



City of  
*Lake Mary*  
Florida



**Comprehensive Annual Financial Report**

For the Fiscal Year Ended September 30, 2019

# **CITY OF LAKE MARY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2019**



Prepared by:  
FINANCE DEPARTMENT



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**CITY OF LAKE MARY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

**TABLE OF CONTENTS**

Introductory Section

Letter of Transmittal .....	1
Certificate of Achievement .....	5
Organizational Chart .....	6
Principal City Officials .....	7

Financial Section

Independent Auditor's Report .....	11
Management's Discussion and Analysis (MD&A) .....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	25
Statement of Activities .....	26
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types.....	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	
To the Statement of Activities .....	30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	31
Statement of Net Position – Proprietary Funds .....	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	35
Statement of Cash Flows – Proprietary Fund .....	36
Statement of Fiduciary Net Position – Fiduciary Funds.....	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	39
Notes to the Financial Statements .....	40
Required Supplementary Information .....	
Combining and Individual Fund Statements and Schedules	71
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	82
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Police Education Fund .....	84
Police Impact Fees.....	85
Fire Impact Fees .....	86
Public Works Impact Fees.....	87
Recreation Impact Fees .....	88

Law Enforcement Trust Fund - State.....	89
Law Enforcement Trust Fund - Federal.....	90
Cemetery Fund .....	91

**Fiduciary Funds**

Combining Statement of Fiduciary Net Position.....	92
Combining Statement of Changes in Fiduciary Net Position.....	93

**Statistical Section**

**Financial Trends**

Net Position by Component .....	96
Changes in Net Position.....	98
Governmental Activities Tax Revenues by Source .....	101
Fund Balances of Governmental Funds.....	102
Changes in Fund Balances of Governmental Funds.....	104

**Revenue Capacity**

Assessed Value and Estimated Actual Value of Taxable Property .....	106
Property Tax Rates – Direct and Overlapping Governments .....	108
Principal Property Taxpayers .....	109
Property Tax Levies and Collections.....	110

**Debt Capacity**

Ratios of Outstanding Debt by Type .....	111
Direct and Overlapping Governmental Activities Debt .....	112
Pledged-Revenue Coverage .....	113

**Demographic and Economic Information**

Demographic and Economic Statistics.....	114
Principal Employers .....	115

**Operating Information**

Full-Time Equivalent City Government Employees by Function .....	116
Operating Indicators by Function .....	118
Capital Asset Statistics by Function .....	120

**Supplementary Information**

Schedule of Revenues by Source and Expense by Type	
Police Officers Pension Fund.....	122
Firefighters Pension Fund.....	123
Building Department .....	124

**Other Reports**

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters**

Based on an Audit of Financial Statements Performed in	
Accordance with Government Auditing Standards .....	127

Management Letter .....	129
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**Independent Auditor's Report on Compliance with the Requirements of Section 218.415**

Florida Statutes .....	131
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# Introductory Section



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# *City of Lake Mary*

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**Kevin L. Smith**

City Manager

Fax: (407) 585-1498

[www.lakemaryfl.com](http://www.lakemaryfl.com)

March 19, 2020

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

It is with pleasure that we present to you the City of Lake Mary, Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. This document fulfills the requirements set forth in Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

Management assumes full responsibility for the completeness and reliability of all information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. As management, we assert, to the best of our knowledge and belief that this financial report is complete and reliable in all material aspects.

McDirmit Davis & Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2019, are free of material misstatement. The independent audit involved examining on a test basis evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their examination, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

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

The City of Lake Mary, Florida, a municipality incorporated under Florida law in 1973, is located in Central Florida and considered a part of the Orlando Metropolitan area. The City encompasses 9.9 square miles with an estimated population of 17,449. Land uses within Lake Mary consist primarily of single-family residential neighborhoods, retail businesses, Class A office space, light manufacturing and high-tech industries. Lake Mary is considered a major economic hub of the Orlando Metropolitan Area. Several large corporations maintain major operations within the City and is well renowned for its exceptional

quality of life. This quality of life is enhanced by Lake Mary's strategic location on the North Interstate-4 corridor, the community's exceptional education system, and a skilled workforce.

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

The annual budget serves as the foundation for the City of Lake Mary's financial planning and control. Department Directors are required to submit their budget requests to the City Manager who, in coordination with the Finance Department, uses them as the starting point in developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission prior to August 1<sup>st</sup> of each year. The City Commission must hold public hearings on the proposed budget and adopt a final budget by September 30<sup>th</sup> which is prior to the close of the City's fiscal year. The appropriated budget is prepared by fund and program. The City Manager may make transfers between programs within the same fund. Any other budget transfers or amendments must be adopted by a budget resolution of the City Commission. The budget may be amended up until 60 days after the end of the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated budgets, this comparison is presented in the Combining and Individual Fund Statements and Schedules subsection of this report. The City's financial plan may be obtained from the City's website ([www.lakemaryfl.com](http://www.lakemaryfl.com)).

### ***Local economy***

The City of Lake Mary enjoys a vibrant local economy that is comprised of a well-established and growing business community that is represented by manufacturing, medical, retail, professional office and technology uses. In fiscal year 2019, the total number of business tax receipts increased 3.8% compared to prior fiscal year. The unemployment rate in Seminole County continued to decrease to a level suggesting we are in a tight labor market, registering a rate of 2.6% toward the end of calendar year 2019. This remains below the State of Florida's average of 2.9%. Seminole County's total employment grew to 265,465 in October 2019, which resulted in a near 3,200 job increase over October 2018.

Lake Mary's taxable values for both residential and commercial properties recorded a growth of 9.7% in 2019 over prior year, according to the Seminole County Property Appraiser. This is due in part to the City maintaining its ability to attract community based business and large corporations as well as new residential neighborhoods. The City has also been able to hold a near equal split between commercial uses (55% of taxable value) versus residential uses (45% of taxable value).

As the City of Lake Mary is approaching buildout, its strategic initiatives will turn its focus to redevelopment and business expansion. Through its ongoing commitment to stimulate the local economy, maintain essential services, and expand its labor force, the City of Lake Mary will continue to be the premier city to live, work, and play.

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

The City continues its commitment toward conservative financial planning. Our long-standing policy has been to prepare the annual budget encompassing all categories of revenue generation and expenditures including personnel, operating and capital costs. The budget also acts as a blueprint toward meeting our goals of providing City services that enhance our community's quality of life and maximize economic opportunity.

This fiscal year has seen active construction within the City. A number of large projects are nearing completion, including Griffin Farm at Midtown, Lake Emma Sound, and Phase I of the Orlando Health Medical Campus. While those developments may be concluding, new construction activity will continue

due to projects such as New Century PUD/Lake Mary Wellness and Technology Park, TopGolf, and the Edison Phase II office complex. The City has reached a point where new growth must be carefully planned with respect to its guiding principles.

Investing in Lake Mary's downtown continues to be a focal point of the City. This includes the design stage for Phase II of the Veteran's and First Responders Memorial at Heritage Park. The Lake Mary Trailblazers have partnered with the City to raise funds and provide input for the design. Additionally, the City will be seeking grant monies to help fund this project. Redevelopment will continue as well with a mixed-use project known as Dwell at Lake Mary. This project includes the City's first vertically mixed use building.

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

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

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

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Mary for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. This was the twenty-seventh consecutive year that the City of Lake Mary has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

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

Respectfully submitted,

*Kevin L. Smith*

Kevin L. Smith  
City Manager

*Brent D. Mason*

Brent D. Mason  
Finance Director



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Lake Mary  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

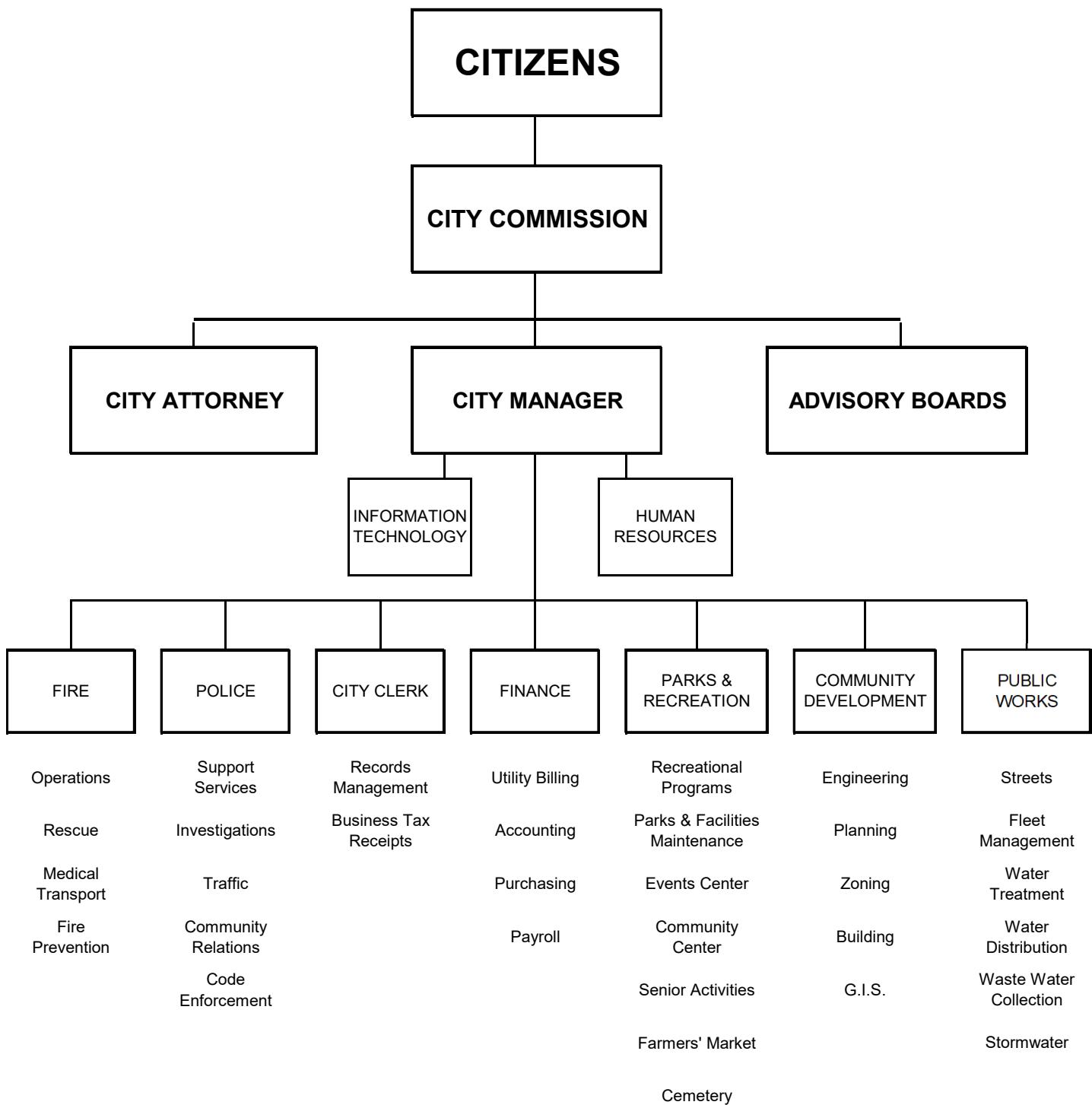
**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# CITY OF LAKE MARY, FLORIDA

## ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA  
PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2019**

**CITY COMMISSION**

David Mealor, Mayor

George F. Duryea

Jordan Smith

Sidney Miller, Deputy Mayor

Jo Ann Lucarelli

**ADMINISTRATION**

**CITY MANAGER**

Kevin L. Smith

**FINANCE DIRECTOR**

Brent D. Mason

**CITY ATTORNEY**

Catherine Reischmann

**CITY CLERK**

Michelle McCurdy

**FINANCE MANAGER**

Jean K. McCarthy

**COMMUNITY DEVELOPMENT DIRECTOR**

Stephen J. Noto

**PUBLIC WORKS DIRECTOR**

Bruce Paster

**PARKS & RECREATION DIRECTOR**

Bryan R. Nipe

**POLICE CHIEF**

Michael Biles

**FIRE CHIEF**

Frank Cornier



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# Financial Section



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## **FINANCIAL SECTION**

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Required Supplemental Information



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Lake Mary, Florida*, (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Lake Mary, Florida*, as of September 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *City of Lake Mary, Florida*'s basic financial statements. The introductory section, combining and individual fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2020, on our consideration of the *City of Lake Mary, Florida*'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the *City of Lake Mary, Florida*'s, internal control over financial reporting and compliance.



Orlando, Florida  
March 3, 2020

# Management's Discussion and Analysis



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**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

As management of The City of Lake Mary (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. The purpose of *management's discussion and analysis* (MD&A) is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Lake Mary exceeded its liabilities and deferred inflows of resources at September 30, 2019 by \$100,380,712 (*net position*). Of this amount, \$36,272,410 represents unrestricted net position, may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,730,569 (or 4.95%). Governmental total net position increased by \$3,915,517 (or 6.35%). Business-type activities increased by \$815,052 in 2019 (or 2.40%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined fund balances of \$25,178,561, an increase of \$4,282,171 in comparison with the prior year. Approximately 71% of this amount, or \$17,999,576, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$19,341,170 (or 87%) of total expenditures and transfers out.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$668,304 and \$828,890 respectively.

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

This discussion and analysis provided here are intended to serve as an introduction to the City of Lake Mary's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities, and deferred inflow/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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

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

The government-wide financial statements can be found on pages 25-26 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

During fiscal year 2019, the City utilized thirteen (13) 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 which is considered to be major fund. Data from the other (12) twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplemental information.

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

The basic governmental fund financial statements may be found on pages 27-31 of this report.

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

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

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

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

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

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-70 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information (RSI)* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 71-77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 80-93 of this report.

### **Government-wide Overall Financial Analysis**

**Statement of Net Position.** As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Lake Mary, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,380,712 at the close of fiscal year ended September 30, 2019.

**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

Statement of Net Position  
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 30,146,487	\$ 27,493,523	\$ 14,817,664	\$ 15,016,715	\$ 44,964,151	\$ 42,510,238
Restricted assets	329,002	363,791	2,333,244	2,229,108	2,662,246	2,592,899
Capital assets	43,116,371	44,062,176	18,598,669	17,636,321	61,715,040	61,698,497
Total assets	<u>73,591,860</u>	<u>71,919,490</u>	<u>35,749,577</u>	<u>34,882,144</u>	<u>109,341,437</u>	<u>106,801,634</u>
Total deferred outflows of resources	1,555,297	1,032,511	35,858	40,138	1,591,155	1,072,649
Current liabilities	1,067,782	2,106,237	466,622	425,466	1,534,404	2,531,703
Non-current liabilities outstanding	4,744,201	4,552,084	366,419	367,809	5,110,620	4,919,893
Other liabilities (comp abs & opeb)	2,375,236	2,433,088	166,324	157,376	2,541,560	2,590,464
Total liabilities	<u>8,187,219</u>	<u>9,091,409</u>	<u>999,365</u>	<u>950,651</u>	<u>9,186,584</u>	<u>10,042,060</u>
Total deferred inflows of resources	1,360,660	2,176,831	4,636	5,249	1,365,296	2,182,080
Net investment in capital assets	40,467,342	41,150,145	18,598,669	17,636,321	59,066,011	58,786,466
Restricted	3,075,466	1,312,742	1,966,825	1,861,299	5,042,291	3,174,041
Unrestricted	22,056,470	19,220,874	14,215,940	14,468,762	36,272,410	33,689,636
Total net position	<u>\$ 65,599,278</u>	<u>\$ 61,683,761</u>	<u>\$ 34,781,434</u>	<u>\$ 33,966,382</u>	<u>\$ 100,380,712</u>	<u>\$ 95,650,143</u>

By far, the largest portion of the City's net position \$59,066,011 (or 58.8%) reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position \$5,042,291 (or 5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$36,272,410 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2019, the City of Lake Mary is able to report positive balances in the government activities as a whole. This trend has been consistent for the previous twelve fiscal years.

The City's net position increased a total of \$4,730,569 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Statement of Activities.** The following table reflects the *Statement of Changes in Net Position* for the current and prior year. For more detailed information see the *Statement of Activities* on page 26.

Note that the City's net position increased by \$4,730,569 or 4.95% in fiscal year 2019.

Governmental activities increased net position by \$3,915,517 in fiscal year 2019 compared to a increase of \$1,402,176 in 2018.

Business-type activities increased net position by \$815,052 or 2.4% in fiscal year 2019 compared to a decrease of \$211,526 or .62% in 2018.

**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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.

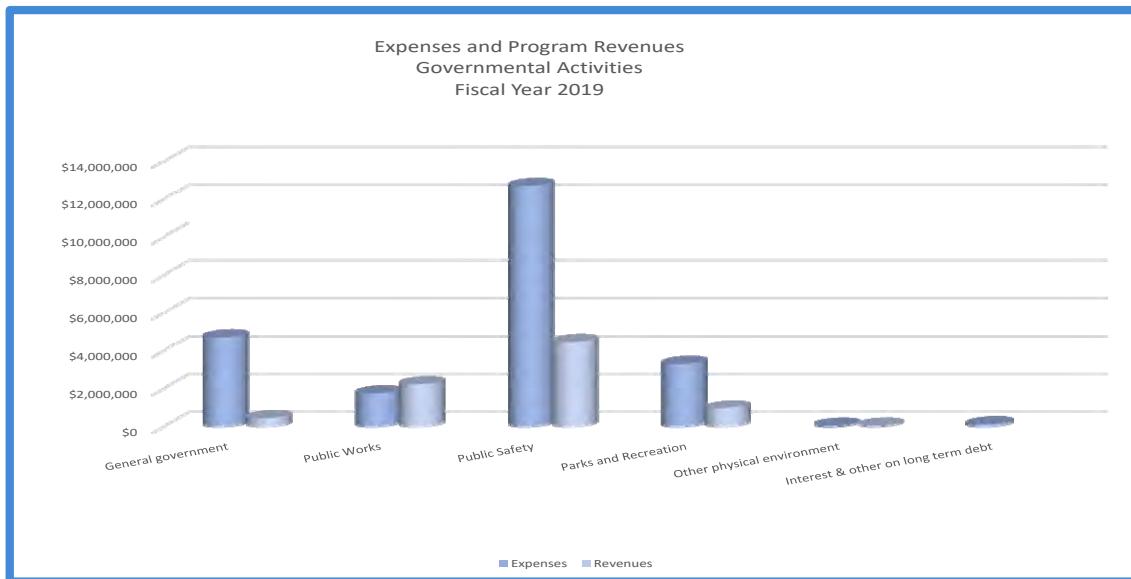
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 20.

