



CITY OF LONGWOOD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED SEPTEMBER 30, 2023

Historic

LONGWOOD



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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**CITY OF LONGWOOD,
FLORIDA**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

Prepared by:

Department of Financial Services



City of Longwood | City Officials



Matt Morgan
Deputy Mayor



Tony Boni
Mayor



Matt McMillan
Commissioner



Brian D. Sackett
Commissioner



Clint Gioielli
City Manager



Abby Shoemaker
Commissioner

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INTRODUCTORY SECTION

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April 23, 2024

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, 2023.

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, 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The

independent auditors concluded, based upon 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, 2023, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor’s report is presented as the first component of the financial section of this report.

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 approximately six (6) square miles and is a growing community with population growth of 2% in 2023. At an estimated 15,885 residents, Longwood’s population has grown more than 17% since 2010 with more residential growth inbound. 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 services are 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, Kustom, UPS, and more.

Top Longwood employers include Orlando Health, South Seminole Hospital (1022 employees), Kustom (700 employees), United Parcel Service UPS (653 employees), Comprehensive Energy Services (439 employees), D&B Building Services (349 employees), Collis Roofing (234 employees), S.I. Goldman (234 employees), Seminole County Schools (222 employees), Cascade Heights (202 employees), and Criticom Management (193 employees). The County's unemployment rate for 2023 is estimated at 2.8% which compares favorably to the National rate of 3.6%. The median age in the city is 44.3 with more than 45% 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 22.4 percent of General Fund expenditures while unassigned fund balance represents 12.6 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 18, 2023 for fiscal years 2023-24 through 2027-28. 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 continued its mission of providing the highest level of service to its customers while working to implement the City Commission's vision for a thriving economic base. The Building/Code Enforcement, Planning, and Economic Development Divisions work closely together towards the goal of surprising our customers with our high levels of engagement and responsiveness, and believe that those qualities are a tool to support our residents, attract new businesses, retain our existing commercial and industrial core, and promote the expansion of those businesses that have already invested in Longwood.

Construction began on a number of noteworthy projects that demonstrate the city's commitment to bringing new dining options to the city including the popular fast-casual concepts Chipotle and Huey Magoo's. Starbucks announced a second, drive-thru-only location on State Road 434 with plans to open in 2024, and Twistee Treat opened their doors.

One of Longwood's largest businesses, Orlando Health, announced their intent to re-develop the hospital site as a mixed-use medical town center concept with a large retail component – demonstrating the excitement level for investment in Downtown Longwood. In further good news, Orlando Health submitted plans for a new standalone Emergency Room that will be part of the town center and will break ground in 2024.

The Monterey townhouse development neared completion adjacent to the City's SunRail station and provided a visible reminder of the millions of dollars in new investment in the area surrounding Longwood's commuter rail station.

With a nearly built-out city and limited vacant land, Longwood has had to focus on the redevelopment of existing parcels. The City's main commercial corridors including State Road 434, Ronald Reagan Boulevard, and 17-92 saw a number of projects break ground on underutilized sites that included vacant or older buildings including the Express Wash, Go Store It, and Strickland Brothers Oil Change sites. All of these sites represented new investment into the city with services that will benefit Longwood residents.

While Longwood prioritizes retail and restaurants, one of the biggest driving factors in commercial interest is residential growth. With the Alta Cypress apartments having already opened on Dog Track Road – dramatically changing the feel of that area – the

City also approved a land use change for another project by Wood Partners Group, now titled Alta Trilogy. This new development will bring 244 new residential units which will help to activate three commercially-zoned properties at the intersection of Ronald Reagan Boulevard and Dog Track Road. Between this proposed development and the anticipated full opening of the Addison apartments in 2024, Longwood's growth is expected to continue.

The Live Local Act was a dramatic shift in land use planning for cities and counties throughout Florida and Longwood was no exception. However, at the direction of the City Commission, Longwood was one of the first communities to address the Act through Development Code changes intended to make the impacts of the Act more predictable and less burdensome on the City's efforts to develop key commercial corridors.

The Building Division's efforts to streamline permitting processes were in full swing as the number of permits submitted and reviewed solely on-line continued to increase. Homeowners, business owners, and contractors were able to submit documents, check permit status and review comments, pay fees, and more all on-line from the comfort of their home or office.

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 been focused on preparing for the arrival of our new aerial in November 2023. The last step in the aerial build process involved members of our truck committee traveling to Appleton, Wisconsin to approve the final product. Additionally, we have been working diligently on new policy, policy updates, skills check-off books, and specialized training.

While much of the years training was performed in house, some of our training was conducted in conjunction with an outside vendor. One such training focused on performing rooftop operations. For this training we utilized our resources at the building department to acquire structures set for demolition. These structures were then used to train crews in rooftop safety, venting techniques, and chainsaw skills. Partnering with the building department saved not only money but man hours building training props. This training ensures our personnel will be prepared when answering calls to service once our new ladder truck is in service.

The department has nearly completed the design phase of a new Fire Station 15. Due to grant funding, the design was required to go through an arduous, multi-step review process. We are hopeful to put the project out to bid in the near future. 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.

Station 17's expansion project has been split into two phases. The design phase is complete and we are working through the RFQ process with Finance Department. Phase

one includes a bay expansion to accommodate larger fire trucks, allowing for improved fleet rotation. It also includes additional space for storage and an ice machine room.

In November of 2022 the State Fire Marshal's office traveled to Longwood Fire Department to conduct a safety inspection. This inspection was a condition of grant funding for a new bunker gear extractor received that same year. The inspection consisted of a detailed look into how we operate including maintenance records, training data and OSHA compliance. We are pleased to say no deficiencies were found during inspection.

Lastly, we continued to prepare for the arrival of a new command vehicle slated for delivery in October 2023. Preparations included ordering of a custom slide out truck bed extension necessary for housing vital lifesaving equipment. We worked closely with vendors to select emergency lights and sirens for the new vehicle. Many of the reusable electronic components were removed from our current reserve vehicle and were set aside for install in the new vehicle in an effort to stay on budget. Once complete, we plan to reassign our backup vehicle to our CERT program to function as a quick response asset. 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.

Longwood Police Department personnel 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 local 5K races and many other events.

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. Department 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's staff 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's staff 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 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 2023, 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 2026 C.F.A. assessment.

The Longwood Public Works Department is an integral force in sustaining our community's resilience and prosperity through collaborative efforts in providing essential infrastructure services. Comprising a dedicated team of over thirty (30) professionals committed to Longwood's mission of "Fostering citizen trust and cultivating a prosperous community," the department is organized into key divisions including Engineering, Water and Wastewater Utilities, Streets, Stormwater, and Administration.

The Public Works Engineering Division plays a multifaceted role in ensuring the functionality, safety, and continuous improvement of Longwood's infrastructure and public spaces. Its responsibilities encompass several key areas:

Collaborative Planning and Project Management: The department serves as a hub for collaboration among stakeholders, including government agencies, contractors, and community members. It oversees the planning, design, and execution of capital projects aimed at enhancing the city's infrastructure, such as roads, bridges, and public buildings.

Infrastructure Review and Inspection: Public Works Engineering conducts thorough reviews and inspections of private development projects to ensure compliance with regulatory standards and city ordinances. This includes assessing plans related to stormwater management, infrastructure layout, right-of-way access, and traffic flow.

ADA Compliance and Accessibility: The department is actively involved in initiatives to enhance accessibility for all residents, including those with disabilities. This may involve implementing measures such as installing curb cut ramps, detectable warning mats, and other accommodations to ensure compliance with the Americans with Disabilities Act (ADA).

Traffic Engineering and Transportation Planning: In collaborative efforts with Metroplan, the City of Longwood Public Works Director assumed the role of 2023 TSMO (Transportation Systems Management and Operations) Chairman. This responsibility encompasses a range of responsibilities, from chairing regional committee meetings and

attending Metroplan Board meetings of regional elected officials to communicate important TSMO topics. This partnership is instrumental in developing transportation plans that address both current challenges and future mobility needs, ensuring Longwood remains responsive to the evolving demands of its residents and visitors. Additionally, the city continues to work with Metroplan Orlando on a US Department of Transportation Safe Streets for all grant. Metroplan was awarded a Vision Zero grant for the City, County and region in which engineering staff plus key city stakeholders meet to come up with goals, benchmarks, solutions and projects to work toward Zero Traffic Deaths in the city, county and region.

Stormwater Management: Managing stormwater runoff is another essential function of the department. This involves designing and maintaining drainage systems, retention and detention ponds, and other infrastructure to mitigate flood risks and protect water quality. They also manage the city's responsibility of NPDES and its part of the MS4 permit with the county. They perform these tasks by monitoring all erosion control and discharge by all types of contractors and any illicit discharge in the city limits. Additionally, Public Works scheduled six roadway sweepings, covering approximately 142 miles per cycle, to ensure the cleanliness and debris-free condition of Longwood's streets and lakes.

Cemetery Oversight: The department manages and oversees various aspects of the city cemetery, Longwood Memorial Gardens, Public Works ensures that this space is maintained to high standards so that its citizens can have a peaceful, restful place for their loved ones. Public Works is responsible for all grounds, gravesites, and interments. This responsibility includes coordination with the City Clerk ensuring those who own plots can have confidence for maintenance activities such as landscaping, grave site preparation, and monument installation.

Special Assessment Oversight: The Public Works Longwood Special Assessment team serves as a liaison, fostering partnerships with eight Longwood communities, currently. Through this collaborative effort, the program provides oversight of city-wide landscaping and maintenance contracts. This involves coordinating with these communities to ensure that landscaping and maintenance services meet the established standards and fulfill the needs of residents. By acting as a liaison, the program facilitates effective communication between the city and participating communities, addressing any concerns or issues that may arise. Additionally, it oversees the implementation of city-wide landscaping and maintenance contracts particularly focused on mowing, ensuring consistency and quality across different neighborhoods and all city owned property and right of way

In 2023 the Public Works Team achieved numerous accomplishments, demonstrating their dedication to enhancing the city's infrastructure and promoting community well-being.

The Engineering team successfully concluded the US 17-92 Median Landscape Project, extending from Raven Avenue to Dogtrack Road, adding aesthetic appeal to the area while fostering environmental sustainability. Additionally, they finalized hardscape and landscape plans for CR 427, further enhancing the streetscape and overall attractiveness of the corridor. The team completed comprehensive studies and preliminary planning for

both the East Church Street and West Warren Avenue Complete Street Projects, laying the groundwork for future improvements to enhance safety and accessibility for all road users. Initiatives like these underscore the team's commitment to creating pedestrian and bicycle-friendly environments throughout the city. Additionally, they initiated the final design phases for both the South Pedestrian Corridor Sidewalk Project and the South Longwood Sidewalk Phase I Project, demonstrating proactive efforts to enhance pedestrian infrastructure and promote walkability and connectivity within the community.

In terms of securing funding for critical infrastructure projects, the team achieved significant success. They secured a \$210,000 grant from the Natural Resource Conservation Service (NRCS) for repairing the Raven Avenue major outfall damaged by Hurricane Ian, fortifying critical infrastructure against future natural disasters. Additionally, the team submitted applications to FEMA's Hazard Mitigation Grant Program (HMGP), totaling \$3.15 million, aimed at enhancing flood protection measures for critical city infrastructure. Moreover, their application to the Economic Development Administration (EDA) for funding for Phase II of the Bennett Drive Flood Improvement Project, anticipated to be approximately \$600,000, reflects their commitment to bolstering flood resilience and infrastructure within the community. These accomplishments highlight the Public Works Engineering team's proactive approach and unwavering dedication to serving the Longwood community.

The Street Division's dedication to pedestrian safety extends beyond sidewalk repairs to include routine tree trimming along city roads and rights-of-way (ROWs) as part of the city's maintenance program. In 2023, approximately 60 yards of mulched tree debris were recorded, with no safety concerns regarding low-hanging branches or obstructions. Furthermore, the division replaced 300 old, faded, missing, and damaged signs, enhancing visibility and communication for motorists and pedestrians alike.

Public Works staff coordinated sidewalk grinding efforts, with a particular focus on the Hidden Oaks subdivision. This targeted approach efficiently addressed trip hazards caused by cracked or uneven concrete, extending to the edges of sidewalks and ensuring enhanced safety for residents and pedestrians. Moreover, truncated detectable warning domes were installed at strategic locations across various areas, including W. Palmetto and Freeman Street, East Wildmere and Oxford Street, Wildmere Village Cove, S. Oleander, Grant Street, and Tullis Avenue. These initiatives underscore Longwood's commitment to proactive measures aimed at mitigating potential hazards and enhancing accessibility within the community. The Street Division is committed to sidewalk repairs, enhancing pedestrian safety.

In addition to sidewalk improvements, another recurrent budgeted project in 2023 was pipeline rehabilitation. In the vicinity of East Church Avenue and Sandalwood Park, Public Works executed a pipe replacement and rehabilitation project. This initiative involved the implementation of pipelining rehabilitation, a sophisticated technique designed to enhance the structural integrity and functionality of existing pipes. Pipelining rehabilitation typically entails the insertion of a durable liner into the existing pipes, creating a new, smooth interior surface. This method effectively addresses issues such as cracks,

corrosion, and other forms of deterioration, extending the lifespan of the pipes and minimizing the need for extensive excavations. The process is known for its efficiency, as it can be performed with minimal disruption to the surrounding environment and infrastructure. Three key locations were included E. Church Ave, Sandalwood Park and Wayman St.

The Public Works Stormwater team undertook a cleaning and maintenance initiative for the Wildmere Canal, focusing on the removal of debris and the clearing of pond contaminants. This comprehensive effort aimed to ensure the optimal condition of the canal, promoting both environmental health and the aesthetic appeal of the surrounding area.

The City of Longwood achieved notable success in effectively managing debris and orchestrating timely cleanup efforts following Hurricane Ian. Despite the challenges posed by the storm, the Longwood Public Works Department, along with its dedicated team of professionals, orchestrated a coordinated response that minimized property loss and ensured the rapid restoration of normalcy within the community. The swift and efficient cleanup operations reflect the city's commitment to resilience and the well-being of its residents. The success in managing debris and restoring order after Hurricane Ian underscores the effectiveness of Longwood's emergency response strategies and the dedication of its public works team in safeguarding the community against the impacts of natural disasters.

In 2023, the Utilities Division achieved several significant accomplishments, underscoring its commitment to enhancing essential services and infrastructure within the community. The Utility Division worked with Seminole County Public Works on their EE Williamson Rd/Longwood Hills Road Multi use path project. The project included the removal of several hundred feet of asbestos cement pipe along with the installation of new 4" and 8" water mains to allow for the path construction.

The Utility Division managed a number of design projects in fiscal year 2022-2023 including Phase II of East Longwood Septic Tank Abatement Project and the Sandalwood water main replacement project. The division also applied for and were awarded grants and low interest loans (SRF) for upcoming and future projects.

Another notable capital improvement project overseen by utilities staff in 2023 is the rehabilitation of the East Pine Avenue lift station involving comprehensive upgrades of the lift station. These enhancements included the replacement of pumps, motors, controls, and other critical components to modernize the station and extend its service life. The rehabilitation of the East Pine Avenue lift station not only addresses immediate infrastructure needs but also lays a foundation for future growth and development in the community. By providing essential wastewater management services, the upgraded lift station supports the continued expansion of residential and commercial areas, contributing to the overall vitality and sustainability of the East Pine Avenue neighborhood.

In 2023, with the upcoming need of a new water plant the City of Longwood embarked on a significant milestone by negotiating the purchase of a parcel of land for the development of a new water treatment plant. This strategic acquisition marks a pivotal step towards enhancing the city's water infrastructure and ensuring the provision of safe and reliable water services to its residents and businesses. The procurement of land for the new water plant underscores the city's proactive approach to infrastructure development and long-term planning. By securing suitable land, the city lays the groundwork for the construction of a modern and efficient water treatment facility that will meet the growing demands of the community.

Longwood Leisure Services continued with its overall objective to exhibit a standard of excellence and commitment to citizens and visitors through providing parks and recreation opportunities. Whether people are frequenting some of the many events offered per year, sending their kids to the summer camp program or are coming to Candyland Sports Complex to ride the BMX pump track built by world renown pump track designer Velosolutions, there is never a shortage of things to do.

