

CITY OF LONGWOOD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED SEPTEMBER 30, 2022



Historic

LONGWOOD



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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**CITY OF LONGWOOD,
FLORIDA**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

Prepared by:

Department of Financial Services

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INTRODUCTORY SECTION

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April 26, 2023

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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

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. The city's Finance Department is responsible for maintaining a comprehensive internal framework of accounting controls. The objectives of this system are to protect the city's assets from loss, theft, and/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 ending September 30, 2022, 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 ending September 30, 2022, 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 over 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 15,000 residents. With nearly 900 new residential units becoming available 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 21-22 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 (1022 employees), United Parcel Service UPS (495 employees), D&A Building Services (494 employees), Comprehensive Energy Services (250 employees), Collis Roofing (234 employees) and Seminole County Schools (222 employees). The County's unemployment rate for 2022 is estimated at 2.5% which compares favorably to the National rate of 3.5%. The median age in the city is 44.4 with more than 44% 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 23.6 percent of General Fund expenditures while unassigned fund balance represents 3.6 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 20, 2022 for fiscal years 2022-23 through 2026-27. 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

The Community Development Department completed the largest update to the city's Comprehensive Plan in more than 10 years, updating the Future Land Use and Zoning maps to streamline their application while providing more predictable results in line with the desires of many of our residents and business owners. This update followed the completion of updated Retail Market Study that helped the city better understand what elements make Longwood attractive to developers and what market forces affect our ability to attract certain retailers and restaurants. Later in the year, the department also overhauled the city's sign code to address Supreme Court rulings regarding the regulation of speech and content in signage.

In partnership with other departments, Community Development continued work on a number of long-term goals including the design of the new Fire Station 15, a mobility fee study, the Lewis House gazebo in the Longwood Memorial Gardens, and much more.

The city also saw the completion of the 342-unit Alta Cypress apartment project, which took the place of the recently-closed Sanford-Orlando Kennel Club. Multiple parcels on 17-92 saw new investment, new townhomes began construction near the city's transit hub near the SunRail station, and we were happy to host ribbon cuttings for numerous businesses including new restaurants and retailers.

The highly skilled members of the Longwood Fire Department had another great year of promoting public safety and education within the city. Our members strive daily to provide for the welfare of the public through the preservation of life, property and the environment.

Over the past year, the Longwood Fire Department has made significant strides in improving our training program. This training was facilitated by the creation of a part-time training position in October 2022. Much of this training is in preparation for the receipt of our new aerial truck in August 2023. This training ensures our personnel will be prepared when answering calls to service regardless of the call's severity.

The challenges of adding a much-needed aerial to our fleet lead to the creation of a Fire Engineers position. Testing for the position was provided by an outside testing agency and we are proud to say we were able to fill 8 of 9 positions. These individuals are responsible for safely operating the fire engines and will receive specialty training on our new aerial device once received.

The department has completed the design phase of a new Fire Station 15. The station will be located at an acquired medical office building just down the street from the current station. This modern state of the art station will also house the Fire Departments administration offices.

Fire Station 17 which serves the east side of the city currently has an expansion project out to bid. The facility will be expanded to accommodate larger fire trucks, allowing for improved fleet rotation. Also, modifications will be made inside the station to provide additional room for department members.

As part of our ongoing effort to prioritize the health and safety of our firefighters a peer support team was developed. This team has been trained to offer support to fellow firefighters in need. Training for the team was provided by the University of Central Florida through the UCF Restores program. Team members are available to those in need 24 hours a day, 7 days a week.

A new command vehicle was ordered in October 2022. This vehicle will be a front-line staff vehicle utilized by our on-duty Battalion Chiefs. The vehicle will be equipped with all of the tools needed to run a basic incident command scene. In addition, the vehicle will house a new accountability system. This system makes it easier for command staff to track firefighters at an emergency scene. Various pieces of equipment and emergency indicators have begun to arrive for the ongoing project with an expected completion date of late 2023.

Additionally, the department purchased a new top of the line bunker gear extractor. The extractor will be partially reimbursed via grant funds obtained through the State Fire Marshal's office. This grant is part of an effort to reduce cancer in the fire service by improving decontamination procedures.

The members of the Longwood Police Department are truly committed to their 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's members meet quarterly with the public at the Longwood Police Department Community Forum. The Forum grew from a community engagement group organized in 2020 which included a diverse group of community stakeholders who worked together to further build bonds between Longwood Police Officers and the community members. 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 interest.

The department made technological improvements in recent years as well to promote transparency and positive community relations. The agency began equipping in-car video camera systems in our patrol vehicles for more than 20 years. This equipment has now been augmented with the latest technology in body-worn cameras, and all uniformed personnel are equipped with and using these cameras in the field. The department's webpage is filled with useful information designed to promote positive relations with the public. All the department's

policies are easily accessed on-line; as are the instructions for complimenting or critiquing the department or an officer's performance.

The department maintains a constant social media presence. Our community relations staff routinely post 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. The platforms have 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 an entirely new generation of citizens.

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. Police personnel have created active shooter training designed to improve safety in the work place and completed trainings for multiple businesses and churches in the city. The department also offers environmental design advice in an effort to improve safety in and around local businesses. The department continues to grow 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.

The police department has two police officers assigned to duties at Lyman High School. These officers provide greater security as well as student leadership, instruction, counseling, and mentoring services. A third school resource officer is assigned to oversee these responsibilities at Longwood Elementary. All school resource officers attend quarterly trainings that addressed a variety of issues, which in turn allows us to secure our schools with exceptionally well trained and capable officers. The department's school resource and community relations officers team up annually to ensure Longwood students return to school year each in August with a fresh haircut and all the necessary supplies. The Annual Longwood Police Department Burgers, Barbers, and Badges has become a favorite of local students and parents preparing for the new school year. Students receive a free haircut and a backpack full of helpful supplies to get started on the right foot.

The department also offers services which encourage citizen involvement. Our volunteer Citizen On Patrol Program (C.O.P.) provides the opportunity for adults of all ages to assist the department in multiple ways. Their assistance includes routine neighborhood patrols, assistance with traffic control at various events, as well as other special programs.

The City of Longwood has 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 oversees 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 assist tracking

canines in the event that a person goes missing. The department has also initiated a Special Needs Directory program within the city. This directory allows a resident to voluntarily make the department members aware of a resident in their home with various special needs such as Autism. Equipped with this knowledge the officers are then better prepared to assist when they respond to residences.

The Longwood Police Department was first accredited through the Commission for Florida Law Enforcement Accreditation (C.F.A.) in 2002. In October of 2020, the police department was once again reaccredited after continuing to demonstrate compliance during its tri-annual review. The agency completed the review demonstrating 100% compliance with all applicable standards. The result of this most recent assessment by the Commission serves as further confirmation of the department's dedication to provide professional service to the community. The department members are currently preparing for their 2023 C.F.A. assessment.

The Longwood Public Works Department helps to maintain our community's strength by working together to provide infrastructure services in transportation, water, wastewater, stormwater, and right-of-way management. The department is made up of a group of more than thirty (30) public works professionals who are dedicated to Longwood's mission statement of "Fostering citizen trust and cultivating a prosperous community". Public Works is comprised of several working divisions including Engineering, Utilities, Streets, Stormwater, and Administration.

One of the largest tasks our staff tackled this year was Hurricane Ian and Tropical Storm Nicole. We were very successful navigating these storms with minimal loss to properties and no substantial flooding or with only minor damage. These large storms took months of clean up and now we are working on obtaining grants to make our city more resilient for the next round of storms.

The Engineering Division provides the cooperation and teamwork needed for collaboration with all the stakeholders in capital projects, infrastructure solutions, and quality-of-life services. 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.

2022 proved to be a very busy year for the Public Works Department as a whole. The Street and Engineering Division resurfaced a number of roadways which also included new striping. The resurfacing improvements included E. Church Ave., E. Warren Ave., Harbour Isle Way, Longdale Ave., and our signature project was the milling and resurfacing of N. Grant St. from Georgia Ave. to the north terminus of the roadway at the edge of the city. The total resurfacing was almost 4 lane miles and all of these projects were identified in the city's triennial Pavement Management Report. In terms of annual operations overseen by the Street Division this year, the department conducted repairs of potholes, replaced damaged and aging city signage, repaired city sidewalks, coordinated (6) roadway sweepings, updated the mowing contract, coordinated Duke Energy LED lighting upgrades, monitored and maintained a full tree

trimming schedule, cemetery maintenance and anything else it takes to keep our Longwood community safe and operating smoothly.

Construction of the Cross Seminole Trail Connector Project was completed. This major Bicycle and Pedestrian project provide bikes and pedestrians access to the Cross Seminole Trail from the Longwood SunRail station along Church Ave. and Grant St. The improvements include updated bicycle markings along Church, Grant, and Timocuan Way and new 5-foot wide sidewalk along the west side of Grant St. from Church Ave. to Arbor Park. A 10-foot wide trail is open parallel to the west side of Grant St. along the city cemetery, Candyland Sports Complex, and Arbor Park, that then connects to Timocuan Way and north to the Cross Seminole Trail. New sidewalks were constructed on the east and west side of Timocuan Way to complete the connection to the trail.

Public Works Engineering also continued with planning studies of complete streets projects for W. Warren Ave and E. Church Ave. These projects will add much needed pedestrian, bicycle and safety features. New landscaping of the US 17-92 medians from Raven Ave. to Dog Track Road was designed and was bid in 2022 with construction to start in January of 2023. This will include new palm trees, flowering trees, shrubs, and groundcover. Along N. Ronald Reagan Blvd. new hardscape and drainage features were designed and plans finalized for the clock tower area from Warren Ave. to West Jessup Ave. Improvements include rain gardens, updated landscaping, lighting, sitting areas, and a fountain around the clock tower. The hardscape project is to be bid in 2023.

The Engineering and Streets Divisions continue to coordinate compliance of the Citywide Americans with Disabilities Act (ADA) Program by adding curb cut ramps and detectable warning mats. Public Works is 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. Along with Longwood Police Department, Public Works continued with the Best Foot Forward Program in partnership with Bike Walk Central Florida which is an organization focused on bike and pedestrian safety.

Public Works Utility Division applied for and successfully received over \$1,821,000 in grant and low interest loan funding in 2022 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 connections and abandon an additional 218 septic tanks this year as well as install approximately 9,200 lineal feet of sewer mains to provide sewer service to residential properties. In total, over 850 septic tanks have been abandoned and removed in the history of the program so far to date.

The Public Works Utilities Division concurrently manages multiple maintenance and upgrade projects to the city's infrastructure such as the water plants, lift stations, telemetry stations, Airvac system, watermain, manholes, valves, and fire hydrants. Additionally, the Pine Ave. lift station received a new control panel providing optimal performance and reliability of the

pump station. As part of the city's Lift Station Rehabilitation Program, upgrades to the Raven Avenue and Historic District stations are underway. Finally, staff implemented a manhole rehabilitation project and successfully rehabilitated five (5) of the city's existing manholes.

Longwood Leisure Services had another productive year on multiple fronts. The department continues to build on newer events like the Longwood Luau and the Great American Camp Out, while also adding additional events such as the Walk for Autism Awareness and Inclusion and the Mother & Son Dance. The number of concerts in the park has increased with the addition of multiple jazz performances from local high schools. All concerts have been free to the public. Including reoccurring events, there are now over 110 events throughout the year. No other municipality in the county offers more city sponsored or partner events.

The department was thrilled at being able to renew its agreement with Orlando Health for sponsorship naming rights to the Reiter Park amphitheater & splashpad. We look forward to the continued partnership and can't wait to see what is in store for the redevelopment at South Seminole Hospital across from Reiter Park.

The Department closed out two successful FRDAP grants that allowed for additions and upgrades at Candyland Park as well as Smallworld Park. The City was also awarded a new \$50,000 FRDAP grant to renovate playground features at Shadow Hill Park.

The new pickleball courts at Candyland Sports Complex were completed and have been consistently busy since the grand opening. With pickleball gaining popularity nationwide, Longwood has garnered some much-deserved attention for having some of the finest courts in the county. People have come from all over to play on the six new courts.

Improvements to the skatepark continued with the construction of a heavily used feature that skaters and BMX enthusiasts alike line up to ride on busy days. With the continued support of a local BMX/Skate business owner, the city has added five new features to the skatepark in the last year and a half and rearranged the equipment for more efficient use. The popular BMX/Skate pump track continues to be a highlight of the Candyland Sports Complex.

Thanks to capital improvement planning (CIP), Leisure Service was able to update the sports lighting system on the softball field as well as one of the baseball fields at Candyland. The new upgraded LED lights are more efficient and will save on power bills in the long run. Through the CIP process, brand new flooring for the Longwood Community Building was installed which replaced the original flooring from 2002. Other renovations and improvements separate from those completed from the CIP include the resurfacing of the Reiter Park splash pad, a new roof for the Candyland Park pavilion and new fencing, an escape gate and new agility equipment at the Arbor Park Dog Park. The installation of the much-needed surface for the Reiter Park splash pad boasts a new multi-aggregate textured concrete surface that will save thousands on maintenance costs for the foreseeable future.

Leisure Services enters into the last year of the Ronald Reagan Blvd. banner program with CGI Communications. Longwood businesses are able to advertise on the bottom portion of the banner while the top portion features different color schemes and city related designs

Awards



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 ended September 30, 2021. This was the twenty-sixth 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.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Longwood, Florida for its annual budget for the fiscal year beginning October 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Acknowledgements

Preparation of this Annual Comprehensive 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,
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

MAYOR	MATT MORGAN
DEPUTY MAYOR	MATT MCMILLAN
COMMISSIONER	ABBY SHOEMAKER
COMMISSIONER	TONY BONI
COMMISSIONER	BRIAN D. SACKETT
CITY MANAGER	CLINT GIOIELLI
CITY ATTORNEY	DANIEL LANGLEY
CITY CLERK	MICHELLE LONGO
POLICE CHIEF	DAVID DOWDA
FIRE CHIEF	MICHAEL PETERS
DIRECTOR OF FINANCIAL SERVICES	JUDITH ROSADO
DIRECTOR OF COMMUNITY DEVELOPMENT	CHRIS KINTNER
DIRECTOR OF HUMAN RESOURCES	MAGGIE RIDORE
DIRECTOR OF LEISURE SERVICES	CHRIS CAPIZZI
DIRECTOR OF INFORMATION TECHNOLOGY	CRAIG DUNN
DIRECTOR OF PUBLIC WORKS	SHAD SMITH

Citizens of Longwood

Elected Officials

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

City Manager

Clint Gioielli

City Clerk

Michelle Longo

City Attorney

Dan Langley

Human Resources/Risk Management

Magdala Ridore
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

FINANCIAL SECTION

Historic

LONGWOOD



F l o r i d a

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Longwood, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund and ARPA fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit information, and budgetary comparison schedule on pages 3 through 14 and 60 through 64, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 26, 2023 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
April 26, 2023

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 15).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2022 by \$72,212,218 (net position). Of this amount, \$(2,882,118) (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 \$2,422,341 or 3.47%.
- At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$8,024,098, a decrease of \$618,811. Approximately 6.79% of this total amount, \$545,135, 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 \$708,444 or 3.6% of total general fund expenditures.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds decreased by \$2,783,375 or 10%.

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 15-16 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 sixteen 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, the Public Facilities Improvement Fund and the ARPA Fund, all of which are considered to be major funds. Data from the other thirteen 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 American Rescue Plan Act (ARPA) Fund, a major governmental fund, was created in fiscal year 2021 to account for revenues and expenditures associated with the City's receipt and use of funds from the American Rescue Plan Act. The City, a non-entitlement unit (NEU) of government, was allocated \$7,793,784. In September 2021 the City received \$3,896,892, one-half of the total allocation. The remaining half of \$3,896,892 was received in August of 2022.

For fiscal year 2022 the City recognized \$2,036,957 in earned revenues based on total eligible ARPA expenditures incurred during the fiscal year. The balance of funds received, \$5,756,827, is reported as unearned revenues.

The basic governmental fund financial statements can be found on pages 17-23 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 24-26 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 27-28 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 29-59 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 66-82 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 \$72,212,218 at the close of the most recent fiscal year.

Over half (\$70,884,612 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 \$4,209,724 (or 5.8%) 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 (\$2,882,118) or (3.8%) 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 15.

Statement of Net Position
As of September 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 18,375,556	\$ 18,332,649	\$ (867,696)	\$ 1,047,691	\$ 17,507,860	\$ 19,380,340
Capital assets	46,450,663	44,347,933	41,613,232	39,654,078	88,063,895	84,002,011
Total assets	64,826,219	62,680,582	40,745,536	40,701,769	105,571,755	103,382,351
Deferred Outflows of Resources						
Deferred outflow of pension and OPEB	4,995,025	2,435,210	72,080	83,821	5,067,105	2,519,031
Liabilities:						
Current liabilities	8,962,785	6,001,283	402,525	1,143,300	9,365,310	7,144,583
Long-term liabilities	14,191,189	13,861,143	10,639,170	9,906,423	24,830,359	23,767,566
Other liabilities	-	-	175,357	182,957	175,357	182,957
Total liabilities	23,153,974	19,862,426	11,217,052	11,232,680	34,371,026	31,095,106
Deferred Inflows of Resources						
Deferred inflow of pension and OPEB	3,830,660	4,803,310	224,956	213,089	4,055,616	5,016,399
Net Position:						
Net investment in capital assets	39,269,628	35,580,612	31,614,984	30,380,261	70,884,612	65,960,873
Restricted for:						
Renewal and replacement	-	-	1,617,547	2,126,560	1,617,547	2,126,560
Capital projects	23,560	13,773	1,754,478	1,739,837	1,778,038	1,753,610
Building permits and inspections	430,958	1,086,575	-	-	430,958	1,086,575
ARPA	7,649	-	-	-	7,649	-
Public safety	375,532	276,654	-	-	375,532	276,654
Unrestricted	2,729,283	3,492,442	(5,611,401)	(4,906,837)	(2,882,118)	(1,414,395)
Total net position	\$ 42,836,610	\$ 40,450,056	\$ 29,375,608	\$ 29,339,821	\$ 72,212,218	\$ 69,789,877

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 16.