Changes In Net Position  
For the Year Ended September 30,

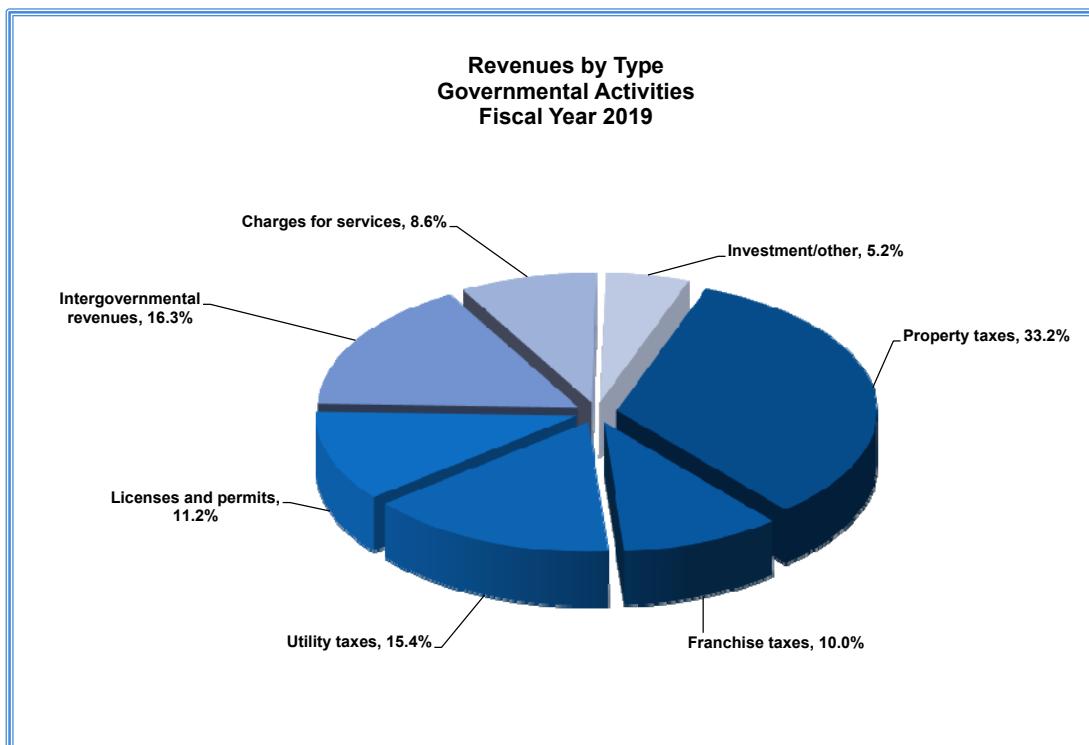
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 5,376,360	\$ 4,911,393	\$ 6,625,438	\$ 6,352,780	\$ 12,001,798	\$ 11,264,173
Operating grants and contributions	1,533,493	950,962	-	-	1,533,493	950,962
Capital grants and contributions	1,035,918	1,032,969	224,643	112,492	1,260,561	1,145,461
General revenues:						
Property taxes	8,366,891	7,811,512	-	-	8,366,891	7,811,512
Other taxes	6,391,739	6,111,049	-	-	6,391,739	6,111,049
Other revenues	2,460,349	2,296,334	433,235	145,007	2,893,584	2,441,341
Total revenues	<u>25,164,750</u>	<u>23,114,219</u>	<u>7,283,316</u>	<u>6,610,279</u>	<u>32,448,066</u>	<u>29,724,498</u>
Expenses:						
General government	4,674,702	4,633,529	-	-	4,674,702	4,633,529
Public works	1,712,017	3,288,720	-	-	1,712,017	3,288,720
Public safety	12,666,122	11,813,639	-	-	12,666,122	11,813,639
Parks and recreation	3,270,374	3,091,016	-	-	3,270,374	3,091,016
Other physical environment	7,769	5,655	-	-	7,769	5,655
Interest and other on long term debt	83,880	79,484	-	-	83,880	79,484
Water and sewer	-	-	4,797,609	5,148,603	4,797,609	5,148,603
Stormwater	-	-	505,024	473,202	505,024	473,202
Total expenses	<u>22,414,864</u>	<u>22,912,043</u>	<u>5,302,633</u>	<u>5,621,805</u>	<u>27,717,497</u>	<u>28,533,848</u>
Increase (decrease) in net position before transfers & special items	<u>2,749,886</u>	<u>202,176</u>	<u>1,980,683</u>	<u>988,474</u>	<u>4,730,569</u>	<u>1,190,650</u>
Transfers	<u>1,165,631</u>	<u>1,200,000</u>	<u>(1,165,631)</u>	<u>(1,200,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net position	<u>3,915,517</u>	<u>1,402,176</u>	<u>815,052</u>	<u>(211,526)</u>	<u>4,730,569</u>	<u>1,190,650</u>
Net position - October 1	<u>61,683,761</u>	<u>60,469,692</u>	<u>33,966,382</u>	<u>34,193,447</u>	<u>95,650,143</u>	<u>94,663,139</u>
Prior period adjustment	<u>-</u>	<u>(188,107)</u>	<u>-</u>	<u>(15,539)</u>	<u>-</u>	<u>(203,646)</u>
Net position - September 30	<u><b>\$ 65,599,278</b></u>	<u><b>\$ 61,683,761</b></u>	<u><b>\$ 34,781,434</b></u>	<u><b>\$ 33,966,382</b></u>	<u><b>\$ 100,380,712</b></u>	<u><b>\$ 95,650,143</b></u>

**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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

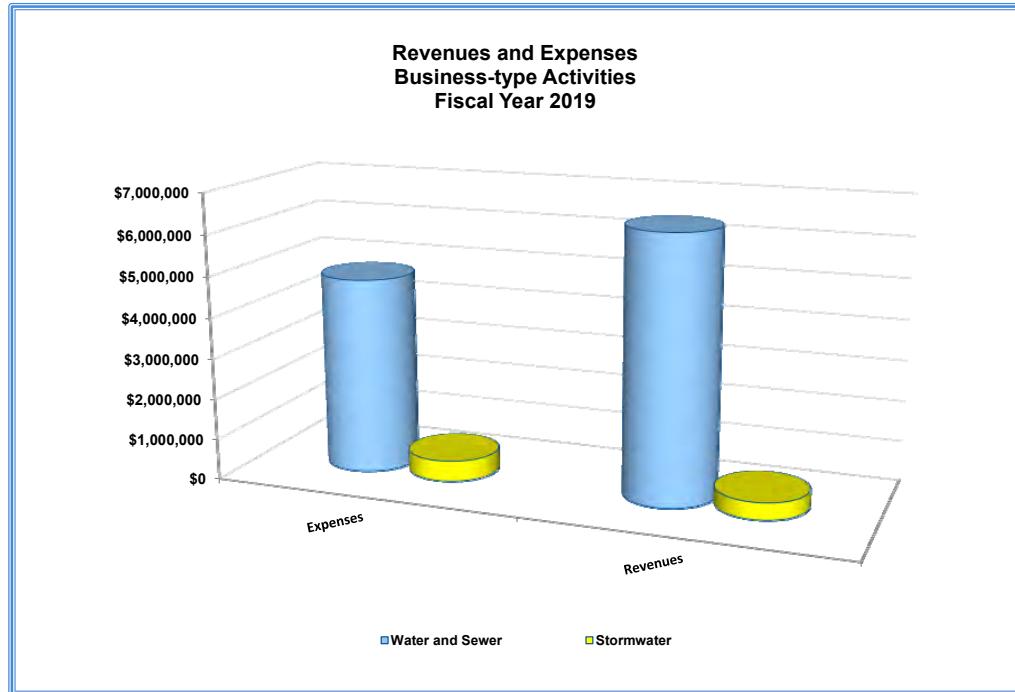


Revenue for governmental activities are shown graphically by type. The largest type of revenue for governmental activities is property taxes followed by utility taxes.

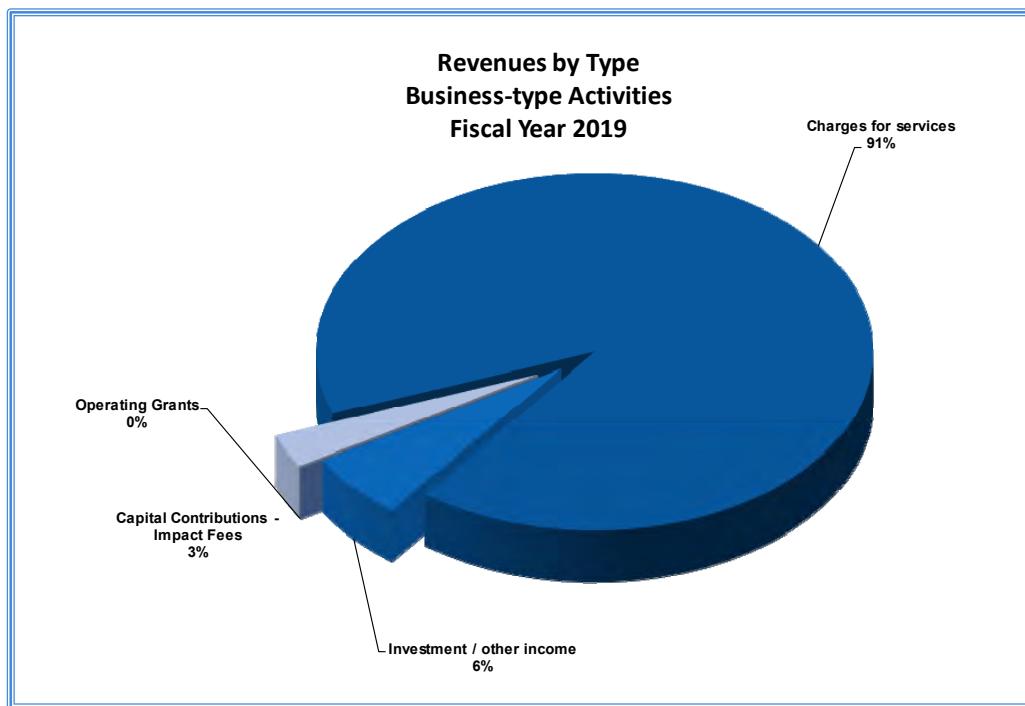


**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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



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



**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

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

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Lake Mary's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Lake Mary itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Lake Mary's Commission.

As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$25,178,561 an increase of \$4,282,171 in comparison with the prior year. Approximately 71% of this total amount \$17,999,576 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. Further information regarding unassigned fund balance can be found in the governmental funds financial statements starting on page 27. The remainder of fund balance is either *nonspendable, restricted, committed, or assigned*. These amounts totaled \$7,178,985 or 29% of ending fund balance. Of this amount, \$8,619 is nonspendable as inventories and prepaid items; \$702,867 is restricted for special revenue funds, \$2,102,296 is restricted for capital projects funded by One-Cent Infrastructure Sales Tax and \$1,740,438 is restricted for building department; \$310,001 is committed to debt service payments and \$973,170 is committed to other capital projects. A total of \$1,341,594 is assigned to transfers for debt service, other capital projects; funding of the employee wellness center and subsequent year expenditures approved by the City's Commission.

The General Fund is the chief operating fund of the City. The general fund manages 93% of the total governmental revenues. At September 30, 2019, the unassigned fund balance of the general fund was \$17,999,576 while the total fund balance increased to \$21,090,227. The increase was due to building permits at Orlando Health, New Century PUD/Lake Mary Wellness and Technology Park, Griffin Farm Midtown, and Lake Emma Sound. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 81% of total general fund expenditures and transfers out, while total fund balance represents 95% of that same amount.

The adopted budget for the fiscal year 2019 projected an appropriation of fund balance in the amount of \$1,547,698. The actual increase to the fund balance of the City's General Fund was \$2,508,543 during the fiscal year. Total actual revenue collections were \$3,433,837 more favorable than projected. Ad valorem tax revenues were over projections by \$101,284. Licenses and permits and Charges for services revenues exceeded expectations by \$1,154,969 and \$400,690 respectively. Several other revenue categories also outperformed. Overall expenditures were under budget by \$1,082,773 or 5.06%. Additional information regarding the general fund budget to actual variances can be found on page 31.

The total fund balance of all the nonmajor governmental funds is \$4,088,334, a net increase of \$1,773,628 when compared to fiscal year 2018. This increase is due to completion of the FY2018 biennial street resurfacing program and the collection of impact fees.

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

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

At September 30, 2019, unrestricted net position of the Water and Sewer Fund amounted to \$13,752,014, unrestricted net position of the Stormwater Utility Fund was \$463,926, and net position restricted for capital improvement in the Water and Sewer Fund was \$1,966,825. In total, the proprietary funds increased net position by \$815,052 over the prior year. Operating revenues increased 4.3% while operating expenses decreased 5.7%.

### **General Fund Budgetary Highlights**

**Original budget compared to final budget.** During fiscal year 2019, the general fund budget was amended to increase appropriations by \$460,369. Amendments were issued to account for transfers to the stormwater fund to cover the purchase of land for the downtown stormwater upgrades and the capital project fund for new roofs at City Hall and the Community Center. Both of these items were not included in the original budget.

**Final budget compared to actual results.** The final amended general fund appropriations were \$23,288,157 and actual expenditures (budgetary basis) \$22,205,384. General fund revenues exceeded the original budget by \$3,433,837, or 17.23%. Significant budgetary variances between the final amended budget and actual results are listed below:

- Property Taxes received increased 7.11% from last year, due to an increase in property valuations.
- Utility Tax and Franchise Fee revenue reported an overall increase of \$645,841 over budget due to increase in customer consumption.
- Licenses and Permits revenue outperformed projections by 68% due to new construction at Orlando Health, New Century PUD/Lake Mary Wellness and Technology Park, Griffin Farm Midtown, and Lake Emma Sound.
- Charges for Services increased 7.26% from last year due to police services for special events and medical transport collections.
- Actual expenditures were less than amended appropriations by \$1,082,773, a variance of 5.06%. It is expected each year that actual expenditures will be 5% less than budget.

Transfers to other funds were:

- \$349,002 to the Debt Service Fund.
- \$184,369 to Stormwater Utility Fund.
- \$1,376,000 to the Capital Projects Fund.

Overall:

- The net increase in the fund balance of the general fund was \$2,508,543.

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

**Capital assets.** The City of Lake Mary's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$61,715,040 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, water and sewer system, stormwater system, intangible assets, infrastructure, vehicles and equipment. The total net increase in the City's capital assets for the current fiscal year was \$16,543.

**CITY OF LAKE MARY, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2019**

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

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 9,432,135	\$ 9,352,059	\$ 488,808	\$ 488,808	\$ 9,920,943	\$ 9,840,867
Buildings	11,834,002	12,410,778	82,600	94,400	11,916,602	12,505,178
Improvements other than bldg	739,901	862,804	-	-	739,901	862,804
Water/sewer system	-	-	14,471,170	14,948,504	14,471,170	14,948,504
Stormwater system	-	-	1,736,641	1,742,017	1,736,641	1,742,017
Intangible assets	1,468,785	1,470,709	-	-	1,468,785	1,470,709
Machinery and equipment	943,186	661,283	61,208	32,651	1,004,394	693,934
Vehicles	3,429,489	3,204,152	-	-	3,429,489	3,204,152
Infrastructure	14,956,605	15,636,982	-	-	14,956,605	15,636,982
Construction in progress	312,268	463,409	1,758,242	329,941	2,070,510	793,350
Total	<u>\$ 43,116,371</u>	<u>\$ 44,062,176</u>	<u>\$ 18,598,669</u>	<u>\$ 17,636,321</u>	<u>\$ 61,715,040</u>	<u>\$ 61,698,497</u>

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

- PD Chiller, \$328,319.
- Lift station generator at Mohegan \$79,382.
- Vehicle and equipment purchases including the replacement of fire engine 33, an aerial truck, and 9 PD replacement vehicles, \$1,162,084

Major capital assets included in Construction in Progress:

- Well #3R Pump and Appurtenance, \$526,901.
- Meter Technology Upgrades, \$747,123.
- Downtown Stormwater upgrades, \$184,368.
- Roof replacement at City Hall and Community Center, \$141,648.
- Rinehart Road Intersection Improvements, \$88,722.

Additional information regarding the City's capital assets can be found in on pages 51-52 of this report.

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**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$2,633,000, which consists of notes payable. Business-type activities have no outstanding debt.

Long Term Debt  
As of September 30,

	Governmental activities	
	2019	2018
PIRRN 2012	\$ 2,663,000	\$ 2,928,000
Total	<u><u>\$ 2,663,000</u></u>	<u><u>\$ 2,928,000</u></u>

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

Additional information regarding the City's long-term liabilities can be found in on pages 67-68 in the notes to the financial statements.

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

Over the past fiscal year, construction activity within the City has maintained a similar pace to the past several years. A number of large projects are nearing completion, including Griffin Farm at Midtown, Lake Emma Sound, and Phase 1 of the Orlando Health Medical Campus. While those developments may be concluding, new construction activity will continue due to projects such as New Century PUD/Lake Mary Wellness and Technology Park, TopGolf, and the Edison Phase 2 office complex. Further, redevelopment in the Downtown will continue as well with the mixed-use Dwell at Lake Mary project and new projects on N. 4<sup>th</sup> St. and W. Crystal Lake Ave.

For FY 2020, taxable values in the City are projected to increase approximately 9.18% from 2018 levels. This is due in part to the City maintaining its ability to attract community based businesses and large corporations, as well as new residential neighborhoods. And, while green-field buildout is approaching over the next several years, proper planning and strategic initiatives will turn the focus to redevelopment and business expansion, ensuring the City's economic health in the years to come and maintaining our place in the top rankings of great communities to operate a business and live.

For the seventh consecutive year, the City of Lake Mary held the ad valorem millage rate at 3.5895. Combined property values reflecting a total increase of 9.18% which will yield \$758,622 more in ad valorem tax collections than last year. The budget also provides payments up to a total of \$483,150 for economic incentive program obligations payable after proof of fulfillment.