Just as in years past, the department continues to build on newer events, while also adding additional events such as the Great American Camp Out, Holiday Jazz Concert & Tree Lighting and the Halloween Dance. The number of concerts in the park has remained steady and all concerts have been free to the public. Including reoccurring events, there are over 110 events throughout the year. No other municipality in the county offers more city sponsored or partner events.

Several park improvements have taken place within the year. The City was able to renovate the playground at Shadow Hill Park with the help of a \$50,000 FRDAP grant. Additionally, Leisure Services has applied for two more \$50,000 FRDAP grants from the state DEP. One grant would assist in renovating the Sandalwood Park basketball court as well as improving some existing playground features at Sandalwood. The other FRDAP grant would allow for upgrades at the Candyland Skate park and other areas within Candyland. With the continued support of a local BMX/Skate business owner, the city added a heavily used concrete obstacle fabricated on site for a fraction of the normal retail cost. Replacing the existing modular equipment with concrete is the ultimate goal.

Through the Parks and Recreation Advisory Board project fund, two new bike repair stations were installed, one along the new trail extension beside Arbor Park and the other at Reiter Park. New benches and a swing at Reiter Park were also paid for through the advisory board's project fund.

Revenue generated from community building rentals has reached an all-time high while pavilion rentals at Reiter Park have eclipsed years past. The amount of event sponsorship has steadily been on the rise as well. Garnering sponsorship funds to help offset event costs have been a focus of the department.

Thanks to capital improvement planning (CIP), Leisure Service was able to replace the commercial stove in the Longwood Community Building which is frequently used for events. Other renovations and improvements separate from those completed from the

CIP include new water fountains in both the large and small dog parks, replacing the specialized tongue in groove roofing on Candyland's busiest pavilion as well as replacing the roof on the Citizens on Patrol building at Candyland. One of the most noticeable upgrades was having the entire southern parking lot at Candyland sealed and striped, which has helped with the heavy traffic in part to the increasing popularity of the Candyland Pickle Ball Courts.

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, 2022. This was the twenty- seventh 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, 2023. 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, 2022

Christopher P. Morrill

Executive Director/CEO

City of Longwood, Florida
Principal City Officials
30-Sep-23

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

Citizens of Longwood

Elected Officials

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

City Manager

Clint Gioielli

City Clerk

Michelle Longo

City Attorney

Dan Langley

Financial Services

Judith Rosado
Director

Information Technology

Craig Dunn
Director

Human Resources/Risk Management

Magdala Ridore
Director

Community Development

Chris Kintner
Director

Public Works

Shad Smith
Director

Leisure Services

Chris Capizzi
Director

Fire Department

Mike Peters
Fire Chief

Police Department

David Dowda
Chief of Police

Historic

LONGWOOD



F l o r i d a

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, 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 (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 24, 2024, 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 24, 2024

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, 2023 by \$72,082,793 (net position). Of this amount, \$(3,079,640) (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 decreased by \$129,425 or .18%.
- At the close of the most recent fiscal year, the City's governmental funds reported combined ending fund balances of \$7,303,009, a decrease of \$721,089. Approximately 27.9% of this total amount, \$2,035,758, 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 \$2,461,644 or 12.5% of total general fund expenditures.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$2,603,290 or 10.6%.

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 2023 the City recognized \$387,630 in earned revenues based on total eligible ARPA expenditures incurred during the fiscal year. The balance of funds received, \$5,369,197, 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 \$72,082,793 at the close of the most recent fiscal year.

Over half (\$70,821,374 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 \$4,341,059 (or 6%) represents resources that are subject to external restrictions on how they may be used. Assets restricted include the Special Law Enforcement Trust Fund, and amounts restricted for renewal and replacement of the Public Utilities.

Unrestricted net position (\$3,079,640) or (4%) 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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 16,605,081	\$ 18,375,556	\$ 1,318,137	\$ (867,696)	\$ 17,923,218	\$ 17,507,860
Capital assets	47,078,624	46,450,663	40,096,407	41,613,232	87,175,031	88,063,895
Total assets	63,683,705	64,826,219	41,414,544	40,745,536	105,098,249	105,571,755
Deferred Outflows of Resources						
Deferred outflow of pension and OPEB	3,677,232	4,995,025	57,797	72,080	3,735,029	5,067,105
Liabilities:						
Current liabilities	8,110,127	8,962,785	428,343	402,525	8,538,470	9,365,310
Long-term liabilities	13,406,142	14,191,189	10,938,011	10,639,170	24,344,153	24,830,359
Other liabilities	-	-	166,335	175,357	166,335	175,357
Total liabilities	21,516,269	23,153,974	11,532,689	11,217,052	33,048,958	34,371,026
Deferred Inflows of Resources						
Deferred inflow of pension and OPEB	3,452,539	3,830,660	248,988	224,956	3,701,527	4,055,616
Net Position:						
Net investment in capital assets	41,030,767	39,269,628	29,790,607	31,614,984	70,821,374	70,884,612
Restricted for:						
Renewal and replacement	-	-	1,914,052	1,617,547	1,914,052	1,617,547
Capital projects	63,168	23,560	1,905,871	1,754,478	1,969,039	1,778,038
Building permits and inspections	-	430,958	-	-	-	430,958
ARPA	67,392	7,649	-	-	67,392	7,649
Public safety	390,576	375,532	-	-	390,576	375,532
Unrestricted	840,226	2,729,283	(3,919,866)	(5,611,401)	(3,079,640)	(2,882,118)
Total net position	\$ 42,392,129	\$ 42,836,610	\$ 29,690,664	\$ 29,375,608	\$ 72,082,793	\$ 72,212,218

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 decreased by \$129,425 or .18% in fiscal year 2023. The previous fiscal year, 2022, net position increased by \$2,422,341 or 3.47%.

Governmental activities decreased net position by \$444,481 in fiscal year 2023 compared to an increase of \$2,386,554 in 2022. Despite the property tax rate remaining at 5.5000 mills, tax revenue for the year increased primarily due to increased property taxes revenue by \$1,280,167 or 17.7%, driven by increased local real estate market values and new construction. Utility Tax, Franchise Fees and Communication Service Tax (Other Taxes) increased by \$545,474. Capital grants and contributions decreased by \$2,344,551. Total expenses reflect an increase of \$2,230,895 from prior year. The largest portion of this increase relates to Public Safety and Highways and Streets related to Hurricane Ian debris removal and other emergency protective measures.

Business-type activities increased net position by \$315,056 in fiscal year 2023 compared to an increase of \$35,787 in 2022. The difference in net position results from an increase in charges for services of \$1,143,452, as the result of the Water and Wastewater Revenue Sufficiency and Rate Study Analysis, the City implemented a rate increase of 8% effective October 1, 2022. Capital grants and contributions decreased by \$687,122, and transfers also decreased by \$451,909.

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.

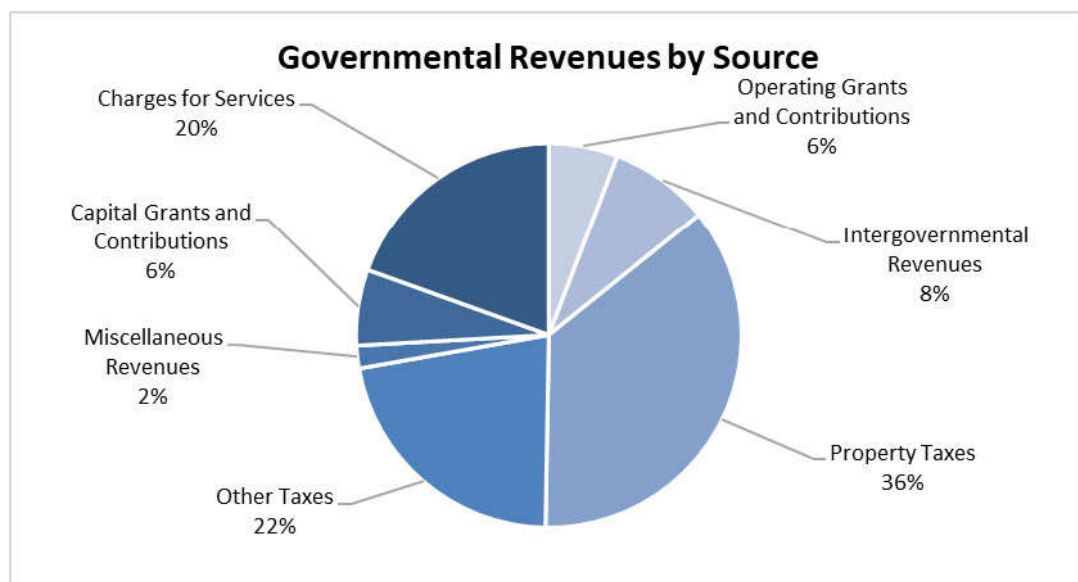
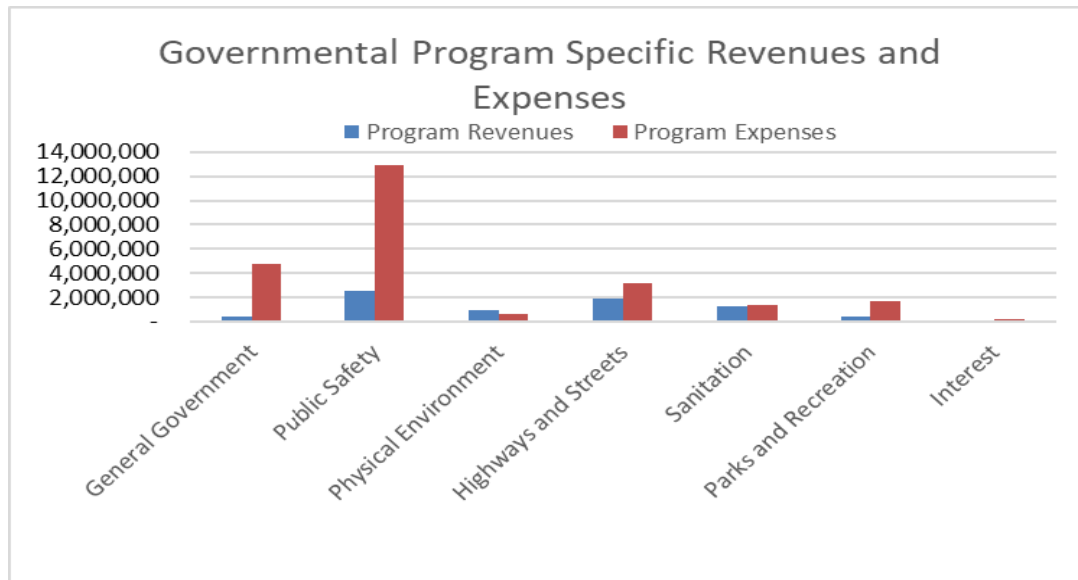
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 10.

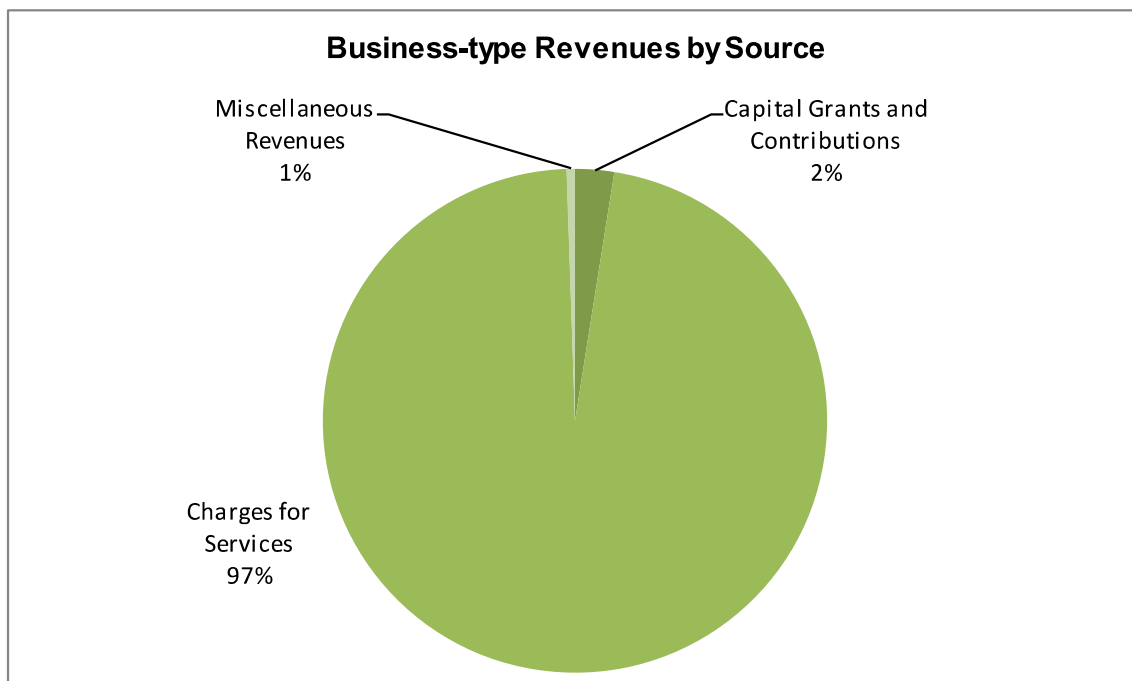
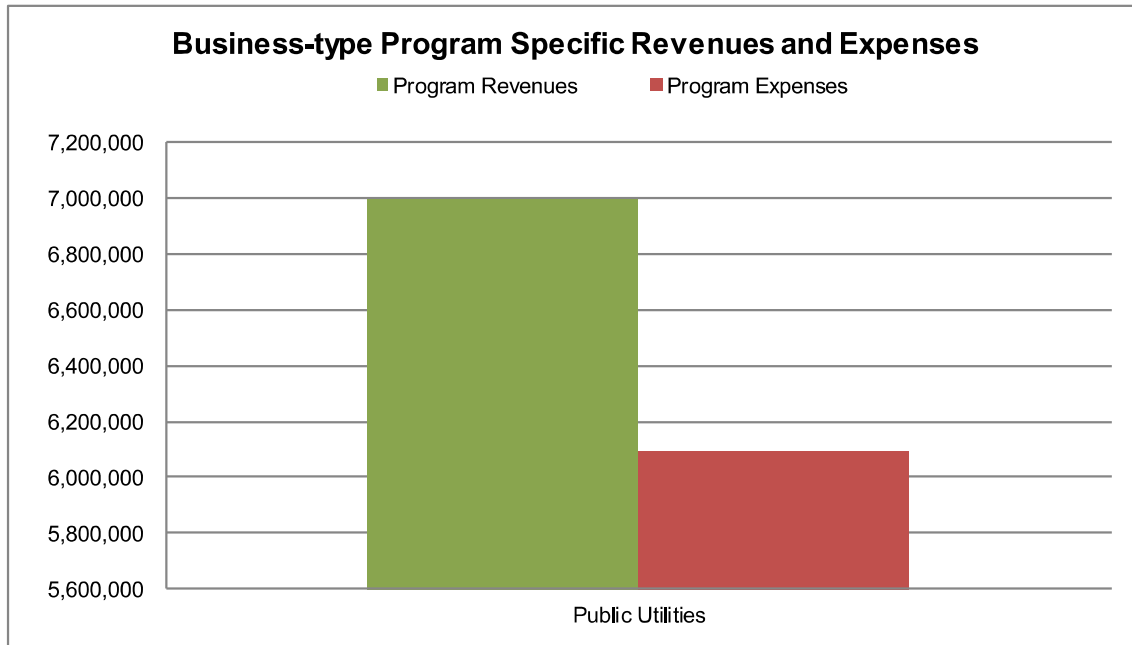
Note that the first graph depicts governmental program-specific revenues and expenses. For this graph the revenue does not include property taxes, franchise and utility taxes, communication services tax, intergovernmental revenue, investment earnings or miscellaneous revenue. This chart is intended to 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,597,189	\$ 4,416,076	\$ 6,818,832	\$ 5,675,380	\$ 11,416,021	\$ 10,091,456
Operating grants and contributions	1,365,251	1,330,303	-	-	1,365,251	1,330,303
Capital grants and contributions	1,506,577	3,851,128	175,618	862,740	1,682,195	4,713,868
General revenues:						
Property taxes	8,504,210	7,224,043	-	-	8,504,210	7,224,043
Other taxes	5,174,388	4,628,914	-	-	5,174,388	4,628,914
Other	2,437,981	2,247,110	38,266	27,094	2,476,247	2,274,204
Total revenues	23,585,596	23,697,574	7,032,716	6,565,214	30,618,312	30,262,788
Expenses:						
General government	4,728,992	4,365,407	-	-	4,728,992	4,365,407
Public safety	12,906,271	11,691,269	-	-	12,906,271	11,691,269
Physical environment	579,809	581,972	-	-	579,809	581,972
Highways and streets	3,162,184	2,634,687	-	-	3,162,184	2,634,687
Sanitation	1,384,811	1,198,740	-	-	1,384,811	1,198,740
Parks and recreation	1,732,893	1,771,089	-	-	1,732,893	1,771,089
Interest on long-term debt	160,132	181,033	-	-	160,132	181,033
Public utilities	-	-	6,092,645	5,416,250	6,092,645	5,416,250
Total expenses	24,655,092	22,424,197	6,092,645	5,416,250	30,747,737	27,840,447
Increase (decrease) in net position before transfers	(1,069,496)	1,273,377	940,071	1,148,964	(129,425)	2,422,341
Transfers	625,015	1,113,177	(625,015)	(1,113,177)	-	-
Increase in Net Position	(444,481)	2,386,554	315,056	35,787	(129,425)	2,422,341
Net position, October 1, as restated	42,836,610	40,450,056	29,375,608	29,339,821	72,212,218	69,789,877
Net position, September 30	\$ 42,392,129	\$ 42,836,610	\$ 29,690,664	\$ 29,375,608	\$ 72,082,793	\$ 72,212,218





