

# CITY OF LONGWOOD, FLORIDA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2020

Historic

LONGWOOD



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**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**CITY OF LONGWOOD,  
FLORIDA**

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

**Prepared by:**

**Department of Financial Services**

Historic

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## **INTRODUCTORY SECTION**



# CITY OF LONGWOOD

*Fostering citizen trust and cultivating a prosperous community*

March 31, 2021

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

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

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

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

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

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

## **Profile of the Government**

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

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

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

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

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

## **Local Economy**

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

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

## **Long-term Financial Planning**

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

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

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

## **Major Initiatives**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Awards and Acknowledgements**

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

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

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

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

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

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

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

Respectfully submitted,



Clint Gioielli,  
Acting City Manager



Judith Rosado, MBA, MSA  
Director of Financial Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Longwood  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

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

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

# Citizens of Longwood

## Elected Officials

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

## City Clerk

Michelle Longo

## Acting City Manager

Clint Gioielli

## City Attorney

Dan Langley

## Human Resources/Risk Management

Lee Ricci  
Director

## Community Development

Chris Kintner  
Director

## Financial Services

Judith Rosado  
Director

## Information Technology

Craig Dunn  
Director

## Public Works

Shad Smith  
Director

## Leisure Services

Chris Capizzi  
Director

## Fire Department

Mike Peters  
Fire Chief

## Police Department

David Dowda  
Chief of Police

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners  
*City of Longwood, Florida*

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Longwood, Florida* (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, and the Schedule of Expenditures of State Financial Assistance (the Schedule) as required by the audit requirements of Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

### **Other Reporting Required by Government Auditing Standards**

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

*McDiarmid Davis*

Orlando, Florida  
March 31, 2021

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

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

### **Financial Highlights**

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

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

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

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

### **Government-Wide Financial Statements**

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

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

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

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

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

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

### **Proprietary Funds**

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

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

### **Fiduciary Funds**

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

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

### **Notes to the Financial Statements**

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

### **Required Supplementary Information (RSI)**

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

### **Other Information**

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

## **Government-Wide Financial Analysis**

### **Statement of Net Position**

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

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

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

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

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

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

**Statement of Changes in Net Position.**

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

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

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

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

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

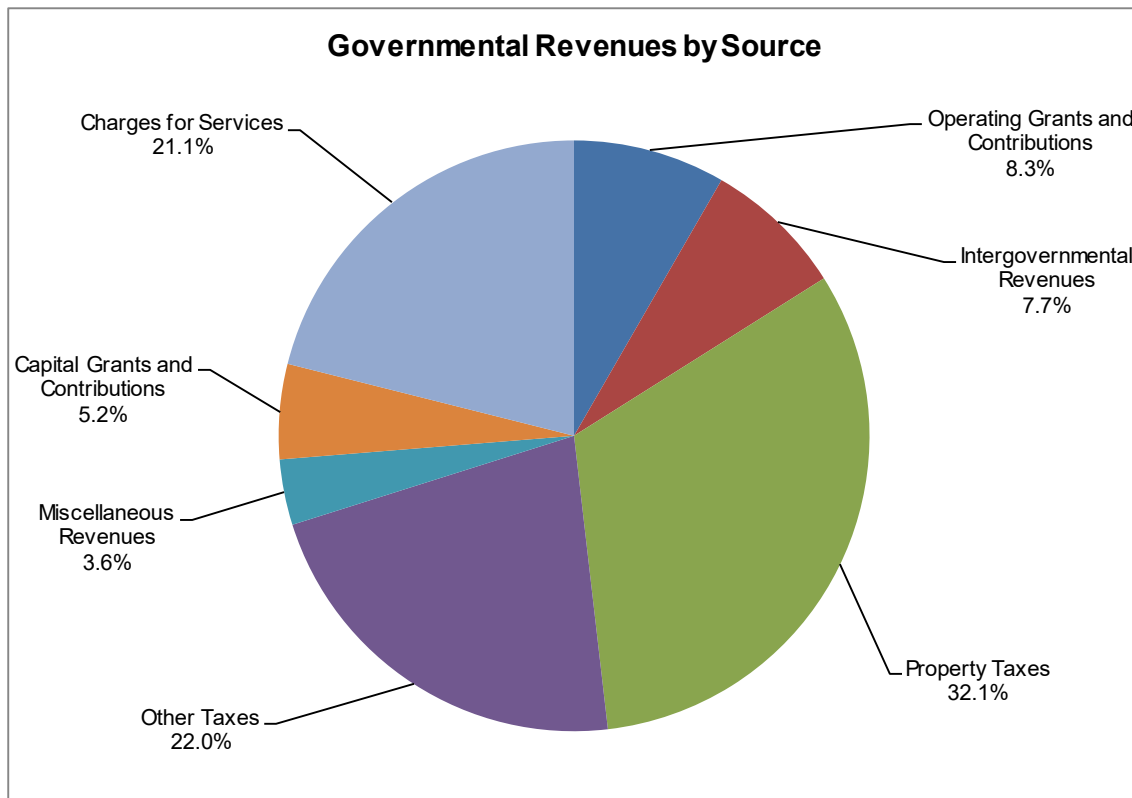
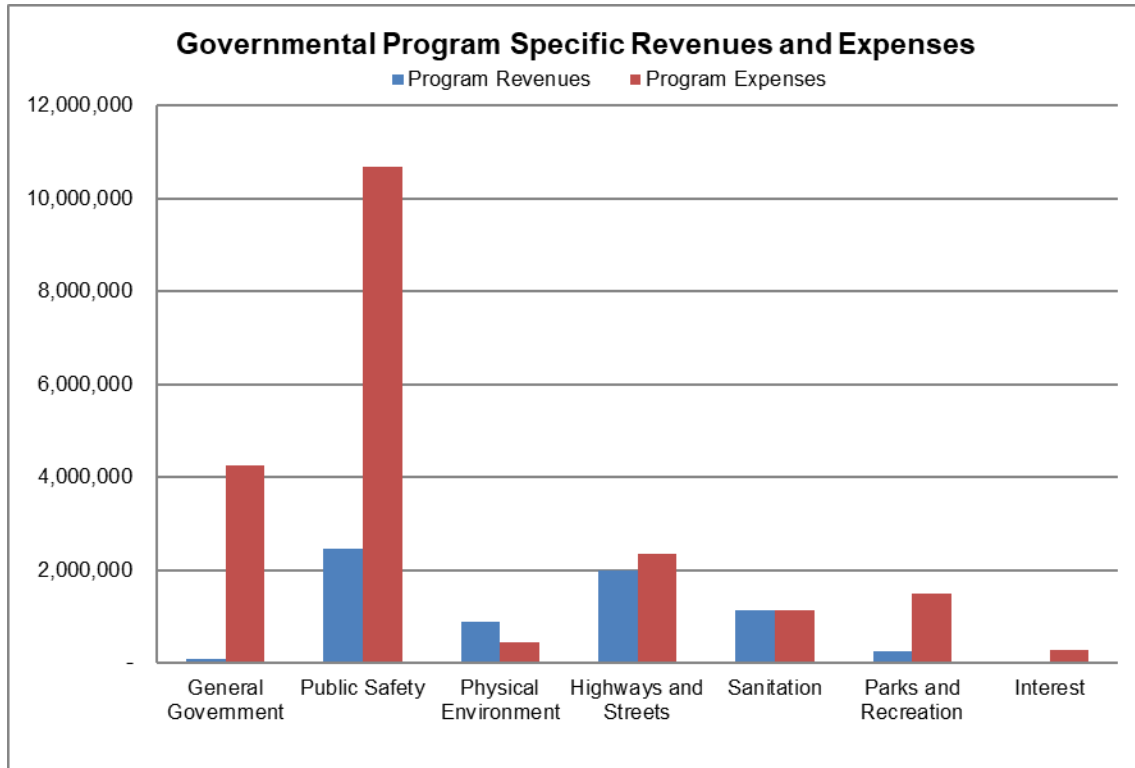
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 11.