During the current fiscal year, the unassigned fund balance in the general fund was \$19,740,014. The City of Lake Mary has appropriated \$58,423 of this amount for spending in the 2019-2020 fiscal year. A total of \$1,047,065 of next year's appropriation is for transfers to other funds including \$700,000 to fund general capital projects and \$347,065 to pay for debt service

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

***Requests for Information***

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

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City of Lake Mary, Florida

Statement of Net Position

September 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 5,383,973	\$ 432,410	\$ 5,816,383
Investments	21,051,229	12,643,626	33,694,855
Interest receivable	42,888	21,525	64,413
Accounts receivable (net of allowance for uncollectibles)	1,560,652	1,335,068	2,895,720
Due from other governmental units	424,920	-	424,920
Unbilled service charges	898	162,538	163,436
Special assessments-current	2,855	5,935	8,790
Inventories	39,527	175,057	214,584
Prepaid items	5,756	38,970	44,726
Restricted assets:			
Temporarily restricted cash or investments	329,002	2,333,244	2,662,246
Special assessments-noncurrent	-	2,535	2,535
Net pension asset	1,633,789	-	1,633,789
Capital Assets not being depreciated:			
Land	9,432,135	488,808	9,920,943
Construction in progress	312,268	1,758,242	2,070,510
Capital assets net of accumulated depreciation:			
Buildings	11,834,002	82,600	11,916,602
Improvements other than buildings	739,901	-	739,901
Water/sewer system	-	14,471,170	14,471,170
Stormwater system	-	1,736,641	1,736,641
Intangible assets	1,468,785	-	1,468,785
Machinery and equipment	943,186	61,208	1,004,394
Vehicles	3,429,489	-	3,429,489
Infrastructure	14,956,605	-	14,956,605
Total assets	<u>73,591,860</u>	<u>35,749,577</u>	<u>109,341,437</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	13,971	-	13,971
Deferred outflows of pension earnings	1,107,260	-	1,107,260
Deferred outflows related to OPEB	434,066	35,858	469,924
Total deferred outflows of resources	<u>1,555,297</u>	<u>35,858</u>	<u>1,591,155</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	974,678	462,419	1,437,097
Unearned revenue	93,104	4,203	97,307
Noncurrent liabilities			
Liabilities payable from restricted assets	329,002	366,419	695,421
Due within one year	274,461	6,415	280,876
Due in more than one year	6,515,974	159,909	6,675,883
Total liabilities	<u>8,187,219</u>	<u>999,365</u>	<u>9,186,584</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of pension earnings	1,304,539	-	1,304,539
Deferred inflows related to OPEB	56,121	4,636	60,757
Total deferred inflows of resources	<u>1,360,660</u>	<u>4,636</u>	<u>1,365,296</u>
<b>NET POSITION</b>			
Net investment in capital assets	40,467,342	18,598,669	59,066,011
Restricted for capital improvement	3,075,466	1,966,825	5,042,291
Unrestricted	22,056,470	14,215,940	36,272,410
Total net position	<u>\$ 65,599,278</u>	<u>\$ 34,781,434</u>	<u>\$ 100,380,712</u>

The notes to the financial statements are an integral part of this statement.

**City of Lake Mary, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ - 4,674,702	\$ 393,912	\$ 1,135,266	\$ -	\$ (4,280,790)	\$ 468,066	\$ (4,280,790)
Public works	1,712,017	8,899		- 1,035,918			468,066
Public safety	12,666,122	- 4,034,511	398,227	-		(8,233,384)	(8,233,384)
Parks and recreation	- 3,270,374	927,438		-		(2,342,936)	(2,342,936)
Other physical environment	- 7,769	11,600			3,831	-	3,831
Interest & other fiscal charges on long-term debt	83,880-	-			(83,880)	-	(83,880)
Total governmental activities	<u>22,414,864</u>	<u>5,376,360</u>	<u>1,533,493</u>	<u>1,035,918</u>	<u>(14,469,093)</u>	<u>-</u>	<u>(14,469,093)</u>
Business-type activities							
Water and Sewer	- 4,797,609	6,211,460		224,643		1,638,494	1,638,494
Stormwater	- 505,024	413,978				(91,046)	(91,046)
Total business-type activities	<u>5,302,633</u>	<u>6,625,438</u>	<u>-</u>	<u>224,643</u>	<u>-</u>	<u>1,547,448</u>	<u>1,547,448</u>
Total primary government	<u>27,717,497</u>	<u>12,001,798</u>	<u>1,533,493</u>	<u>1,260,561</u>	<u>(14,469,093)</u>	<u>1,547,448</u>	<u>(12,921,645)</u>
General revenues:							
Property taxes			-		8,366,891		8,366,891
Franchise taxes			-		2,507,390		2,507,390
Utility taxes			-		3,884,349		3,884,349
Unrestricted intergovernmental revenues			-		1,528,798		1,528,798
Unrestricted investment earnings					715,889	433,235	1,149,124
Miscellaneous revenues					127,963		127,963
Gain on sale of asset					87,699		87,699
Transfers					- 1,165,631	(1,165,631)	
Total general revenues, and transfers					<u>18,384,610</u>	<u>(732,396)</u>	<u>17,652,214</u>
Change in net position					<u>3,915,517</u>	<u>815,052</u>	<u>4,730,569</u>
Net position - beginning,					<u>61,683,761</u>	<u>33,966,382</u>	<u>95,650,143</u>
Net position - ending					<u>\$ 65,599,278</u>	<u>\$ 34,781,434</u>	<u>\$ 100,380,712</u>

The notes to the financial statements are an integral part of this statement.

**City of Lake Mary, Florida**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2019**

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	General Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,060,853	\$ 2,347,180	\$ 4,408,033
Investments	18,135,722	1,654,983	19,790,705
Interest receivable	35,300	4,168	39,468
Receivables (net of allowance for uncollectibles)	1,560,652	-	1,560,652
Unbilled service charges	898	-	898
Due from other governments	322,328	102,592	424,920
Special assessments-current	2,855	-	2,855
Inventories	2,863	-	2,863
Prepays	5,756	-	5,756
Restricted cash and cash equivalents	329,002	-	329,002
Total assets	<u><u>\$ 22,456,229</u></u>	<u><u>\$ 4,108,923</u></u>	<u><u>\$ 26,565,152</u></u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable	\$ 576,698	\$ 20,589	\$ 597,287
Accrued liabilities	192,843	-	192,843
Due to other governments	13,277	-	13,277
Unearned revenue	93,104	-	93,104
Other liabilities	161,078	-	161,078
Liabilities payable from restricted assets	329,002	-	329,002
Total liabilities	<u><u>1,366,002</u></u>	<u><u>20,589</u></u>	<u><u>1,386,591</u></u>

Fund balances:

Nonspendable	8,619	-	8,619
Restricted	1,740,438	2,805,163	4,545,601
Committed	-	1,283,171	1,283,171
Assigned	1,341,594	-	1,341,594
Unassigned	17,999,576	-	17,999,576
Total fund balances	<u><u>21,090,227</u></u>	<u><u>4,088,334</u></u>	<u><u>25,178,561</u></u>
Total liabilities and fund balances	<u><u>\$ 22,456,229</u></u>	<u><u>\$ 4,108,923</u></u>	<u><u>\$ 26,565,152</u></u>

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

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Total fund balance, governmental funds	\$ 25,178,561
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	39,686,882
Internal service funds are used by management to charge the costs of fleet management to individual funds	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	5,652,580
Deferred inflows and outflows of resources related to pension earnings and OPEB are not recognized in the governmental funds; however, they are recorded in the entity-wide statement of net position under full accrual accounting	
	180,666
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds:	
Governmental notes payable	(2,663,000)
Deferred charge on refunding	13,971
Compensated absences	(1,289,188)
Other post employment benefits	(1,042,784)
Net pension asset/liability	<hr style="width: 100px; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> (118,410)
Net position of governmental activities	<hr style="width: 100px; border: 0; border-top: 1px solid black;"/> \$ 65,599,278

**City of Lake Mary, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2019**

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	<b>General Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 8,366,891	\$ -	\$ 8,366,891
Franchise	2,507,390	-	2,507,390
Utility	3,884,349	-	3,884,349
Licenses and permits	2,830,969	-	2,830,969
Intergovernmental revenues	2,702,813	1,406,603	4,109,416
Charges for services	2,142,490	11,600	2,154,090
Impact fees/assessments	32,958	156,365	189,323
Fines and forfeitures	173,096	17,675	190,771
Investment income	594,996	64,355	659,351
Other	127,975	-	127,975
Total revenues	<u>23,363,927</u>	<u>1,656,598</u>	<u>25,020,525</u>
<b>EXPENDITURES</b>			
Current:			
General government	4,485,048	164,951	4,649,999
Public works	985,651	22,820	1,008,471
Public safety	11,892,149	469,116	12,361,265
Parks and recreation	2,839,135	56,430	2,895,565
Other physical environment	-	4,760	4,760
Debt service:			
Principal	-	265,000	265,000
Interest and other fiscal charges	-	81,882	81,882
Capital outlay:			
General government	80,245	204,754	284,999
Public works	-	198,424	198,424
Public safety	13,785	79,177	92,962
Parks and recreation	-	60,658	60,658
Total expenditures	<u>20,296,013</u>	<u>1,607,972</u>	<u>21,903,985</u>
Excess (deficiency) of revenues over expenditures	<u>3,067,914</u>	<u>48,626</u>	<u>3,116,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,350,000	1,725,002	3,075,002
Transfers out	(1,909,371)	-	(1,909,371)
Total other financing sources and uses	<u>(559,371)</u>	<u>1,725,002</u>	<u>1,165,631</u>
Net change in fund balances	2,508,543	1,773,628	4,282,171
Fund balances - beginning	18,581,684	2,314,706	20,896,390
Fund balances - ending	<u>\$ 21,090,227</u>	<u>\$ 4,088,334</u>	<u>\$ 25,178,561</u>

**City of Lake Mary, Florida**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2019**

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Net change in fund balances - total governmental funds: \$ 4,282,171

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

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

Expenditure for capital assets	637,043
Current year depreciation	<u>(1,579,106)</u>
	(942,063)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position (30,933)

Repayment of note principal is an expenditure in governmental funds. While repayment utilizes current assets, it has no effect on net position. Issuance costs are expended in governmental funds.

Principal repayments	265,000
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Internal service funds are used by management to charge the costs of fleet management and health insurance to individual funds. The change in net position of the internal service funds are reported allocated to governmental activities.

Change in net position of the internal service funds	246,405
General capital assets contributed to internal service funds	<u>(157,030)</u>
	89,375

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities and therefore increase net position 239,046

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

12,921

Change in net position of governmental activities \$ 3,915,517

**City of Lake Mary, Florida**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Taxes					
Property	\$ 8,265,607	\$ 8,265,607	\$ 8,366,891	\$ 101,284	
Franchise	2,250,680	2,250,680	2,507,390	256,710	
Utility	3,495,218	3,495,218	3,884,349	389,131	
Licenses and permits	1,676,000	1,676,000	2,830,969	1,154,969	
Intergovernmental	1,944,585	1,944,585	2,702,813	758,228	
Charges for services	1,741,800	1,741,800	2,142,490	400,690	
Impact fees/assessments	32,000	32,000	32,958	958	
Fines and forfeitures	74,200	74,200	173,096	98,896	
Investment income	250,000	250,000	594,996	344,996	
Other	200,000	200,000	127,975	(72,025)	
Total revenues	<u>19,930,090</u>	<u>19,930,090</u>	<u>23,363,927</u>	<u>3,433,837</u>	
<b>EXPENDITURES</b>					
Current:					
General government	5,190,268	5,167,958	4,485,048	682,910	
Public safety	11,990,124	12,001,124	11,892,149	108,975	
Public works	1,121,946	1,133,256	985,651	147,605	
Parks and recreation	3,017,508	3,017,508	2,839,135	178,373	
Capital outlay					
General government	-	-	80,245	(80,245)	
Public safety	40,840	40,840	13,785	27,055	
Parks and recreation	18,100	18,100	-	18,100	
Total Expenditures	<u>21,378,786</u>	<u>21,378,786</u>	<u>20,296,013</u>	<u>1,082,773</u>	
Excess (deficiency) of revenues over expenditures	<u>(1,448,696)</u>	<u>(1,448,696)</u>	<u>3,067,914</u>	<u>4,516,610</u>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,350,000	1,350,000	1,350,000	-	
Transfers out	<u>(1,449,002)</u>	<u>(1,909,371)</u>	<u>(1,909,371)</u>	<u>-</u>	
Total other financing sources and uses	<u>(99,002)</u>	<u>(559,371)</u>	<u>(559,371)</u>	<u>-</u>	
Net change in fund balances	<u>(1,547,698)</u>	<u>(2,008,067)</u>	<u>2,508,543</u>	<u>4,516,610</u>	
Fund balances - beginning	18,581,684	18,581,684	18,581,684	-	
Fund balances - ending	<u>\$ 17,033,986</u>	<u>\$ 16,573,617</u>	<u>\$ 21,090,227</u>	<u>\$ 4,516,610</u>	

**City of Lake Mary, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

	Business Type Activities - Enterprise Funds			Governmental Activities	
	Water & Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 49,922	\$ 382,488	\$ 432,410	\$ 1,304,942	
Investments	12,533,963	109,663	12,643,626		931,522
Interest receivable	20,772	753	21,525		3,420
Accounts receivable (net of allowance for uncollectibles)	1,295,237	39,831	1,335,068		-
Unbilled service charges	151,397	11,141	162,538		-
Special assessments- current	1,399	4,536	5,935		-
Inventories	175,057	-	175,057		36,664
Prepaid items	38,970	-	38,970		-
Total current assets	<u>14,266,717</u>	<u>548,412</u>	<u>14,815,129</u>		<u>2,276,548</u>
Noncurrent assets:					
Restricted investments:					
Customer deposits	366,419	-	366,419		-
Impact fee funds	1,966,825	-	1,966,825		-
Total restricted assets	<u>2,333,244</u>	<u>-</u>	<u>2,333,244</u>		<u>-</u>
Special assessments- noncurrent	2,535	-	2,535		-
Capital Assets:					
Land	488,808	-	488,808		-
Construction in progress	1,563,874	194,368	1,758,242		-
Buildings	460,200	-	460,200		-
Water/sewer system	24,061,792	-	24,061,792		-
Stormwater system	-	3,762,872	3,762,872		-
Intangible assets	102,200	-	102,200		-
Machinery and equipment	235,909	22,265	258,174		-
Vehicles	-	-	-		7,722,295
Less accumulated depreciation	(10,250,590)	(2,043,029)	(12,293,619)		(4,292,806)
Total capital assets (net of accumulated depreciation)	<u>16,662,193</u>	<u>1,936,476</u>	<u>18,598,669</u>		<u>3,429,489</u>
Total noncurrent assets	<u>18,997,972</u>	<u>1,936,476</u>	<u>20,934,448</u>		<u>3,429,489</u>
Total assets	<u>\$ 33,264,689</u>	<u>\$ 2,484,888</u>	<u>\$ 35,749,577</u>		<u>\$ 5,706,037</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to OPEB	30,815	5,043	35,858		-
Total deferred outflows of resources	<u>30,815</u>	<u>5,043</u>	<u>35,858</u>		<u>-</u>

	Business Type Activities - Enterprise Funds			Governmental Activities	
	Water & Sewer Fund	Stormwater Utility Fund	Total	Internal Service Fund	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 389,352	\$ 56,452	\$ 445,804	\$ 6,864	
Accrued liabilities	14,218	2,397	16,615	3,329	
Compensated absences	4,982	1,433	6,415	3,461	
Total current liabilities	<u>408,552</u>	<u>60,282</u>	<u>468,834</u>	<u>13,654</u>	
Noncurrent liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	366,419	-	366,419	-	
Unearned revenue	4,203	-	4,203	-	
Compensated absences	57,287	16,479	73,766	39,803	
Other noncurrent liabilities	74,027	12,116	86,143	-	
Total noncurrent liabilities	<u>501,936</u>	<u>28,595</u>	<u>530,531</u>	<u>39,803</u>	
Total liabilities	<u>910,488</u>	<u>88,877</u>	<u>999,365</u>	<u>53,457</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to OPEB	3,984	652	4,636		
Total deferred inflows of resources	<u>3,984</u>	<u>652</u>	<u>4,636</u>	<u>-</u>	
<b>NET POSITION</b>					
Net investment in capital assets	16,662,193	1,936,476	18,598,669	3,429,489	
Restricted for capital improvement	1,966,825	-	1,966,825	-	
Unrestricted	13,752,014	463,926	14,215,940	2,223,091	
Total net position	<u>\$ 32,381,032</u>	<u>\$ 2,400,402</u>	<u>\$ 34,781,434</u>	<u>\$ 5,652,580</u>	



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**City of Lake Mary, Florida**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Business Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	Water & Sewer Fund	Stormwater Utility Fund	Totals	
<b>Operating revenues:</b>				
Charges for sales and services:				
Water sales	\$ 2,757,771	\$ -	\$ 2,757,771	\$ -
Sewer revenue	2,483,087	-	2,483,087	-
Stormwater fees	-	413,978	413,978	-
Other service charges	970,602	-	970,602	1,145,313
Total operating revenues	<u>6,211,460</u>	<u>413,978</u>	<u>6,625,438</u>	<u>1,145,313</u>
Operating expenses				
Costs of operations	4,043,605	295,542	4,339,147	309,612
Administration	169,139	-	169,139	-
Depreciation	579,011	208,524	787,535	890,551
OPEB expense	5,854	958	6,812	-
Total operating expenses	<u>4,797,609</u>	<u>505,024</u>	<u>5,302,633</u>	<u>1,200,163</u>
Operating income (loss)	<u>1,413,851</u>	<u>(91,046)</u>	<u>1,322,805</u>	<u>(54,850)</u>
<b>Nonoperating revenues (expenses):</b>				
Investment income	412,194	21,041	433,235	56,538
Gain on sale of capital assets	-	-	-	87,687
Total non-operating revenue (expenses)	<u>412,194</u>	<u>21,041</u>	<u>433,235</u>	<u>144,225</u>
Income (loss) before contributions and transfers	1,826,045	(70,005)	1,756,040	89,375
Capital contributions- impact fees	224,643	-	224,643	-
Capital contributions- developers and others	-	-	-	157,030
Transfers in	-	184,369	184,369	-
Transfers out	<u>(1,350,000)</u>	<u>-</u>	<u>(1,350,000)</u>	<u>-</u>
Change in net position	<u>700,688</u>	<u>114,364</u>	<u>815,052</u>	<u>246,405</u>
Net position - beginning	31,680,344	2,286,038	33,966,382	5,406,175
Total net position - ending	<u>\$ 32,381,032</u>	<u>\$ 2,400,402</u>	<u>\$ 34,781,434</u>	<u>\$ 5,652,580</u>

**City of Lake Mary, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

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	Business-type Activities - Enterprise Funds			Governmental Activities	
	Water and Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 4,658,233	\$ 412,654	\$ 5,070,887	\$ -	-
Other operating cash receipts	970,602	-	970,602	-	-
Receipts from interfund services provided	-	-	-	1,145,313	
Payments to suppliers	(3,339,418)	(141,475)	(3,480,893)	(123,788)	
Payments to employees	(822,627)	(155,710)	(978,337)	(224,817)	
Net cash provided by operating activities	<u>1,466,790</u>	<u>115,469</u>	<u>1,582,259</u>	<u>796,708</u>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	184,369	184,369	-	-
Transfers to other funds	(1,350,000)	-	(1,350,000)	-	-
Net cash provided (used) by non-capital financing activities	<u>(1,350,000)</u>	<u>184,369</u>	<u>(1,165,631)</u>	<u>-</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions - impact fees	224,643	-	224,643	-	-
Acquisition and construction of capital assets	(1,363,096)	(386,787)	(1,749,883)	(963,938)	
Proceeds from sales of capital assets	-	-	-	133,883	
Net cash provided (used) by capital and related financing activities	<u>(1,138,453)</u>	<u>(386,787)</u>	<u>(1,525,240)</u>	<u>(830,055)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of investments	(555,220)	-	(555,220)	-	-
Interest and dividends received	524,886	9,406	534,292	9,302	
Net cash provided by investing activities	<u>(30,334)</u>	<u>9,406</u>	<u>(20,928)</u>	<u>9,302</u>	
Net increase (decrease) in cash and cash equivalents	<u>(1,051,997)</u>	<u>(77,543)</u>	<u>(1,129,540)</u>	<u>(24,045)</u>	
Cash and cash equivalents - October 1	<u>1,101,919</u>	<u>460,031</u>	<u>1,561,950</u>	<u>1,328,987</u>	
Cash and cash equivalents - September 30	<u>\$ 49,922</u>	<u>\$ 382,488</u>	<u>\$ 432,410</u>	<u>\$ 1,304,942</u>	

	Business-type Activities - Enterprise Funds			Governmental Activities	
	Water and Sewer Fund	Stormwater Utility Fund	Totals	Internal Service Fund	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 1,413,851	\$ (91,046)	\$ 1,322,805	\$ (54,850)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	579,011	208,524	787,535	890,551	
(Increase) decrease in customer accounts receivable	(561,757)	(3,434)	(565,191)	-	
(Increase) decrease in unbilled service charges	(22,013)	(38)	(22,051)	-	
(Increase) decrease in inventory	2,097	-	2,097	(3,560)	
Increase (decrease) in accounts payable	53,527	(4,190)	49,337	(36,913)	
Increase (decrease) in accrued expenses	(8,321)	140	(8,181)	25	
Increase (decrease) in OPEB obligation	2,703	442	3,145	-	
Increase (decrease) in deferred inflows	(527)	(86)	(613)	-	
(Increase) decrease in deferred outflows	3,678	602	4,280	-	
(Increase) decrease in special assessments	2,535	2,148	4,683	-	
Increase (decrease) in compensated absences payable	3,396	2,407	5,803	1,455	
Increase (decrease) in customer deposits	(1,390)	-	(1,390)	-	
<b>Total adjustments</b>	<b>52,939</b>	<b>206,515</b>	<b>259,454</b>	<b>851,558</b>	
<b>Net cash provided by operating activities</b>	<b>\$ 1,466,790</b>	<b>\$ 115,469</b>	<b>\$ 1,582,259</b>	<b>\$ 796,708</b>	

The Water and Sewer Fund had a non-cash gain in the fair value of investments of \$109,161. The Stormwater fund had a non-cash gain in the fair value of investment of \$3,888. The Internal Service Fund has a non-cash gain in the fair market value of investments of 15,653. The Internal Service Fund also had a non-cash contribution of \$157,030 from other governmental funds.