Note that the City's net position increased by \$2,422,341 or 3.47% in fiscal year 2022. The previous fiscal year, 2021, net position increased by \$4,120,613 or 6.33%. Despite the property tax rate remaining at 5.5000 mills, an increased net position was achieved, primarily, through an increase in assets and net operating activity.

Governmental activities increased net position by \$2,386,554 in fiscal year 2022 compared to an increase of \$729,506 in 2021. This increase is a result of this year's operations. This was the result of an increase in revenues resulting from property taxes and intergovernmental revenue.

Business-type activities increased net position by \$35,787 in fiscal year 2022 compared to an increase of \$3,391,107 in 2021. The increase in 2022 is due to contribution of capital assets.

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.

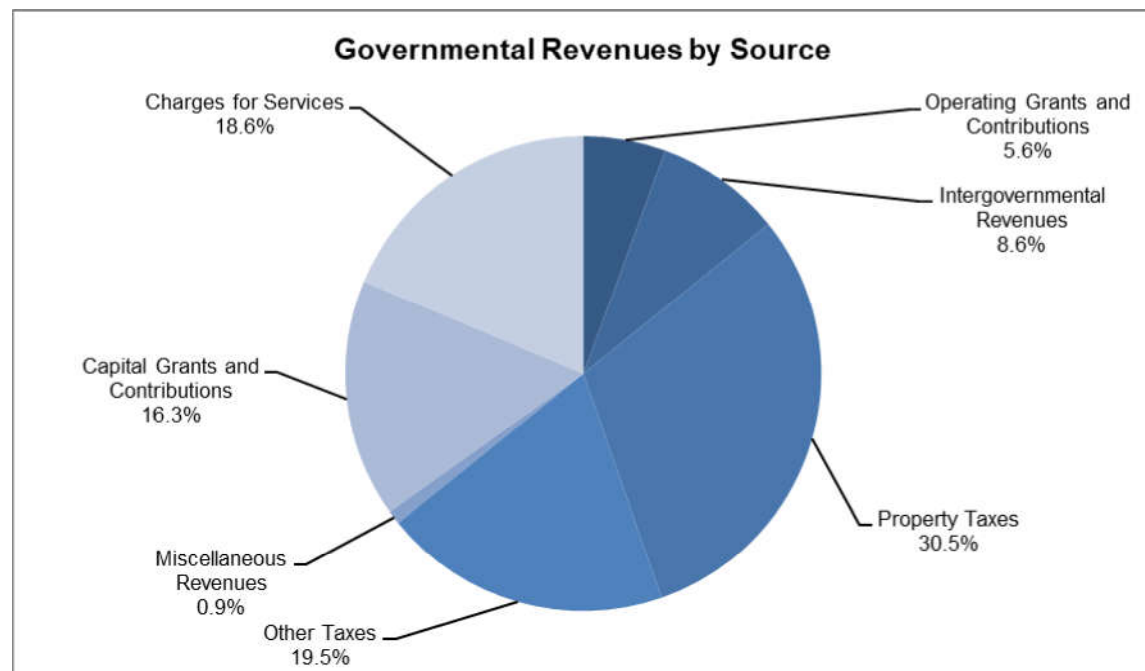
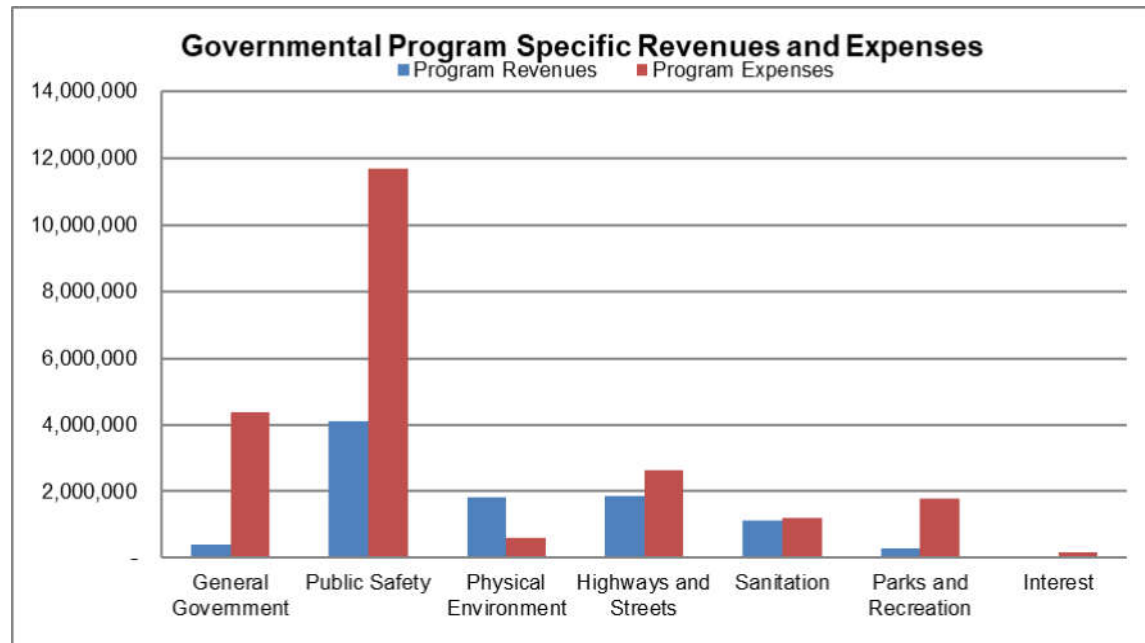
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 10.

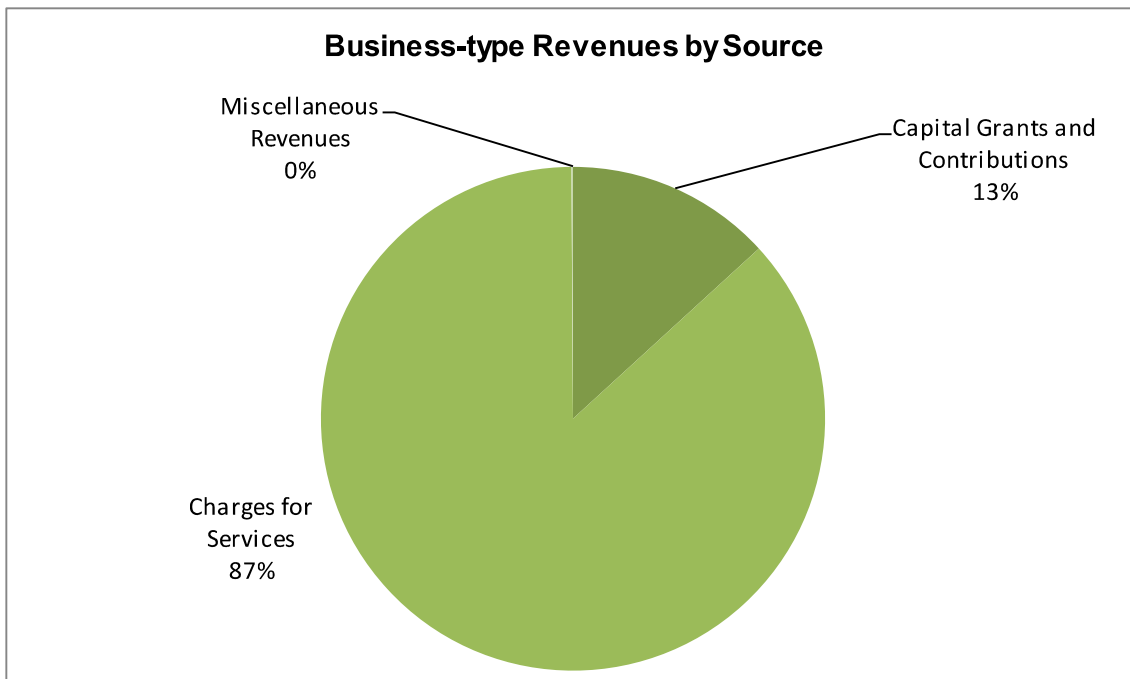
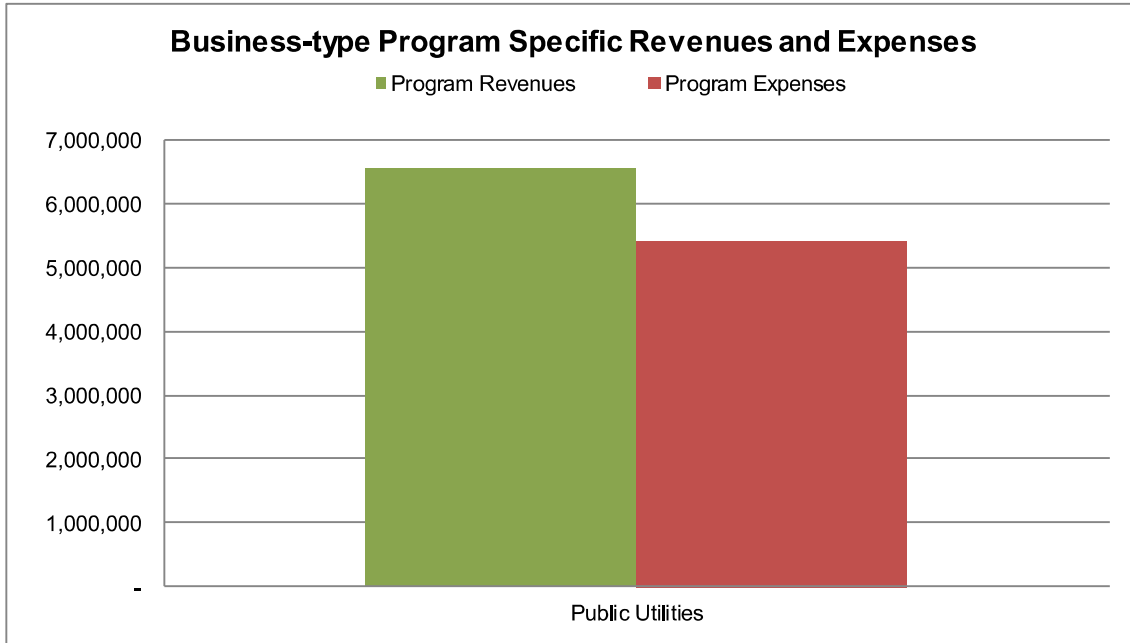
Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, franchise and utility taxes, communication services tax, intergovernmental revenue, investment earnings or miscellaneous revenue. This chart is intended to 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,416,076	\$ 4,773,553	\$ 5,675,380	\$ 5,583,868	\$ 10,091,456	\$ 10,357,421
Operating grants and contributions	1,330,303	1,020,379	-	-	1,330,303	1,020,379
Capital grants and contributions	3,851,128	1,343,296	862,740	3,872,420	4,713,868	5,215,716
General revenues:						
Property taxes	7,224,043	6,865,821	-	-	7,224,043	6,865,821
Other taxes	4,628,914	4,302,704	-	-	4,628,914	4,302,704
Other	2,247,110	2,012,259	27,094	59,935	2,274,204	2,072,194
Total revenues	23,697,574	20,318,012	6,565,214	9,516,223	30,262,788	29,834,235
Expenses:						
General government	4,365,407	4,181,149	-	-	4,365,407	4,181,149
Public safety	11,691,269	10,490,845	-	-	11,691,269	10,490,845
Physical environment	581,972	577,586	-	-	581,972	577,586
Highways and streets	2,634,687	2,486,364	-	-	2,634,687	2,486,364
Sanitation	1,198,740	1,059,739	-	-	1,198,740	1,059,739
Parks and recreation	1,771,089	1,656,803	-	-	1,771,089	1,656,803
Interest on long-term debt	181,033	211,340	-	-	181,033	211,340
Public utilities	-	-	5,416,250	5,049,796	5,416,250	5,049,796
Total expenses	22,424,197	20,663,826	5,416,250	5,049,796	27,840,447	25,713,622
Increase (decrease) in net position before transfers	1,273,377	(345,814)	1,148,964	4,466,427	2,422,341	4,120,613
Transfers	1,113,177	1,075,320	(1,113,177)	(1,075,320)	-	-
Increase in Net Position	2,386,554	729,506	35,787	3,391,107	2,422,341	4,120,613
Net position, October 1, as restated	40,450,056	39,720,550	29,339,821	25,948,714	69,789,877	65,669,264
Net position, September 30	\$ 42,836,610	\$ 40,450,056	\$ 29,375,608	\$ 29,339,821	\$ 72,212,218	\$ 69,789,877





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, 2022, the City's governmental funds reported combined ending fund balances of \$8,024,098, a decrease of \$618,811, from the prior year. Approximately 6.79% or \$545,135 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$7,478,963, 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, 2022, the unassigned fund balance of the General Fund was \$708,444 while the total fund balance was \$4,657,023. 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 3.6% of total General Fund expenditures, while total fund balance represents 23.6% of that same amount. The fund balance of the General Fund decreased by \$683,423 due to an increase in expenditures. Expenses increased this year by \$1,845,839 when compared to prior year expenses of \$17,909,000 to this year \$19,754,839.

The Public Facilities Improvement Fund has a total fund balance of \$1,376,215. The fund realized a decrease in total fund balance of \$455,455 in 2022 is attributed to expenditures related to the E. Church Street & Longdale Paving Project, North Grant & Harbor Isle Paving Project and other resurfacing projects.

The ARPA Fund has a total fund balance of \$7,469. The fund realized an increase in total fund balance of \$7,259 in 2022 due to investment income recognized.

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, 2022, unrestricted net position of the Public Utilities Enterprise Fund amounted to \$(5,611,401) and total net position increased \$35,787 from \$29,339,821 in 2021 to \$29,375,608 in 2022. Operating revenues increased by \$91,512, while operating expenses also increased by \$425,763. This resulted in a net decrease in operating income of \$334,251 from \$682,272 in fiscal year 2021 to \$348,021 in 2022. The increase in operating expense was primarily the result of the AMI Meter Conversion and Water Meter Renewal and Replacement projects.

General Fund Budgetary Highlights

Differences between the original General Fund budgeted expenditures and transfers out and the final amended General Fund budget amounted to \$3,457,607. The increase in appropriations can be briefly summarized as follows:

- \$1,545,000 transfer in for purchase of building property for future construction of Fire Station.
- \$1,535,513 transfer out into the Capital Projects Fund for purchase of capital equipment.
- \$181,230 increase associated to leases on new building property.
- \$112,000 increase budget for design and construction of Lewis House Gazebo.
- \$12,000 increase budget for field rentals and pavilion rentals.
- \$8,765 increase for purchase and installation of cameras.
- \$1,200 increase for employee programs.
- \$61,900 increase for operating related expenses.

Actual expenditures were less than final appropriations by \$962,141, a variance of 4.6%. The decrease in expenditures is summarized as follows:

- \$99,399 associated with building improvements-encumbrance roll over to subsequent year.
- \$91,559 associated with personnel services (vacant positions, terminations)
- \$771,183 associated with operating expenditures budgeted but not incurred.

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, 2022 amounts to \$88,063,895 (net of accumulated depreciation), for an increase of \$4,061,884 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 4.8% (a 4.7% increase for governmental activities, and a 4.9% increase for business-type activities).

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

- Longdale Septic Tank Abatement - \$4,381,306
- East Longwood Septic Tank Abatement PH I - \$3,856,294
- Water Meter Renewal & Replacement - \$600,000
- Paving of East Church Street and Longdale - \$227,000
- Paving of North Grant Street and Harbor Isle - \$224,775
- Water Plant Renewal & Replacement - \$40,264

Major capital assets included in construction in progress:

- Resurfacing of Local Streets \$15,020
- Engineering Studies Community Building \$10,112
- Resurfacing of Local Streets Paving \$4,985
- W Warren Avenue Complete Street \$44,889
- Bicycle Pedestrian Plan Projects \$100,253
- Corridor Landscaping/Hardscaping \$624,743
- Sign Replacement and Minor Asphalt \$35,450
- E. Church Ave. Complete Street \$30,429
- Update Pedestrian and Bike Master Plan \$24,545
- Maine, Reider & E. Lake, S. Longwood PH-I \$83,523
- South Pedestrian Corridor (Milwee Ave.) \$25,308
- E Longwood Septic Tank Abatement PH2 \$72,446
- AMI Meter Installation \$192,009
- Sanitary Sewer I & II Rehabilitation \$14,630
- Liftstation Emergency Pump Replacement \$52,136
- Rock Lake Outfall \$7,826
- Fire Station #17 Expansion - \$98,993

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	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,101,052	\$ 5,672,052	\$ 462,581	\$ 462,581	\$ 6,563,633	\$ 6,134,633
Buildings	3,061,380	2,086,759	20,222	23,262	3,081,602	2,110,021
Improvements Other Than Buildings	8,329,068	8,895,185	34,337,371	26,979,203	42,666,439	35,874,388
Infrastructure	22,215,172	22,944,270	-	-	22,215,172	22,944,270
Vehicles and Equipment	2,114,685	2,020,265	275,412	294,816	2,390,097	2,315,081
Intangibles	-	-	4,835,012	4,955,158	4,835,012	4,955,158
Construction in Progress	4,629,306	2,729,402	1,682,634	6,939,058	6,311,940	9,668,460
Total capital assets, net	\$46,450,663	\$44,347,933	\$41,613,232	\$39,654,078	\$88,063,895	\$84,002,011

Noncurrent Liabilities

At September 30, 2022, 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	
	2022	2021	2022	2021	2022	2021
Notes Payable	7,181,035	8,767,321	9,998,248	9,273,817	17,179,283	18,041,138
Total	\$ 7,181,035	\$ 8,767,321	\$ 9,998,248	\$ 9,273,817	\$ 17,179,283	\$ 18,041,138

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many economic indicators on a continual basis. The fiscal year 2023 Budget was prepared holding the operating millage rate at 5.5000 mills where it has been since fiscal year 2013. Property values have continued to trend positively since 2012. According to the Seminole County Property Appraiser the City of Longwood's tax roll is \$1,604,394,497. Property gross taxable values increased 16.61% or \$228,541,973 when compared to the adjusted values of the prior year. The City is expected to generate approximately \$8,405,008 in property tax revenues compared to \$7,218,217 budgeted in fiscal year 2022.

