
Business-type activities					
Other post employment benefits	\$ 134,995	\$ -	\$ 4,329	\$ 139,324	\$ -
Compensated absences	119,815	(13,726)	8,241	114,330	9,146
Business-type activity long-term liabilities	<u>\$ 254,810</u>	<u>\$ (13,726)</u>	<u>\$ 12,570</u>	<u>\$ 253,654</u>	<u>\$ 9,146</u>

For governmental activities, compensated absences, net pension liability and the other post employment benefits liability are generally liquidated by the general fund.

NOTE 12 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.

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.

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NOTE 12 FUND BALANCE (CONTINUED)

At September 30, 2023, the City's governmental fund balances were classified as follows:

Fund Balances	General Fund	General Capital Projects Fund	One-Cent Infrastructure Sales Tax Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Inventory/prepays	\$ 5,577	\$ -	\$ -	\$ -	\$ 5,577
Restricted for:					
Public works	-	-		57,769	57,769
Public safety	-	-		519,734	519,734
Parks and recreation	-	-		226,101	226,101
Other physical environment	-	-		141,093	141,093
Building department	6,788,529	-		-	6,788,529
Other capital projects	-	-	3,382,921	-	3,382,921
Committed to:					
Other capital projects	-	726,294	-	-	726,294
Assigned to:					
Capital projects	650,000	-	-	-	650,000
Subsequent year expenditures	113,432	-	-	-	113,432
Unassigned fund balance	22,449,269	-	-	-	22,449,269
Total fund balance	\$ 30,006,807	\$ 726,294	\$ 3,382,921	\$ 944,697	\$ 35,060,719

NOTE 13 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2023 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	634,000	Transfer from General Fund to provide for general capital improvements of the City.
Internal Service Fund	87,800	Transfer from Water and Sewer Fund to provide for capital contributions.

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NOTE 14 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 15 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, 2023, the City abated taxes totaling \$26,859 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

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 686,106	\$ 680,197	\$ 867,986	\$ 847,935
Interest	1,866,910	1,782,416	1,774,467	1,636,092
Change in excess state money	-	-	-	-
Share plan allocation	59,243	40,180	27,901	29,315
Differences between expected and actual experience	(345,968)	(197,771)	(161,209)	366,589
Assumption changes	-	-	460,045	(44,515)
Contributions - buy back	-	-	-	-
Benefit payments, including refunds of member contributions	(1,182,476)	(1,025,284)	(930,464)	(1,090,450)
Net change in total pension liability	<u>1,083,815</u>	<u>1,279,738</u>	<u>2,038,726</u>	<u>1,744,966</u>
Total pension liability - beginning	<u>26,575,274</u>	<u>25,295,536</u>	<u>23,256,810</u>	<u>21,511,844</u>
Total pension liability - ending (a)	<u>\$ 27,659,089</u>	<u>\$ 26,575,274</u>	<u>\$ 25,295,536</u>	<u>\$ 23,256,810</u>
Plan fiduciary net position				
Contributions - employer	\$ 537,255	\$ 526,855	\$ 583,427	\$ 548,192
Contributions - state	255,139	217,015	192,457	195,285
Contributions - employee	187,028	170,798	170,772	156,615
Contributions - buy back	-	-	-	-
Net investment income	2,848,786	(4,612,862)	5,585,272	1,774,969
Benefit payments, including refunds of member contributions	(1,182,476)	(1,025,284)	(930,464)	(1,090,450)
Administrative expense	(62,546)	(61,598)	(57,236)	(52,854)
Net change in plan fiduciary net position	<u>2,583,186</u>	<u>(4,785,076)</u>	<u>5,544,228</u>	<u>1,531,757</u>
Plan fiduciary net position - beginning	<u>25,436,542</u>	<u>30,221,618</u>	<u>24,677,390</u>	<u>23,145,633</u>
Plan fiduciary net position - ending (b)	<u>\$ 28,019,728</u>	<u>\$ 25,436,542</u>	<u>\$ 30,221,618</u>	<u>\$ 24,677,390</u>
City's net pension liability (asset) - ending (a) - (b)	<u>\$ (360,639)</u>	<u>\$ 1,138,732</u>	<u>\$ (4,926,082)</u>	<u>\$ (1,420,580)</u>
Plan fiduciary net position as a percentage of the total pension liability	101.30%	95.72%	119.47%	106.11%
Covered payroll	\$ 3,740,564	\$ 3,415,969	\$ 3,415,446	\$ 3,132,289
City's net pension liability (asset) as a percentage of covered payroll	-9.64%	33.34%	-144.23%	-45.35%

Continued

Notes to Schedule

Changes of assumptions

For measurement date 9/30/21:

- The investment return assumption was reduced from 7.55 to 7% per year, net of investment related expenses.
- Assumed rate of individual salary increases has been changed from a flat 7% per year to age-based assumption.
- Assumed rates of retirement were amended
- Assumed rates of pre-retirement withdrawal were changed
- Assumed rates of disability retirement were doubled at each age.

For Measurement date 9/30/19, the inflation rate assumption was lowered from 2.6% to 2.5%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

2019	2018	2017	2016	2015	2014
\$ 711,092	\$ 815,164	\$ 786,087	\$ 699,691	\$ 671,221	\$ 680,756
1,538,000	1,476,466	1,363,629	1,215,442	1,166,563	1,073,198
-	-	-	(185,349)	-	-
23,487	16,131	13,125	212,226	-	-
(162,738)	(621,805)	(44,067)	(57,497)	(698,228)	-
-	-	41,017	375,825	-	-
-	11,000	-	36,773	23,490	-
(787,146)	(757,705)	(611,052)	(574,995)	(504,618)	(494,468)
1,322,695	939,251	1,548,739	1,722,116	658,428	1,259,486
20,189,149	19,249,898	17,701,159	15,979,043	15,320,615	14,061,129
<u>\$ 21,511,844</u>	<u>\$ 20,189,149</u>	<u>\$ 19,249,898</u>	<u>\$ 17,701,159</u>	<u>\$ 15,979,043</u>	<u>\$ 15,320,615</u>
\$ 540,893	\$ 629,559	\$ 620,418	\$ 600,951	\$ 690,683	\$ 789,579
183,629	168,916	162,904	154,751	139,620	133,190
149,072	139,682	139,829	137,252	128,132	136,573
-	11,000	-	36,773	23,490	-
634,605	1,641,052	2,177,717	1,584,417	(142,157)	1,416,817
(787,146)	(757,705)	(611,052)	(574,995)	(504,618)	(494,468)
(52,749)	(53,223)	(50,923)	(37,977)	(41,419)	(26,130)
668,304	1,779,281	2,438,893	1,901,172	293,731	1,955,561
22,477,329	20,698,048	18,259,155	16,357,983	16,064,252	14,108,691
<u>\$ 23,145,633</u>	<u>\$ 22,477,329</u>	<u>\$ 20,698,048</u>	<u>\$ 18,259,155</u>	<u>\$ 16,357,983</u>	<u>\$ 16,064,252</u>
<u>\$ (1,633,789)</u>	<u>\$ (2,288,180)</u>	<u>\$ (1,448,150)</u>	<u>\$ (557,996)</u>	<u>\$ (378,940)</u>	<u>\$ (743,637)</u>
107.59%	111.33%	107.52%	103.15%	102.37%	104.85%
\$ 2,981,442	\$ 2,793,634	\$ 2,796,590	\$ 2,745,050	\$ 2,562,188	\$ 2,441,186
-54.80%	-81.91%	-51.78%	-20.33%	-14.79%	-30.46%

Notes to Schedule:

For measurement date 9/30/17, assumed rates of mortality have been changed 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, the assumed rates of mortality have been changed to the mortality table used by the Florida Retirement System for the special risk employees. The inflation rate was lowered from 3% to 2.7% matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

	Actuarially determined contribution	Contributions in relation to the actuarially determined contributions	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	\$ 733,151	\$ 733,151	\$ -	\$ 3,740,564	19.60%
2022	703,690	703,690	-	3,415,969	20.60%
2021	747,983	747,983	-	3,415,466	21.90%
2020	714,162	714,162	-	3,132,289	22.80%
2019	679,769	701,035	(21,266)	2,981,442	23.51%
2018	768,249	782,344	(14,095)	2,793,634	28.00%
2017	760,672	770,197	(9,525)	2,796,590	27.54%
2016	746,654	746,654	-	2,745,050	27.20%
2015	830,294	830,303	(9)	2,562,188	32.41%
2014	922,768	922,768	-	2,441,186	37.80%

Notes to Schedule

Valuation date - 10/1/21

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. Disabled Lives: 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 - 7.0% 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 10% 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.

