



City of *Lake Mary* Florida



Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020

CITY OF LAKE MARY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020



Prepared by:
FINANCE DEPARTMENT



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CITY OF LAKE MARY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
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Introductory Section



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City of Lake Mary

POST OFFICE BOX 958445
LAKE MARY, FLORIDA 32795-8445

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

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

March 4, 2021

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, 2020. This document fulfills the requirements set forth in Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

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

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

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 17,633. Land uses within Lake Mary consist primarily of single-family residential neighborhoods, retail businesses, Class A office space, light manufacturing and high-tech industries. Lake Mary is considered a major economic hub of the Orlando Metropolitan Area. Several large corporations maintain major operations within the City and is well renowned for its exceptional quality of life. This quality of life is enhanced by Lake Mary's strategic location on the North Interstate-4 corridor, the community's exceptional education system, and a skilled workforce.

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

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

Local economy

The City of Lake Mary's local economy is comprised of a well-established and growing business community that is represented by manufacturing, medical, retail, professional office and technology uses. During fiscal year 2020, the area experienced a global pandemic whose long-term economic effects are yet unknown. Accordingly, a judicious fiscal approach is prudent as we navigate through these unsettling times.

Lake Mary's taxable values for both residential and commercial properties recorded a growth of 6.99% in 2020 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. Any effect from the pandemic would be determined in 2021 taxable values. The City also continues to maintain a near equal split between commercial uses (55% of taxable value) verses residential uses (45% of taxable value).

The City of Lake Mary is approaching green-field buildout over the next several years. Proper planning and strategic initiatives will be imperative in 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 and raise a family.

Long-term financial planning and major initiatives

The City continues its commitment toward conservative financial planning. Our long-standing policy has been to prepare the annual budget encompassing all categories of revenue generation and expenditures including personnel, operating and capital costs. 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.

During this fiscal year, there have been several active construction projects within the City such as New Century PUD/Lake Mary Wellness and Technology Park, TopGolf, Lake Emma Sound, and Griffin Park. Anticipated projects in the coming year(s) include Phase II of the Orlando Health Medical Campus, new outparcels at The Oaks Shopping Center, and various additional residential and commercial infill projects. 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 continued build-out of the 4th Street area, urban-style duplex housing next to Station House, and Phase II of the Veteran's

and First Responders Memorial at Heritage Park. 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, 2019. This was the twenty-eighth 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



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lake Mary
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

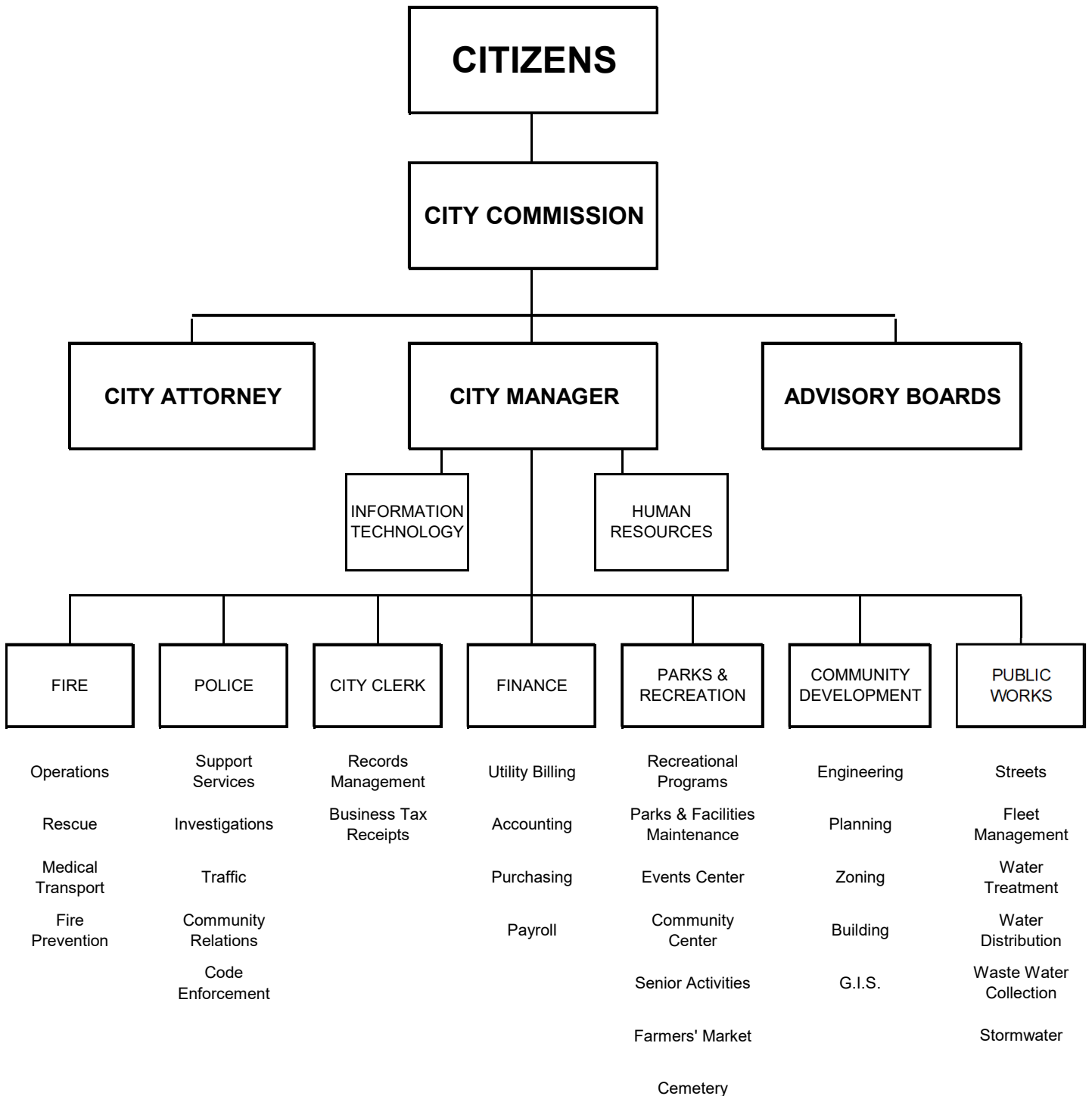
September 30, 2019

Christopher P. Morrell

Executive Director/CEO

CITY OF LAKE MARY, FLORIDA

ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA
PRINCIPAL CITY OFFICIALS
SEPTEMBER 30, 2020**

CITY COMMISSION

David Mealor, Mayor

George F. Duryea

Jordan Smith

Sidney Miller, Deputy Mayor

Justin York

ADMINISTRATION

CITY MANAGER

Kevin L. Smith

FINANCE DIRECTOR

Brent D. Mason

CITY ATTORNEY

Catherine Reischmann

CITY CLERK

Michelle McCurdy

ASSISTANT FINANCE DIRECTOR

Ehab Azer

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain 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, 2020, 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 February 15, 2021, 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.

McDiarmid Davis

Orlando, Florida
February 15, 2021

Management's Discussion and Analysis



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**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020. The purpose of *management's discussion and analysis* (MD&A) is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Lake Mary exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$100,399,500 (*net position*). Of this amount, \$33,802,297 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 \$18,788 (or 0.02%). Governmental total net position decreased by \$80,929 (or -.12%). Business-type activities increased by \$99,717 in 2020 (or .29%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined fund balances of \$23,159,906, a decrease of \$2,018,655 in comparison with the prior year. Approximately 78% of this amount, or \$17,985,396, 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 \$18,110,396 (or 75%) of total expenditures and transfers out.
- Net position of the Police Officers' and Firefighters' Pension Trust Funds increased by \$1,531,757 and \$2,471,535 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, 2020**

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 2020, 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 and debt service fund which are considered to be major funds. Data from the other (11) eleven 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, 2020**

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 \$100,399,500 at the close of fiscal year ended September 30, 2020.

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Statement of Net Position
As of September 30,

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 28,968,374 | \$ 30,146,487 | \$ 15,646,347 | \$ 14,817,664 | \$ 44,614,721 | \$ 44,964,151 |
| Restricted assets | 335,157 | 329,002 | 2,695,102 | 2,333,244 | 3,030,259 | 2,662,246 |
| Capital assets | 42,045,555 | 43,116,371 | 18,143,084 | 18,598,669 | 60,188,639 | 61,715,040 |
| Total assets | 71,349,086 | 73,591,860 | 36,484,533 | 35,749,577 | 107,833,619 | 109,341,437 |
| Total deferred outflows of resources | 1,812,601 | 1,555,297 | 73,970 | 35,858 | 1,886,571 | 1,591,155 |
| Current liabilities | 2,130,640 | 1,067,782 | 1,106,354 | 466,622 | 3,236,994 | 1,534,404 |
| Non-current liabilities outstanding | 1,057,728 | 4,744,201 | 335,559 | 366,419 | 1,393,287 | 5,110,620 |
| Other liabilities (comp abs & opeb) | 3,194,137 | 2,375,236 | 231,416 | 166,324 | 3,425,553 | 2,541,560 |
| Total liabilities | 6,382,505 | 8,187,219 | 1,673,329 | 999,365 | 8,055,834 | 9,186,584 |
| Total deferred inflows of resources | 1,260,833 | 1,360,660 | 4,023 | 4,636 | 1,264,856 | 1,365,296 |
| Net investment in capital assets | 42,045,555 | 40,467,342 | 18,143,084 | 18,598,669 | 60,188,639 | 59,066,011 |
| Restricted | 4,049,021 | 3,075,466 | 2,359,543 | 1,966,825 | 6,408,564 | 5,042,291 |
| Unrestricted | 19,423,773 | 22,056,470 | 14,378,524 | 14,215,940 | 33,802,297 | 36,272,410 |
| Total net position | \$ 65,518,349 | \$ 65,599,278 | \$ 34,881,151 | \$ 34,781,434 | \$ 100,399,500 | \$ 100,380,712 |

By far, the largest portion of the City's net position \$60,188,639 (or 59.9%) 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 \$6,408,564 (or 6.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$33,802,297 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2020, 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 \$18,788 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 \$18,788 or 0.02% in fiscal year 2020.

Governmental activities decreased net position by \$80,929 in fiscal year 2020 compared to an increase of \$3,915,517 in 2019. Due to a global pandemic there was a decrease in charges for services. There was also an increase in public works expenditures due to the biennial street resurfacing program.

Business-type activities increased net position by \$99,717 or .29% in fiscal year 2020 compared to an increase of \$815,052 or 2.4% in 2019.

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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.

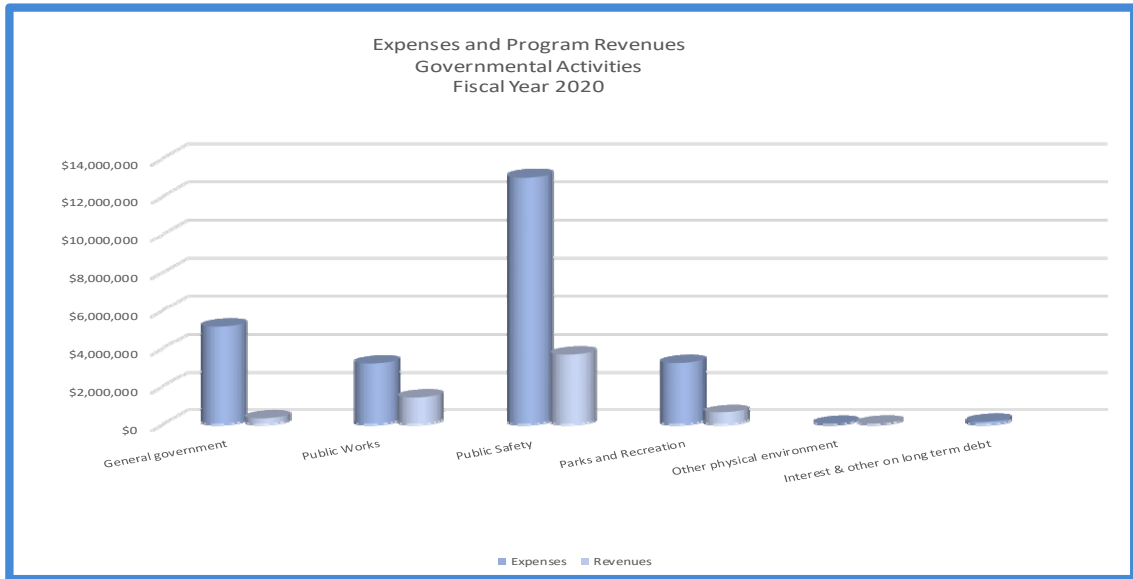
Additional information regarding the changes in fund balances of the governmental and business-type activities can be found in the section entitled **Financial Analysis of the City's Funds** on page 20.

Changes In Net Position
For the Year Ended September 30,

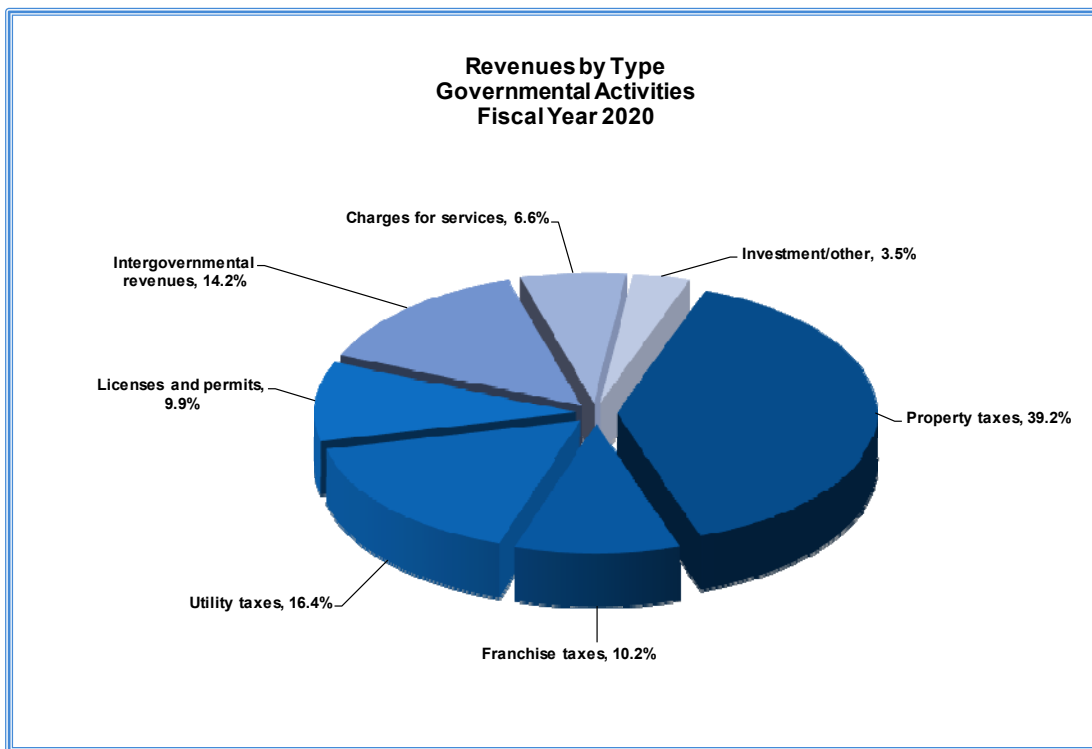
| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,139,931 | \$ 5,376,360 | \$ 6,865,586 | \$ 6,625,438 | \$ 11,005,517 | \$ 12,001,798 |
| Operating grants and contributions | 840,678 | 1,533,493 | - | - | 840,678 | 1,533,493 |
| Capital grants and contributions | 986,966 | 1,035,918 | 392,718 | 224,643 | 1,379,684 | 1,260,561 |
| General revenues: | | | | | | |
| Property taxes | 9,109,225 | 8,366,891 | - | - | 9,109,225 | 8,366,891 |
| Other taxes | 6,183,355 | 6,391,739 | - | - | 6,183,355 | 6,391,739 |
| Other revenues | 1,968,293 | 2,460,349 | 224,706 | 433,235 | 2,192,999 | 2,893,584 |
| Total revenues | 23,228,448 | 25,164,750 | 7,483,010 | 7,283,316 | 30,711,458 | 32,448,066 |
| Expenses: | | | | | | |
| General government | 5,130,156 | 4,674,702 | - | - | 5,130,156 | 4,674,702 |
| Public works | 3,194,854 | 1,712,017 | - | - | 3,194,854 | 1,712,017 |
| Public safety | 12,991,032 | 12,666,122 | - | - | 12,991,032 | 12,666,122 |
| Parks and recreation | 3,220,419 | 3,270,374 | - | - | 3,220,419 | 3,270,374 |
| Other physical environment | 7,861 | 7,769 | - | - | 7,861 | 7,769 |
| Interest and other on long term debt | 115,055 | 83,880 | - | - | 115,055 | 83,880 |
| Water and sewer | - | - | 5,507,055 | 4,797,609 | 5,507,055 | 4,797,609 |
| Stormwater | - | - | 526,238 | 505,024 | 526,238 | 505,024 |
| Total expenses | 24,659,377 | 22,414,864 | 6,033,293 | 5,302,633 | 30,692,670 | 27,717,497 |
| Increase (decrease) in net position before transfers | (1,430,929) | 2,749,886 | 1,449,717 | 1,980,683 | 18,788 | 4,730,569 |
| Transfers | 1,350,000 | 1,165,631 | (1,350,000) | (1,165,631) | - | - |
| Increase (decrease) in Net position | (80,929) | 3,915,517 | 99,717 | 815,052 | 18,788 | 4,730,569 |
| Net position - October 1 | 65,599,278 | 61,683,761 | 34,781,434 | 33,966,382 | 100,380,712 | 95,650,143 |
| Net position - September 30 | \$ 65,518,349 | \$ 65,599,278 | \$ 34,881,151 | \$ 34,781,434 | \$ 100,399,500 | \$ 100,380,712 |

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

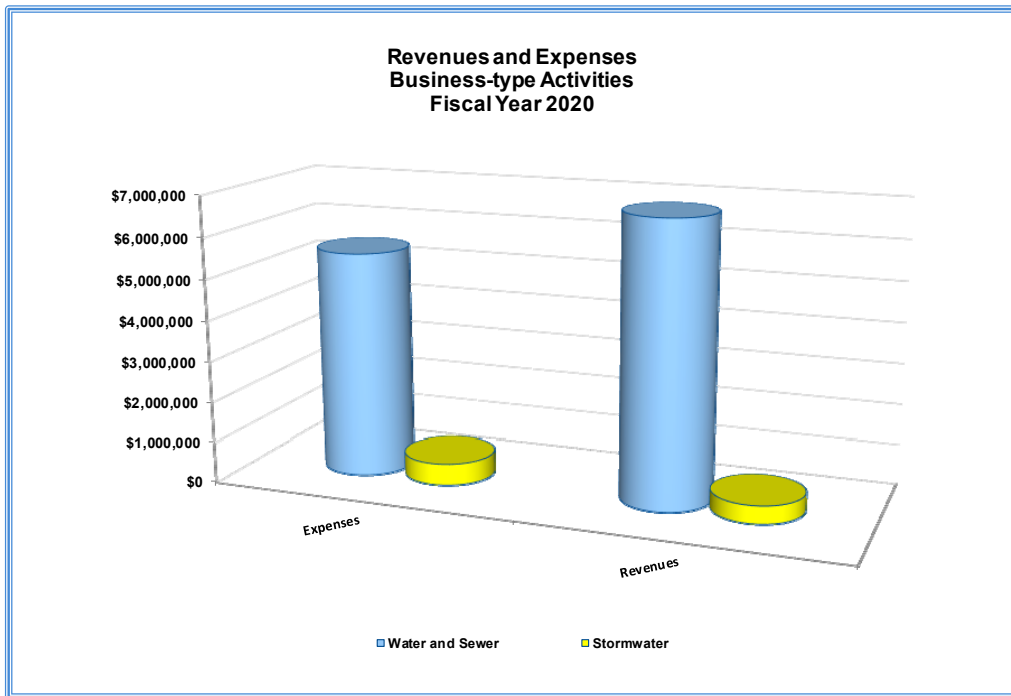


Revenue for governmental activities are shown graphically by type. The largest type of revenue for governmental activities is property taxes followed by utility taxes.