The citywide adopted operating budget for fiscal year 2023 is \$62,519,837 million (inclusive of transfers) or 8% more than the fiscal year 2022 adopted budget of \$57,839,432 million (inclusive of transfers). The General Fund budget for fiscal year 2023 is \$21,041,344 million (inclusive of transfers) or 12% greater than the fiscal year 2022 adopted budget of \$18,859,972 million (inclusive of transfers).

The City has also managed to accumulate an acceptable level of unassigned reserves. Resolution 21-1559 formalized the City's fund balance policy as recommended best practices of the Governmental Finance Officers Association (GFOA) and to be in line with GASB 54 definitions and criteria for classifying fund balances.

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 Annual Comprehensive Financial Report is also available at the City's website located at www.longwoodfl.org.

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BASIC FINANCIAL STATEMENTS

Historic

LONGWOOD



F l o r i d a

City of Longwood, Florida
Statement of Net Position
September 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 8,068,027	\$ -	\$ 8,068,027
Investments	2,482,969	-	2,482,969
Accounts receivable, net of allowance	1,882,643	576,938	2,459,581
Due from other governmental units	492,901	413,272	906,173
Internal balances	4,347,290	(4,347,290)	-
Prepays	1,101,726	7,222	1,108,948
Restricted cash	-	1,929,835	1,929,835
Impact fees and assessments receivable	-	552,327	552,327
Capital assets:			
Not being depreciated	10,730,358	2,145,215	12,875,573
Being depreciated, net	35,720,305	39,468,017	75,188,322
Total assets	64,826,219	40,745,536	105,571,755
Deferred Outflows of Resources			
Deferred outflows of pensions	4,698,197	28,690	4,726,887
Deferred outflows related to OPEB	296,828	43,390	340,218
Total deferred outflows of resources	4,995,025	72,080	5,067,105
Liabilities:			
Accounts payable and other current liabilities	2,792,067	402,525	3,194,592
Due to other governmental units	40,320	-	40,320
Unearned revenues	6,027,874	-	6,027,874
Customer deposits	-	175,357	175,357
Accrued interest	102,524	-	102,524
Noncurrent liabilities:			
Due within one year	1,715,224	667,049	2,382,273
Due in more than one year	12,475,965	9,972,121	22,448,086
Total liabilities	23,153,974	11,217,052	34,371,026
Deferred Inflows of Resources:			
Deferred inflows of pensions	1,478,032	94,529	1,572,561
Deferred inflows related to OPEB	892,242	130,427	1,022,669
Deferred inflows related to leases	1,460,386	-	1,460,386
Total deferred inflows of resources	3,830,660	224,956	4,055,616
Net Position:			
Net investment in capital assets	39,269,628	31,614,984	70,884,612
Restricted for:			
Renewal and replacement	-	1,617,547	1,617,547
Capital projects	23,560	1,754,478	1,778,038
Building permits and inspections	430,958	-	430,958
ARPA	7,649	-	7,649
Public safety	375,532	-	375,532
Unrestricted	2,729,283	(5,611,401)	(2,882,118)
Total net position	\$ 42,836,610	\$ 29,375,608	\$ 72,212,218

Historic

LONGWOOD



F l o r i d a

City of Longwood, Florida
Statement of Activities
Year Ended September 30, 2022

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Position				
	Program Revenue		Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities:					
General Government	\$ 4,365,407	\$ 191,736	\$ 116,549	\$ 108,064	\$ (3,949,058)
Public Safety	11,691,269	1,996,803	583,167	1,521,384	(7,589,915)
Physical Environment	581,972	818,962	90,435	898,966	1,226,391
Highways & Streets	2,634,687	-	540,152	1,316,546	(777,989)
Sanitation	1,198,740	1,137,895	-	(60,845)	(60,845)
Parks and Recreation	1,771,089	270,680	-	6,168	(1,494,241)
Interest on Long-term debt	181,033	-	-	(181,033)	(181,033)
Total governmental activities	22,424,197	4,416,076	1,330,303	3,851,128	(12,826,690)
Business-type activities:					
Public Utilities	5,416,250	5,675,380	-	862,740	1,121,870
Total business-type activities	5,416,250	5,675,380	-	862,740	1,121,870
Total primary government	27,840,447	10,091,456	1,330,303	4,713,868	(11,704,820)
General Revenues:					
Taxes:					
Property taxes				7,224,043	7,224,043
Franchise and utility taxes				3,883,943	3,883,943
Communications services tax				744,971	744,971
Unrestricted intergovernmental revenues				2,028,138	2,028,138
Unrestricted investment earnings				20,483	27,144
Miscellaneous				140,136	140,136
Gain on Sale of Capital Assets				58,353	78,786
Transfers				1,113,177	-
Total general revenues and transfers				15,213,244	14,127,161
Change in net position				2,386,554	2,422,341
Net position, beginning				40,450,056	69,789,877
Net position, ending				\$ 42,836,610	\$ 72,212,218

The accompanying Notes to Financial Statements are an integral part of this statement.

City of Longwood, Florida
Balance Sheet - Governmental Funds
September 30, 2022

	General Fund	Public Facilities Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 777,212	\$ -	\$ 5,865,330	\$ 1,425,485	\$ 8,068,027
Investments	2,482,969	-	-	-	2,482,969
Accounts receivable (net of allowance for uncollectibles)	1,775,409	30,811	-	76,423	1,882,643
Due from other funds	139,402	-	-	-	139,402
Due from other governmental units	272,423	220,478	-	-	492,901
Prepays	23,602	-	-	1,078,124	1,101,726
Advances to other funds	2,828,220	1,874,070	-	-	4,702,290
Total assets	\$ 8,299,237	\$ 2,125,359	\$ 5,865,330	\$ 2,580,032	\$ 18,869,958
Liabilities:					
Accounts payable	\$ 309,463	\$ 714,450	\$ 101,034	\$ 58,553	\$ 1,183,500
Accrued liabilities	1,574,979	3,883	-	29,705	1,608,567
Due to other funds	-	-	-	139,402	139,402
Advances from other funds	-	-	-	355,000	355,000
Due to other governments	39,055	-	-	1,265	40,320
Unearned revenue	258,331	-	5,756,827	12,716	6,027,874
Total liabilities	2,181,828	718,333	5,857,861	596,641	9,354,663
Deferred Inflows of Resources:					
Unavailable revenue	-	30,811	-	-	30,811
Deferred inflows- leases	1,460,386	-	-	-	1,460,386
Total Deferred Inflows	1,460,386	30,811	-	-	1,491,197
Fund Balances (deficits):					
Nonspendable	2,851,822	-	-	1,078,124	3,929,946
Spendable:					
Restricted	-	-	7,469	827,237	834,706
Committed	-	1,376,215	-	241,339	1,617,554
Assigned	1,096,757	-	-	-	1,096,757
Unassigned	708,444	-	-	(163,309)	545,135
Total fund balances	4,657,023	1,376,215	7,469	1,983,391	8,024,098
Total liabilities, deferred inflows and fund balances(deficits)	\$ 8,299,237	\$ 2,125,359	\$ 5,865,330	\$ 2,580,032	\$ 18,869,958

City of Longwood, Florida
**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**
September 30, 2022

Total Fund Balance, Governmental Funds	\$	8,024,098
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		46,450,663
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Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.		30,811
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Deferred inflows and outflows of resources related to pension and OPEB earnings are not recognized in governmental funds, however, they are recorded in net position under full accrual accounting.		2,624,751
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Notes payable	(7,181,035)
Accrued interest payable	(102,524)
Net pension liability	(2,962,107)
OPEB liability	(3,034,196)
Compensated absences	(1,013,851)

Net Position of Governmental Activities in the Statement of Net Position	\$	42,836,610
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City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2022

	General Fund	Public Facilities Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property tax	\$ 7,224,043	\$ -	\$ -	\$ -	\$ 7,224,043
Franchise tax	1,978,686	-	-	-	1,978,686
Utility tax	1,905,257	-	-	-	1,905,257
Communications services tax	744,971	-	-	-	744,971
Local option gas tax	-	373,875	-	-	373,875
Licenses and permits	175,941	-	-	450,184	626,125
Intergovernmental revenue	2,700,957	2,213,471	2,036,957	-	6,951,385
Charges for services	2,414,093	-	-	799,882	3,213,975
Fines and forfeitures	137,267	-	-	211,134	348,401
Special assessments	-	16,851	-	94,446	111,297
Investment earnings	6,055	3,634	7,259	3,535	20,483
Miscellaneous revenue	134,419	-	-	24,720	159,139
Total revenues	17,421,689	2,607,831	2,044,216	1,583,901	23,657,637
Expenditures:					
Current:					
General government	3,707,595	-	116,549	-	3,824,144
Public safety	9,953,903	-	135,652	596,715	10,686,270
Physical environment	-	-	-	535,443	535,443
Highways and streets	1,225,894	103,914	-	-	1,329,808
Sanitation	1,032,463	-	166,277	-	1,198,740
Parks and recreation	1,352,182	-	-	88,214	1,440,396
Debt Service:					
Principal	761,163	797,050	-	28,073	1,586,286
Interest and other charges	149,252	36,815	-	5,045	191,112
Capital Outlay	1,572,387	2,125,507	130,693	827,192	4,655,779
Total expenditures	19,754,839	3,063,286	549,171	2,080,682	25,447,978
Excess (deficiency) of revenues over expenditures	(2,333,150)	(455,455)	1,495,045	(496,781)	(1,790,341)
Other Financing Sources (uses):					
Sale of general capital assets	58,353	-	-	-	58,353
Transfers in	3,191,973	-	-	1,600,599	4,792,572
Transfers out	(1,600,599)	-	(1,487,786)	(591,010)	(3,679,395)
Total other financing sources	1,649,727	-	(1,487,786)	1,009,589	1,171,530
Net change in fund balances	(683,423)	(455,455)	7,259	512,808	(618,811)
Fund balances, beginning	5,340,446	1,831,670	210	1,470,583	8,642,909
Fund balances, ending	\$ 4,657,023	\$ 1,376,215	\$ 7,469	\$ 1,983,391	\$ 8,024,098

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

Year Ended September 30, 2022

Net Change in Fund Balances, total governmental funds:	\$	(618,811)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for Capital Assets	4,760,875	
Current Year Depreciation	<u>(2,658,145)</u>	2,102,730

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position	(464,179)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other post employment benefits	(243,282)	
Accrued interest	10,079	
Compensated absences	<u>32,147</u>	(201,056)

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.

Principal Payments	<u>1,586,286</u>	1,586,286
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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.	<u>(18,416)</u>
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Change in Net Position of Governmental Activities	<u><u>\$</u></u>	<u>2,386,554</u>
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City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 7,218,317	\$ 7,218,417	\$ 7,224,043	\$ 5,626
Franchise tax	1,876,506	1,876,506	1,978,686	102,180
Utility tax	2,000,822	2,000,822	1,905,257	(95,565)
Communications services tax	734,337	734,337	744,971	10,634
Licenses and permits	256,131	265,631	181,491	(84,140)
Intergovernmental revenue	2,248,168	2,267,139	2,700,957	433,818
Charges for services	2,342,326	2,557,556	2,408,543	(149,013)
Fines and forfeitures	166,400	164,029	137,267	(26,762)
Investment earnings	10,000	10,000	6,055	(3,945)
Miscellaneous revenue	159,500	161,200	134,419	(26,781)
Total revenues	17,012,507	17,255,637	17,421,689	166,052
Expenditures:				
Current:				
General government:				
City commission	100,432	89,051	86,508	2,543
City clerk	309,806	310,240	271,687	38,553
City manager	382,289	386,177	381,359	4,818
City attorney	180,000	203,662	191,772	11,890
Personnel	813,750	759,584	686,731	72,853
Purchasing	111,867	114,777	113,974	803
Finance	409,372	429,321	396,659	32,662
Community development	773,684	793,957	647,330	146,627
Other-unclassified	937,416	1,012,716	988,761	23,955
Total general government	4,018,616	4,099,485	3,764,781	334,704
Public Safety				
Police	5,274,400	5,361,778	5,272,946	88,832
Fire	5,151,556	5,185,437	5,141,578	43,859
Total public safety	10,425,956	10,547,215	10,414,524	132,691

City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund (Continued)
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Highways and streets:				
Streets and fleet	\$ 1,217,217	\$ 1,275,608	\$ 1,225,894	\$ 49,714
Total highways and streets	1,217,217	1,275,608	1,225,894	49,714
Sanitation	1,196,000	1,196,000	1,032,463	163,537
Parks and recreation:				
Recreational programs	1,937,097	1,910,856	1,744,790	166,066
Total parks and recreation	1,937,097	1,910,856	1,744,790	166,066
Capital Outlay	-	1,687,816	1,572,387	115,429
Total expenditures	18,794,886	20,716,980	19,754,839	962,141
Excess (deficiency) of revenues over expenditures	(1,782,379)	(3,461,343)	(2,333,150)	1,128,193
Other Financing Sources (Uses):				
Sale of general capital assets	60,000	60,000	58,353	(1,647)
Transfers in	1,704,187	3,191,973	3,191,973	-
Transfers out	(65,086)	(1,600,599)	(1,600,599)	-
Total other financing sources (uses)	1,699,101	1,651,374	1,649,727	(1,647)
Net change in fund balances	(83,278)	(1,809,969)	(683,423)	1,126,546
Fund balance, beginning	5,340,446	5,340,446	5,340,446	-
Fund balance, ending	\$ 5,257,168	\$ 3,530,477	\$ 4,657,023	\$ 1,126,546

City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - ARPA Fund
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 2,745,154	\$ 2,036,957	\$ (708,197)
Investment earnings	-	-	7,259	7,259
Total revenues	-	2,745,154	2,044,216	(700,938)
Expenditures:				
Current:				
General government:				
General government:	-	35,183	116,549	(81,366)
Total general government	-	35,183	116,549	(81,366)
Public Safety				
Police	-	-	135,652	(135,652)
Total public safety	-	-	135,652	(135,652)
Sanitation	-	166,720	166,277	443
Capital outlay	-	372,265	130,693	241,572
Total expenditures	-	574,168	549,171	24,997
Excess (deficiency) of revenues over expenditures	-	2,170,986	1,495,045	(675,941)
Other Financing Sources (Uses):				
Transfers out	-	(2,170,986)	(1,487,786)	683,200
Total other financing sources (uses)	-	(2,170,986)	(1,487,786)	683,200
Net change in fund balances	-	-	7,259	7,259
Fund balances, beginning	210	210	210	-
Fund balances, ending	<u>\$ 210</u>	<u>\$ 210</u>	<u>\$ 7,469</u>	<u>\$ 7,259</u>

City of Longwood, Florida
Statement of Net Position
Proprietary Fund
September 30, 2022

	Public Utilities
Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable, net	576,938
Restricted cash	1,929,835
Receivables from other governments	413,272
Prepays	7,222
Total current assets	2,927,267
Non-current assets:	
Impact fees and assessments receivable	552,327
Capital Assets:	
Not being depreciated	2,145,215
Being depreciated, net	39,468,017
Total non-current assets	42,165,559
Total assets	45,092,826
Deferred Outflows of Resources:	
Deferred outflows on pension and OPEB	72,080
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	402,525
Due to other funds	4,347,290
Compensated absences	7,496
Customer deposits	175,357
Notes payable	659,553
Total current liabilities	5,592,221
Non-current liabilities:	
Compensated absences	67,467
Net pension liability	122,422
OPEB	443,537
Notes payable	9,338,695
Total non-current liabilities	9,972,121
Total liabilities	15,564,342
Deferred Inflows of Resources:	
Deferred inflows on pension and OPEB	224,956
Net Position:	
Net investment in capital assets	31,614,984
Restricted for renewal and replacement	1,617,547
Restricted for capital projects	1,754,478
Unrestricted	(5,611,401)
Total net position	\$ 29,375,608

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

Year Ended September 30, 2022

	Public Utilities
Operating Revenues:	
Charges for sales and services	\$ 5,675,380
Total operating revenues	5,675,380
Operating Expenses:	
Personnel	1,526,434
Supplies and services	1,963,433
Amortization	215,061
Depreciation	1,622,431
Total operating expenses	5,327,359
Operating income	348,021
Nonoperating Revenues (Expenses):	
Investment earnings	6,661
Gain on sale of capital assets	20,433
Interest expense	(88,891)
Total nonoperating revenue (expenses)	(61,797)
Income before contributions and transfers	286,224
Capital contributions	862,740
Transfers out	(1,113,177)
Change in net position	35,787
Net position, beginning	29,339,821
Net position, ending	\$ 29,375,608

City of Longwood, Florida
Statement of Cash Flows -
Proprietary Fund
Year Ended September 30, 2022