Termination and Disability Rate Table		
Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.0%	0.06%
30	7.0%	0.08%
40	4.0%	0.14%
50	0.0%	0.36%

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.

CITY OF LAKE MARY POLICE OFFICERS' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
Last Ten Fiscal Years

	<u>Annual money-weighted rate of return, net of investment expense</u>
2023	11.31%
2022	-15.35%
2021	22.71%
2020	8.33%
2019	3.41%
2018	7.93%
2017	11.89%
2016	9.63%
2015	-0.88%
2014	9.92%

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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

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 809,571	\$ 788,791	\$ 819,268	\$ 759,939
Interest	1,822,740	1,684,035	1,590,395	1,485,894
Changes of benefit terms	-	-	-	6,572
Differences between expected and actual experience	148,483	359,755	81,119	(79,059)
Changes of assumptions	-	-	(364,810)	-
Change in state contribution reserve	55,413	22,823	22,167	13,937
Refunds	-	(18,306)	(1,312)	-
Benefit payments, including refunds of member contributions	(984,456)	(786,604)	(753,688)	(752,462)
Net change in total pension liability	<u>1,851,751</u>	<u>2,050,494</u>	<u>1,393,139</u>	<u>1,434,821</u>
Total pension liability - beginning	<u>25,721,796</u>	<u>23,671,302</u>	<u>22,278,163</u>	<u>20,843,342</u>
Total pension liability - ending (a)	<u>\$ 27,573,547</u>	<u>\$ 25,721,796</u>	<u>\$ 23,671,302</u>	<u>\$ 22,278,163</u>
Plan fiduciary net position				
Contributions - employer and state	\$ 929,463	\$ 961,970	\$ 1,092,745	\$ 998,131
Contributions - employee	163,930	153,448	150,617	145,991
Net investment income	2,106,069	(4,006,663)	4,040,185	2,132,171
Benefit payments, including refunds of member contributions	(984,456)	(786,604)	(753,688)	(752,462)
Refunds	-	(18,306)	(1,312)	-
Administrative expense	(54,304)	(73,866)	(50,848)	(59,382)
Other	(8,447)	-	-	-
Net change in plan fiduciary net position	<u>2,152,255</u>	<u>(3,770,021)</u>	<u>4,477,699</u>	<u>2,464,449</u>
Plan fiduciary net position - beginning	<u>22,263,270</u>	<u>26,033,291</u>	<u>21,555,592</u>	<u>19,091,143</u>
Plan fiduciary net position - ending (b)	<u>\$ 24,415,525</u>	<u>\$ 22,263,270</u>	<u>\$ 26,033,291</u>	<u>\$ 21,555,592</u>
City's net pension liability (asset) - ending (a) - (b)	<u>\$ 3,158,022</u>	<u>\$ 3,458,526</u>	<u>\$ (2,361,989)</u>	<u>\$ 722,571</u>
Plan fiduciary net position as a percentage of the total pension liability	88.55%	86.55%	109.98%	96.76%
Covered payroll	\$ 3,262,012	\$ 3,068,954	\$ 3,012,342	\$ 2,919,822
City's net pension liability (asset) as a percentage of covered payroll	96.81%	112.69%	-78.41%	24.75%

Continued

Notes to Schedule

Effective 10/1/17, the pre-retirement mortality assumption was changed to the same rates used for Special Risk Class members for the Florida Retirement System (FRS) in their actuarial valuation as of 7/1/16. This change was not reflected as of the 9/30/17 measurement date.

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

2019	2018	2017	2016	2015	2014
\$ 674,747	\$ 679,044	\$ 748,823	\$ 705,489	\$ 694,024	\$ 694,679
1,380,937	1,299,727	1,314,284	1,246,237	1,200,113	1,102,822
-	-	232,790	-	-	-
201,627	(48,492)	(102,108)	(254,774)	(653,507)	-
-	21,320	(310,888)	193,914	178,939	-
8,652	(630,795)	(898,642)	(119,357)	-	-
(7,277)	-	(9,323)	(31,602)	-	-
(943,810)	3,776	-	(438,239)	(768,302)	(298,350)
1,314,876	1,324,580	974,936	1,301,668	651,267	1,499,151
19,528,466	18,203,886	17,228,950	15,927,282	15,276,015	13,776,864
<u>\$ 20,843,342</u>	<u>\$ 19,528,466</u>	<u>\$ 18,203,886</u>	<u>\$ 17,228,950</u>	<u>\$ 15,927,282</u>	<u>\$ 15,276,015</u>
\$ 866,252	\$ 797,096	\$ 855,027	\$ 758,955	\$ 755,836	\$ 746,249
137,515	220,192	207,761	124,011	117,356	118,503
824,687	1,192,068	1,623,631	1,283,870	18,601	1,153,908
(943,810)	(630,795)	(898,642)	(438,239)	(768,302)	(298,350)
(7,277)	-	(9,323)	(31,602)	-	-
(54,397)	(50,726)	(59,898)	(41,718)	(37,977)	(25,374)
-	-	-	-	-	-
822,970	1,527,835	1,718,556	1,655,277	85,514	1,694,936
18,268,173	16,740,338	15,021,782	13,366,505	13,280,991	11,586,055
<u>\$ 19,091,143</u>	<u>\$ 18,268,173</u>	<u>\$ 16,740,338</u>	<u>\$ 15,021,782</u>	<u>\$ 13,366,505</u>	<u>\$ 13,280,991</u>
<u>\$ 1,752,199</u>	<u>\$ 1,260,293</u>	<u>\$ 1,463,548</u>	<u>\$ 2,207,168</u>	<u>\$ 2,560,777</u>	<u>\$ 1,995,024</u>
91.59%	93.55%	91.96%	87.19%	83.92%	86.94%
\$ 2,750,300	\$ 2,607,420	\$ 2,577,693	\$ 2,480,211	\$ 2,746,205	\$ 2,771,053
63.71%	48.33%	56.78%	88.99%	93.25%	72.00%

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

	Actuarially determined contribution	Contributions in relation to the actuarially determined contributions	Contribution deficiency (Excess)	Covered payroll	Contributions as a percentage of covered payroll
2023	\$ 850,080	\$ 874,051	\$ (23,971)	\$ 3,262,012	26.79%
2022	928,052	939,146	(11,094)	3,068,954	30.60%
2021	1,061,549	1,070,578	(9,029)	3,012,342	35.54%
2020	991,280	984,194	7,086	2,919,822	33.71%
2019	857,544	857,600	(56)	2,750,300	31.18%
2018	783,008	793,320	(10,312)	2,607,420	30.43%
2017	840,843	851,147	(10,304)	2,577,693	33.02%
2016	757,952	758,955	(1,003)	2,480,211	30.60%
2015	752,016	752,863	(847)	2,746,205	27.41%
2014	732,586	746,249	(13,663)	2,771,053	26.93%

Valuation Date - 10/1/21

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%

Retirement age - Experience-based table of rates

Mortality - PUB-2010 Headcount Weighted Safety Table for males and females with mortality improvements projected to all future years after 2010 using Scale MP-2018

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.