**City of Lake Mary**  
**Statement of Fiduciary Net Position**  
**September 30, 2019**

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	<b>Total Employee Pension Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,352,524
Receivables:	
Interest receivable	72,125
Notes receivable - employee	41,818
Total receivables	<u>113,943</u>
Investments at fair value	
Domestic corporate & govt bonds	25,108,810
Domestic stocks	22,079,457
Real estate	<u>3,574,588</u>
Total Investments	<u>50,762,855</u>
Total assets	<u>53,229,322</u>
<b>LIABILITIES</b>	
Accounts payable	47,856
Due to other funds	<u>21,675</u>
Total liabilities	<u>69,531</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 53,159,791</u>

**City of Lake Mary, Florida**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2019**

	<b>Total Employee Pension Funds</b>
<b>ADDITIONS</b>	
Contributions:	
City	\$ 1,800,817
State	370,686
Employee	718,892
Total contributions	<u>2,890,395</u>
Investment earnings:	
Interest	1,160,120
Net increase in fair value of investments	568,061
Total net investment earnings	<u>1,728,181</u>
Total additions	<u>4,618,576</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,323,490
Refunds of contributions	274,636
Administrative expenses	108,832
Total deductions	<u>2,706,958</u>
Change in net position	1,911,618
Net position - beginning	51,248,173
Net position - ending	<u>\$ 53,159,791</u>

**CITY OF LAKE MARY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

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

The financial statements of 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.

**I. Summary of significant accounting policies**

**A. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting entity**

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

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

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

**C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been removed from the government-wide statements. Exceptions to this rule are charges between the City's water, sewer and stormwater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**D. Basis of presentation - fund financial statements**

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

The government reports the following major governmental funds:

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

The government reports the following major enterprise funds:

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

Additionally, the government reports the following fund types:

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

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on certain long-term debt.

*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 the One-Cent Infrastructure Sales Tax Fund and the General Capital Projects Fund.

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

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

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

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

#### **E. Measurement focus and basis of accounting**

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

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

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

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

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

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

#### **F. Budgetary information**

##### **1. Budgetary basis of accounting**

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

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

contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## **G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### **1. Cash and cash equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City currently holds \$710 available as petty cash.

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

### **2. Investments**

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

### **3. Inventories and prepaid items**

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

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

### **4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Items with an individual cost between \$1,000 and \$4,999 are accounted for in a separate subsystem and inventoried annually. The value of these items for 2019 is \$2,001,111 for governmental funds, \$48,692 for business-type activities and \$59,170 for internal service funds.

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

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

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

Interest costs, net of interest income, are capitalized on assets constructed for use by proprietary funds. There were no interest costs and no capitalized interest for 2019.

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

#### **5. *Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has three items which qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, the deferred outflow of pension resources, and deferred outflows related to OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. City of Lake Mary has two items that qualify for reporting in this category for the year ended September 30, 2019, the deferred inflow of pension investment earnings, and deferred inflow related to OPEB.

#### **6. *Net position flow assumption***

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

#### **7. *Fund balance flow assumptions***

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

## **8. Fund balance policies**

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

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

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

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

## **H. Revenues and expenditures/expenses**

### **1. Program revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### **2. Property taxes**

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2019 was 3.5895 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Seminole County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements. All property is reassessed according to its fair market value on January 1 of each year.

All taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

**3. Compensated absences**

Vacation

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

Sick Leave

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

**4. Proprietary funds operating and nonoperating revenues and expenses**

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

**I. Other significant accounting policies**

**1. Estimates**

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

**J. New GASB Statements Implemented**

In fiscal year 2019, the City implemented Government Accounting Standards Board (GASB) Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This statement requires additional note disclosures for certain debt issues. There was no effect on beginning balances of the City.

Additionally, the GASB has issued Statement No. 83, Certain Asset Retirement Obligations that is effective for this fiscal year. The City has reviewed this statement and determined that this pronouncement has no discernable impact on these financial statements

**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

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

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statements of activities**

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

**III. Stewardship, compliance and accountability**

**A. Budgetary information**

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

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

**B. Fund balance/net position policy**

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

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

**IV. Detailed notes on all activities and funds**

**A. Cash deposits with financial institutions**

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

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

#### **B. Investments**

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

As of September 30, 2019, the City had the following investments.

Investment Type	Fair Value	Weighted Average Maturity (years)
U.S. Agencies	\$ 8,705,486	2.17 years
Certificates of deposit	74,160	n/a
Commercial Paper	27,248,453	135 days
<b>Total Fair Value of Investments</b>	<b>\$ 36,028,099</b>	

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs. Level 2 investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered active.

The City has the following recurring fair value measurements as of September 30, 2019:

- U.S. Agencies of \$8,705,486 are valued using Level 2 inputs.

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

*Credit risk.* The City limits investments to Local Government Investment Pool (SBA), SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts or certificates of deposit in state certified qualified public depositories, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities or investment trusts registered under the Investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian, i.e. mutual funds. The SBA is administered by the State of Florida. Investments held consist of U.S. Treasury obligations, short-term federal agency obligations, repurchase agreements, and commercial paper. The City has no investment position with SBA on September 30, 2019. All agencies held by the City on September 30, 2019, are rated AA+ or higher by Standard & Poor's.

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

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

As of September 30, 2019, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

City of Lake Mary Pension Funds had the following investments on September 30, 2019:

Investment Type	Police Officers' Pension Funds Fair Value	Weighted Average Maturity (years)	Firefighters' Pension Funds Fair Value	Weighted Average Maturity (years)	General Employees 401A Plan Fair Value	Weighted Average Maturity (years)
U.S. Treasuries	\$ 400,757	11.25	889,941	13.75	-	n/a
U.S. Agencies & BAB's	2,765,438	16.47	2,505,187	18.56	-	n/a
Corporate bonds	4,580,031	6.79	3,759,579	7.34	2,006,297	*
Corporate stocks	13,121,944	n/a	8,896,907	n/a	8,095,194	n/a
International & other securities	60,607	n/a	-	n/a	106,384	n/a
Real estate	1,156,970	n/a	2,417,619	n/a	-	n/a
<b>Total Investments</b>	<b>22,085,747</b>		<b>18,469,233</b>		<b>10,207,875</b>	
Cash and Cash Equivalents	1,040,657	n/a	608,423	n/a	\$ 703,444	n/a
<b>Total Cash and Investments</b>	<b>\$ 23,126,404</b>		<b>\$ 19,077,656</b>		<b>\$ 10,911,319</b>	

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

The City has the following recurring fair value measurements as of September 30, 2019 for pension funds:

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

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

*Credit risk.* Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Foreign bonds are prohibited. Of Police Pension investments, 22% are rated by Moody's as A3 or better, 15% are rated by Moody's as Baa1 to Baa3, and 63% unrated. Fire Pension investments are 26% rated by Moody's as A3 or better, 5% rated Baa1 to Baa3, with 69% unrated. Unrated investments are typically U.S. Agency backed securities.

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

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

As of September 30, 2019, the Police and Fire Pension funds had satisfied the objectives and requirements laid out in their respective investment policy and held no investments that were not in compliance with policy.

The assets of the general employees' 401A pension funds are independently administered by either ICMA/RC or Certified Financial Group (CFG). The third party administrators offer over 62 investment choices that participants may utilize to build their individual portfolio. Investment or credit risk is not applicable.

**C. Receivables**

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

Receivables	General Fund	Water and Sewer Fund	Stormwater Fund	Total
Accounts receivables	\$ 1,971,471	\$ 1,345,026	\$ 57,048	\$ 3,373,545
Less: allowance for uncollectibles	(410,819)	(49,789)	(17,217)	(477,825)
Net receivables	<u>\$ 1,560,652</u>	<u>\$ 1,295,237</u>	<u>\$ 39,831</u>	<u>\$ 2,895,720</u>

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City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

**D. Capital Assets**

Capital assets activity for the year ended September 30, 2019 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,797,299	\$ 80,076	\$ -	\$ 6,877,375
Land under infrastructure	2,554,760	-	-	2,554,760
Construction in progress	463,409	761,068	(912,209)	312,268
Total capital assets, not being depreciated	<u>9,815,468</u>	<u>841,144</u>	<u>(912,209)</u>	<u>9,744,403</u>
Capital assets, being depreciated:				
Buildings	24,707,504	-	-	24,707,504
Improvements other than building	4,382,758	-	-	4,382,758
Intangible assets	1,646,773	10,978	-	1,657,751
Equipment	2,940,995	468,051	(39,165)	3,369,881
Infrastructure	28,257,007	-	-	28,257,007
Vehicles	7,674,996	1,162,084	(1,114,785)	7,722,295
Total capital assets, being depreciated:	<u>69,610,033</u>	<u>1,641,113</u>	<u>(1,153,950)</u>	<u>70,097,196</u>
Less accumulated depreciation for:				
Buildings	(12,296,726)	(576,776)	-	(12,873,502)
Improvements other than buildings	(3,519,954)	(122,903)	-	(3,642,857)
Intangible assets	(176,064)	(12,902)	-	(188,966)
Equipment	(2,279,712)	(186,148)	39,165	(2,426,695)
Infrastructure	(12,620,025)	(680,377)	-	(13,300,402)
Vehicles	(4,470,844)	(890,551)	1,068,589	(4,292,806)
Total accumulated depreciation	<u>(35,363,325)</u>	<u>(2,469,657)</u>	<u>1,107,754</u>	<u>(36,725,228)</u>
Total capital assets, being depreciated, net	<u>34,246,708</u>	<u>(828,544)</u>	<u>(46,196)</u>	<u>33,371,968</u>
Governmental activities capital assets, net	<u>\$ 44,062,176</u>	<u>\$ 12,600</u>	<u>\$ (958,405)</u>	<u>\$ 43,116,371</u>

City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 488,808	\$ -	\$ -	\$ 488,808
Construction in progress	329,941	1,547,464	(119,163)	1,758,242
Total capital assets, not being depreciated	<u>818,749</u>	<u>1,547,464</u>	<u>(119,163)</u>	<u>2,247,050</u>
Capital assets, being depreciated:				
Buildings	472,000	-	-	472,000
Water/sewer system	23,970,610	79,382	-	24,049,992
Stormwater system	3,560,453	202,419	-	3,762,872
Intangible Assets	102,200	-	-	102,200
Machinery and equipment	218,393	39,781	-	258,174
Total capital assets, being depreciated:	<u>28,323,656</u>	<u>321,582</u>	<u>-</u>	<u>28,645,238</u>
Less accumulated depreciation for				
Buildings	(377,600)	(11,800)	-	(389,400)
Water/sewer system	(9,022,106)	(556,716)	-	(9,578,822)
Stormwater system	(1,818,436)	(207,795)	-	(2,026,231)
Intangible Assets	(102,200)	-	-	(102,200)
Machinery and equipment	(185,742)	(11,224)	-	(196,966)
Total accumulated depreciation	<u>(11,506,084)</u>	<u>(787,535)</u>	<u>-</u>	<u>(12,293,619)</u>
Total capital assets, being depreciated, net	<u>16,817,572</u>	<u>(465,953)</u>	<u>-</u>	<u>16,351,619</u>
Business-type capital assets, net	<u>\$ 17,636,321</u>	<u>\$ 1,081,511</u>	<u>\$ (119,163)</u>	<u>\$ 18,598,669</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 71,828
Public works	680,797
Police	212,294
Fire	229,400
Parks	381,778
Other physical environment	3,009
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>890,551</u>
Total depreciation expense	<u>\$ 2,469,657</u>

Depreciation expense was charged to business type activities as follows:

Water/sewer system	579,011
Stormwater system	208,524
Total depreciation expense	<u>\$ 787,535</u>

**E. Accrued liabilities**

Accrued liabilities reported by governmental funds at September 30, 2019 all relate to employee salary and benefits.

**F. Pension Obligations**

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

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

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

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

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

The annual pension cost, and required contribution for September 30, 2019, were determined as part of the actuarial valuation of each plan as of October 1, 2018, and reviewed as part of the actuarial valuation as of October 1, 2018, using the entry age normal actuarial cost method.

**Police Officers' Pension Plan Description**

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

***Plan Membership as of October 1, 2018:***

Inactive Plan members or beneficiaries currently receiving benefits	25
Inactive Plan members entitled to but not yet receiving benefits	22
Active Plan Members	39
	<hr/>
Total	86
	<hr/>

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

Normal Retirement:

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

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

Early Retirement:

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

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

Termination Benefit:

Less than 5 years: Refund of Contributions

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

Disability Retirement:

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

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

Pre-Retirement Death Benefits:

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

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

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

*Contributions.* The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2019, the active member contribution rate was 5.0% of annual pay, and the City plus State contribution rate was 22.8% of annual payroll.

**Investments**

*Investment Policy:* The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing the short-term volatility of results. To achieve these objectives, the Board seeks to create a conservative, well diversified and balanced portfolio of high quality equity, convertible, fixed income, real estate, master limited partnerships and money market securities. The following was the Board's adopted asset allocation policy as of September 30, 2019:

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

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

*Rate of Return.* For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 3.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### **Deferred Retirement Option Program (DROP)**

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

Participation: Not to exceed 60 months.

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

The DROP balance as of September 30, 2019 is \$104,118.

### **Net Pension Liability**

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

The components of the net pension liability of the City on September 30, 2019 were as follows:

	Police Officers' Pension Fund
Total pension liability	\$ 21,511,844
Plan fiduciary net position	(23,145,633)
City's net pension liability (asset)	<u><u>\$ (1,633,789)</u></u>
Plan fiduciary net position as a percentage of total pension liability	107.59%

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to all measurement periods

Inflation	2.5%
Salary increases	7.0%
Discount rate	7.5%
Investment rate of return	7.5%

Mortality rates were based on the RP-2000 Generational tables. Disabled lives are set forward 2 years. Mortality assumptions were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates used are those outlined in Milliman's July 1, 2016 FRS valuation report for special risk participants.

The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study dated September 25, 2007.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.3%
International Equity	2.7%
Bonds	3.6%
Convertibles	6.3%
Private Real Estate	4.9%
Infrastructure	8.1%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 20,189,149	\$ 22,477,329	\$ (2,288,180)
<b>Changes for the year:</b>			
Service cost	711,092	-	711,092
Interest	1,538,000	-	1,538,000
Share plan allocation	23,487	-	23,487
Differences between expected and actual experience	(162,738)	-	(162,738)
Changes of assumption	-	-	-
Contributions - employer	-	540,893	(540,893)
Contributions - state	-	183,629	(183,629)
Contributions - employee	-	149,072	(149,072)
Net investment income	-	634,605	(634,605)
Benefit payments, including refunds of employee contributions	(787,146)	(787,146)	-
Administrative expense	-	(52,749)	52,749
Net changes	<u>1,322,695</u>	<u>668,304</u>	<u>654,391</u>
Balances at September 30, 2019	<u><u>\$ 21,511,844</u></u>	<u><u>\$ 23,145,633</u></u>	<u><u>\$ (1,633,789)</u></u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability (asset)	\$ 818,791	\$ (1,633,789)	\$ (3,677,101)

**Deferred outflows and inflows of resources:**

For the year ended September 30, 2019, the City will recognize a pension expense of \$609,494. On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 443,974
Changes of assumptions	10,254	-
Net difference between Projected and actual earnings on pension plan investments	403,327	-
<b>Total</b>	<b>\$ 413,581</b>	<b>\$ 443,974</b>

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

Total year ended September 30:

2020	\$ (231,945)
2021	(162,044)
2022	153,104
2023	210,492
2024	-
Thereafter	-

**Firefighters' Pension Plan Description**

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

*Plan Membership as of October 1, 2018:*

Inactive Plan members or beneficiaries currently receiving benefits	16
Inactive Plan members entitled to but not yet receiving benefits	2
Active Plan Members	36
<b>Total</b>	<b>54</b>

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

**Normal Retirement:**

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

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

**Early Retirement:**

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

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

**Termination Benefit:**

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

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

**Disability Retirement:**

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

**Pre-Retirement Death Benefits:**

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

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

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

**Contributions.** The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2019, the active member contribution rate was 5.0% of annual pay, and the City and state contribution rate was 31.18% of annual payroll.

**Investments**

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

The following was the Board's adopted asset allocation policy as of September 30, 2019:

Asset Class	Target Allocation
Domestic equity securities	47.50%
Short Term Investments	3.20%
Bonds	36.60%
Private real estate	12.70%
Total	100.00%

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

**Rate of Return.** For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 4.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Deferred Retirement Option Program (DROP)**

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

Participation: Not to exceed 60 months

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

The DROP balance as of September 30, 2019 is \$0.

### Net Pension Liability

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the Net Pension Liability was determined as of that date.