	Public Utilities
Cash Flows From Operating Activities:	
Receipts from customers	\$ 5,680,764
Payments to suppliers	(2,385,799)
Payments to employees	(1,494,510)
Net cash provided by (used in) operating activities	1,800,455
Cash Flows From Noncapital Financing Activities:	
Due to other funds	952,280
Transfers to other funds	(1,113,177)
Net cash provided by (used in) noncapital financing activities	(160,897)
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	(4,114,241)
Sale of capital assets	20,433
Interest payments	(88,891)
Grants	1,807,818
Impact fees	11,272
Principal payments on notes payable	(482,151)
Proceeds from notes payable	1,206,582
Net cash provided by (used in) in capital and related financing activities	(1,639,178)
Cash Flows From Investing Activities:	
Investment income	6,661
Net cash provided by (used in) investing activities	6,661
Net increase (decrease) in cash and cash equivalents	7,041
Cash and cash equivalents, beginning of year	1,922,794
Cash and cash equivalents, end of year	\$ 1,929,835
Classified as:	
Cash and cash equivalents	\$ -
Restricted cash, customer deposits	1,929,835
Total cash and cash equivalents	\$ 1,929,835
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 348,021
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,622,431
Amortization expense	215,061
Increase in accounts receivable	(24,470)
Decrease in deferred outflows	11,741
Decrease in assessments receivable	37,454
Decrease in prepaid	814
Decrease in accounts payable	(423,180)
Decrease in OPEB	(28,143)
Decrease in compensated absences	(16,438)
Decrease in customer deposits	(7,600)
Increase in deferred inflows	11,867
Increase in net pension liability	52,897
Net cash provided by (used in) operating activities	\$ 1,800,455

City of Longwood, Florida
Statement of Fiduciary Net Position -
Fiduciary Fund
September 30, 2022

	<u>Pension Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 245,828</u>
Receivables:	
Employer and employee	<u>70,041</u>
Total receivables	<u>70,041</u>
Investments, at fair value:	
U.S. Government obligations	7,227,356
Equities	<u>17,109,661</u>
Total investments	<u>24,337,017</u>
Total assets	<u>24,652,886</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 24,652,886</u></u>

City of Longwood, Florida
Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended September 30, 2022

	<u>Pension Fund</u>
Additions:	
Contributions:	
City	\$ 863,729
State	395,420
Employee	<u>53,614</u>
Total contributions	<u>1,312,763</u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	(3,684,387)
Less: investment expense	<u>(36,583)</u>
Net investment earnings (losses)	<u>(3,720,970)</u>
Total additions	<u>(2,408,207)</u>
Deductions:	
Refunds of contributions	333,122
Administrative expenses	<u>42,046</u>
Total deductions	<u>375,168</u>
Change in net position	(2,783,375)
Net position, beginning	<u>27,436,261</u>
Net position, ending	<u><u>\$ 24,652,886</u></u>

Historic

LONGWOOD



F l o r i d a

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

American Rescue Plan Act "ARPA" Fund

A special revenue fund used to account for the receipts and spending of the grant funds related to the American Rescue Plan Act.

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 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, the Building Permits and Inspections Fund, Police Impact Fee Fund, Fire Impact Fees Fund, Recreation Impact Fee Fund, and Public Works/Administration Impact Fees.

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 \$1,700 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, 2022 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 \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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 assets that applies to future periods 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 assets that applies to future periods 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 leases, special assessments and grants. The unavailable revenue from leases is also reported in the government-wide statement of net position. 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 and OPEB earnings reported in the enterprise and government-wide statement of net position.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position / Fund Balances

The 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 13 - 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 2022, the City has implemented GASB Statement No. 87 *Leases*. The statement requires the City to recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the contract’s payment arrangement. Under this statement, a lessee is required to recognize a lease liability and a right to use the leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, in doing so enhancing the relevance and consistency of information about the City’s leasing activities. Beginning accounts receivable for the general fund and governmental activities and deferred inflows were changed by \$603,963. There was no change to beginning fund balances or net position balances.

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 2022 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.

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 Public Works/Administration Impact Fees Fund has a deficit fund balance of \$11,032 at September 30, 2022.

Appropriations in Excess of Funds Available

Appropriations for the Stormwater Fund were in excess of anticipated revenue and available fund balance due to a beginning fund balance deficit.

Expenditures in Excess of Appropriations

The ARPA Fund contained expenditures in excess of appropriations for the fiscal year ended September 30, 2022.

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.

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022, all of the City's bank deposits were in qualified public depositories.

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, 2022 are detailed below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity</u>
LGIP:			
Florida Prime	<u>\$ 2,482,969</u>	AAAm	21 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.

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

The City has the following recurring fair value measurements as September 30, 2022:

Investments Valued by Fair Value Level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities:				
FMLVT Diversified Large Cap Equity	\$ 5,457,392	\$ -	\$ 5,493,327	\$ -
FMLVT Diversified Small to Mid Cap	3,441,598	-	3,464,260	-
FMLVT International Equity	4,154,501	-	4,181,857	-
Fixed Income:				
FMLVT Broad Market HQ Bond	3,662,843	-	3,686,963	-
FMLVT Core Plus Fixed Income	3,564,513	-	-	3,587,984
FMLVT Core Real Estate Fund	4,056,170	-	-	4,082,878
	<u>\$ 24,337,017</u>	<u>\$ -</u>	<u>\$ 16,826,407</u>	<u>\$ 7,670,862</u>

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, 2022 are detailed below:

Investment Type	Fair Value	Weighted Avg. Maturity	Credit Rating
Pension Fund:			
FMLVT Broad market HQ Bond Fund	\$ 3,662,843	6.70 years	AAf/S4
FMLVT Core Plus Fixed Income	3,564,513	8.92 years	Not rated
Equities	<u>17,109,661</u>	N/A	Not rated
Total investments	24,337,017		
Cash and cash equivalents	<u>245,828</u>		
Total cash and investments	<u>\$ 24,582,845</u>		

Interest Rate Risk

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

Credit Risk

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

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022, 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, 2022, there were no security investments in the Trust that were over their respective limitations.

NOTE 5 RECEIVABLES

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

	Accounts Receivable	Allowance for Uncollectible Accounts	Accounts Receivable, net
Governmental Funds:			
General Fund	\$ 1,780,571	\$ (5,162)	\$ 1,775,409
Public Facilities Improvement Fund	30,811	-	30,811
Stormwater Management Fund	124,493	(48,644)	75,849
Police Education Fund	574	-	574
	<u>1,936,449</u>	<u>(53,806)</u>	<u>1,882,643</u>
Proprietary Fund:			
Public Utilities	<u>647,673</u>	<u>(70,735)</u>	<u>576,938</u>
	<u><u>\$ 2,584,122</u></u>	<u><u>\$ (124,541)</u></u>	<u><u>\$ 2,459,581</u></u>

\$30,811 included in accounts receivable above in the Public Facilities Improvement Fund is not considered to be available to liquidate liabilities of the current period. These receivables totaling \$30,811 are reported as deferred inflows of resources in the governmental funds balance sheet.

Lease Receivables

Included in accounts receivable above in the General Fund is \$1,460,386 of lease receivables in accordance with the City's implementation of GASB Statement No. 87, *Leases*. These receivables totaling \$1,460,386 are reported as deferred inflows of resources in the general fund balance sheet and governmental activities statement of net position, see Note 8 Leases for further information.

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NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,672,052	\$ 429,000	\$ -	\$ 6,101,052
Construction in progress	2,729,402	2,351,679	(451,775)	4,629,306
Total capital assets, not being depreciated	8,401,454	2,780,679	(451,775)	10,730,358
Capital assets, being depreciated:				
Buildings	4,978,998	1,103,064	-	6,082,062
Improvements other than buildings	12,851,235	17,501	-	12,868,736
Infrastructure	40,597,359	451,775	-	41,049,134
Vehicles and equipment	11,675,320	859,631	(300,694)	12,234,257
Total capital assets, being depreciated	70,102,912	2,431,971	(300,694)	72,234,189
Less accumulated depreciation for:				
Buildings	(2,892,239)	(128,443)	-	(3,020,682)
Improvements other than buildings	(3,956,050)	(583,618)	-	(4,539,668)
Infrastructure	(17,653,089)	(1,180,873)	-	(18,833,962)
Vehicles and equipment	(9,655,055)	(765,211)	300,694	(10,119,572)
Total accumulated depreciation	(34,156,433)	(2,658,145)	300,694	(36,513,884)
Total capital assets, being depreciated, net	35,946,479	(226,174)	-	35,720,305
Governmental activities capital assets, net	\$44,347,933	\$ 2,554,505	\$ (451,775)	\$46,450,663

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NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 462,581	\$ -	\$ -	\$ 462,581
Construction in progress	6,939,058	3,621,440	(8,877,864)	1,682,634
Total capital assets, not being depreciated	7,401,639	3,621,440	(8,877,864)	2,145,215
Capital assets, being depreciated:				
Buildings	114,235	-	-	114,235
Improvements other than buildings	47,284,206	8,886,009	-	56,170,215
Vehicles and equipment	1,832,201	72,146	(56,971)	1,847,376
Intangibles	8,507,505	94,915	-	8,602,420
Total capital assets, being depreciated	57,738,147	9,053,070	(56,971)	66,734,246
Less accumulated depreciation for:				
Buildings	(90,973)	(3,040)	-	(94,013)
Improvements other than buildings	(20,305,003)	(1,527,841)	-	(21,832,844)
Vehicles and equipment	(1,537,385)	(91,550)	56,971	(1,571,964)
Intangibles	(3,552,347)	(215,061)	-	(3,767,408)
Total accumulated depreciation	(25,485,708)	(1,837,492)	56,971	(27,266,229)
Total capital assets, being depreciated, net	32,252,439	7,215,578	-	39,468,017
Business-type activities capital assets, net	\$ 39,654,078	\$ 10,837,018	\$ (8,877,864)	\$ 41,613,232

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

Governmental Activities:	
General government	\$ 547,182
Public safety	546,177
Highways and streets	1,250,166
Parks and recreation	314,620
Total depreciation expense, governmental activities	\$ 2,658,145
Business-type Activities:	
Public utilities	\$ 1,837,492

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 2022, \$94,915 additional units were acquired, and amortization was recorded in the amount of \$215,061, resulting in unamortized sewer capacity balance of \$4,835,012 at September 30, 2022.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at September 30, 2022 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	1,659,070
General Fund	Public Utilities Fund	2,688,220
General Fund	Capital Projects Fund	128,370
General Fund	Public Works/Administration Impact Fee Fund	11,032

The outstanding balances payable by the Special Assessments 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, 2022 is:

	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
Transfer Out:			
General Fund	\$ -	\$ 1,600,599	\$ 1,600,599
Nonmajor Governmental Funds	591,010	-	591,010
Public Utilities Fund	1,113,177	-	1,113,177
ARPA Fund	1,487,786		1,487,786
Total	\$ 3,191,973	\$ 1,600,599	\$ 4,792,572

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. Also, the transfer into the General Fund from the ARPA Fund was to cover the acquisition of a building.

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NOTE 8 LEASES

As lessor:

In October 2006, the City entered into a 50 year lease as lessor for the use of land. An initial lease receivable was recorded in the amount of \$603,963 in the year of implementation of GASB 87, *Leases*. The lessee is required to make monthly fixed payments of \$1,438.01. Every five years, the monthly rent will increase by the increase in the base index CPI. The lease has an interest rate of 0%. As of September 30, 2022, the value of the lease receivable and deferred inflow of resources is \$586,707 and the City recognized lease revenue of \$17,256 during the fiscal year.

In December 2021, the City entered into a 53 month lease as lessor for the use of office space. An initial lease receivable was recorded in the amount of \$418,182. The lessee is required to make monthly payments of \$7,609 to \$8,564. The lease has an interest rate of 0%. As of September 30, 2022, the value of the lease receivable and deferred inflow of resources is \$349,699 and the City recognized lease revenue of \$68,483 during the fiscal year.

In December 2021, the City entered into an 82 month lease as lessor for the use of office space. An initial lease receivable was recorded in the amount of \$580,353. The lessee is required to make monthly payments of \$6,264 to \$7,925. The lease has an interest rate of 0%. As of September 30, 2022, the value of the lease receivable and deferred inflow of resources is \$523,980 and the City recognized lease revenue of \$56,373 during the fiscal year.

Total minimum future lease payments to be received under lessor agreements in years subsequent to September 30, 2022 are:

Fiscal year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2023	\$ 188,311	\$ -	\$ 188,311
2024	194,862	-	194,862
2025	201,064	-	201,064
2026	164,599	-	164,599
2027	108,404	-	108,404
2028-2032	188,999	-	188,999
2033-2037	86,280	-	86,280
2038-2042	86,280	-	86,280
2043-2047	86,280	-	86,280
2048-2052	86,280	-	86,280
2053-2056	69,027	-	69,027
Total payments to be received	\$ 1,460,386	\$ -	\$ 1,460,386

The following is a schedule of approximate cost or carrying value and accumulated depreciation of capital assets under leases:

Land	\$ 429,000
Buildings	227,000
Less: accumulated depreciation	(473)
Capital Assets Held for Lease, Net	\$ 655,527

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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 \$706,306. For the fiscal year, principal and interest paid on this series was \$122,848. 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 \$1,576,640. For the fiscal year, principal and interest paid on this series was \$788,322 and total pledged revenue was \$1,573,322. 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 \$3,268,678. 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 \$940,930. For the fiscal year, principal and interest paid was \$314,143. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

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 \$1,378,309, and principal and interest paid was \$229,717. 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 \$3,537,848, 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 \$2,895,318, and principal and interest paid was \$166,099.

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 \$1,978,629. Principal and interest paid in the current year was \$108,924.

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 \$1,112,429, and principal and interest paid was \$61,898.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

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. Principal and interest remaining to be paid on this series is \$1,208,387, and there was no principal and interest paid during 2022.

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.

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
2023	\$ 1,613,839	\$ 160,421	\$ 659,553	\$ 84,865
2024	1,641,703	129,664	664,384	80,035
2025	1,234,604	98,507	669,264	75,156
2026	477,660	73,961	674,196	70,224
2027	490,511	61,110	679,176	65,244
2028-2032	1,722,718	135,008	2,926,046	250,806
2033-2037	-	-	2,706,211	123,494
2038-2040	-	-	1,019,418	15,696
	<u>\$ 7,181,035</u>	<u>\$ 658,671</u>	<u>\$ 9,998,248</u>	<u>\$ 765,520</u>

A summary of noncurrent liability activity for the year ended September 30, 2022 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes payable - direct borrowing	\$ 8,767,321	\$ -	\$ (1,586,286)	\$ 7,181,035	\$ 1,613,839
Net pension liability	557,393	2,404,714	-	2,962,107	-
OPEB liability	3,490,431	-	(456,235)	3,034,196	-
Compensated absences	1,045,998	646,726	(678,873)	1,013,851	101,385
	<u>\$ 13,861,143</u>	<u>\$ 3,051,440</u>	<u>\$ (2,721,394)</u>	<u>\$ 14,191,189</u>	<u>\$ 1,715,224</u>
Business-type Activities:					
Note payable - direct borrowing	\$ 32,939	\$ -	\$ (4,361)	\$ 28,578	\$ 4,471
SRF loan payable	9,240,878	1,206,582	(477,790)	9,969,670	655,082
Net pension liability	69,525	52,897	-	122,422	-
OPEB liability	471,680	-	(28,143)	443,537	-
Compensated absences	91,401	62,647	(79,085)	74,963	7,496
	<u>\$ 9,906,423</u>	<u>\$ 1,322,126</u>	<u>\$ (589,379)</u>	<u>\$ 10,639,170</u>	<u>\$ 667,049</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, 2022 are as follows:

Regular Class - Members not qualifying for other classes (14.91% [includes 3% employee contribution] from July 1, 2022 through September 30, 2022 and 13.82% [includes 3% employee contribution] from October 1, 2021 through June 30, 2022.)

Special Risk Class - members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (30.83% [includes 3% employee contribution] from July 1, 2022 through September 30, 2022 and 28.89% [includes 3% employee contribution] from October 1, 2021 through June 30, 2022.)

DROP - Members in DROP program (18.60% from July 1, 2022 through September 30, 2022 and 18.34% from October 1, 2021 through June 30, 2022.)

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.

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.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$93,841 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the City reported a liability of \$926,128 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was .00249 percent, which was a decrease of .0017 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$(171,243). In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,986	\$ -
Change of assumptions	114,057	-
Net difference between projected and actual earnings on pension plan Investments	61,152	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	662,582
Pension plan contributions subsequent to the measurement date	21,740	-
	<u>\$ 240,935</u>	<u>\$ 662,582</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$21,740 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, 2023. 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>	
2023	\$ (138,557)
2024	(153,743)
2025	(164,636)
2026	46,950
2027	(33,401)
Thereafter	-
	<u>\$ (443,387)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 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
Investment Rate of Return	6.70%, 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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed income	19.80%	4.40%	4.40%	3.20%
Global equities	54.00%	8.80%	7.30%	17.80%
Real estate	10.30%	7.40%	6.30%	15.70%
Private equity	11.10%	12.00%	8.90%	26.30%
Strategic investments	3.80%	6.20%	5.90%	7.80%
Total	100.00%			
Assumed Inflation - mean			2.40%	1.20%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. 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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

	Discount Rate Minus 1% 5.70%	Current Discount Rate 6.70%	Discount Rate Plus 1% 7.70%
City's proportionate share of net pension liability (FRS)	\$ 1,601,675	\$ 926,128	\$ 361,291

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2022, the City reported a payable in the amount of \$14,129 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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, 2022, 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, 2022, the HIS contribution for the period October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022 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 \$8,736 for the fiscal year September 30, 2022.