Termination and Disability Rate Table		
Age	% Terminating During the Year	% Becoming Disabled During the Year
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>Annual money-weighted rate of return, net of investment expense</u>
2023	10.32%
2022	-15.80%
2021	19.68%
2020	11.61%
2019	4.96%
2018	7.10%
2017	11.55%
2016	10.10%
2015	0.60%
2014	10.60%

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

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Total OPEB Liability						
Service cost	82,479	114,061	\$ 87,953	\$ 70,305	\$ 49,541	\$ 48,653
Interest	82,261	43,426	37,852	39,207	38,629	17,856
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(3,037)	-	177,761	-	443,172
Changes of assumptions	(13,624)	(137,839)	(39,144)	373,244	5,760	(74,759)
Benefit Payments (2)	(89,182)	(69,126)	(67,586)	(65,494)	(52,957)	(44,920)
Other changes	-	-	-	78,635	246	142,228
Net change in total OPEB liability	<u>61,934</u>	<u>(52,515)</u>	<u>19,075</u>	<u>673,658</u>	<u>41,219</u>	<u>532,230</u>
Total OPEB liability, beginning (1)	<u>1,769,145</u>	<u>1,821,660</u>	<u>1,802,585</u>	<u>1,128,927</u>	<u>1,087,708</u>	<u>555,478</u>
Total OPEB liability, ending	<u>\$ 1,831,079</u>	<u>\$ 1,769,145</u>	<u>\$ 1,821,660</u>	<u>\$ 1,802,585</u>	<u>\$ 1,128,927</u>	<u>\$ 1,087,708</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 11,530,724	\$ 11,089,513	\$ 10,234,767	\$ 10,234,767	\$ 8,983,813	\$ 8,983,813
Net OPEB liability as a percentage of covered-employee payroll	15.88%	15.95%	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.
- (3) no assets accumulated in a trust.

* Prior years' data unavailable

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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.

City of Lake Mary, Florida
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2023

Special Revenue

	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees
Assets					
Cash and cash equivalents	\$ 91,716	\$ 47,302	\$ 97,547	\$ 54,073	\$ 179,405
Investments	53,477	41,112	9,359	3,689	46,669
Interest receivable	17	11	13	7	27
Total assets	\$ 145,210	\$ 88,425	\$ 106,919	\$ 57,769	\$ 226,101
Liabilities					
Accounts payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund Balances					
Restricted:					
Public works	\$ -	\$ -	\$ -	\$ 57,769	\$ -
Public safety	145,210	88,425	106,919	-	-
Parks and recreation	-	-	-	-	226,101
Other physical environment	-	-	-	-	-
Total fund balances	145,210	88,425	106,919	57,769	226,101
Total liabilities and fund balances	\$ 145,210	\$ 88,425	\$ 106,919	\$ 57,769	\$ 226,101

Special Revenue

Law Enforcement Trust Fund - State	Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total Nonmajor Governmental Funds
\$ 136,472	\$ 28,114	\$ -	\$ 141,924	\$ 776,553
14,133	443	-	(848)	168,034
18	-	-	17	110
<u>\$ 150,623</u>	<u>\$ 28,557</u>	<u>\$ -</u>	<u>\$ 141,093</u>	<u>\$ 944,697</u>
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 57,769
150,623	28,557	-	-	519,734
-	-	-	-	226,101
-	-	-	141,093	141,093
<u>150,623</u>	<u>28,557</u>	<u>-</u>	<u>141,093</u>	<u>944,697</u>
<u>\$ 150,623</u>	<u>\$ 28,557</u>	<u>\$ -</u>	<u>\$ 141,093</u>	<u>\$ 944,697</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, 2023

	Special Revenue				
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Impact fees/assessments	-	8,903	11,803	1,641	10,181
Fines and forfeitures	8,254	-	-	-	-
Investment earnings (loss)	5,436	3,786	7,964	2,165	8,321
Total revenues	<u>13,690</u>	<u>12,689</u>	<u>19,767</u>	<u>3,806</u>	<u>18,502</u>
Expenditures					
Current:					
Public safety	6,076	-	-	-	-
Other physical environment	-	-	-	-	-
Capital outlay:					
Public safety	-	57,203	281,079	-	-
Total expenditures	<u>6,076</u>	<u>57,203</u>	<u>281,079</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>7,614</u>	<u>(44,514)</u>	<u>(261,312)</u>	<u>3,806</u>	<u>18,502</u>
Net change in fund balances	7,614	(44,514)	(261,312)	3,806	18,502
Fund balances - beginning	137,596	132,939	368,231	53,963	207,599
Fund balances - ending	<u>\$ 145,210</u>	<u>\$ 88,425</u>	<u>\$ 106,919</u>	<u>\$ 57,769</u>	<u>\$ 226,101</u>

Special Revenue				
Law Enforcement Trust Fund - State	Law Enforcement Trust Fund - Federal	Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 535,717	\$ -	\$ 535,717
-	-	-	27,625	27,625
-	-	-	-	32,528
14,684	-	-	-	22,938
6,189	1,003	-	492	35,356
<u>20,873</u>	<u>1,003</u>	<u>535,717</u>	<u>28,117</u>	<u>654,164</u>
800	-	535,717	-	542,593
-	-	-	5,920	5,920
21,600	-	-	-	359,882
<u>22,400</u>	<u>-</u>	<u>535,717</u>	<u>5,920</u>	<u>908,395</u>
<u>(1,527)</u>	<u>1,003</u>	<u>-</u>	<u>22,197</u>	<u>(254,231)</u>
(1,527)	1,003	-	22,197	(254,231)
152,150	27,554	-	118,896	1,198,928
<u>\$ 150,623</u>	<u>\$ 28,557</u>	<u>\$ -</u>	<u>\$ 141,093</u>	<u>\$ 944,697</u>