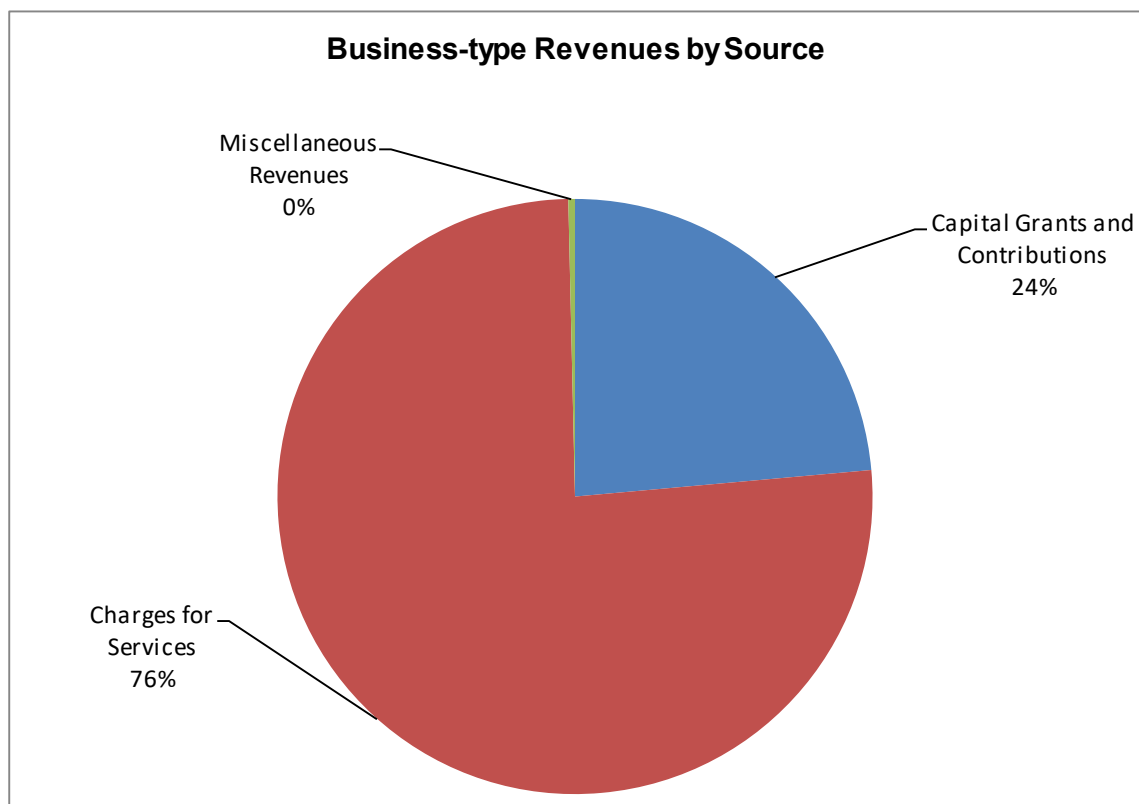
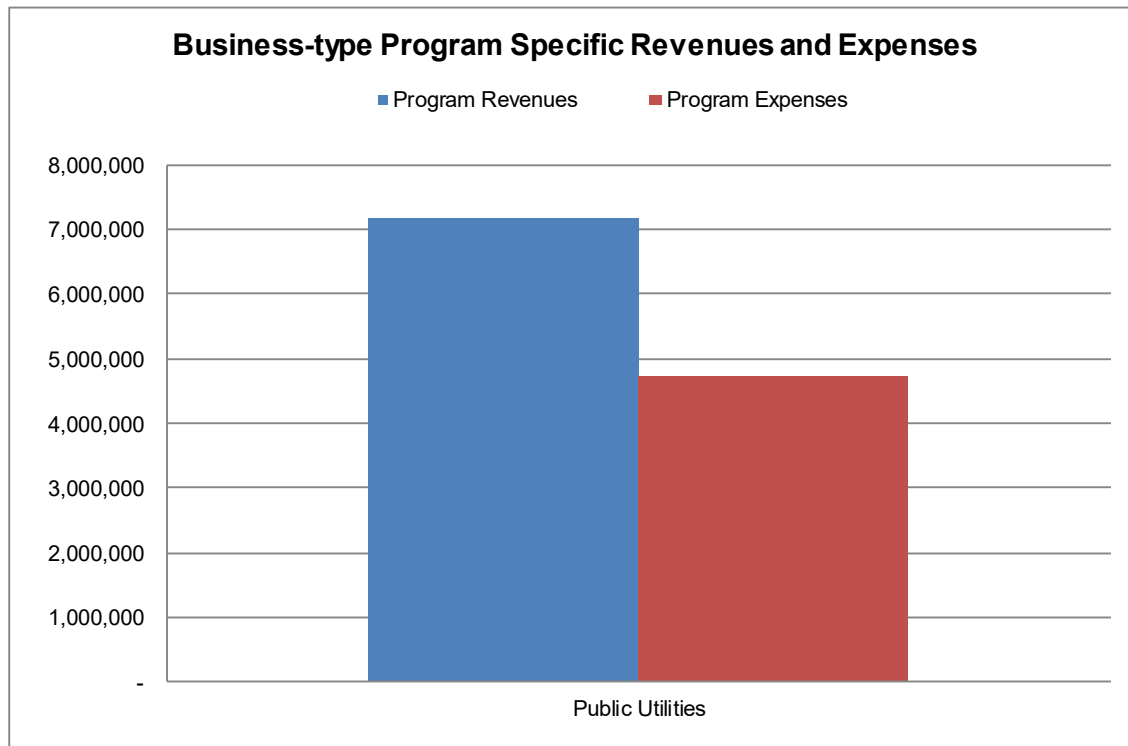
Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, franchise and utility taxes, communication services tax, intergovernmental revenue, investment earnings or miscellaneous revenue. This chart is intended to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