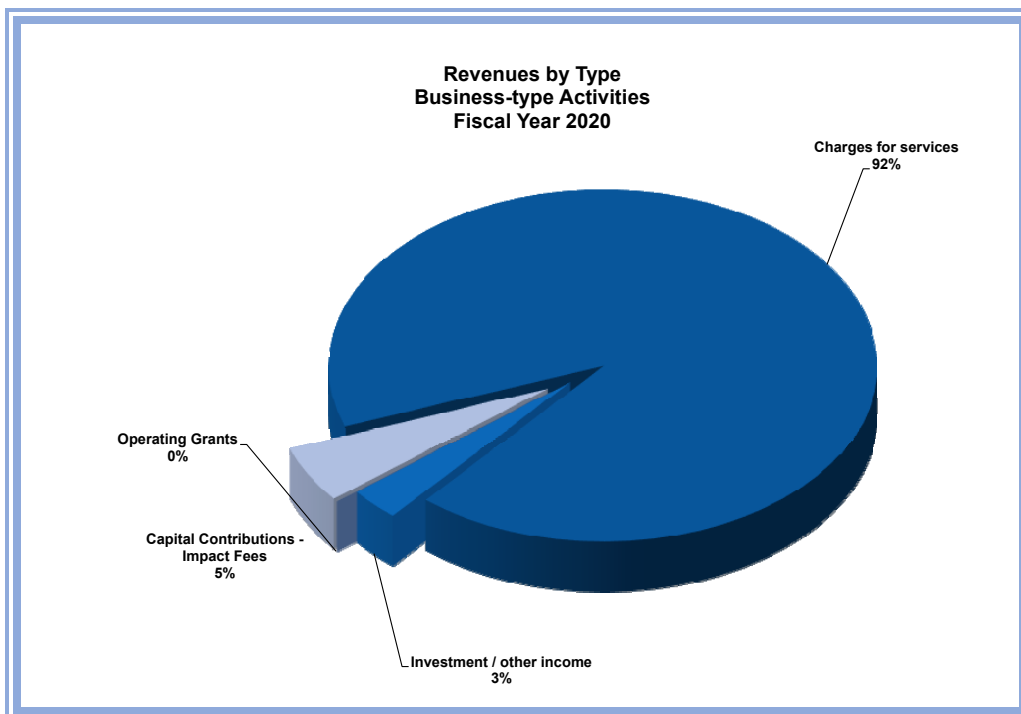


**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020**

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, 2020, the City's governmental funds reported combined ending fund balances of \$23,159,906 an decrease of \$2,018,655 in comparison with the prior year. Approximately 78% of this total amount \$17,985,396 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 \$5,174,510 or 22% of ending fund balance. Of this amount, \$10,386 is nonspendable as inventories and prepaid items; \$829,462 is restricted for special revenue funds, \$1,507,091 is restricted for capital projects funded by One-Cent Infrastructure Sales Tax and \$1,712,468 is restricted for building department; \$990,103 is committed to other capital projects. A total of \$125,000 is assigned to other capital projects as 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, 2020, the unassigned fund balance of the general fund was \$17,985,396 while the total fund balance decreased to \$19,833,250. The decrease was a result of a transfer of \$2,107,018 to the debt service fund to cover the payoff amount of Series 2012 Note. 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 74% of total general fund expenditures and transfers out, while total fund balance represents 82% of that same amount.

The adopted budget for the fiscal year 2020 projected an appropriation of fund balance in the amount of \$802,553. The actual decrease to the fund balance of the City's General Fund was \$1,256,977 during the fiscal year. Total actual revenue collections were \$516,240 more favorable than projected. Ad valorem tax revenues were over projections by \$84,996. Licenses and permits exceed expectations by \$631,624 and Charges for services revenues below expectations by \$270,588. Several other revenue categories also outperformed while some under performed. Overall expenditures were under budget by \$1,353,604 or 6.1%. 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 \$3,326,656, a net decrease of \$451,677 when compared to fiscal year 2019. This decrease is due to the biennial street resurfacing program that was completed in fiscal year 2020.

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020, unrestricted net position of the Water and Sewer Fund amounted to \$13,824,250, unrestricted net position of the Stormwater Utility Fund was \$554,274, and net position restricted for capital improvement in the Water and Sewer Fund was \$2,359,543. In total, the proprietary funds increased net position by \$99,717 over the prior year. Operating revenues increased 3.6% while operating expenses increased 13.8%.

General Fund Budgetary Highlights

Original budget compared to final budget. During fiscal year 2020, the general fund budget was amended to increase appropriations by \$2,326,301. Amendments were issued to account for transfers to the debt service fund to cover the payoff amount for the Series 2012 Note and the capital projects fund for the remaining costs of the 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 \$25,498,568 and actual expenditures (budgetary basis) \$24,142,931. General fund revenues exceeded the original budget by \$516,240, or 2.5%. Significant budgetary variances between the final amended budget and actual results are listed below:

- Property Taxes received increased 8.87% from last year, due to an increase in property valuations.
- Utility Tax and Franchise Fee revenue reported an overall increase of \$188,455 over budget due to increase in customer consumption.
- Licenses and Permits revenue outperformed projections by 38% due to new construction at Lake Mary Wellness and Technology Park, Orlando Health, TopGolf, Lake Emma Sound, and Griffin Park.
- Charges for Services reported an overall decrease of \$270,588 over budget due to recent economic conditions, including the associated uncertainty with the global COVID-19 pandemic.
- Actual expenditures were less than amended appropriations by \$1,353,604, a variance of 6.12%. It is expected each year that actual expenditures will be 5% less than budget.

Transfers to other funds were:

- \$2,454,083 to the Debt Service Fund.
- \$917,250 to the Capital Projects Fund.

Overall:

- The net decrease in the fund balance of the general fund was \$1,256,977.

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, 2020, amounts to \$60,188,639 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, water and sewer system, stormwater system, intangible assets, infrastructure, vehicles and equipment. The total net decrease in the City's capital assets for the current fiscal year was \$1,526,401.

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

| | Governmental activities | | Business-type activities | | Total | |
|------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 9,432,135 | \$ 9,432,135 | \$ 488,808 | \$ 488,808 | \$ 9,920,943 | \$ 9,920,943 |
| Buildings | 11,548,658 | 11,834,002 | 70,800 | 82,600 | 11,619,458 | 11,916,602 |
| Improvements other than bldg | 619,805 | 739,901 | - | - | 619,805 | 739,901 |
| Water/sewer system | - | - | 14,660,506 | 14,471,170 | 14,660,506 | 14,471,170 |
| Stormwater system | - | - | 1,534,409 | 1,736,641 | 1,534,409 | 1,736,641 |
| Intangible assets | 1,457,041 | 1,468,785 | - | - | 1,457,041 | 1,468,785 |
| Machinery and equipment | 900,255 | 943,186 | 46,006 | 61,208 | 946,261 | 1,004,394 |
| Vehicles | 3,138,056 | 3,429,489 | - | - | 3,138,056 | 3,429,489 |
| Infrastructure | 14,623,068 | 14,956,605 | - | - | 14,623,068 | 14,956,605 |
| Construction in progress | 326,537 | 312,268 | 1,342,555 | 1,758,242 | 1,669,092 | 2,070,510 |
| Total | <u>\$ 42,045,555</u> | <u>\$ 43,116,371</u> | <u>\$ 18,143,084</u> | <u>\$ 18,598,669</u> | <u>\$ 60,188,639</u> | <u>\$ 61,715,040</u> |

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

- Roof replacement at City Hall and Community Center, \$302,600.
- Well #3R Pump and Appurtenance, \$755,979
- Vehicle and equipment purchases including the replacement of a fire rescue truck, a compact track loader, and 6 PD replacement vehicles, \$836,377.

Major capital assets included in Construction in Progress:

- Meter Technology Upgrades, \$984,821.
- Downtown Stormwater upgrades, \$222,813.
- Replacement Vehicles, \$185,526

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, 2020**

Long-term debt. At the end of the current fiscal year, the City had no outstanding debt. The debt was paid in full during the year. Business-type activities have no outstanding debt.

Long Term Debt
As of September 30,

| | Governmental activities | |
|------------|-------------------------|--------------|
| | 2020 | 2019 |
| PIRRN 2012 | \$ - | \$ 2,663,000 |
| Total | \$ - | \$ 2,663,000 |

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

During the past fiscal year, the world experienced a pandemic whose long-term economic effects are yet unknown. Accordingly, a cautious fiscal approach is prudent as we navigate through FY 2021. That aside, development continues in the City with several active construction projects such as the Lake Mary Wellness and Technology Park, TopGolf, Lake Emma Sound, and Griffin Park. Anticipated projects in the coming year(s) include Phase II of the Orlando Health Medical Campus, new outparcels at The Oaks Shopping Center, and various additional residential and commercial infill projects. Furthermore, the strategic redevelopment of the Downtown area will continue as well with the mixed-use Dwell at Lake Mary project, continued build-out of the 4th Street area, and urban-style duplex housing next to Station House.

For FY 2021, taxable values in the City are projected to increase 6.75% from 2019 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. However, as green-field buildout approaches over the next several years, proper planning and strategic initiatives will be imperative in 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 and raise a family.

For the eight consecutive year, the City of Lake Mary held ad valorem millage rate at 3.5895. Combined property values reflecting a total increase of 6.75% which will yield \$584,695 more in ad valorem tax collections than last year. The budget also provides payments up to a total of \$207,150 for economic incentive program obligations payable after proof of fulfillment.

During the current fiscal year, the unassigned fund balance in the general fund was \$17,985,396. A total of \$125,000 of next year's appropriation is for transfers to fund general capital projects.

**CITY OF LAKE MARY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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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Basic Financial Statements



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City of Lake Mary, Florida
Statement of Net Position
September 30, 2020

| | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and equivalents | \$ 4,492,782 | \$ 1,982,258 | \$ 6,475,040 |
| Investments | 20,967,360 | 12,402,315 | 33,369,675 |
| Interest receivable | 22,084 | 14,534 | 36,618 |
| Accounts receivable (net of allowance for uncollectibles) | 1,590,067 | 873,981 | 2,464,048 |
| Due from other governmental units | 430,168 | - | 430,168 |
| Unbilled service charges | 911 | 157,027 | 157,938 |
| Special assessments-current | 2,907 | 5,935 | 8,842 |
| Inventories | 34,028 | 167,776 | 201,804 |
| Prepaid items | 7,487 | 39,986 | 47,473 |
| Restricted Assets: | | | |
| Temporarily restricted investments | 335,157 | 2,695,102 | 3,030,259 |
| Special assessments-noncurrent | - | 2,535 | 2,535 |
| Net pension asset | 1,420,580 | - | 1,420,580 |
| Capital Assets not being depreciated: | | | |
| Land | 9,432,135 | 488,808 | 9,920,943 |
| Construction in progress | 326,537 | 1,342,555 | 1,669,092 |
| Capital assets net of accumulated depreciation: | | | |
| Buildings | 11,548,658 | 70,800 | 11,619,458 |
| Improvements other than buildings | 619,805 | - | 619,805 |
| Water/sewer system | - | 14,660,506 | 14,660,506 |
| Stormwater system | - | 1,534,409 | 1,534,409 |
| Intangible assets | 1,457,041 | - | 1,457,041 |
| Machinery and equipment | 900,255 | 46,006 | 946,261 |
| Vehicles | 3,138,056 | - | 3,138,056 |
| Infrastructure | 14,623,068 | - | 14,623,068 |
| Total assets | <u>71,349,086</u> | <u>36,484,533</u> | <u>107,833,619</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of pension earnings | 917,198 | - | 917,198 |
| Deferred outflows related to OPEB | 895,403 | 73,970 | 969,373 |
| Total deferred outflows of resources | <u>1,812,601</u> | <u>73,970</u> | <u>1,886,571</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 2,030,216 | 1,102,151 | 3,132,367 |
| Unearned revenue | 100,424 | 4,203 | 104,627 |
| Noncurrent liabilities | | | |
| Liabilities payable from restricted assets | 335,157 | 335,559 | 670,716 |
| Due within one year | 3,522 | 7,509 | 11,031 |
| Due in more than one year | 3,913,186 | 223,907 | 4,137,093 |
| Total liabilities | <u>6,382,505</u> | <u>1,673,329</u> | <u>8,055,834</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of pension earnings | 1,212,137 | - | 1,212,137 |
| Deferred inflows related to OPEB | 48,696 | 4,023 | 52,719 |
| Total deferred inflows of resources | <u>1,260,833</u> | <u>4,023</u> | <u>1,264,856</u> |
| NET POSITION | | | |
| Net investment in capital assets | 42,045,555 | 18,143,084 | 60,188,639 |
| Restricted | 4,049,021 | 2,359,543 | 6,408,564 |
| Unrestricted | 19,423,773 | 14,378,524 | 33,802,297 |
| Total net position | <u>\$ 65,518,349</u> | <u>\$ 34,881,151</u> | <u>\$ 100,399,500</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, 2020

| Functions/Programs | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Primary government | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 5,130,156 | \$ 289,500 | \$ - | \$ - | \$ (4,840,656) | \$ - | \$ (4,840,656) |
| Public works | 3,194,854 | 10,230 | 408,497 | 986,966 | (1,789,161) | - | (1,789,161) |
| Public safety | 12,991,032 | 3,220,659 | 432,181 | - | (9,338,192) | - | (9,338,192) |
| Parks and recreation | 3,220,419 | 604,092 | - | - | (2,616,327) | - | (2,616,327) |
| Other physical environment | 7,861 | 15,450 | - | - | 7,589 | - | 7,589 |
| Interest & other fiscal charges on long-term debt | 115,055 | - | - | - | (115,055) | - | (115,055) |
| Total governmental activities | 24,659,377 | 4,139,931 | 840,678 | 986,966 | (18,691,802) | - | (18,691,802) |
| Business-type Activities: | | | | | | | |
| Water and sewer | 5,507,055 | 6,430,232 | - | 392,718 | - | 1,315,895 | 1,315,895 |
| Stormwater | 526,238 | 435,354 | - | - | - | (90,884) | (90,884) |
| Total business-type activities | 6,033,293 | 6,865,586 | - | 392,718 | - | 1,225,011 | 1,225,011 |
| Total primary government | 30,692,670 | 11,005,517 | 840,678 | 1,379,684 | (18,691,802) | 1,225,011 | (17,466,791) |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 9,109,225 | - | 9,109,225 |
| Franchise taxes | | | | | 2,377,003 | - | 2,377,003 |
| Utility taxes | | | | | 3,806,352 | - | 3,806,352 |
| Unrestricted intergovernmental revenues | | | | | 1,451,278 | - | 1,451,278 |
| Unrestricted investment earnings | | | | | 416,916 | 224,706 | 641,622 |
| Miscellaneous revenues | | | | | 70,602 | - | 70,602 |
| Gain on sale of asset | | | | | 29,497 | - | 29,497 |
| Transfers | | | | | 1,350,000 | (1,350,000) | - |
| Total general revenues and transfers | | | | | 18,610,873 | (1,125,294) | 17,485,579 |
| Change in net position | | | | | (80,929) | 99,717 | 18,788 |
| Net position - beginning | | | | | 65,599,278 | 34,781,434 | 100,380,712 |
| Net position - ending | | | | | \$ 65,518,349 | \$ 34,881,151 | \$ 100,399,500 |

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

City of Lake Mary, Florida
Balance Sheet
Governmental Funds
September 30, 2020

| | General Fund | Debt Service Fund | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|-------------------|----------------------|--------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,432,421 | \$ - | \$ 1,736,335 | \$ 3,168,756 |
| Investments | 18,332,060 | - | 1,680,712 | 20,012,772 |
| Interest receivable | 18,117 | - | 2,016 | 20,133 |
| Receivables (net of allowance for uncollectibles) | 1,567,467 | - | - | 1,567,467 |
| Unbilled service charges | 911 | - | - | 911 |
| Due from other governments | 328,189 | - | 101,979 | 430,168 |
| Special assessments-current | 2,907 | - | - | 2,907 |
| Inventories | 2,951 | - | - | 2,951 |
| Prepays | 7,435 | - | - | 7,435 |
| Restricted investments | 335,157 | - | - | 335,157 |
| Total assets | <u>\$ 22,027,615</u> | <u>\$ -</u> | <u>\$ 3,521,042</u> | <u>\$ 25,548,657</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 656,611 | \$ - | \$ 194,386 | \$ 850,997 |
| Accrued liabilities | 236,162 | - | - | 236,162 |
| Due to other governments | 10,140 | - | - | 10,140 |
| Unearned revenue | 100,424 | - | - | 100,424 |
| Other liabilities | 855,871 | - | - | 855,871 |
| Liabilities payable from restricted assets | 335,157 | - | - | 335,157 |
| Total liabilities | <u>2,194,365</u> | <u>-</u> | <u>194,386</u> | <u>2,388,751</u> |
| Fund balances: | | | | |
| Nonspendable | 10,386 | - | - | 10,386 |
| Restricted | 1,712,468 | - | 2,336,553 | 4,049,021 |
| Committed | - | - | 990,103 | 990,103 |
| Assigned | 125,000 | - | - | 125,000 |
| Unassigned | 17,985,396 | - | - | 17,985,396 |
| Total fund balances | <u>19,833,250</u> | <u>-</u> | <u>3,326,656</u> | <u>23,159,906</u> |
| Total liabilities and fund balances | <u>\$ 22,027,615</u> | <u>\$ -</u> | <u>\$ 3,521,042</u> | <u>\$ 25,548,657</u> |

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

City of Lake Mary, Florida
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2020

| | |
|---|----------------------|
| Total fund balance, governmental funds | \$ 23,159,906 |
| 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. | 38,721,973 |
| 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. | 5,536,810 |
| 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 | 551,768 |
| Long-term liabilities are not due and payable in the current period, and therefore are not reported in the funds: | |
| Compensated absences | (1,485,079) |
| Other post employment benefits | (1,665,038) |
| Net pension asset/liability are not due and payable in the current period and therefore, are not reported in the funds | 698,009 |
| Net position of governmental activities | <u>\$ 65,518,349</u> |