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 8,254	\$ 754
Investment income (loss)	150	150	5,436	5,286
Total revenues	<u>7,650</u>	<u>7,650</u>	<u>13,690</u>	<u>6,040</u>
Expenditures				
Current:				
Public safety	10,000	10,000	6,076	3,924
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,076</u>	<u>3,924</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(2,350)</u>	<u>(2,350)</u>	<u>7,614</u>	<u>9,964</u>
Fund balances - beginning	137,596	137,596	137,596	-
Fund balances - ending	<u>\$ 135,246</u>	<u>\$ 135,246</u>	<u>\$ 145,210</u>	<u>\$ 9,964</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 25,000	\$ 25,000	\$ 8,903	\$ (16,097)
Investment income (loss)	50	50	3,786	3,736
Total revenues	<u>25,050</u>	<u>25,050</u>	<u>12,689</u>	<u>(12,361)</u>
Expenditures				
Capital outlay:				
Public safety	-	57,205	57,203	2
Total expenditures	<u>-</u>	<u>57,205</u>	<u>57,203</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>25,050</u>	<u>(32,155)</u>	<u>(44,514)</u>	<u>(12,359)</u>
Fund balances - beginning	132,939	132,939	132,939	-
Fund balances - ending	<u>\$ 157,989</u>	<u>\$ 100,784</u>	<u>\$ 88,425</u>	<u>\$ (12,359)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 15,000	\$ 15,000	\$ 11,803	\$ (3,197)
Investment income (loss)	325	325	7,964	7,639
Total revenues	<u>15,325</u>	<u>15,325</u>	<u>19,767</u>	<u>4,442</u>
Expenditures				
Capital outlay:				
Public safety	281,079	281,079	281,079	-
Total expenditures	<u>281,079</u>	<u>281,079</u>	<u>281,079</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(265,754)</u>	<u>(265,754)</u>	<u>(261,312)</u>	<u>4,442</u>
Fund balances - beginning	368,231	368,231	368,231	-
Fund balances - ending	<u>\$ 102,477</u>	<u>\$ 102,477</u>	<u>\$ 106,919</u>	<u>\$ 4,442</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
Public Works Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 2,000	\$ 2,000	\$ 1,641	\$ (359)
Investment income (loss)	50	50	2,165	2,115
Total revenues	<u>2,050</u>	<u>2,050</u>	<u>3,806</u>	<u>1,756</u>
Expenditures				
Capital outlay:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>2,050</u>	<u>2,050</u>	<u>3,806</u>	<u>1,756</u>
Fund balances - beginning	53,963	53,963	53,963	-
Fund balances - ending	<u>\$ 56,013</u>	<u>\$ 56,013</u>	<u>\$ 57,769</u>	<u>\$ 1,756</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Impact fees/assessments	\$ 20,000	\$ 20,000	\$ 10,181	\$ (9,819)
Investment income (loss)	175	175	8,321	8,146
Total revenues	<u>20,175</u>	<u>20,175</u>	<u>18,502</u>	<u>(1,673)</u>
Expenditures				
Capital outlay:				
Parks and recreation	180,000	180,000	-	180,000
Total expenditures	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(159,825)</u>	<u>(159,825)</u>	<u>18,502</u>	<u>178,327</u>
Fund balances - beginning	207,599	207,599	207,599	-
Fund balances - ending	<u>\$ 47,774</u>	<u>\$ 47,774</u>	<u>\$ 226,101</u>	<u>\$ 178,327</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
 Law Enforcement Trust Fund - State
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 14,684	\$ 14,684
Investment income (loss)	-	-	6,189	6,189
Total revenues	<u>-</u>	<u>-</u>	<u>20,873</u>	<u>20,873</u>
Expenditures				
Current:				
Public safety	1,600	1,600	800	800
Capital outlay:				
Public safety	-	21,600	21,600	-
Total expenditures	<u>1,600</u>	<u>23,200</u>	<u>22,400</u>	<u>800</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(1,600)</u>	<u>(23,200)</u>	<u>(1,527)</u>	<u>21,673</u>
Fund balances - beginning	152,150	152,150	152,150	-
Fund balances - ending	<u>\$ 150,550</u>	<u>\$ 128,950</u>	<u>\$ 150,623</u>	<u>\$ 21,673</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
 Law Enforcement Trust Fund - Federal
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 1,003	\$ 1,003
Total revenues	<u>-</u>	<u>-</u>	<u>1,003</u>	<u>1,003</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>-</u>	<u>-</u>	<u>1,003</u>	<u>1,003</u>
Fund balances - beginning	27,554	27,554	27,554	-
Fund balances - ending	<u>\$ 27,554</u>	<u>\$ 27,554</u>	<u>\$ 28,557</u>	<u>\$ 1,003</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 5,000	\$ 5,000	\$ 27,625	\$ 22,625
Investment income (loss)	100	100	492	392
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>28,117</u>	<u>23,017</u>
Expenditures				
Current:				
Other physical environment	8,600	8,600	5,920	2,680
Total expenditures	<u>8,600</u>	<u>8,600</u>	<u>5,920</u>	<u>2,680</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>(3,500)</u>	<u>(3,500)</u>	<u>22,197</u>	<u>25,697</u>
Fund balances - beginning	118,896	118,896	118,896	-
Fund balances - ending	<u>\$ 115,396</u>	<u>\$ 115,396</u>	<u>\$ 141,093</u>	<u>\$ 25,697</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, 2023

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Assets			
Cash and cash equivalents	\$ 870,724	\$ 893,773	\$ 1,764,497
Receivables:			
Interest receivable	141,408	66,013	207,421
Total receivables	<u>141,408</u>	<u>66,013</u>	<u>207,421</u>
Investments at fair value:			
Domestic corporate & govt bonds	8,432,318	8,514,966	16,947,284
Domestic stocks	17,211,171	12,432,688	29,643,859
Real estate	1,549,158	2,542,498	4,091,656
Total investments	<u>27,192,647</u>	<u>23,490,152</u>	<u>50,682,799</u>
Total assets	<u>28,204,779</u>	<u>24,449,938</u>	<u>52,654,717</u>
Liabilities			
Accounts payable	185,051	34,413	219,464
Due to other funds	-	58,684	58,684
Total liabilities	<u>185,051</u>	<u>93,097</u>	<u>278,148</u>
 Net Position Restricted for Pensions	 <u>\$ 28,019,728</u>	 <u>\$ 24,356,841</u>	 <u>\$ 52,376,569</u>

City of Lake Mary, Florida
Combining Statements of Changes in Fiduciary Net Position
For the Year Ended September 30, 2023

	<u>Police Pension Trust</u>	<u>Fire Pension Trust</u>	<u>Total Employee Pension Funds</u>
Additions			
Contributions:			
City	\$ 537,254	\$ 624,914	\$ 1,162,168
State	255,139	280,578	535,717
Employee	187,028	163,930	350,958
Total contributions	<u>979,421</u>	<u>1,069,422</u>	<u>2,048,843</u>
Investment Earnings:			
Interest	611,077	487,759	1,098,836
Net increase in fair value of investments	2,373,337	1,714,054	4,087,391
Less: investment expense	(135,627)	(95,744)	(231,371)
Total net investment earnings	<u>2,848,787</u>	<u>2,106,069</u>	<u>4,954,856</u>
Total additions	<u>3,828,208</u>	<u>3,175,491</u>	<u>7,003,699</u>
Deductions			
Benefit payments	1,154,172	892,548	2,046,720
Refunds of contributions	28,304	91,908	120,212
Administrative expenses	62,546	54,304	116,850
Total deductions	<u>1,245,022</u>	<u>1,038,760</u>	<u>2,283,782</u>
Change in net position	2,583,186	2,136,731	4,719,917
Net position - beginning	25,436,542	22,220,110	47,656,652
Net position - ending	<u>\$ 28,019,728</u>	<u>\$ 24,356,841</u>	<u>\$ 52,376,569</u>



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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>
Financial Trends	87
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	96
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	101
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.	
Demographic and Economic Information	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	106
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.	
Supplemental Information	111
These schedules contain trend data for pension funds, and building permit fees collection/expense schedule, which are viewed by management as required information.	

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net investment in capital assets	\$ 41,873	\$ 41,948	\$ 42,226	\$ 41,987
Restricted	1,021	1,546	1,099	1,567
Unrestricted	<u>18,500</u>	<u>16,248</u>	<u>16,613</u>	<u>16,916</u>
Total governmental activities net position	<u>\$ 61,394</u>	<u>\$ 59,742</u>	<u>\$ 59,938</u>	<u>\$ 60,470</u>
Business-type activities				
Net investment in capital assets	\$ 18,478	\$ 18,363	\$ 18,672	\$ 18,119
Restricted	1,050	1,152	1,037	1,817
Unrestricted	<u>14,417</u>	<u>14,631</u>	<u>14,177</u>	<u>14,257</u>
Total business-type activities net position	<u>\$ 33,945</u>	<u>\$ 34,146</u>	<u>\$ 33,886</u>	<u>\$ 34,193</u>
Primary government				
Net investment in capital assets	\$ 60,351	\$ 60,311	\$ 60,898	\$ 60,106
Restricted	2,071	2,698	2,136	3,384
Unrestricted	<u>32,917</u>	<u>30,879</u>	<u>30,790</u>	<u>31,173</u>
Total primary government net position	<u>\$ 95,339</u>	<u>\$ 93,888</u>	<u>\$ 93,824</u>	<u>\$ 94,663</u>