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, 2023, the City's governmental funds reported combined ending fund balances of \$7,303,009, a decrease of \$721,089, from the prior year. Approximately 27.9% or \$2,035,758 of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$5,267,261, 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, 2023, the unassigned fund balance of the General Fund was \$2,461,644 while the total fund balance was \$4,391,958. 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 12.6% of total General Fund expenditures, while total fund balance represents 22.4% of that same amount. The fund balance of the General Fund decreased by \$265,065 due to transfers out to the Capital Projects Fund of \$1,391,400 for funding capital equipment. Expenditures decreased this year by \$156,836 when compared to prior year expenses of \$19,754,839 to this year \$19,598,003.

The Public Facilities Improvement Fund has a total fund balance of \$1,329,333. The fund realized a decrease in total fund balance of \$46,882 in 2023 is attributed to most of grant revenue for the Cross Seminole Trail Connector Project (93%), and the W. Warren Ave. Complete Street Project (76%) received during 2022.

The ARPA Fund has a total fund balance of \$67,392. The fund realized an increase in total fund balance of \$59,923 in 2023 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, 2023, unrestricted net position of the Public Utilities Enterprise Fund amounted to \$(3,919,866) and total net position increased \$315,056 from \$29,375,608 in 2022 to \$29,690,664 in 2023. Operating revenues increased by \$1,144,307, while operating expenses also increased by \$637,767. This resulted in a net increase in operating income of \$506,540 from \$348,021 in fiscal year 2022 to \$854,561 in 2023. The increase was primarily the result of an increase in charges for services of \$1,143,452, as the result of the Water and Wastewater Revenue Sufficiency and Rate Study Analysis, the City implemented a rate increase of 8% effective October 1, 2022.

General Fund Budgetary Highlights

During fiscal year 2023, the City made various budget amendments which were approved by City Commission to maintain budget compliance within its major categories. As required by the City Code of Ordinances, contracts and purchases in excess of \$50,000 were approved by City Commission.

Differences between the original General Fund budgeted expenditures and transfers out and the final amended General Fund budget amounted to \$252,268 increase in revenues and \$1,257,311 increase in appropriations can be briefly summarized as follows:

Revenues:

- \$189,641 increase revenue insurance reimbursement
- (66,641) decrease revenue rents & royalties – W. Warren Building
- 27,051 increase revenue for electric franchise
- 24,022 increase revenue for state revenue sharing
- 20,000 increase revenue for communication service tax
- 19,279 increase revenue for solid waste franchise
- 15,621 increase in grant revenue for Police JAGC grant
- 10,000 increase revenue for utility gas taxes
- 7,795 increase in grant revenue for FF cancer grant
- 2,300 increase revenue for site plan review
- 1,500 increase for other permits

- 1,000 increase revenue for Parks & Rec miscellaneous activities
- 600 increase revenue for employee events
- 100 increase revenue for interest earnings

Expenditures:

- \$690,860 increased budget for use associated with hurricane related events incurred
- 170,151 increased budget for use on police department building repairs
- 151,816 increased budget for reappropriation of funds unused in prior fiscal year budget
- 101,071 increased budget for use on operating expenses for W. Warren Building
- 55,682 increased budget for use associated with vehicle leases and maintenance
- 15,621 increased budget for use for Police JAGC grant
- 19,300 increased budget for use life and health insurance
- 20,000 increased budget for use to expand REEP program to residents
- 10,000 increased budget for use for cost recovery
- 15,000 increased budget for use on promotional activities
- 7,810 increased budget for use on additional operating expenses

Actual expenditures were less than final appropriations by \$1,310,346, a variance of 3.3%. The decrease in expenditures is summarized as follows:

- \$1,031,637 associated with operating expenditures budgeted but not incurred
- 126,893 associated with personnel services (vacant positions, terminations)
- 151,816 associated with encumbrances roll over to subsequent year

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, 2023 amounts to \$87,175,031 (net of accumulated depreciation), for a decrease of \$888,864 over the prior year. This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles and equipment. The total decrease in the City's investment in capital assets for the current fiscal year was 1% (a 1.4% increase for governmental activities, and a 3.6% decrease for business-type activities).

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

- AMI Meter Installation \$1,337,919
- Bicycle Pedestrian Plan \$1,323,376
- Candyland Park Sports Lighting \$262,200
- JPA Longwood Hills Road Wekiva Trail \$152,799

Major capital assets included in construction in progress:

- Corridor/SR434 Median Landscape Design \$1,181,964
- Fire Station 15 \$686,183
- UPS Pond \$476,436
- Ronald Regan Improvements \$319,608
- W. Warren Avenue Complete Streets & Drainage \$340,854
- Resurfacing of Local Streets/Paving \$343,646
- Other Projects \$344,474
- Sign Replacement and Minor Asphalt \$191,196
- ADA Transition Plan Community Building \$180,966
- Resurfacing of Local Streets \$107,780
- South Pedestrian Corridor \$102,820

- E Longwood Septic Tank Abatement PH2 \$354,723
- Lifstation Rehabilitation \$217,877
- Water Plant R&R \$110,052
- Lifstation Emergency Pump Replacement \$104,000

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	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,117,262	\$ 6,101,052	\$ 462,581	\$ 462,581	\$ 6,579,843	\$ 6,563,633
Buildings	3,068,589	3,061,380	17,932	20,222	3,086,521	3,081,602
Improvements Other Than Buildings	8,219,939	8,329,068	33,870,167	34,337,371	42,090,106	42,666,439
Infrastructure	22,361,055	22,215,172	-	-	22,361,055	22,215,172
Vehicles and Equipment	2,578,390	2,114,685	223,835	275,412	2,802,225	2,390,097
Intangibles	-	-	4,653,809	4,835,012	4,653,809	4,835,012
Construction in Progress	4,733,389	4,629,306	868,083	1,682,634	5,601,472	6,311,940
Total capital assets, net	\$47,078,624	\$46,450,663	\$40,096,407	\$41,613,232	\$87,175,031	\$88,063,895

Noncurrent Liabilities

At September 30, 2023, 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	
	2023	2022	2023	2022	2023	2022
Notes Payable	6,047,857	7,181,035	10,305,800	9,998,248	16,353,657	17,179,283
Total	\$ 6,047,857	\$ 7,181,035	\$ 10,305,800	\$ 9,998,248	\$ 16,353,657	\$ 17,179,283

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 2024 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 \$1,777,103,067. Property gross taxable values increased 10.76% or \$172,708,570 when compared to the adjusted values of the prior year. The City is expected to generate approximately \$9,688,989 in property tax revenues compared to \$8,405,008 budgeted in fiscal year 2023.

The Citywide adopted operating budget for fiscal year 2024 is \$78,459,559 million (inclusive of transfers) or 25% more than the fiscal year 2023 adopted budget of \$62,519,837 million (inclusive of transfers). The 2024 adopted budget provides for construction projects including Phase II of the East Longwood Septic Tank Abatement, Landing Potable Water System Replacement, Floodproofing of Lift stations #3, #10 and #23, Pipe Lining, Oak St./Lake Avenue Drainage Inlet Reconstruction.

Additionally, the City will be requesting the City Commission approval of the issuance of a Capital Improvement Revenue Note to finance the construction of Fire Station #15, in addition to \$4.4 million of available ARPA funds for an approximate total project cost of \$9.6 million. The General Fund budget for fiscal year 2024 is \$27,281,724 million (inclusive of transfers) or 4% greater than the fiscal year 2023 adopted budget of \$26,126,770 million (inclusive of transfers). The City will also implement in 2024 an increase of 4% in water and wastewater rates as result of the Water and Wastewater Revenue Sufficiency and Rates Study Analysis.

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	\$ 8,609,051	\$ 187,476	\$ 8,796,527
Investments	2,605,039	-	2,605,039
Accounts receivable, net of allowance	1,636,098	647,765	2,283,863
Due from other governmental units	493,474	-	493,474
Internal balances	2,165,944	(2,165,944)	-
Prepays	1,095,475	46,442	1,141,917
Restricted cash	-	2,072,206	2,072,206
Impact fees and assessments receivable	-	530,192	530,192
Capital assets:			
Not being depreciated	10,850,651	1,330,664	12,181,315
Being depreciated, net	36,227,973	38,765,743	74,993,716
Total assets	63,683,705	41,414,544	105,098,249
Deferred Outflows of Resources			
Deferred outflows of pensions	3,419,971	20,315	3,440,286
Deferred outflows related to OPEB	257,261	37,482	294,743
Total deferred outflows of resources	3,677,232	57,797	3,735,029
Liabilities:			
Accounts payable and other current liabilities	2,290,258	428,343	2,718,601
Due to other governmental units	33,791	-	33,791
Unearned revenues	5,689,880	-	5,689,880
Customer deposits	-	166,335	166,335
Accrued interest	96,198	-	96,198
Noncurrent liabilities:			
Due within one year	1,765,260	604,396	2,369,656
Due in more than one year	11,640,882	10,333,615	21,974,497
Total liabilities	21,516,269	11,532,689	33,048,958
Deferred Inflows of Resources:			
Deferred inflows of pensions	1,074,853	87,906	1,162,759
Deferred inflows related to OPEB	1,105,610	161,082	1,266,692
Deferred inflows related to leases	1,272,076	-	1,272,076
Total deferred inflows of resources	3,452,539	248,988	3,701,527
Net Position:			
Net investment in capital assets	41,030,767	29,790,607	70,821,374
Restricted for:			
Renewal and replacement	-	1,914,052	1,914,052
Capital projects	63,168	1,905,871	1,969,039
Building permits and inspections	-	-	-
ARPA	67,392	-	67,392
Public safety	390,576	-	390,576
Unrestricted	840,226	(3,919,866)	(3,079,640)
Total net position	\$ 42,392,129	\$ 29,690,664	\$ 72,082,793

Historic

LONGWOOD



F l o r i d a

City of Longwood, Florida
Statement of Activities
Year Ended September 30, 2023

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	Governmental Activities
Governmental Activities:					Business-type Activities
General Government	\$ 4,728,992	\$ 245,740	\$ 155,127	\$ -	\$ (4,328,125)
Public Safety	12,906,271	2,008,142	509,538	50,397	(10,338,194)
Physical Environment	579,809	831,011	91,378	76,937	419,517
Highways & Streets	3,162,184	-	609,208	1,273,466	(1,279,510)
Sanitation	1,384,811	1,219,081	-	-	(165,730)
Parks and Recreation	1,732,893	293,215	-	105,777	(1,333,901)
Interest on Long-term debt	160,132	-	-	-	(160,132)
Total governmental activities	24,655,092	4,597,189	1,365,251	1,506,577	(17,186,075)
Business-type activities:					
Public Utilities	6,092,645	6,818,832	-	175,618	901,805
Total business-type activities	\$ 6,092,645	\$ 6,818,832	\$ -	\$ 175,618	\$ 901,805
Total primary government	\$ 30,747,737	\$ 11,416,021	\$ 1,365,251	\$ 1,682,195	\$ (17,186,075)
General Revenues:					
Taxes:					
Property taxes					8,504,210
Franchise and utility taxes					4,311,687
Communications services tax					862,701
Unrestricted intergovernmental revenues					1,987,994
Unrestricted investment earnings					37,209
Miscellaneous					855
Gain on Sale of Capital Assets					14,280
Transfers					625,015
					(625,015)
Total general revenues and transfers					16,741,594
Change in net position					(444,481)
Net position, beginning					29,375,608
Net position, ending					\$ 29,690,664
					\$ 29,690,664
					\$ 72,082,793

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

City of Longwood, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Public Facilities Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,918,086	\$ -	\$ 5,448,934	\$ 1,242,031	\$ 8,609,051
Investments	2,605,039	-	-	-	2,605,039
Accounts receivable (net of allowance for uncollectibles)	1,547,456	16,067	-	72,575	1,636,098
Due from other funds	-	-	-	-	-
Due from other governmental units	280,274	113,234	-	99,966	493,474
Prepays	20,164	-	-	1,075,311	1,095,475
Advances to other funds	1,293,085	1,646,392	-	-	2,939,477
Total assets	<u>\$ 7,664,104</u>	<u>\$ 1,775,693</u>	<u>\$ 5,448,934</u>	<u>\$ 2,489,883</u>	<u>\$ 17,378,614</u>
Liabilities:					
Accounts payable	\$ 322,188	\$ 427,484	\$ 12,345	\$ 149,293	\$ 911,310
Accrued liabilities	1,347,026	2,809	-	29,113	1,378,948
Due to other funds	-	-	-	418,533	418,533
Advances from other funds	-	-	-	355,000	355,000
Due to other governments	29,963	-	-	3,828	33,791
Unearned revenue	300,893	-	5,369,197	19,790	5,689,880
Total liabilities	<u>2,000,070</u>	<u>430,293</u>	<u>5,381,542</u>	<u>975,557</u>	<u>8,787,462</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	16,067	-	-	16,067
Deferred inflows- leases	1,272,076	-	-	-	1,272,076
Total Deferred Inflows	<u>1,272,076</u>	<u>16,067</u>	<u>-</u>	<u>-</u>	<u>1,288,143</u>
Fund Balances (deficits):					
Nonspendable	1,313,249	-	-	1,075,311	2,388,560
Spendable:					
Restricted	-	-	67,392	453,744	521,136
Committed	-	1,329,333	-	411,157	1,740,490
Assigned	617,065	-	-	-	617,065
Unassigned	2,461,644	-	-	(425,886)	2,035,758
Total fund balances	<u>4,391,958</u>	<u>1,329,333</u>	<u>67,392</u>	<u>1,514,326</u>	<u>7,303,009</u>
Total liabilities, deferred inflows and fund balances(deficits)	<u>\$ 7,664,104</u>	<u>\$ 1,775,693</u>	<u>\$ 5,448,934</u>	<u>\$ 2,489,883</u>	<u>\$ 17,378,614</u>

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

Total Fund Balance, Governmental Funds	\$	7,303,009
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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.		47,078,624
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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.		16,067
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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.		1,496,769
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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	(6,047,857)
Accrued interest payable	(96,198)
Net pension liability	(3,047,604)
OPEB liability	(3,075,111)
Compensated absences	(1,235,570)

Net Position of Governmental Activities in the Statement of Net Position	\$	42,392,129
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City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023