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

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





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

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

#### **Governmental Funds**

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

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

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

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

#### **Proprietary Funds**

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

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

#### **General Fund Budgetary Highlights**

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

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

### **Capital Asset and Debt Administration**

#### *Capital assets*

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

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

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

Major capital assets included in construction in progress:

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

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

City of Longwood, Florida

**Capital Assets (Net of Depreciation)**

As of September 30,

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

*Noncurrent Liabilities*

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

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

City of Longwood, Florida

**Noncurrent Liabilities**

As of September 30,

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

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

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

**Requests for Information**

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

Historic

LONGWOOD



F l o r i d a

## **BASIC FINANCIAL STATEMENTS**

Historic

LONGWOOD



F l o r i d a

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

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

Historic

LONGWOOD



F l o r i d a

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

| 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                                |                          | Total                  |
|   |                      |                      |                                    |                                  | Governmental Activities                           | Business-type Activities |                        |
| <b>Primary Government</b>                   |                      |                      |                                    |                                  |   |                          |                        |
| Governmental Activities:                    |                      |                      |                                    |                                  |   |                          |                        |
| General Government                          | \$ 4,251,484         | \$ 97,850            | \$ -                               | \$ -                             | \$ (4,153,634)                                    | \$ -                     | \$ (4,153,634)         |
| Public Safety                               | 10,675,460           | 1,988,790            | 466,763                            | -                                | (8,219,907)                                       | -                        | (8,219,907)            |
| Physical Environment                        | 439,398              | 787,669              | 110,824                            | -                                | 459,095   | -                        | 459,095                |
| Highways & Streets                          | 2,345,571            | -                    | 1,060,867                          | 919,802                          | (364,902)   | -                        | (364,902)              |
| Sanitation                                  | 1,135,921            | 1,123,275            | -                                  | -                                | (12,646)  | -                        | (12,646)               |
| Parks and Recreation                        | 1,500,607            | 152,991              | -                                  | 100,927                          | (1,246,689)                                       | -                        | (1,246,689)            |
| Interest on Long-term debt                  | 271,832              | -                    | -                                  | -                                | (271,832)   | -                        | (271,832)              |
| <b>Total governmental activities</b>        | <b>20,620,273</b>    | <b>4,150,575</b>     | <b>1,638,454</b>                   | <b>1,020,729</b>                 | <b>(13,810,515)</b>                               | <b>-</b>                 | <b>(13,810,515)</b>    |
| Business-type activities:                   |                      |                      |                                    |                                  |   |                          |                        |
| Public Utilities                            | 4,735,842            | 5,482,548            | -                                  | 1,699,372                        | -   | 2,446,078                | 2,446,078              |
| <b>Total business-type activities</b>       | <b>\$ 4,735,842</b>  | <b>\$ 5,482,548</b>  | <b>\$ -</b>                        | <b>\$ 1,699,372</b>              | <b>\$ -</b>                                       | <b>\$ 2,446,078</b>      | <b>\$ 2,446,078</b>    |
| <b>Total primary government</b>             | <b>\$ 25,356,115</b> | <b>\$ 9,633,123</b>  | <b>\$ 1,638,454</b>                | <b>\$ 2,720,101</b>              | <b>\$ (13,810,515)</b>                            | <b>\$ 2,446,078</b>      | <b>\$ (11,364,437)</b> |
| General Revenues:                           |                      |                      |                                    |                                  |   |                          |                        |
| Taxes:                                      |                      |                      |                                    |                                  |   |                          |                        |
| Property taxes                              |                      |                      |                                    |                                  | 6,325,018   | -                        | 6,325,018              |
| Franchise and utility taxes                 |                      |                      |                                    |                                  | 3,546,900   | -                        | 3,546,900              |
| Communications services tax                 |                      |                      |                                    |                                  | 777,468   | -                        | 777,468                |
| Unrestricted intergovernmental revenues     |                      |                      |                                    |                                  | 1,519,584   | -                        | 1,519,584              |
| Unrestricted investment earnings            |                      |                      |                                    |                                  | 57,744  | 25,485                   | 83,229                 |
| Miscellaneous                               |                      |                      |                                    |                                  | 642,542   | 145                      | 642,687                |
| Gain on Sale of Capital Assets              |                      |                      |                                    |                                  | 9,510   | 9,255                    | 18,765                 |
| Transfers                                   |                      |                      |                                    |                                  | 1,100,599   | (1,100,599)              | -                      |
| <b>Total general revenues and transfers</b> |                      |                      |                                    |                                  | <b>13,979,365</b>                                 | <b>(1,065,714)</b>       | <b>12,913,651</b>      |
| <b>Change in net position</b>               |                      |                      |                                    |                                  | <b>168,850</b>                                    | <b>1,380,364</b>         | <b>1,549,214</b>       |
| Net position, beginning                     |                      |                      |                                    |                                  | 39,551,700  | 23,992,629               | 63,544,329             |
| <b>Net position, ending</b>                 |                      |                      |                                    |                                  | <b>\$ 39,720,550</b>                              | <b>\$ 25,372,993</b>     | <b>\$ 65,093,543</b>   |

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

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

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

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|  |    |           |
|--|----|-----------|
| Total Fund Balance, Governmental Funds | \$ | 9,588,421 |
|--|----|-----------|

Amounts reported for governmental activities in the Statement of Net Position are different because:

|   |  |            |
|---|--|------------|
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. |  | 44,703,909 |
|---|--|------------|

|   |  |        |
|---|--|--------|
| Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds. |  | 78,483 |
|---|--|--------|

|  |  |           |
|--|--|-----------|
| Deferred inflows and outflows of resources related to pension earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting. |  | 1,820,232 |
|--|--|-----------|

|                   |  |         |
|-------------------|--|---------|
| Net pension asset |  | 580,197 |
|-------------------|--|---------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

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

|   |           |                   |
|---|-----------|-------------------|
| <b>Net Position of Governmental Activities in the Statement of Net Position</b> | <b>\$</b> | <b>39,720,550</b> |
|---|-----------|-------------------|

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

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

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

Year Ended September 30, 2020

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|  |    |           |
|--|----|-----------|
| Net Change in Fund Balances, total governmental funds: | \$ | 1,819,691 |
|--|----|-----------|

Amounts reported for governmental activities in the statement of activities are different because:

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

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

|   |         |
|---|---------|
| The net effect of various transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position | (3,108) |
|---|---------|

|   |           |
|---|-----------|
| Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position | (271,271) |
|---|-----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

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

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

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

|  |          |
|--|----------|
| Special assessment revenue reported in the funds in the current year must be eliminated from the statement of activities since revenue was recognized in the prior year. | (25,395) |
|--|----------|

|  |                  |                |
|--|------------------|----------------|
| <b>Change in net position of governmental activities</b> | <u><u>\$</u></u> | <u>168,850</u> |
|--|------------------|----------------|

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

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

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

Year Ended September 30, 2020

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

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

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

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

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

Historic

LONGWOOD



F l o r i d a

## **NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **Reporting Entity**

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

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

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

### **Government-Wide and Fund Financial Statements**

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

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

### **Major Governmental Funds**

#### *General Fund*

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

#### *Public Facilities Improvement Fund*

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

### **Nonmajor Governmental Fund Types**

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

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

### **Major Proprietary Fund**

#### *Public Utilities Enterprise Fund*

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

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

**Fiduciary Fund**

*Pension Fund*

Accounts for contributions to the Florida Municipal Pension Trust Fund.