City of Lake Mary, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

| | General Fund | Debt Service Fund | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|--------------------|----------------------|--------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 9,109,225 | \$ - | \$ - | \$ 9,109,225 |
| Franchise | 2,377,003 | - | - | 2,377,003 |
| Utility | 3,806,352 | - | - | 3,806,352 |
| Licenses and permits | 2,293,624 | - | - | 2,293,624 |
| Intergovernmental revenues | 1,910,786 | - | 1,379,689 | 3,290,475 |
| Charges for services | 1,513,912 | - | 15,450 | 1,529,362 |
| Impact fees/assessments | 32,998 | - | 166,633 | 199,631 |
| Fines and forfeitures | 72,303 | - | 33,458 | 105,761 |
| Investment income | 346,966 | - | 36,475 | 383,441 |
| Other | 72,785 | - | - | 72,785 |
| Total revenues | <u>21,535,954</u> | <u>-</u> | <u>1,631,705</u> | <u>23,167,659</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 4,510,011 | - | 477,646 | 4,987,657 |
| Public works | 1,037,392 | - | 1,384,514 | 2,421,906 |
| Public safety | 12,390,422 | - | 474,483 | 12,864,905 |
| Parks and recreation | 2,740,038 | - | 58,271 | 2,798,309 |
| Other physical environment | - | - | 4,852 | 4,852 |
| Debt Service: | | | | |
| Principal | - | 2,663,000 | - | 2,663,000 |
| Interest and other fiscal charges | - | 101,084 | - | 101,084 |
| Capital Outlay: | | | | |
| General government | 18,155 | - | 210,488 | 228,643 |
| Public works | 67,958 | - | 265,718 | 333,676 |
| Public safety | 7,622 | - | 122,867 | 130,489 |
| Parks and recreation | - | - | 1,793 | 1,793 |
| Total expenditures | <u>20,771,598</u> | <u>2,764,084</u> | <u>3,000,632</u> | <u>26,536,314</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>764,356</u> | <u>(2,764,084)</u> | <u>(1,368,927)</u> | <u>(3,368,655)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,350,000 | 2,454,083 | 917,250 | 4,721,333 |
| Transfers out | (3,371,333) | - | - | (3,371,333) |
| Total other financing sources and uses | <u>(2,021,333)</u> | <u>2,454,083</u> | <u>917,250</u> | <u>1,350,000</u> |
| Net change in fund balances | (1,256,977) | (310,001) | (451,677) | (2,018,655) |
| Fund balances - beginning | 21,090,227 | 310,001 | 3,778,333 | 25,178,561 |
| Fund balances - ending | <u>\$ 19,833,250</u> | <u>\$ -</u> | <u>\$ 3,326,656</u> | <u>\$ 23,159,906</u> |

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

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, 2020

Net change in fund balances - total governmental funds: \$ (2,018,655)

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 | 632,483 | |
| Current year depreciation | (1,597,392) | (964,909) |

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 | | 2,663,000 |
|----------------------|--|-----------|

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 | (187,172) | |
| General capital assets contributed to internal service funds | 71,402 | (115,770) |

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

718,759

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

| | | |
|--|-----------|-----------|
| Change in deferred charge on refunding | (13,971) | |
| Change in compensated absences | (195,891) | |
| Change in OPEB liability | (153,492) | (363,354) |

Change in net position of governmental activities

\$ (80,929)

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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|----------------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 9,024,229 | \$ 9,024,229 | \$ 9,109,225 | \$ 84,996 |
| Franchise | 2,267,900 | 2,267,900 | 2,377,003 | 109,103 |
| Utility | 3,727,000 | 3,727,000 | 3,806,352 | 79,352 |
| Licenses and permits | 1,662,000 | 1,662,000 | 2,293,624 | 631,624 |
| Intergovernmental | 2,007,085 | 2,007,085 | 1,910,786 | (96,299) |
| Charges for services | 1,784,500 | 1,784,500 | 1,513,912 | (270,588) |
| Impact fees/assessments | 32,000 | 32,000 | 32,998 | 998 |
| Fines and forfeitures | 75,000 | 75,000 | 72,303 | (2,697) |
| Investment income | 225,000 | 225,000 | 346,966 | 121,966 |
| Other | 215,000 | 215,000 | 72,785 | (142,215) |
| Total revenues | <u>21,019,714</u> | <u>21,019,714</u> | <u>21,535,954</u> | <u>516,240</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 5,303,964 | 5,052,064 | 4,510,011 | 542,053 |
| Public safety | 12,623,373 | 12,678,073 | 12,390,422 | 287,651 |
| Public works | 1,023,824 | 1,153,054 | 1,037,392 | 115,662 |
| Parks and recreation | 3,092,641 | 3,092,641 | 2,740,038 | 352,603 |
| Capital outlay | | | | |
| General government | 5,000 | 5,000 | 18,155 | (13,155) |
| Public works | - | 67,970 | 67,958 | 12 |
| Public safety | 43,800 | 43,800 | 7,622 | 36,178 |
| Parks and recreation | 32,600 | 32,600 | - | 32,600 |
| Total Expenditures | <u>22,125,202</u> | <u>22,125,202</u> | <u>20,771,598</u> | <u>1,353,604</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,105,488)</u> | <u>(1,105,488)</u> | <u>764,356</u> | <u>1,869,844</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,350,000 | 1,350,000 | 1,350,000 | - |
| Transfers out | (1,047,065) | (3,373,366) | (3,371,333) | 2,033 |
| Total other financing sources and uses | <u>302,935</u> | <u>(2,023,366)</u> | <u>(2,021,333)</u> | <u>2,033</u> |
| Net change in fund balances | <u>(802,553)</u> | <u>(3,128,854)</u> | <u>(1,256,977)</u> | <u>1,871,877</u> |
| Fund balances - beginning | 21,090,227 | 21,090,227 | 21,090,227 | - |
| Fund balances - ending | <u>\$ 20,287,674</u> | <u>\$ 17,961,373</u> | <u>\$ 19,833,250</u> | <u>\$ 1,871,877</u> |

City of Lake Mary, Florida
Statement of Net Position
Proprietary Funds
September 30, 2020

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|-------------------------|---------------|-------------------------|
| | Water & Sewer Fund | Stormwater Utility Fund | Totals | Internal Service Fund |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 1,562,991 | \$ 419,267 | \$ 1,982,258 | \$ 1,324,026 |
| Investments | 12,287,961 | 114,354 | 12,402,315 | 954,588 |
| Interest receivable | 14,077 | 457 | 14,534 | 1,951 |
| Accounts receivable (net of allowance for uncollectibles) | 833,034 | 40,947 | 873,981 | 22,600 |
| Unbilled service charges | 144,342 | 12,685 | 157,027 | - |
| Special assessments- current | 1,399 | 4,536 | 5,935 | - |
| Inventories | 167,776 | - | 167,776 | 31,077 |
| Prepaid items | 39,979 | 7 | 39,986 | 52 |
| Total current assets | 15,051,559 | 592,253 | 15,643,812 | 2,334,294 |
| Noncurrent Assets: | | | | |
| Restricted Investments: | | | | |
| Customer deposits | 335,559 | - | 335,559 | - |
| Impact fee funds | 2,359,543 | - | 2,359,543 | - |
| Total restricted assets | 2,695,102 | - | 2,695,102 | - |
| Special assessments- noncurrent | 2,535 | - | 2,535 | - |
| Capital Assets: | | | | |
| Land | 488,808 | - | 488,808 | - |
| Construction in progress | 1,119,742 | 222,813 | 1,342,555 | 185,526 |
| Buildings | 472,000 | - | 472,000 | - |
| Water/sewer system | 24,805,972 | - | 24,805,972 | - |
| Stormwater system | - | 3,449,223 | 3,449,223 | - |
| Intangible assets | 102,200 | - | 102,200 | - |
| Machinery and equipment | 227,884 | 22,265 | 250,149 | - |
| Vehicles | - | - | - | 8,251,878 |
| Less accumulated depreciation | (10,835,482) | (1,932,341) | (12,767,823) | (5,113,822) |
| Total capital assets (net of accumulated depreciation) | 16,381,124 | 1,761,960 | 18,143,084 | 3,323,582 |
| Total noncurrent assets | 19,078,761 | 1,761,960 | 20,840,721 | 3,323,582 |
| Total assets | \$ 34,130,320 | \$ 2,354,213 | \$ 36,484,533 | \$ 5,657,876 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to OPEB | 63,566 | 10,404 | 73,970 | - |
| Total deferred outflows of resources | 63,566 | 10,404 | 73,970 | - |

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|----------------------------|---------------|----------------------------|
| | Water & Sewer Fund | Stormwater Utility Fund | Total | Internal Service Fund |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ 482,066 | \$ 2,187 | \$ 484,253 | \$ 73,664 |
| Accrued liabilities | 615,390 | 2,508 | 617,898 | 3,382 |
| Compensated absences | 5,607 | 1,902 | 7,509 | 3,522 |
| Total current liabilities | 1,103,063 | 6,597 | 1,109,660 | 80,568 |
| Noncurrent Liabilities: | | | | |
| Liabilities payable from restricted assets: | | | | |
| Customer deposits | 335,559 | - | 335,559 | - |
| Unearned revenue | 4,203 | - | 4,203 | - |
| Compensated absences | 64,486 | 21,874 | 86,360 | 40,498 |
| Other noncurrent liabilities | 118,201 | 19,346 | 137,547 | - |
| Total noncurrent liabilities | 522,449 | 41,220 | 563,669 | 40,498 |
| Total liabilities | 1,625,512 | 47,817 | 1,673,329 | 121,066 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to OPEB | 3,457 | 566 | 4,023 | - |
| Total deferred inflows of resources | 3,457 | 566 | 4,023 | - |
| NET POSITION | | | | |
| Net investment in capital assets | 16,381,124 | 1,761,960 | 18,143,084 | 3,323,582 |
| Restricted for capital improvement | 2,359,543 | - | 2,359,543 | - |
| Unrestricted | 13,824,250 | 554,274 | 14,378,524 | 2,213,228 |
| Total net position | \$ 32,564,917 | \$ 2,316,234 | \$ 34,881,151 | \$ 5,536,810 |



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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, 2020

| | Business Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|-------------------------|----------------------|-------------------------|
| | Water & Sewer Fund | Stormwater Utility Fund | Totals | Internal Service Fund |
| Operating Revenues: | | | | |
| Charges for Sales and Services: | | | | |
| Water sales | \$ 2,947,454 | \$ - | \$ 2,947,454 | \$ - |
| Sewer revenue | 2,528,245 | - | 2,528,245 | - |
| Stormwater fees | - | 435,354 | 435,354 | - |
| Other service charges | 954,533 | - | 954,533 | 1,195,830 |
| Total operating revenues | <u>6,430,232</u> | <u>435,354</u> | <u>6,865,586</u> | <u>1,195,830</u> |
| Operating Expenses: | | | | |
| Costs of operations | 4,740,365 | 321,494 | 5,061,859 | 319,267 |
| Administration | 162,877 | - | 162,877 | - |
| Depreciation | 592,917 | 202,961 | 795,878 | 1,124,524 |
| OPEB expense | 10,896 | 1,783 | 12,679 | - |
| Total operating expenses | <u>5,507,055</u> | <u>526,238</u> | <u>6,033,293</u> | <u>1,443,791</u> |
| Operating income (loss) | <u>923,177</u> | <u>(90,884)</u> | <u>832,293</u> | <u>(247,961)</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Investment income | 217,990 | 6,716 | 224,706 | 33,475 |
| Gain on sale of capital assets | - | - | - | 27,314 |
| Total non-operating revenue (expenses) | <u>217,990</u> | <u>6,716</u> | <u>224,706</u> | <u>60,789</u> |
| Income (loss) before contributions and transfers | 1,141,167 | (84,168) | 1,056,999 | (187,172) |
| Capital contributions- impact fees | 392,718 | - | 392,718 | - |
| Capital contributions- developers and others | - | - | - | 71,402 |
| Transfers in | - | - | - | - |
| Transfers out | <u>(1,350,000)</u> | <u>-</u> | <u>(1,350,000)</u> | <u>-</u> |
| Change in net position | <u>183,885</u> | <u>(84,168)</u> | <u>99,717</u> | <u>(115,770)</u> |
| Net position - beginning | <u>32,381,032</u> | <u>2,400,402</u> | <u>34,781,434</u> | <u>5,652,580</u> |
| Total net position - ending | <u>\$ 32,564,917</u> | <u>\$ 2,316,234</u> | <u>\$ 34,881,151</u> | <u>\$ 5,536,810</u> |

City of Lake Mary, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

| | Business-type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|----------------------------|--------------|----------------------------|
| | Water and Sewer Fund | Stormwater Utility Fund | Totals | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 5,914,097 | \$ 432,694 | \$ 6,346,791 | \$ - |
| Other operating cash receipts | 954,533 | - | 954,533 | - |
| Receipts from interfund services provided | - | - | - | 1,173,230 |
| Payments to suppliers | (3,347,967) | (210,289) | (3,558,256) | (15,085) |
| Payments to employees | (847,293) | (159,502) | (1,006,795) | (231,038) |
| Net cash provided by operating activities | 2,673,370 | 62,903 | 2,736,273 | 927,107 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers to other funds | (1,350,000) | - | (1,350,000) | - |
| Net cash provided (used) by non-capital financing activities | (1,350,000) | - | (1,350,000) | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Capital contributions - impact fees | 392,718 | - | 392,718 | - |
| Acquisition and construction of capital assets | (311,848) | (28,445) | (340,293) | (950,501) |
| Proceeds from sales of capital assets | - | - | - | 30,600 |
| Net cash provided (used) by capital and related financing activities | 80,870 | (28,445) | 52,425 | (919,901) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchases of investments | (144,888) | - | (144,888) | - |
| Interest and dividends received | 253,717 | 2,321 | 256,038 | 11,878 |
| Net cash provided by investing activities | 108,829 | 2,321 | 111,150 | 11,878 |
| Net increase (decrease) in cash and cash equivalents | 1,513,069 | 36,779 | 1,549,848 | 19,084 |
| Cash and cash equivalents - October 1 | 49,922 | 382,488 | 432,410 | 1,304,942 |
| Cash and cash equivalents - September 30 | \$ 1,562,991 | \$ 419,267 | \$ 1,982,258 | \$ 1,324,026 |

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

| | Business-type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|-------------------------|---------------------|-------------------------|
| | Water and Sewer Fund | Stormwater Utility Fund | Totals | Internal Service Fund |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ 923,177 | \$ (90,884) | \$ 832,293 | \$ (247,961) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 592,917 | 202,961 | 795,878 | 1,124,524 |
| (Increase) decrease in customer accounts receivable | 462,203 | (1,116) | 461,087 | (22,600) |
| (Increase) decrease in unbilled service charges | 7,055 | (1,544) | 5,511 | - |
| (Increase) decrease in inventory | 7,281 | - | 7,281 | 5,587 |
| (Increase) decrease in prepaid expense | (1,009) | (7) | (1,016) | (52) |
| Increase (decrease) in accounts payable | 92,714 | (54,265) | 38,449 | 66,800 |
| Increase (decrease) in accrued expenses | 601,172 | 111 | 601,283 | 53 |
| Increase (decrease) in OPEB obligation | 44,174 | 7,230 | 51,404 | - |
| Increase (decrease) in deferred inflows | (527) | (86) | (613) | - |
| (Increase) decrease in deferred outflows | (32,751) | (5,361) | (38,112) | - |
| Increase (decrease) in compensated absences payable | 7,824 | 5,864 | 13,688 | 756 |
| Increase (decrease) in customer deposits | (30,860) | - | (30,860) | - |
| Total adjustments | 1,750,193 | 153,787 | 1,903,980 | 1,175,068 |
| Net cash provided by operating activities | <u>\$ 2,673,370</u> | <u>\$ 62,903</u> | <u>\$ 2,736,273</u> | <u>\$ 927,107</u> |

The Water and Sewer Fund had a non-cash gain in the fair value of investments of \$29,032. The Stormwater fund had a non-cash gain in the fair value of investment of \$937. The Internal Service Fund has a non-cash gain in the fair market value of investments of \$3,928. The Internal Service Fund also had a non-cash contribution of \$71,402 from other governmental funds.

City of Lake Mary
Statement of Fiduciary Net Position
September 30, 2020

| | <u>Total Employee Pension Funds</u> |
|--|---|
| ASSETS | |
| Cash and cash equivalents | \$ 2,413,584 |
| Receivables: | |
| Interest receivable | 76,682 |
| Notes receivable - employee | 40,010 |
| Total receivables | <u>116,692</u> |
| Investments at Fair Value: | |
| Domestic corporate & govt bonds | 27,404,495 |
| Domestic stocks | 21,987,991 |
| International | 2,709,732 |
| Real estate | 3,504,445 |
| Total Investments | <u>55,606,663</u> |
| Total assets | <u>58,136,939</u> |
| LIABILITIES | |
| Accounts payable | 38,775 |
| Due to other funds | 14,589 |
| Total liabilities | <u>53,364</u> |
| Net Position Restricted for Pensions | <u>\$ 58,083,575</u> |

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

City of Lake Mary, Florida
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

| | <u>Total Employee Pension Funds</u> |
|---|---|
| ADDITIONS | |
| Contributions: | |
| City | \$ 1,915,081 |
| State | 392,912 |
| Employee | <u>461,130</u> |
| Total contributions | <u>2,769,123</u> |
| Investment Earnings: | |
| Interest | 1,011,455 |
| Net increase in fair value of investments | 3,970,365 |
| Less: investment expense | <u>(189,035)</u> |
| Total net investment earnings | <u>4,792,785</u> |
| Total additions | <u>7,561,908</u> |
| DEDUCTIONS | |
| Benefit payments | 2,302,540 |
| Refunds of contributions | 221,690 |
| Administrative expenses | <u>113,894</u> |
| Total deductions | <u>2,638,124</u> |
| Change in net position | 4,923,784 |
| Net position - beginning | <u>53,159,791</u> |
| Net position - ending | <u><u>\$ 58,083,575</u></u> |

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

CITY OF LAKE MARY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

Notes to fs

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

The government reports the following major enterprise funds:

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

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

Additionally, the government reports the following fund types:

Special revenue funds account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Non-major special revenue funds include the Police Education Fund, 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.

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.

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 \$660 available as petty cash.

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

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 2020 is \$2,058,630 for governmental funds, \$47,416 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 |

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 two items which qualify for reporting in this category. It is the deferred outflow of pension resources, and deferred outflows related to OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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, 2020, 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, 2020 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. New accounting standards

In fiscal year 2020, the City implemented Government Accounting Standards Board (GASB) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement eliminates the requirement to capitalize interest on enterprise fund construction projects. The City also implemented GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This pronouncement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of provisions in certain other statements. There was no effect on beginning balances of the City for the implementation of either statement.