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

At September 30, 2022, the City reported a liability of \$177,761 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was .0017 percent, which was a decrease of .0009 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$(50,585). In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 5,395	\$ 782
Differences between expected and actual experience	10,190	27,500
Net difference between projected and actual earnings on pension plan investments	257	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	161,523
Pension plan contributions subsequent to the measurement date	1,925	-
	<u>\$ 17,767</u>	<u>\$ 189,805</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The deferred outflows of resources related to the HIS Plan, totaling \$1,925 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, 2023. 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,	
2023	\$ (45,876)
2024	(37,227)
2025	(32,805)
2026	(27,857)
2027	(22,286)
Thereafter	(7,912)
	<u>\$ (173,963)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2022, 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	3.54 % 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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.54%. 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 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate:

	Discount Rate Minus 1% 2.54%	Current Discount Rate 3.54%	Discount Rate Plus 1% 4.54%
City's proportionate share of net pension liability (HIS)	\$ 203,373	\$ 177,761	\$ 156,567

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 Annual Comprehensive Financial Report.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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 Annual Comprehensive 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, 2022, since none of the employees participating in the Florida Retirement System elected the Investment Plan.

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, 2022:

	Police and Firefighters' Pension Trust
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	72
Active Plan Members	77
	<u>161</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.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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.

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, 2022 was 22.82% 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, 2022, and the pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022. The components of the net pension liability of the sponsor on September 30, 2022 were as follows:

Total Pension Liability (Asset)	\$ 23,478,375
Less Fiduciary Net Position	<u>(21,497,735)</u>
Net Pension Liability (Asset)	<u><u>\$ 1,980,640</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.56%

The above plan fiduciary net position, or market value, does not agree to the Statement of Fiduciary Net Position on page 27 because the actuary is not including The DRAGO (Defined Retirement Accumulation Group Obligation) balance of \$3,155,151. 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, 2021 updated to September 30, 2022 using the following actuarial assumptions:

Inflation	2.62%
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 PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality). 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.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation	Expected Long-Term Real Return
Core Bonds	15.00%	1.60% per annum
Core plus	15.00%	2.10% per annum
U.S. Large Cap Equity	25.00%	4.60% per annum
U.S. Small Cap Equity	14.00%	5.50% per annum
Non-U.S. Equity	21.00%	6.70% per annum
Core real estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.38% per annum

Discount rate

The discount rate used to measure the total pension liability at September 30, 2022 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:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at September 30, 2021	\$ 20,808,804	\$ (24,560,637)	\$ (3,751,833)
Changes for a Year:			
Service cost	1,030,273	-	1,030,273
Expected interest growth	1,511,888	(1,747,060)	(235,172)
Unexpected investment income	-	5,618,364	5,618,364
Demographic experience	460,534	-	460,534
Contributions-employer & state	-	(1,166,541)	(1,166,541)
Contributions-employee	-	(53,614)	(53,614)
Benefit payments and refunds	(333,124)	333,124	-
Administrative expense	-	78,629	78,629
Assumption changes	-	-	-
Balances at September 30, 2022	\$ 23,478,375	\$ (21,497,735)	\$ 1,980,640

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

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

	Discount Rate Minus 1% 6.00%	Current Discount Rate 7.00%	Discount Rate Plus 1% 8.00%
Police and Firefighters':			
Net Pension Liability (Asset)	\$ 5,593,328	\$ 1,980,640	\$ (941,569)

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

For the year ended September 30, 2022 the City recognized pension expense of \$1,827,948. On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on MPF pension plan investments	\$ 2,937,558	\$ -
Net difference of demographic gain/loss	802,429	223,116
Net changes of assumptions	728,198	497,058
	<u>\$ 4,468,185</u>	<u>\$ 720,174</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
2023	\$ 953,546
2024	869,191
2025	721,459
2026	1,154,499
2027	49,316
Thereafter	-
	<u>\$ 3,748,011</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, 2022 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
MPF Pension Plan	\$ (1,980,640)	\$ (720,174)	\$ 4,468,185	\$ 1,827,948
FRS Pension Plan	(926,128)	(662,582)	240,935	(171,243)
HIS Pension Plan	(177,761)	(189,805)	17,767	(50,585)
	<u>\$ (3,084,529)</u>	<u>\$ (1,572,561)</u>	<u>\$ 4,726,887</u>	<u>\$ 1,606,120</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, 2022, employer contributions required and made totaled \$388,855.

At September 30, 2022, There were 81 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, 2022, 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, 2021, the valuation date, there were 135 active employees and 6 inactive employees currently receiving benefits. The OPEB liability of \$3,477,733 was measured as of September 30, 2022, and was determined by the actuarial valuation. The covered payroll was \$7,892,200, and the ratio of Net OPEB liability as a percentage of covered payroll was 44.07%.

Summary of actuarial methods and assumptions:

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

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

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

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	8%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2028
Additional Information	
Valuation Date	October 1, 2021
Measurement Date	September 30, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.77%
Inflation Rate	3%
Salary Rate Increase	3%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 7,892,200
Net OPEB Liability as a Percentage of Covered Payroll	44.07%

* Discount rate of 4.77% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2022

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

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2021 to September 30, 2022.

	Total OPEB Liability
Balance as of September 30, 2020	\$ 3,962,111
Changes for the year:	
Service Cost	\$ 297,891
Interest on Total OPEB Liability	200,457
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	(390,898)
Benefit Payments	(116,443)
Other Changes	(475,385)
Net Changes	<u>\$ (484,378)</u>
Balance as of September 30, 2021	<u><u>\$ 3,477,733</u></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 3.77%	Discount Rate 4.77%	Increase 5.77%
Total OPEB Liability	\$ 3,943,657	\$ 3,477,733	\$ 3,079,102

The following presents the total liability of the city using the 2022 healthcare cost trend rate of 8 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 2,961,033	\$ 3,477,733	\$ 4,112,377

For the fiscal year ended September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 561,922
Changes of assumptions	<u>340,218</u>	<u>460,747</u>
Total	<u><u>\$ 340,218</u></u>	<u><u>\$ 1,022,669</u></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:

<u>Fiscal Year Ending September 30,</u>	
2023	\$ (65,661)
2024	(65,661)
2025	(65,661)
2026	(65,661)
2027	(66,164)
Thereafter	<u>(353,643)</u>
	<u><u>(682,451)</u></u>

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, 2022, the City's governmental fund balances were classified as follows:

	General Fund	Public Facilities Improvement Fund	ARPA	Other Governmental Funds	Total Governmental Funds
Fund Balances					
Nonspendable:					
Prepays	\$ 23,602	\$ -	\$ -	\$ 1,078,124	\$ 1,101,726
Advances	2,828,220	-	-	-	2,828,220
Restricted for:					
Public safety - Special law enforcement	-	-	-	375,532	375,532
Building permits and inspection	-	-	-	428,145	428,145
ARPA	-	-	7,469	-	7,469
Police impact	-	-	-	1,674	1,674
Fire impact	-	-	-	12,222	12,222
Recreation impact	-	-	-	9,664	9,664
Committed to:					
Public facility improvement	-	1,376,215	-	-	1,376,215
Stormwater	-	-	-	112,524	112,524
Parks and Events	-	-	-	54,384	54,384
Citizens on Patrol (COPs)	-	-	-	19,511	19,511
Community Emergency Response Team (CERT)	-	-	-	12,141	12,141
Special assessments	-	-	-	42,779	42,779
Assigned for:					
Subsequent years expenditure	609,256	-	-	-	609,256
Capital projects	487,501	-	-	-	487,501
Unassigned	747,762	-	-	(63,309)	684,453
Total fund balance	\$4,696,341	\$ 1,376,215	\$ 7,469	\$ 2,083,391	\$ 8,163,416

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, 2022 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.

NOTE 14 COMMITMENTS AND CONTINGENCIES (Continued)

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, 2022, the City had entered into contracts for construction in the amount of \$7,699,043.

Encumbrances

At September 30, 2022, the City has the following significant encumbrances:

Public Facilities Improvement Fund	\$	92,436
Public Utilities Fund		1,146,593
Stormwater Fund		23,259
		<hr/>
	\$	1,262,288
		<hr/>

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year end, the City had additional loan draws of \$890,267 on SRF loan 590540. The City was also awarded an additional SRF loan for \$4,452,708, with interest at .52%. No amounts have been drawn on the loan.

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City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2022

Retiree Continuation Insurance Plan

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

Last 10 Fiscal Years*

	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability					
Service cost	\$ 297,891	\$ 366,962	\$ 389,460	\$ 222,862	\$ 220,186
Interest	200,457	98,745	74,158	108,836	101,706
Differences between expected and actual experience	-	-	(181,828)	-	-
Demographic gain/loss	(475,385)	-	-	-	-
Changes of assumptions	(390,898)	(133,798)	458,114	20,908	-
Benefit Payments	(116,443)	(132,062)	(106,432)	(81,391)	(75,797)
Other changes	-	-	-	-	-
Net change in total OPEB liability	(484,378)	199,847	633,472	271,215	246,095
Total OPEB liability, beginning	3,962,111	3,762,264	3,128,792	2,857,577	2,611,482
Total OPEB liability, ending	<u>\$ 3,477,733</u>	<u>\$ 3,962,111</u>	<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%	0.00%	0.00%
Covered-employee payroll	\$ 7,892,200	\$ 7,912,567	\$ 7,912,567	\$ 6,372,465	\$ 6,372,465
Net OPEB liability as a percentage of covered-employee payroll	44.07%	50.07%	47.55%	49.10%	44.84%

* Prior years' data is unavailable.

City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2022

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	2021	2022
Total Pension Liability:									
Service cost	\$ 474,397	\$ 362,084	\$ 618,506	\$ 853,537	\$ 780,844	\$ 842,962	\$ 936,881	\$ 979,468	\$ 1,030,273
Expected interest growth	544,108	685,935	512,750	815,869	1,034,948	1,115,500	1,230,672	1,387,401	1,511,888
Differences between expected and actual experience	-	(395,734)	191,162	1,208,857	(523,709)	(206,136)	342,623	103,773	460,534
Changes of assumptions	-	(1,074,401)	2,831,688	406,136	-	-	-	(474,641)	-
Benefit payments	(61,875)	(37,140)	(53,374)	(53,435)	(177,727)	(176,971)	(244,179)	(270,271)	(333,124)
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	1,725,730	2,669,571
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	19,083,074	20,808,804
Total pension liability, ending (a)	\$ 7,254,926	\$ 6,795,670	\$ 10,896,402	\$ 14,127,366	\$ 15,241,722	\$ 16,817,077	\$ 19,083,074	\$ 20,808,804	\$ 23,478,375
Plan Fiduciary Net Position:									
Contributions-employer	\$ 203,639	\$ 226,409	\$ 267,486	\$ 881,459	\$ 1,200,362	\$ 1,306,505	\$ 924,563	\$ 1,037,330	\$ 1,166,541
Contributions-state	306,831	279,151	288,494	-	-	-	-	-	-
Contributions-employee	30,855	34,304	40,529	41,578	41,442	45,730	48,810	51,492	53,614
Net Investment Income	750,974	(137,296)	832,676	1,662,867	1,038,867	868,873	1,189,885	4,143,227	(3,871,304)
Benefit Payments	(26,611)	(37,140)	(53,374)	(53,435)	(177,727)	(176,971)	(244,179)	(270,271)	(333,124)
Administrative Expense	(67,488)	(44,598)	(54,619)	(43,844)	(46,232)	(69,568)	(65,379)	(64,412)	(78,629)
Net change in plan fiduciary net position	1,198,200	320,830	1,321,192	2,488,625	2,056,712	1,974,569	1,853,700	4,897,366	(3,062,902)
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	19,663,271	24,560,637
Plan fiduciary net position, ending (b)	\$ 9,647,643	\$ 9,968,473	\$ 11,289,665	\$ 13,778,290	\$ 15,835,002	\$ 17,809,571	\$ 19,663,271	\$ 24,560,637	\$ 21,497,735
Net Pension Liability/(Asset) - ending (a) - (b)	\$ (2,392,717)	\$ (3,172,803)	\$ (393,263)	\$ 349,076	\$ (593,280)	\$ (992,494)	\$ (580,197)	\$ (3,751,833)	\$ 1,980,640
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%	118.03%	91.56%
Covered payroll	\$ 2,821,105	\$ 2,805,739	\$ 2,961,226	\$ 3,689,106	\$ 3,426,047	\$ 3,718,491	\$ 4,096,439	\$ 4,335,822	\$ 4,421,342
Net pension liability as a percentage of covered payroll	-84.81%	-113.08%	-13.28%	9.46%	-17.32%	-26.69%	-14.16%	-86.53%	44.80%

* Prior years' data is unavailable.

City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2022

Police and Firefighters' Pension Plan

Schedule of Contributions

Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reconciliation of Plan Fiduciary Net Position to the Statement of Net Position for the Fiduciary Fund:									
Plan fiduciary net position per RSI, end of year	\$ 9,647,643	\$ 9,968,473	\$ 11,289,665	\$ 13,778,290	\$ 15,835,002	\$ 17,809,571	\$ 19,663,271	\$ 24,560,637	\$ 21,497,735
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	2,875,624	3,155,151
Fiduciary fund net position, end of year	\$ 11,470,748	\$ 11,919,195	\$ 13,376,938	\$ 16,011,690	\$ 18,173,776	\$ 20,226,437	\$ 22,300,100	\$ 27,436,261	\$ 24,652,886

Schedule of Contributions

Actuarially determined contribution	\$ 493,914	\$ 471,925	\$ 631,429	\$ 1,124,702	\$ 1,159,109	\$ 1,011,565	\$ 989,397	\$ 1,140,514	\$ 1,223,481
Contributions in relation to actuarially determined contribution	493,914	471,925	555,980	881,459	1,200,362	1,306,505	924,563	1,037,330	1,166,541
Contribution excess (deficiency)	\$ -	\$ -	\$ (75,449)	\$ (243,243)	\$ 41,253	\$ 294,940	\$ (64,834)	\$ (103,184)	\$ (56,940)
Covered payroll	\$ 2,821,105	\$ 2,805,739	\$ 2,961,226	\$ 3,689,106	\$ 3,426,047	\$ 3,718,491	\$ 4,096,439	\$ 4,335,822	\$ 4,421,342
Contributions as a percentage of covered payroll	17.51%	16.82%	18.78%	23.89%	35.04%	35.14%	22.57%	23.92%	26.38%

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	10/1/2020	10/1/2021
Methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry Age Normal				Salary Increases	4%, including inflation			
Amortization Method	Level Percentage, open				Investment Rate of Return	7%			
Remaining Amortization Period	30 years				Retirement Age	Assumed to occur at normal retirement age			
Asset Valuation Method	Market Value				Mortality basis	Sex distinct rates set forth in the RP-2000 Blue Collar			
Inflation	2.62%				Mortality Table, with full generational improvements in mortality using Scale BB.				

Schedule of Investment Returns

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	8.45%	5.48%	4.08%	8.55%	7.00%	5.53%	6.60%	19.42%	-13.21%

* Prior years' data is unavailable.

** DRAGO is the Defined Retirement Accumulation Group Obligation. DRAGO Fund assets are combined 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**

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00249%	0.00416%	0.00482%	0.00522%	0.00614%	0.00685%	0.00747%	0.00825%
City's proportionate share of the net pension liability	\$ 926,128	\$ 314,366	\$ 2,089,906	\$ 1,797,534	\$ 1,850,039	\$ 2,025,647	\$ 1,886,066	\$ 1,065,428
City's covered payroll	\$ 611,632	\$ 924,214	\$ 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	151.42%	34.01%	209.13%	171.89%	157.82%	168.53%	140.50%	76.32%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00168%	0.00255%	0.00288%	0.00313%	0.00359%	0.00377%	0.00432%	0.00480%
City's proportionate share of the net pension liability	\$ 177,761	\$ 312,552	\$ 351,562	\$ 349,866	\$ 379,863	\$ 403,204	\$ 503,538	\$ 490,015
City's covered payroll	\$ 611,632	\$ 924,214	\$ 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	29.06%	33.82%	35.18%	33.46%	32.41%	33.55%	37.51%	35.10%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

** prior years not available

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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 93,841	\$ 148,792	\$ 157,052	\$ 165,469	\$ 167,849	\$ 183,096	\$ 182,157	\$ 213,505
Contributions in relation to the contractually required contributions	(93,841)	(148,792)	(157,052)	(165,469)	(167,849)	(183,096)	(182,157)	(213,505)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 526,159	\$ 864,892	\$ 949,756	\$ 1,073,567	\$ 1,099,332	\$ 1,232,564	\$ 1,342,395	\$ 1,396,020
Contributions as a percentage of covered payroll	17.84%	17.20%	16.54%	15.41%	15.27%	14.85%	13.57%	15.29%

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

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,736	\$ 14,144	\$ 15,768	\$ 17,825	\$ 18,253	\$ 20,465	\$ 22,145	\$ 18,367
Contributions in relation to the contractually required contributions	(8,736)	(14,144)	(15,768)	(17,825)	(18,253)	(20,465)	(22,145)	(18,367)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 526,159	\$ 864,892	\$ 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%	1.64%	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 FUND

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.