The components of the net pension liability of the City on September 30, 2019 were as follows:

	Firefighters' Pension Fund
Total pension liability	\$ 20,843,342
Plan fiduciary net position	<u>(19,091,143)</u>
City's net pension liability	<u>\$ 1,752,199</u>
Plan fiduciary net position as a percentage of total pension liability	91.59%

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to all measurement periods

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

Mortality rates are based on the RP-2000 Combined Healthy Participant Mortality Table for males and females. The provision for future mortality improvements is being made by using Scale BB after 2000. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in the July 1, 2016 FRS valuation, as mandated by Chapter 112.63, Florida Statutes.

The long-term expected return is the 30-year average return, or since- inception average return for those assets that did not exist prior to 1984, less inflation measured by CPI. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic equity	9.60%
International equity	5.40%
Bonds	6.60%
Convertibles	8.50%
Private real estate	9.30%
Master limited partnerships	7.30%

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

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 19,528,466	\$ 18,268,173	\$ 1,260,293
Changes for the year:			
Service cost	674,747	-	674,747
Interest	1,380,937	-	1,380,937
Changes of benefit terms	-	-	-
Differences between expected and actual experience	201,627	-	201,627
Assumption changes	-	-	-
Contributions - employer and state		866,252	(866,252)
Contributions - employee	-	137,515	(137,515)
Net investment income	-	824,687	(824,687)
Benefit payments, including refunds of employee contributions	(943,810)	(943,810)	-
Refunds	(7,277)	(7,277)	-
Other (change in state contribution reserve)	8,652	-	8,652
Administrative expense	-	(54,397)	54,397
Net changes	<u>1,314,876</u>	<u>822,970</u>	<u>491,906</u>
Balances at September 30, 2019	<u>\$ 20,843,342</u>	<u>\$ 19,091,143</u>	<u>\$ 1,752,199</u>

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$ 4,402,512	\$ 1,752,199	\$ (440,223)

**Deferred outflows and inflows of resources:**

For the year ended September 30, 2019, the City will recognize a pension expense of \$742,233. On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 169,623	\$ 427,786
Changes in assumptions	160,836	179,527
Actual investment earnings different than assumed	363,220	253,252
Total	<u>\$ 693,679</u>	<u>\$ 860,565</u>

City of Lake Mary, Florida  
Notes to the Financial Statements  
September 30, 2019

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

Total year ended September 30:

2020	\$ (161,598)
2021	(110,814)
2022	12,846
2023	59,729
2024	23,348
Thereafter	9,603

**Aggregate Amounts of All Pension Plans**

The aggregate amounts for all of the City's defined benefit pension plans at September 30, 2019 are as follows:

	Net Pension Asset (Liability)	Deferred Inflows	Deferred Outflows	Pension expense
Police Pension Plan	\$ 1,633,789	\$ (443,974)	\$ 413,581	\$ 609,494
Firefighters' Pension Plan	(1,752,199)	(860,565)	693,679	742,233
Total	<u>\$ (118,410)</u>	<u>\$ (1,304,539)</u>	<u>\$ 1,107,260</u>	<u>\$ 1,351,727</u>

**General Pension Plan:**

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

For the fiscal year ending September 30, 2019, payroll for the employees covered by this plan was \$4,773,399. Employer contributions required and made were \$580,239, with voluntary contributions of \$92,100. During FY 2019, the City was able to reallocate forfeited funds remaining in the plan to reduce its cash contribution by \$29,877. As of September 30, 2019, participation in the plan consisted of 92 active members. The outstanding employee loan amount at September 30, 2019 was \$41,818.

There is no actuarial valuation required for this plan.

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

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***Individual Fiduciary Fund Statements***

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

**City of Lake Mary, Florida**  
**Individual Statements of Fiduciary Net Position**  
**September 30, 2019**

	<b>Police Pension Trust</b>	<b>Fire Pension Trust</b>	<b>General Employees Pension</b>	<b>Total Employee Pension Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,040,657	\$ 608,423	\$ 703,444	\$ 2,352,524
Receivables:				
Interest receivable	44,276	27,849	-	72,125
Notes receivable - employee	-	-	41,818	41,818
Total receivables	<u>44,276</u>	<u>27,849</u>	<u>41,818</u>	<u>113,943</u>
Investments at fair value				
Domestic corporate & govt bonds	7,746,227	7,154,708	10,207,875	25,108,810
Domestic stocks	13,182,550	8,896,907	-	22,079,457
Real estate	1,156,970	2,417,618	-	3,574,588
Total Investments	<u>22,085,747</u>	<u>18,469,233</u>	<u>10,207,875</u>	<u>50,762,855</u>
Total assets	<u>23,170,680</u>	<u>19,105,505</u>	<u>10,953,137</u>	<u>53,229,322</u>
<b>LIABILITIES</b>				
Accounts payable	25,047	22,809	-	47,856
Due to other funds	-	21,675	-	21,675
Total liabilities	<u>25,047</u>	<u>44,484</u>	<u>-</u>	<u>69,531</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>				
	<u>\$ 23,145,633</u>	<u>\$ 19,061,021</u>	<u>\$ 10,953,137</u>	<u>\$ 53,159,791</u>

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City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

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

**City of Lake Mary, Florida**  
**Individual Statements of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2019**

	<b>Police Pension Trust</b>	<b>Fire Pension Trust</b>	<b>General Employees Pension</b>	<b>Total Employee Pension Funds</b>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 540,893	\$ 679,139	\$ 580,785	\$ 1,800,817
State	183,629	187,057	-	370,686
Employee	149,072	137,515	432,305	718,892
Total contributions	<u>873,594</u>	<u>1,003,711</u>	<u>1,013,090</u>	<u>2,890,395</u>
Investment earnings:				
Interest	572,580	587,540	-	1,160,120
Net increase in fair value of investments	<u>62,025</u>	<u>237,147</u>	<u>268,889</u>	<u>568,061</u>
Total net investment earnings	<u>634,605</u>	<u>824,687</u>	<u>268,889</u>	<u>1,728,181</u>
Total additions	<u>1,508,199</u>	<u>1,828,398</u>	<u>1,281,979</u>	<u>4,618,576</u>
<b>DEDUCTIONS</b>				
Benefit payments	781,411	676,210	865,869	2,323,490
Refunds of contributions	5,735	268,901	-	274,636
Administrative expenses	<u>52,749</u>	<u>54,397</u>	<u>1,686</u>	<u>108,832</u>
Total deductions	<u>839,895</u>	<u>999,508</u>	<u>867,555</u>	<u>2,706,958</u>
Change in net position	668,304	828,890	414,424	1,911,618
Net position - beginning	<u>22,477,329</u>	<u>18,232,131</u>	<u>10,538,713</u>	<u>51,248,173</u>
Net position - ending	<u><u>\$ 23,145,633</u></u>	<u><u>\$ 19,061,021</u></u>	<u><u>\$ 10,953,137</u></u>	<u><u>\$ 53,159,791</u></u>

**G. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

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

As of October 1, 2017, the valuation date, there were 171 active employees and 6 inactive employees currently receiving benefits. The OPEB liability of \$1,128,927 was measured as of September 30, 2019 and was determined by the actuarial valuation. The covered payroll was \$8,983,813, and the ratio of Net OPEB liability as a percentage of covered payroll was 12.57%.

Summary of Actuarial Methods & Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The Liability of the OPEB Plan are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Other Postemployment Benefits Liability and Related Ratios Schedule, immediately following the notes to the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time.

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan provision, (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuary provided guidance with respect to the economic assumptions, demographic assumptions, and the health care participant rate assumptions.

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

Health Care Trend Rates	
Initial Health Care Cost Trend Rate	6%
Ultimate Health Care Cost Trend Rate	4.50%
Fiscal Year the Ultimate Rate is Reached	Fiscal year 2028
Additional Information	
Valuation Date	October 1, 2017
Measurement Date	September 30, 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate*	3.58%
Inflation Rate	3%
Salary Rate Increase	4%
Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability)	0%
Covered Payroll	\$ 8,983,813
Net OPEB Liability as a Percentage of Covered Payroll	12.57%

\* Discount rate of 3.58% is used, which is the S&P Municipal Bond 20-year high-grade rate index as of September 30, 2019

Below are the details regarding the Total OPEB liability for the measurement period from October 1, 2018, to September 30, 2019.

	<b>Total OPEB Liability</b>
Balance as of 9/30/2018	\$ 1,087,708
Changes for the year:	
Service Cost	\$ 49,541
Interest on Total OPEB Liability	38,629
Difference Between Expected & Actual Experience	-
Changes of Assumptions and Other Inputs	5,760
Benefit Payments	(52,957)
Other Changes	246
Net Changes	\$ 41,219
Balance as of 9/30/2019	<b><u>\$ 1,128,927</u></b>

City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

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 2.58%	Discount Rate 3.58%	Increase 4.58%
Net OPEB Liability	\$ 1,230,366	\$ 1,128,927	\$ 1,037,507

The following presents the total liability of the city using the 2018 healthcare cost trend rate of 4.5 percent, as well as what the City's OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rates:

	Decrease 1%	Health Care Trend	Increase 1%
Net OPEB Liability	\$ 1,012,688	\$ 1,128,927	\$ 1,264,982

For the fiscal year ended September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 350,451	\$ -
Changes of assumptions	119,473	60,757
<b>Total</b>	<b>\$ 469,924</b>	<b>\$ 60,757</b>

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

Fiscal Year Ending September 30,	
2020	\$ 54,063
2021	54,063
2022	54,063
2023	54,063
2024	54,063
Thereafter	138,852

Summary of Benefits

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

#### **H. Construction and other significant commitments**

Replacement roofs for City Hall and the Community Center were carried into fiscal year 2020 in the amount of \$180,087.

The new traffic signal at Woodbridge Lakes/Williston Park Point was carried forward into fiscal year 2020 in the amount of \$255,373.

Well LM-3R Equip/Connect was carried into fiscal year 2020 in the amount of \$209,565.

**Encumbrances.** As discussed in note I.F.1, budgetary information, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor and re-appropriated October 1, 2019 were as follows:

	Encumbrances
General Fund	\$ 39,571
General Capital Projects Fund	192,337
Nonmajor governmental funds	257,098
Enterprise Funds	247,930
	<hr/>
	\$ 736,936

## I. Risk management

Public Risk Management of Florida

The City is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has approximately 55 local government agency members. The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials' liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage's from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2019. The cost of the insurance is allocated among the appropriate departments and funds.

City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

**J. Lease obligations**

**1. Capital Leases:**

On September 30, 2019, the City had no capital leases outstanding.

**2. Operating Leases:**

The City leases copier equipment, digital mailing system equipment and folder/inserter equipment under non-cancelable operating leases with a duration of 60 months each. The total cost for such leases was \$25,513 for the year ended September 30, 2019. The future minimum lease payments for these leases are as follows:

Year Ending September 30,		
2020	\$	24,425
2021		20,320
2022		13,987
2023		835
<b>Total Operating Leases</b>	<b>\$</b>	<b>59,567</b>

**K. Long term liabilities**

Notes payable

Notes payable at September 30, 2019 are comprised of the following individual obligations:

Description	Interest Rate	Original Amount	Balance at September 30, 2019
Public Improvement Refunding Revenue Note, Series 2012; due annually on October 1 of each year to October 1, 2027.	2.93%	\$ 4,250,000	\$ 2,663,000
<b>Total Bonds Payable</b>			<b>\$ 2,663,000</b>

There are no reserve requirements for the Series 2012 Notes, however the City covenants to budget and appropriate sufficient funds to make principal and interest payments as they become due. Public Improvement Revenue Note, Series 2007A was refinanced by Series 2012 resulting in debt service savings of \$697,026. The reacquisition price exceeded the net carrying amount of the old debt by \$29,951. This amount is being netted against the new debt and amortized over the life of the new debt, which is the same as the refunded debt. In the event of default, the Lender may declare the entire amount immediately due and payable without notice to the City.

Debt service requirements to maturity- Direct Borrowing:

Fiscal Year Ending Sept. 30,	Principal	Interest	Total Debt Service
2020	\$ 271,000	\$ 74,032	\$ 345,032
2021	277,000	66,007	343,007
2022	281,000	57,834	338,834
2023	286,000	49,531	335,531
2024	295,000	41,022	336,022
2025-2028	1,253,000	74,354	1,327,354
<b>Totals</b>	<b>\$ 2,663,000</b>	<b>\$ 362,780</b>	<b>\$ 3,025,780</b>

City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

In February 2007, the City issued a Public Improvement Revenue Note Series 2007 A & B. Series A issued in the amount of \$5,000,000, at an interest rate of 4.24 percent, provided for the voter approved construction of the Lake Mary Events Center. Series B issued in the amount of \$2,105,000 at an interest rate of 3.92 percent, provided for the refunding of the \$2,150,000 of the outstanding Series 1996 bonds. This refunding reduced the City's total debt service payments the following 8 years by \$79,686 and provided a net present value savings of \$72,995.

In May 2012, the City issued a Public Improvement Revenue Refunding Note Series 2012, to refinance the Public Improvement Revenue Note, Series 2007A. This refunding reduced the City's debt service payments by \$697,026 over the following 16 years and provided a net present value savings of \$577,682.

During the year ended September 30, 2019, the following changes occurred in long term liabilities.

	Balance 09/30/2018	Reductions	Additions	Balance 09/30/2019	Balance Due within One Year
<b>Governmental activities</b>					
Public Improvement Refunding Revenue Note Series 2012	\$ 2,928,000	\$ (265,000)	\$ -	\$ 2,663,000	\$ 271,000
Other post employment benefits	1,004,710	-	38,074	1,042,784	-
Net pension Liability	1,260,293	-	491,906	1,752,199	-
Compensated absences	1,428,378	(166,624)	70,698	1,332,452	3,461
Governmental activity long -term liabilities	\$ 6,621,381	\$ (431,624)	\$ 600,678	\$ 6,790,435	\$ 274,461
<b>Business-type activities:</b>					
Other post employment benefits	\$ 82,998	\$ -	\$ 3,145	\$ 86,143	-
Compensated absences	74,378	(980)	6,783	80,181	6,415
Business-type activity long-term liabilities	\$ 157,376	\$ (980)	\$ 9,928	\$ 166,324	\$ 6,415

**L. Fund balance**

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

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

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City of Lake Mary, Florida  
 Notes to the Financial Statements  
 September 30, 2019

At September 30, 2019, the City's governmental fund balances were classified as follows:

Fund Balances	General Fund	Other	Total Governmental Funds
		Governmental Funds	
Nonspendable:			
Inventory/prepays	\$ 8,619	\$ -	\$ 8,619
Restricted for:			
Public works	-	27,456	27,456
Public safety	-	496,138	496,138
Parks and recreation	-	134,151	134,151
Other physical environment	-	45,122	45,122
Building department	1,740,438	-	1,740,438
Other capital projects	-	2,102,296	2,102,296
Committed to:			
Debt service	-	310,001	310,001
Other capital projects	-	973,170	973,170
Assigned to:			
Debt service	310,001	-	310,001
Capital projects	973,170	-	973,170
Subsequent year expenditures	58,423	-	58,423
Unassigned fund balance	17,999,576	-	17,999,576
Total fund balance	<u>\$ 21,090,227</u>	<u>\$ 4,088,334</u>	<u>\$ 25,178,561</u>

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**M. Interfund transfers**

The composition of interfund transfers for the year ended September 30, 2019 is as follows:

Recipient Fund	Amount	Purpose
General Fund	1,350,000	Transfer from Water and Sewer Fund to cover costs of General Fund services provided to the Water and Sewer Fund, such as Customer Service, Finance, Human Resources, Purchasing, Information Technology Services, City Manager, City Clerk and Community Development.
Stormwater Utility Fund	184,369	Transfer from the General Fund to fund the land purchase for the Downtown Stormwater upgrades.
Debt Service Fund	349,002	Transfer from the General Fund to cover the debt service payments for Public Improvement Revenue Refunding Note Series 2012.
Capital Projects Fund	1,376,000	Transfer from General Fund to provide for general capital improvements of the City.

**N. Contingencies**

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

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

**O. Tax Abatements**

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

For the fiscal year ended September 30, 2019, the City abated taxes totaling \$134,491 under this program.

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**CITY OF LAKE MARY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2019**

Lake Mary Police Officers' Pension Plan

**City of Lake Mary Police Officers' Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years\***

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

**Notes to Schedule:**

*Changes of assumptions*

For measurement date 9/30/18, the inflation rate assumption was lowered from 2.60% to 2.50% matching the long-term inflation assumption utilized by the Plan's investment consultant.

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

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

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

\* only 6 years of data available

City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

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

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

\*\* Prior years' data unavailable

**Notes to Schedule**

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

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

City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

Other Information	Termination and Disability Rate Table		
Age	% Terminating During the Year	% Becoming Disabled During the Year	
20	9.0%	0.03%	
30	7.0%	0.04%	
40	4.0%	0.07%	
50	0.0%	0.18%	

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

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

\*\* Prior years' data unavailable

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City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

Lake Mary Firefighters' Pension Plan

**CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

Last Ten Fiscal Years\*

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

**Notes to Schedule:**

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

\* only 6 years of data available

City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

**CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN**  
**SCHEDULE OF CONTRIBUTIONS**

Last Ten Fiscal Years\*

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

**Notes to Schedule**

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

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

\* only 6 years of data available

City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

Other Information	Termination and Disability Rate Table	
	% Terminating During the Year	% Becoming Disabled During the Year
Age		
20	4.5%	0.14%
25	3.0%	0.14%
30	2.3%	0.19%
35	1.5%	0.24%
40	0.8%	0.34%
45	0.5%	0.48%
50	0.1%	0.87%

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

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	4.96%	7.10%	11.55%	10.10%	0.60%	10.60%

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\* only 6 years of data available

City of Lake Mary, Florida  
 Required Supplementary Information  
 September 30, 2019

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

	9/30/2019	9/30/2018
<b>Total OPEB Liability</b>		
Service cost	\$ 49,541	\$ 48,653
Interest	38,629	17,856
Changes of benefit terms	-	-
Differences between expected and actual experience	-	443,172
Changes of assumptions	5,760	(74,759)
Benefit Payments (2)	(52,957)	(44,920)
Other changes	246	142,228
<b>Net change in total OPEB liability</b>	<b>41,219</b>	<b>532,230</b>
<b>Total OPEB liability, beginning (1)</b>	<b>1,087,708</b>	<b>555,478</b>
<b>Total OPEB liability, ending</b>	<b>\$ 1,128,927</b>	<b>\$ 1,087,708</b>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Covered payroll	\$ 8,983,813	\$ 8,983,813
Net OPEB liability as a percentage of covered payroll	12.57%	12.11%

Notes to Schedule:

(1) Fiscal Year 2015 results calculated two years later using a 3.35% Discount Rate index as of 9/30/2018.

(2) Includes the Implicit Rate Subsidy.

\* only 2 years of data available; additional years' information will be displayed as it becomes available

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# Combining and Individual Statements and Schedules



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## **Non-Major Governmental Funds**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

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

### **DEBT SERVICE FUNDS**

**DEBT SERVICE FUND** - This fund accumulates funds for the retirement of debt related to the \$4,250,000 Public Improvement Refunding Revenue Note, Series 2012.

### **CAPITAL FUNDS**

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

**GENERAL CAPITAL PROJECTS FUND** - accounts for the acquisition or construction of capital facilities, equipment purchases and general capital improvements, estimated to cost in excess of \$5,000.

