

CITY OF LAKE ALFRED
FLORIDA

Annual Comprehensive Financial Report

The City of Lake Alfred Financial Report For the Year Ended

September 30, 2021

TABLE OF CONTENTS

Introductory Section

Principal City Officials i

Organizational Chart ii

Letter of Transmittal iii

Certificate of Achievement for Excellence in Financial Reporting vii

Financial Section

Report of Independent Certified Public Accountant 1

Management's Discussion and Analysis (required supplementary information) 4

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position 14

Statement of Activities 15

Fund Financial Statements:

Balance Sheet – Governmental Funds 16

Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 17

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 18

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities 19

Statement of Net Position – Proprietary Fund 20

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund 21

Statement of Cash Flows – Proprietary Fund 22

Statement of Cash Flows – Proprietary Fund (concluded) 23

Statement of Fiduciary Net Position – Fiduciary Funds 24

Statement of Changes in Fiduciary Net Position – Fiduciary Funds 25

Notes to Financial Statements 26

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund (Unaudited) 54

Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Plan 55

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Plan 57

Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' and Firefighters' Pension Trust Fund 58

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' and Firefighters' Pension Plan 60

Schedule of Contributions - General Employees' Pension Plan 61

Schedule of Contributions - Police Officers' and Firefighters' Pension Plan 62

Schedule of Changes in the Total OPEB Liability and Related Ratios 63

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds 64

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 65

Combining Statement of Fiduciary Net Position – Pension Trust Funds 66

Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds 67

Budgetary Comparison Schedule – Community Redevelopment Agency (Unaudited) 68

STATISTICAL SECTION

Financial Trends

Net position by component 69

Changes in Net Position 70

Fund Balances of Governmental Funds 72

Changes in Fund Balances of Governmental Funds 73

Revenue Capacity

Assessed and Estimated Actual Value of Taxable Property 74

Direct and Overlapping Property Tax Rates 75

Principal Property Taxpayers 76

Property Tax Levies and Collections 77

Debt Capacity

Ratios of Outstanding Debt by Type 78

Ratios of General Bonded Debt Outstanding 79

Direct and Overlapping Governmental Activities Debt 80

Legal Debt Margin 81

Pledged-Revenue Coverage 82

Demographic and Economic Information

Demographic and Economic Statistics 83

Operating Information

Principal Employers 84

Full-time equivalent City Government Employees by Function/Program 85

Various Indicators by Function\Program 86

Capital Asset Statistics by Function 87

OTHER REPORTS

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* 88

Independent Accountant's Report on Compliance with Section 218.415, *Florida Statutes* 90

Management Letter 91

OTHER INFORMATION

Letter of Management's Response 94

Introductory Section



Ribbon cutting for New Ace Hardware

Annual Comprehensive Financial Report
For the City of Lake Alfred, Florida
For the fiscal year ending September 30, 2021

Prepared by the Finance Department of the City of Lake Alfred

City of Lake Alfred, Florida
Principal City Officials
September 30, 2021

City Commission

Mayor	Nancy Daley
Vice Mayor	Jack Dearmin
Commissioners	Brent Eden
	Cassius Fuller
	Albertus Maultsby