	<u>General Fund</u>	<u>Public Facilities Improvement Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes:					
Property tax	\$ 8,504,210	\$ -	\$ -	\$ -	\$ 8,504,210
Franchise tax	2,162,692	-	-	-	2,162,692
Utility tax	2,148,995	-	-	-	2,148,995
Communications services tax	862,701	-	-	-	862,701
Local option gas tax	-	382,883	-	-	382,883
Licenses and permits	147,268	-	-	563,801	711,069
Intergovernmental revenue	2,767,142	1,344,311	387,630	99,966	4,599,049
Charges for services	2,596,848	-	-	861,005	3,457,853
Fines and forfeitures	145,546	-	-	44,314	189,860
Special assessments	-	14,744	-	96,797	111,541
Investment earnings	42,979	17,922	59,923	15,134	135,958
Miscellaneous revenue	284,020	-	-	35,229	319,249
Total revenues	<u>19,662,401</u>	<u>1,759,860</u>	<u>447,553</u>	<u>1,716,246</u>	<u>23,586,060</u>
Expenditures:					
Current:					
General government	3,929,402	-	155,127	-	4,084,529
Public safety	10,400,751	-	-	657,944	11,058,695
Physical environment	-	-	-	556,482	556,482
Highways and streets	1,788,840	92,122	-	-	1,880,962
Sanitation	1,158,486	-	226,325	-	1,384,811
Parks and recreation	1,247,871	-	-	122,051	1,369,922
Debt Service:					
Principal	776,445	808,809	-	147,742	1,732,996
Interest and other charges	131,753	25,106	-	9,599	166,458
Capital Outlay	164,455	880,705	6,178	2,260,069	3,311,407
Total expenditures	<u>19,598,003</u>	<u>1,806,742</u>	<u>387,630</u>	<u>3,753,887</u>	<u>25,546,262</u>
Excess (deficiency) of revenues over expenditures	<u>64,398</u>	<u>(46,882)</u>	<u>59,923</u>	<u>(2,037,641)</u>	<u>(1,960,202)</u>
Other Financing Sources (uses):					
Sale of general capital assets	14,280	-	-	-	14,280
Notes issued	-	-	-	599,818	599,818
Transfers in	1,052,657	-	-	1,396,400	2,449,057
Transfers out	(1,396,400)	-	-	(427,642)	(1,824,042)
Total other financing sources	<u>(329,463)</u>	<u>-</u>	<u>-</u>	<u>1,568,576</u>	<u>1,239,113</u>
Net change in fund balances	<u>(265,065)</u>	<u>(46,882)</u>	<u>59,923</u>	<u>(469,065)</u>	<u>(721,089)</u>
Fund balances, beginning	<u>4,657,023</u>	<u>1,376,215</u>	<u>7,469</u>	<u>1,983,391</u>	<u>8,024,098</u>
Fund balances, ending	<u>\$ 4,391,958</u>	<u>\$ 1,329,333</u>	<u>\$ 67,392</u>	<u>\$ 1,514,326</u>	<u>\$ 7,303,009</u>

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

Year Ended September 30, 2023

Net Change in Fund Balances, total governmental funds:	\$	(721,089)
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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	3,546,433	
Current Year Depreciation	<u>(2,918,472)</u>	627,961

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position	(960,544)
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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	(293,850)	
Accrued interest	6,326	
Compensated absences	<u>(221,719)</u>	(509,243)

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.

Notes payable issued	(599,818)	
Principal Payments	<u>1,732,996</u>	1,133,178

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>(14,744)</u>
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Change in Net Position of Governmental Activities	<u>\$</u>	<u>(444,481)</u>
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Statement of Revenues, Expenditures and Changes in Fund Balances -**Budget and Actual - General Fund**

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 8,405,308	\$ 8,405,308	\$ 8,504,210	\$ 98,902
Franchise tax	2,105,586	2,151,916	2,162,692	10,776
Utility tax	2,172,281	2,182,281	2,148,995	(33,286)
Communications services tax	750,000	770,000	862,701	92,701
Licenses and permits	209,500	213,300	152,268	(61,032)
Intergovernmental revenue	2,538,821	2,586,259	2,767,142	180,883
Charges for services	2,803,435	2,737,794	2,591,848	(145,946)
Fines and forfeitures	138,000	138,000	145,546	7,546
Investment earnings	5,000	5,100	42,979	37,879
Miscellaneous revenue	124,500	314,741	284,020	(30,721)
Total revenues	19,252,431	19,504,699	19,662,401	157,702
Expenditures:				
Current:				
General government:				
City commission	98,842	118,142	110,327	7,815
City clerk	309,750	309,750	261,567	48,183
City manager	388,217	437,266	428,039	9,227
City attorney	180,000	180,000	122,639	57,361
Personnel	819,802	833,929	774,124	59,805
Purchasing	118,645	89,467	77,527	11,940
Finance	474,777	540,022	461,700	78,322
Community development	766,420	902,670	737,086	165,584
Other-unclassified	1,051,360	1,156,154	1,030,927	125,227
Total general government	4,207,813	4,567,400	4,003,936	563,464
Public Safety				
Police	5,434,372	5,701,479	5,616,961	84,518
Fire	5,480,656	5,452,140	5,388,802	63,338
Total public safety	10,915,028	11,153,619	11,005,763	147,856

City of Longwood, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund (Continued)
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Highways and streets:				
Streets and fleet	\$ 1,483,277	\$ 2,138,128	\$ 1,788,840	\$ 349,288
Total highways and streets	1,483,277	2,138,128	1,788,840	349,288
Sanitation	1,362,277	1,362,277	1,158,486	203,791
Parks and recreation:				
Recreational programs	1,679,549	1,683,831	1,640,378	43,453
Total parks and recreation	1,679,549	1,683,831	1,640,378	43,453
Capital Outlay	-	3,094	600	2,494
Total expenditures	19,647,944	20,908,349	19,598,003	1,310,346
Excess (deficiency) of revenues over expenditures	(395,513)	(1,403,650)	64,398	1,468,048
Other Financing Sources (Uses):				
Sale of general capital assets	130,000	130,000	14,280	(115,720)
Transfers in	1,052,657	1,052,657	1,052,657	-
Transfers out	(1,396,400)	(1,396,400)	(1,396,400)	-
Total other financing sources (uses)	(213,743)	(213,743)	(329,463)	(115,720)
Net change in fund balances	(609,256)	(1,617,393)	(265,065)	1,352,328
Fund balance, beginning	4,657,023	4,657,023	4,657,023	-
Fund balance, ending	\$ 4,047,767	\$ 3,039,630	\$ 4,391,958	\$ 1,352,328

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ -	\$ 573,728	\$ 387,630	\$ (186,098)
Investment earnings	-	-	59,923	59,923
Total revenues	-	573,728	447,553	(126,175)
Expenditures:				
Current:				
General government:				
General government:	-	355,266	155,127	200,139
Total general government	-	355,266	155,127	200,139
Sanitation	-	226,325	226,325	-
Capital outlay	-	105,920	6,178	99,742
Total expenditures	-	687,511	387,630	299,881
Excess (deficiency) of revenues over expenditures	-	(113,783)	59,923	173,706
Net change in fund balances	-	(113,783)	59,923	173,706
Fund balances, beginning	7,469	7,469	7,469	-
Fund balances, ending	<u>\$ 7,469</u>	<u>\$ (106,314)</u>	<u>\$ 67,392</u>	<u>\$ 173,706</u>

City of Longwood, Florida
Statement of Net Position
Proprietary Fund
September 30, 2023

	Public Utilities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 187,476
Accounts receivable, net	647,765
Restricted cash	2,072,206
Prepays	46,442
Total current assets	2,953,889
Non-current assets:	
Impact fees and assessments receivable	530,192
Capital Assets:	
Not being depreciated	1,330,664
Being depreciated, net	38,765,743
Total non-current assets	40,626,599
Total assets	43,580,488
Deferred Outflows of Resources:	
Deferred outflows on pension and OPEB	57,797
Liabilities:	
Current liabilities:	
Accounts payable and other current liabilities	428,343
Due to other funds	2,165,944
Compensated absences	7,997
Customer deposits	166,335
Notes payable	596,399
Total current liabilities	3,365,018
Non-current liabilities:	
Compensated absences	71,972
Net pension liability	104,213
OPEB	448,029
Notes payable	9,709,401
Total non-current liabilities	10,333,615
Total liabilities	13,698,633
Deferred Inflows of Resources:	
Deferred inflows on pension and OPEB	248,988
Net Position:	
Net investment in capital assets	29,790,607
Restricted for renewal and replacement	1,914,052
Restricted for capital projects	1,905,871
Unrestricted	(3,919,866)
Total net position	\$ 29,690,664

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

Year Ended September 30, 2023

	Public Utilities
Operating Revenues:	
Charges for sales and services	\$ 6,819,687
Total operating revenues	6,819,687
Operating Expenses:	
Personnel	1,531,595
Supplies and services	2,155,089
Amortization	215,928
Depreciation	2,062,514
Total operating expenses	5,965,126
Operating income	854,561
Nonoperating Revenues (Expenses):	
Investment earnings	37,209
Gain on sale of capital assets	202
Interest expense	(127,519)
Total nonoperating revenue (expenses)	(90,108)
Income before contributions and transfers	764,453
Capital contributions	175,618
Transfers out	(625,015)
Change in net position	315,056
Net position, beginning	29,375,608
Net position, ending	\$ 29,690,664

City of Longwood, Florida
Statement of Cash Flows -
Proprietary Fund
Year Ended September 30, 2023

	Public Utilities
Cash Flows From Operating Activities:	
Receipts from customers	\$ 6,761,973
Payments to suppliers	(2,168,491)
Payments to employees	(1,501,991)
Net cash provided by (used in) operating activities	3,091,491
Cash Flows From Noncapital Financing Activities:	
Due to other funds	(2,181,346)
Transfers to other funds	(625,015)
Net cash provided by (used in) noncapital financing activities	(2,806,361)
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	(761,617)
Sale of capital assets	202
Interest payments	(127,519)
Grants	455,082
Impact fees	133,808
Principal payments on notes payable	(624,646)
Proceeds from notes payable	932,198
Net cash provided by (used in) in capital and related financing activities	7,508
Cash Flows From Investing Activities:	
Investment income	37,209
Net cash provided by (used in) investing activities	37,209
Net increase (decrease) in cash and cash equivalents	329,847
Cash and cash equivalents, beginning of year	1,929,835
Cash and cash equivalents, end of year	\$ 2,259,682
Classified as:	
Cash and cash equivalents	\$ 187,476
Restricted cash, customer deposits	2,072,206
Total cash and cash equivalents	\$ 2,259,682
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 854,561
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	2,062,514
Amortization expense	215,928
Increase in accounts receivable	(70,827)
Decrease in deferred outflows	14,283
Decrease in assessments receivable	22,135
Decrease in prepaid	(39,220)
Decrease in accounts payable	25,818
Decrease in OPEB	4,492
Decrease in compensated absences	5,006
Decrease in customer deposits	(9,022)
Increase in deferred inflows	24,032
Increase in net pension liability	(18,209)
Net cash provided by (used in) operating activities	\$ 3,091,491

City of Longwood, Florida
Statement of Fiduciary Net Position -
Fiduciary Fund
September 30, 2023

	<u>Pension Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 381,192</u>
Receivables:	
Employer and employee	<u>28,182</u>
Total receivables	<u>28,182</u>
Investments, at fair value:	
U.S. Government obligations	7,678,294
Equities	<u>19,168,508</u>
Total investments	<u>26,846,802</u>
Total assets	<u>27,256,176</u>
Net Position:	
Net position restricted for pensions	<u><u>\$ 27,256,176</u></u>

City of Longwood, Florida
Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended September 30, 2023

	<u>Pension Fund</u>
Additions:	
Contributions:	
City	\$ 867,071
State	478,408
Employee	<u>57,097</u>
Total contributions	<u>1,402,576</u>
Investment earnings:	
Net increase (decrease) in the fair value of investments	2,105,897
Less: investment expense	<u>(36,088)</u>
Net investment earnings (losses)	<u>2,069,809</u>
Total additions	<u>3,472,385</u>
Deductions:	
Refunds of contributions	831,876
Administrative expenses	<u>37,219</u>
Total deductions	<u>869,095</u>
Change in net position	2,603,290
Net position, beginning	<u>24,652,886</u>
Net position, ending	<u><u>\$ 27,256,176</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, 2023 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 2023, the City has not implemented any new accounting standards with a material effect on the city’s financial statements.

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 2023 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 Building Permits and Inspection fund has a deficit fund balance of \$20,956; the Public Works/Administration Impact Fees Fund has a deficit fund balance of \$3,239 and the capital projects fund had a deficit fund balance of \$26,842 at September 30, 2023.

Appropriations in Excess of Funds Available

Appropriations for the ARPA Fund, Stormwater Fund, Parks and Events Fund, Public Works/Administration Impact Fees Fund and Capital Projects Fund were in excess of anticipated revenue and available fund balance.

Expenditures in Excess of Appropriations

The Special Law Enforcement Trust Fund contained expenditures in excess of appropriations for the fiscal year ended September 30, 2023.

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, 2023, 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, 2023 are detailed below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity</u>
LGIP:			
Florida Prime	<u>\$ 2,605,039</u>	AAAm	35 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, 2023:

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	\$ 6,643,631	\$ -	\$ 6,643,631	\$ -
FMLvT Diversified Small to Mid Cap	3,784,691	-	3,784,691	-
FMLvT International Equity	5,255,003	-	5,255,003	-
Fixed Income:				
FMLvT Broad Market HQ Bond	3,975,287	-	3,975,287	-
FMLvT Core Plus Fixed Income	3,703,007	-	-	3,703,007
FMLvT Core Real Estate Fund	3,485,183	-	-	3,485,183
	<u>26,846,802</u>	<u>\$ -</u>	<u>\$ 19,658,612</u>	<u>\$ 7,188,190</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, 2023 are detailed below:

Investment Type	Fair Value	Weighted Avg. Maturity	Credit Rating
Pension Fund:			
FMLvT Broad market HQ Bond Fund	\$ 3,975,287	6.90 years	AA/S4
FMLvT Core Plus Fixed Income	3,703,007	8.03 years	Not rated
Equities	<u>19,168,508</u>	N/A	Not rated
Total investments	<u>26,846,802</u>		
Cash and cash equivalents	<u>381,192</u>		
Total cash and investments	<u>\$ 27,227,994</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, 2023, 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, 2023, 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	\$ 1,561,907	\$ (14,451)	\$ 1,547,456
Public Facilities Improvement Fund	16,067	-	16,067
Stormwater Management Fund	122,163	(53,538)	68,625
Special Law Enforcement Trust Fund	3,322	-	3,322
Police Education Fund	628	-	628
	1,704,087	(67,989)	1,636,098
Proprietary Fund:			
Public Utilities	753,920	(106,155)	647,765
	<u>\$ 2,458,007</u>	<u>\$ (174,144)</u>	<u>\$ 2,283,863</u>

\$16,067 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 \$16,067 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 \$1,272,076 of lease receivables in accordance with the City's implementation of GASB Statement No. 87, *Leases*. These receivables totaling \$1,272,076 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, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,101,052	\$ 16,210	\$ -	\$ 6,117,262
Construction in progress	4,629,306	1,901,639	(1,797,556)	4,733,389
Total capital assets, not being depreciated	10,730,358	1,917,849	(1,797,556)	10,850,651
Capital assets, being depreciated:				
Buildings	6,082,062	139,800	-	6,221,862
Improvements other than buildings	12,868,736	498,235	-	13,366,971
Infrastructure	41,049,134	1,374,020	-	42,423,154
Vehicles and equipment	12,234,257	1,414,085	(695,516)	12,952,826
Total capital assets, being depreciated	72,234,189	3,426,140	(695,516)	74,964,813
Less accumulated depreciation for:				
Buildings	(3,020,682)	(132,591)	-	(3,153,273)
Improvements other than buildings	(4,539,668)	(607,364)	-	(5,147,032)
Infrastructure	(18,833,962)	(1,228,137)	-	(20,062,099)
Vehicles and equipment	(10,119,572)	(950,380)	695,516	(10,374,436)
Total accumulated depreciation	(36,513,884)	(2,918,472)	695,516	(38,736,840)
Total capital assets, being depreciated, net	35,720,305	507,668	-	36,227,973
Governmental activities capital assets, net	\$46,450,663	\$ 2,425,517	\$ (1,797,556)	\$47,078,624

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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	1,682,634	683,343	(1,497,894)	868,083
Total capital assets, not being depreciated	2,145,215	683,343	(1,497,894)	1,330,664
Capital assets, being depreciated:				
Buildings	114,235	-	-	114,235
Improvements other than buildings	56,170,215	1,497,894	-	57,668,109
Vehicles and equipment	1,847,376	43,549	-	1,890,925
Intangibles	8,602,420	34,725	-	8,637,145
Total capital assets, being depreciated	66,734,246	1,576,168	-	68,310,414
Less accumulated depreciation for:				
Buildings	(94,013)	(2,290)	-	(96,303)
Improvements other than buildings	(21,832,844)	(1,965,098)	-	(23,797,942)
Vehicles and equipment	(1,571,964)	(95,126)	-	(1,667,090)
Intangibles	(3,767,408)	(215,928)	-	(3,983,336)
Total accumulated depreciation	(27,266,229)	(2,278,442)	-	(29,544,671)
Total capital assets, being depreciated, net	39,468,017	(702,274)	-	38,765,743
Business-type activities capital assets, net	\$ 41,613,232	\$ (18,931)	\$ (1,497,894)	\$ 40,096,407

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

Governmental Activities:	
General government	\$ 541,288
Public safety	714,915
Highways and streets	1,323,759
Parks and recreation	338,510
Total depreciation expense, governmental activities	\$ 2,918,472
Business-type Activities:	
Public utilities	\$ 2,278,442

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 2023, \$34,725 additional units were acquired, and amortization was recorded in the amount of \$215,928, resulting in unamortized sewer capacity balance of \$4,653,809 at September 30, 2023.