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

*Deposits and Investments*

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

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

*Receivables and Payables*

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

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

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

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

*Inventory and Prepaid Items*

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

*Restricted Assets*

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

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

*Capital Assets*

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

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

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

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

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

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

*Compensated Absences*

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

*Long-term Obligations*

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

*Deferred Outflows/Inflows of Resources*

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

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

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

### *Net Position Flow Assumption*

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

### *Net Position / Fund Balances*

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

### *Net Investment in Capital Assets*

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

### *Restricted Net Position*

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

### *Unrestricted Net Position*

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

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

### **Use of Estimates**

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

### **New GASB Statements Implemented**

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

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## **NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

### **Budgetary Information**

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

#### *Budgetary Process and Compliance*

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

### **NOTE 3                    STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

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

#### **Deficit Fund Equity**

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

#### **Appropriations in Excess of Funds Available**

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

### **NOTE 4                    DEPOSITS AND INVESTMENTS**

#### **Deposits**

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

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

#### **Investments**

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

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

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

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

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

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

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

#### Fair Value

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

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

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

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

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

##### Investments: Pension Fund

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

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

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

##### Interest Rate Risk

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

##### Credit Risk

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

##### Custodial Credit Risk

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

##### Concentration of Credit Risk

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

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**NOTE 5 RECEIVABLES**

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

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

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

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**NOTE 6 CAPITAL ASSETS**

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

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

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**NOTE 6 CAPITAL ASSETS (CONTINUED)**

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

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

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

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

## NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

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

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

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

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

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

## NOTE 8 LEASES

As lessee:

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

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

## NOTE 8 LEASES (CONTINUED)

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

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

*As lessor:*

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

| <b>Fiscal year ending September 30,</b> | <b>Amount</b>     |
|---|-------------------|
| 2021                                    | \$ 14,598         |
| 2022                                    | 14,598            |
| 2023                                    | 14,598            |
| 2024                                    | 14,598            |
| 2025                                    | 14,598            |
| Thereafter                              | 291,960           |
|   | <b>\$ 364,950</b> |

## NOTE 9 LONG-TERM LIABILITIES

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

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

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

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

## **NOTE 9                    LONG-TERM LIABILITIES (CONTINUED)**

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

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

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

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

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

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

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

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## NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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

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

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

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

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

## **NOTE 10           EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

### **Florida Retirement System**

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

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

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

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

#### *Funding Policy:*

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

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

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

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

#### *Plan Description*

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

#### *Benefits Provided*

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

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

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

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

### *Contributions*

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

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

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

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

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

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

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

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

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

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

*Actuarial Assumptions*

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

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

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

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

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

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

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

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

*Discount Rate*

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

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

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

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

*Pension Plan Fiduciary Net Position*

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

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

*Payables to the Pension Plan*

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

**HIS Plan**

*Plan Description*

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

*Benefits Provided*

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

*Contributions*

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

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

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

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

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

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

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

The deferred outflows of resources related to the HIS Plan, totaling \$4,177 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Year Ended September 30, |                    |
|--------------------------|--------------------|
| 2021                     | \$ (35,320)        |
| 2022                     | (23,300)           |
| 2023                     | (19,889)           |
| 2024                     | (10,258)           |
| 2025                     | (5,211)            |
| Thereafter               | (839)              |
|                          | <u>\$ (94,817)</u> |

*Actuarial Assumptions*

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

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

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

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

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

*Discount Rate*

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

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

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

*Pension Plan Fiduciary Net Position*

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

*Investment Plan*

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

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

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

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

**Florida Municipal Pension Trust Fund (MPF)**

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

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

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

*Plan descriptions and contribution information*

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

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

*Plan Descriptions*

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

*Benefits Provided*

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

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

### *Contributions*

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

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

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

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

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

### *Actuarial Assumptions*

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

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

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

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

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

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

*Discount rate*

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

*Changes in Net Pension Liability:*

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

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

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

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

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

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

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

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

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

| Year Ended September 30, | MPF                 |
|--------------------------|---------------------|
| 2021                     | \$ 243,185          |
| 2022                     | 412,019             |
| 2023                     | 357,733             |
| 2024                     | 273,378             |
| 2025                     | 125,646             |
| Thereafter               | 10,516              |
|                          | <u>\$ 1,422,477</u> |

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

**Aggregate Amounts of All Pension Plans**

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

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

**General Employee 401(a) Pension Plan**

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

The plan, administered by a third party and sponsored by the Florida League of Cities provides for the employer to contribute 10% of earnings. Employees are not required to contribute to this plan; however, each employee directs the investment of his or her account. Employees are eligible to participate immediately upon employment, and the vesting schedule provides for employees to be fully vested after five years of service. No retirement age has been designated by the employer. The plan permits distributions of the vested amount for retirement, death, disability, hardship or direct rollover to another eligible retirement plan. For the year ended September 30, 2020, employer contributions required and made totaled \$370,074.