J. 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.

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, 2020, the City had the following investments:

| Investment Type | Fair Value | Weighted Average Maturity (years) |
|---------------------------------|----------------------|-----------------------------------|
| U.S. Agencies | \$ 8,707,701 | 3.02 years |
| Certificates of deposit | 74,234 | n/a |
| Commercial paper | 27,617,999 | 260 days |
| Total Fair Value of Investments | <u>\$ 36,399,934</u> | |

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

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. The valuation technique(s) to value Level 2 investment is a model that takes into consideration both the yield curve and option adjusted spread (OAS) to determine the fair market value. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs. Level 2 investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered active.

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

- U.S. Agencies of \$8,707,701 are valued using Level 2 inputs.
- Commercial paper of \$27,617,999 is valued using Level 2 inputs.

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

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, 2020. All agencies held by the City on September 30, 2020, 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, 2020, 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, 2020:

| 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 | \$ 211,606 | 27.65 | \$ 522,972 | 18.76 | \$ - | n/a |
| U.S. Agencies & BAB's | 2,572,635 | 15.42 | 2,348,498 | 17.99 | - | n/a |
| Corporate Bonds | 5,621,693 | 5.91 | 5,012,655 | 5.90 | 2,307,254 * | unk |
| Corporate Stocks | 11,665,647 | n/a | 10,322,344 | n/a | 8,705,100 | n/a |
| International & other securities | 2,709,732 | n/a | - | n/a | 102,082 | n/a |
| Real Estate | 1,145,815 | n/a | 2,358,630 | n/a | - | n/a |
| Total Investments | 23,927,128 | | 20,565,099 | | 11,114,436 | |
| Cash and Cash Equivalents | 719,788 | n/a | 974,613 | n/a | \$ 719,183 | n/a |
| Total Cash and Investments | \$ 24,646,916 | | \$ 21,539,712 | | \$ 11,833,619 | |

* 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, 2020 for pension funds:

- U.S. Treasuries are valued using Level 2 inputs.
- U.S. Agencies and BABS are valued using Level 2 inputs
- Corporate Bonds are valued using Level 2 inputs
- Corporate Stocks are valued using Level 1 inputs
- 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, 17% are rated by Moody's as A3 or better, 18% are rated by Moody's as Baa1 to Baa3, and 65% unrated. Fire Pension investments are 21% rated by Moody's as A3 or better, 12% rated Baa1 to Baa3, with 67% 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, 2020, 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 | Internal Service Fund | Total |
|------------------------------------|---------------------|----------------------|------------------|-----------------------|---------------------|
| Accounts receivables | \$ 2,019,985 | \$ 879,733 | \$ 63,098 | \$ 22,600 | \$ 2,985,416 |
| Less: allowance for uncollectibles | (452,518) | (46,699) | (22,151) | - | (521,368) |
| Net receivables | <u>\$ 1,567,467</u> | <u>\$ 833,034</u> | <u>\$ 40,947</u> | <u>\$ 22,600</u> | <u>\$ 2,464,048</u> |

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D. Capital Assets

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,877,375 | \$ - | \$ - | \$ 6,877,375 |
| Land under infrastructure | 2,554,760 | - | - | 2,554,760 |
| Construction in progress | 312,268 | 675,669 | (661,400) | 326,537 |
| Total capital assets, not being depreciated | <u>9,744,403</u> | <u>675,669</u> | <u>(661,400)</u> | <u>9,758,672</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 24,707,504 | 302,599 | - | 25,010,103 |
| Improvements other than building | 4,382,758 | - | (13,763) | 4,368,995 |
| Intangible assets | 1,657,751 | - | (81,234) | 1,576,517 |
| Equipment | 3,369,881 | 142,341 | (184,715) | 3,327,507 |
| Infrastructure | 28,257,007 | 358,800 | - | 28,615,807 |
| Vehicles | 7,722,295 | 836,377 | (306,794) | 8,251,878 |
| Total capital assets, being depreciated: | <u>70,097,196</u> | <u>1,640,117</u> | <u>(586,506)</u> | <u>71,150,807</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (12,873,502) | (587,943) | - | (13,461,445) |
| Improvements other than buildings | (3,642,857) | (120,096) | 13,763 | (3,749,190) |
| Intangible assets | (188,966) | (11,744) | 81,234 | (119,476) |
| Equipment | (2,426,695) | (185,272) | 184,715 | (2,427,252) |
| Infrastructure | (13,300,402) | (692,337) | - | (13,992,739) |
| Vehicles | (4,292,806) | (1,124,524) | 303,508 | (5,113,822) |
| Total accumulated depreciation | <u>(36,725,228)</u> | <u>(2,721,916)</u> | <u>583,220</u> | <u>(38,863,924)</u> |
| Total capital assets, being depreciated, net | <u>33,371,968</u> | <u>(1,081,799)</u> | <u>(3,286)</u> | <u>32,286,883</u> |
| Governmental activities capital assets, net | <u>\$ 43,116,371</u> | <u>\$ (406,130)</u> | <u>\$ (664,686)</u> | <u>\$ 42,045,555</u> |

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---------------------|---------------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 488,808 | \$ - | \$ - | \$ 488,808 |
| Construction in progress | 1,758,242 | 340,293 | (755,980) | 1,342,555 |
| Total capital assets, not being depreciated | <u>2,247,050</u> | <u>340,293</u> | <u>(755,980)</u> | <u>1,831,363</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 472,000 | - | - | 472,000 |
| Water/sewer system | 24,049,992 | 755,980 | - | 24,805,972 |
| Stormwater system | 3,762,872 | - | (313,649) | 3,449,223 |
| Intangible Assets | 102,200 | - | - | 102,200 |
| Machinery and equipment | 258,174 | - | (8,025) | 250,149 |
| Total capital assets, being depreciated: | <u>28,645,238</u> | <u>755,980</u> | <u>(321,674)</u> | <u>29,079,544</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (389,400) | (11,800) | - | (401,200) |
| Water/sewer system | (9,578,822) | (566,644) | - | (10,145,466) |
| Stormwater system | (2,026,231) | (202,232) | 313,649 | (1,914,814) |
| Intangible Assets | (102,200) | - | - | (102,200) |
| Machinery and equipment | (196,966) | (15,202) | 8,025 | (204,143) |
| Total accumulated depreciation | <u>(12,293,619)</u> | <u>(795,878)</u> | <u>321,674</u> | <u>(12,767,823)</u> |
| Total capital assets, being depreciated, net | <u>16,351,619</u> | <u>(39,898)</u> | <u>-</u> | <u>16,311,721</u> |
| Business-type capital assets, net | <u>\$ 18,598,669</u> | <u>\$ 300,395</u> | <u>\$ (755,980)</u> | <u>\$ 18,143,084</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| General government | \$ 85,832 |
| Public works | 692,590 |
| Police | 214,546 |
| Fire | 232,439 |
| Parks | 368,976 |
| 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>1,124,524</u> |
| Total depreciation expense | <u>\$ 2,721,916</u> |

Depreciation expense was charged to business type activities as follows:

| | |
|----------------------------|-------------------|
| Water/sewer system | \$ 592,917 |
| Stormwater system | 202,961 |
| Total depreciation expense | <u>\$ 795,878</u> |

E. Accrued liabilities

Accrued liabilities reported by governmental funds at September 30, 2020 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, 2020, were determined as part of the actuarial valuation of each plan as of October 1, 2019, and reviewed as part of the actuarial valuation as of October 1, 2019, 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, 2019:

| | |
|---|-----------|
| Inactive Plan members or beneficiaries currently receiving benefits | 26 |
| Inactive Plan members entitled to but not yet receiving benefits | 23 |
| Active Plan Members | 43 |
| Total | <u>92</u> |

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, 2020, the active member contribution rate was 5.0% of annual pay, and the City plus State contribution is the remaining requirement.

Investments

Investment Policy: The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing the short-term volatility of results. To achieve these objectives, the Board seeks to create a conservative, well diversified and balanced portfolio of high quality equity, convertible, fixed income, real estate, master limited partnerships and money market securities. The following was the Board's adopted asset allocation policy as of September 30, 2020:

| 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, 2020, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 8.33%. 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, 2020 is \$0.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020. 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, 2020 were as follows:

| | Police Officers' Pension Fund |
|---|----------------------------------|
| Total pension liability | \$ 23,256,810 |
| Plan fiduciary net position | (24,677,390) |
| City's net pension liability (asset) | <u>\$ (1,420,580)</u> |
| Plan fiduciary net position as a percentage of total pension liability | 106.11% |

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions 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 Mortality Improvement Scale MP-2018. 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, 2019 FRS valuation report for special risk participants.

The actuarial assumptions used in the October 1, 2019 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, 2020 are summarized in the following table:

| Asset Class | Long Term Expected Real Rate of Return |
|----------------------|---|
| Domestic Equity | 8.5% |
| International Equity | 4.1% |
| Bonds | 3.7% |
| Convertibles | 7.9% |
| Private Real Estate | 5.0% |
| Infrastructure | 6.4% |

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

| | | Increase (Decrease) | |
|--|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances at September 30, 2019 | \$ 21,511,844 | \$ 23,145,633 | \$ (1,633,789) |
| Changes for the year: | | | |
| Service cost | 847,935 | - | 847,935 |
| Interest | 1,636,092 | - | 1,636,092 |
| Share plan allocation | 29,315 | - | 29,315 |
| Differences between expected and actual experience | 366,589 | - | 366,589 |
| Changes of assumption | (44,515) | - | (44,515) |
| Contributions - employer | - | 548,192 | (548,192) |
| Contributions - state | - | 195,285 | (195,285) |
| Contributions - employee | - | 156,615 | (156,615) |
| Net investment income | - | 1,774,969 | (1,774,969) |
| Benefit payments, including refunds of employee contributions | (1,090,450) | (1,090,450) | - |
| Administrative expense | - | (52,854) | 52,854 |
| Net changes | 1,744,966 | 1,531,757 | 213,209 |
| Balances at September 30, 2020 | <u>\$ 23,256,810</u> | <u>\$ 24,677,390</u> | <u>\$ (1,420,580)</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) | <u>\$ 1,235,808</u> | <u>\$ (1,420,580)</u> | <u>\$ (3,639,566)</u> |

Deferred outflows and inflows of resources:

For the year ended September 30, 2020, the City will recognize a pension expense of \$521,719. On September 30, 2020, 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 | \$ 274,941 | \$ 236,821 |
| Changes of assumptions | - | 33,387 |
| Net difference between Projected and actual earnings on pension plan investments | 399,841 | - |
| Total | \$ 674,782 | \$ 270,208 |

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:

| | |
|------------|-------------|
| 2021 | \$ (91,159) |
| 2022 | 223,989 |
| 2023 | 281,377 |
| 2024 | (9,633) |
| 2025 | - |
| 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, 2019:

| | |
|---|-----------|
| Inactive Plan members or beneficiaries currently receiving benefits | 16 |
| Inactive Plan members entitled to but not yet receiving benefits | 3 |
| Active Plan Members | 41 |
| Total | 60 |

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

Normal Retirement:

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

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

Early Retirement:

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

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

Termination Benefit:

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

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

Disability Retirement:

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

Pre-Retirement Death Benefits:

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

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

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

Contributions. The Board establishes contributions based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability, as provided in Chapter 112, Florida Statutes. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended September 30, 2020, the active member contribution rate was 5.0% of annual pay, and the City and state contribution was the remaining requirement.

Investments

Investment Policy. The pension plan's policy relating to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members, and must be approved by the City commission. The investment objective of the Board is to 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, 2020:

| Asset Class | Target Allocation |
|----------------------------|-------------------|
| Domestic equity securities | 47.90% |
| Short Term Investments | 4.50% |
| Bonds | 36.60% |
| Private real estate | 11.00% |
| 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, 2020, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 11.61%. 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, 2020 is \$0.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020. 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, 2020 were as follows:

| | Firefighters' Pension Fund |
|---|-------------------------------|
| Total pension liability | \$ 22,278,163 |
| Plan fiduciary net position | (21,555,592) |
| City's net pension liability | <u>\$ 722,571</u> |
| Plan fiduciary net position as a percentage of total pension liability | 96.76% |

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions 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, 2018 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, 2020 are summarized in the following table:

| Asset Class | Long Term Expected Real Rate of Return |
|----------------------|---|
| Domestic equity | 8.47% |
| International equity | 4.07% |
| Bonds | 3.74% |
| Convertibles | 7.91% |
| Private real estate | 4.95% |
| Infrastructure | 6.39% |

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, 2019 | \$ 20,843,342 | \$ 19,091,143 | \$ 1,752,199 |
| Changes for the year: | | | |
| Service cost | 759,939 | - | 759,939 |
| Interest | 1,485,894 | - | 1,485,894 |
| Changes of benefit terms | 6,572 | - | 6,572 |
| Differences between expected and actual experience | (79,059) | - | (79,059) |
| Assumption changes | - | - | - |
| Contributions - employer and state | - | 998,131 | (998,131) |
| Contributions - employee | - | 145,991 | (145,991) |
| Net investment income | - | 2,132,171 | (2,132,171) |
| Benefit payments, including refunds of employee contributions | (752,462) | (752,462) | - |
| Refunds | - | - | - |
| Other (change in state contribution reserve) | 13,937 | - | 13,937 |
| Administrative expense | - | (59,382) | 59,382 |
| Net changes | 1,434,821 | 2,464,449 | (1,029,628) |
| Balances at September 30, 2020 | \$ 22,278,163 | \$ 21,555,592 | \$ 722,571 |

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 | \$ 3,519,696 | \$ 722,571 | \$ (1,593,482) |

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

For the year ended September 30, 2020, the City will recognize a pension expense of \$501,130. On September 30, 2020, 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 | \$ 137,619 | \$ 351,191 |
| Changes in assumptions | 106,797 | 135,740 |
| Actual investment earnings different than assumed | - | 456,998 |
| Total | \$ 244,416 | \$ 943,929 |

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:

| | | |
|------------|----|-----------|
| 2021 | \$ | (279,809) |
| 2022 | | (156,149) |
| 2023 | | (109,266) |
| 2024 | | (145,648) |
| 2025 | | (2,560) |
| Thereafter | | (6,081) |

Aggregate Amounts of All Pension Plans

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

| | Net Pension Asset (Liability) | Deferred Inflows | Deferred Outflows | Pension expense |
|----------------------------|-------------------------------------|-----------------------|----------------------|---------------------|
| Police Pension Plan | \$ 1,420,580 | \$ (270,208) | \$ 674,782 | \$ 521,719 |
| Firefighters' Pension Plan | (722,571) | (943,929) | 244,416 | 501,130 |
| Total | <u>\$ 698,009</u> | <u>\$ (1,214,137)</u> | <u>\$ 919,198</u> | <u>\$ 1,022,849</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, 2020, payroll for the employees covered by this plan was \$4,676,999. Employer contributions required and made were \$559,229, with voluntary contributions of \$158,524. During FY 2020, the City was able to reallocate forfeited funds remaining in the plan to reduce its cash contribution by \$25,000. As of September 30, 2020, participation in the plan consisted of 90 active members. The outstanding employee loan amount at September 30, 2020 was \$40,010.

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, 2020**

| | Police Pension Trust | Fire Pension Trust | General Employees Pension | Total Employee Pension Funds |
|---|---------------------------------|-------------------------------|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 719,788 | \$ 974,613 | \$ 719,183 | \$ 2,413,584 |
| Receivables: | | | | |
| Interest receivable | 49,668 | 27,014 | - | 76,682 |
| Notes receivable - employee | - | - | 40,010 | 40,010 |
| Total receivables | 49,668 | 27,014 | 40,010 | 116,692 |
| Investments at fair value | | | | |
| Domestic corporate & govt bonds | 8,405,934 | 7,884,125 | 11,114,436 | 27,404,495 |
| Domestic stocks | 11,665,647 | 10,322,344 | - | 21,987,991 |
| International | 2,709,732 | - | - | 2,709,732 |
| Real estate | 1,145,815 | 2,358,630 | - | 3,504,445 |
| Total Investments | 23,927,128 | 20,565,099 | 11,114,436 | 55,606,663 |
| Total assets | 24,696,584 | 21,566,726 | 11,873,629 | 58,136,939 |
| LIABILITIES | | | | |
| Accounts payable | 19,194 | 19,581 | - | 38,775 |
| Due to other funds | - | 14,589 | - | 14,589 |
| Total liabilities | 19,194 | 34,170 | - | 53,364 |
| Net Position Restricted for Pensions | \$ 24,677,390 | \$ 21,532,556 | \$ 11,873,629 | \$ 58,083,575 |

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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, 2020

| | Police Pension Trust | Fire Pension Trust | General Employees Pension | Total Employee Pension Funds |
|---------------------------------------|---------------------------------|-------------------------------|--|---|
| ADDITIONS | | | | |
| Contributions: | | | | |
| City | \$ 548,192 | \$ 807,590 | \$ 559,299 | \$ 1,915,081 |
| State | 195,285 | 197,627 | - | 392,912 |
| Employee | 156,615 | 145,991 | 158,524 | 461,130 |
| Total contributions | <u>900,092</u> | <u>1,151,208</u> | <u>717,823</u> | <u>2,769,123</u> |
| Investment Earnings: | | | | |
| Interest | 555,721 | 455,726 | 8 | 1,011,455 |
| Increase in fair value of investments | 1,338,317 | 1,746,411 | 885,637 | 3,970,365 |
| Less: investment expense | (119,069) | (69,966) | - | (189,035) |
| Total net investment earnings | <u>1,774,969</u> | <u>2,132,171</u> | <u>885,645</u> | <u>4,792,785</u> |
| Total additions | <u>2,675,061</u> | <u>3,283,379</u> | <u>1,603,468</u> | <u>7,561,908</u> |
| DEDUCTIONS | | | | |
| Benefit payments | 872,864 | 748,358 | 681,318 | 2,302,540 |
| Refunds of contributions | 217,586 | 4,104 | - | 221,690 |
| Administrative expenses | 52,854 | 59,382 | 1,658 | 113,894 |
| Total deductions | <u>1,143,304</u> | <u>811,844</u> | <u>682,976</u> | <u>2,638,124</u> |
| Change in net position | 1,531,757 | 2,471,535 | 920,492 | 4,923,784 |
| Net position - beginning | <u>23,145,633</u> | <u>19,061,021</u> | <u>10,953,137</u> | <u>53,159,791</u> |
| Net position - ending | <u>\$ 24,677,390</u> | <u>\$ 21,532,556</u> | <u>\$ 11,873,629</u> | <u>\$ 58,083,575</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 ten retirees currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

As of October 1, 2019, the valuation date, there were 180 active employees and 10 inactive employees currently receiving benefits. The OPEB liability of \$1,802,585 was measured as of September 30, 2020 and was determined by the actuarial valuation. The covered payroll was \$10,234,767, and the ratio of Net OPEB liability as a percentage of covered payroll was 17.61%.