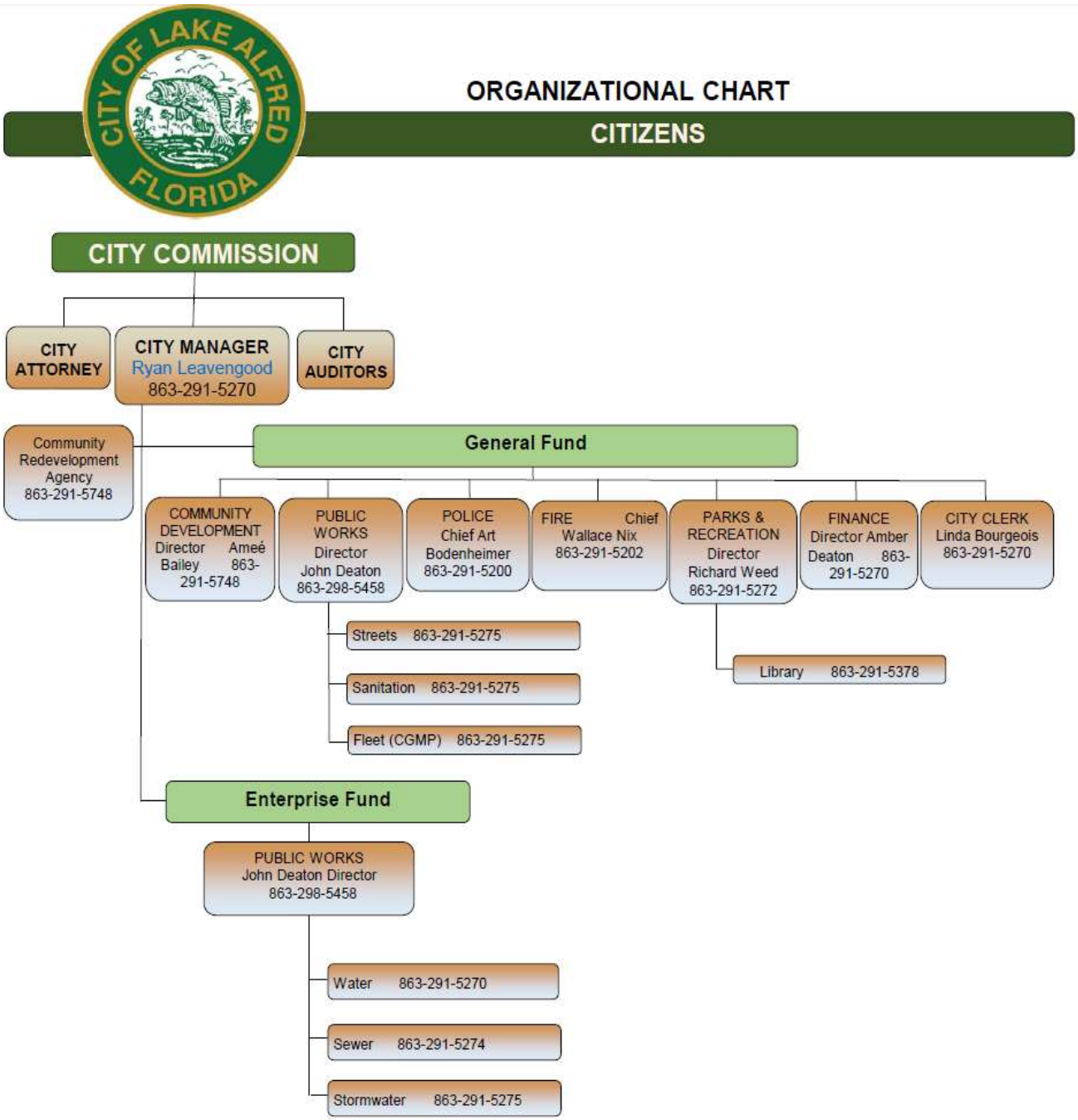
Administration

City Manager	Ryan Leavengood
City Attorney	John Murphy

Administration Staff

City Clerk	Linda Bourgeois
Community Development Director	Amee' Speck-Bailey
Finance Director	Amber Deaton
Fire Chief	Wallace Nix
Parks & Recreation Director	Richard Weed
Police Chief	Art Bodenheimer
Public Works Director	John Deaton

ORGANIZATIONAL CHART



April 14, 2022

To the Honorable Mayor, Members of the City
Commission and the Citizens of the
City of Lake Alfred, Florida

It is our pleasure to submit the Annual Comprehensive Financial Report for the City of Lake Alfred, Florida for the fiscal year end of September 30, 2021. The organization, form, and contents of this report, plus the accompanying financial statements and statistical tables, were prepared in accordance with the requirements of Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, and the Governmental Finance Officers Association. In addition to meeting legal the requirements, this report also reflects the City's commitment to full financial disclosure. We encourage you to thoroughly read the report and the important items it addresses.

This report has been prepared by the Finance Department of the City of Lake Alfred, which assumes full responsibility for the completeness and accuracy of the information contained herein. To provide a reasonable basis for making these assertions, management had established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse. Furthermore, the City compiled sufficient reliable information for the preparation of the City's financial statements in conformity with Accounting Principles Generally Accepted in the United States of America (U.S. GAAP). Because the cost of internal controls should not outweigh its benefits, the City of Lake Alfred's comprehensive framework of internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. As part of management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

State law requires that a complete set of financial statements reporting the City of Lake Alfred's financial position and results of activities be published within nine months of the fiscal year end. The City has contracted with a licensed public accountant, Brynjulfson, CPA, to conduct the audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2021, were free of any material misstatements. The independent auditor concluded there was reasonable basis for rendering an unmodified opinion that the City of Lake Alfred's financial statements were fairly presented and in conformity with U.S. GAAP. The report of the independent certified public accountant is presented as the first component in the financial section of the report.