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

**Deferred Compensation Plan**

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

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

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

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

**Summary of actuarial methods and assumptions:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTE 12 FUND BALANCES**

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

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

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

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

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

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

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## NOTE 12 FUND BALANCES (CONTINUED)

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

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

## NOTE 13 RISK MANAGEMENT

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

## NOTE 14 COMMITMENTS AND CONTINGENCIES

### Grants

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

### Litigation

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

### Construction Commitments

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

**NOTE 14            COMMITMENTS AND CONTINGENCIES (Continued)**

**Encumbrances**

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

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

**NOTE 15            SUBSEQUENT EVENTS**

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

Retiree Continuation Insurance Plan

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

Last 10 Fiscal Years\*

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

\* Prior years' data is unavailable.

Police and Firefighters' Pension Plan

**Schedule of Changes in the Employer's Net Pension Liability and Related Ratios**

Last 10 Fiscal Years\*

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

\* Prior years' data is unavailable.

Police and Firefighters' Pension Plan

**Schedule of Contributions**

Last 10 Fiscal Years\*

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

**Schedule of Contributions**

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

**Notes to Schedule**

|                |           |           |           |           |           |           |           |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Valuation date | 10/1/2013 | 10/1/2014 | 10/1/2015 | 10/1/2016 | 10/1/2017 | 10/1/2018 | 10/1/2019 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Methods and assumptions used to determine contribution rates:

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

|   |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Schedule of Investment Returns</b>                           | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| Annual money-weighted rate of return, net of investment expense | 8.45%       | 5.48%       | 4.08%       | 8.55%       | 7.00%       | 5.53%       | 6.60%       |

\* Prior years' data is unavailable.

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

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

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

\* Not available

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

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

\* Not available

\*\* prior years not available

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

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

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

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

\* prior years not available

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

Historic

LONGWOOD



F l o r i d a

## **MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECT FUNDS**

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

**Public Facilities Improvement Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Year Ended September 30, 2020

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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

### **CAPITAL PROJECTS FUNDS**

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

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

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

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

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

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

**Special Assessments Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

Year Ended September 30, 2020

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

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

Year Ended September 30, 2020

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

## **STATISTICAL SECTION**

Historic

LONGWOOD



F l o r i d a

## Statistical Section

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

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

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

Historic

LONGWOOD



F l o r i d a

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

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

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

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

|                                      | Fiscal Year       |                   |                   |                   |                   |                    |                   |                   |                    |                    |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
|                                      | 2011              | 2012              | 2013              | 2014              | 2015              | 2016               | 2017              | 2018              | 2019               | 2020               |
| Net (Expense)/Revenue                |                   |                   |                   |                   |                   |                    |                   |                   |                    |                    |
| Governmental Activities              | \$ (10,772)       | \$ (11,207)       | \$ (10,876)       | \$ (10,967)       | \$ (11,061)       | \$ (13,253)        | \$ (13,078)       | \$ (12,006)       | \$ (13,467)        | \$ (13,810)        |
| Business-type Activities             | 1,359             | 1,331             | 1,054             | 1,049             | 1,587             | 1,193              | 4,297             | 4,549             | 2,064              | 2,446              |
| Total Primary Government Net Expense | <u>\$ (9,413)</u> | <u>\$ (9,876)</u> | <u>\$ (9,822)</u> | <u>\$ (9,918)</u> | <u>\$ (9,474)</u> | <u>\$ (12,060)</u> | <u>\$ (8,781)</u> | <u>\$ (7,457)</u> | <u>\$ (11,403)</u> | <u>\$ (11,364)</u> |

#### General Revenues and Other Changes in Net Position

##### Governmental Activities:

|   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Taxes                                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Property taxes                          | \$ 4,457         | \$ 4,178         | \$ 4,489         | \$ 4,573         | \$ 4,645         | \$ 4,755         | \$ 5,002         | \$ 5,381         | \$ 5,899         | \$ 6,325         |
| Franchise and utility taxes             | 3,111            | 2,965            | 2,813            | 2,936            | 2,971            | 2,994            | 3,107            | 3,212            | 3,449            | 3,547            |
| Communications services tax             | 1,174            | 1,020            | 990              | 879              | 785              | 762              | 768              | 771              | 771              | 777              |
| Unrestricted intergovernmental revenues | 1,222            | 1,552            | 1,562            | 1,673            | 1,725            | 1,726            | 1,519            | 1,598            | 1,621            | 1,520            |
| Unrestricted investment earnings        | 42               | 165              | 28               | 9                | 19               | 25               | 74               | 116              | 99               | 58               |
| Gain on sale of capital assets          | 1,924            | 15               | -                | -                | 33               | -                | 68               | 58               | -                | 9                |
| Miscellaneous revenues                  | 269              | 122              | 65               | 276              | 172              | 259              | 136              | 425              | 353              | 643              |
| Transfers in (out)                      | 1,022            | 722              | 1,104            | 1,063            | 1,328            | 1,145            | 1,320            | 1,303            | 1,406            | 1,101            |
| Total Governmental Activities           | <u>\$ 13,221</u> | <u>\$ 10,739</u> | <u>\$ 11,051</u> | <u>\$ 11,409</u> | <u>\$ 11,678</u> | <u>\$ 11,666</u> | <u>\$ 11,994</u> | <u>\$ 12,864</u> | <u>\$ 13,598</u> | <u>\$ 13,980</u> |
| Business-type Activities:               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Investment earnings                     | 3                | 5                | 4                | 1                | 11               | 10               | 11               | 17               | 39               | 25               |
| Gain on sale of capital assets          | -                | -                | -                | -                | 5                | -                | -                | 2                | 2                | 9                |
| Miscellaneous revenues                  | 27               | 29               | 22               | 21               | 32               | 23               | -                | -                | 6                | -                |
| Transfers in (out)                      | (1,022)          | (722)            | (1,104)          | (1,063)          | (1,328)          | (1,145)          | (1,320)          | (1,303)          | (1,406)          | (1,101)          |
| Total Business-type Activities          | <u>(992)</u>     | <u>(688)</u>     | <u>(1,078)</u>   | <u>(1,041)</u>   | <u>(1,280)</u>   | <u>(1,112)</u>   | <u>(1,309)</u>   | <u>(1,284)</u>   | <u>(1,359)</u>   | <u>(1,067)</u>   |
| Total Primary Government                | <u>\$ 12,229</u> | <u>\$ 10,051</u> | <u>\$ 9,973</u>  | <u>\$ 10,368</u> | <u>\$ 10,398</u> | <u>\$ 10,554</u> | <u>\$ 10,685</u> | <u>\$ 11,580</u> | <u>\$ 12,239</u> | <u>\$ 12,913</u> |