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 | 6.5% |
| Ultimate Health Care Cost Trend Rate | 4.50% |
| Fiscal Year the Ultimate Rate is Reached | Fiscal year 2036 |
| Additional Information | |
| Valuation Date | October 1, 2019 |
| Measurement Date | September 30, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Discount Rate* | 2.14% |
| Inflation Rate | 3% |
| Salary Rate Increase | 4% |
| Funded Ratio (Fiduciary Net Position as a percentage of Total OPEB Liability) | 0% |
| Covered Payroll | \$ 10,234,767 |
| Net OPEB Liability as a Percentage of Covered Payroll | 17.61% |

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

Below are the details regarding the Total OPEB liability for the measurement period from October1, 2019, to September 30, 2020.

| | Total OPEB Liability |
|---|---------------------------------|
| Balance as of 9/30/2019 | <u>\$1,128,927</u> |
| Changes for the year: | |
| Service Cost | \$ 70,305 |
| Interest on Total OPEB Liability | 39,207 |
| Difference Between Expected & Actual Experience | 177,761 |
| Changes of Assumptions and Other Inputs | 373,244 |
| Benefit Payments | (65,494) |
| Other Changes | 78,635 |
| Net Changes | <u>\$ 673,658</u> |
| Balance as of 9/30/2020 | <u><u>\$1,802,585</u></u> |

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

| | Decrease 1.14% | Discount Rate 2.14% | Increase 3.14% |
|--------------------|-------------------|------------------------|-------------------|
| Net OPEB Liability | \$ 1,951,097 | \$ 1,802,585 | \$ 1,665,913 |

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

| | Decrease 1% | Health Care Trend | Increase 1% |
|--------------------|----------------|----------------------|----------------|
| Net OPEB Liability | \$ 1,625,931 | \$ 1,802,585 | \$ 2,007,674 |

For the fiscal year ended September 30, 2020, 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 | \$ 462,628 | \$ - |
| Changes of assumptions | 506,744 | 52,720 |
| Total | <u>\$ 969,372</u> | <u>\$ 52,720</u> |

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, | |
|-------------------------------------|------------|
| 2021 | \$ 122,155 |
| 2022 | 122,155 |
| 2023 | 122,155 |
| 2024 | 122,155 |
| 2025 | 122,155 |
| Thereafter | 305,877 |

Summary of Benefits

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

H. Construction and other significant commitments

The water treatment plant enhancement project was carried forward into fiscal year 2021 in the amount of \$310,840.

Mobile diesel generators were carried forward into fiscal year 2021 in the amount of \$118,435.

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, 2020 were as follows:

| | Encumbrances |
|-------------------------------|-------------------|
| General Fund | \$ 88,291 |
| General Capital Projects Fund | 91,687 |
| Nonmajor governmental funds | 161,699 |
| Enterprise Funds | 628,209 |
| | <u>\$ 969,886</u> |

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, 2020. The cost of the insurance is allocated among the appropriate departments and funds.

J. Lease obligations

1. Capital Leases:

On September 30, 2020, the City had no capital leases outstanding.

2. Operating Leases:

The City leases copier equipment, digital mailing system equipment and folder/inserters equipment under non-cancelable operating leases with a duration of 60 months each. The total cost for such leases was \$26,108 for the year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

| Year Ending September 30, | | |
|---------------------------|----|---------------|
| 2021 | \$ | 24,358 |
| 2022 | | 18,026 |
| 2023 | | 4,874 |
| 2024 | | 976 |
| Total Operating Leases | \$ | <u>48,234</u> |

K. Long term liabilities

Notes payable – Direct Borrowing

Notes payable during September 30, 2020 comprised of Public Improvement Refunding Revenue Note, Series 2012, with original amount of \$4,250,000, due annually on October 1 of each year to October 1, 2027, interest rate at 2.93%. During the year the City paid the remaining outstanding balance of \$2,663,000.

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.

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, 2020, the following changes occurred in long term liabilities:

| | Balance 09/30/2019 | Reductions | Additions | Balance 09/30/2020 | Balance Due within One Year |
|--|-----------------------|----------------------|-------------------|-----------------------|-----------------------------------|
| Governmental activities | | | | | |
| Public Improvement Refunding Revenue Note Series 2012 | \$ 2,663,000 | \$(2,663,000) | \$ - | \$ - | \$ - |
| Other post employment benefits | 1,042,784 | - | 622,254 | 1,665,038 | - |
| Net pension Liability | 1,752,199 | (1,029,628) | - | 722,571 | - |
| Compensated absences | 1,332,452 | (25,512) | 224,700 | 1,531,640 | 122,531 |
| Governmental activity long-term liabilities | <u>\$ 6,790,435</u> | <u>\$(3,718,140)</u> | <u>\$ 846,954</u> | <u>\$ 3,919,249</u> | <u>\$ 122,531</u> |
| Business-type activities: | | | | | |
| Other post employment benefits | \$ 86,143 | \$ - | \$ 51,404 | \$ 137,547 | - |
| Compensated absences | 80,181 | (58) | 13,746 | 93,869 | 7,509 |
| Business-type activity long-term liabilities | <u>\$ 166,324</u> | <u>\$ (58)</u> | <u>\$ 65,150</u> | <u>\$ 231,416</u> | <u>\$ 7,509</u> |

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

| Fund Balances | General Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------|---------------------|--------------------------------|--------------------------------|
| Nonspendable: | | | |
| Inventory/prepays | \$ 10,386 | \$ - | \$ 10,386 |
| Restricted for: | | | |
| Public works | - | 38,215 | 38,215 |
| Public safety | - | 568,195 | 568,195 |
| Parks and recreation | - | 167,042 | 167,042 |
| Other physical environment | - | 56,010 | 56,010 |
| Building department | 1,712,468 | - | 1,712,468 |
| Other capital projects | - | 1,507,091 | 1,507,091 |
| Committed to: | | | |
| Other capital projects | - | 990,103 | 990,103 |
| Assigned to: | | | |
| Capital projects | 125,000 | - | 125,000 |
| Unassigned fund balance | 17,985,396 | - | 17,985,396 |
| Total fund balance | <u>\$19,833,250</u> | <u>\$ 3,326,656</u> | <u>\$23,159,906</u> |

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M. Interfund transfers

The composition of interfund transfers for the year ended September 30, 2020 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. |
| Debt Service Fund | 2,454,083 | Transfer from the General Fund to cover the debt service payments for Public Improvement Revenue Refunding Note Series 2012. |
| Capital Projects Fund | 917,250 | 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, 2020, the City abated taxes totaling \$405,329 under this program.

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CITY OF LAKE MARY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | |
| Service cost | \$ 847,935 | \$ 711,092 | \$ 815,164 | \$ 786,087 | \$ 699,691 | \$ 671,221 | \$ 680,756 |
| Interest | 1,636,092 | 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 | 29,315 | 23,487 | 16,131 | 13,125 | 212,226 | - | - |
| Differences between expected and actual experience | 366,589 | (162,738) | (621,805) | (44,067) | (57,497) | (698,228) | - |
| Assumption changes | (44,515) | - | - | 41,017 | 375,825 | - | - |
| Contributions - buy back | - | - | 11,000 | - | 36,773 | 23,490 | - |
| Benefit payments, including refunds of member contributions | (1,090,450) | (787,146) | (757,705) | (611,052) | (574,995) | (504,618) | (494,468) |
| Net change in total pension liability | 1,744,966 | 1,322,695 | 939,251 | 1,548,739 | 1,722,116 | 658,428 | 1,259,486 |
| Total pension liability - beginning | 21,511,844 | 20,189,149 | 19,249,898 | 17,701,159 | 15,979,043 | 15,320,615 | 14,061,129 |
| Total pension liability - ending (a) | \$23,256,810 | \$21,511,844 | \$20,189,149 | \$19,249,898 | \$17,701,159 | \$15,979,043 | \$15,320,615 |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | \$ 548,192 | \$ 540,893 | \$ 629,559 | \$ 620,418 | \$ 600,951 | \$ 690,683 | \$ 789,579 |
| Contributions - state | 195,285 | 183,629 | 168,916 | 162,904 | 154,751 | 139,620 | 133,190 |
| Contributions - employee | 156,615 | 149,072 | 139,682 | 139,829 | 137,252 | 128,132 | 136,573 |
| Contributions - buy back | - | - | 11,000 | - | 36,773 | 23,490 | - |
| Net investment income | 1,774,969 | 634,605 | 1,641,052 | 2,177,717 | 1,584,417 | (142,157) | 1,416,817 |
| Benefit payments, including refunds of member contributions | (1,090,450) | (787,146) | (757,705) | (611,052) | (574,995) | (504,618) | (494,468) |
| Administrative expense | (52,854) | (52,749) | (53,223) | (50,923) | (37,977) | (41,419) | (26,130) |
| Net change in plan fiduciary net position | 1,531,757 | 668,304 | 1,779,281 | 2,438,893 | 1,901,172 | 293,731 | 1,955,561 |
| Plan fiduciary net position - beginning | 23,145,633 | 22,477,329 | 20,698,048 | 18,259,155 | 16,357,983 | 16,064,252 | 14,108,691 |
| Plan fiduciary net position - ending (b) | \$24,677,390 | \$23,145,633 | \$22,477,329 | \$20,698,048 | \$18,259,155 | \$16,357,983 | \$16,064,252 |
| City's net pension liability (asset) - ending (a) - (b) | \$ (1,420,580) | \$ (1,633,789) | \$ (2,288,180) | \$ (1,448,150) | \$ (557,996) | \$ (378,940) | \$ (743,637) |
| Plan fiduciary net position as a percentage of the total pension liability | 106.11% | 107.59% | 111.33% | 107.52% | 103.15% | 102.37% | 104.85% |
| Covered payroll | \$ 3,132,289 | \$ 2,981,442 | \$ 2,793,634 | \$ 2,796,590 | \$ 2,745,050 | \$ 2,562,188 | \$ 2,441,186 |
| City's net position liability as a percentage of covered payroll | -45.35% | -54.80% | -81.91% | -51.78% | -20.33% | -14.79% | -30.46% |

Notes to Schedule:

Changes of assumptions

For measurement date 9/30/20, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

For measurement date 9/30/19, 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 7 years of data available

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

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

** Prior years' data unavailable

Notes to Schedule

Valuation Date: 10/1/2019

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 | <p>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.</p> <p>Disabled Lives: Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.</p> |
| 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 disablements 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. |

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**

| | 09/30/20 | 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 | 8.33% | 3.41% | 7.93% | 11.89% | 9.63% | -0.88% | 9.92% |

** Prior years' data unavailable

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | | |
| Service cost | \$ 759,939 | \$ 674,747 | \$ 679,044 | \$ 748,823 | \$ 705,489 | \$ 694,024 | \$ 694,679 |
| Interest | 1,485,894 | 1,380,937 | 1,299,727 | 1,314,284 | 1,246,237 | 1,200,113 | 1,102,822 |
| Changes of benefit terms | 6,572 | - | - | 232,790 | - | - | - |
| Differences between expected and actual experience | (79,059) | 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 | 13,937 | 8,652 | (630,795) | (898,642) | (119,357) | - | - |
| Refunds | - | (7,277) | - | (9,323) | (31,602) | - | - |
| Benefit payments, including refunds of member contributions | (752,462) | (943,810) | 3,776 | - | (438,239) | (768,302) | (298,350) |
| Net change in total pension liability | 1,434,821 | 1,314,876 | 1,324,580 | 974,936 | 1,301,668 | 651,267 | 1,499,151 |
| Total pension liability - beginning | 20,843,342 | 19,528,466 | 18,203,886 | 17,228,950 | 15,927,282 | 15,276,015 | 13,776,864 |
| Total pension liability - ending (a) | \$22,278,163 | \$20,843,342 | \$19,528,466 | \$18,203,886 | \$17,228,950 | \$15,927,282 | \$15,276,015 |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer and state | \$ 998,131 | \$ 866,252 | \$ 797,096 | \$ 855,027 | \$ 758,955 | \$ 755,836 | \$ 746,249 |
| Contributions - employee | 145,991 | 137,515 | 220,192 | 207,761 | 124,011 | 117,356 | 118,503 |
| Net investment income | 2,132,171 | 824,687 | 1,192,068 | 1,623,631 | 1,283,870 | 18,601 | 1,153,908 |
| Benefit payments, including refunds of member contributions | (752,462) | (943,810) | (630,795) | (898,642) | (438,239) | (768,302) | (298,350) |
| Refunds | - | (7,277) | - | (9,323) | (31,602) | - | - |
| Administrative expense | (59,382) | (54,397) | (50,726) | (59,898) | (41,718) | (37,977) | (25,374) |
| Net change in plan fiduciary net position | 2,464,449 | 822,970 | 1,527,835 | 1,718,556 | 1,655,277 | 85,514 | 1,694,936 |
| Plan fiduciary net position - beginning | 19,091,143 | 18,268,173 | 16,740,338 | 15,021,782 | 13,366,505 | 13,280,991 | 11,586,055 |
| Plan fiduciary net position - ending (b) | \$21,555,592 | \$19,091,143 | \$18,268,173 | \$16,740,338 | \$15,021,782 | \$13,366,505 | \$13,280,991 |
| City's net pension liability - ending (a) - (b) | \$ 722,571 | \$ 1,752,199 | \$ 1,260,293 | \$ 1,463,548 | \$ 2,207,168 | \$ 2,560,777 | \$ 1,995,024 |
| Plan fiduciary net position as a percentage of the total pension liability | 96.76% | 91.59% | 93.55% | 91.96% | 87.19% | 83.92% | 86.94% |
| Covered payroll | \$ 2,919,822 | \$ 2,750,300 | \$ 2,607,420 | \$ 2,577,693 | \$ 2,480,211 | \$ 2,746,205 | \$ 2,771,053 |
| City's net position liability as a percentage of covered payroll | 24.75% | 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 7 years of data available

City of Lake Mary, Florida
Required Supplementary Information
September 30, 2020

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 991,280 | \$ 857,544 | \$ 783,008 | \$ 840,843 | \$ 757,952 | \$ 752,016 |
| Contributions in relation to the actuarially determined contributions | 984,194 | 857,600 | 793,320 | 851,147 | 758,955 | 752,863 |
| Contribution deficiency (Excess) | <u>\$ 7,086</u> | <u>\$ (56)</u> | <u>\$ (10,312)</u> | <u>\$ (10,304)</u> | <u>\$ (1,003)</u> | <u>\$ (847)</u> |
| Covered payroll | \$2,919,822 | \$2,750,300 | \$2,607,420 | \$2,577,693 | \$2,480,211 | \$2,746,205 |
| Contributions as a percentage of covered payroll | 33.71% | 31.18% | 30.43% | 33.02% | 30.60% | 27.41% |

Notes to Schedule

Valuation Date: 10/1/2019

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 disablements and active member deaths are service related.

* only 7 years of data available

Other Information

Termination and Disability Rate Table

| Age | % Terminating During the Year | % Becoming Disabled During the Year |
|-----|-------------------------------------|---|
| | | |
| 20 | 4.5% | 0.14% |
| 25 | 3.0% | 0.14% |
| 30 | 2.3% | 0.19% |
| 35 | 1.5% | 0.24% |
| 40 | 0.8% | 0.34% |
| 45 | 0.5% | 0.48% |
| 50 | 0.1% | 0.87% |

CITY OF LAKE MARY FIREFIGHTERS' PENSION PLAN

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years*

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------|-------|-------|--------|--------|-------|--------|
| Annual money-weighted rate of return, net of investment expenses | 11.61% | 4.96% | 7.10% | 11.55% | 10.10% | 0.60% | 10.60% |

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* only 7 years of data available

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

| | 9/30/2020 | 9/30/2019 | 9/30/2018 |
|---|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 70,305 | \$ 49,541 | \$ 48,653 |
| Interest | 39,207 | 38,629 | 17,856 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 177,761 | - | 443,172 |
| Changes of assumptions | 373,244 | 5,760 | (74,759) |
| Benefit Payments (2) | (65,494) | (52,957) | (44,920) |
| Other changes | 78,635 | 246 | 142,228 |
| Net change in total OPEB liability | 673,658 | 41,219 | 532,230 |
| Total OPEB liability, beginning (1) | 1,128,927 | 1,087,708 | 555,478 |
| Total OPEB liability, ending | \$ 1,802,585 | \$ 1,128,927 | \$ 1,087,708 |
| Plan fiduciary net position as a percentage of total OPEB liability | 0.00% | 0.00% | 0.00% |
| Covered payroll | \$ 10,234,767 | \$ 8,983,813 | \$ 8,983,813 |
| Net OPEB liability as a percentage of covered payroll | 17.61% | 12.57% | 12.11% |

Notes to Schedule:

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

(2) Includes the Implicit Rate Subsidy.

* only 3 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.