U.S. GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to complement the MD& A and should be read in conjunction with it. The City of Lake Alfred's MD & A can be found following the report of the independent certified public accountant.

Profile of the Government

The City of Lake Alfred, Florida is a municipal corporation of the State, incorporated on June 30, 1915. Located in East Polk County, the 2021 population of Lake Alfred is estimated to be near 6,200. Encompassing approximately 12 miles, the City has been empowered to levy a property tax on real estate and personal property located within its boundaries. It has also been granted authority by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission.

The City of Lake Alfred operates under the Council/Manager form of local government, which combines strong political leadership of elected officials, in the form of a non-partisan City Commission, with the strong managerial experience of the City Manager. Additionally, the City Commission is considered the principal legislative and governmental body of the city. The citizens elect its governing body, consisting of five Commissioners, which are responsible for enacting ordinances, budget adoption, appointing committee members, and hiring the City Manager, Attorney, and Auditor. The Commissioners are also responsible to nominate and approve its Mayor and Vice Mayor on an annual basis and all commissioners are elected at large. The City Manager, who serves as Chief Executive Officer, is responsible for carrying out the policies and ordinances enacted by the Commission and for the oversight of the day-to-day operations of the City. Furthermore, the manager is tasked with hiring the department heads of the various city departments.

The City of Lake Alfred is a full-service city and recognizes that a fundamental element to the overall quality of life is the health of the community's economy. Our community is a uniquely dynamic, attractive, and well-run municipality characterized by a combination of residential, industrial, and commercial developments. Services of the city include law enforcement, fire/rescue protection, solid waste management, water and wastewater service, roads and street maintenance, community development, cemetery operations, recreational and cultural activities, and general administrative services. Citizens enjoy the personalization of services provided by the city employees. Within the report, it includes all funds of the government.

The biennial budget is formally adopted by the City Commission and the level of budgetary control is set at the fund level. Budget to actual comparison is provided in this report.

Local Economy

The current economic conditions, environment, and local indicators indicate an upswing in property values within the City of Lake Alfred. The housing market affects revenues greatly due to the tax base being mainly residential. Permit activity continues to increase, and new houses are being built throughout the city.

Long Term Financial Planning

Long term financial planning requires the city to prepare a five-year capital improvement plan that identifies both capital improvements and related revenue sources. Capital requirements of enterprise operations are financed from capital reserves and from the users of the services through the fees. Additionally, capital requirements of the general fund operations are financed from the general fund revenues or reserve funds. Areas of new construction or capital costs associated with growth are funded with impact fees.

Currently, the unassigned fund balance in the General fund is $1,014,044 which is 18% of general fund expenditures. The City Commission and City Manager continue to work on the needs of the community, while at the same time meeting the needs in a cost-effective and efficient manner. The following projects are planned for the next year and beyond:

- Fire Engine Replacement will be paid for with the assigned Fundbalance for capital outlay. Management is allocation $50,000 a year for this purchase.
- Phasing in the recommendations from the parks master plan over multiple years to improve the recreational areas for all citizens.
- Community Redevelopment Area (CRA) improvement projects and the implementation of facade grants.
- Lake Alfred is a part of the Polk County Water Cooperative. The organization is seeking to find alternative water sources for the future. The City's portion of the costs are currently funded with enterprise reserves, but future obligations will require outside financing.
- A new water plant will be built within the next several years. This will create a redundancy for the water service. There is currently only one water plant to service the entire city and two interconnects.
- Sewer Extension on County Road 557 will allow the city to better serve the customers forecasted to be on CR 557 in the future.

Relevant Financial Policy

The financial policy that has a significant impact on the financial statements is the fund balance reserve policy. The policy establishes the spending order of fund balances, and reservations of fund balance for the general fund.

Major Initiatives

During the fiscal year 2021, the City of Lake Alfred continued to further the goals and objectives established by the Commission.