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 41,150	\$ 40,467	\$ 42,045	\$ 41,239	\$ 39,128	\$ 39,782
1,313	3,075	4,049	6,517	9,501	12,203
<u>19,221</u>	<u>22,057</u>	<u>19,424</u>	<u>21,672</u>	<u>23,152</u>	<u>24,698</u>
<u>\$ 61,684</u>	<u>\$ 65,599</u>	<u>\$ 65,518</u>	<u>\$ 69,428</u>	<u>\$ 71,781</u>	<u>\$ 76,683</u>
\$ 17,636	\$ 18,598	\$ 18,143	\$ 50,599	\$ 49,477	\$ 48,496
1,861	1,967	2,359	1,505	1,692	1,829
<u>14,469</u>	<u>14,216</u>	<u>14,379</u>	<u>15,795</u>	<u>15,657</u>	<u>16,096</u>
<u>\$ 33,966</u>	<u>\$ 34,781</u>	<u>\$ 34,881</u>	<u>\$ 67,899</u>	<u>\$ 66,826</u>	<u>\$ 66,421</u>
\$ 58,786	\$ 59,065	\$ 60,188	\$ 91,838	\$ 88,605	\$ 88,278
3,174	5,042	6,408	8,022	11,193	14,032
<u>33,690</u>	<u>36,273</u>	<u>33,803</u>	<u>37,467</u>	<u>38,809</u>	<u>40,794</u>
<u>\$ 95,650</u>	<u>\$ 100,380</u>	<u>\$ 100,399</u>	<u>\$ 137,327</u>	<u>\$ 138,607</u>	<u>\$ 143,104</u>

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

Expenses	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities:										
General government	\$ 3,797	\$ 3,609	\$ 3,529	\$ 4,174	\$ 4,633	\$ 4,675	\$ 5,130	\$ 4,354	\$ 4,775	\$ 5,340
Public works	1,508	1,583	2,733	1,954	3,289	1,712	3,195	2,456	2,947	2,438
Public safety	11,548	11,504	11,841	12,537	11,814	12,666	12,991	12,472	15,221	16,728
Parks and recreation	2,688	2,863	2,924	3,182	3,091	3,270	3,220	3,237	3,416	3,652
Other physical environment	9	13	11	8	6	8	8	7	8	7
Interest & other fiscal charges on long-term debt	127	111	94	82	79	84	115	-	-	-
Total governmental activities	<u>19,677</u>	<u>19,683</u>	<u>21,132</u>	<u>21,937</u>	<u>22,912</u>	<u>22,415</u>	<u>24,659</u>	<u>22,526</u>	<u>26,367</u>	<u>28,165</u>
Business-type activities:										
Water & Sewer	3,852	3,531	3,863	4,672	5,149	4,797	5,507	5,450	6,560	6,808
Stormwater	397	435	452	463	473	505	526	492	430	450
Total business-type activities	<u>4,249</u>	<u>3,966</u>	<u>4,315</u>	<u>5,135</u>	<u>5,622</u>	<u>5,302</u>	<u>6,033</u>	<u>5,942</u>	<u>6,990</u>	<u>7,258</u>
Total expenses	<u>\$ 23,926</u>	<u>\$ 23,649</u>	<u>\$ 25,447</u>	<u>\$ 27,072</u>	<u>\$ 28,534</u>	<u>\$ 27,717</u>	<u>\$ 30,692</u>	<u>\$ 28,468</u>	<u>\$ 33,357</u>	<u>\$ 35,423</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 314	\$ 292	\$ 298	\$ 276	\$ 323	\$ 394	\$ 290	\$ 356	\$ 389	\$ 336
Public works	2	1	9	13	6	9	10	5	11	2
Public safety	1,625	1,922	2,801	3,382	3,651	4,034	3,221	3,177	4,882	4,370
Parks and recreation	749	858	906	896	920	927	604	776	1,040	1,075
Other physical environment	9	3	2	13	10	12	15	42	33	28
Operating grants and contributions	653	692	795	761	951	1,533	841	1,656	934	835
Capital grants and contributions	198	915	1,090	934	1,033	1,036	987	1,304	1,567	3,023
Total governmental activities	<u>3,550</u>	<u>4,683</u>	<u>5,901</u>	<u>6,275</u>	<u>6,894</u>	<u>7,945</u>	<u>5,968</u>	<u>7,316</u>	<u>8,856</u>	<u>9,669</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program Revenues										
Business-type activities:										
Charges for services										
Water & Sewer	4,305	4,471	4,752	5,359	5,938	6,211	6,430	6,333	6,593	6,816
Stormwater	399	409	414	413	415	414	435	469	453	461
Operating grants and contributions	-	-	99	31	-	-	-	-	120	-
Capital grants and contributions	42	161	44	779	112	225	393	33,476	188	243
Total business-type activities	<u>4,746</u>	<u>5,041</u>	<u>5,309</u>	<u>6,582</u>	<u>6,465</u>	<u>6,850</u>	<u>7,258</u>	<u>40,278</u>	<u>7,354</u>	<u>7,520</u>
Total program revenues	<u>\$ 8,296</u>	<u>\$ 9,724</u>	<u>\$ 11,210</u>	<u>\$ 12,857</u>	<u>\$ 13,359</u>	<u>\$ 14,795</u>	<u>\$ 13,226</u>	<u>\$ 47,594</u>	<u>\$ 16,210</u>	<u>\$ 17,189</u>
Net (expense)/revenue										
Governmental activities	\$ (16,127)	\$ (15,000)	\$ (15,231)	\$ (15,662)	\$ (16,018)	\$ (14,470)	\$ (18,691)	\$ (15,210)	\$ (17,511)	\$ (18,496)
Business-type activities	497	1,075	994	1,447	843	1,548	1,225	34,336	364	262
Total net expense	<u>\$ (15,630)</u>	<u>\$ (13,925)</u>	<u>\$ (14,237)</u>	<u>\$ (14,215)</u>	<u>\$ (15,175)</u>	<u>\$ (12,922)</u>	<u>\$ (17,466)</u>	<u>\$ 19,126</u>	<u>\$ (17,147)</u>	<u>\$ (18,234)</u>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	\$ 6,147	\$ 6,385	\$ 6,867	\$ 7,225	\$ 7,812	\$ 8,367	\$ 9,109	\$ 9,682	\$ 9,997	\$ 11,176
Franchise fees	2,187	2,234	2,226	2,292	2,353	2,507	2,377	2,464	2,676	2,948
Utility taxes	3,839	3,737	3,658	3,653	3,759	3,884	3,806	3,726	3,772	3,971
Unrestricted intergovernmental revenues	1,139	1,259	1,299	1,416	1,400	1,529	1,451	1,684	1,944	2,012
Unrestricted investment earnings (loss)	220	228	98	149	228	716	417	65	(163)	1,682
Miscellaneous revenues	466	143	130	182	555	128	71	60	136	138
Gain on sale of asset	-	-	-	36	29	88	29	88	153	33
Transfers in/(out)	1,027	1,039	1,149	1,240	1,200	1,166	1,350	1,350	1,350	1,438
Total general revenues, transfers and special item	<u>15,025</u>	<u>15,025</u>	<u>15,427</u>	<u>16,193</u>	<u>17,336</u>	<u>18,385</u>	<u>18,610</u>	<u>19,119</u>	<u>19,865</u>	<u>23,398</u>
Business-type activities:										
Investment earnings (loss)	144	164	60	100	145	433	225	32	(88)	771
Gain/(Loss) on sale of capital	1	-	1	-	-	-	-	-	-	-
Transfers in/(out)	(1,027)	(1,039)	(1,149)	(1,240)	(1,200)	(1,166)	(1,350)	(1,350)	(1,350)	(1,438)
Total business-type activities	<u>(882)</u>	<u>(875)</u>	<u>(1,088)</u>	<u>(1,140)</u>	<u>(1,055)</u>	<u>(733)</u>	<u>(1,125)</u>	<u>(1,318)</u>	<u>(1,438)</u>	<u>(667)</u>
Total primary government	<u>\$ 14,143</u>	<u>\$ 14,150</u>	<u>\$ 14,339</u>	<u>\$ 15,053</u>	<u>\$ 16,281</u>	<u>\$ 17,652</u>	<u>\$ 17,485</u>	<u>\$ 17,801</u>	<u>\$ 18,427</u>	<u>\$ 22,731</u>
Change in Net Position										
Governmental activities	\$ (1,102)	\$ 25	\$ 196	\$ 531	\$ 1,318	\$ 3,915	\$ (81)	\$ 3,909	\$ 2,354	\$ 4,902
Business-type activities	(385)	200	(94)	307	(212)	815	100	33,018	(1,074)	(405)
Total change in net position	<u>\$ (1,487)</u>	<u>\$ 225</u>	<u>\$ 102</u>	<u>\$ 838</u>	<u>\$ 1,106</u>	<u>\$ 4,730</u>	<u>\$ 19</u>	<u>\$ 36,927</u>	<u>\$ 1,280</u>	<u>\$ 4,497</u>