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, 2020

| | Special Revenue | | | | | |
|-------------------------------------|-----------------------------|-----------------------|---------------------|-----------------------------|---------------------------|---|
| | Police Education Fund | Police Impact Fees | Fire Impact Fees | Public Works Impact Fees | Recreation Impact Fees | Law Enforcement Trust Fund - State |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 74,583 | \$ 67,565 | \$ 246,921 | \$ 34,931 | \$ 121,881 | \$ 37,624 |
| Investments | 52,417 | 40,500 | 8,069 | 3,251 | 45,018 | 12,757 |
| Interest receivable | 109 | 93 | 218 | 33 | 143 | 43 |
| Due from other governments | - | - | - | - | - | - |
| Total assets | <u>\$ 127,109</u> | <u>\$ 108,158</u> | <u>\$ 255,208</u> | <u>\$ 38,215</u> | <u>\$ 167,042</u> | <u>\$ 50,424</u> |
| LIABILITIES | | | | | | |
| Accounts payable | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| Public works | \$ - | \$ - | \$ - | \$ 38,215 | \$ - | \$ - |
| Public safety | 127,109 | 108,158 | 255,208 | - | - | 50,424 |
| Parks and recreation | - | - | - | - | 167,042 | - |
| Other physical environment | - | - | - | - | - | - |
| Other capital projects | - | - | - | - | - | - |
| Committed: | | | | | | |
| Capital projects | - | - | - | - | - | - |
| Total fund balances | <u>127,109</u> | <u>108,158</u> | <u>255,208</u> | <u>38,215</u> | <u>167,042</u> | <u>50,424</u> |
| Total liabilities and fund balances | <u>\$ 127,109</u> | <u>\$ 108,158</u> | <u>\$ 255,208</u> | <u>\$ 38,215</u> | <u>\$ 167,042</u> | <u>\$ 50,424</u> |

| Special Revenue | | | | Capital Projects | | | |
|---|---------------------------------------|-----------------------|-------------------|--|--|---------------------------|---|
| Law Enforcement Trust Fund - Federal | Police & Fire Premium Tax Trust | Lake Mary Cemetery | Total | One-Cent Infrastructure Sales Tax Fund | General Capital Projects Fund | Total Capital Projects | Total Nonmajor Governmental Funds |
| \$ 27,291 | \$ - | \$ 55,850 | \$ 666,646 | \$ 86,986 | \$ 982,703 | \$ 1,069,689 | \$ 1,736,335 |
| 5 | - | 126 | 162,143 | 1,465,252 | 53,317 | 1,518,569 | 1,680,712 |
| - | - | 48 | 687 | 1,329 | - | 1,329 | 2,016 |
| - | - | - | - | 101,979 | - | 101,979 | 101,979 |
| <u>\$ 27,296</u> | <u>\$ -</u> | <u>\$ 56,024</u> | <u>\$ 829,476</u> | <u>\$ 1,655,546</u> | <u>\$ 1,036,020</u> | <u>\$ 2,691,566</u> | <u>\$ 3,521,042</u> |
| - | - | 14 | 14 | 148,455 | 45,917 | 194,372 | 194,386 |
| - | - | 14 | 14 | 148,455 | 45,917 | 194,372 | 194,386 |
| \$ - | \$ - | \$ - | \$ 38,215 | \$ - | \$ - | \$ - | 38,215 |
| 27,296 | - | - | 568,195 | - | - | - | 568,195 |
| - | - | - | 167,042 | - | - | - | 167,042 |
| - | - | 56,010 | 56,010 | - | - | - | 56,010 |
| - | - | - | - | 1,507,091 | - | 1,507,091 | 1,507,091 |
| - | - | - | - | - | 990,103 | 990,103 | 990,103 |
| <u>27,296</u> | <u>-</u> | <u>56,010</u> | <u>829,462</u> | <u>1,507,091</u> | <u>990,103</u> | <u>2,497,194</u> | <u>3,326,656</u> |
| <u>\$ 27,296</u> | <u>\$ -</u> | <u>\$ 56,024</u> | <u>\$ 829,476</u> | <u>\$ 1,655,546</u> | <u>\$ 1,036,020</u> | <u>\$ 2,691,566</u> | <u>\$ 3,521,042</u> |

City of Lake Mary, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

| | Special Revenue | | | | | |
|---|-----------------------------|--------------------------|---------------------|--------------------------------|---------------------------|---|
| | Police Education Fund | Police Impact Fees | Fire Impact Fees | Public Works Impact Fees | Recreation Impact Fees | Law Enforcement Trust Fund - State |
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - |
| Impact fees/assessments | - | 51,244 | 72,700 | 10,230 | 32,459 | - |
| Fines and forfeitures | 7,649 | - | - | - | - | 492 |
| Investment earnings | 1,683 | 1,882 | 3,847 | 529 | 2,225 | 701 |
| Total revenues | <u>9,332</u> | <u>53,126</u> | <u>76,547</u> | <u>10,759</u> | <u>34,684</u> | <u>1,193</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Public safety | 5,928 | 13,964 | - | - | - | 2,200 |
| Parks and recreation | - | - | - | - | - | - |
| Other physical environment | - | - | - | - | - | - |
| Capital Outlay | | | | | | |
| General government | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Public safety | - | 39,847 | 31,555 | - | - | - |
| Parks and recreation | - | - | - | - | 1,793 | - |
| Total expenditures | <u>5,928</u> | <u>53,811</u> | <u>31,555</u> | <u>-</u> | <u>1,793</u> | <u>2,200</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,404</u> | <u>(685)</u> | <u>44,992</u> | <u>10,759</u> | <u>32,891</u> | <u>(1,007)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 3,404 | (685) | 44,992 | 10,759 | 32,891 | (1,007) |
| Fund balances - beginning | 123,705 | 108,843 | 210,216 | 27,456 | 134,151 | 51,431 |
| Fund balances - ending | <u>\$ 127,109</u> | <u>\$ 108,158</u> | <u>\$ 255,208</u> | <u>\$ 38,215</u> | <u>\$ 167,042</u> | <u>\$ 50,424</u> |

| Special Revenue | | | | Capital Projects | | | |
|---|--|-----------------------|------------|--|----------------------------------|---------------------------|---|
| Law Enforcement Trust Fund - Federal | Police & Fire Premium Tax Trust | Lake Mary Cemetery | Total | One-Cent Infrastructure Sales Tax Fund | General Capital Projects Fund | Total Capital Projects | Total Nonmajor Governmental Funds |
| \$ - | \$ 392,723 | \$ - | \$ 392,723 | \$ 986,966 | \$ - | \$ 986,966 | \$ 1,379,689 |
| - | - | 15,450 | 15,450 | - | - | - | 15,450 |
| - | - | - | 166,633 | - | - | - | 166,633 |
| 25,317 | - | - | 33,458 | - | - | - | 33,458 |
| 36 | - | 290 | 11,193 | 25,282 | - | 25,282 | 36,475 |
| 25,353 | 392,723 | 15,740 | 619,457 | 1,012,248 | - | 1,012,248 | 1,631,705 |
| - | - | - | - | - | 477,646 | 477,646 | 477,646 |
| - | - | - | - | 1,341,735 | 42,779 | 1,384,514 | 1,384,514 |
| - | 392,723 | - | 414,815 | - | 59,668 | 59,668 | 474,483 |
| - | - | - | - | - | 58,271 | 58,271 | 58,271 |
| - | - | 4,852 | 4,852 | - | - | - | 4,852 |
| - | - | - | - | - | 210,488 | 210,488 | 210,488 |
| - | - | - | - | 265,718 | - | 265,718 | 265,718 |
| - | - | - | 71,402 | - | 51,465 | 51,465 | 122,867 |
| - | - | - | 1,793 | - | - | - | 1,793 |
| - | 392,723 | 4,852 | 492,862 | 1,607,453 | 900,317 | 2,507,770 | 3,000,632 |
| 25,353 | - | 10,888 | 126,595 | (595,205) | (900,317) | (1,495,522) | (1,368,927) |
| - | - | - | - | - | 917,250 | 917,250 | 917,250 |
| - | - | - | - | - | 917,250 | 917,250 | 917,250 |
| 25,353 | - | 10,888 | 126,595 | (595,205) | 16,933 | (578,272) | (451,677) |
| 1,943 | - | 45,122 | 702,867 | 2,102,296 | 973,170 | 3,075,466 | 3,778,333 |
| \$ 27,296 | \$ - | \$ 56,010 | \$ 829,462 | \$ 1,507,091 | \$ 990,103 | \$ 2,497,194 | \$ 3,326,656 |

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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|------------|----------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 8,200 | \$ 8,200 | \$ 7,649 | \$ (551) |
| Investment income | 1,500 | 1,500 | 1,683 | 183 |
| Total revenues | 9,700 | 9,700 | 9,332 | (368) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 10,000 | 10,000 | 5,928 | 4,072 |
| Total expenditures | 10,000 | 10,000 | 5,928 | 4,072 |
| Excess (deficiency) of revenues over (under) expenditures* | (300) | (300) | 3,404 | 3,704 |
| Fund balances - beginning | 123,705 | 123,705 | 123,705 | - |
| Fund balances - ending | \$ 123,405 | \$ 123,405 | \$ 127,109 | \$ 3,704 |

* 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Impact fees/assessments | \$ 25,000 | \$ 25,000 | \$ 51,244 | \$ 26,244 |
| Investment income | 1,800 | 1,800 | 1,882 | 82 |
| Total revenues | 26,800 | 26,800 | 53,126 | 26,326 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | - | 13,964 | (13,964) |
| Capital outlay | | | | |
| Public safety | 74,440 | 74,440 | 39,847 | 34,593 |
| Total expenditures | 74,440 | 74,440 | 53,811 | 20,629 |
| Excess (deficiency) of revenues over (under) expenditures* | (47,640) | (47,640) | (685) | 46,955 |
| Fund balances - beginning | 108,843 | 108,843 | 108,843 | - |
| Fund balances - ending | \$ 61,203 | \$ 61,203 | \$ 108,158 | \$ 46,955 |

* 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Impact fees/assessments | \$ 15,000 | \$ 46,600 | \$ 72,700 | \$ 26,100 |
| Investment income | 1,500 | 1,500 | 3,847 | 2,347 |
| Total revenues | 16,500 | 48,100 | 76,547 | 28,447 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Capital outlay | | | | |
| Public safety | - | 31,600 | 31,555 | 45 |
| Total expenditures | - | 31,600 | 31,555 | 45 |
| Excess (deficiency) of revenues over (under) expenditures* | 16,500 | 16,500 | 44,992 | 28,492 |
| Fund balances - beginning | 210,216 | 210,216 | 210,216 | - |
| Fund balances - ending | \$ 226,716 | \$ 226,716 | \$ 255,208 | \$ 28,492 |

* The net change in fund balances was included in the budget as an increase 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Impact fees/assessments | \$ 2,000 | \$ 2,000 | \$ 10,230 | \$ 8,230 |
| Investment income | 1,000 | 1,000 | 529 | (471) |
| Total revenues | 3,000 | 3,000 | 10,759 | 7,759 |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Public works | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures* | 3,000 | 3,000 | 10,759 | 7,759 |
| Fund balances - beginning | 27,456 | 27,456 | 27,456 | - |
| Fund balances - ending | \$ 30,456 | \$ 30,456 | \$ 38,215 | \$ 7,759 |

* The net change in fund balances was included in the budget as an increase of fund balance.

City of Lake Mary, Florida
Recreation Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended September 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Impact fees/assessments | \$ 20,000 | \$ 21,800 | \$ 32,459 | \$ 10,659 |
| Investment income | 1,800 | 1,800 | 2,225 | 425 |
| Total revenues | 21,800 | 23,600 | 34,684 | 11,084 |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Parks and recreation | - | 1,800 | 1,793 | 7 |
| Total expenditures | - | 1,800 | 1,793 | 7 |
| Excess (deficiency) of revenues over (under) expenditures* | 21,800 | 21,800 | 32,891 | 11,091 |
| Fund balances - beginning | 134,151 | 134,151 | 134,151 | - |
| Fund balances - ending | \$ 155,951 | \$ 155,951 | \$ 167,042 | \$ 11,091 |

* The net change in fund balances was included in the budget as an increase 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ 3,500 | \$ 3,500 | \$ 492 | \$ (3,008) |
| Investment income | 450 | 450 | 701 | 251 |
| Total revenues | 3,950 | 3,950 | 1,193 | (2,757) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 1,600 | 2,400 | 2,200 | 200 |
| Total expenditures | 1,600 | 2,400 | 2,200 | 200 |
| Excess (deficiency) of revenues over (under) expenditures* | 2,350 | 1,550 | (1,007) | (2,557) |
| Fund balances - beginning | 51,431 | 51,431 | 51,431 | - |
| Fund balances - ending | \$ 53,781 | \$ 52,981 | \$ 50,424 | \$ (2,557) |

* The net change in fund balances was included in the budget as an increase 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 25,317 | \$ 25,317 |
| Investment income | - | - | 36 | 36 |
| Total revenues | - | - | 25,353 | 25,353 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures* | - | - | 25,353 | 25,353 |
| Fund balances - beginning | 1,943 | 1,943 | 1,943 | - |
| Fund balances - ending | \$ 1,943 | \$ 1,943 | \$ 27,296 | \$ 25,353 |

* 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, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 5,000 | \$ 5,000 | \$ 15,450 | \$ 10,450 |
| Investment income | 225 | 225 | 290 | 65 |
| Total revenues | 5,225 | 5,225 | 15,740 | 10,515 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Other physical environment | 8,600 | 8,600 | 4,852 | 3,748 |
| Total expenditures | 8,600 | 8,600 | 4,852 | 3,748 |
| Excess (deficiency) of revenues over (under) expenditures* | (3,375) | (3,375) | 10,888 | 14,263 |
| Fund balances - beginning | 45,122 | 45,122 | 45,122 | - |
| Fund balances - ending | \$ 41,747 | \$ 41,747 | \$ 56,010 | \$ 14,263 |

* 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, 2020

| | Police Pension Trust | Fire Pension Trust | General Employees Pension | Total Employee Pension Funds |
|--|---------------------------------|-------------------------------|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 719,788 | \$ 974,613 | \$ 719,183 | \$ 2,413,584 |
| Receivables: | | | | |
| Interest receivable | 49,668 | 27,014 | - | 76,682 |
| Notes receivable - employee | - | - | 40,010 | 40,010 |
| Total receivables | <u>49,668</u> | <u>27,014</u> | <u>40,010</u> | <u>116,692</u> |
| Investments at Fair Value: | | | | |
| Domestic corporate & govt bonds | 8,405,934 | 7,884,125 | 11,114,436 | 27,404,495 |
| Domestic stocks | 11,665,647 | 10,322,344 | - | 21,987,991 |
| International | 2,709,732 | - | - | 2,709,732 |
| Real estate | 1,145,815 | 2,358,630 | - | 3,504,445 |
| Total investments | <u>23,927,128</u> | <u>20,565,099</u> | <u>11,114,436</u> | <u>55,606,663</u> |
| Total assets | <u>24,696,584</u> | <u>21,566,726</u> | <u>11,873,629</u> | <u>58,136,939</u> |
| LIABILITIES | | | | |
| Accounts payable | 19,194 | 19,581 | - | 38,775 |
| Due to other funds | - | 14,589 | - | 14,589 |
| Total liabilities | <u>19,194</u> | <u>34,170</u> | <u>-</u> | <u>53,364</u> |
| Net Position Restricted for Pensions | <u>\$ 24,677,390</u> | <u>\$ 21,532,556</u> | <u>\$ 11,873,629</u> | <u>\$ 58,083,575</u> |

City of Lake Mary, Florida
Combining Statements of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

| | Police Pension Trust | Fire Pension Trust | General Employees Pension | Total Employee Pension Funds |
|---|---------------------------------|-------------------------------|--|---|
| ADDITIONS | | | | |
| Contributions: | | | | |
| City | \$ 548,192 | \$ 807,590 | \$ 559,299 | \$ 1,915,081 |
| State | 195,285 | 197,627 | - | 392,912 |
| Employee | 156,615 | 145,991 | 158,524 | 461,130 |
| Total contributions | <u>900,092</u> | <u>1,151,208</u> | <u>717,823</u> | <u>2,769,123</u> |
| Investment Earnings: | | | | |
| Interest | 555,721 | 455,726 | 8 | 1,011,455 |
| Net increase in fair value of investments | 1,338,317 | 1,746,411 | 885,637 | 3,970,365 |
| Less: investment expense | (119,069) | (69,966) | - | (189,035) |
| Total net investment earnings | <u>1,774,969</u> | <u>2,132,171</u> | <u>885,645</u> | <u>4,792,785</u> |
| Total additions | <u>2,675,061</u> | <u>3,283,379</u> | <u>1,603,468</u> | <u>7,561,908</u> |
| DEDUCTIONS | | | | |
| Benefit payments | 872,864 | 748,358 | 681,318 | 2,302,540 |
| Refunds of contributions | 217,586 | 4,104 | - | 221,690 |
| Administrative expenses | 52,854 | 59,382 | 1,658 | 113,894 |
| Total deductions | <u>1,143,304</u> | <u>811,844</u> | <u>682,976</u> | <u>2,638,124</u> |
| Change in net position | 1,531,757 | 2,471,535 | 920,492 | 4,923,784 |
| Net position - beginning | <u>23,145,633</u> | <u>19,061,021</u> | <u>10,953,137</u> | <u>53,159,791</u> |
| Net position - ending | <u><u>\$ 24,677,390</u></u> | <u><u>\$ 21,532,556</u></u> | <u><u>\$ 11,873,629</u></u> | <u><u>\$ 58,083,575</u></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>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Governmental activities | | | | |
| Net investment in capital assets | \$ 39,025 | \$ 40,789 | \$ 40,193 | \$ 41,873 |
| Restricted | 5,610 | 2,563 | 802 | 1,021 |
| Unrestricted | <u>18,540</u> | <u>19,827</u> | <u>21,501</u> | <u>18,500</u> |
| Total governmental activities net position | <u>\$ 63,175</u> | <u>\$ 63,179</u> | <u>\$ 62,496</u> | <u>\$ 61,394</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 19,145 | \$ 18,603 | \$ 18,127 | \$ 18,478 |
| Restricted | 719 | 747 | 1,008 | 1,050 |
| Unrestricted | <u>14,100</u> | <u>14,861</u> | <u>15,195</u> | <u>14,417</u> |
| Total business-type activities net position | <u>\$ 33,964</u> | <u>\$ 34,211</u> | <u>\$ 34,330</u> | <u>\$ 33,945</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 58,170 | \$ 59,392 | \$ 58,320 | \$ 60,351 |
| Restricted | 6,329 | 3,310 | 1,810 | 2,071 |
| Unrestricted | <u>32,640</u> | <u>34,688</u> | <u>36,696</u> | <u>32,917</u> |
| Total primary government net position | <u>\$ 97,139</u> | <u>\$ 97,390</u> | <u>\$ 96,826</u> | <u>\$ 95,339</u> |

| Fiscal Year | | | | | |
|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| \$ 41,948 | \$ 42,226 | \$ 41,987 | \$ 41,150 | \$ 40,467 | \$ 42,045 |
| 1,546 | 1,099 | 1,567 | 1,313 | 3,075 | 4,049 |
| <u>16,248</u> | <u>16,613</u> | <u>16,916</u> | <u>19,221</u> | <u>22,057</u> | <u>19,424</u> |
| <u>\$ 59,742</u> | <u>\$ 59,938</u> | <u>\$ 60,470</u> | <u>\$ 61,684</u> | <u>\$ 65,599</u> | <u>\$ 65,518</u> |
| | | | | | |
| \$ 18,363 | \$ 18,672 | \$ 18,119 | \$ 17,636 | \$ 18,598 | \$ 18,143 |
| 1,152 | 1,037 | 1,817 | 1,861 | 1,967 | 2,359 |
| <u>14,631</u> | <u>14,177</u> | <u>14,257</u> | <u>14,469</u> | <u>14,216</u> | <u>14,379</u> |
| <u>\$ 34,146</u> | <u>\$ 33,886</u> | <u>\$ 34,193</u> | <u>\$ 33,966</u> | <u>\$ 34,781</u> | <u>\$ 34,881</u> |
| | | | | | |
| \$ 60,311 | \$ 60,898 | \$ 60,106 | \$ 58,786 | \$ 59,065 | \$ 60,188 |
| 2,698 | 2,136 | 3,384 | 3,174 | 5,042 | 6,408 |
| <u>30,879</u> | <u>30,790</u> | <u>31,173</u> | <u>33,690</u> | <u>36,273</u> | <u>33,803</u> |
| <u>\$ 93,888</u> | <u>\$ 93,824</u> | <u>\$ 94,663</u> | <u>\$ 95,650</u> | <u>\$ 100,380</u> | <u>\$ 100,399</u> |