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances at September 30, 2023 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	1,431,392
General Fund	Public Utilities Fund	734,552
General Fund	Capital Projects Fund	415,294
General Fund	Public Works/Administration Impact Fee Fund	3,239

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, 2023 is:

	Transfers In	
	General Fund	Nonmajor Governmental Funds
Transfer Out:		
General Fund		\$ 1,396,400
Nonmajor Governmental Funds	427,642	
Public Utilities Fund	625,015	
Total	\$ 1,052,657	\$ 1,396,400
		\$ 2,449,057

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.

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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, 2023, the value of the lease receivable and deferred inflow of resources is \$569,451 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, 2023, the value of the lease receivable and deferred inflow of resources is \$255,876 and the City recognized lease revenue of \$93,823 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, 2023, the value of the lease receivable and deferred inflow of resources is \$446,749 and the City recognized lease revenue of \$77,232 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	
2024	194,862	\$ -	\$ 194,862
2025	201,064	-	201,064
2026	164,599	-	164,599
2027	108,404	-	108,404
2028	119,976	-	119,976
2029-2033	86,280	-	86,280
2034-2038	86,280	-	86,280
2039-2043	86,280	-	86,280
2044-2048	86,280	-	86,280
2049-2053	86,280	-	86,280
2054-2056	51,771	-	51,771
Total payments to be received	\$ 1,272,076	\$ -	\$ 1,272,076

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

Land	\$ 429,000
Buildings	1,103,064
Less: accumulated depreciation	(50,557)
Capital Assets Held for Lease, Net	\$ 1,481,507

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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 \$585,828. For the fiscal year, principal and interest paid on this series was \$120,478. 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 \$788,267. For the fiscal year, principal and interest paid on this series was \$788,374 and total pledged revenue was \$1,617,617. 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 \$2,941,582. 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 \$627,142. For the fiscal year, principal and interest paid was \$313,788. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

In 2023 the City entered into an installment purchase agreement for computer equipment. The agreement provides for total funding of \$599,818 to be repaid over five years. Total principal and interest remaining to be paid on the loan is \$497,579.

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 \$1,148,592, and principal and interest paid was \$229,718. In the event of default, the noteholder may declare all principal and interest is due and immediately payable.

In 2017, the City executed the Clean Water State Revolving Fund Loan agreement WW590500 for the South Longwood Septic Tank Abatement Phase I project. This agreement provides for total funding of \$4,071,303. The loan period is for 20 years with an interest rate of .91 percent. The note is secured by gross revenues from the water and sewer systems net of operations and maintenance costs. Principal and interest remaining to be paid on this series is \$3,309,601, and principal and interest paid was \$228,256.

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 \$2,729,829, and principal and interest paid was \$165,482.

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 \$1,868,706. Principal and interest paid in the current year was \$109,923.

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 \$1,050,637, and principal and interest paid was \$61,899.

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 \$2,008,190, and principal and interest paid was \$139,490.

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
2024	\$ 1,759,377	\$ 136,384	\$ 596,399	\$ 80,429
2025	1,353,924	103,582	601,251	75,577
2026	598,648	77,368	606,156	70,672
2027	613,191	62,825	611,109	65,719
2028	503,709	47,913	616,112	60,717
2029-2033	1,219,008	87,095	3,130,094	228,081
2034-2038	-	-	3,145,296	98,757
2039-2043	-	-	999,383	7,176
	<u>\$ 6,047,857</u>	<u>\$ 515,167</u>	<u>\$ 10,305,800</u>	<u>\$ 687,128</u>

A summary of noncurrent liability activity for the year ended September 30, 2023 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes payable - direct borrowing	\$ 7,181,035	\$ 599,818	\$ (1,732,996)	\$ 6,047,857	\$ 1,641,703
Net pension liability	2,962,107	85,497	-	3,047,604	-
OPEB liability	3,034,196	40,915	-	3,075,111	-
Compensated absences	1,013,851	697,705	(475,986)	1,235,570	123,557
	<u>\$ 14,191,189</u>	<u>\$ 1,423,935</u>	<u>\$ (2,208,982)</u>	<u>\$ 13,406,142</u>	<u>\$ 1,765,260</u>
Business-type Activities:					
Note payable - direct borrowing	\$ 28,578	\$ -	\$ (4,471)	\$ 24,107	\$ 4,584
SRF loan payable	9,969,670	932,198	(620,175)	10,281,693	591,815
Net pension liability	122,422	-	(18,209)	104,213	-
OPEB liability	443,537	4,492	-	448,029	-
Compensated absences	74,963	73,579	(68,573)	79,969	7,997
	<u>\$ 10,639,170</u>	<u>\$ 1,010,269</u>	<u>\$ (711,428)</u>	<u>\$ 10,938,011</u>	<u>\$ 604,396</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, 2023 are as follows:

Regular Class - Members not qualifying for other classes (16.57% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 14.91% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

Special Risk Class - members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (35.67% [includes 3% employee contribution] from July 1, 2023 through September 30, 2023 and 30.83% [includes 3% employee contribution] from October 1, 2022 through June 30, 2023.)

DROP - Members in DROP program (21.13% from July 1, 2023 through September 30, 2023 and 18.60% from October 1, 2022 through June 30, 2023.)

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 2.0% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The City's contributions, including employee contributions, to the Pension Plan totaled \$91,460 for the fiscal year ended September 30, 2023.

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

At September 30, 2023, the City reported a liability of \$747,463 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .00188 percent, which was a decrease of .00061 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$(69,617). 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	\$ 70,180	\$ -
Change of assumptions	48,726	-
Net difference between projected and actual earnings on pension plan Investments	31,216	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	612,317
Pension plan contributions subsequent to the measurement date	22,960	-
	<u>\$ 173,082</u>	<u>\$ 612,317</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The deferred outflows of resources related to the Pension Plan, totaling \$22,960 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, 2024. 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>	
2024	\$ (186,147)
2025	(187,702)
2026	(18,898)
2027	(62,929)
2028	(6,519)
Thereafter	-
	<u>\$ (462,195)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 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, 2023, 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%	2.90%	2.90%	1.10%
Fixed income	19.80%	4.50%	4.40%	3.40%
Global equities	54.00%	8.70%	7.10%	18.10%
Real estate	10.30%	7.60%	6.60%	14.80%
Private equity	11.10%	11.90%	8.80%	26.30%
Strategic investments	3.80%	6.30%	6.10%	7.70%
Total	100.00%			
Assumed Inflation - mean			2.40%	1.40%

(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)	\$ 1,276,819	\$ 747,463	\$ 304,593

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, 2023, the City reported a payable in the amount of \$15,749 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

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, 2023, 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, 2023, the HIS contribution for the period October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 2.0%, 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 \$8,166 for the fiscal year September 30, 2023.

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

At September 30, 2023, the City reported a liability of \$192,233 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was .0012 percent, which was a decrease of .0005 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$20,847. 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	\$ 2,814	\$ 451
Differences between expected and actual experience	5,054	16,658
Net difference between projected and actual earnings on pension plan investments	99	-
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	-	163,234
Pension plan contributions subsequent to the measurement date	2,129	-
	<u>\$ 10,096</u>	<u>\$ 180,343</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The deferred outflows of resources related to the HIS Plan, totaling \$2,129 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, 2024. 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,	
2024	\$ (45,635)
2025	(41,455)
2026	(36,259)
2027	(30,089)
2028	(16,282)
Thereafter	(2,656)
	<u>\$ (172,376)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2023, 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	3.65 % 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, 2023, 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 3.65%. 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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	Discount Rate Minus 1% 2.65%	Current Discount Rate 3.65%	Discount Rate Plus 1% 4.65%
City's proportionate share of net pension liability (HIS)	\$ 219,308	\$ 192,233	\$ 169,790

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, 2023, 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, 2023:

	Police and Firefighters' Pension Trust
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	75
Active Plan Members	81
	<u>171</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, 2023 was 21.71% 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, 2023, and the pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023. The components of the net pension liability of the sponsor on September 30, 2023 were as follows:

Total Pension Liability (Asset)	\$ 26,277,339
Less Fiduciary Net Position	<u>(24,065,218)</u>
Net Pension Liability (Asset)	<u><u>\$ 2,212,121</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.58%

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 \$3,190,958. 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, 2022 updated to September 30, 2023 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, 2023 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, 2022	\$ 23,478,375	\$ (21,497,735)	\$ 1,980,640
Changes for a Year:			
Service cost	1,110,427	-	1,110,427
Expected interest growth	1,697,688	(1,527,780)	169,908
Unexpected investment income	-	(373,034)	(373,034)
Demographic experience	477,853	-	477,853
Contributions-employer & state	-	(1,169,883)	(1,169,883)
Contributions-employee	-	(57,097)	(57,097)
Benefit payments and refunds	(487,004)	487,004	-
Administrative expense	-	73,307	73,307
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Balances at September 30, 2023	\$ 26,277,339	\$ (24,065,218)	\$ 2,212,121

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)	\$ 6,186,554	\$ 2,212,121	\$ (1,005,105)

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

For the year ended September 30, 2023 the City recognized pension expense of \$2,262,366. On September 30, 2023, 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	\$ 1,992,177	\$ -
Net difference of demographic gain/loss	887,579	63,282
Net changes of assumptions	377,352	306,817
	<u>\$ 3,257,108</u>	<u>\$ 370,099</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
2024	\$ 881,466
2025	733,734
2026	1,166,774
2027	61,592
2028	43,443
Thereafter	-
	<u>\$ 2,887,009</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, 2023 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension Expense
MPF Pension Plan	\$ (2,212,121)	\$ (370,099)	\$ 3,257,108	\$ 2,262,366
FRS Pension Plan	(747,463)	(612,317)	173,082	(69,617)
HIS Pension Plan	(192,233)	(180,343)	10,096	20,847
	<u>\$ (3,151,817)</u>	<u>\$ (1,162,759)</u>	<u>\$ 3,440,286</u>	<u>\$ 2,213,596</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, 2023, employer contributions required and made totaled \$424,798.

At September 30, 2023, 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, 2023, 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, 2022, the valuation date, there were 145 active employees and 5 inactive employees currently receiving benefits. The OPEB liability of \$3,523,140 was measured as of September 30, 2023, and was determined by the actuarial valuation. The covered payroll was \$9,090,853, and the ratio of Net OPEB liability as a percentage of covered payroll was 38.75%.

Summary of actuarial methods and assumptions:

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

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

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

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	7.5%
Ultimate Health Care Cost Trend Rate	5.00%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2028
Additional Information	
Valuation Date	October 1, 2022
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate*	4.91%
Inflation Rate	3%
Salary Rate Increase	3%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 9,090,853
Net OPEB Liability as a Percentage of Covered Payroll	38.75%

* Discount rate of 4.91% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2023

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

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2022 to September 30, 2023.

	Total OPEB Liability
Balance as of September 30, 2022	\$ 3,477,733
Changes for the year:	
Service Cost	\$ 324,873
Interest on Total OPEB Liability	184,901
Difference Between Expected & Actual Experience	(163,883)
Changes of Assumptions and Other Inputs	(225,993)
Benefit Payments	(74,491)
Other Changes	-
Net Changes	<u>\$ 45,407</u>
Balance as of September 30, 2023	<u><u>\$ 3,523,140</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 3.91%	Discount Rate 4.91%	Increase 5.91%
Total OPEB Liability	\$ 3,986,537	\$ 3,523,140	\$ 3,125,307

The following presents the total liability of the city using the 2023 healthcare cost trend rate of 7.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Total OPEB Liability	\$ 3,002,406	\$ 3,523,140	\$ 4,162,409

For the fiscal year ended September 30, 2023, 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	\$ -	\$ 650,131
Changes of assumptions	<u>294,743</u>	<u>616,561</u>
Total	<u><u>\$ 294,743</u></u>	<u><u>\$ 1,266,692</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>	
2024	\$ (100,378)
2025	(100,378)
2026	(100,378)
2027	(100,881)
2028	(102,757)
Thereafter	(467,177)
	<u>(971,949)</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, 2023, 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	\$ 20,164	\$ -	\$ -	\$ 1,075,311	\$ 1,095,475
Advances	1,293,085	-	-	-	1,293,085
Restricted for:					
Public safety - Special law enforcement	-	-	-	390,576	390,576
Building permits and inspection	-	-	-	-	-
ARPA	-	-	67,392	-	67,392
Police impact	-	-	-	13,216	13,216
Fire impact	-	-	-	38,023	38,023
Recreation impact	-	-	-	11,929	11,929
Committed to:					
Public facility improvement	-	1,329,333	-	-	1,329,333
Stormwater	-	-	-	298,756	298,756
Parks and Events	-	-	-	11,490	11,490
Citizens on Patrol (COPs)	-	-	-	13,394	13,394
Community Emergency Response Team (CERT)	-	-	-	10,521	10,521
Special assessments	-	-	-	76,996	76,996
Assigned for:					
Subsequent years expenditure	129,564	-	-	-	129,564
Capital projects	487,501	-	-	-	487,501
Unassigned	2,461,644	-	-	(425,886)	2,035,758
Total fund balance	\$4,391,958	\$ 1,329,333	\$67,392	\$ 1,514,326	\$ 7,303,009

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, 2023 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, 2023, the City had entered into contracts for construction in the amount of \$2,213,742.

Encumbrances

At September 30, 2023, the City has the following significant encumbrances:

Public Facilities Improvement Fund	\$	237,818
Public Utilities Fund		203,543
Capital Projects Fund		69,380
Stormwater Fund		64,620
		<hr/>
	\$	575,361
		<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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Retiree Continuation Insurance Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability						
Service cost	\$ 324,873	\$ 297,891	\$ 366,962	\$ 389,460	\$ 222,862	\$ 220,186
Interest	184,901	200,457	98,745	74,158	108,836	101,706
Differences between expected and actual experience	-	-	-	(181,828)	-	-
Demographic gain/loss	(163,883)	(475,385)	-	-	-	-
Changes of assumptions	(225,993)	(390,898)	(133,798)	458,114	20,908	-
Benefit Payments	(74,491)	(116,443)	(132,062)	(106,432)	(81,391)	(75,797)
Other changes	-	-	-	-	-	-
Net change in total OPEB liability	\$ 45,407	(484,378)	199,847	633,472	271,215	246,095
Total OPEB liability, beginning	3,477,733	3,962,111	3,762,264	3,128,792	2,857,577	2,611,482
Total OPEB liability, ending	<u>\$ 3,523,140</u>	<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% 0.00%

Covered-employee payroll

\$ 9,090,853 \$ 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

38.75% 44.07% 50.07% 47.55% 49.10% 44.84%

Note: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

* Prior years' data is unavailable.