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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
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
2022	9,997	2,676	3,772	16,445
2023	11,176	2,947	3,971	18,094

Taxes included in Unrestricted Intergovernmental Revenues

Fiscal Year	Sales Tax	State Revenue Sharing	Other	Total
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
2022	1,406	524	14	1,944
2023	1,350	657	5	2,012

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>2014</u>	<u>2015</u>	<u>2016</u>
General fund			
Nonspendable:			
Inventory/prepays	\$ 14	\$ 14	\$ 13
Restricted:	-	-	-
Assigned to:			
Debt service	632	337	336
Health insurance benefits	151	301	249
Capital projects	755	760	970
Subsequent year expenditures	1,172	652	1,093
Unassigned:	<u>12,645</u>	<u>13,036</u>	<u>13,237</u>
Total general fund	<u>\$ 15,369</u>	<u>\$ 15,100</u>	<u>\$ 15,898</u>
All other governmental funds			
Nonspendable:			
Inventory/Prepays	5	-	-
Restricted for:			
Public works	17	18	27
Public safety	618	396	316
Parks and recreation	182	194	237
Other physical environment	31	27	22
Other capital projects	-	561	257
Committed to:			
Debt service	573	582	295
Other capital projects	<u>1,016</u>	<u>985</u>	<u>842</u>
Total all other governmental funds	<u>\$ 2,442</u>	<u>\$ 2,763</u>	<u>\$ 1,996</u>

Fiscal Year						
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 9	\$ 29	\$ 9	\$ 10	\$ 2	\$ 20	\$ 6
-	-	1,741	1,713	3,028	5,048	6,789
336	349	310	-	-	-	-
-	-	-	-	-	-	-
932	1,100	973	125	645	765	763
863	99	58	-	-	-	-
<u>14,313</u>	<u>17,005</u>	<u>17,999</u>	<u>17,985</u>	<u>18,599</u>	<u>19,805</u>	<u>22,449</u>
<u>\$ 16,453</u>	<u>\$ 18,582</u>	<u>\$ 21,090</u>	<u>\$ 19,833</u>	<u>\$ 22,274</u>	<u>\$ 25,638</u>	<u>\$ 30,007</u>
-	-	-	-	-	-	-
40	126	27	38	44	54	58
409	424	497	568	613	818	520
155	106	134	167	187	208	226
30	38	45	56	93	119	141
1,184	1,111	2,102	1,507	2,551	2,591	3,383
297	308	310	-	-	-	-
<u>384</u>	<u>201</u>	<u>973</u>	<u>990</u>	<u>444</u>	<u>663</u>	<u>726</u>
<u>\$ 2,499</u>	<u>\$ 2,314</u>	<u>\$ 4,088</u>	<u>\$ 3,326</u>	<u>\$ 3,932</u>	<u>\$ 4,453</u>	<u>\$ 5,054</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues				
Taxes				
Property	\$ 6,147	\$ 6,385	\$ 6,867	\$ 7,225
Franchise fees	2,187	2,234	2,226	2,292
Utility taxes	3,839	3,737	3,658	3,653
Licenses and Permits	1,138	1,146	1,960	2,549
Intergovernmental revenues	2,002	2,877	3,051	3,124
Charges for services	1,340	1,744	1,730	1,697
Impact fees/assessments	72	65	198	232
Fines and forfeitures	138	110	117	88
Investment earnings	187	198	85	131
Miscellaneous	465	143	129	185
Total revenues	<u>17,515</u>	<u>18,639</u>	<u>20,021</u>	<u>21,176</u>
Expenditures				
General government	3,503	3,467	3,649	4,021
Public works	901	961	2,002	1,269
Public safety	10,800	10,937	11,279	11,912
Parks and recreation	2,191	2,404	2,476	2,718
Other physical environment	3	8	7	5
Capital outlay	2,321	1,150	727	810
Debt service				
Principal	493	515	532	254
Interest	125	109	92	80
Total expenditures	<u>20,337</u>	<u>19,551</u>	<u>20,764</u>	<u>21,069</u>
Excess of revenues over (under) expenditures	(2,822)	(912)	(743)	107
Other financing sources (uses)				
Transfers in	3,747	2,502	2,263	2,228
Transfers out	(3,020)	(1,538)	(1,489)	(1,278)
Total other financing sources (uses)	<u>727</u>	<u>964</u>	<u>774</u>	<u>950</u>
Net change in fund balances	<u>\$ (2,095)</u>	<u>\$ 52</u>	<u>\$ 31</u>	<u>\$ 1,057</u>
Debt service as a percentage of noncapital	3.43%	3.39%	3.11%	1.65%

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 7,811	\$ 8,367	\$ 9,109	\$ 9,683	\$ 9,997	\$ 11,176
2,353	2,507	2,377	2,465	2,676	2,948
3,758	3,884	3,806	3,726	3,772	3,971
2,584	2,831	2,294	2,122	3,654	3,389
3,433	4,110	3,290	4,661	4,457	4,933
2,008	2,154	1,529	1,955	2,254	2,201
156	189	200	126	197	66
152	191	106	137	238	145
209	659	383	56	(141)	1,501
556	128	73	60	136	138
<u>23,020</u>	<u>25,020</u>	<u>23,167</u>	<u>24,991</u>	<u>27,240</u>	<u>30,468</u>
4,513	4,650	4,987	4,346	4,634	5,202
2,599	1,008	2,422	1,429	2,248	1,765
12,048	12,361	12,865	13,819	14,234	15,074
2,681	2,896	2,798	2,885	3,024	3,330
3	5	5	5	7	6
675	637	695	811	458	1,471
259	265	2,663	-	-	-
77	82	101	-	-	-
<u>22,855</u>	<u>21,904</u>	<u>26,536</u>	<u>23,295</u>	<u>24,605</u>	<u>26,848</u>
165	3,116	(3,369)	1,696	2,635	3,620
3,101	3,075	4,721	1,595	1,895	1,984
(1,322)	(1,909)	(3,371)	(245)	(645)	(634)
<u>1,779</u>	<u>1,166</u>	<u>1,350</u>	<u>1,350</u>	<u>1,250</u>	<u>1,350</u>
<u>\$ 1,944</u>	<u>\$ 4,282</u>	<u>\$ (2,019)</u>	<u>\$ 3,046</u>	<u>\$ 3,885</u>	<u>\$ 4,970</u>
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					
	Total Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial	Personal Property
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
2022	2,653,938	1,224,939	46.16%	1,428,999	53.84%	234,228
2023	2,976,558	1,345,736	45.21%	1,630,821	54.79%	243,097

Source: Seminole County Property Appraiser's Office

<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>
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%
367,085	2,888,968	3.5895	3,628,046	79.63%
381,251	3,220,502	3.5895	4,252,916	75.72%

City of Lake Mary, Florida
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years²

Overlapping Rates									
Fiscal Year	City of Lake Mary Operating Millage ³	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		
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
2022	3.5895	4.8751	0.0000	4.8751	5.4600	0.0000	5.4600	0.1974	14.1220
2023	3.5895	4.8751	0.0000	4.8751	5.3780	0.0000	5.3780	0.1793	14.0219

Source: Seminole County Tax Collectors Office

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

². Taxes levied for the current fiscal year are based on the prior year taxable value.