Historic

LONGWOOD



F l o r i d a

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Local option gas tax	\$ 371,452	\$ 371,452	\$ 373,875	\$ 2,423
Intergovernmental revenue	4,044,190	4,044,190	2,213,471	(1,830,719)
Special assessments	45,000	45,000	16,851	(28,149)
Investment earnings	10,000	10,000	3,634	(6,366)
Total revenues	<u>4,470,642</u>	<u>4,470,642</u>	<u>2,607,831</u>	<u>(1,862,811)</u>
Expenditures:				
Current:				
Highways and streets:				
Public facilities improvements	102,372	125,650	103,914	21,736
Debt service				
Principal	797,050	797,050	797,050	-
Interest and other charges	36,758	36,815	36,815	-
Capital outlay	4,663,000	5,123,885	2,125,507	2,998,378
Total expenditures	<u>5,599,180</u>	<u>6,083,400</u>	<u>3,063,286</u>	<u>3,020,114</u>
Excess (deficiency) of revenues over expenditures	<u>(1,128,538)</u>	<u>(1,612,758)</u>	<u>(455,455)</u>	<u>1,157,303</u>
Net change in fund balances	<u>(1,128,538)</u>	<u>(1,612,758)</u>	<u>(455,455)</u>	<u>1,157,303</u>
Fund balances, beginning	<u>1,831,670</u>	<u>1,831,670</u>	<u>1,831,670</u>	<u>-</u>
Fund balances, ending	<u>\$ 703,132</u>	<u>\$ 218,912</u>	<u>\$ 1,376,215</u>	<u>\$ 1,157,303</u>

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.

POLICE IMPACT FEE FUND - This fund is used to account for police impact fee special assessment revenue collected for police capital expenditures.

FIRE IMPACT FEE FUND - This fund is used to account for fire impact fee special assessment revenue collected for fire capital expenditures.

RECREATION IMPACT FEE FUND - This fund is used to account for recreation impact fee special assessment revenue collected for recreation capital expenditures.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

PUBLIC WORKS/ADMINISTRATION IMPACT FEE FUND - This fund is used to account for public works and administration impact fee special assessment revenue collected for public works and administration impact fee capital expenditures.

CAPITAL PROJECTS FUNDS

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

	Special Revenue Funds						
	Building Permits and Inspections	Police Education Fund	Special Law Enforcement Trust Fund	Stormwater Management Fund	Park and Events Fund	Citizens on Patrol (COPs) Fund	Community Emergency Response Team (CERT) Fund
Assets:							
Cash and cash equivalents	\$ 461,750	\$ 1,582	\$ 377,213	\$ 69,671	\$ 56,247	\$ 19,702	\$ 12,141
Accounts receivable, net	-	574	-	75,849	-	-	-
Prepays	2,813	-	-	-	678	-	-
Total assets	<u>\$ 464,563</u>	<u>\$ 2,156</u>	<u>\$ 377,213</u>	<u>\$ 145,520</u>	<u>\$ 56,925</u>	<u>\$ 19,702</u>	<u>\$ 12,141</u>
Liabilities:							
Liabilities:							
Accounts payable	\$ 1,333	\$ -	\$ 3,837	\$ 23,400	\$ 45	\$ 191	\$ -
Accrued expenditures	20,109	-	-	9,596	-	-	-
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other governments	1,265	-	-	-	-	-	-
Unearned revenue	10,898	-	-	-	1,818	-	-
Total liabilities	<u>33,605</u>	<u>-</u>	<u>3,837</u>	<u>32,996</u>	<u>1,863</u>	<u>191</u>	<u>-</u>
Fund Balances:							
Nonspendable	2,813	-	-	-	678		
Spendable:							
Restricted	428,145	2,156	373,376	-	-	-	-
Committed	-	-	-	112,524	54,384	19,511	12,141
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>430,958</u>	<u>2,156</u>	<u>373,376</u>	<u>112,524</u>	<u>55,062</u>	<u>19,511</u>	<u>12,141</u>
Total Liabilities, deferred inflows and fund balances	<u>\$ 464,563</u>	<u>\$ 2,156</u>	<u>\$ 377,213</u>	<u>\$ 145,520</u>	<u>\$ 56,925</u>	<u>\$ 19,702</u>	<u>\$ 12,141</u>

Special Revenue Funds

Special Assessments Fund	Police Impact Fees	Fire Impact Fees	Recreation Impact Fees	Public Works/ Administration Impact Fees	Total Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 403,619	\$ 1,674	\$ 12,222	\$ 9,664	\$ -	\$ 1,425,485	\$ -	\$ 1,425,485
-	-	-	-	-	76,423	-	76,423
-	-	-	-	-	3,491	1,074,633	1,078,124
<u>\$ 403,619</u>	<u>\$ 1,674</u>	<u>\$ 12,222</u>	<u>\$ 9,664</u>	<u>\$ -</u>	<u>\$ 1,505,399</u>	<u>\$ 1,074,633</u>	<u>\$ 2,580,032</u>
\$ 5,840	\$ -	\$ -	\$ -	\$ -	\$ 34,646	\$ 23,907	\$ 58,553
-	-	-	-	-	29,705	-	29,705
-	-	-	-	11,032	11,032	128,370	139,402
355,000	-	-	-	-	355,000	-	355,000
-	-	-	-	-	1,265	-	1,265
-	-	-	-	-	12,716	-	12,716
<u>360,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,032</u>	<u>444,364</u>	<u>152,277</u>	<u>596,641</u>
					3,491	1,074,633	1,078,124
-	1,674	12,222	9,664	-	827,237	-	827,237
42,779	-	-	-	-	241,339	-	241,339
-	-	-	-	(11,032)	(11,032)	(152,277)	(163,309)
<u>42,779</u>	<u>1,674</u>	<u>12,222</u>	<u>9,664</u>	<u>(11,032)</u>	<u>1,061,035</u>	<u>922,356</u>	<u>1,983,391</u>
<u>\$ 403,619</u>	<u>\$ 1,674</u>	<u>\$ 12,222</u>	<u>\$ 9,664</u>	<u>\$ -</u>	<u>\$ 1,505,399</u>	<u>\$ 1,074,633</u>	<u>\$ 2,580,032</u>

Combining Statement of Revenues, Expenditures and Changes in**Fund Balance - Nonmajor Governmental Funds**

Year Ended September 30, 2022

	Special Revenue Funds					
	Building Permits and Inspections	Police Education Fund	Special Law Enforcement Trust Fund	Stormwater Fund	Parks and Events Fund	Citizens on Patrol (COPs) Fund
Revenues:						
Licenses and permits	\$ 450,184	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	726,081	50,750	3,892
Fines and forfeitures	-	6,203	204,931	-	-	-
Special assessments	-	-	-	-	-	-
Investment earnings	1,256	-	711	108	133	38
Miscellaneous	24,019	-	-	-	-	701
Total revenues	475,459	6,203	205,642	726,189	50,883	4,631
Expenditures:						
Current:						
Public safety	560,811	2,213	15,320	-	-	10,404
Physical environment	-	-	-	470,197	-	-
Parks and Recreation	-	-	-	-	88,214	-
Debt service:						
Principal	3,697	-	-	24,376	-	-
Interest and other charges	558	-	-	4,487	-	-
Capital Outlay	-	-	93,600	32,725	-	-
Total expenditures	565,066	2,213	108,920	531,785	88,214	10,404
Excess (deficiency) of revenues over expenditures	(89,607)	3,990	96,722	194,404	(37,331)	(5,773)
Other Financing Sources (Uses):						
Proceeds from sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	-	5,000	4,000
Transfers out	(566,010)	-	-	(25,000)	-	-
Total other financing sources (uses)	(566,010)	-	-	(25,000)	5,000	4,000
Net change in fund balances	(655,617)	3,990	96,722	169,404	(32,331)	(1,773)
Fund balances, beginning	1,086,575	(1,834)	276,654	(56,880)	87,393	21,284
Fund balances, ending	\$ 430,958	\$ 2,156	\$ 373,376	\$ 112,524	\$ 55,062	\$ 19,511

Special Revenue Funds								
Community Emergency Response Team (CERT) Fund	Special Assessments Fund	Police Impact Fees	Fire Impact Fees	Recreation Impact Fees	Public Works/ Administration Impact Fees	Total Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,184	\$ -	\$ 450,184
1,676	-	3,584	7,385	4,288	2,226	799,882	-	799,882
-	-	-	-	-	-	211,134	-	211,134
-	94,446	-	-	-	-	94,446	-	94,446
26	795	3	21	15	-	3,106	429	3,535
-	-	-	-	-	-	24,720	-	24,720
1,702	95,241	3,587	7,406	4,303	2,226	1,583,472	429	1,583,901
3,853	-	4,114	-	-	-	596,715	-	596,715
-	58,786	-	-	-	6,460	535,443	-	535,443
-	-	-	-	-	-	88,214	-	88,214
-	-	-	-	-	-	28,073	-	28,073
-	-	-	-	-	-	5,045	-	5,045
-	-	-	-	-	8,193	134,518	692,674	827,192
3,853	58,786	4,114	-	-	14,653	1,388,008	692,674	2,080,682
(2,151)	36,455	(527)	7,406	4,303	(12,427)	195,464	(692,245)	(496,781)
-	-	-	-	-	-	-	-	-
1,086	-	-	-	-	-	10,086	1,590,513	1,600,599
-	-	-	-	-	-	(591,010)	-	(591,010)
1,086	-	-	-	-	-	(580,924)	1,590,513	1,009,589
(1,065)	36,455	(527)	7,406	4,303	(12,427)	(385,460)	898,268	512,808
13,206	6,324	2,201	4,816	5,361	1,395	1,446,495	24,088	1,470,583
\$ 12,141	\$ 42,779	\$ 1,674	\$ 12,222	\$ 9,664	\$ (11,032)	\$ 1,061,035	\$ 922,356	\$ 1,983,391

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 1,080,000	\$ 1,080,000	\$ 450,184	\$ (629,816)
Investment Earnings	3,000	3,000	1,256	(1,744)
Miscellaneous	62,000	62,000	24,019	(37,981)
Total revenues	<u>1,145,000</u>	<u>1,145,000</u>	<u>475,459</u>	<u>(669,541)</u>
Expenditures:				
Current:				
Public Safety:				
Building inspections	772,736	772,736	565,066	207,670
Total expenditures	<u>772,736</u>	<u>772,736</u>	<u>565,066</u>	<u>207,670</u>
Excess (deficiency) of revenues over expenditures	<u>372,264</u>	<u>372,264</u>	<u>(89,607)</u>	<u>(461,871)</u>
Other Financing Sources (Uses):				
Transfers Out	(566,010)	(566,010)	(566,010)	-
Total other financing sources(uses)	<u>(566,010)</u>	<u>(566,010)</u>	<u>(566,010)</u>	<u>-</u>
Net change in fund balances	<u>(193,746)</u>	<u>(193,746)</u>	<u>(655,617)</u>	<u>(461,871)</u>
Fund balances, beginning	1,086,575	1,086,575	1,086,575	-
Fund balances, ending	<u><u>\$ 892,829</u></u>	<u><u>\$ 892,829</u></u>	<u><u>\$ 430,958</u></u>	<u><u>\$ (461,871)</u></u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 7,000	\$ 7,000	\$ 6,203	\$ (797)
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>6,203</u>	<u>(797)</u>
Expenditures:				
Current:				
Public safety	<u>3,500</u>	<u>3,500</u>	<u>2,213</u>	<u>1,287</u>
Total public safety	<u>3,500</u>	<u>3,500</u>	<u>2,213</u>	<u>1,287</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	<u>2,213</u>	<u>1,287</u>
Excess (deficiency) of revenues over expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,990</u>	<u>(2,084)</u>
Fund balances, beginning	<u>(1,834)</u>	<u>(1,834)</u>	<u>(1,834)</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,666</u>	<u>\$ 1,666</u>	<u>\$ 2,156</u>	<u>\$ (2,084)</u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 37,000	\$ 106,600	\$ 204,931	\$ 98,331
Investment Earnings	1,350	1,350	711	(639)
Total revenues	<u>38,350</u>	<u>107,950</u>	<u>205,642</u>	<u>97,692</u>
Expenditures:				
Current:				
Public safety	35,500	35,500	15,320	20,180
Capital Outlay	-	93,600	93,600	-
Total public safety	<u>35,500</u>	<u>129,100</u>	<u>108,920</u>	<u>20,180</u>
Total expenditures	<u>35,500</u>	<u>129,100</u>	<u>108,920</u>	<u>20,180</u>
Excess (deficiency) of revenues over expenditures	<u>2,850</u>	<u>(21,150)</u>	<u>96,722</u>	<u>117,872</u>
Fund balances, beginning	276,654	276,654	276,654	-
Fund balances, ending	<u>\$ 279,504</u>	<u>\$ 255,504</u>	<u>\$ 373,376</u>	<u>\$ 117,872</u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 760,500	\$ 760,500	\$ 726,081	\$ (34,419)
Investment Earnings	3,000	3,000	108	(2,892)
Total revenues	<u>763,500</u>	<u>763,500</u>	<u>726,189</u>	<u>(37,311)</u>
Expenditures:				
Current:				
Physical environment	599,333	611,456	499,060	112,396
Capital Outlay	210,000	195,984	32,725	163,259
Total expenditures	<u>809,333</u>	<u>807,440</u>	<u>531,785</u>	<u>275,655</u>
Excess (deficiency) of revenues over expenditures	<u>(45,833)</u>	<u>(43,940)</u>	<u>194,404</u>	<u>238,344</u>
Other Financing Sources (Uses):				
Transfers Out	(25,000)	(25,000)	(25,000)	-
Total other financing sources and uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances	<u>(70,833)</u>	<u>(68,940)</u>	<u>169,404</u>	<u>238,344</u>
Fund balances, beginning	(56,880)	(56,880)	(56,880)	-
Fund balances, ending	<u>\$ (127,713)</u>	<u>\$ (125,820)</u>	<u>\$ 112,524</u>	<u>\$ 238,344</u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 60,450	\$ 60,450	\$ 50,750	\$ (9,700)
Investment Earnings	-	-	133	133
Miscellaneous	4,150	4,150	-	(4,150)
Total revenues	64,600	64,600	50,883	(13,717)
Expenditures:				
Current:				
Parks and Recreation	157,007	156,993	88,214	68,779
Total expenditures	157,007	156,993	88,214	68,779
Excess (deficiency) of revenues over expenditures	(92,407)	(92,393)	(37,331)	55,062
Other Financing Sources (Uses):				
Transfers In	5,000	5,000	5,000	-
Total other financing sources and uses	5,000	5,000	5,000	-
Net change in fund balances	(87,407)	(87,393)	(32,331)	55,062
Fund balances, beginning	87,393	87,393	87,393	-
Fund balances, ending	\$ (14)	\$ -	\$ 55,062	\$ 55,062

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 2,800	\$ 2,800	\$ 3,892	\$ 1,092
Investment Earnings	100	100	38	(62)
Miscellaneous	600	600	701	101
Total revenues	3,500	3,500	4,631	1,131
Expenditures:				
Current:				
Public Safety	11,675	11,675	10,404	1,271
Total expenditures	11,675	11,675	10,404	1,271
Excess (deficiency) of revenues over expenditures	(8,175)	(8,175)	(5,773)	2,402
Other Financing Sources (Uses):				
Transfers In	4,000	4,000	4,000	-
Total other financing sources and uses	4,000	4,000	4,000	-
Net change in fund balances	(4,175)	(4,175)	(1,773)	2,402
Fund balances, beginning	21,284	21,284	21,284	-
Fund balances, ending	\$ 17,109	\$ 17,109	\$ 19,511	\$ 2,402

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 4,500	\$ 4,500	\$ 1,676	\$ (2,824)
Investment Earnings	-	-	26	26
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>1,702</u>	<u>(2,798)</u>
Expenditures:				
Current:				
Public Safety	<u>8,100</u>	<u>8,100</u>	<u>3,853</u>	<u>4,247</u>
Total expenditures	<u>8,100</u>	<u>8,100</u>	<u>3,853</u>	<u>4,247</u>
Excess (deficiency) of revenues over expenditures	<u>(3,600)</u>	<u>(3,600)</u>	<u>(2,151)</u>	<u>1,449</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,086</u>	<u>1,086</u>	<u>1,086</u>	<u>-</u>
Total other financing sources and uses	<u>1,086</u>	<u>1,086</u>	<u>1,086</u>	<u>-</u>
Net change in fund balances	<u>(2,514)</u>	<u>(2,514)</u>	<u>(1,065)</u>	<u>1,449</u>
Fund balances, beginning	<u>13,206</u>	<u>13,206</u>	<u>13,206</u>	<u>-</u>
Fund balances, ending	<u>\$ 10,692</u>	<u>\$ 10,692</u>	<u>\$ 12,141</u>	<u>\$ 1,449</u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Beautification assessments	\$ 100,087	\$ 100,087	\$ 94,446	\$ (5,641)
Investment earnings	3,500	3,500	795	(2,705)
Total revenues	<u>103,587</u>	<u>103,587</u>	<u>95,241</u>	<u>(8,346)</u>
Expenditures:				
Current:				
Physical environment:				
Streets and fleet	87,391	87,391	58,786	28,605
Total expenditures	<u>87,391</u>	<u>87,391</u>	<u>58,786</u>	<u>28,605</u>
Excess (deficiency) of revenues over expenditures	<u>16,196</u>	<u>16,196</u>	<u>36,455</u>	<u>20,259</u>
Fund balance, beginning	<u>6,324</u>	<u>6,324</u>	<u>6,324</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 22,520</u></u>	<u><u>\$ 22,520</u></u>	<u><u>\$ 42,779</u></u>	<u><u>\$ 20,259</u></u>