**City of Lake Mary, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2019**

<b>Special Revenue</b>										
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees	Law Enforcement Trust Fund - State	Law Enforcement Trust Fund - Federal			
<b>ASSETS</b>										
Cash and cash equivalents	\$ 72,267	\$ 69,463	\$ 204,443	\$ 24,522	\$ 90,975	\$ 39,081	\$ 1,974			
Investments	51,250	39,214	5,452	2,892	43,495	12,271	25			
Interest receivable	188	166	321	42	206	79	-			
Due from other governments	-	-	-	-	-	-	-			
Total assets	<b>\$ 123,705</b>	<b>\$ 108,843</b>	<b>\$ 210,216</b>	<b>\$ 27,456</b>	<b>\$ 134,676</b>	<b>\$ 51,431</b>	<b>\$ 1,999</b>			
<b>LIABILITIES</b>										
Accounts payable	-	-	-	-	-	525	-			56
Total liabilities	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525</b>	<b>-</b>			56
<b>FUND BALANCES</b>										
Restricted:										
Public works	\$ -	\$ -	\$ -	\$ 27,456	\$ -	\$ -	\$ -			-
Public safety	123,705	108,843	210,216	-	-	-	51,431			1,943
Parks and recreation	-	-	-	-	134,151	-	-			-
Other physical environment	-	-	-	-	-	-	-			-
Other capital projects	-	-	-	-	-	-	-			-
Committed:										
Debt service	-	-	-	-	-	-	-			-
Capital projects	-	-	-	-	-	-	-			-
Total fund balances	<b>123,705</b>	<b>108,843</b>	<b>210,216</b>	<b>27,456</b>	<b>134,151</b>	<b>51,431</b>	<b>1,943</b>			
Total liabilities and fund balances	<b>\$ 123,705</b>	<b>\$ 108,843</b>	<b>\$ 210,216</b>	<b>\$ 27,456</b>	<b>\$ 134,676</b>	<b>\$ 51,431</b>	<b>\$ 1,999</b>			

Special Revenue			Debt Service			Capital Projects				
Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total	Debt Service Fund	One-Cent Infrastructure Sales Tax Fund	General Capital Projects Fund	Total Capital Projects	Total Nonmajor Governmental Funds			
\$ -	\$ 45,029	\$ 547,754	\$ 310,001	\$ 549,564	\$ 939,861	\$ 1,489,425	\$ 2,347,180			
-	24	154,623	-	1,447,043	53,317	1,500,360	1,654,983			
-	69	1,071	-	3,097	-	3,097	4,168			
-	-	-	-	102,592	-	102,592	102,592			
<b>\$ -</b>	<b>\$ 45,122</b>	<b>\$ 703,448</b>	<b>\$ 310,001</b>	<b>\$ 2,102,296</b>	<b>\$ 993,178</b>	<b>\$ 3,095,474</b>	<b>\$ 4,108,923</b>			
-	-	581	-	-	20,008	20,008	20,589			
-	-	581	-	-	20,008	20,008	20,589			
\$ -	\$ 27,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,456			
-	-	496,138	-	-	-	-	496,138			
-	-	134,151	-	-	-	-	134,151			
-	45,122	45,122	-	-	-	-	45,122			
-	-	-	-	2,102,296	-	2,102,296	2,102,296			
-	-	-	310,001	-	-	-	310,001			
-	-	-	-	-	973,170	973,170	973,170			
-	45,122	702,867	310,001	2,102,296	973,170	2,102,296	4,088,334			
<b>\$ -</b>	<b>\$ 45,122</b>	<b>\$ 703,448</b>	<b>\$ 310,001</b>	<b>\$ 2,102,296</b>	<b>\$ 993,178</b>	<b>\$ 2,122,304</b>	<b>\$ 4,108,923</b>			

**City of Lake Mary, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2019**

<b>Special Revenue</b>							
	<b>Police Education Fund</b>	<b>Police Impact Fees</b>	<b>Fire Impact Fees</b>	<b>Public Works Impact Fees</b>	<b>Recreation Impact Fees</b>	<b>Law Enforcement Trust Fund - State</b>	<b>Law Enforcement Trust Fund - Federal</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Impact fees/assessments	-	45,461	67,371	8,899	34,634	-	-
Fines and forfeitures	9,094	-	-	-	-	6,844	1,737
Investment earnings	3,315	3,015	4,784	1,814	3,383	1,317	-
Total revenues	<u>12,409</u>	<u>48,476</u>	<u>72,155</u>	<u>10,713</u>	<u>38,017</u>	<u>8,161</u>	<u>1,737</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	5,745	16,991	-	-	-	1,099	-
Parks and recreation	-	-	-	-	-	-	-
Other physical environment	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay							
General government	-	-	-	-	-	-	-
Public works	-	-	-	109,702	-	-	-
Public safety	-	47,157	-	-	-	-	-
Parks and recreation	-	-	-	-	9,475	-	-
Total expenditures	<u>5,745</u>	<u>64,148</u>	<u>-</u>	<u>109,702</u>	<u>9,475</u>	<u>1,099</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,664</u>	<u>(15,672)</u>	<u>72,155</u>	<u>(98,989)</u>	<u>28,542</u>	<u>7,062</u>	<u>1,737</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-
Net change in fund balances	<u>6,664</u>	<u>(15,672)</u>	<u>72,155</u>	<u>(98,989)</u>	<u>28,542</u>	<u>7,062</u>	<u>1,737</u>
Fund balances - beginning	<u>117,041</u>	<u>124,515</u>	<u>138,061</u>	<u>126,445</u>	<u>105,609</u>	<u>44,369</u>	<u>206</u>
Fund balances - ending	<u><u>\$ 123,705</u></u>	<u><u>\$ 108,843</u></u>	<u><u>\$ 210,216</u></u>	<u><u>\$ 27,456</u></u>	<u><u>\$ 134,151</u></u>	<u><u>\$ 51,431</u></u>	<u><u>\$ 1,943</u></u>

Special Revenue			Debt Service		Capital Projects			
Police & Fire Premium Tax Trust	Lake Mary Cemetery	Total	Debt Service Fund	One-Cent Infrastructure Sales Tax Fund	General Capital Projects Fund	Total Capital Projects	Total Nonmajor Governmental Funds	
\$ 370,685	\$ -	\$ 370,685	\$ -	\$ 1,035,918	\$ -	\$ 1,035,918	\$ 1,406,603	
-	11,600	11,600	-	-	-	-	11,600	
-	-	156,365	-	-	-	-	156,365	
-	-	17,675	-	-	-	-	17,675	
-	445	18,073	-	46,282	-	46,282	64,355	
<u>370,685</u>	<u>12,045</u>	<u>574,398</u>	<u>-</u>	<u>1,082,200</u>	<u>-</u>	<u>1,082,200</u>	<u>1,656,598</u>	
-	-	-	-	-	164,951	164,951	164,951	
-	-	-	-	2,375	20,445	22,820	22,820	
370,685	-	394,520	-	-	74,596	74,596	469,116	
-	-	-	-	-	56,430	56,430	56,430	
-	4,760	4,760	-	-	-	-	4,760	
-	-	-	265,000	-	-	-	265,000	
-	-	-	81,882	-	-	-	81,882	
-	-	-	-	-	204,754	204,754	204,754	
-	-	109,702	-	88,722	-	88,722	198,424	
-	-	47,157	-	-	32,020	32,020	79,177	
-	-	9,475	-	-	51,183	51,183	60,658	
<u>370,685</u>	<u>4,760</u>	<u>565,614</u>	<u>346,882</u>	<u>91,097</u>	<u>604,379</u>	<u>695,476</u>	<u>1,607,972</u>	
-	7,285	8,784	(346,882)	991,103	(604,379)	386,724	48,626	
-	-	-	349,002	-	1,376,000	1,376,000	1,725,002	
-	-	-	349,002	-	1,376,000	1,376,000	1,725,002	
-	7,285	8,784	2,120	991,103	771,621	1,762,724	1,773,628	
-	37,837	694,083	307,881	1,111,193	201,549	339,572	2,314,706	
<u>\$ -</u>	<u>\$ 45,122</u>	<u>\$ 702,867</u>	<u>\$ 310,001</u>	<u>\$ 2,102,296</u>	<u>\$ 973,170</u>	<u>\$ 2,102,296</u>	<u>\$ 4,088,334</u>	

**City of Lake Mary, Florida**  
**Police Education Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
			<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Fines and forfeitures	\$ 8,200	\$ 8,200	\$ 9,094	\$ 894	
Investment income	2,000	2,000	3,315	1,315	
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>12,409</u>	<u>2,209</u>	
<b>EXPENDITURES</b>					
Current:					
Public safety	10,000	10,000	5,745	4,255	
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>5,745</u>	<u>4,255</u>	
Excess (deficiency) of revenues over (under) expenditures*	200	200	6,664	6,464	
Fund balances - beginning	117,041	117,041	117,041	-	
Fund balances - ending	<u>\$ 117,241</u>	<u>\$ 117,241</u>	<u>\$ 123,705</u>	<u>\$ 6,464</u>	

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

**City of Lake Mary, Florida**  
**Police Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
			<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Impact fees/assessments	\$ 23,000	\$ 23,000	\$ 45,461	\$ 22,461	
Investment income	2,000	2,000	3,015	1,015	
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>48,476</u>	<u>23,476</u>	
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	16,991	(16,991)	
Capital outlay					
Public safety	71,040	71,040	47,157	23,883	
Total expenditures	<u>71,040</u>	<u>71,040</u>	<u>64,148</u>	<u>6,892</u>	
Excess (deficiency) of revenues over (under) expenditures*	(46,040)	(46,040)	(15,672)	30,368	
Fund balances - beginning	124,515	124,515	124,515	-	
Fund balances - ending	<u>\$ 78,475</u>	<u>\$ 78,475</u>	<u>\$ 108,843</u>	<u>\$ 30,368</u>	

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

**City of Lake Mary, Florida**  
**Fire Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Impact fees/assessments	\$ 12,000	\$ 12,000	\$ 67,371	\$ 55,371	
Investment income	750	750	4,784	4,034	
Total revenues	<u>12,750</u>	<u>12,750</u>	<u>72,155</u>	<u>59,405</u>	
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	-	-	
Capital outlay	-	-	-	-	
Public safety	-	-	-	-	
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Excess (deficiency) of revenues over (under) expenditures*	<u>12,750</u>	<u>12,750</u>	<u>72,155</u>	<u>59,405</u>	
Net change in fund balances	12,750	12,750	72,155	59,405	
Fund balances - beginning	138,061	138,061	138,061	-	
Fund balances - ending	<u>\$ 150,811</u>	<u>\$ 150,811</u>	<u>\$ 210,216</u>	<u>\$ 59,405</u>	

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

**City of Lake Mary, Florida**  
**Public Works Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
			<b>Original</b>	<b>Final</b>	
			<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Impact fees/assessments	\$ 2,000	\$ 2,000	\$ 8,899	\$ 6,899	
Investment income	750	750	1,814	1,064	
Total revenues	<u>2,750</u>	<u>2,750</u>	<u>10,713</u>	<u>7,963</u>	
<b>EXPENDITURES</b>					
Capital outlay					
Public works	-	115,000	109,702	5,298	
Total expenditures	<u>-</u>	<u>115,000</u>	<u>109,702</u>	<u>5,298</u>	
Excess (deficiency) of revenues over (under) expenditures*	<u>2,750</u>	<u>(112,250)</u>	<u>(98,989)</u>	<u>13,261</u>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	2,750	(112,250)	(98,989)	13,261	
Fund balances - beginning	126,445	126,445	126,445	-	
Fund balances - ending	<u>\$ 129,195</u>	<u>\$ 14,195</u>	<u>\$ 27,456</u>	<u>\$ 13,261</u>	

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

**City of Lake Mary, Florida**  
**Recreation Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Impact fees/assessments	\$ 20,000	\$ 29,475	\$ 34,634	\$ 34,634	\$ 5,159
Investment income	1,500	1,500	3,383	3,383	1,883
Total revenues	<u>21,500</u>	<u>30,975</u>	<u>38,017</u>	<u>38,017</u>	<u>7,042</u>
<b>EXPENDITURES</b>					
Capital outlay					
Parks and recreation	-	9,475	9,475	9,475	-
Total expenditures	-	9,475	9,475	9,475	-
Excess (deficiency) of revenues over (under) expenditures*	21,500	21,500	28,542	28,542	7,042
Fund balances - beginning	105,609	105,609	105,609	105,609	-
Fund balances - ending	<u>\$ 127,109</u>	<u>\$ 127,109</u>	<u>\$ 134,151</u>	<u>\$ 134,151</u>	<u>\$ 7,042</u>

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

**City of Lake Mary, Florida**  
**Law Enforcement Trust Fund - State**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Fines and forfeitures	\$ -	\$ 1,100	\$ 6,844	\$ 5,744	
Investment income	450	450	1,317	867	
Total revenues	450	1,550	8,161	6,611	
<b>EXPENDITURES</b>					
Current:					
Public safety	-	1,100	1,099	1	
Total expenditures	-	1,100	1,099	1	
Excess (deficiency) of revenues over (under) expenditures*	450	450	7,062	6,612	
Fund balances - beginning	44,369	44,369	44,369	-	
Fund balances - ending	\$ 44,819	\$ 44,819	\$ 51,431	\$ 6,612	

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

**City of Lake Mary, Florida**  
**Law Enforcement Trust Fund - Federal**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Fines and forfeitures	\$ -	\$ -	\$ 1,737	\$ 1,737	\$ 1,737
Total revenues	<u>-</u>	<u>-</u>	<u>1,737</u>	<u>1,737</u>	<u>1,737</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	- -	- -	- -	- -	- -
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures*	<u>-</u>	<u>-</u>	<u>1,737</u>	<u>1,737</u>	<u>1,737</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	- -	- -	- -	- -	- -
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	- -	- -	1,737	1,737	1,737
Fund balances - beginning	206	206	206	206	-
Fund balances - ending	<u>\$ 206</u>	<u>\$ 206</u>	<u>\$ 1,943</u>	<u>\$ 1,737</u>	<u>-</u>

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

**City of Lake Mary, Florida**  
**Lake Mary Cemetery Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the year ended September 30, 2019**

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>					
Charges for services	\$ 5,000	\$ 5,000	\$ 11,600	\$ 6,600	
Investment income	225	225	445	220	
Total revenues	<u>5,225</u>	<u>5,225</u>	<u>12,045</u>	<u>6,820</u>	
<b>EXPENDITURES</b>					
Current:					
Other physical environment	8,600	8,600	4,760	3,840	
Total expenditures	<u>8,600</u>	<u>8,600</u>	<u>4,760</u>	<u>3,840</u>	
Excess (deficiency) of revenues over (under) expenditures*	(3,375)	(3,375)	7,285	10,660	
Fund balances - beginning	37,837	37,837	37,837	-	
Fund balances - ending	<u>\$ 34,462</u>	<u>\$ 34,462</u>	<u>\$ 45,122</u>	<u>\$ 10,660</u>	

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

**City of Lake Mary, Florida**  
**Combining Statements of Fiduciary Net Position**  
**September 30, 2019**

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	<b>Police Pension Trust</b>	<b>Fire Pension Trust</b>	<b>General Employees Pension</b>	<b>Total Employee Pension Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,040,657	\$ 608,423	\$ 703,444	\$ 2,352,524
Receivables:				
Interest receivable	44,276	27,849	-	72,125
Notes receivable - employee	-	-	41,818	41,818
Total receivables	<u>44,276</u>	<u>27,849</u>	<u>41,818</u>	<u>113,943</u>
Investments at fair value				
Domestic corporate & govt bonds	7,746,227	7,154,708	10,207,875	25,108,810
Domestic stocks	13,182,550	8,896,907	-	22,079,457
Real estate	1,156,970	2,417,618	-	3,574,588
Total investments	<u>22,085,747</u>	<u>18,469,233</u>	<u>10,207,875</u>	<u>50,762,855</u>
Total assets	<u>23,170,680</u>	<u>19,105,505</u>	<u>10,953,137</u>	<u>53,229,322</u>
<b>LIABILITIES</b>				
Accounts payable	25,047	22,809	-	47,856
Due to other funds	-	21,675	-	21,675
Total liabilities	<u>25,047</u>	<u>44,484</u>	<u>-</u>	<u>69,531</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>				
	<u><u>\$ 23,145,633</u></u>	<u><u>\$ 19,061,021</u></u>	<u><u>\$ 10,953,137</u></u>	<u><u>\$ 53,159,791</u></u>

**City of Lake Mary, Florida**  
**Combining Statements of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2019**

	<b>Police Pension Trust</b>	<b>Fire Pension Trust</b>	<b>General Employees Pension</b>	<b>Total Employee Pension Funds</b>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 540,893	\$ 679,139	\$ 580,785	\$ 1,800,817
State	183,629	187,057	-	370,686
Employee	149,072	137,515	432,305	718,892
Total contributions	<u>873,594</u>	<u>1,003,711</u>	<u>1,013,090</u>	<u>2,890,395</u>
Investment earnings:				
Interest	572,580	587,540	-	1,160,120
Net increase in fair value of investments	62,025	237,147	268,889	568,061
Total net investment earnings	<u>634,605</u>	<u>824,687</u>	<u>268,889</u>	<u>1,728,181</u>
Total additions	<u>1,508,199</u>	<u>1,828,398</u>	<u>1,281,979</u>	<u>4,618,576</u>
<b>DEDUCTIONS</b>				
Benefit payments	781,411	676,210	865,869	2,323,490
Refunds of contributions	5,735	268,901	-	274,636
Administrative expenses	52,749	54,397	1,686	108,832
Total deductions	<u>839,895</u>	<u>999,508</u>	<u>867,555</u>	<u>2,706,958</u>
Change in net position	668,304	828,890	414,424	1,911,618
Net position - beginning	22,477,329	18,232,131	10,538,713	51,248,173
Net position - ending	<u>\$ 23,145,633</u>	<u>\$ 19,061,021</u>	<u>\$ 10,953,137</u>	<u>\$ 53,159,791</u>



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# Statistical Section



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# Statistical Section

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

Contents	Page
Financial Trends	96
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	106
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	111
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
There are no limitations placed upon the amount of debt the City of Lake Mary may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.	
The City of Lake Mary has no general obligation bonds outstanding.	
Demographic and Economic Information	114
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	116
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Supplemental Information	122
These schedules contain trend data for pension funds, and building permit fees collection/expense schedule, which are viewed by management as required information.	