³. 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, 2023
(amounts expressed in thousands)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Primera Towers (FL) JV	\$ 110,334	1	3.43%	-	-	-
MAA Alloy, LLC	89,863	2	2.79%	-	-	-
Heathrow Portfolio Properties, LLC	83,609	3	2.60%	-	-	-
LM Multi Family II, LLC	81,160	4	2.52%	-	-	-
RAR2-252 WHEELHOUSE LLC	56,958	5	1.77%	-	-	-
715 CAMARAGUE PLACE (FL) LLC	56,690	6	1.76%	-	-	-
Verizon Corporate Resources	49,650	7	1.54%	-	-	-
Timacuan Fee Owner, LLC	48,389	8	1.50%	-	-	-
Duke Energy (formerly Progress Energy Florida)	34,867	9	1.08%	-	-	-
Station House Apartments, LLC	34,347	10	1.07%	-	-	-
DRA CLP Heathrow (formerly part of Crescent Resources)	-	-	-	65,121	1	3.65%
Sun Life Assurance Co of Canada (formerly a part of Crescent Resources, Inc)	-	-	-	36,273	2	2.03%
A T & T Mobility LLC	-	-	-	30,478	3	1.71%
Bell Bentley Parl Apartments	-	-	-	27,100	4	1.52%
Banyan Street/GAP Primera	-	-	-	25,645	5	1.44%
BRE/COH FL (formerly Duke-Weeks Realty)	-	-	-	25,023	6	1.40%
Colonial Realty LP	-	-	-	24,400	7	1.37%
Heathrow Hotel Owners LLC (Marriott Hotel)	-	-	-	23,046	8	1.29%
Golfview Apartments	-	-	-	22,390	9	1.26%
Central Florida Educators	-	-	-	17,154	10	0.96%
Totals	<u>\$ 645,867</u>		<u>20.08%</u>	<u>\$ 296,630</u>		<u>16.63%</u>

Source: Seminole County Property Appraiser (www.scpaf1.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
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%
2022	10,376	9,995	96.33%	-	9,995	96.33%
2023	11,548	11,176	96.78%	-	11,176	96.78%

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 ²	Per Capita
	Refunding Revenue Notes ^{3,4}	Revenue Bonds			
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%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

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

- 1 Enterprise Funds have 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, 2023
(amounts expressed in thousands)

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Seminole County General Obligation Debt ³	\$ -	6.99%	\$ -
Subtotal, overlapping debt			
Direct Debt:			
Public Improvement Refunding Revenue Note Series 2012 ²	-	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

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

² City of Lake Mary does not currently have any General Obligation Debt.

³ 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
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
2022	3,771,849	1,406,319	2,676,485	7,854,653	n/a	n/a	n/a
2023	3,971,339	1,349,968	2,948,122	8,269,429	n/a	n/a	n/a

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

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income ¹</u>	<u>Median Age ¹</u>	<u>Education Level in Years of Formal Schooling ¹</u>	<u>School Enrollment ²</u>	<u>Unemployment Rate ³</u>
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%
2022	16,978	839,138	49,425	44.9	16	2,180	2.7%
2023	17,366	944,693	54,399	41.9	16	2,219	3.1%

Sources:

- 1 Metro Orlando Economic Development Commission (estimates), 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	2023 ¹			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Concentrix	2,000	1	5.71%	-	-	-
Bank of America	1,800	2	5.14%	-	-	-
Chase Bank Card Service	1,800	3	5.14%	-	-	-
Deloitte Consulting LLP	1,399	4	4.00%	-	-	-
Liberty Mutual Group	1,325	5	3.79%	-	-	-
Seminole State College of Florida	1,250	6	3.57%	-	-	-
Verizon Corporate Resources Group	1,163	7	3.32%	750	3	2.14%
JP Morgan Chase	1,112	8	3.18%	-	-	-
BNY Mellon Pershing	800	9	2.29%	-	-	-
Florida Blue	600	10	1.71%	-	-	-
Priority Healthcare Dist, Inc	-	-	-	1,200	1	1.43%
Jpmorgan Chase & Co	-	-	-	1,000	2	2.86%
AT&T	-	-	-	600	4	1.71%
SunGard Public Sector	-	-	-	400	5	1.14%
US Postal Service	-	-	-	400	6	1.14%
A B B	-	-	-	300	7	0.86%
D+H USA Corporation	-	-	-	300	8	0.86%
Ulysses Caremark Holding Corp	-	-	-	300	9	0.86%
FARO	-	-	-	290	10	0.83%
Total	13,249		37.85%	5,540		13.83%

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 **2,343** business tax receipts issued as of 9/30/2023



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

Full-time Equivalent Employees as of September 30,

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	30	31	28	29	30	32	32	33	33	34
Public Safety:										
Police										
Sworn Officers	41	43	43	44	45	46	47	48	48	48
Non sworn officers	3	3	3	3	3	3	3	3	3	3
Civilians	13	13	13	13	5	5	5	5	5	5
Fire										
Firefighters and officers	39	39	39	39	39	42	42	43	43	44
Fire Prevention	4	4	4	4	4	4	4	3	3	3
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	21	21	21	22	23	24	24	22	22	24
Parks and Recreation	28	29	30	30	31	31	31	31	35	36
Total	180	184	182	185	181	188	189	189	193	198

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

Function	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police				
Auto Accidents	635	686	764	753
Physical arrests	449	443	524	409
Criminal Investigations Conducted	433	424	457	438
Total Calls for Service	57,487	62,401	80,802	89,976
Fire & Life Safety				
Public Education Programs	64	86	179	152
Number of emergency calls answered	3,893	4,348	4,620	3,938
Medical Transports	1,816	1,845	1,959	2,141
Highways and streets				
Streets paved (miles)	5.1	1.7	8.8	1.6
Streets resurfaced (tons/asphalt)	2,066.3	2,083.5	8,635.2	1,293.8
Sidewalks/bike paths built or repaired (feet)	1,960	1,040	689	533
Culture and recreation				
Tennis membership	152	153	164	164
Events Center rentals	295	324	308	280
Water				
New connections	35	20	45	34
Number of customers	5,179	5,193	5,241	5,336
Water main breaks	230	205	230	282
Average daily consumption (millions of gallons)	2.95	3.09	3.24	3.29
Meter reads	62,202	62,449	62,803	64,032
General Government				
Total Permits Issued	1,302	1,763	2,018	1,320
Construction inspections	4,221	5,280	5,804	5,406
Employment applications received	542	727	902	873
Personnel actions processed	348	388	417	408
Legal Notices published	33	32	29	26
Business Tax Receipts issued	1,773	1,999	1,983	2,016
Accidents & Injuries reviewed	54	44	65	68
Land Use amendments & rezonings	11	8	15	11
License/Permit Reviews	651	776	962	894
Employee paychecks issued	5,040	5,202	5,433	5,354
Checks deposited	33,065	32,774	33,256	31,338
A/P Checks issued	2,660	2,944	2,972	3,002
Purchase orders/EPO's processed	601	743	591	332
Purchasing Card Transactions	3,501	3,525	3,519	3,742