City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2023

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	2023
Total Pension Liability:										
Service cost	\$ 474,397	\$ 362,084	\$ 618,506	\$ 853,537	\$ 780,844	\$ 842,962	\$ 936,881	\$ 979,468	\$ 1,030,273	\$ 1,110,427
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	1,697,688
Differences between expected and actual experience	-	(395,734)	191,162	1,208,857	(523,709)	(206,136)	342,623	103,773	460,534	477,853
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)	(487,004)
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	2,798,964
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	23,478,375
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	\$ 26,277,339
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	\$ 1,169,883
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	57,097
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)	1,900,814
Benefit Payments	(26,611)	(37,140)	(53,374)	(53,435)	(177,727)	(176,971)	(244,179)	(270,271)	(333,124)	(487,004)
Administrative Expense	(67,488)	(44,598)	(54,619)	(43,844)	(46,232)	(69,568)	(65,379)	(64,412)	(78,629)	(73,307)
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)	2,567,483
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	21,497,735
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	\$ 24,065,218
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	\$ 2,212,121
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%	91.58%
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	\$ 4,707,039
covered payroll	-84.81%	-113.08%	-13.28%	9.46%	-17.32%	-26.69%	-14.16%	-86.53%	44.80%	47.00%

City of Longwood, Florida
Required Supplementary Information
Year Ended September 30, 2023

Police and Firefighters' Pension Plan
Schedule of Contributions
Last 10 Fiscal Years

Reconciliation of Plan Fiduciary Net Position to the Statement of Net Position for the Fiduciary Fund:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 24,065,218
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	3,190,958
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	\$ 27,256,176

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	\$ 1,239,587
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	1,169,833
Contribution excess (deficiency)	\$ -	\$ -	\$ (75,449)	\$ (243,243)	\$ 41,253	\$ 294,940	\$ (64,834)	\$ (103,184)	\$ (56,940)	\$ (69,754)

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	\$ 4,707,039
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%	24.85%

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	10/1/2022
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			5%					
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 Mortality Table, with full generational improvements in mortality using Scale BB.					
Inflation	2.62%									

Schedule of Investment Returns

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	8.46%

** 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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00188%	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	\$ 747,463	\$ 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	\$ 479,545	\$ 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	155.87%	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	82.38%	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**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.00121%	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	\$ 192,233	\$ 177,761	\$ 312,552	\$ 351,562	\$ 349,866	\$ 379,863	\$ 403,204	\$ 503,538	\$ 490,015
City's covered payroll	\$ 479,545	\$ 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	40.09%	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	4.12%	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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 91,460	\$ 93,841	\$ 148,792	\$ 157,052	\$ 165,469	\$ 167,849	\$ 183,096	\$ 182,157	\$ 213,505
Contributions in relation to the contractually required contributions	(91,460)	(93,841)	(148,792)	(157,052)	(165,469)	(167,849)	(183,096)	(182,157)	(213,505)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 470,057	\$ 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	19.46%	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*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,166	\$ 8,736	\$ 14,144	\$ 15,768	\$ 17,825	\$ 18,253	\$ 20,465	\$ 22,145	\$ 18,367
Contributions in relation to the contractually required contributions	(8,166)	(8,736)	(14,144)	(15,768)	(17,825)	(18,253)	(20,465)	(22,145)	(18,367)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 470,057	\$ 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	1.74%	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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Local option gas tax	\$ 385,177	\$ 385,177	\$ 382,883	\$ (2,294)
Intergovernmental revenue	1,334,335	1,427,147	1,344,311	(82,836)
Special assessments	30,000	30,000	14,744	(15,256)
Investment earnings	-	-	17,922	17,922
Total revenues	<u>1,749,512</u>	<u>1,842,324</u>	<u>1,759,860</u>	<u>(82,464)</u>
Expenditures:				
Current:				
Highways and streets:				
Public facilities improvements	936,189	957,924	926,037	31,887
Capital outlay	1,000,000	2,048,944	880,705	1,168,239
Total expenditures	<u>1,936,189</u>	<u>3,006,868</u>	<u>1,806,742</u>	<u>1,200,126</u>
Excess (deficiency) of revenues over expenditures	<u>(186,677)</u>	<u>(1,164,544)</u>	<u>(46,882)</u>	<u>1,117,662</u>
Net change in fund balances	<u>(186,677)</u>	<u>(1,164,544)</u>	<u>(46,882)</u>	<u>1,117,662</u>
Fund balances, beginning	<u>1,376,215</u>	<u>1,376,215</u>	<u>1,376,215</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,189,538</u>	<u>\$ 211,671</u>	<u>\$ 1,329,333</u>	<u>\$ 1,117,662</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.

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

	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	\$ 25,032	\$ 4,744	\$ 381,882	\$ 289,494	\$ 17,801	\$ 13,524	\$ 10,521
Accounts receivable, net	-	628	3,322	68,625	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Prepays	-	-	-	-	678	-	-
Total assets	\$ 25,032	\$ 5,372	\$ 385,204	\$ 358,119	\$ 18,479	\$ 13,524	\$ 10,521
Liabilities:							
Liabilities:							
Accounts payable	\$ 2,863	\$ -	\$ -	\$ 52,198	\$ 3,870	\$ 130	\$ -
Accrued expenditures	21,948	-	-	7,165	-	-	-
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other governments	3,828	-	-	-	-	-	-
Unearned revenue	17,349	-	-	-	2,441	-	-
Total liabilities	45,988	-	-	59,363	6,311	130	-
Deferred Inflows of Resources:							
Unavailable revenue	-	-	-	-	-	-	-
Fund Balances:							
Nonspendable	-	-	-	-	678		
Spendable:							
Restricted	-	5,372	385,204	-	-	-	-
Committed	-	-	-	298,756	11,490	13,394	10,521
Assigned	-	-	-	-	-	-	-
Unassigned	(20,956)	-	-	-	-	-	-
Total fund balances	(20,956)	5,372	385,204	298,756	12,168	13,394	10,521
Total Liabilities, deferred inflows and fund balances	\$ 25,032	\$ 5,372	\$ 385,204	\$ 358,119	\$ 18,479	\$ 13,524	\$ 10,521

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
\$ 435,865	\$ 13,216	\$ 38,023	\$ 11,929	\$ -	\$ 1,242,031	\$ -	\$ 1,242,031
-	-	-	-	-	72,575	-	72,575
-	-	-	-	-	-	99,966	99,966
-	-	-	-	-	678	1,074,633	1,075,311
<u>\$ 435,865</u>	<u>\$ 13,216</u>	<u>\$ 38,023</u>	<u>\$ 11,929</u>	<u>\$ -</u>	<u>\$ 1,315,284</u>	<u>\$ 1,174,599</u>	<u>\$ 2,489,883</u>
\$ 3,869	\$ -	\$ -	\$ -	\$ -	\$ 62,930	\$ 86,363	\$ 149,293
-	-	-	-	-	29,113	-	29,113
-	-	-	-	3,239	3,239	415,294	418,533
355,000	-	-	-	-	355,000	-	355,000
-	-	-	-	-	3,828	-	3,828
-	-	-	-	-	19,790	-	19,790
<u>358,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,239</u>	<u>473,900</u>	<u>501,657</u>	<u>975,557</u>
-	-	-	-	-	-	-	-
					678	1,074,633	1,075,311
-	13,216	38,023	11,929	-	453,744	-	453,744
76,996	-	-	-	-	411,157	-	411,157
-	-	-	-	-	-	-	-
-	-	-	-	(3,239)	(24,195)	(401,691)	(425,886)
<u>76,996</u>	<u>13,216</u>	<u>38,023</u>	<u>11,929</u>	<u>(3,239)</u>	<u>841,384</u>	<u>672,942</u>	<u>1,514,326</u>
<u>\$ 435,865</u>	<u>\$ 13,216</u>	<u>\$ 38,023</u>	<u>\$ 11,929</u>	<u>\$ -</u>	<u>\$ 1,315,284</u>	<u>\$ 1,174,599</u>	<u>\$ 2,489,883</u>

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

Year Ended September 30, 2023

	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	\$ 563,801	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-	-
Charges for services	-	-	-	734,214	73,653	3,351
Fines and forfeitures	-	8,689	35,625	-	-	-
Special assessments	-	-	-	-	-	-
Investment earnings	2,515	27	4,157	2,285	504	187
Miscellaneous	34,121	-	-	-	-	1,108
Total revenues	600,437	8,716	39,782	736,499	74,157	4,646
Expenditures:						
Current:						
Public safety	620,536	5,500	16,520	-	-	10,763
Physical environment	-	-	-	489,062	-	-
Parks and Recreation	-	-	-	-	122,051	-
Debt service:						
Principal	3,697	-	-	24,889	-	-
Interest and other charges	476	-	-	3,884	-	-
Capital Outlay	-	-	11,434	32,432	-	-
Total expenditures	624,709	5,500	27,954	550,267	122,051	10,763
Excess (deficiency) of revenues over expenditures	(24,272)	3,216	11,828	186,232	(47,894)	(6,117)
Other Financing Sources (Uses):						
Notes payable issued	-	-	-	-	-	-
Transfers in	-	-	-	-	5,000	-
Transfers out	(427,642)	-	-	-	-	-
Total other financing sources (uses)	(427,642)	-	-	-	5,000	-
Net change in fund balances	(451,914)	3,216	11,828	186,232	(42,894)	(6,117)
Fund balances, beginning	430,958	2,156	373,376	112,524	55,062	19,511
Fund balances, ending	\$ (20,956)	\$ 5,372	\$ 385,204	\$ 298,756	\$ 12,168	\$ 13,394

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,801	\$ -	\$ 563,801
-	-	-	-	-	-	-	99,966	99,966
1,477	-	12,861	25,512	2,144	7,793	861,005	-	861,005
-	-	-	-	-	-	44,314	-	44,314
-	96,797	-	-	-	-	96,797	-	96,797
121	4,840	88	289	121	-	15,134	-	15,134
-	-	-	-	-	-	35,229	-	35,229
1,598	101,637	12,949	25,801	2,265	7,793	1,616,280	99,966	1,716,246
3,218	-	1,407	-	-	-	657,944	-	657,944
-	67,420	-	-	-	-	556,482	-	556,482
-	-	-	-	-	-	122,051	-	122,051
-	-	-	-	-	-	28,586	119,156	147,742
-	-	-	-	-	-	4,360	5,239	9,599
-	-	-	-	-	-	43,866	2,216,203	2,260,069
3,218	67,420	1,407	-	-	-	1,413,289	2,340,598	3,753,887
(1,620)	34,217	11,542	25,801	2,265	7,793	202,991	(2,240,632)	(2,037,641)
-	-	-	-	-	-	-	599,818	599,818
-	-	-	-	-	-	5,000	1,391,400	1,396,400
-	-	-	-	-	-	(427,642)	-	(427,642)
-	-	-	-	-	-	(422,642)	1,991,218	1,568,576
(1,620)	34,217	11,542	25,801	2,265	7,793	(219,651)	(249,414)	(469,065)
12,141	42,779	1,674	12,222	9,664	(11,032)	1,061,035	922,356	1,983,391
\$ 10,521	\$ 76,996	\$ 13,216	\$ 38,023	\$ 11,929	\$ (3,239)	\$ 841,384	\$ 672,942	\$ 1,514,326

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses and Permits	\$ 1,066,840	\$ 1,066,840	\$ 563,801	\$ (503,039)
Investment Earnings	2,000	2,000	2,515	515
Miscellaneous	35,000	35,000	34,121	(879)
Total revenues	<u>1,103,840</u>	<u>1,103,840</u>	<u>600,437</u>	<u>(503,403)</u>
Expenditures:				
Current:				
Public Safety:				
Building inspections	774,277	802,903	624,709	178,194
Total expenditures	<u>774,277</u>	<u>802,903</u>	<u>624,709</u>	<u>178,194</u>
Excess (deficiency) of revenues over expenditures	<u>329,563</u>	<u>300,937</u>	<u>(24,272)</u>	<u>(325,209)</u>
Other Financing Sources (Uses):				
Transfers Out	(427,642)	(427,642)	(427,642)	-
Total other financing sources(uses)	<u>(427,642)</u>	<u>(427,642)</u>	<u>(427,642)</u>	<u>-</u>
Net change in fund balances	<u>(98,079)</u>	<u>(126,705)</u>	<u>(451,914)</u>	<u>(325,209)</u>
Fund balances, beginning	430,958	430,958	430,958	-
Fund balances, ending	<u>\$ 332,879</u>	<u>\$ 304,253</u>	<u>\$ (20,956)</u>	<u>\$ (325,209)</u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 6,500	\$ 6,500	\$ 8,689	\$ 2,189
Investment earnings	-	-	27	27
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>8,716</u>	<u>2,216</u>
Expenditures:				
Current:				
Public safety	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Total public safety	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Total expenditures	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>1,000</u>	<u>3,216</u>	<u>2,216</u>
Fund balances, beginning	<u>2,156</u>	<u>2,156</u>	<u>2,156</u>	<u>-</u>
Fund balances, ending	<u><u>\$ 3,156</u></u>	<u><u>\$ 3,156</u></u>	<u><u>\$ 5,372</u></u>	<u><u>\$ 2,216</u></u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 37,000	\$ 37,000	\$ 35,625	\$ (1,375)
Investment Earnings	160	160	4,157	3,997
Total revenues	37,160	37,160	39,782	2,622
Expenditures:				
Current:				
Public safety	35,500	35,500	16,520	18,980
Capital Outlay	-	-	11,434	(11,434)
Total public safety	35,500	35,500	27,954	7,546
Total expenditures	35,500	35,500	27,954	7,546
Excess (deficiency) of revenues over expenditures	1,660	1,660	11,828	10,168
Fund balances, beginning	373,376	373,376	373,376	-
Fund balances, ending	\$ 375,036	\$ 375,036	\$ 385,204	\$ 10,168

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 825,900	\$ 825,900	\$ 734,214	\$ (91,686)
Investment Earnings	150	150	2,285	2,135
Total revenues	<u>826,050</u>	<u>826,050</u>	<u>736,499</u>	<u>(89,551)</u>
Expenditures:				
Current:				
Physical environment	602,929	631,969	517,835	114,134
Capital Outlay	315,000	338,259	32,432	305,827
Total expenditures	<u>917,929</u>	<u>970,228</u>	<u>550,267</u>	<u>419,961</u>
Excess (deficiency) of revenues over expenditures	<u>(91,879)</u>	<u>(144,178)</u>	<u>186,232</u>	<u>330,410</u>
Other Financing Sources (Uses):				
Sale of general capital assets	10,000	10,000	-	10,000
Total other financing sources and uses	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	<u>(81,879)</u>	<u>(134,178)</u>	<u>186,232</u>	<u>340,410</u>
Fund balances, beginning	112,524	112,524	112,524	-
Fund balances, ending	<u>\$ 30,645</u>	<u>\$ (21,654)</u>	<u>\$ 298,756</u>	<u>\$ 340,410</u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 81,250	\$ 92,450	\$ 73,653	\$ (18,797)
Investment Earnings	100	100	504	404
Miscellaneous	2,500	2,500	-	(2,500)
Total revenues	83,850	95,050	74,157	(20,893)
Expenditures:				
Current:				
Parks and Recreation	169,162	180,362	122,051	58,311
Total expenditures	169,162	180,362	122,051	58,311
Excess (deficiency) of revenues over expenditures	(85,312)	(85,312)	(47,894)	37,418
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	(80,312)	(80,312)	(42,894)	37,418
Fund balances, beginning	55,062	55,062	55,062	-
Fund balances, ending	\$ (25,250)	\$ (25,250)	\$ 12,168	\$ 37,418

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 4,000	\$ 4,000	\$ 3,351	\$ (649)
Investment Earnings	20	20	187	167
Miscellaneous	700	700	1,108	408
Total revenues	4,720	4,720	4,646	(74)
Expenditures:				
Current:				
Public Safety	11,675	11,675	10,763	912
Total expenditures	11,675	11,675	10,763	912
Excess (deficiency) of revenues over expenditures	(6,955)	(6,955)	(6,117)	838
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(6,955)	(6,955)	(6,117)	838
Fund balances, beginning	19,511	19,511	19,511	-
Fund balances, ending	\$ 12,556	\$ 12,556	\$ 13,394	\$ 838