- Sidewalks and road projects totaled $190,000.
- The first phase of Central Park improvements was 74% complete. Phase one included a new turf for football field, retention wall, and parking costing approximately $310,000.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Alfred, Florida for its Annual Comprehensive Financial Report (ACFR) for the fiscal year end of September 30, 2020. This was the ninth year the city received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for one year. We believe the current ACFR continues to meet the requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The in-house preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. 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, Mike Brynjulfson and Jordan Ortiz of Brynjulfson, CPA whose suggestions and attention to detail enhanced the quality of this report.

Respectfully submitted,



Ryan Leavengood
City Manager



Amber Deaton
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lake Alfred
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
City of Lake Alfred, 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 City of Lake Alfred, Florida as of and for the year ended September 30, 2021, 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

Management is responsible for the preparation and fair presentation of these financial 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 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 from 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Alfred, Florida, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principles – As described in Note 14 to the financial statements, in 2021 the City adopted new accounting guidance, Governmental Accounting Standards board (GASB) Statement No. 84 – *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Change in Accounting Principles – As described in Note 14 to the financial statements, effective October 1, 2020, the City changed the reporting of impact fee activity that was previously reported within the City's general fund by creating a new special revenue fund to account for the impact fee activity, other than water and sewer impact fees which are accounted for in the enterprise fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as provided 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 Alfred, Florida's basic financial statements. The introductory section, combining financial statements reported as other supplementary information, statistical section and other information section are presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The introductory, statistical and other information 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 April 14, 2022, on our consideration of the City of Lake Alfred, 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 Alfred, Florida's internal control over financial reporting and compliance.

Other Reporting Required by Chapter 10.550, Rules of the Auditor General

In accordance with *Chapter 10.550, Rules of the Auditor General*, we have also issued our report dated April 14, 2022, on our examination of compliance with requirements of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our examination and the issuance of an opinion on the City of Lake Alfred, Florida's compliance with requirement of Section 218.415, *Florida Statutes.*

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 14, 2022

The City of Lake Alfred's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the City's financial activities. The analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify the changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues of concern.

Financial Highlights

- The assets and deferred outflows of resources of the City of Lake Alfred exceeded its liabilities and deferred inflows of resources on September 30, 2021 by $30,926,383 (net position). Of this amount, $4,116,340 is reported as unrestricted net position which may be used to meet the City's ongoing obligations to citizen's and creditors.

- The City's total net position increased by $3,069,140 during the current year. The current year activity increased the governmental activities' net position by 9% and increased the business-type activities by 14%.

- As of September 30, 2021, the City of Lake Alfred's governmental funds reported combined ending fund balances of $3,610,495, an increase of $1,322,702 in comparison with the prior year ending balance of $2,287,793. General fund balance increased by $1,096,360. Unassigned and assigned fund balance totaled $1,694,044 compared to $754,636 at the end of the previous fiscal year, a $939,408 (124%) increase. Unassigned and assigned fund balance is available for spending at the City's discretion.

- The City of Lake Alfred's total net long-term debt decreased by $418,272 (16%) during the fiscal year.

UNDERSTANDING THE BASIC FINANCIAL STATEMENTS

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability. The statement of net position and statement of activities seeks to give the user a combined overview of the City's financial position; eliminates interfund activities, and "other people's money", such as pension funds, which can mislead users when incorporated in a combined manner.

The reporting model requires the use of accrual accounting (which focuses on economic resources) at the topmost level, while maintaining modified accrual accounting (which focuses on current financial resources – budget resources) at the individual fund level. The impact of long-term financial decisions can be more properly matched to the period in which the expense or revenue is more properly attributed. More fairness in presentation is achieved and the impacts of long-term decisions are promptly recorded as the transactions occur, as opposed to the traditional method of recording them when the bill is paid.

The MD&A is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. Both statements represent an overview of the City as a whole, separating its operations between governmental and business-type activities.

The governmental activities of the City include general government, police and fire departments, roads and streets, sanitation, library, community development, public works, community redevelopment and parks and recreation.

The business-type activities of the City include the water, sewer and stormwater departments. All information is presented utilizing the economic resource measurement focus and accrual basis of accounting. This method better matches revenues and expenses to the period in which the revenue is earned and the expense attributed.