#### Change in Net Position

|                          |                 |               |               |               |               |                   |                 |                 |               |                 |
|--------------------------|-----------------|---------------|---------------|---------------|---------------|-------------------|-----------------|-----------------|---------------|-----------------|
| Governmental Activities  | \$ 2,449        | \$ (468)      | \$ 175        | \$ 442        | \$ 617        | \$ (1,587)        | \$ (1,084)      | \$ 858          | \$ 131        | \$ 170          |
| Business-type Activities | 367             | 643           | (24)          | 8             | 307           | 81                | 2,988           | 3,265           | 705           | 1,379           |
| Total Primary Government | <u>\$ 2,816</u> | <u>\$ 175</u> | <u>\$ 151</u> | <u>\$ 450</u> | <u>\$ 924</u> | <u>\$ (1,506)</u> | <u>\$ 1,904</u> | <u>\$ 4,123</u> | <u>\$ 836</u> | <u>\$ 1,549</u> |

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

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

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

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

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

|   | Fiscal Year |           |            |           |           |           |           |            |           |           |
|---|-------------|-----------|------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|
|   | 2011        | 2012      | 2013       | 2014      | 2015      | 2016      | 2017      | 2018       | 2019      | 2020      |
| <b>Revenues</b>   |             |           |            |           |           |           |           |            |           |           |
| Taxes   |             |           |            |           |           |           |           |            |           |           |
| Property  | \$ 4,457    | \$ 4,178  | \$ 4,489   | \$ 4,573  | \$ 4,645  | \$ 4,755  | \$ 5,002  | \$ 5,381   | \$ 5,899  | \$ 6,325  |
| Local Option Gas Tax                                    | 359         | 332       | 361        | 365       | 379       | 392       | 405       | 406        | 407       | 354       |
| Franchise and utility taxes                             | 4,257       | 3,985     | 3,803      | 3,815     | 3,756     | 3,755     | 3,875     | 3,982      | 4,220     | 4,324     |
| Licenses and Permits                                    | 402         | 384       | 380        | 615       | 892       | 516       | 1,022     | 1,008      | 1,240     | 917       |
| Intergovernmental                                       | 2,679       | 1,886     | 2,441      | 2,518     | 2,708     | 2,779     | 2,865     | 4,488      | 4,257     | 4,048     |
| Charges for Services                                    | 2,640       | 2,597     | 2,703      | 2,752     | 2,756     | 2,786     | 2,728     | 2,713      | 2,847     | 2,733     |
| Impact Fees/Assessments                                 | 143         | 122       | 147        | 151       | 147       | 147       | 140       | 187        | 118       | 118       |
| Fines and Forfeitures                                   | 230         | 223       | 188        | 270       | 219       | 236       | 158       | 152        | 168       | 137       |
| Investment Earnings                                     | 41          | 165       | (65)       | 32        | 19        | 25        | 75        | 116        | 99        | 58        |
| Miscellaneous   | 303         | 264       | 163        | 185       | 326       | 334       | 212       | 504        | 432       | 691       |
| Total revenues  | \$ 15,511   | \$ 14,136 | \$ 14,610  | \$ 15,276 | \$ 15,847 | \$ 15,725 | \$ 16,482 | \$ 18,937  | \$ 19,687 | \$ 19,705 |
| <b>Expenditures</b>                                     |             |           |            |           |           |           |           |            |           |           |
| General Government                                      | 2,745       | 2,995     | 2,658      | 2,731     | 3,125     | 3,399     | 3,550     | 3,940      | 3,829     | 3,520     |
| Public Safety   | 7,455       | 7,320     | 7,699      | 7,505     | 8,082     | 7,986     | 8,384     | 8,813      | 9,469     | 9,477     |
| Physical Environment                                    | 272         | 200       | 311        | 310       | 280       | 333       | 286       | 251        | 195       | 545       |
| Highways and Streets                                    | 1,516       | 1,432     | 1,411      | 1,356     | 1,261     | 1,273     | 1,445     | 1,778      | 1,400     | 1,078     |
| Sanitation  | 1,007       | 1,008     | 1,005      | 1,024     | 1,027     | 1,032     | 1,031     | 936        | 1,085     | 1,136     |
| Parks and Recreation                                    | 910         | 992       | 772        | 819       | 879       | 969       | 994       | 1,129      | 1,425     | 1,506     |
| Capital Outlay  | 5,254       | 2,696     | 2,914      | 1,222     | 2,449     | 2,044     | 6,689     | 8,920      | 1,921     | 1,449     |
| Debt Service  |             |           |            |           |           |           |           |            |           |           |
| Principal   | 339         | 550       | 627        | 725       | 384       | 357       | 1056      | 1347       | 1490      | 1407      |
| Interest  | 42          | 62        | 66         | 51        | 35        | 44        | 251       | 220        | 252       | 277       |
| Total expenditures                                      | \$ 19,540   | \$ 17,255 | \$ 17,463  | \$ 15,743 | \$ 17,522 | \$ 17,437 | \$ 23,686 | \$ 27,334  | \$ 21,066 | \$ 20,395 |
| Excess of Revenues Over (Under) Expenditures            | (4,029)     | (3,119)   | (2,853)    | (467)     | (1,675)   | (1,712)   | (7,204)   | (8,397)    | (1,379)   | (690)     |
| <b>Other Financing Sources (Uses)</b>                   |             |           |            |           |           |           |           |            |           |           |
| Transfers In  | 1,716       | 1,152     | 1,430      | 1,255     | 1,628     | 1,508     | 1,690     | 2,360      | 2,198     | 1,938     |
| Transfers Out   | (693)       | (445)     | (326)      | (192)     | (300)     | (363)     | (370)     | (1,057)    | (792)     | (838)     |
| Notes Payable Issued                                    | -           | -         | -          | -         | -         | 1,313     | 9,900     | 1,955      | -         | 1,400     |
| Capital Lease Proceeds                                  | 805         | 1,340     | 480        | 206       | 357       | -         | -         | -          | -         | -         |
| Sale of Capital Assets                                  | 2,144       | 164       | 143        | 93        | -         | -         | 82        | 58         | -         | 10        |
| Total Other Financing Sources (Uses)                    | 3,972       | 2,211     | 1,727      | 1,362     | 1,685     | 2,458     | 11,302    | 3,316      | 1,406     | 2,510     |
| Net Change in Fund Balances                             | \$ (57)     | \$ (908)  | \$ (1,126) | \$ 895    | \$ 10     | \$ 746    | \$ 4,098  | \$ (5,081) | \$ 27     | \$ 1,820  |
| Debt Service as a Percentage of Noncapital Expenditures | 2.67%       | 4.20%     | 4.76%      | 5.34%     | 2.78%     | 2.54%     | 7.72%     | 8.30%      | 9.08%     | 8.90%     |