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 3,300	\$ 3,300	\$ 1,477	\$ (1,823)
Investment Earnings	-	-	121	121
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>1,598</u>	<u>(1,702)</u>
Expenditures:				
Current:				
Public Safety	<u>5,270</u>	<u>5,270</u>	<u>3,218</u>	<u>2,052</u>
Total expenditures	<u>5,270</u>	<u>5,270</u>	<u>3,218</u>	<u>2,052</u>
Excess (deficiency) of revenues over expenditures	<u>(1,970)</u>	<u>(1,970)</u>	<u>(1,620)</u>	<u>350</u>
Other Financing Sources (Uses):				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,970)</u>	<u>(1,970)</u>	<u>(1,620)</u>	<u>350</u>
Fund balances, beginning	<u>12,141</u>	<u>12,141</u>	<u>12,141</u>	<u>-</u>
Fund balances, ending	<u>\$ 10,171</u>	<u>\$ 10,171</u>	<u>\$ 10,521</u>	<u>\$ 350</u>

City of Longwood, Florida
Special Assessments Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Beautification assessments	\$ 100,086	\$ 100,159	\$ 96,797	\$ (3,362)
Investment earnings	3,500	3,500	4,840	1,340
Total revenues	<u>103,586</u>	<u>103,659</u>	<u>101,637</u>	<u>(2,022)</u>
Expenditures:				
Current:				
Physical environment:				
Streets and fleet	95,313	105,424	67,420	38,004
Total expenditures	<u>95,313</u>	<u>105,424</u>	<u>67,420</u>	<u>38,004</u>
Excess (deficiency) of revenues over expenditures	<u>8,273</u>	<u>(1,765)</u>	<u>34,217</u>	<u>35,982</u>
Fund balance, beginning	<u>42,779</u>	<u>42,779</u>	<u>42,779</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 51,052</u></u>	<u><u>\$ 41,014</u></u>	<u><u>\$ 76,996</u></u>	<u><u>\$ 35,982</u></u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 143,090	\$ 143,090	\$ 12,861	\$ (130,229)
Investment earnings	-	-	88	88
Total revenues	<u>143,090</u>	<u>143,090</u>	<u>12,949</u>	<u>(130,141)</u>
Expenditures:				
Current:				
Public Safety				
Police	143,000	143,000	1,407	141,593
Total expenditures	<u>143,000</u>	<u>143,000</u>	<u>1,407</u>	<u>141,593</u>
Excess (deficiency) of revenues over expenditures	<u>90</u>	<u>90</u>	<u>11,542</u>	<u>11,452</u>
Fund balance, beginning	1,674	1,674	1,674	-
Fund balance, ending	<u>\$ 1,764</u>	<u>\$ 1,764</u>	<u>\$ 13,216</u>	<u>\$ 11,452</u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000	\$ 3,000	\$ 25,512	\$ 22,512
Investment earnings	-	-	289	289
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>25,801</u>	<u>22,801</u>
Expenditures:				
Current:				
Public Safety				
Fire	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,000</u>	<u>3,000</u>	<u>25,801</u>	<u>22,801</u>
Fund balance, beginning	<u>12,222</u>	<u>12,222</u>	<u>12,222</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 15,222</u></u>	<u><u>\$ 15,222</u></u>	<u><u>\$ 38,023</u></u>	<u><u>\$ 22,801</u></u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 2,144	\$ (7,856)
Investment earnings	-	-	121	121
Total revenues	10,000	10,000	2,265	(7,735)
Expenditures:				
Current:				
Parks and recreation	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over expenditures	-	-	2,265	2,265
Fund balance, beginning	9,664	9,664	9,664	-
Fund balance, ending	\$ 9,664	\$ 9,664	\$ 11,929	\$ 2,265

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 30,500	\$ 30,500	\$ 7,793	\$ (22,707)
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>7,793</u>	<u>(22,707)</u>
Expenditures:				
Current:				
Public Works	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Excess (deficiency) of revenues over expenditures	<u>500</u>	<u>500</u>	<u>7,793</u>	<u>7,293</u>
Fund balance, beginning	<u>(11,032)</u>	<u>(11,032)</u>	<u>(11,032)</u>	<u>-</u>
Fund balance, ending	<u><u>\$ (10,532)</u></u>	<u><u>\$ (10,532)</u></u>	<u><u>\$ (3,239)</u></u>	<u><u>\$ 7,293</u></u>

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

Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 665,000	\$ 665,000	\$ 99,966	\$ (565,034)
Investment earnings	501	501	-	(501)
Total revenues	<u>665,501</u>	<u>665,501</u>	<u>99,966</u>	<u>(565,535)</u>
Expenditures				
Current:				
General government	-	-	124,395	(124,395)
Capital outlay	8,391,153	9,510,497	2,216,203	7,294,294
Total expenditures	<u>8,391,153</u>	<u>9,510,497</u>	<u>2,340,598</u>	<u>7,169,899</u>
Excess (deficiency) of revenues over expenditures	<u>(7,725,652)</u>	<u>(8,844,996)</u>	<u>(2,240,632)</u>	<u>6,604,364</u>
Other Financing Sources (Uses):				
Transfers in	1,391,400	1,391,400	1,391,400	-
Notes payable issued	6,330,886	6,330,886	599,818	(5,731,068)
Total Other Financing Sources (Uses)	<u>7,722,286</u>	<u>7,722,286</u>	<u>1,991,218</u>	<u>(5,731,068)</u>
Net change in fund balances	<u>(3,366)</u>	<u>(1,122,710)</u>	<u>(249,414)</u>	<u>873,296</u>
Fund balances, beginning	922,356	922,356	922,356	-
Fund balances, ending	<u>\$ 918,990</u>	<u>\$ (200,354)</u>	<u>\$ 672,942</u>	<u>\$ 873,296</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									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 34,534	\$ 34,957	\$ 33,357	\$ 28,923	\$ 34,491	\$ 35,441	\$ 34,389	\$ 35,581	\$ 39,269	\$ 41,031
Restricted	206	191	255	64	112	145	1,251	1,377	838	521
Unrestricted	7,133	7,382	7,331	10,872	4,819	3,966	4,081	3,492	2,869	840
Total Governmental Activities Net Position	41,873	42,530	40,943	39,859	39,422	39,552	39,721	40,450	42,976	42,392
Business-type Activities										
Net Investment in Capital Assets	14,756	14,228	15,547	20,447	22,477	25,626	29,386	30,380	31,615	29,791
Restricted	-	-	-	858	1,989	2,883	3,230	3,866	3,372	3,820
Unrestricted	2,258	2,828	1,590	(1,180)	(1,180)	(4,516)	(7,243)	(4,907)	(5,611)	(3,920)
Total Business-type Activities Net Position	17,014	17,056	17,137	20,125	23,286	23,993	25,373	29,339	29,376	29,691
Primary Government										
Net Investment in Capital Assets	49,290	49,185	48,904	49,370	56,968	61,067	63,775	65,961	70,884	70,822
Restricted	206	191	255	922	2,101	3,028	4,481	5,243	4,210	4,341
Unrestricted	9,391	10,210	8,921	9,692	3,639	(550)	(3,162)	(1,415)	(2,742)	(3,080)
Total Primary Government Net Position	\$ 58,887	\$ 59,586	\$ 58,080	\$ 59,984	\$ 62,708	\$ 63,545	\$ 65,094	\$ 69,789	\$ 72,352	\$ 72,083

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General government	\$ 3,009	\$ 3,066	\$ 3,765	\$ 4,320	\$ 4,596	\$ 4,558	\$ 4,251	\$ 4,181	\$ 4,365	\$ 4,729
Public safety	8,280	8,679	9,098	9,546	9,580	10,240	10,675	10,491	11,691	12,906
Physical environment	252	289	740	312	337	288	439	578	582	580
Highways and streets	2,231	2,138	2,490	2,245	3,038	2,473	2,346	2,486	2,635	3,162
Sanitation	1,024	1,027	1,032	1,031	936	1,084	1,136	1,060	1,199	1,385
Parks and recreation	847	1,159	1,176	1,111	1,220	1,409	1,501	1,657	1,771	1,733
Interest & other fiscal charges on long-term debt	51	35	65	305	255	274	272	211	181	160
Total Governmental Activities Expenses	15,694	16,393	18,366	18,870	19,962	20,326	20,620	20,664	22,424	24,655
Business-type Activities:										
Public Utilities	2,450	2,646	2,689	3,131	3,563	4,179	4,736	5,050	5,416	6,093
Total Primary Government Expense	\$ 18,144	\$ 19,039	\$ 21,055	\$ 22,001	\$ 23,525	\$ 24,505	\$ 25,356	\$ 25,714	\$ 27,840	\$ 30,748
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 75	\$ 141	\$ 115	\$ 130	\$ 138	\$ 165	\$ 98	\$ 71	\$ 192	\$ 246
Public safety	1,604	1,794	1,554	1,873	2,014	2,375	1,989	2,581	1,997	2,008
Physical environment	712	718	713	734	758	758	788	789	819	831
Highways and streets	-	-	-	-	-	-	-	-	-	-
Sanitation	1,105	1,113	1,108	1,118	1,095	1,104	1,123	1,137	1,138	1,219
Parks and recreation	196	204	179	186	162	189	153	196	271	293
Operating grants and contributions	1,003	676	627	657	1,264	1,238	1,638	1,020	1,330	1,365
Capital grants and contributions	32	686	817	1,094	2,525	1,030	1,021	1,343	3,851	1,507
Total Governmental Activities Program Revenues	\$ 4,727	\$ 5,332	\$ 5,113	\$ 5,792	\$ 7,956	\$ 6,859	\$ 6,810	\$ 7,137	\$ 9,598	\$ 7,469
Business-type Activities:										
Charges for services:										
Public Utilities	3,314	3,685	3,882	5,299	4,841	5,159	5,483	5,584	5,675	6,819
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	185	548	-	2,129	3,271	1,084	1,699	3,872	863	176
Total Business-type Activities Program Revenues	3,499	4,233	3,882	7,428	8,112	6,243	7,182	9,456	6,538	6,995
Total Primary Government Program Revenues	\$ 8,226	\$ 9,565	\$ 8,995	\$ 13,220	\$ 16,068	\$ 13,102	\$ 13,992	\$ 16,593	\$ 16,136	\$ 14,464

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (10,967)	\$ (11,061)	\$ (13,253)	\$ (13,078)	\$ (12,006)	\$ (13,467)	\$ (13,810)	\$ (13,527)	\$ (12,826)	\$ (17,186)
Business-type Activities	1,049	1,587	1,193	4,297	4,549	2,064	2,446	4,406	1,122	902
Total Primary Government Net Expense	\$ (9,918)	\$ (9,474)	\$ (12,060)	\$ (8,781)	\$ (7,457)	\$ (11,403)	\$ (11,364)	\$ (9,121)	\$ (11,704)	\$ (16,284)

General Revenues and Other Changes in Net Position

Governmental Activities:										
Taxes										
Property taxes	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325	\$ 6,866	\$ 7,224	\$ 8,504
Franchise and utility taxes	2,936	2,971	2,994	3,107	3,212	3,449	3,547	3,606	3,884	4,312
Communications services tax	879	785	762	768	771	771	777	696	745	863
Unrestricted intergovernmental revenues	1,673	1,725	1,726	1,519	1,598	1,621	1,520	1,764	2,028	1,988
Unrestricted investment earnings	9	19	25	74	116	99	58	8	20	136
Gain on sale of capital assets	-	33	-	68	58	-	9	57	139	14
Miscellaneous revenues	276	172	259	136	425	353	643	184	59	300
Transfers in (out)	1,063	1,328	1,145	1,320	1,303	1,406	1,101	1,075	1,113	625
Total Governmental Activities	\$ 11,409	\$ 11,678	\$ 11,666	\$ 11,994	\$ 12,864	\$ 13,598	\$ 13,980	\$ 14,256	\$ 15,212	\$ 16,742
Business-type Activities:										
Investment earnings	1	11	10	11	17	39	25	3	7	37
Gain on sale of capital assets	-	5	-	-	2	2	9	57	20	-
Miscellaneous revenues	21	32	23	-	-	6	-	-	-	1
Transfers in (out)	(1,063)	(1,328)	(1,145)	(1,320)	(1,303)	(1,406)	(1,101)	(1,075)	(1,113)	(625)
Total Business-type Activities	(1,041)	(1,280)	(1,112)	(1,309)	(1,284)	(1,359)	(1,067)	(1,015)	(1,086)	(587)
Total Primary Government	\$ 10,368	\$ 10,398	\$ 10,554	\$ 10,685	\$ 11,580	\$ 12,239	\$ 12,913	\$ 13,241	\$ 14,126	\$ 16,155

Change in Net Position

Governmental Activities	\$ 442	\$ 617	\$ (1,587)	\$ (1,084)	\$ 858	\$ 131	\$ 170	\$ 729	\$ 2,386	\$ (444)
Business-type Activities	8	307	81	2,988	3,265	705	1,379	3,391	36	315
Total Primary Government	\$ 450	\$ 924	\$ (1,506)	\$ 1,904	\$ 4,123	\$ 836	\$ 1,549	\$ 4,120	\$ 2,422	\$ (129)

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					
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
2023	\$ 8,504	\$ 2,163	\$ 3,012	\$ 383		\$ 1,344	\$ 713		\$ 16,119

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 145	\$ 140	\$ 144	\$ 145	\$ 144	\$ 148	\$ 164	\$ 2,052	\$ 2,852	\$ 1,313
Assigned	1,488	1,370	757	1,226	135	-	869	487	1,097	617
Unassigned	3,083	2,768	3,066	1,951	2,745	3,780	4,253	2,801	708	2,462
Total General Fund	\$ 4,716	\$ 4,278	\$ 3,967	\$ 3,322	\$ 3,024	\$ 3,928	\$ 5,286	\$ 5,340	\$ 4,657	\$ 4,392
All Other Governmental Funds										
Nonspendable	\$ 215	\$ 2	\$ -	\$ -	\$ 514	\$ 30	\$ -	\$ -	\$ 1,078	\$ 1,075
Restricted	462	930	1,088	1,316	1,647	1,655	1,251	1,377	835	521
Committed	2,776	2,949	3,846	8,417	2,656	2,316	2,484	1,960	1,618	1,741
Assigned	-	-	-	-	-	-	617	24	-	-
Unassigned	(201)	(181)	(178)	(234)	(99)	(161)	(48)	(58)	(163)	(426)
Total All Other Governmental Funds	\$ 3,252	\$ 3,700	\$ 4,756	\$ 9,499	\$ 4,718	\$ 3,840	\$ 4,304	\$ 3,303	\$ 3,368	\$ 2,911