Source: City of Lake Mary Departmental Monthly Reports

Fiscal Year						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
826	893	674	609	606	725	
403	281	133	114	167	174	
422	233	344	418	405	329	
118,859	119,016	147,684	149,753	122,156	98,962	
151	177	34	66	106	379	
3,071	4,867	4,810	5,339	5,835	6,732	
2,034	2,038	1,974	2,152	2,340	2,612	
5.0	1.7	-	-	8.9	0.8	
7,889.6	1,576.6	10,116.4	1,748.0	8,235.0	676.0	
701	695	609	659	534	491	
204	160	212	215	259	177	
296	299	175	198	303	300	
58	32	31	25	19	17	
5,289	5,309	5,304	5,233	5,331	5,272	
80	79	65	84	98	115	
3.11	3.25	3.21	3.41	3.48	3.71	
63,518	63,758	56,038	76,212	74,322	73,861	
2,476	2,206	2,890	2,971	1,766	1,960	
8,709	8,101	8,537	5,325	4,165	5,173	
626	538	561	378	358	301	
399	370	355	303	327	319	
41	36	31	57	69	67	
2,138	2,185	2,574	2,269	2,324	2,343	
54	71	53	43	38	33	
14	7	9	11	12	14	
1,077	936	754	788	948	1,128	
5,007	5,210	5,105	5,054	5,032	4,915	
30,103	29,844	21,006	20,331	18,894	17,684	
2,961	2,962	2,908	2,864	2,879	2,760	
403	403	400	379	398	461	
3,874	3,900	3,348	3,607	3,388	3,337	

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

Function	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	53	54	51	51
Fire stations	2	2	2	2
Highways and streets				
Streets - paved (miles)	57.30	59.00	66.05	66.05
Streets - unpaved (miles)	2.46	2.46	2.46	2.46
Street lights	1,087	1,087	1,135	1,135
Traffic Signals	13	13	13	14
Culture and recreation				
Park acreage	39	72	72	72
Parks	9	11	11	11
Tennis courts	7	7	7	7
Community centers	3	3	3	3
Historical Museum	1	1	1	1
Water				
Water mains (miles)	104.2	104.2	104.2	104.2
Fire hydrants	541	547	547	548
Maximum daily capacity (millions of gallons)	12.96	12.96	12.96	12.96
Sewer				
Sanitary sewers (miles)	32.40	32.40	32.53	32.53
Storm sewers (miles)	54.51	54.51	54.67	54.67

Fiscal Year						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
1	1	1	1	1	1	1
51	54	54	54	54	57	57
2	2	2	2	2	2	2
66.05	66.05	66.05	66.05	66.05	66.05	66.05
2.46	2.46	2.46	2.46	2.46	2.46	2.46
1,135	1,135	1,135	1,135	1,135	1,135	1,135
14	14	14	14	14	14	14
72	72	72	72	72	81	81
11	11	11	11	11	12	12
7	7	7	7	7	7	7
3	3	3	3	3	3	3
1	1	1	1	1	1	1
104.2	104.2	104.2	104.2	104.2	104.2	104.2
548	548	548	548	548	548	548
12.96	12.96	12.96	12.96	12.96	12.96	12.96
32.53	32.53	32.53	32.53	32.53	32.53	32.53
54.67	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	
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%
2022	(4,477,010)	914,669	1,024,208	1,076	135,852	61,597	20.6%
2023	2,984,414	979,421	1,154,172	28,304	135,627	62,546	19.6%

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	
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%
2022	(3,933,251)	1,104,323	786,604	18,306	73,412	73,866	30.6%
2023	2,201,813	1,069,422	892,548	91,908	95,744	54,304	26.8%

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

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues				
Permit Fees				
Building Permits	\$ 729,386	\$ 791,306	\$ 1,494,458	\$ 1,858,541
Electrical Permits	77,580	39,037	81,153	120,991
Plumbing Permits	28,629	20,018	31,440	49,820
Mechanical Permits	50,765	38,298	53,552	61,414
Misc Building Fees	23,134	28,240	37,120	68,182
Total revenues	<u>909,494</u>	<u>916,899</u>	<u>1,697,723</u>	<u>2,158,948</u>
Expenditures				
Building Salaries & Benefits	389,676	310,049	320,963	406,782
Operating Expenditures	53,896	56,229	51,848	55,259
Capital Expenditures	5,500	-	-	-
Allocation of Indirect Costs & Bldg Deprec.	516,920	547,935	564,373	581,304
Total expenditures	<u>965,992</u>	<u>914,213</u>	<u>937,184</u>	<u>1,043,345</u>
Excess of revenues over (under) expenditures	<u>\$ (56,498)</u>	<u>\$ 2,686</u>	<u>\$ 760,539</u>	<u>\$ 1,115,603</u>

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

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,957,333	\$ 2,122,462	\$ 1,651,389	\$ 1,549,279	\$ 3,112,769	\$ 2,188,868
98,793	99,616	92,150	99,056	79,371	287,885
35,221	28,834	41,557	28,588	19,128	138,489
65,666	107,733	41,361	44,907	45,924	312,694
<u>55,886</u>	<u>71,711</u>	<u>38,583</u>	<u>28,138</u>	<u>31,241</u>	<u>115,062</u>
<u>2,212,899</u>	<u>2,430,356</u>	<u>1,865,040</u>	<u>1,749,968</u>	<u>3,288,433</u>	<u>3,042,998</u>
445,026	486,773	511,130	492,414	506,584	506,583
74,762	66,876	75,204	129,918	121,033	185,517
-	-	-	30,265	19,475	11,789
<u>570,477</u>	<u>527,266</u>	<u>534,186</u>	<u>525,952</u>	<u>570,164</u>	<u>597,720</u>
<u>1,090,265</u>	<u>1,080,915</u>	<u>1,120,520</u>	<u>1,178,549</u>	<u>1,217,256</u>	<u>1,301,609</u>
<u>\$ 1,122,634</u>	<u>\$ 1,349,441</u>	<u>\$ 744,520</u>	<u>\$ 571,419</u>	<u>\$ 2,071,177</u>	<u>\$ 1,741,389</u>
Estimated gain/(loss) total since 1996					6,840,973



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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 13, 2024.

Report on 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 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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 or significant deficiencies may exist that were not identified.

Report on 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 this Report

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

McDermitt Davis

Orlando, Florida
February 13, 2024

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, 2023, and have issued our report thereon dated February 13, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 and 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 which are dated February 13, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings in the preceding 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)(i)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
February 13, 2024



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

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

Honorable Mayor and City Commission
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, 2023. 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, 2023.

McDermitt Davis

Orlando, Florida
February 13, 2024



City of Lake Mary

Incorporated in 1973

February 13, 2024

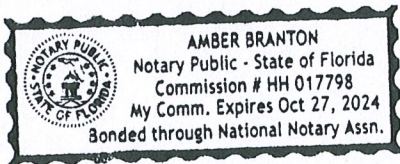
AFFIDAVIT OF IMPACT FEE COMPLIANCE

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) February 14, 2024 by (name of person acknowledging) Brent Mason, who is personally known to me or who has produced (type of identification) _____ as identification.



Notary Public - Signature

Amber Branton

Name Typed, printed or stamped

My Commission Expires: 10/27/24

www.lakemaryfl.com Main Phone: (407)585-1400 Fax: (407)585-1464

CITY HALL, 100 N Country Club Rd, P.O. Box 958445, Lake Mary, FL 32795-8445



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