Police Impact Fund**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 142,896	\$ 142,896	\$ 3,584	\$ (139,312)
Investment earnings	-	-	3	3
Total revenues	<u>142,896</u>	<u>142,896</u>	<u>3,587</u>	<u>(139,309)</u>
Expenditures:				
Current:				
Public Safety				
Police	143,400	143,400	4,114	139,286
Total expenditures	<u>143,400</u>	<u>143,400</u>	<u>4,114</u>	<u>139,286</u>
Excess (deficiency) of revenues over expenditures	<u>(504)</u>	<u>(504)</u>	<u>(527)</u>	<u>(23)</u>
Fund balance, beginning	2,201	2,201	2,201	-
Fund balance, ending	<u>\$ 1,697</u>	<u>\$ 1,697</u>	<u>\$ 1,674</u>	<u>\$ (23)</u>

Fire Impact Fund**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 284,233	\$ 284,233	\$ 7,385	\$ (276,848)
Investment earnings	-	-	21	21
Total revenues	<u>284,233</u>	<u>284,233</u>	<u>7,406</u>	<u>(276,827)</u>
Expenditures:				
Current:				
Public Safety				
Fire	105,000	105,000	-	105,000
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Excess (deficiency) of revenues over expenditures	<u>179,233</u>	<u>179,233</u>	<u>7,406</u>	<u>(171,827)</u>
Fund balance, beginning	4,816	4,816	4,816	-
Fund balance, ending	<u>\$ 184,049</u>	<u>\$ 184,049</u>	<u>\$ 12,222</u>	<u>\$ (171,827)</u>

City of Longwood, Florida
Recreation Impact Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 322,894	\$ 322,894	\$ 4,288	\$ (318,606)
Investment earnings	-	-	15	15
Total revenues	<u>322,894</u>	<u>322,894</u>	<u>4,303</u>	<u>(318,591)</u>
Expenditures:				
Current:				
Parks and recreation	<u>21,529</u>	<u>21,529</u>	-	21,529
Total expenditures	<u>21,529</u>	<u>21,529</u>	<u>-</u>	<u>21,529</u>
Excess (deficiency) of revenues over expenditures	<u>301,365</u>	<u>301,365</u>	<u>4,303</u>	<u>(297,062)</u>
Fund balance, beginning	<u>5,361</u>	<u>5,361</u>	<u>5,361</u>	-
Fund balance, ending	<u><u>\$ 306,726</u></u>	<u><u>\$ 306,726</u></u>	<u><u>\$ 9,664</u></u>	<u><u>\$ (297,062)</u></u>

Public Works/ Administration Impact Fund**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 98,205	\$ 98,205	\$ 2,226	\$ (95,979)
Total revenues	<u>98,205</u>	<u>98,205</u>	<u>2,226</u>	<u>(95,979)</u>
Expenditures:				
Current:				
Public Works	99,600	99,600	14,653	84,947
Total expenditures	<u>99,600</u>	<u>99,600</u>	<u>14,653</u>	<u>84,947</u>
Excess (deficiency) of revenues over expenditures	<u>(1,395)</u>	<u>(1,395)</u>	<u>(12,427)</u>	<u>(11,032)</u>
Fund balance, beginning	1,395	1,395	1,395	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,032)</u>	<u>\$ (11,032)</u>

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Investment earnings	6,000	6,000	429	(5,571)
Total revenues	<u>106,000</u>	<u>106,000</u>	<u>429</u>	<u>(105,571)</u>
Expenditures				
Current:				
Capital outlay	<u>5,332,488</u>	<u>6,100,156</u>	<u>692,674</u>	<u>5,407,482</u>
Total expenditures	<u>5,332,488</u>	<u>6,100,156</u>	<u>692,674</u>	<u>5,407,482</u>
Excess (deficiency) of revenues over expenditures	<u>(5,226,488)</u>	<u>(5,994,156)</u>	<u>(692,245)</u>	<u>5,301,911</u>
Other Financing Sources (Uses):				
Transfers in	55,000	2,273,713	1,590,513	(683,200)
Notes payable issued	<u>5,239,945</u>	<u>3,704,432</u>	<u>-</u>	<u>(3,704,432)</u>
Total Other Financing Sources (Uses)	<u>5,294,945</u>	<u>5,978,145</u>	<u>1,590,513</u>	<u>(4,387,632)</u>
Net change in fund balances	<u>68,457</u>	<u>(16,011)</u>	<u>898,268</u>	<u>914,279</u>
Fund balances, beginning	<u>24,088</u>	<u>24,088</u>	<u>24,088</u>	<u>-</u>
Fund balances, ending	<u>\$ 92,545</u>	<u>\$ 8,077</u>	<u>\$ 922,356</u>	<u>\$ 914,279</u>

STATISTICAL SECTION

Historic

LONGWOOD



F l o r i d a

Statistical Section

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

Contents	<u>Page</u>
Financial Trends	83
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	89
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	93
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The City of Longwood has no general obligation bonds outstanding.	
Demographic and Economic Information	95
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	97
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 annual comprehensive 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 34,732	\$ 34,534	\$ 34,957	\$ 33,357	\$ 28,923	\$ 34,491	\$ 35,441	\$ 34,389	\$ 35,581	\$ 39,269
Restricted	126	206	191	255	64	112	145	1,251	1,377	838
Unrestricted	6,573	7,133	7,382	7,331	10,872	4,819	3,966	4,081	3,492	2,869
Total Governmental Activities Net Position	41,431	41,873	42,530	40,943	39,859	39,422	39,552	39,721	40,450	42,976
Business-type Activities										
Net Investment in Capital Assets	14,037	14,756	14,228	15,547	20,447	22,477	25,626	29,386	30,380	31,615
Restricted	-	-	-	-	858	1,989	2,883	3,230	3,866	3,372
Unrestricted	2,969	2,258	2,828	1,590	(1,180)	(1,180)	(4,516)	(7,243)	(4,907)	(5,611)
Total Business-type Activities Net Position	17,006	17,014	17,056	17,137	20,125	23,286	23,993	25,373	29,339	29,376
Primary Government										
Net Investment in Capital Assets	48,769	49,290	49,185	48,904	49,370	56,968	61,067	63,775	65,961	70,884
Restricted	126	206	191	255	922	2,101	3,028	4,481	5,243	4,210
Unrestricted	9,542	9,391	10,210	8,921	9,692	3,639	(550)	(3,162)	(1,415)	(2,742)
Total Primary Government Net Position	\$ 58,437	\$ 58,887	\$ 59,586	\$ 58,080	\$ 59,984	\$ 62,708	\$ 63,545	\$ 65,094	\$ 69,789	\$ 72,352

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General government	\$ 2,872	\$ 3,009	\$ 3,066	\$ 3,765	\$ 4,320	\$ 4,596	\$ 4,558	\$ 4,251	\$ 4,181	\$ 4,365
Public safety	7,705	8,280	8,679	9,098	9,546	9,580	10,240	10,675	10,491	11,691
Physical environment	800	252	289	740	312	337	288	439	578	582
Highways and streets	2,289	2,231	2,138	2,490	2,245	3,038	2,473	2,346	2,486	2,635
Sanitation	1,005	1,024	1,027	1,032	1,031	936	1,084	1,136	1,060	1,199
Parks and recreation	868	847	1,159	1,176	1,111	1,220	1,409	1,501	1,657	1,771
Interest & other fiscal charges on long-term debt	66	51	35	65	305	255	274	272	211	181
Total Governmental Activities Expenses	15,605	15,694	16,393	18,366	18,870	19,962	20,326	20,620	20,664	22,424
Business-type Activities:										
Public Utilities	2,182	2,450	2,646	2,689	3,131	3,563	4,179	4,736	5,050	5,416
Total Primary Government Expense	\$ 17,787	\$ 18,144	\$ 19,039	\$ 21,055	\$ 22,001	\$ 23,525	\$ 24,505	\$ 25,356	\$ 25,714	\$ 27,840
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 12	\$ 75	\$ 141	\$ 115	\$ 130	\$ 138	\$ 165	\$ 98	\$ 71	\$ 192
Public safety	1,315	1,604	1,794	1,554	1,873	2,014	2,375	1,989	2,581	2,036
Physical environment	708	712	718	713	734	758	758	788	789	819
Highways and streets	-	-	-	-	-	-	-	-	-	-
Sanitation	1,096	1,105	1,113	1,108	1,118	1,095	1,104	1,123	1,137	1,138
Parks and recreation	191	196	204	179	186	162	189	153	196	271
Operating grants and contributions	875	1,003	676	627	657	1,264	1,238	1,638	1,020	1,330
Capital grants and contributions	532	32	686	817	1,094	2,525	1,030	1,021	1,343	3,951
Total Governmental Activities Program Revenues	\$ 4,729	\$ 4,727	\$ 5,332	\$ 5,113	\$ 5,792	\$ 7,956	\$ 6,859	\$ 6,810	\$ 7,137	\$ 9,737
Business-type Activities:										
Charges for services:										
Public Utilities	3,059	3,314	3,685	3,882	5,299	4,841	5,159	5,483	5,584	5,675
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	177	185	548	-	2,129	3,271	1,084	1,699	3,872	863
Total Business-type Activities Program Revenues	3,236	3,499	4,233	3,882	7,428	8,112	6,243	7,182	9,456	6,538
Total Primary Government Program Revenues	\$ 7,965	\$ 8,226	\$ 9,565	\$ 8,995	\$ 13,220	\$ 16,068	\$ 13,102	\$ 13,992	\$ 16,593	\$ 16,275

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental Activities	\$ (10,876)	\$ (10,967)	\$ (11,061)	\$ (13,253)	\$ (13,078)	\$ (12,006)	\$ (13,467)	\$ (13,810)	\$ (13,527)	\$ (12,687)
Business-type Activities	1,054	1,049	1,587	1,193	4,297	4,549	2,064	2,446	4,406	1,122
Total Primary Government Net Expense	<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>	<u>\$ (9,121)</u>	<u>\$ (11,565)</u>

General Revenues and Other Changes in Net Position

Governmental Activities:										
Taxes										
Property taxes	\$ 4,489	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325	\$ 6,866	\$ 7,224
Franchise and utility taxes	2,813	2,936	2,971	2,994	3,107	3,212	3,449	3,547	3,606	3,884
Communications services tax	990	879	785	762	768	771	771	777	696	745
Unrestricted intergovernmental revenues	1,562	1,673	1,725	1,726	1,519	1,598	1,621	1,520	1,764	2,028
Unrestricted investment earnings	28	9	19	25	74	116	99	58	8	20
Gain on sale of capital assets	-	-	33	-	68	58	-	9	57	139
Miscellaneous revenues	65	276	172	259	136	425	353	643	184	59
Transfers in (out)	1,104	1,063	1,328	1,145	1,320	1,303	1,406	1,101	1,075	1,113
Total Governmental Activities	<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>	<u>\$ 14,256</u>	<u>\$ 15,212</u>
Business-type Activities:										
Investment earnings	4	1	11	10	11	17	39	25	3	7
Gain on sale of capital assets	-	-	5	-	-	2	2	9	57	20
Miscellaneous revenues	22	21	32	23	-	-	6	-	-	-
Transfers in (out)	(1,104)	(1,063)	(1,328)	(1,145)	(1,320)	(1,303)	(1,406)	(1,101)	(1,075)	(1,113)
Total Business-type Activities	<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>	<u>(1,015)</u>	<u>(1,086)</u>
Total Primary Government	<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>	<u>\$ 13,241</u>	<u>\$ 14,126</u>
Change in Net Position										
Governmental Activities	\$ 175	\$ 442	\$ 617	\$ (1,587)	\$ (1,084)	\$ 858	\$ 131	\$ 170	\$ 729	\$ 2,525
Business-type Activities	(24)	8	307	81	2,988	3,265	705	1,379	3,391	36
Total Primary Government	<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>	<u>\$ 4,120</u>	<u>\$ 2,561</u>

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

Fiscal Year	Property Tax	Franchise Fee	Utility Tax	Local Option		Sales Tax	State Revenue Sharing		Total
				Gas Tax					
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
2021	\$ 6,866	\$ 1,754	\$ 2,548	\$ 356		\$ 1,017	\$ 580		\$ 13,121
2022	\$ 7,224	\$ 1,979	\$ 2,650	\$ 374		\$ 1,199	\$ 710		\$ 14,136

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 143	\$ 145	\$ 140	\$ 144	\$ 145	\$ 144	\$ 148	\$ 164	\$ 2,052	\$ 2,852
Assigned	1,367	1,488	1,370	757	1,226	135	-	869	487	1,097
Unassigned	3,041	3,083	2,768	3,066	1,951	2,745	3,780	4,253	2,801	748
Total General Fund	\$ 4,551	\$ 4,716	\$ 4,278	\$ 3,967	\$ 3,322	\$ 3,024	\$ 3,928	\$ 5,286	\$ 5,340	\$ 4,697
All Other Governmental Funds										
Nonspendable	\$ 445	\$ 215	\$ 2	\$ -	\$ -	\$ 514	\$ 30	\$ -	\$ -	\$ 1,078
Restricted	169	462	930	1,088	1,316	1,647	1,655	1,251	1,377	835
Committed	2,163	2,776	2,949	3,846	8,417	2,656	2,316	2,484	1,960	1,618
Assigned	-	-	-	-	-	-	-	617	24	-
Unassigned	(255)	(201)	(181)	(178)	(234)	(99)	(161)	(48)	(58)	(63)
Total All Other Governmental Funds	\$ 2,522	\$ 3,252	\$ 3,700	\$ 4,756	\$ 9,499	\$ 4,718	\$ 3,840	\$ 4,304	\$ 3,303	\$ 3,468

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									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes										
Property	\$ 4,489	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325	\$ 6,866	\$ 7,224
Local Option Gas Tax	361	365	379	392	405	406	407	354	356	374
Franchise and utility taxes	3,803	3,815	3,756	3,755	3,875	3,982	4,220	4,324	4,303	4,629
Licenses and Permits	380	615	892	516	1,022	1,008	1,240	917	1,357	626
Intergovernmental	2,441	2,518	2,708	2,779	2,865	4,488	4,257	4,048	3,926	7,091
Charges for Services	2,703	2,752	2,756	2,786	2,728	2,713	2,847	2,733	2,881	3,214
Impact Fees/Assessments	147	151	147	147	140	187	118	118	121	111
Fines and Forfeitures	188	270	219	236	158	152	168	137	262	348
Investment Earnings	(65)	32	19	25	75	116	99	58	8	20
Miscellaneous	163	185	326	334	212	504	432	691	211	159
Total revenues	\$ 14,610	\$ 15,276	\$ 15,847	\$ 15,725	\$ 16,482	\$ 18,937	\$ 19,687	\$ 19,705	\$ 20,291	\$ 23,796
Expenditures										
General Government	2,658	2,731	3,125	3,399	3,550	3,940	3,829	3,520	3,636	3,824
Public Safety	7,699	7,505	8,082	7,986	8,384	8,813	9,469	9,477	10,289	10,686
Physical Environment	311	310	280	333	286	251	195	545	552	535
Highways and Streets	1,411	1,356	1,261	1,273	1,445	1,778	1,400	1,078	1,265	1,330
Sanitation	1,005	1,024	1,027	1,032	1,031	936	1,085	1,136	1,060	1,199
Parks and Recreation	772	819	879	969	994	1,129	1,425	1,506	1,519	1,440
Capital Outlay	2,914	1,222	2,449	2,044	6,689	8,920	1,921	1,449	2,277	4,656
Debt Service										
Principal	627	725	384	357	1,056	1,347	1,490	1,407	1,547	1,586
Interest	66	51	35	44	251	220	252	277	226	191
Total expenditures	\$ 17,463	\$ 15,743	\$ 17,522	\$ 17,437	\$ 23,686	\$ 27,334	\$ 21,066	\$ 20,395	\$ 22,371	\$ 25,447
Excess of Revenues Over (Under) Expenditures	(2,853)	(467)	(1,675)	(1,712)	(7,204)	(8,397)	(1,379)	(690)	(2,080)	(1,651)
Other Financing Sources (Uses)										
Transfers In	1,430	1,255	1,628	1,508	1,690	2,360	2,198	1,938	1,632	4,793
Transfers Out	(326)	(192)	(300)	(363)	(370)	(1,057)	(792)	(838)	(556)	(3,679)
Notes Payable Issued	-	-	-	1,313	9,900	1,955	-	1,400	-	-
Finance Lease Proceeds	480	206	357	-	-	-	-	-	-	-
Sale of Capital Assets	143	93	-	-	82	58	-	10	59	58
Total Other Financing Sources (Uses)	1,727	1,362	1,685	2,458	11,302	3,316	1,406	2,510	1,135	1,172
Net Change in Fund Balances	\$ (1,126)	\$ 895	\$ 10	\$ 746	\$ 4,098	\$ (5,081)	\$ 27	\$ 1,820	\$ (945)	\$ (479)
Debt Service as a Percentage of Noncapital Expenditures	4.76%	5.34%	2.76%	2.54%	7.72%	8.30%	9.08%	8.90%	8.81%	8.59%

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

Fiscal Year Ended September 30	Real Property	Taxable Agricultural Property	Personal Property	Centrally Assessed Property	Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	\$ 758,526	-	\$ 84,706	\$ 526	\$ 277,483	\$ 843,758	5.5000	\$ 1,121,241	75.25%
2014	\$ 797,789	-	\$ 77,146	\$ 564	\$ 322,883	\$ 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%
2021	\$ 1,282,734	-	\$ 93,015	\$ 712	\$ 585,879	\$ 1,288,614	5.5000	\$ 1,874,493	68.74%
2022	\$ 1,496,247	-	\$ 108,587	\$ 752	\$ 633,791	\$ 1,375,853	5.5000	\$ 2,009,644	68.46%