Fiduciary funds, such as pension trust funds, are excluded from the government-wide financial statements as they represent money and funds legally set aside for use by the employee groups they benefit. Florida law requires municipalities to fund pension plans on an actuarially sound basis; therefore, it is important for the user to study the fund financial statements as well as the notes to the financial statements.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual measure reported as net position. The focus of the statement of net position is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease 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, focusing on both the gross and net cost of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

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

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four separate governmental funds – the general fund, American Rescue Plan Act special revenue fund, impact fee special revenue fund and the community redevelopment agency special revenue fund. Information is presented separately for each major governmental fund in the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and change in fund balances. Budgetary comparison schedules for each major governmental fund with a legally adopted budget has been provided to demonstrate compliance with the budget in the required supplementary information section of this report and can be located by referencing the table of contents of this report. The basic governmental funds financial statements, governmental funds combining schedules and budgetary comparison schedules can be located by referencing the table of contents of this report.

Proprietary Funds - The City utilizes one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, and storm water departments. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be located by referencing the table of contents of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government–wide financial statement because the resources of those funds are not available to support the City's own programs. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be located by referencing the table of contents of this report.

Notes to Financial Statements - The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – This report also presents certain required supplementary information which consists of the general fund budgetary comparison schedule, schedules of changes in the total OPEB liability and related ratios, and the schedule of changes in the net pension liability and related ratios and the schedule of contributions for the City's general employees' retirement system and the police officers' and firefighters' retirement system. Required supplementary information can be located by referencing the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table reflects the condensed statement of net position for the current year, as compared to the prior year. For more detailed information see the statement of net position which can be located by referencing the table of contents of this report.

Statement of Net Position (Summary)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 6,868,833	$ 3,550,385	$ 5,811,783	$ 4,681,147	$ 12,680,616	$ 8,231,532
Capital assets	13,337,311	13,181,451	10,813,466	10,684,707	24,150,777	23,866,158
Total assets	20,206,144	16,731,836	16,625,249	15,365,854	36,831,393	32,097,690
Deferred outflows	240,689	463,824	56,533	94,348	297,222	558,172
Current liabilities	2,052,003	476,460	1,153,613	1,077,441	3,205,616	1,553,901
Long-term liabilities	936,749	817,696	1,849,440	2,355,825	2,786,189	3,173,521
Total liabilities	2,988,752	1,294,156	3,003,053	3,433,266	5,991,805	4,727,422
Deferred inflows	201,477	66,993	8,950	4,204	210,427	71,197
Net position:						
Net investment in capital assets	13,257,511	13,181,451	8,665,853	8,039,022	21,923,364	21,220,473
Restricted	1,848,722	1,166,030	3,037,957	1,933,458	4,886,679	3,099,488
Unrestricted	2,150,371	1,487,030	1,965,969	2,050,252	4,116,340	3,537,282
Total net position	$ 17,256,604	$ 15,834,511	$ 13,669,779	$ 12,022,732	$ 30,926,383	$ 27,857,243

Seventy-one percent (71%*)* of the City's net position reflects its investment in capital assets (e.g., land, buildings, sewer and water system, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (13%) may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities – While net position of the City represents the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources, the statement of activities reports the changes in net position during the fiscal year using the economic resources measurement focus and accrual basis of accounting. The following table reflects the condensed statement of activities for the current year. For more detailed information see the statement of activities which can be located by referencing the table of contents of this report.