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

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

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 37,301	\$ 39,025	\$ 40,789	\$ 40,193
Restricted	1,819	5,610	2,563	802
Unrestricted	<u>18,802</u>	<u>18,540</u>	<u>19,827</u>	<u>21,501</u>
<b>Total governmental activities net position</b>	<b>\$ 57,922</b>	<b>\$ 63,175</b>	<b>\$ 63,179</b>	<b>\$ 62,496</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 19,855	\$ 19,145	\$ 18,603	\$ 18,127
Restricted	634	719	747	1,008
Unrestricted	<u>13,316</u>	<u>14,100</u>	<u>14,861</u>	<u>15,195</u>
<b>Total business-type activities net position</b>	<b>\$ 33,805</b>	<b>\$ 33,964</b>	<b>\$ 34,211</b>	<b>\$ 34,330</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 57,156	\$ 58,170	\$ 59,392	\$ 58,320
Restricted	2,453	6,329	3,310	1,810
Unrestricted	<u>32,118</u>	<u>32,640</u>	<u>34,688</u>	<u>36,696</u>
<b>Total primary government net position</b>	<b>\$ 91,727</b>	<b>\$ 97,139</b>	<b>\$ 97,390</b>	<b>\$ 96,826</b>

Fiscal Year										
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	<u>2019</u>
\$	41,873	\$	41,948	\$	42,226	\$	41,987	\$	41,150	\$ 40,467
	1,021		1,546		1,099		1,567		1,313	3,075
	<u>18,500</u>		<u>16,248</u>		<u>16,613</u>		<u>16,916</u>		<u>19,221</u>	<u>22,057</u>
\$	<u>61,394</u>	\$	<u>59,742</u>	\$	<u>59,938</u>	\$	<u>60,470</u>	\$	<u>61,684</u>	<u>\$ 65,599</u>
\$	18,478	\$	18,363	\$	18,672	\$	18,119	\$	17,636	\$ 18,598
	1,050		1,152		1,037		1,817		1,861	1,967
	<u>14,417</u>		<u>14,631</u>		<u>14,177</u>		<u>14,257</u>		<u>14,469</u>	<u>14,216</u>
\$	<u>33,945</u>	\$	<u>34,146</u>	\$	<u>33,886</u>	\$	<u>34,193</u>	\$	<u>33,966</u>	<u>\$ 34,781</u>
\$	60,351	\$	60,311	\$	60,898	\$	60,106	\$	58,786	\$ 59,065
	2,071		2,698		2,136		3,384		3,174	5,042
	<u>32,917</u>		<u>30,879</u>		<u>30,790</u>		<u>31,173</u>		<u>33,690</u>	<u>36,273</u>
\$	<u>95,339</u>	\$	<u>93,888</u>	\$	<u>93,824</u>	\$	<u>94,663</u>	\$	<u>95,650</u>	<u>\$ 100,380</u>

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

<b>Expenses</b>	<b>Fiscal Year</b>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities:</b>										
General government	\$ 3,591	\$ 3,494	\$ 3,998	\$ 4,093	\$ 3,797	\$ 3,609	\$ 3,529	\$ 4,174	\$ 4,633	\$ 4,675
Public works	2,867	1,420	1,178	1,614	1,508	1,583	2,733	1,954	3,289	1,712
Public safety	9,605	9,982	10,392	10,803	11,548	11,504	11,841	12,537	11,814	12,666
Parks and recreation	2,449	2,453	2,516	2,553	2,688	2,863	2,924	3,182	3,091	3,270
Other physical environment	-	21	12	10	9	13	11	88	6	
Interest & other fiscal charges on long-term debt	367	303	267	130	127	111	94	82	79	84
<b>Total governmental activities</b>	<b>18,879</b>	<b>17,673</b>	<b>18,363</b>	<b>19,203</b>	<b>19,677</b>	<b>19,683</b>	<b>21,132</b>	<b>21,937</b>	<b>22,912</b>	<b>22,415</b>
<b>Business-type activities:</b>										
Water & Sewer	3,119	3,546	3,401	3,483	3,852	3,531	3,863	4,672	5,149	4,797
Stormwater	374	404	331	366	397	435	452	463	473	505
<b>Total business-type activities</b>	<b>3,493</b>	<b>3,950</b>	<b>3,732</b>	<b>3,849</b>	<b>4,249</b>	<b>3,966</b>	<b>4,315</b>	<b>5,135</b>	<b>5,622</b>	<b>5,302</b>
<b>Total expenses</b>	<b>\$ 22,372</b>	<b>\$ 21,623</b>	<b>\$ 22,095</b>	<b>\$ 23,052</b>	<b>\$ 23,926</b>	<b>\$ 23,649</b>	<b>\$ 25,447</b>	<b>\$ 27,072</b>	<b>\$ 28,534</b>	<b>\$ 27,717</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 184	\$ 277	\$ 255	\$ 302	\$ 314	\$ 292	\$ 298	\$ 276	\$ 323	\$ 394
Public works	1	1	10	141	29			139	6	
Public safety	1,194	1,334	1,853	2,496	1,625	1,922	2,801	3,382	3,651	4,034
Parks and recreation	651	678	705	738	749	858	906	896	920	927
Other physical environment	4	- 6	2	9	3	2		13	10	12
Operating grants and contributions	604	593	692	644	653	692	795	761	951	1,533
Capital grants and contributions	2,236	4,994	313	33	198	915	1,090	934	1,033	1,036
<b>Total governmental activities</b>	<b>4,870</b>	<b>7,881</b>	<b>3,834</b>	<b>4,229</b>	<b>3,550</b>	<b>4,683</b>	<b>5,901</b>	<b>6,275</b>	<b>6,894</b>	<b>7,945</b>

	Fiscal Year						
	2010	2011	2012	2013	2014	2015	2016
<b>Program Revenues</b>							
Business-type activities:							
Charges for services							
Water & Sewer	3,997	4,463	4,337	4,278	4,305	4,471	4,752
Stormwater	279	281	284	380	399	409	414
Operating grants and contributions	-	-	-	-	-	99	31
Capital grants and contributions	13	85	37	261	42	161	44
Total business-type activities	<u>4,289</u>	<u>4,829</u>	<u>4,658</u>	<u>4,919</u>	<u>4,746</u>	<u>5,041</u>	<u>5,309</u>
Total program revenues	<u><u>\$ 9,159</u></u>	<u><u>\$ 12,710</u></u>	<u><u>\$ 8,492</u></u>	<u><u>\$ 9,148</u></u>	<u><u>\$ 8,296</u></u>	<u><u>\$ 9,724</u></u>	<u><u>\$ 11,210</u></u>
Net (expense)/revenue							
Governmental activities	\$ (14,009)	\$ (9,792)	\$ (14,529)	\$ (14,974)	\$ (16,127)	\$ (15,000)	\$ (15,231)
Business-type activities	796	879	926	1,070	497	1,075	994
Total net expense	<u><u>\$ (13,213)</u></u>	<u><u>\$ (8,913)</u></u>	<u><u>\$ (13,603)</u></u>	<u><u>\$ (13,904)</u></u>	<u><u>\$ (15,630)</u></u>	<u><u>\$ (14,237)</u></u>	<u><u>\$ (14,215)</u></u>
<b>General Revenues</b>							
Governmental activities:							
Taxes							
Property taxes	\$ 7,326	\$ 6,471	\$ 6,073	\$ 6,029	\$ 6,147	\$ 6,385	\$ 6,867
Franchise fees	2,416	2,280	2,200	2,098	2,187	2,234	2,226
Utility taxes	4,320	4,027	3,910	4,071	3,839	3,737	3,658
Unrestricted intergovernmental revenues	1,008	1,008	1,011	1,053	1,139	1,259	1,299
Unrestricted investment earnings	386	247	277	2	220	228	98
Miscellaneous revenues	196	162	212	127	466	143	130
Special item - return of contribution	(600)	-	-	-	-	-	-
Gain on sale of asset	-	-	-	-	-	-	-
Transfers in/(out)	850	850	850	950	1,027	1,039	1,149
Total general revenues, transfers and special item	<u><u>15,902</u></u>	<u><u>15,045</u></u>	<u><u>14,533</u></u>	<u><u>14,330</u></u>	<u><u>15,025</u></u>	<u><u>15,427</u></u>	<u><u>16,193</u></u>
Business-type activities:							
Investment earnings	254	129	171	-	144	164	60
Gain/(Loss) on sale of capital	-	-	-	-	1	-	-
Miscellaneous revenues	10	1	-	-	-	-	-
Transfers in/(out)	<u>(850)</u>	<u>(850)</u>	<u>(850)</u>	<u>(950)</u>	<u>(1,027)</u>	<u>(1,039)</u>	<u>(1,149)</u>
Total business-type activities	<u><u>(586)</u></u>	<u><u>(720)</u></u>	<u><u>(679)</u></u>	<u><u>(950)</u></u>	<u><u>(882)</u></u>	<u><u>(875)</u></u>	<u><u>(1,088)</u></u>
Total primary government	<u><u>\$ 15,316</u></u>	<u><u>\$ 14,325</u></u>	<u><u>\$ 13,854</u></u>	<u><u>\$ 13,380</u></u>	<u><u>\$ 14,143</u></u>	<u><u>\$ 14,150</u></u>	<u><u>\$ 14,339</u></u>
<b>Change in Net Position</b>							
Governmental activities	\$ 1,893	\$ 5,253	\$ 4	\$ (644)	\$ (1,102)	\$ 25	\$ 196
Business-type activities	210	159	247	120	(385)	200	(94)
Total change in net position	<u><u>\$ 2,103</u></u>	<u><u>\$ 5,412</u></u>	<u><u>\$ 251</u></u>	<u><u>\$ (524)</u></u>	<u><u>\$ (1,487)</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ 102</u></u>



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

Fiscal Year	Property Tax	Franchise Fees	Utility Tax	Total
2010	\$ 7,325	\$ 2,416	\$ 4,320	\$ 14,061
2011	6,471	2,280	4,027	12,778
2012	6,073	2,200	3,910	12,183
2013	6,029	2,098	4,071	12,198
2014	6,147	2,187	3,839	12,173
2015	6,385	2,234	3,737	12,356
2016	6,867	2,226	3,658	12,751
2017	7,225	2,292	3,653	13,170
2018	7,811	2,353	3,758	13,922
2019	8,367	2,507	3,884	14,758

**Taxes included in Unrestricted Intergovernmental Revenues**

Fiscal Year	Sales Tax	Sharing	Other	Total
2010	\$ 802	\$ 182	\$ 11	\$ 995
2011	795	192	21	1,008
2012	800	200	10	1,010
2013	834	213	6	1,053
2014	881	238	20	1,139
2015	975	272	12	1,259
2016	1,009	289	1	1,299
2017	1,080	316	20	1,416
2018	1,142	339	4	1,485
2019	1,155	363	11	1,529

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

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General fund</b>				
Nonspendable:				
Inventory/prepays	\$ 5	\$ 4	\$ 4	\$ 3
Assigned to:				
Debt service	1,627	682	574	632
Health insurance benefits	-	-	308	258
Capital projects	-	-	-	2,130
Subsequent year expenditures	1,564	600	847	383
Unassigned:	<u>11,950</u>	<u>13,780</u>	<u>14,636</u>	<u>14,136</u>
<b>Total general fund</b>	<b><u>\$ 15,146</u></b>	<b><u>\$ 15,066</u></b>	<b><u>\$ 16,369</u></b>	<b><u>\$ 17,542</u></b>
 <b>All other governmental funds</b>				
Nonspendable:				
Inventory/Prepays	-	-	15	64
Restricted for:				
Public works	51	52	20	34
Public safety	975	935	827	768
Parks and recreation	136	61	96	177
Other physical environment	227	184	27	25
Other capital projects	-	3,767	1,717	752
Committed to:				
Debt service	542	553	457	559
Other capital projects	1,819	1,843	832	-
Unassigned:		-	-	(15)
<b>Total all other governmental funds</b>	<b><u>\$ 3,750</u></b>	<b><u>\$ 7,395</u></b>	<b><u>\$ 3,991</u></b>	<b><u>\$ 2,364</u></b>

Fiscal Year											
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>
\$	14	\$	14	\$	13	\$	9	\$	29	\$	9
	632		337		336		336		349		310
	151		301		249		-		-		-
	755		760		970		932		1,100		973
	1,172		652		1,093		863		99		58
	<u>12,645</u>		<u>13,036</u>		<u>13,237</u>		<u>14,313</u>		<u>17,005</u>		<u>19,740</u>
	<u>\$ 15,369</u>		<u>\$ 15,100</u>		<u>\$ 15,898</u>		<u>\$ 16,453</u>		<u>\$ 18,582</u>		<u>\$ 21,090</u>
	5		-		-		-		-		-
	17		18		27		40		126		27
	618		396		316		409		424		497
	182		194		237		155		106		134
	31		27		22		30		38		45
	-		561		257		1,184		1,111		2,102
	573		582		295		297		308		310
	<u>1,016</u>		<u>985</u>		<u>842</u>		<u>384</u>		<u>201</u>		<u>973</u>
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>\$ 2,442</u>		<u>\$ 2,763</u>		<u>\$ 1,996</u>		<u>\$ 2,499</u>		<u>\$ 2,314</u>		<u>\$ 4,088</u>

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

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
Taxes				
Property	\$ 7,326	\$ 6,471	\$ 6,073	\$ 6,029
Franchise fees	2,416	2,280	2,200	2,098
Utility taxes	4,320	4,027	3,910	4,071
Licenses and Permits	625	688	1,099	1,772
Intergovernmental	3,849	6,608	2,027	1,740
Charges for services	1,232	1,441	1,374	1,326
Impact fees/assessments	51	40	245	320
Fines and forfeitures	121	112	100	124
Investment earnings	386	247	243	(2)
Miscellaneous	196	162	212	127
Total revenues	<u>20,522</u>	<u>22,076</u>	<u>17,483</u>	<u>17,605</u>
<b>Expenditures</b>				
General government	3,208	3,048	3,283	3,572
Public works	2,421	942	669	1,008
Public safety	9,452	9,531	10,149	10,516
Parks and recreation	1,991	1,955	2,003	2,096
Other physical environment	-	17	6	4
Capital outlay	1,200	1,361	3,546	3,192
Debt service				
Principal	1,261	2,210	4,735	344
Interest	361	296	257	128
Other charges	-	-	36	-
Total expenditures	<u>19,894</u>	<u>19,360</u>	<u>24,684</u>	<u>20,860</u>
Excess of revenues over (under) expenditures	628	2,716	(7,201)	(3,255)
<b>Other financing sources (uses)</b>				
Transfers in	2,965	3,767	1,657	1,474
Transfers out	(2,115)	(2,917)	(807)	(882)
Refunding bonds issued	-	-	4,250	-
Sale of capital assets	-	-	-	2,209
Total other financing sources (uses)	<u>850</u>	<u>850</u>	<u>5,100</u>	<u>2,801</u>
Net change in fund balances	<u>\$ 1,478</u>	<u>\$ 3,566</u>	<u>\$ (2,101)</u>	<u>\$ (454)</u>
Debt service as a percentage of noncapital expenditures	8.68%	13.92%	23.79%	2.67%

Fiscal Year											
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>
\$	6,147	\$	6,385	\$	6,867	\$	7,225	\$	7,811	\$	8,367
	2,187		2,234		2,226		2,292		2,353		2,507
	3,839		3,737		3,658		3,653		3,758		3,884
	1,138		1,146		1,960		2,549		2,584		2,831
	2,002		2,877		3,051		3,124		3,433		4,110
	1,340		1,744		1,730		1,697		2,008		2,154
	72		65		198		232		156		189
	138		110		117		88		152		191
	187		198		85		131		209		659
	465		143		129		185		556		128
	<u>17,515</u>		<u>18,639</u>		<u>20,021</u>		<u>21,176</u>		<u>23,020</u>		<u>25,020</u>
	3,503		3,467		3,649		4,021		4,513		4,650
	901		961		2,002		1,269		2,599		1,008
	10,800		10,937		11,279		11,912		12,048		12,361
	2,191		2,404		2,476		2,718		2,681		2,896
	3		8		7		5		3		5
	2,321		1,150		727		810		675		637
	493		515		532		254		259		265
	125		109		92		80		77		82
	-		-		-		-		-		-
	<u>20,337</u>		<u>19,551</u>		<u>20,764</u>		<u>21,069</u>		<u>22,855</u>		<u>21,904</u>
	(2,822)		(912)		(743)		107		165		3,116
	3,747		2,502		2,263		2,228		3,101		3,075
	(3,020)		(1,538)		(1,489)		(1,278)		(1,322)		(1,909)
	-		-		-		-		-		-
	-		-		-		-		-		-
	<u>727</u>		<u>964</u>		<u>774</u>		<u>950</u>		<u>1,779</u>		<u>1,166</u>
\$	<u>(2,095)</u>		<u>52</u>		<u>31</u>		<u>1,057</u>		<u>1,944</u>		<u>4,282</u>
	3.43%		3.39%		3.11%		1.65%		1.51%		1.63%

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

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Fiscal Year Ended September 30,	Real Property						% Commercial	Personal Property
	Total Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial			
2010	\$ 1,792,695	\$ 795,298	44.36%	\$ 997,396	55.64%	\$ 291,712		
2011	1,563,881	766,267	49.00%	797,614	51.00%	267,831		
2012	1,495,579	733,736	49.06%	761,843	50.94%	229,932		
2013	1,499,779	726,203	48.42%	773,576	51.58%	224,093		
2014	1,557,724	752,221	48.29%	805,503	51.71%	214,614		
2015	1,639,404	798,459	48.70%	840,945	51.30%	216,769		
2016	1,758,058	837,237	47.62%	920,821	52.38%	225,238		
2017	1,883,482	874,480	46.43%	1,009,002	53.57%	203,864		
2018	2,034,005	952,550	46.83%	1,081,455	53.17%	210,076		
2019	2,194,085	1,021,506	46.56%	1,172,578	53.44%	223,373		

Source: Seminole County Property Appraiser's Office

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Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 579,604	\$ 2,084,924	3.6355	\$ 2,573,966	81.00%
329,192	1,832,249	3.6355	2,244,335	81.64%
323,645	1,726,089	3.6355	2,096,002	82.35%
318,523	1,724,479	3.6355	2,091,729	82.44%
312,166	1,772,968	3.5895	2,144,228	82.69%
279,537	1,856,824	3.5895	2,276,067	81.58%
276,099	1,983,960	3.5895	2,452,454	80.90%
281,616	2,088,057	3.5895	2,594,859	80.47%
296,208	2,244,781	3.5895	2,800,133	80.17%
308,922	2,418,182	3.5895	3,015,482	80.19%

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

Fiscal Year	City of Lake Mary Operating Millage <sup>3</sup>	Overlapping Rates								St. John's Water Management District	Total Direct & Overlapping Rates		
		Seminole County			School District								
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage						
2010	3.6355	4.9000	0.1451	5.0451	7.7230	0.0000	7.7230	0.4158	16.8194				
2011	3.6355	4.8751	0.1700	5.0451	7.8010	0.0000	7.8010	0.4158	16.8974				
2012	3.6355	4.8751	0.1700	5.0451	7.7220	0.0000	7.7220	0.3313	16.7339				
2013	3.6355	4.8751	0.1700	5.0451	7.5530	0.0000	7.5530	0.3313	16.5649				
2014	3.5895	4.8751	0.0000	4.8751	8.3610	0.0000	8.3610	0.3283	17.1539				
2015	3.5895	4.8751	0.0000	4.8751	7.8970	0.0000	7.8970	0.3164	16.6780				
2016	3.5895	4.8751	0.0000	4.8751	7.8490	0.0000	7.8490	0.3023	16.6159				
2017	3.5895	4.8751	0.0000	4.8751	7.5570	0.0000	7.5570	0.2885	16.3101				
2018	3.5895	4.8751	0.0000	4.8751	6.5690	0.0000	6.5690	0.2724	15.3060				
2019	3.5895	4.8751	0.0000	4.8751	6.3130	0.0000	6.3130	0.2562	15.0338				