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes										
Property	\$ 4,573	\$ 4,645	\$ 4,755	\$ 5,002	\$ 5,381	\$ 5,899	\$ 6,325	\$ 6,866	\$ 7,224	\$ 8,504
Local Option Gas Tax	365	379	392	405	406	407	354	356	374	383
Franchise and utility taxes	3,815	3,756	3,755	3,875	3,982	4,220	4,324	4,303	4,629	5,174
Licenses and Permits	615	892	516	1,022	1,008	1,240	917	1,357	626	711
Intergovernmental	2,518	2,708	2,779	2,865	4,488	4,257	4,048	3,926	6,951	4,599
Charges for Services	2,752	2,756	2,786	2,728	2,713	2,847	2,733	2,881	3,214	3,458
Impact Fees/Assessments	151	147	147	140	187	118	118	121	111	112
Fines and Forfeitures	270	219	236	158	152	168	137	262	348	190
Investment Earnings	32	19	25	75	116	99	58	8	21	136
Miscellaneous	185	326	334	212	504	432	691	211	159	319
Total revenues	\$ 15,276	\$ 15,847	\$ 15,725	\$ 16,482	\$ 18,937	\$ 19,687	\$ 19,705	\$ 20,291	\$ 23,657	\$ 23,586
Expenditures										
General Government	2,731	3,125	3,399	3,550	3,940	3,829	3,520	3,636	3,824	4,085
Public Safety	7,505	8,082	7,986	8,384	8,813	9,469	9,477	10,289	10,686	11,059
Physical Environment	310	280	333	286	251	195	545	552	535	556
Highways and Streets	1,356	1,261	1,273	1,445	1,778	1,400	1,078	1,265	1,330	1,881
Sanitation	1,024	1,027	1,032	1,031	936	1,085	1,136	1,060	1,199	1,365
Parks and Recreation	819	879	969	994	1,129	1,425	1,506	1,519	1,440	1,370
Capital Outlay	1,222	2,449	2,044	6,689	8,920	1,921	1,449	2,277	4,656	3,311
Debt Service										
Principal	725	384	357	1,056	1,347	1,490	1,407	1,547	1,586	1,733
Interest	51	35	44	251	220	252	277	226	191	166
Total expenditures	\$ 15,743	\$ 17,522	\$ 17,437	\$ 23,686	\$ 27,334	\$ 21,066	\$ 20,395	\$ 22,371	\$ 25,447	\$ 25,546
Excess of Revenues Over (Under) Expenditures	(467)	(1,675)	(1,712)	(7,204)	(8,397)	(1,379)	(690)	(2,080)	(1,790)	(1,960)
Other Financing Sources (Uses)										
Transfers In	1,255	1,628	1,508	1,690	2,360	2,198	1,938	1,632	4,793	2,449
Transfers Out	(192)	(300)	(363)	(370)	(1,057)	(792)	(838)	(556)	(3,679)	(1,824)
Notes Payable Issued	-	-	1,313	9,900	1,955	-	1,400	-	-	600
Finance Lease Proceeds	206	357	-	-	-	-	-	-	-	-
Sale of Capital Assets	93	-	-	82	58	-	10	59	58	14
Total Other Financing Sources (Uses)	1,362	1,665	2,458	11,302	3,316	1,406	2,510	1,135	1,172	1,239
Net Change in Fund Balances	\$ 895	\$ 10	\$ 746	\$ 4,098	\$ (5,081)	\$ 27	\$ 1,820	\$ (945)	\$ (618)	\$ (721)
Debt Service as a Percentage of Noncapital Expenditures	5.34%	2.78%	2.54%	7.72%	8.30%	9.08%	8.90%	8.81%	8.59%	8.63%

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
2014	\$ 797,789	-	\$ 77,146	\$ 564	\$ 322,683	\$ 857,723	5.5000	\$ 1,136,735	75.45%
2015	\$ 774,314	-	\$ 82,861	\$ 547	\$ 304,917	\$ 872,391	5.5000	\$ 1,177,308	74.10%
2016	\$ 864,803	-	\$ 73,632	\$ 601	\$ 345,700	\$ 894,793	5.5000	\$ 1,240,493	72.13%
2017	\$ 936,085	-	\$ 79,243	\$ 589	\$ 378,436	\$ 937,802	5.5000	\$ 1,316,238	71.25%
2018	\$ 1,017,931	-	\$ 93,653	\$ 617	\$ 420,246	\$ 1,015,331	5.5000	\$ 1,435,577	70.73%
2019	\$ 1,099,438	-	\$ 92,555	\$ 608	\$ 467,823	\$ 1,111,096	5.5000	\$ 1,578,919	70.37%
2020	\$ 1,191,327	-	\$ 97,254	\$ 685	\$ 544,810	\$ 1,192,671	5.5000	\$ 1,737,481	68.64%
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%
2023	\$ 1,733,019	-	\$ 120,067	\$ 768	\$ 845,736	\$ 1,604,395	5.5000	\$ 2,450,131	65.48%

Source: Seminole County Property Appraiser

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

Fiscal Year	Direct Rate			Overlapping Rates							Total Direct & Overlapping Rates
	City of Longwood Operating Millage	Debt Service Millage	Total Direct Millage	Seminole County			School District			St. John's Water Management District	
				Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2014	5.5000	-	5.5000	4.8751	-	4.8751	8.3610	-	8.3610	0.3283	19.0644
2015	5.5000	-	5.5000	4.8751	-	4.8751	7.8970	-	7.8970	0.3164	18.5885
2016	5.5000	-	5.5000	4.8751	-	4.8751	7.8490	-	7.8490	0.3023	18.5264
2017	5.5000	-	5.5000	4.8751	-	4.8751	7.5570	-	7.5570	0.2885	18.2206
2018	5.5000	-	5.5000	4.8751	-	4.8751	6.5690	-	6.5690	0.2724	17.2165
2019	5.5000	-	5.5000	4.8751	-	4.8751	6.3130	-	6.3130	0.2562	16.9443
2020	5.5000	-	5.5000	4.8751	-	4.8751	6.1330	-	6.1330	0.2414	16.7495
2021	5.5000	-	5.5000	4.8751	-	4.8751	5.9340	-	5.9340	0.2287	16.5378
2022	5.5000	-	5.5000	4.8751	-	4.8751	5.8250	-	5.8250	0.2189	16.4190
2023	5.5000	-	5.5000	4.8751	-	4.8751	5.4600	-	5.4600	0.1974	16.0325

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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DTR MF Owner LLC	82,094	1	5.97%	\$ -		-
Sreit Longwood FI Holdings LLC	72,088	2	5.24%	-		-
PR II/Wood Longwood LLC	65,915	3	4.79%	-		-
RS Weston Park LLC	34,737	4	2.52%	-		0.00%
United Parcel Service, Inc.	30,172	5	2.19%	8,296	4	0.98%
Watervue Partners LLC	21,368	6	1.55%	-		-
Duke Energy Florida Inc	15,593	7	1.13%	10,389	2	1.23%
1944 Unionport Assoc LLC	13,465	8	0.98%	6,806	5	-
Infinity Heritage Park LLC	12,945	9	0.94%	-		0.00%
American Eagle Island Lake LLC	9,299	10	0.68%	-		0.00%
CMCP-Island Lake LLC	-		-	13,824	1	1.64%
American Industrial Center LTD	-		-	10,269	3	1.22%
American Industrial Center IX	-		-	6,702	6	0.79%
GS Realty	-		-	6,425	7	0.76%
Woods Family Properties DJW				5,856	8	0.69%
Garrison Orlando Flex	-		-	5,161	9	0.61%
Orlando Mob Owners LLC	-		-	4,716	10	0.56%
Totals	<u>\$ 357,676</u>		<u>26.00%</u>	<u>\$ 78,444</u>		<u>8.49%</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
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%
2023	\$ 8,824	\$ 8,504	96.37%	\$ -	\$ 8,504	96.37%

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

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

Fiscal Year Ended September 30	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases	Water Revenue Bonds	Notes Payable			
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
2023	\$ 6,048	\$ -	n/a	\$ -	n/a	\$ 10,306	\$ 16,354	2.87%	\$ 1,030

Note: No Revenue Bond Debt

City of Longwood, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(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 Notes Payable	\$ 6,048	100.00%	\$ 6,048
Subtotal Overlapping Debt	<u>\$ 6,048</u>		<u>\$ 6,048</u>
Total direct and overlapping debt	<u><u>\$ 6,048</u></u>		<u><u>\$ 6,048</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>
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%
2023	15,885	\$ 569,001	\$ 35,820	44.3	13.88	2,070	2.8%

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ²
Orlando Health-South Seminole Hospital	1022	1	6.03%	927	1	5.05%
Kustom	700	2	4.13%	*	*	*
UPS	653	3	3.85%	500	2	2.72%
Comprehensive Energy Services	439	4	2.59%	137	10	0.75%
D&B Building Services	349	5	2.06%	312	3	1.70%
Collis Roofing	234	6	1.38%	222	5	1.21%
S.I Goldman	234	7	1.38%	*	*	*
Seminole County Schools	222	8	1.31%	222	4	1.21%
Cascade Heights	202	9	1.19%	*	*	*
Criticom Management Resources,LLC	193	10	1.14%	*	*	*
Total	4,248		25.06%	2,320		12.64%

Sources:

- 1 City of Longwood Economic Development Department
- 2 Per Orlando Economic Partnership, the City of Longwood has an estimated workplace population of 16,949 with approximately 1,724 business establishments for 2023.
- 3 * Information is not available.

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	27	27	28	29	32	32	33	33	34	34
Public Safety:										
Police										
Sworn Officers	40	42	43	43	43	44	44	44	44	44
Non sworn Officers	2	2	2	2	1	1	1	1	1	1
Civilians	5	4	5	5	5	5	5	5	5	5
Fire										
Firefighters and Officers	45	40	47	40	44	44	43	42.5	43	43
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	25	22	25	25	25	27	29	29	32	32
Parks and Recreations	10	12	14	14	16	17	14	13	13	13
Total	<u>155</u>	<u>150</u>	<u>165</u>	<u>159</u>	<u>167</u>	<u>171</u>	<u>170</u>	<u>168</u>	<u>173</u>	<u>173</u>

Source: Adopted Budget, City Of Longwood

City of Longwood, Florida

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Auto Accidents	808	899	915	967	949	1017	789	737	802	826
Physical arrests	808	912	891	806	621	532	283	364	459	585
Criminal Investigations Conducted	438	467	508	453	468	445	365	371	435	413
Total Calls for Service	40103	43982	45288	41052	43134	45466	56478	51425	43645	41601
911 Calls Received	3356	3453	3587	3796	3415	3394	3019	3320	3631	3772
Evidence Processed (pieces)	1936	2312	2290	2020	2173	1974	1584	1320	1042	1224
Fire										
Number of emergency calls answered	4130	4551	4200	4538	4755	4912	4770	5278	5409	5732
Medical Transports	2042	2234	2271	2092	2330	2507	2276	2441	2405	2601
Highways and streets										
Streets paved (miles)	61.1	61.1	61.1	61.1	61.1	61.1	61.1	63.8	63.8	63.8
Streets resurfaced (tons/asphalt)	*	*	*	*	*	*	2150	2085	4823	88
Sidewalks/bike paths built or repaired (feet)	1500	2600	8380	1035	82450	1500	7200	2500	11000	1000
Culture and recreation										
Sports Complex ball games & field rentals ⁽³⁾	1970	2140	2135	1400	1408	1416	402	612	1337	2058
Community Bldg rentals ⁽³⁾	224	188	150	189	174	154	43	86	136	152
Water										
New connections	0	4	130	118	158	321	69	33	21	36
Number of customers	5510	6054	6184	6341	6486	6697	6758	6880	6901	6849
Water main breaks	6	4	3	2	4	4	5	3	2	2
Average daily consumption (millions of gallons)	1.897	1.826	1.815	1.834	1.817	1.875	1.855	1.862	1.874	1.881
Meter reads	67269	69984	71679	73067	74026	76104	79661	81926	82812	73926
General Government										
Employment applications received ⁽¹⁾	201	239	248	420	1200	1500	990	792	444	664
Personnel actions processed	270	272	311	355	327	298	237	285	270	247
Legal Notices published	48	39	67	68	44	43	56	56	51	32
Business Tax Licenses issued:										
New Licenses	235	201	204	160	169	227	123	178	179	226
Renewals ⁽⁶⁾	1227	1422	1345	1138	1364	1245	1126	1493	458	1467
Accidents & Injuries reviewed	20	32	39	43	35	38	59	75	47	24
Land Use changes	13	5	5	4	0	1	4	2	3	2
Site Plan Reviews	3	8	7	6	9	14	5	7	5	7
Total Permits Issued	1200	1478	1167	1551	1758	1822	1590	1983	1759	2034
Construction inspections ^{(4) (5)}	3100	4058	1986	2344	5426	3832	10891	4958	5706	5409
PR Checks issued	3991	4039	4281	4225	4289	4301	4368	4624	4515	4445
A/P Checks issued	2400	2760	4045	3162	2711	3903	2886	3434	2723	2715
Purchase orders processed ⁽²⁾	364	370	213	387	2575	3038	3051	2995	2661	2320

* 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	52	52	58	61	58	63	63	60	59	57
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	63.8	63.8	63.8
Streets - unpaved (miles)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.51	0.51	0.51
Street lights ⁽¹⁾	818	814	814	814	814	814	814	2224	2224	2227
Traffic Signals	24	24	24	24	24	25	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	3
Pickleball courts	0	0	0	0	0	0	0	0	0	6
Basketball courts	6	6	6	6	6	6	6	6	6	6
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)	85	69.5	69.75	70.25	72.25	72.25	73.75	74.22	74.31	74.31
Fire hydrants	545	544	551	554	569	569	592	605	601	603
Maximum daily capacity (millions of gallons)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Sanitary sewers (miles)	40.9	23.0	23.5	26.9	29.9	29.9	37.5	40.3	41.7	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	
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)	\$ 1,306,250	\$ 326,739	\$ 6,385	\$ 36,583	\$ 42,046	22.8%
2023	\$ 2,105,897	\$ 1,402,576	\$ 484,999	\$ 346,877	\$ 36,088	\$ 37,219	24.9%

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, 2023**

ITEM	2023
Date of Incorporation	1923
Form of government	Commission/Manager
Number of municipal employees (including police and fire)	173
Population	15,885
City of Longwood facilities and services:	
Miles of streets:	
Paved	63.8
Unpaved	0.51
Parks and recreation:	
Park acreage	42
Community Center	1
Athletic Fields	7
Tennis Courts	3
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	6719
Deep wells	5
Fire hydrants	603
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	135
Hospitals:	
Number of hospitals	1
Number of patient beds	206

* No treatment plant within the City. Flow to Seminole County 400,000 gallons and 260,000 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 23, 2024.

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 23, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Commissioners
City of Longwood, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the *City of Longwood's* (the City) compliance with the types of compliance requirements described (OMB) *Compliance Supplement*, that could have a direct and material effect on each of the City's major Federal programs for the fiscal year ended September 30, 2023. The City's major Federal programs 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 for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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). 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. 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.

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*, and the Uniform Guidance 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 as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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, 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 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 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 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. Accordingly, this report is not suitable for any other purpose.

McDiarmid Davis

Orlando, Florida
April 23, 2024

City of Longwood, Florida
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Award type			
Grantor		Agency or	
Pass-through grantor	Assistance	Pass-through	
Grantor program title	Listing	Entity Grant Number	Expenditures
Federal Grants			
United States Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 387,630
Total United States Department of Treasury			<u>387,630</u>
United States Department of Justice			
Bullet proof vest agreement	16.607		3,879
Passed through State of Florida, Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	C-8C106	15,621
Edward Byrne Memorial Justice Assistance Grant Program	16.738	D-8C053	2,802
Total United States Department of Justice			<u>22,302</u>
United States Department of Transportation Cluster			
Passed through State of Florida, Department of Transportation			
Highway Planning and Construction	20.205	446488-1-18-01	36,766
Highway Planning and Construction	20.205	437933-1-58-01	72,811
Total United States Department of Transportation Cluster			<u>109,577</u>
United States Executive Office of the President			
Passed through: Seminole County Sheriff office			
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001		<u>15,621</u>
United States Department of Homeland Security			
Passed through State of Florida, Division of Emergency Management			
Disaster Grants- Public Assistance *	97.036	DR-4673	613,131
Hazard Mitigation Grant Program	97.039	4468-033-R	54,750
Total United States Department of Homeland Security			<u>667,881</u>
Total federal awards			<u>\$ 1,203,011</u>

* Denotes a major program

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal grant activity of the City of Longwood (the City) under programs of the federal government for the year ended September 30, 2023. 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). 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, 2023, 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 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

Type of auditors' report issued on compliance for major programs and projects:	Unmodified Opinion	
Internal control over major Federal programs:		
• 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?	___ Yes	<u> X </u> No

Identification of Major Federal Programs

	Assistance Listing 97.036	Disaster Grants - Public Assistance
Dollar threshold used to distinguish between type A and type B projects: Federal	Federal \$750,000	
Auditee qualified as a low-risk auditee pursuant to the Uniform Guidance?	<u> X </u> Yes	___ No

Section II - Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

Section IV - Federal Award 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, 2023, and have issued our report thereon dated April 23, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 23, 2024, 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 "McDiarmid Davis". The signature is written in a cursive, slightly slanted style.

Orlando, Florida
April 23, 2024



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, 2023. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Longwood, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

McDermitt Davis

Orlando, Florida
April 23, 2024