Statement of Activities (Summary)
For the year ended September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Revenues:						
Program Revenues:						
Charges for services	$ 1,772,932	$ 1,171,639	$ 2,929,566	$ 2,755,556	$ 4,702,498	$ 3,927,195
Operating grants/contrib.	299,330	327,013	-	-	299,330	327,013
Capital grants/contrib.	819,966	1,256,786	1,519,347	304,733	2,339,313	1,561,519
General revenues:						
Property taxes	1,758,386	1,560,287	-	-	1,758,386	1,560,287
Other taxes	1,513,241	1,403,008	-	-	1,513,241	1,403,008
State shared revenue	715,534	595,341	-	-	715,534	595,341
Other	335,830	201,635	9,188	48,323	345,018	249,958
Total revenues	7,215,219	6,515,709	4,458,101	3,108,612	11,673,320	9,624,321
Expenses:						
Governmental activities:						
General government	1,422,763	1,353,291	-	-	1,422,763	1,353,291
Community development	454,261	527,498	-	-	454,261	527,498
Police	1,462,957	1,343,241	-	-	1,462,957	1,343,241
Fire	669,469	647,016	-	-	669,469	647,016
Sanitation	570,321	628,669	-	-	570,321	628,669
Public works	94,933	84,363	-	-	94,933	84,363
Roads and streets	719,962	643,467	-	-	719,962	643,467
Library	241,371	204,990	-	-	241,371	204,990
Parks and recreation	659,042	603,831	-	-	659,042	603,831
Community redevelopment	50,468	19,342	-	-	50,468	19,342
Business-type activities:						
Water utility	-	-	771,242	781,073	771,242	781,073
Sewer utility	-	-	1,397,709	1,399,188	1,397,709	1,399,188
Stormwater utility	-	-	89,682	96,645	89,682	96,645
Total expenses	6,345,547	6,055,708	2,258,633	2,276,906	8,604,180	8,332,614
Increase (decrease) in net position before transfers	869,672	460,001	2,199,468	831,706	3,069,140	1,291,707
Transfers in (out)	552,421	545,701	(552,421)	(545,701)	-	-
Change in Net Position	1,422,093	1,005,702	1,647,047	286,005	3,069,140	1,291,707
Net position - Beginning	15,834,511	14,828,809	12,022,732	11,736,727	27,857,243	26,565,536
Net position - Ending	$ 17,256,604	$ 15,834,511	$ 13,669,779	$ 12,022,732	$ 30,926,383	$ 27,857,243

Governmental Activities - Governmental activities increased the City's net position by $1,422,093 for the current year compared to an increase of $1,005,702 in the prior year. The main reasons for the increase are as follows:

- Total revenue increased by $699,510 or 11% mainly driven by an increase in charges for services of $601,293 (51%). The increase in charges for services is mainly attributable to permits, fees and other charges related to increased construction within the City.
- Additionally, general revenue increased by $562,720 (15%) and capital grants and contributions decreased by $436,820 (35%). General revenue increased due to increased economic activity as well as increased taxable value of property within the City. The decline in capital grants and contributions is due to significant donations of roadway infrastructure in the previous year that did not recur to such an extent in the current year.
- Total expenses increased by $289,839 or 5% mainly due to the following functions that experienced significant increases during 2021:
    - General government expenses increased by $69,472 (5%) mainly due to increased personnel costs of approximately $61,000 (9%).
    - Community development expenses decreased by $73,237 (14%) mainly due to an approximate $92,000 decrease in environmental assessment and remediation costs.
    - Police expenses increased by $119,716 (9%) mainly due to an approximate $83,000 (7%) increase in personnel costs, including salaries, wages, payroll taxes and insurances as well as pension and other postemployment benefit expenses.
    - Sanitation expenses decreased by $58,348 (9%) mainly due to decreased repair and maintenance costs and disposal fees.
    - Roads and streets expenses increased by $76,495 (12%) mainly due to increased engineering expenses and noncapital repair and maintenance expenses.
    - Parks and recreation expenses increased by $55,211 (9%) mainly due to an approximate $56,000 (19%) increase in personnel costs, including salaries, wages, payroll taxes and insurances as well as pension and other postemployment benefit expenses.

Business-type activities - Business-type activities increased the City's net position by $1,647,047 for the current year compared to a $286,005 increase in the prior year. The main reasons for the increase are as follows:

- Total revenue increased by $1,349,489 or 43% mainly due to increased capital grants and contributions of $1,214,614 (400%) caused by an increase in the amount of water and sewer infrastructure donated to the City by land developers in the current year ($426,740) and increased impact fees collected ($787,874). Charges for services increased by approximately $174,010 or 6%. These revenue increases were mainly due to increased utility customers as a result of increased residential home construction within the City.
- Total expenses decreased by $18,273 or 1%.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds - As of the close of the current year, the City's general fund had unrestricted cash and cash equivalents of $1,627,797 compared to $911,609 at the close of the prior year.

As of the end of the current fiscal year, the City's governmental funds reported ending fund balances of $3,610,495 an increase of $1,322,702 in comparison with the previously reported balance in the prior year. Of this total, $1,694,044 for the general fund constitutes unassigned and assigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted by enabling legislation or contract and can only be spent on the purposes for which it is intended.