Source: Seminole County Tax Collectors Office

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

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

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

**City of Lake Mary, Florida**  
**Principal Property Taxpayers**  
**September 30, 2019**  
**(amounts expressed in thousands)**

Taxpayer	2019		2010			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Primera Towers (FL) JV	\$ 111,071	1	4.58%	-	-	-
Starwood Cap Group Global	88,828	2	3.66%			
Verizon Corporate Resources	45,038	3	1.86%	-	-	-
Bell Bentley Park Apartments	39,753	4	1.64%	-	-	-
Colonial Realty LP	35,963	5	1.48%	-	-	-
Golfview Apartments, LLC	34,095	6	1.41%	-	-	-
Station House Apartments, LLC	29,396	7	1.21%	-	-	-
Heathrow Hotel Owners LLC (Marriott Hotel)	28,045	8	1.16%	28,025	6	1.34%
Central Florida Educators	27,380	9	1.13%	-	-	-
BRE/COH FL LCC (formerly Duke-Weeks Realty)	26,801	10	1.11%	27,247	7	1.31%
DRA CLP Heathrow (formerly part of Crescent Resources)				77,815	1	3.73%
Sun Life Assurance Co of Canada (formerly a part of Crescent Resources, Inc)	-	-	-	50,361	2	2.42%
Nextel South Corp.	-	-	-	33,830	5	1.62%
A T & T Mobility LLC	-	-	-	34,540	3	1.66%
DRA CRT Lake Mary Center	-	-	-	34,290	4	1.64%
North Point LP				22,971	8	1.10%
Wachovia Trust Co Trustee	-	-	-	22,235	9	1.07%
G&I Lake Emma LLC	-	-	-	21,668	10	1.04%
<b>Totals</b>	<b>\$ 466,370</b>		<b>19.24%</b>	<b>\$ 352,982</b>		<b>16.93%</b>

Source: Seminole County Property Appraiser ([www.scpafl.org](http://www.scpafl.org))

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

---

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2010	7,580	7,260	95.78%		46	7,306	96.38%
2011	6,693	6,424	95.98%		24	6,448	96.34%
2012	6,304	6,049	95.95%		17	6,066	96.22%
2013	6,256	6,013	96.12%		8	6,021	96.24%
2014	6,403	6,138	95.86%		3	6,141	95.91%
2015	6,661	6,382	95.81%		1	6,383	95.83%
2016	7,116	6,866	96.49%		9	6,875	96.61%
2017	7,514	7,216	96.03%		2	7,218	96.06%
2018	8,121	7,809	96.16%		50	7,859	96.77%
2019	8,700	8,416	96.74%		-	8,416	96.74%

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

---

Fiscal Year Ended September 30,	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita
	Refunding Revenue Notes <sup>3</sup>	Revenue Bonds				
2010	\$ 8,020	\$ -		\$ 8,020	1.57%	\$ 551
2011	5,810	-		5,810	1.14%	419
2012	5,325	-		5,325	0.95%	382
2013	4,981	-		4,981	0.87%	338
2014	4,488	-		4,488	0.76%	298
2015	3,973	-		3,973	0.64%	250
2016	3,441	-		3,441	0.55%	213
2017	3,187	-		3,187	0.48%	194
2018	2,928	-		2,928	0.42%	175
2019	2,663	-		2,663	0.37%	153

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

1 Enterprise Funds have no outstanding Debt.

2 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

3 Refunding Revenue bonds were refunded in 2002 and 2003 which included a new issue of \$4 million and again in 2007 which included a new issue of \$5 million.

**City of Lake Mary, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2019**  
**(amounts expressed in thousands)**

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Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>			
Seminole County General Obligation Debt <sup>3</sup>	\$ -	7.32%	\$ -
<b>Subtotal, overlapping debt</b>			
<b>Direct Debt:</b>			
Public Improvement Refunding Revenue Note Series 2012 <sup>2</sup>	2,663	100%	2,663
<hr/>			
<b>Total direct and overlapping debt</b>	<b><u>\$ 2,663</u></b>		<b><u>\$ 2,663</u></b>

Sources:

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

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

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

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

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

Fiscal Year Ended Sept 30,	General Government						Coverage without Franchise Fees
	Public Service Taxes	Half-Cent Sales Tax	Electric Franchise Fees	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage	
2010	\$ 4,319,704	\$ 801,704	\$ 2,009,484	\$ 7,130,892	n/a	n/a	n/a
2011	4,027,150	795,364	1,869,650	6,692,164	n/a	n/a	n/a
2012	3,909,797	800,438	1,770,383	6,480,618	n/a	n/a	n/a
2013	4,071,330	834,141	2,097,880	7,003,351	n/a	n/a	n/a
2014	3,838,444	880,882	2,187,203	6,906,529	n/a	n/a	n/a
2015	3,736,703	974,881	2,234,131	6,945,715	n/a	n/a	n/a
2016	3,658,443	1,009,414	2,225,932	6,893,789	n/a	n/a	n/a
2017	3,653,348	1,079,903	2,291,757	7,025,008	n/a	n/a	n/a
2018	3,758,514	1,142,132	2,352,535	7,253,181	n/a	n/a	n/a
2019	3,884,349	1,155,380	2,507,390	7,547,119	n/a	n/a	n/a

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

Fiscal Year	Population <sup>1</sup>	Personal Income amounts expressed in thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education Level in Years of Formal Schooling <sup>1</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2010	14,559	530,938	36,468	41.4	14.3	2,285	11.8%
2011	13,868	489,249	35,279			2,352	10.2%
2012	13,937	558,985	40,108	37.6	14.31	2,344	8.4%
2013	14,740	572,620	38,848	42.4	14.15	2,377	6.3%
2014	15,037	590,668	39,281	43.1	14.24	2,296	5.7%
2015	15,905	624,056	39,236	44.1	14.24	2,312	4.9%
2016	16,119	629,141	39,031	45	14.24	2,259	4.5%
2017	16,447	665,692	40,475	40.9	14.24	2,228	3.2%
2018	16,746	691,350	41,285	39.2	14.24	2,209	2.7%
2019	17,449	721,454	41,346	39.7	14.4	2,274	2.8%

Data not available

Sources:

- 1 Metro Orlando Economic Development Commission (estimates), [www.incomebyzipcode.com](http://www.incomebyzipcode.com)
- 2 Decision Data Resources (estimated for 2008)
- 3 Lake Mary Elementary; Lake Mary Preparatory School added 2003; Crystal Lake Elementary added 2006;
- 4 US Department of Labor, Bureau of Labor Statistics

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

Employer	2019 <sup>1</sup>			2010			Percentage of Total City Employment
	Employees	Rank	Percentage of Total City Employment	Employees	Rank		
Deloitte Consulting LLP	1,372	1	3.92%	-	-	-	-
Converges	1,355	2	3.87%	1,771	1	5.06%	
Verizon Corporate Resources Group L	1,138	3	3.25%	-	-	-	-
HF Management Services	972	4	2.78%	-	-	-	-
Chase Bank Card Service	965	5	2.76%	-	-	-	-
Chase Manhattan Bank	960	6	2.74%	-	-	-	-
American Automobile Association	867	7	2.48%				
Veritas Technologies LLC	864	8	2.47%				
Fiserv	800	9	2.29%	661	2	2.04%	
Liberty Mutual Insurance Company	633	10	1.81%	-	-	-	-
Bank of NY Investments	-	-	-	650	3	1.86%	
AIG Marketing	-	-	-	638	4	1.82%	
Symantac	-	-	-	621	5	1.77%	
Wells Fargo Home Mortgage	-	-	-	571	6	1.63%	
Hartford Insurance Group	-	-	-	488	7	1.39%	
A B B Power	-	-	-	403	8	1.15%	
Sunguard H T E Inc				359	9	1.20%	
CuraScript				348	10	0.99%	
Total	<u><u>9,926</u></u>		<u><u>28.36%</u></u>	<u><u>6,510</u></u>		<u><u>18.91%</u></u>	

Source: Dun and Bradstreet, Business Locations, Accessed from Research360.net website

Note 1: The City of Lake Mary has an estimated daytime population of over 35,000 with approximately **2,185** business tax receipts issued as of 9/30/2019

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

<b>Function</b>	<b>Full-time Equivalent Employees as of September 30,</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General Government	28	28	33	33	32	31	30	32	32	29
<b>Public Safety:</b>										
Police										
Sworn Officers	41	41	41	42	40	41	42	43	44	46
Non sworn officers	2	2	2	2	4	4	4	4	2	3
Civilians	13	13	13	13	12	12	13	13	4	5
Fire										
Firefighters and officers	38	38	38	38	39	39	39	39	40	43
Fire Prevention	10	10	4	4	3	4	4	4	4	4
Civilians	2	2	2	2	2	1	1	1	1	1
Public Works	18	18	18	18	18	18	18	20	21	22
Parks and Recreation	25	25	25	25	27	26	27	28	33	32
<b>Total</b>	<b>177</b>	<b>177</b>	<b>176</b>	<b>177</b>	<b>177</b>	<b>176</b>	<b>178</b>	<b>184</b>	<b>181</b>	<b>185</b>

Source: City of Lake Mary Departmental Monthly Reports

Notes:

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



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

Function	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police				
Auto Accidents	823	751	637	666
Physical arrests	452	565	467	476
Criminal Investigations Conducted	483	473	396	452
Total Calls for Service	55,947	62,681	53,482	57,005
Fire & Life Safety				
Public Education Programs	195	136	62	68
Number of emergency calls answered	3,917	3,709	3,683	3,851
Medical Transports	1,363	1,604	1,639	1,772
Highways and streets				
Streets paved (miles)	4.2	2.0	-	5.3
Streets resurfaced (tons/asphalt)	46.3	43.0	26.5	62.0
Sidewalks/bike paths built or repaired (feet)	1,558	910	1,122	699
Culture and recreation				
Tennis membership	156	161	155	142
Events Center rentals	368	271	299	270
Water				
New connections	50	34	26	39
Number of customers	5,053	5,080	5,111	5,130
Water main breaks	56	76	124	179
Average daily consumption (millions of gallons)	2.89	3.26	3.19	3.02
Meter reads	60,757	61,091	61,521	61,630
General Government				
Total Permits Issued	1,313	1,215	1,512	1,530
Construction inspections	3,680	3,777	5,284	4,391
Employment applications received	790	722	1,124	719
Personnel actions processed	498	361	525	345
Legal Notices published	78	72	79	49
Business Tax Receipts issued	1,848	1,896	1,823	2,032
Accidents & Injuries reviewed	70	67	69	43
Land Use amendments & rezonings	48	33	25	12
License/Permit Reviews	455	497	839	841
Employee paychecks issued	5,052	5,095	5,082	5,109
Checks deposited	38,665	37,908	38,285	36,036
A/P Checks issued	2,323	2,396	2,377	2,649
Purchase orders/EPO's processed	446	443	464	486
Purchasing Card Transactions	2,436	2,402	2,700	2,800

Source: City of Lake Mary Departmental Monthly Reports

Notes

\*\* Service was not available

Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
635	686	764	753	826	893
449	443	524	409	403	281
433	424	457	438	422	233
57,487	62,401	80,802	89,976	118,859	119,016
64	86	179	152	151	177
3,893	4,348	4,620	3,938	3,071	4,867
1,816	1,845	1,959	2,141	2,034	2,038
5.1	1.7	8.8	1.6	5.0	1.7
40.8	48.0	43.4	43.8	46.0	42.4
1,960	1,040	689	533	701	695
152	153	164	164	204	160
295	324	308	280	296	299
35	20	45	34	58	32
5,179	5,193	5,241	5,336	5,289	5,309
230	205	230	282	80	79
2.95	3.09	3.24	3.29	3.11	3.25
62,202	62,449	62,803	64,032	63,518	63,758
1,302	1,763	2,018	1,320	2,476	2,206
4,221	5,280	5,804	5,406	8,709	8,101
542	727	902	873	626	538
348	388	417	408	399	370
33	32	29	26	41	36
1,773	1,999	1,983	2,016	2,138	2,185
54	44	65	68	54	71
11	8	15	11	14	7
651	776	962	894	1,077	936
5,040	5,202	5,433	5,354	5,007	5,210
33,065	32,774	33,256	31,338	30,103	29,844
2,660	2,944	2,972	3,002	2,961	2,962
601	743	591	332	403	403
3,501	3,525	3,519	3,742	3,874	3,900

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

Function	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	42	42	43	52
Fire stations	2	2	2	2
Highways and streets				
Streets - paved (miles)	55.79	55.79	56.90	57.30
Streets - unpaved (miles)	2.46	2.46	2.46	2.46
Street lights	1,074	1,074	1,087	1,087
Traffic Signals	12	12	12	12
Culture and recreation				
Park acreage	39	39	39	39
Parks	9	9	9	9
Tennis courts	9	9	9	9
Community centers	2	2	2	2
Historical Museum	1	1	1	1
Water				
Water mains (miles)	104.0	104.0	104.2	104.2
Fire hydrants	541	541	541	541
Maximum daily capacity (millions of gallons)	12.96	12.96	12.96	12.96
Sewer				
Sanitary sewers (miles)	32.38	32.40	32.40	32.40
Storm sewers (miles)	53.00	53.00	54.33	54.51

Source: City of Lake Mary Departmental Monthly Reports

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Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
1	1	1	1	1	1
53	54	51	51	51	54
2	2	2	2	2	2
57.30	59.00	66.05	66.05	66.05	66.05
2.46	2.46	2.46	2.46	2.46	2.46
1,087	1,087	1,135	1,135	1,135	1,135
13	13	13	14	14	14
39	72	72	72	72	72
9	11	11	11	11	11
9	9	9	9	9	9
3	3	3	3	3	3
1	1	1	1	1	1
104.2	104.2	104.2	104.2	104.2	104.2
541	547	547	548	548	548
12.96	12.96	12.96	12.96	12.96	12.96
32.40	32.40	32.53	32.53	32.53	32.53
54.51	54.51	54.67	54.67	54.67	54.67

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

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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			
2010	\$ 754,474	\$ 708,585	\$ 317,452	\$ 35,027	\$ 64,958	\$ 21,242			20.9%
2011	(178,764)	801,546	440,585	25,584	74,924	35,764			25.4%
2012	1,798,291	862,007	413,590	9,716	78,652	29,778			27.6%
2013	1,736,623	1,024,089	449,143	11,515	86,575	32,915			32.3%
2014	1,518,588	1,059,341	494,468	-	101,770	26,130			32.8%
2015	(142,157)	981,925	504,618	-	123,560	41,419			27.4%
2016	1,584,417	929,727	561,058	13,938	115,345	37,977			22.0%
2017	2,177,717	923,151	603,113	7,939	122,082	50,923			22.2%
2018	1,784,206	949,157	699,950	57,755	143,154	53,223			22.5%
2019	634,605	873,594	781,411	5,735	135,323	52,749			17.8%

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

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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			
2010	\$ 648,234	\$ 798,498	\$ 75,202	\$ -	\$ 35,905	\$ 38,049			22.1%
2011	(31,546)	702,567	183,648	13,855	36,255	35,478			18.5%
2012	1,364,885	775,763	135,571	171,764	43,914	29,942			22.9%
2013	1,245,814	827,901	282,664	-	48,776	34,022			23.6%
2014	1,210,082	864,752	298,350	-	56,174	25,374			24.1%
2015	18,601	873,192	413,484	354,818	66,743	37,977			25.7%
2016	1,283,870	881,963	438,239	31,602	70,712	41,718			24.2%
2017	1,623,631	1,052,484	898,642	10,440	79,123	59,898			26.3%
2018	1,276,270	1,006,976	615,569	21,465	84,202	50,726			23.6%
2019	824,687	1,003,711	930,424	14,687	83,700	54,397			24.8%

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

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	Fiscal Year			
	<u>2010</u>	<u>2011</u> <sup>1</sup>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
Permit Fees				
Building Permits	\$ 360,184	\$ 382,042	\$ 760,820	\$ 1,377,161
Electrical Permits	23,460	31,702	63,819	45,976
Plumbing Permits	14,432	12,861	43,687	30,639
Mechanical Permits	22,539	23,054	25,243	32,685
Misc Building Fees	33,540	19,659	16,476	25,300
Total revenues	<u>454,155</u>	<u>469,318</u>	<u>910,045</u>	<u>1,511,761</u>
<b>Expenditures</b>				
Building Salaries & Benefits	575,531	464,531	420,993	372,839
Operating Expenditures	65,788	65,938	63,890	52,577
Capital Expenditures	-	-	-	-
Allocation of Indirect Costs & Bldg Deprec.	-	-	142,851	149,368
Allocation of Debt Service: (23%)	219,852	423,608	-	-
Total expenditures	<u>861,171</u>	<u>954,077</u>	<u>627,734</u>	<u>574,784</u>
Excess of revenues over (under) expenditures	<u>\$ (407,016)</u>	<u>\$ (484,759)</u>	<u>\$ 282,311</u>	<u>\$ 936,977</u>

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

Note 1 Debt service incurred for construction of municipal complex was paid off in 2011.

Fiscal Year					
<u>2014</u>		<u>2015</u>		<u>2016</u>	
\$	729,386	\$	791,306	\$	1,494,458
	77,580		39,037		81,153
	28,629		20,018		31,440
	50,765		38,298		53,552
	23,134		28,240		37,120
	<u>909,494</u>		<u>916,899</u>		<u>1,697,723</u>
					2,158,948
					<u>2,212,899</u>
					<u>2,430,356</u>
	389,676		310,049		320,963
	53,896		56,229		51,848
	-		-		-
	163,259		170,333		164,332
	-		-		-
	<u>606,831</u>		<u>536,611</u>		<u>537,143</u>
					661,881
					<u>674,649</u>
					<u>689,918</u>
<u>\$</u>	<u>302,663</u>	<u>\$</u>	<u>380,288</u>	<u>\$</u>	<u>1,160,580</u>
					<u>\$</u> 1,497,067
					<u>\$</u> 1,538,250
					<u>\$</u> 1,740,438
	estimated gain/(loss) total since 1996				
					5,083,866



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# Other Reports



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Lake Mary, Florida* (the City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 3, 2020.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of the Report**

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

*McDermut Davis*

Orlando, Florida  
March 3, 2020

## MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of *City of Lake Mary, Florida* as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 3, 2020.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and the Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports dated March 3, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

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

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

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

**Additional Matters**

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

**Purpose of this Letter**

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

*McDermut Davis*

Orlando, Florida  
March 3, 2020

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

The Honorable Mayor and City Commissioners  
*City of Lake Mary, Florida*

We have examined City of Lake Mary's, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, City of Lake Mary, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Orlando, Florida  
March 3, 2020