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

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

Source: Seminole County Property Appraiser

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

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

Source: Seminole County Tax Collectors Office

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

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

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

Source: Seminole County Property Appraiser

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

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

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

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

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

Note: No Revenue Bond Debt

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

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

Sources:

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

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

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

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

Sources:

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

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

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

**Sources:**

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

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

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

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

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

\* Data not available

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

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

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

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

**Sources:**

Various departments, City of Longwood

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

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

Sources:

Various departments, City of Longwood

Notes

\* Information not available

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

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

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

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

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

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

Sources:

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

Historic

LONGWOOD



F l o r i d a

## **OTHER REPORTS**

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

Honorable Mayor and City Commissioners  
City of Longwood, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Longwood, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2021.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material weakness of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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

*McDermitt Davis*

Orlando, Florida  
March 31, 2021

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

Honorable Mayor and City Council  
*City of Longwood, Florida*

**Report on Compliance for Each Major State Project**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Chapter 10.550, *Rules of the Auditor General*. Those standards and rules require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major State Project**

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

**Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*McDiarmid Davis*

Orlando, Florida  
Month 31, 2021

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

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

\* Denotes a major project

**NOTE 1           BASIS OF PRESENTATION**

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

**NOTE 2           SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3           LOANS AND LOAN GUARANTEES**

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

**NOTE 4           FEMA EXPENDITURES**

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

**Section I - Summary of Independent Auditor's Results:**

*Financial Statements*

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

*State Projects*

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

**Identification of Major State Projects**

|             |                                |
|-------------|--------------------------------|
| CSFA 37.077 | Transmission main project      |
| CSFA 37.077 | East Longwood septic abatement |

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

**Section II - Financial Statement Findings:** None

**Section III - State Award Findings and Questioned Costs:** None

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

## MANAGEMENT LETTER

Honorable Mayor and City Commissioners  
*City of Longwood, Florida*

### Report on the Financial Statements

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

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

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

### Prior Audit Findings

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

### Official Title and Legal Authority

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

### Financial Condition and Management

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

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

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

### ML 20-01 Grant Management

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

**Additional Matters**

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

**Purpose of this Letter**

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

A handwritten signature in black ink that reads "McDiarmid Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida  
March 31, 2021



934 North Magnolia Avenue, Suite 100  
Orlando, Florida 32803  
407-843-5406  
[www.mcdermittdavis.com](http://www.mcdermittdavis.com)

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

The Honorable Mayor and City Commissioners  
*City of Longwood, Florida*

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

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

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

*McDermitt Davis*

Orlando, Florida  
March 31, 2021