Activity during the current fiscal year included the following key components:

- Fund balance in the general fund increased by $1,096,360 due to operations in the current year, mainly due to:
- Total general fund revenue increased by $798,453 or 15%, mainly due to:
  - Tax revenue increased by $247,499 or 9% mainly due to increased taxable value of property within the City and increased economic activity overall.
  - Licenses and permits increased by $302,512 or 79% and charges for services revenue increased by $154,155 or 19%, the increases in both revenue categories were mainly attributable to increased permits, fees and other charges related to increased construction within the City.
  - Intergovernmental revenue increased by $88,804 or 8% due to the recognition of increased grant revenue.
- Total general fund expenditures decreased by $60,648 or 1%, mainly due to:
  - Major changes between the 2021 and 2020 are discussed above under the "governmental activities" heading.
  - In addition to the above changes and present due to reporting focus differences, fund level capital outlay expenditures decreased by $221,604 (33%) mainly due to decreased capital project and equipment expenditures when compared to the prior year.
- The only other major governmental fund is the American Rescue Plan Grant special revenue fund which was established in 2021 to account for the receipt and expenditure of the state and local relief funds received which totaled $1,566,920 for 2021. The eligibility requirements have not been met as allowable expenditures have not been incurred, and as a result, 100% of the grant receipts are reported as unearned revenue at September 30, 2021.

Proprietary Funds - The enterprise fund's unrestricted cash and investments totaled $1,827,808 compared to $1,852,397 at the close of the prior year, a $24,589 decrease. The City's proprietary fund provides the same information found in the government-wide financial statements, but in more detail. The major changes between 2021 and 2020 are discussed above under the "business-type activities" heading.

BUDGETARY HIGHLIGHTS

General Fund:

During the year there was a $2,538,166 or 49% net increase in the anticipated general fund revenue between the original and final amended budget. This increase was mainly due to the following items:

- Budgeted license and permit revenue as well as charges for services revenue were increased by $496,202 and $101,997, respectively, due to greater than anticipated construction activity within the City.
- Budgeted grant revenue was increased by $1,865,145 due to grants received during the year that were not anticipated when the original budget was prepared.
- Budgeted tax revenue was increased by $133,100 due to greater than expected collections.

During the year there was a $201,339 or 4% net increase in general fund expenditure appropriations between the original and final amended budget. These increases/decreases were mainly due to the general fund expenditures that varied from the original budget and for a myriad of reasons.

Actual revenue was less than the final budgeted amounts by $1,546,136 or 20% of the final budget because the Coronavirus State and Local Fiscal Recovery funds (part of the American Rescue Plan Act) were budgeted for the general fund but reported in the American Rescue Plan Grant special revenue fund in this annual comprehensive report. Actual expenditures were more than the final budgeted amounts by $19,307 or less than 1% of the final budget.

The City did not adopt a budget for the American Rescue Plan special revenue fund and therefore budgetary analysis of this fund is not possible.

Additional information can be found in the required supplementary section of this report which can be found by referencing the table of contents.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to $24,150,777 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sewer and water systems, machinery and equipment, and construction in progress.

Major capital assets placed into service (excludes construction in process) during the fiscal year included the following:

Governmental activities:

- Mackay Trail - $27,451
- Speed tables - $20,888
- Sidewalks - $40,629
- Ford Interceptor - $45,027
- Computer equipment - $25,642
- Trailer - $8,400
- Canopy (3) - $3,585
- Generator - $2,734
- Phone system - $7,800
- Road resurfacing - $100,890

Governmental activities (cont…):

- Refrigerator – Community Center - $1,398
- Cabinet heater – Community Center - $1,393
- Sanitation cans - $21,150
- Donated roadways - $338,302
- Donated sidewalks - $15,429
- Donated land - $31,657

Business-type activities:

- Vac trailer - $86,260
- Water meters - $114,800
- Donated water infrastructure - $227,927
- Donated wastewater infrastructure - $202,815

Capital Assets Activity
(net of accumulated depreciation)
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	$ 2,978,939	$ 2,947,283	$ 628,168	$ 628,168	$ 3,607,107	$ 3,575,451
Buildings and improvements	2,888,951	3,125,443	9,328,892	9,453,037	12,217,843	12,578,480
Equipment	1,193,179	1,381,544	536,448	407,100	1,729,627	1,788,644
Infrastructure	5,965,938	5,727,181	-	-	5,965,938	5,727,181
Construction in progress	310,304	-	319,958	196,402	630,262	196,402
Total	$ 13,337,311	$ 13,181,451	$ 10,813,466	$ 10,684,707	$ 24,150,777	$ 23,866,158

Additional information on the City's capital assets can be found in note 5 of the notes to financial statement section of this report.