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						
	City of Longwood Operating Millage	Debt Service Millage	Total Direct Millage	Seminole County			School District		St. John's Water Management District	Total Direct & Overlapping Rates
				Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage		
2013	5.5000	-	5.5000	4.8751	0.1700	5.0451	7.5530	-	0.3313	18.4294
2014	5.5000	-	5.5000	4.8751	-	4.8751	8.3610	-	0.3283	19.0644
2015	5.5000	-	5.5000	4.8751	-	4.8751	7.8970	-	0.3164	18.5885
2016	5.5000	-	5.5000	4.8751	-	4.8751	7.8490	-	0.3023	18.5264
2017	5.5000	-	5.5000	4.8751	-	4.8751	7.5570	-	0.2885	18.2206
2018	5.5000	-	5.5000	4.8751	-	4.8751	6.5690	-	0.2724	17.2165
2019	5.5000	-	5.5000	4.8751	-	4.8751	6.3130	-	0.2562	16.9443
2020	5.5000	-	5.5000	4.8751	-	4.8751	6.1330	-	0.2414	16.7495
2021	5.5000	-	5.5000	4.8751	-	4.8751	5.9340	-	0.2287	16.5378
2022	5.5000	-	5.5000	4.8751	-	4.8751	5.8250	-	0.2189	16.4190

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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PR II/Wood Longwood LLC	\$ 63,406	1	4.61%	\$ -	-	-
Sreit Longwood FI Holdings LLC	49,382	2	3.59%	-	-	-
RS Weston Park LLC	31,580	3	2.30%	-	-	-
United Parcel Service, Inc.	27,308	4	1.98%	7,977	4	0.95%
Watervue Partners LLC	19,893	5	1.45%	-	-	0.00%
Duke Energy Florida Inc	14,837	6	1.08%	9,824	2	-
1944 Unionport Assoc LLC	12,247	7	0.89%	7,109	5	0.84%
American Eagle Island Lake LLC	12,150	8	0.88%	-	-	-
Alta Cypress LLC	9,812	9	0.71%	-	-	0.00%
Infinity Heritage Park LLC	8,988	10	0.65%	-	-	0.00%
CMCP-Island Lake LLC	-	-	-	13,894	1	1.65%
American Industrial Center LTD	-	-	-	9,658	3	1.14%
American Industrial Center IX	-	-	-	6,752	6	0.80%
GS Realty	-	-	-	5,936	7	0.70%
Woods Family Properties DJW	-	-	-	5,651	8	0.67%
Garrison Orlando Flex	-	-	-	5,193	9	0.62%
Orlando Mob Owners LLC	-	-	-	4,692	10	0.56%
Totals	<u>\$ 249,603</u>		<u>18.14%</u>	<u>\$ 76,686</u>		<u>7.92%</u>

Source: Seminole County Property Appraiser

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount		Percentage of Levy	
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%	
2021	\$ 7,087	\$ 6,866	96.88%	\$ -	\$ 6,866	96.88%	
2022	\$ 7,567	\$ 7,224	95.47%	\$ -	\$ 7,224	95.47%	

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

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

Fiscal Year Ended September 30	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Finance Leases	Revenue Bonds	Finance Leases	Water Revenue Bonds	Notes Payable				
2013	n/a	\$ 1,951	n/a	n/a	n/a	n/a	\$ 1,951	0.50%	\$ 142	
2014	n/a	\$ 1,432	n/a	n/a	n/a	n/a	\$ 1,432	0.38%	\$ 106	
2015	n/a	\$ 1,405	n/a	n/a	n/a	n/a	\$ 1,405	0.36%	\$ 102	
2016	\$ 1,313	\$ 1,047	n/a	n/a	n/a	\$ 1,313	\$ 3,673	0.96%	\$ 257	
2017	\$ 10,418	\$ 798	n/a	\$ 104	n/a	\$ 1,791	\$ 13,111	3.14%	\$ 891	
2018	\$ 11,292	\$ 520	n/a	\$ 70	n/a	\$ 5,661	\$ 17,543	4.06%	\$ 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	
2021	\$ 8,767	\$ -	n/a	\$ -	n/a	\$ 9,274	\$ 18,041	3.78%	\$ 1,178	
2022	\$ 7,181	\$ -	n/a	\$ -	n/a	\$ 9,998	\$ 17,179	3.16%	\$ 1,100	

Note: No Revenue Bond Debt

City of Longwood, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Debt:			
Seminole County GO Debt	\$ -	0.00%	\$ -
Subtotal Overlapping Debt	<u>\$ -</u>		<u>\$ -</u>
Direct Debt:			
City of Longwood Finance Leases	\$ -	100.00%	\$ -
City of Longwood Notes Payable	\$ 7,181	100.00%	\$ 7,181
Subtotal Overlapping Debt	<u>\$ 7,181</u>		<u>\$ 7,181</u>
Total direct and overlapping debt	<u><u>\$ 7,181</u></u>		<u><u>\$ 7,181</u></u>

Sources:

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

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

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Personal Income ¹</u>	<u>Median Age ¹</u>	<u>Education Level in Years of Formal Schooling ¹</u>	<u>School Enrollment ²</u>	<u>Unemploy-ment Rate ³</u>
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%
2021	15,311	\$ 477,719	\$ 31,201	44.2	13.75	2,050	4.2%
2022	15,612	\$ 543,704	\$ 34,826	44.4	13.86	2,010	2.5%

Sources:

- 1 Orlando Economic Partnership
- 2 Lyman High School
- 3 Florida Department of Economic Opportunity

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Orlando Health-South Seminole Hospital	1022	1	6.56%	1007	1	7.46%
UPS	495	2	3.18%	493	2	6.01%
D&A Building Services	494	3	3.17%	*	*	*
Comprehensive Energy Services	250	4	1.60%	141	6	1.05%
Collis Roofing	234	5	1.50%	200	3	1.48%
S.I. Goldman	234	6	1.50%	*	*	*
Seminole County Schools	222	7	1.43%	*	*	*
Cascade Heights	202	8	1.30%	*	*	*
Transform Home Pro	200	9	1.28%	*	*	*
Criticom Monitoring Services	193	10	1.24%	*	*	*
Total	3,546		22.76%	1,841		16.00%

Sources:

- 1 City of Longwood Economic Development Department
- 2 Per Orlando Economic Partnership, the City of Longwood has an estimated workplace population of 15,578 with approximately 1,758 business establishments for 2022.
- 3 * Information is not available.

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	25	27	27	28	29	32	32	33	33	34
Public Safety:										
Police										
Sworn Officers	40	40	42	43	43	43	44	44	44	44
Non sworn Officers	2	2	2	2	2	1	1	1	1	1
Civilians	5	5	4	5	5	5	5	5	5	5
Fire										
Firefighters and Officers	45	45	40	47	40	44	44	43	43	43
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	27	25	22	25	25	25	27	29	29	32
Parks and Recreations	10	10	12	14	14	16	17	14	13	13
Total	155	155	150	165	159	167	171	170	169	173

Source: Adopted Budget, City Of Longwood

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Auto Accidents	812	808	899	915	967	949	1017	789	737	802
Physical arrests	1061	808	912	891	806	621	532	283	364	459
Criminal Investigations Conducted	473	438	467	508	453	468	445	365	371	435
Total Calls for Service	41577	40103	43982	45288	41052	43134	45466	56478	51425	43645
911 Calls Received	3634	3356	3453	3587	3796	3415	3394	3019	3320	3631
Evidence Processed (pieces)	1930	1936	2312	2290	2020	2173	1974	1584	1320	1042
Fire										
Number of emergency calls answered	4138	4130	4551	4200	4538	4755	4912	4770	5278	5409
Medical Transports	2122	2042	2234	2271	2092	2330	2507	2276	2441	2405
Highways and streets										
Streets paved (miles)	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	63.8	63.8
Streets resurfaced (tons/asphalt)	*	*	*	*	*	*	*	2150	2085	4823
Sidewalks/bike paths built or repaired (feet)	3200	1500	2600	8380	1035	82450	1500	7200	2500	11000
Culture and recreation										
Sports Complex ball games & field rentals ⁽³⁾	2134	1970	2140	2135	1400	1408	1416	402	612	1337
Community Bldg rentals ⁽³⁾	195	224	188	150	189	174	154	43	86	136
Water										
New connections	0	0	4	130	118	158	321	69	33	21
Number of customers	5829	5510	6054	6184	6341	6486	6697	6758	6880	6901
Water main breaks	0	6	4	3	2	4	4	5	3	2
Average daily consumption (millions of gallons)	2	1.897	1.826	1.815	1.834	1.817	1.875	1.855	1862	1874
Meter reads	67250	67269	69984	71679	73067	74026	76104	79661	81926	82812
General Government										
Employment applications received ⁽¹⁾	161	201	239	248	420	1200	1500	990	792	444
Personnel actions processed	205	270	272	311	355	327	298	237	285	270
Legal Notices published	33	48	39	67	68	44	43	56	56	51
Business Tax Licenses issued:										
New Licenses	243	235	201	204	160	169	227	123	178	179
Renewals ⁽²⁾	1460	1227	1422	1345	1138	1364	1245	1126	1493	458
Accidents & Injuries reviewed	51	20	32	39	43	35	38	59	75	47
Land Use changes	3	13	5	5	4	0	1	4	2	3
Site Plan Reviews	4	3	8	7	6	9	14	5	7	5
Total Permits Issued	1050	1200	1478	1167	1551	1758	1822	1590	1983	1759
Construction inspections ^{(4) (2)}	2715	3100	4058	1986	2344	5426	3832	10891	4958	5706
PR Checks issued	4180	3991	4039	4281	4225	4289	4301	4368	4624	4515
A/P Checks issued	2662	2400	2760	4045	3162	2711	3903	2886	3434	2723
Purchase orders processed ⁽⁴⁾	360	364	370	213	387	2575	3038	3051	2995	2661

* Data not available

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

Decrease in 2022 due to a competitive job market and talent shortage. As a result of talent shortage, similar agencies were competing for a smaller pool of candidates. Also many candidates were not actively seeking employment and therefore, less employment applications were submitted.

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

Note 3-Covid-19 virus still having impact in 2021. Capacity restrictions for building rentals & people were hesitant to sign up for sports.in fall.

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.

Note 5-decrease in 2021 due to in prior year finishing out Alta Longwood multi-family apartment project that generated many inspections at the end of construction and two other apartment projects that, as of the end of fiscal year 2020, were just getting started and were not generating the high number of building inspections that occur when they go vertical.

Note 6-due to the changeover to our new system, more of the BTR renewals are occurring in October/November and thus will be reflected in the next fiscal year.

Sources:

Various departments, City of Longwood

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

Function	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	53	52	52	58	61	58	63	63	60	59
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets - paved (miles)	61.1	61.1	61.1	61.1	61.1	61.1	61.1	61.1	63.8	63.8
Streets - unpaved (miles)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.51	0.51
Street lights ¹	814	818	814	814	814	814	814	814	2224	2224
Traffic Signals	24	24	24	24	24	24	25	25	25	25
Culture and recreation										
Park acreage	42	42	42	42	42	42	42	42	42	42
City playgrounds & passive parks	10	10	10	10	10	10	10	10	10	10
Tennis courts	5	5	5	5	5	5	5	5	5	5
Basketball courts	6.0	6.0	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)	69	85	69.5	69.75	70.25	72.25	72.25	73.75	74.22	74.31
Fire hydrants	548	545	544	551	554	569	569	592	605	601
Maximum daily capacity (millions of gallons)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	702.0
Sanitary sewers (miles)	22.7	40.9	23	23.5	26.9	29.9	29.9	37.5	40.3	41.7
Storm sewers (miles)	*	*	*	*	*	*	*	*	*	*

Sources: Various departments, City of Longwood

Notes

1 Updated due to a more extensive list from Duke Energy

* Information not available

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

Year	Revenues by Source		Expenses by Type					City Contribution as a Percent of Payroll (1)
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses	Admin. Expenses		
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%	
2021	\$ 4,327,804	\$ 1,143,040	\$ 270,271	\$ -	\$ 35,046	\$ 29,366	22.2%	
2022	\$ (3,684,387)	\$ 1,312,763	\$ 326,739	\$ 6,383	\$ 36,583	\$ 42,046	22.8%	

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.

Source: Florida League Of Cities (FLC)

City of Longwood, Florida
Miscellaneous Statistics
September 30, 2022

ITEM	2022
Date of Incorporation	1923
Form of government	Commission/Manager
Number of municipal employees (including police and fire)	173
Population	15,612
City of Longwood facilities and services:	
Miles of streets:	
Paved	62.3
Unpaved	0.51
Parks and recreation:	
Park acreage	42
Community Center	1
Athletic Fields	7
Tennis Courts	5
Futsal Courts (soccer)	1
Basketball Courts	6
Pickleball 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	41.7
Lift Stations	48
Daily average treatment	*
Plants(s) capacity (MGD)	*
Disposal plants	*
Water distribution system:	
Miles of water mains	74.31
Daily average:	
Consumption (Millions/Gallons)	1.9
Plant capacity (Millions/Gallons)	7.2
Service connections	6686
Deep wells	5
Fire hydrants	601
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	154
Hospitals:	
Number of hospitals	1
Number of patient beds	206

* No treatment plant within the City. Flow to Seminole County 231,000 gallons and
352,000 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

Historic

LONGWOOD



F l o r i d a

**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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 26, 2023.

Report on 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 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 misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 financial statements. 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
April 26, 2023

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

Honorable Mayor and City Commissioners
City of Longwood, Florida

**Report on Compliance for Each Major Federal Program and State Project
Opinion on Each Major Federal Program and State Project**

We have audited the *City of Longwood's* (the City) compliance with the types of compliance requirements described (OMB) *Compliance Supplement*, and the requirements described in the Department of Financial Services *State Projects Compliance Supplement*, and Chapter 10.550, Rules of the Auditor General, that could have a direct and material effect on each of the City's major Federal programs and State projects for the fiscal year ended September 30, 2022. The City's major Federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Federal program and State project for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's Federal programs and State projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Federal program or 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 Federal program or 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 the type of compliance requirement of a Federal program or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

McDiarmid Davis

Orlando, Florida
April 26, 2023

City of Longwood, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2022

Award type Grantor Pass-through grantor Grantor program title	Assistance Listing/ CSFA Number	Agency or Pass-through Entity Grant Number	Expenditures
Federal Grants			
United States Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds *	21.027		\$ 2,036,957
Passed through: Seminole County			
COVID-19 Coronavirus Relief Fund	21.019		2,771
Total United States Department of Treasury			<u>2,039,728</u>
United States Department of Justice			
Bullet proof vest agreement	16.607		1,971
Passed through State of Florida, Department of Law Enforcement			
JAG-D grant	16.738	2022-JAGD-SEMI-1-4B-7	3,308
COVID-19 CERF	16.034	2021-CERF-SEMI-1-5A	8,008
Total United States Department of Justice			<u>13,287</u>
United States Department of Transportation Cluster			
Passed through State of Florida, Department of Transportation			
Planning Services for a Complete Streets Study for West Warren Avenue *	20.205	446488-1-18-01	115,404
Cross Seminole Trail Connector *	20.205	437933-1-58-01	898,620
Total United States Department of Transportation Cluster			<u>1,014,024</u>
United States Environmental Protection Agency			
Nonpoint source implementation - Longdale Septic Tank Abatement- Phase 1	66.460	NF044	413,272
Total United States Environmental Protection Agency			<u>413,272</u>
United States Executive Office of the President			
Passed through: Seminole County Sheriff office			
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001		13,929
Total federal awards			<u>\$ 3,494,240</u>
State Awards			
State of Florida, Department of Environmental Protection			
Longdale Septic Tank Phase 1*	37.077	WW 590540	\$ 890,267
Smallworld Park	37.017	A2033	50,000
Candyland Park Phase 3	37.017	A2005	50,000
Total State of Florida, Department of Environmental Protection			<u>990,267</u>
Total state awards			<u>\$ 990,267</u>

* Denotes a major program or project

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the Federal and State grant activity of the City of Longwood (the City) under programs and projects of the federal and state government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance) and 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, 2022, even if grant or loan was received subsequent to that date. Federal expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 LOANS AND LOAN GUARANTEES

In 2020, the City executed State Revolving Fund Loan agreement WW590540 for the City's Longdale Septic Abatement. Loan balance as of September 30, 2022 is \$1,206,582 for WW590540. Loan expenditures reported in the current year SEFA are \$890,267.

NOTE 4 INDIRECT COST RATE

Indirect cost rate is dictated by its federal contract terms. The 10-percent de minimis indirect rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.

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

Federal Programs and State Projects

Type of auditors' report issued on compliance for major programs and projects:	Unmodified Opinion	
Internal control over major Federal programs and State projects:		
• 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 2 CFR 200.516(a) of the Uniform Guidance and Chapter 10.550?	___ Yes	<u> X </u> No

Identification of Major Federal Programs and State Projects

Assistance Listing 21.027	Coronavirus State and Local Fiscal Recovery Funds	Assistance Listing 20.205	Cross Seminole Trail Connector
Assistance Listing 20.205	Planning Services for a Complete Streets Study for West Warren Avenue	CSFA 37.077	Longdale Septic Tank Phase 1

Dollar threshold used to distinguish between type A and type B projects: Federal & State	Federal \$750,000	State \$300,000
Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance (Not applicable for State projects)?	___ Yes	<u> X </u> No

Section II - Financial Statement Findings:

None

Section III - Federal Award and State Project Findings and Questioned Costs:

None

Section IV - Federal Award and State Project Summary Schedule of Prior Year Findings:

No Prior Year Findings

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, 2022, and have issued our report thereon dated April 26, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant'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 April 26, 2023, 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 findings and recommendations made 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* met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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 not have any such recommendations.

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 "McDermitt Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida
April 26, 2023



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

**INDEPENDENT ACCOUNTANT'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, 2022. 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, 2022.

McDermitt Davis

Orlando, Florida
April 26, 2023