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

| Expenses | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,494 | \$ 3,998 | \$ 4,093 | \$ 3,797 | \$ 3,609 | \$ 3,529 | \$ 4,174 | \$ 4,633 | \$ 4,675 | \$ 5,130 |
| Public works | 1,420 | 1,178 | 1,614 | 1,508 | 1,583 | 2,733 | 1,954 | 3,289 | 1,712 | 3,195 |
| Public safety | 9,982 | 10,392 | 10,803 | 11,548 | 11,504 | 11,841 | 12,537 | 11,814 | 12,666 | 12,991 |
| Parks and recreation | 2,453 | 2,516 | 2,553 | 2,688 | 2,863 | 2,924 | 3,182 | 3,091 | 3,270 | 3,220 |
| Other physical environment | 21 | 12 | 10 | 9 | 13 | 11 | 8 | 6 | 8 | 8 |
| Interest & other fiscal charges on long-term debt | 303 | 267 | 130 | 127 | 111 | 94 | 82 | 79 | 84 | 115 |
| Total governmental activities | <u>17,673</u> | <u>18,363</u> | <u>19,203</u> | <u>19,677</u> | <u>19,683</u> | <u>21,132</u> | <u>21,937</u> | <u>22,912</u> | <u>22,415</u> | <u>24,659</u> |
| Business-type activities: | | | | | | | | | | |
| Water & Sewer | 3,546 | 3,401 | 3,483 | 3,852 | 3,531 | 3,863 | 4,672 | 5,149 | 4,797 | 5,507 |
| Stormwater | 404 | 331 | 366 | 397 | 435 | 452 | 463 | 473 | 505 | 526 |
| Total business-type activities | <u>3,950</u> | <u>3,732</u> | <u>3,849</u> | <u>4,249</u> | <u>3,966</u> | <u>4,315</u> | <u>5,135</u> | <u>5,622</u> | <u>5,302</u> | <u>6,033</u> |
| Total expenses | <u>\$ 21,623</u> | <u>\$ 22,095</u> | <u>\$ 23,052</u> | <u>\$ 23,926</u> | <u>\$ 23,649</u> | <u>\$ 25,447</u> | <u>\$ 27,072</u> | <u>\$ 28,534</u> | <u>\$ 27,717</u> | <u>\$ 30,692</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 277 | \$ 255 | \$ 302 | \$ 314 | \$ 292 | \$ 298 | \$ 276 | \$ 323 | \$ 394 | \$ 290 |
| Public works | 1 | 10 | 14 | 2 | 1 | 9 | 13 | 6 | 9 | 10 |
| Public safety | 1,334 | 1,853 | 2,496 | 1,625 | 1,922 | 2,801 | 3,382 | 3,651 | 4,034 | 3,221 |
| Parks and recreation | 678 | 705 | 738 | 749 | 858 | 906 | 896 | 920 | 927 | 604 |
| Other physical environment | 4 | 6 | 2 | 9 | 3 | 2 | 13 | 10 | 12 | 15 |
| Operating grants and contributions | 593 | 692 | 644 | 653 | 692 | 795 | 761 | 951 | 1,533 | 841 |
| Capital grants and contributions | 4,994 | 313 | 33 | 198 | 915 | 1,090 | 934 | 1,033 | 1,036 | 987 |
| Total governmental activities | <u>7,881</u> | <u>3,834</u> | <u>4,229</u> | <u>3,550</u> | <u>4,683</u> | <u>5,901</u> | <u>6,275</u> | <u>6,894</u> | <u>7,945</u> | <u>5,968</u> |

| | Fiscal Year | | | | | | | | | |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Program Revenues | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water & Sewer | 4,463 | 4,337 | 4,278 | 4,305 | 4,471 | 4,752 | 5,359 | 5,938 | 6,211 | 6,430 |
| Stormwater | 281 | 284 | 380 | 399 | 409 | 414 | 413 | 415 | 414 | 435 |
| Operating grants and contributions | - | - | - | - | - | 99 | 31 | - | - | - |
| Capital grants and contributions | 85 | 37 | 261 | 42 | 161 | 44 | 779 | 112 | 225 | 393 |
| Total business-type activities | <u>4,829</u> | <u>4,658</u> | <u>4,919</u> | <u>4,746</u> | <u>5,041</u> | <u>5,309</u> | <u>6,582</u> | <u>6,465</u> | <u>6,850</u> | <u>7,258</u> |
| Total program revenues | <u>\$ 12,710</u> | <u>\$ 8,492</u> | <u>\$ 9,148</u> | <u>\$ 8,296</u> | <u>\$ 9,724</u> | <u>\$ 11,210</u> | <u>\$ 12,857</u> | <u>\$ 13,359</u> | <u>\$ 14,795</u> | <u>\$ 13,226</u> |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (9,792) | \$ (14,529) | \$ (14,974) | \$ (16,127) | \$ (15,000) | \$ (15,231) | \$ (15,662) | \$ (16,018) | \$ (14,470) | \$ (18,691) |
| Business-type activities | 879 | 926 | 1,070 | 497 | 1,075 | 994 | 1,447 | 843 | 1,548 | 1,225 |
| Total net expense | <u>\$ (8,913)</u> | <u>\$ (13,603)</u> | <u>\$ (13,904)</u> | <u>\$ (15,630)</u> | <u>\$ (13,925)</u> | <u>\$ (14,237)</u> | <u>\$ (14,215)</u> | <u>\$ (15,175)</u> | <u>\$ (12,922)</u> | <u>\$ (17,466)</u> |
| General Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 6,471 | \$ 6,073 | \$ 6,029 | \$ 6,147 | \$ 6,385 | \$ 6,867 | \$ 7,225 | \$ 7,812 | \$ 8,367 | \$ 9,109 |
| Franchise fees | 2,280 | 2,200 | 2,098 | 2,187 | 2,234 | 2,226 | 2,292 | 2,353 | 2,507 | 2,377 |
| Utility taxes | 4,027 | 3,910 | 4,071 | 3,839 | 3,737 | 3,658 | 3,653 | 3,759 | 3,884 | 3,806 |
| Unrestricted intergovernmental revenues | 1,008 | 1,011 | 1,053 | 1,139 | 1,259 | 1,299 | 1,416 | 1,400 | 1,529 | 1,451 |
| Unrestricted investment earnings | 247 | 277 | 2 | 220 | 228 | 98 | 149 | 228 | 716 | 417 |
| Miscellaneous revenues | 162 | 212 | 127 | 466 | 143 | 130 | 182 | 555 | 128 | 71 |
| Gain on sale of asset | - | - | - | - | - | - | 36 | 29 | 88 | 29 |
| Transfers in/(out) | 850 | 850 | 950 | 1,027 | 1,039 | 1,149 | 1,240 | 1,200 | 1,166 | 1,350 |
| Total general revenues, transfers and special item | <u>15,045</u> | <u>14,533</u> | <u>14,330</u> | <u>15,025</u> | <u>15,025</u> | <u>15,427</u> | <u>16,193</u> | <u>17,336</u> | <u>18,385</u> | <u>18,610</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 129 | 171 | - | 144 | 164 | 60 | 100 | 145 | 433 | 225 |
| Gain/(Loss) on sale of capital | - | - | - | 1 | - | 1 | - | - | - | - |
| Miscellaneous revenues | 1 | - | - | - | - | - | - | - | - | - |
| Transfers in/(out) | (850) | (850) | (950) | (1,027) | (1,039) | (1,149) | (1,240) | (1,200) | (1,166) | (1,350) |
| Total business-type activities | <u>(720)</u> | <u>(679)</u> | <u>(950)</u> | <u>(882)</u> | <u>(875)</u> | <u>(1,088)</u> | <u>(1,140)</u> | <u>(1,055)</u> | <u>(733)</u> | <u>(1,125)</u> |
| Total primary government | <u>\$ 14,325</u> | <u>\$ 13,854</u> | <u>\$ 13,380</u> | <u>\$ 14,143</u> | <u>\$ 14,150</u> | <u>\$ 14,339</u> | <u>\$ 15,053</u> | <u>\$ 16,281</u> | <u>\$ 17,652</u> | <u>\$ 17,485</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 5,253 | \$ 4 | \$ (644) | \$ (1,102) | \$ 25 | \$ 196 | \$ 531 | \$ 1,318 | \$ 3,915 | \$ (81) |
| Business-type activities | 159 | 247 | 120 | (385) | 200 | (94) | 307 | (212) | 815 | 100 |
| Total change in net position | <u>\$ 5,412</u> | <u>\$ 251</u> | <u>\$ (524)</u> | <u>\$ (1,487)</u> | <u>\$ 225</u> | <u>\$ 102</u> | <u>\$ 838</u> | <u>\$ 1,106</u> | <u>\$ 4,730</u> | <u>\$ 19</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)

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Franchise Fees</u> | <u>Utility Tax</u> | <u>Total</u> |
|--------------------|---------------------|-----------------------|--------------------|--------------|
| 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 |
| 2020 | 9,109 | 2,377 | 3,806 | 15,292 |

Taxes included in Unrestricted Intergovernmental Revenues

| <u>Fiscal Year</u> | <u>Sales Tax</u> | <u>State Revenue Sharing</u> | <u>Other</u> | <u>Total</u> |
|--------------------|------------------|------------------------------|--------------|--------------|
| 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 |
| 2020 | 1,096 | 333 | 22 | 1,451 |

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>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| General fund | | | | |
| Nonspendable: | | | | |
| Inventory/prepays | \$ 4 | \$ 4 | \$ 3 | \$ 14 |
| Restricted: | - | - | - | - |
| Assigned to: | | | | |
| Debt service | 682 | 574 | 632 | 632 |
| Health insurance benefits | - | 308 | 258 | 151 |
| Capital projects | - | - | 2,130 | 755 |
| Subsequent year expenditures | 600 | 847 | 383 | 1,172 |
| Unassigned: | <u>13,780</u> | <u>14,636</u> | <u>14,136</u> | <u>12,645</u> |
| Total general fund | <u>\$ 15,066</u> | <u>\$ 16,369</u> | <u>\$ 17,542</u> | <u>\$ 15,369</u> |
| All other governmental funds | | | | |
| Nonspendable: | | | | |
| Inventory/Prepays | - | 15 | 64 | 5 |
| Restricted for: | | | | |
| Public works | 52 | 20 | 34 | 17 |
| Public safety | 935 | 827 | 768 | 618 |
| Parks and recreation | 61 | 96 | 177 | 182 |
| Other physical environment | 184 | 27 | 25 | 31 |
| Other capital projects | 3,767 | 1,717 | 752 | - |
| Committed to: | | | | |
| Debt service | 553 | 457 | 559 | 573 |
| Other capital projects | 1,843 | 832 | - | 1,016 |
| Unassigned: | <u>-</u> | <u>-</u> | <u>(15)</u> | <u>-</u> |
| Total all other governmental funds | <u>\$ 7,395</u> | <u>\$ 3,991</u> | <u>\$ 2,364</u> | <u>\$ 2,442</u> |

| Fiscal Year | | | | | |
|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| \$ 14 | \$ 13 | \$ 9 | \$ 29 | \$ 9 | \$ 10 |
| - | - | - | - | 1,741 | 1,713 |
| 337 | 336 | 336 | 349 | 310 | - |
| 301 | 249 | - | - | - | - |
| 760 | 970 | 932 | 1,100 | 973 | 125 |
| 652 | 1,093 | 863 | 99 | 58 | - |
| <u>13,036</u> | <u>13,237</u> | <u>14,313</u> | <u>17,005</u> | <u>17,999</u> | <u>17,985</u> |
| <u>\$ 15,100</u> | <u>\$ 15,898</u> | <u>\$ 16,453</u> | <u>\$ 18,582</u> | <u>\$ 21,090</u> | <u>\$ 19,833</u> |
| - | - | - | - | - | - |
| 18 | 27 | 40 | 126 | 27 | 38 |
| 396 | 316 | 409 | 424 | 497 | 568 |
| 194 | 237 | 155 | 106 | 134 | 167 |
| 27 | 22 | 30 | 38 | 45 | 56 |
| 561 | 257 | 1,184 | 1,111 | 2,102 | 1,507 |
| 582 | 295 | 297 | 308 | 310 | - |
| 985 | 842 | 384 | 201 | 973 | 990 |
| - | - | - | - | - | - |
| <u>\$ 2,763</u> | <u>\$ 1,996</u> | <u>\$ 2,499</u> | <u>\$ 2,314</u> | <u>\$ 4,088</u> | <u>\$ 3,326</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>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 6,471 | \$ 6,073 | \$ 6,029 | \$ 6,147 |
| Franchise fees | 2,280 | 2,200 | 2,098 | 2,187 |
| Utility taxes | 4,027 | 3,910 | 4,071 | 3,839 |
| Licenses and Permits | 688 | 1,099 | 1,772 | 1,138 |
| Intergovernmental revenues | 6,608 | 2,027 | 1,740 | 2,002 |
| Charges for services | 1,441 | 1,374 | 1,326 | 1,340 |
| Impact fees/assessments | 40 | 245 | 320 | 72 |
| Fines and forfeitures | 112 | 100 | 124 | 138 |
| Investment earnings | 247 | 243 | (2) | 187 |
| Miscellaneous | 162 | 212 | 127 | 465 |
| Total revenues | <u>22,076</u> | <u>17,483</u> | <u>17,605</u> | <u>17,515</u> |
| Expenditures | | | | |
| General government | 3,048 | 3,283 | 3,572 | 3,503 |
| Public works | 942 | 669 | 1,008 | 901 |
| Public safety | 9,531 | 10,149 | 10,516 | 10,800 |
| Parks and recreation | 1,955 | 2,003 | 2,096 | 2,191 |
| Other physical environment | 17 | 6 | 4 | 3 |
| Capital outlay | 1,361 | 3,546 | 3,192 | 2,321 |
| Debt service | | | | |
| Principal | 2,210 | 4,735 | 344 | 493 |
| Interest | 296 | 257 | 128 | 125 |
| Other charges | - | 36 | - | - |
| Total expenditures | <u>19,360</u> | <u>24,684</u> | <u>20,860</u> | <u>20,337</u> |
| Excess of revenues over (under) expenditures | 2,716 | (7,201) | (3,255) | (2,822) |
| Other financing sources (uses) | | | | |
| Transfers in | 3,767 | 1,657 | 1,474 | 3,747 |
| Transfers out | (2,917) | (807) | (882) | (3,020) |
| Refunding bonds issued | - | 4,250 | - | - |
| Sale of capital assets | - | - | 2,209 | - |
| Total other financing sources (uses) | <u>850</u> | <u>5,100</u> | <u>2,801</u> | <u>727</u> |
| Net change in fund balances | <u>\$ 3,566</u> | <u>\$ (2,101)</u> | <u>\$ (454)</u> | <u>\$ (2,095)</u> |
| Debt service as a percentage of noncapital expenditures | 13.92% | 23.79% | 2.67% | 3.43% |

| Fiscal Year | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| \$ 6,385 | \$ 6,867 | \$ 7,225 | \$ 7,811 | \$ 8,367 | \$ 9,109 |
| 2,234 | 2,226 | 2,292 | 2,353 | 2,507 | 2,377 |
| 3,737 | 3,658 | 3,653 | 3,758 | 3,884 | 3,806 |
| 1,146 | 1,960 | 2,549 | 2,584 | 2,831 | 2,294 |
| 2,877 | 3,051 | 3,124 | 3,433 | 4,110 | 3,290 |
| 1,744 | 1,730 | 1,697 | 2,008 | 2,154 | 1,529 |
| 65 | 198 | 232 | 156 | 189 | 200 |
| 110 | 117 | 88 | 152 | 191 | 106 |
| 198 | 85 | 131 | 209 | 659 | 383 |
| 143 | 129 | 185 | 556 | 128 | 73 |
| <u>18,639</u> | <u>20,021</u> | <u>21,176</u> | <u>23,020</u> | <u>25,020</u> | <u>23,167</u> |
| 3,467 | 3,649 | 4,021 | 4,513 | 4,650 | 4,987 |
| 961 | 2,002 | 1,269 | 2,599 | 1,008 | 2,422 |
| 10,937 | 11,279 | 11,912 | 12,048 | 12,361 | 12,865 |
| 2,404 | 2,476 | 2,718 | 2,681 | 2,896 | 2,798 |
| 8 | 7 | 5 | 3 | 5 | 5 |
| 1,150 | 727 | 810 | 675 | 637 | 695 |
| 515 | 532 | 254 | 259 | 265 | 2,663 |
| 109 | 92 | 80 | 77 | 82 | 101 |
| - | - | - | - | - | - |
| <u>19,551</u> | <u>20,764</u> | <u>21,069</u> | <u>22,855</u> | <u>21,904</u> | <u>26,536</u> |
| (912) | (743) | 107 | 165 | 3,116 | (3,369) |
| 2,502 | 2,263 | 2,228 | 3,101 | 3,075 | 4,721 |
| (1,538) | (1,489) | (1,278) | (1,322) | (1,909) | (3,371) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>964</u> | <u>774</u> | <u>950</u> | <u>1,779</u> | <u>1,166</u> | <u>1,350</u> |
| \$ 52 | \$ 31 | \$ 1,057 | \$ 1,944 | \$ 4,282 | \$ (2,019) |
| 3.39% | 3.11% | 1.65% | 1.51% | 1.63% | 10.70% |

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

| Fiscal Year Ended September 30, | Real Property | | | | | Personal Property |
|---------------------------------------|--|-------------------------|------------------|------------------------|-----------------|----------------------|
| | Total Residential and Commercial Real Property | Residential Property | % Residential | Commercial Property | % Commercial | |
| 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 |
| 2020 | 2,402,448 | 1,092,920 | 45.49% | 1,309,527 | 54.51% | 236,580 |

Source: Seminole County Property Appraiser's Office

| Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|-----------------------------|---------------------------------|--------------------------|-----------------------------------|--|
| 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% |
| 329,160 | 2,639,740 | 3.5895 | 3,290,356 | 80.23% |

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

| Fiscal Year | City of Lake Mary Operating Millage ³ | 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 | | |
| 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 |
| 2020 | 3.5895 | 4.8751 | 0.0000 | 4.8751 | 5.9340 | 0.0000 | 5.9340 | 0.2287 | 14.6273 |

Source: Seminole County Tax Collectors Office

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

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

^{3.} Lake Mary's direct rate is for operating millage. There is no debt service millage.

City of Lake Mary, Florida
Principal Property Taxpayers
September 30, 2020
(amounts expressed in thousands)

| Taxpayer | 2020 | | | 2011 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Primera Towers (FL) JV | \$ 107,053 | 1 | 4.05% | - | - | - |
| MAA Alloy, LLC | 79,053 | 2 | 2.99% | | | |
| Starwood Cap Group Global | 76,428 | 3 | 2.89% | | | |
| Verizon Corporate Resources | 47,388 | 4 | 1.79% | - | - | - |
| Bell Bentley Park Apartments | 43,253 | 5 | 1.63% | - | - | - |
| RAR2-252 Wheelhouse LLC | 43,145 | 6 | 1.63% | | | |
| Timacuan Fee Owner, LLC | 37,134 | 7 | 1.40% | | | |
| Duke Energy | 31,039 | 8 | 1.17% | - | - | - |
| Station House Apartments, LLC | 30,903 | 9 | 1.17% | - | - | - |
| Heathrow Hotel Owners LLC (Marriott Hotel) | 29,503 | 10 | 1.11% | 22,055 | 6 | 1.20% |
| DRA CLP Heathrow (formerly part of Crescent Resources) | | | | 60,816 | 1 | 3.32% |
| Sun Life Assurance Co of Canada (formerly a part of Crescent Resources, Inc) | - | - | - | 38,206 | 2 | 2.09% |
| A T & T Mobility LLC | - | - | - | 32,289 | 3 | 1.76% |
| DRA CRT Lake Mary Center | - | - | - | 26,335 | 4 | 1.44% |
| Nextel South Coop | - | - | - | 23,208 | 5 | 1.27% |
| Golfview Apartments | | | | 18,253 | 7 | 1.00% |
| Wachovia Trust Co Trustee | - | - | - | 18,017 | 8 | 0.98% |
| North Point LP | | | | 17,559 | 9 | 0.96% |
| Central Florida Educators | - | - | - | 17,420 | 10 | 0.95% |
| Totals | <u>\$ 524,899</u> | | <u>19.83%</u> | <u>\$ 274,158</u> | | <u>14.97%</u> |

Source: Seminole County Property Appraiser (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 |
| 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% | 15 | 8,431 | 96.91% |
| 2020 | 9,499 | 9,094 | 95.74% | - | 9,094 | 95.74% |

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 ² | Per Capita |
|------------------------------------|---|---------------|-----------------------------|---|------------|
| | Refunding Revenue Notes ^{3,4} | Revenue Bonds | | | |
| 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 |
| 2020 | - | - | - | 0.00% | - |

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

- 1 Enterprise Funds have no outstanding Debt.
- 2 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- 3 Refunding Revenue bonds were refunded in 2002 and 2003 which included a new issue of \$4 million and again in 2007 which included a new issue of \$5 million.
- 4 Refunding Revenue bonds were paid off in 2020.

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

| Governmental Unit | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ¹</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-------------------------|---|--|
| Overlapping Debt: | | | |
| Seminole County General Obligation Debt ³ | \$ - | 7.41% | \$ - |
| Subtotal, overlapping debt | | | |
| Direct Debt: | | | |
| Public Improvement Refunding Revenue Note Series 2012 ² | - | 100% | - |
| Total direct and overlapping debt | <u><u>\$ -</u></u> | | <u><u>\$ -</u></u> |

Sources:

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

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

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

³ Seminole County paid off all General Obligation Debt during FY 2013.

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

| General Government | | | | | | | |
|-------------------------------|-------------------------|------------------------|----------------------------|--|-----------------------------------|----------|---------------------------------------|
| Fiscal Year Ended Sept 30, | Public Service Taxes | Half-Cent Sales Tax | Electric Franchise Fees | Total Revenue Available for Debt Service | Maximum Annual Debt Service | Coverage | Coverage without Franchise Fees |
| 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 |
| 2020 | 3,806,352 | 1,096,343 | 2,377,003 | 7,279,698 | n/a | n/a | n/a |

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

| Fiscal Year | Population ¹ | Personal Income (amounts expressed in thousands) | Per Capita Personal Income ¹ | Median Age ¹ | Education Level in Years of Formal Schooling ¹ | School Enrollment ³ | Unemployment Rate ⁴ |
|-------------|-------------------------|---|---|-------------------------|---|--------------------------------|--------------------------------|
| 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% |
| 2020 | 17,633 | 756,085 | 42,879 | 45.7 | 14.71 | 2,033 | 6.4% |

* Data not available

Sources:

- 1 Metro Orlando Economic Development Commission (estimates), 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 Florida Department of Economic Opportunity, Local Area Unemployment Statistics Program

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

| Employer | 2020 ¹ | | | 2011 | | |
|-----------------------------------|-------------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Converges | 1,900 | 1 | 5.43% | 1,771 | 1 | 5.06% |
| Chase Bank Card Service | 1,900 | 2 | 5.43% | - | - | - |
| Deloitte Consulting LLP | 1,850 | 3 | 5.29% | - | - | - |
| HF Management Services | 1,580 | 4 | 4.51% | - | - | - |
| Verizon Corporate Resources Group | 1,300 | 5 | 3.71% | - | - | - |
| Liberty Mutual Insurance Company | 1,070 | 6 | 3.06% | - | - | - |
| Digital Risk | 1,037 | 7 | 2.96% | - | - | - |
| Veritas Technologies LLC | 932 | 8 | 2.66% | - | - | - |
| Fiserv | 700 | 9 | 2.00% | 661 | 2 | 1.89% |
| American Automobile Association | 689 | 10 | 1.97% | - | - | - |
| Bank of NY Investments | - | - | - | 650 | 3 | 1.86% |
| AIG Marketing | - | - | - | 638 | 4 | 1.82% |
| Symantec | - | - | - | 621 | 5 | 1.77% |
| Wells Fargo Home Mortgage | - | - | - | 571 | 6 | 1.63% |
| AT & T Wireless | - | - | - | 450 | 7 | 1.29% |
| A B B Power | - | - | - | 403 | 8 | 1.15% |
| Sunguard H T E Inc | - | - | - | 359 | 9 | 1.03% |
| CuraScript | - | - | - | 348 | 10 | 0.99% |
| Total | <u>12,958</u> | | <u>37.02%</u> | <u>6,472</u> | | <u>18.49%</u> |

Source: Orlando Business Journal, Dun and Bradstreet, Business Locations

Note 1: The City of Lake Mary has an estimated daytime population of over 35,000 with approximately **2,574** business tax receipts issued as of 9/30/2020

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

Full-time Equivalent Employees as of September 30,

| Function | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | 33 | 29 | 29 | 30 | 31 | 28 | 29 | 30 | 32 | 32 |
| Public Safety: | | | | | | | | | | |
| Police | | | | | | | | | | |
| Sworn Officers | 39 | 40 | 40 | 41 | 43 | 43 | 44 | 45 | 46 | 47 |
| Non sworn officers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Civilians | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 5 | 5 | 5 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 38 | 38 | 38 | 39 | 39 | 39 | 39 | 39 | 42 | 42 |
| Fire Prevention | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Works | 21 | 21 | 21 | 21 | 21 | 21 | 22 | 23 | 24 | 24 |
| Parks and Recreation | 27 | 28 | 27 | 28 | 29 | 30 | 30 | 31 | 31 | 31 |
| Total | <u>179</u> | <u>177</u> | <u>176</u> | <u>180</u> | <u>184</u> | <u>182</u> | <u>185</u> | <u>181</u> | <u>188</u> | <u>189</u> |

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>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Police | | | | |
| Auto Accidents | 751 | 637 | 666 | 635 |
| Physical arrests | 565 | 467 | 476 | 449 |
| Criminal Investigations Conducted | 473 | 396 | 452 | 433 |
| Total Calls for Service | 62,681 | 53,482 | 57,005 | 57,487 |
| Fire & Life Safety | | | | |
| Public Education Programs | 136 | 62 | 68 | 64 |
| Number of emergency calls answered | 3,709 | 3,683 | 3,851 | 3,893 |
| Medical Transports | 1,604 | 1,639 | 1,772 | 1,816 |
| Highways and streets | | | | |
| Streets paved (miles) | 2.0 | - | 5.3 | 5.1 |
| Streets resurfaced (tons/asphalt) | 967.7 | 4,038.3 | 3,368.2 | 2,066.3 |
| Sidewalks/bike paths built or repaired (feet) | 910 | 1,122 | 699 | 1,960 |
| Culture and recreation | | | | |
| Tennis membership | 161 | 155 | 142 | 152 |
| Events Center rentals | 271 | 299 | 270 | 295 |
| Water | | | | |
| New connections | 34 | 26 | 39 | 35 |
| Number of customers | 5,080 | 5,111 | 5,130 | 5,179 |
| Water main breaks | 76 | 124 | 179 | 230 |
| Average daily consumption (millions of gallons) | 3.26 | 3.19 | 3.02 | 2.95 |
| Meter reads | 61,091 | 61,521 | 61,630 | 62,202 |
| General Government | | | | |
| Total Permits Issued | 1,215 | 1,512 | 1,530 | 1,302 |
| Construction inspections | 3,777 | 5,284 | 4,391 | 4,221 |
| Employment applications received | 722 | 1,124 | 719 | 542 |
| Personnel actions processed | 361 | 525 | 345 | 348 |
| Legal Notices published | 72 | 79 | 49 | 33 |
| Business Tax Receipts issued | 1,896 | 1,823 | 2,032 | 1,773 |
| Accidents & Injuries reviewed | 67 | 69 | 43 | 54 |
| Land Use amendments & rezonings | 33 | 25 | 12 | 11 |
| License/Permit Reviews | 497 | 839 | 841 | 651 |
| Employee paychecks issued | 5,095 | 5,082 | 5,109 | 5,040 |
| Checks deposited | 37,908 | 38,285 | 36,036 | 33,065 |
| A/P Checks issued | 2,396 | 2,377 | 2,649 | 2,660 |
| Purchase orders/EPO's processed | 443 | 464 | 486 | 601 |
| Purchasing Card Transactions | 2,402 | 2,700 | 2,800 | 3,501 |

Source: City of Lake Mary Departmental Monthly Reports

| Fiscal Year | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| 686 | 764 | 753 | 826 | 893 | 674 |
| 443 | 524 | 409 | 403 | 281 | 133 |
| 424 | 457 | 438 | 422 | 233 | 344 |
| 62,401 | 80,802 | 89,976 | 118,859 | 119,016 | 147,684 |
| 86 | 179 | 152 | 151 | 177 | 34 |
| 4,348 | 4,620 | 3,938 | 3,071 | 4,867 | 4,810 |
| 1,845 | 1,959 | 2,141 | 2,034 | 2,038 | 1,974 |
| 1.7 | 8.8 | 1.6 | 5.0 | 1.7 | - |
| 2,083.5 | 8,635.2 | 1,293.8 | 7,889.6 | 1,576.6 | 10,116.4 |
| 1,040 | 689 | 533 | 701 | 695 | 609 |
| 153 | 164 | 164 | 204 | 160 | 212 |
| 324 | 308 | 280 | 296 | 299 | 175 |
| 20 | 45 | 34 | 58 | 32 | 31 |
| 5,193 | 5,241 | 5,336 | 5,289 | 5,309 | 5,304 |
| 205 | 230 | 282 | 80 | 79 | 65 |
| 3.09 | 3.24 | 3.29 | 3.11 | 3.25 | 3.21 |
| 62,449 | 62,803 | 64,032 | 63,518 | 63,758 | 56,038 |
| 1,763 | 2,018 | 1,320 | 2,476 | 2,206 | 2,890 |
| 5,280 | 5,804 | 5,406 | 8,709 | 8,101 | 8,537 |
| 727 | 902 | 873 | 626 | 538 | 561 |
| 388 | 417 | 408 | 399 | 370 | 355 |
| 32 | 29 | 26 | 41 | 36 | 31 |
| 1,999 | 1,983 | 2,016 | 2,138 | 2,185 | 2,574 |
| 44 | 65 | 68 | 54 | 71 | 53 |
| 8 | 15 | 11 | 14 | 7 | 9 |
| 776 | 962 | 894 | 1,077 | 936 | 754 |
| 5,202 | 5,433 | 5,354 | 5,007 | 5,210 | 5,105 |
| 32,774 | 33,256 | 31,338 | 30,103 | 29,844 | 21,006 |
| 2,944 | 2,972 | 3,002 | 2,961 | 2,962 | 2,908 |
| 743 | 591 | 332 | 403 | 403 | 400 |
| 3,525 | 3,519 | 3,742 | 3,874 | 3,900 | 3,348 |

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

| | Fiscal Year | | | |
|--|-------------|-------------|-------------|-------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Function | | | | |
| Public safety | | | | |
| Police: | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Patrol units | 42 | 43 | 52 | 53 |
| Fire stations | 2 | 2 | 2 | 2 |
| Highways and streets | | | | |
| Streets - paved (miles) | 55.79 | 56.90 | 57.30 | 57.30 |
| Streets - unpaved (miles) | 2.46 | 2.46 | 2.46 | 2.46 |
| Street lights | 1,074 | 1,087 | 1,087 | 1,087 |
| Traffic Signals | 12 | 12 | 12 | 13 |
| 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 | 3 |
| Historical Museum | 1 | 1 | 1 | 1 |
| Water | | | | |
| Water mains (miles) | 104.0 | 104.2 | 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) | 32.40 | 32.40 | 32.40 | 32.40 |
| Storm sewers (miles) | 53.00 | 54.33 | 54.51 | 54.51 |

| Fiscal Year | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 54 | 51 | 51 | 51 | 54 | 54 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 59.00 | 66.05 | 66.05 | 66.05 | 66.05 | 66.05 |
| 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 |
| 1,087 | 1,135 | 1,135 | 1,135 | 1,135 | 1,135 |
| 13 | 13 | 14 | 14 | 14 | 14 |
| 72 | 72 | 72 | 72 | 72 | 72 |
| 11 | 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 |
| 547 | 547 | 548 | 548 | 548 | 548 |
| 12.96 | 12.96 | 12.96 | 12.96 | 12.96 | 12.96 |
| 32.40 | 32.53 | 32.53 | 32.53 | 32.53 | 32.53 |
| 54.51 | 54.67 | 54.67 | 54.67 | 54.67 | 54.67 |

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

| Year | Revenues by Source | | Expenses by Type | | | | City Contribution as a Percent of Payroll (1) |
|------|--------------------------|---------------|------------------|---------|-----------------------------------|--------------------|---|
| | Investment Income Net | Contributions | Benefits | Refunds | Investment Related Expenses | Admin. Expenses | |
| 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 | 1,343,668 | 1,059,341 | 494,468 | - | 101,770 | 26,130 | 32.8% |
| 2015 | (18,596) | 981,925 | 504,618 | - | 123,560 | 41,419 | 27.4% |
| 2016 | 1,699,762 | 929,727 | 561,058 | 13,938 | 115,345 | 37,977 | 22.0% |
| 2017 | 1,522,770 | 923,151 | 611,052 | - | 122,082 | 50,923 | 22.2% |
| 2018 | 1,784,206 | 949,157 | 747,148 | 10,557 | 143,154 | 53,223 | 22.5% |
| 2019 | 769,928 | 873,594 | 781,411 | 5,735 | 135,323 | 52,749 | 17.8% |
| 2020 | 1,894,038 | 900,092 | 1,084,727 | 5,723 | 119,069 | 52,854 | 17.0% |

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

| Year | Revenues by Source | | Expenses by Type | | | | City Contribution as a Percent of Payroll (1) |
|------|--------------------------|---------------|------------------|---------|-----------------------------------|--------------------|--|
| | Investment Income Net | Contributions | Benefits | Refunds | Investment Related Expenses | Admin. Expenses | |
| 2011 | (31,546) | 702,567 | 183,648 | 7,103 | 36,255 | 35,478 | 18.5% |
| 2012 | 1,364,885 | 775,763 | 307,335 | - | 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 | 85,344 | 873,192 | 768,302 | - | 66,743 | 37,977 | 25.7% |
| 2016 | 1,354,582 | 881,963 | 438,239 | 31,602 | 70,712 | 41,718 | 24.2% |
| 2017 | 1,702,754 | 1,052,484 | 898,642 | 10,440 | 79,123 | 59,898 | 26.3% |
| 2018 | 1,276,270 | 1,006,976 | 630,795 | 6,239 | 84,202 | 50,726 | 23.6% |
| 2019 | 908,387 | 1,003,711 | 930,424 | 14,687 | 83,700 | 54,397 | 24.8% |
| 2020 | 2,202,137 | 1,151,208 | 752,462 | - | 69,966 | 59,382 | 27.3% |

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

| | Fiscal Year | | | |
|--|--------------------------|------------------------|-----------------------|------------------------|
| | <u>2011</u> ¹ | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| Revenues | | | | |
| Permit Fees | | | | |
| Building Permits | \$ 382,042 | \$ 760,820 | \$ 1,377,161 | \$ 729,386 |
| Electrical Permits | 31,702 | 63,819 | 45,976 | 77,580 |
| Plumbing Permits | 12,861 | 43,687 | 30,639 | 28,629 |
| Mechanical Permits | 23,054 | 25,243 | 32,685 | 50,765 |
| Misc Building Fees | 19,659 | 16,476 | 25,300 | 23,134 |
| Total revenues | <u>469,318</u> | <u>910,045</u> | <u>1,511,761</u> | <u>909,494</u> |
| Expenditures | | | | |
| Building Salaries & Benefits | 464,531 | 420,993 | 372,839 | 389,676 |
| Operating Expenditures | 65,938 | 63,890 | 52,577 | 53,896 |
| Capital Expenditures | - | - | 9,733 | 5,500 |
| Allocation of Indirect Costs & Bldg Deprec. | 372,258 | 464,438 | 492,305 | 516,920 |
| Allocation of Debt Service: (23%) | 423,608 | - | - | - |
| Total expenditures | <u>1,326,335</u> | <u>949,321</u> | <u>927,454</u> | <u>965,992</u> |
| Excess of revenues over (under) expenditures | <u>\$ (857,017)</u> | <u>\$ (39,276)</u> | <u>\$ 584,307</u> | <u>\$ (56,498)</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>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
| \$ 791,306 | \$ 1,494,458 | \$ 1,858,541 | \$ 1,957,333 | \$ 2,122,462 | \$ 1,651,389 |
| 39,037 | 81,153 | 120,991 | 98,793 | 99,616 | 92,150 |
| 20,018 | 31,440 | 49,820 | 35,221 | 28,834 | 41,557 |
| 38,298 | 53,552 | 61,414 | 65,666 | 107,733 | 41,361 |
| 28,240 | 37,120 | 68,182 | 55,886 | 71,711 | 38,583 |
| <u>916,899</u> | <u>1,697,723</u> | <u>2,158,948</u> | <u>2,212,899</u> | <u>2,430,356</u> | <u>1,865,040</u> |
| 310,049 | 320,963 | 406,782 | 445,026 | 486,773 | 511,130 |
| 56,229 | 51,848 | 55,259 | 74,762 | 66,876 | 75,204 |
| - | - | - | - | - | - |
| 547,935 | 564,373 | 581,304 | 570,477 | 527,266 | 534,186 |
| - | - | - | - | - | - |
| <u>914,213</u> | <u>937,184</u> | <u>1,043,345</u> | <u>1,090,265</u> | <u>1,080,915</u> | <u>1,120,520</u> |
| <u>\$ 2,686</u> | <u>\$ 760,539</u> | <u>\$ 1,115,603</u> | <u>\$ 1,122,634</u> | <u>\$ 1,349,441</u> | <u>\$ 744,520</u> |
| estimated gain/(loss) total since 1996 | | | | | 1,712,468 |



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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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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.

McDiarmid Davis

Orlando, Florida
February 15, 2021

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, 2020, and have issued our report thereon dated February 15, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an 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 February 15, 2021, 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.

McDiarmid Davis

Orlando, Florida
February 15, 2021



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

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

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, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

McDermitt Davis

Orlando, Florida
February 15, 2021



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City of Lake Mary

Incorporated in 1973

February 15, 2021

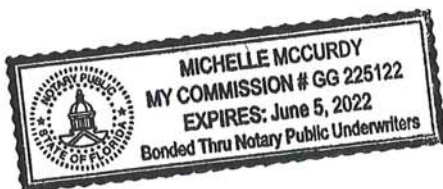
AFFIDAVIT OF IMPACT FEE COMPLIANCE

Impact Fees are assessed in accordance with Title XV: Land Usage, Chapter 150.15 Impact Fees, of City of Lake Mary Code of Ordinances. Impact fee collections, expenditures and accounting are provided for in separate accounting funds and comply with Florida Statute 163.31801.

Brent Mason
Finance Director

State of Florida
County of Seminole

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this (date) February 15, 2021 by (name of person acknowledging) Brent Mason, who is personally known to me or who has produced (type of identification) _____ as identification.



Notary Public - Signature

Name Typed, printed or stamped

My Commission Expires: 6/5/2022

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

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



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