Long-term Debt – As show in the table below, the City had total long-term debt outstanding of $2,227,413 which represents a net decrease of $418,272 or 16% over the prior year due to regular scheduled debt repayments, net of current year borrowing of $79,800 in the governmental activities.

Outstanding Debt
as of September 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Bonds and notes payable	$ 79,800	$ -	$ 2,147,613	$ 2,645,685	$ 2,227,413	$ 2,645,685
Total	$ 79,800	$ -	$ 2,147,613	$ 2,645,685	$ 2,227,413	$ 2,645,685

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statement section of this report.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The City's long-term growth prospects look strong based on its proximity to Tampa/Orlando on the I-4 corridor. Current development projections approximate 3,500 new homes could be built within the next ten years from current or proposed developments that are working their way through the process. This will drive project and staffing decisions.

There are several growth-related utility projects planned for the next several years. Substantive projects include $1.75M for the CR 557 sewer force main extension to service northern growth along CR 557; $1M for the Buena Vista Master Lift Station; $1.5M for water main relocates along CR 557 to accommodate the state widening project of CR 557, and a total of $4.8M for the construction of a new water plant to accommodate new growth and to provide redundancy and resilience to the City's water system. The City of Lake Alfred has only one water plant.

The minimum wage law requiring an increase to $15 an hour had been planned to be phased in through 2026, but the current labor market is driving increases faster than expected. Management will need to become innovative, evaluate current benefit packages, and improve recruitment efforts to attract the workforce needed to provide the necessary level of services to our citizens.

Management continues to set aside reserves and offsets to fund future capital improvements and mitigate future operational increases. There are ample reserves in both the General Fund and the Enterprise Fund. Overall, the City is in sound financial condition.

All of these were significant factors considered in preparing the City's budget for the 2022 fiscal year and are expected to influence the City's fiscal year 2022 financial results.

REQUESTS FOR INFORMATION

The financial report is designed to provide an overview of the City of Lake Alfred's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lake Alfred, 155 E Pomelo Street, Lake Alfred, Florida, 33850.

CITY OF LAKE ALFRED, FLORIDA
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,627,797	$ 1,152,964	$ 2,780,761
Investments in external investment pools	-	674,844	674,844
Investment in real property	830,000	-	830,000
Investments, other	94,730	-	94,730
Receivables, current:			
Customer accounts, net	70,088	342,625	412,713
Intergovernmental	165,933	-	165,933
Franchise and utility service taxes	90,141	-	90,141
Other	28,578	-	28,578
Prepaid expenses	61,032	80,738	141,770
Restricted assets:			
Cash and cash equivalents	3,542,320	3,560,612	7,102,932
Capital assets:			
Non-depreciable	3,289,243	948,126	4,237,369
Depreciable, net	10,048,068	9,865,340	19,913,408
Net pension asset	358,214	-	358,214
TOTAL ASSETS	20,206,144	16,625,249	36,831,393
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	240,689	56,533	297,222
LIABILITIES			
Accounts payable	244,365	83,906	328,271
Accrued payroll and employee benefits	199,842	26,976	226,818
Due to other governments	6,238	-	6,238
Deposits	34,638	-	34,638
Unearned revenue	1,566,920	-	1,566,920
Liabilities payable from restricted assets:			
Accrued interest payable	-	10,547	10,547
Utility customer deposits	-	515,195	515,195
Long-term obligations:			
Due within one year	117,172	516,989	634,161
Due in more than one year	819,577	1,849,440	2,669,017
TOTAL LIABILITIES	2,988,752	3,003,053	5,991,805
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	201,477	8,950	210,427
NET POSITION			
Net investment in capital assets	13,257,511	8,665,853	21,923,364
Restricted for:			
Law enforcement training	2,982	-	2,982
Crime prevention	26,968	-	26,968
Public safety improvements	53,226	-	53,226
Recreation improvements	383,040	-	383,040
Facilities and equipment - police	71,324	-	71,324
Facilities and equipment - fire	63,308	-	63,308
Building and permitting	995,766	-	995,766
Community redevelopment	36,340	-	36,340
Debt service	-	58,300	58,300
Sanitation equipment and vehicles	215,768	-	215,768
Sewer system improvements	-	823,687	823,687
Stormwater system improvements	-	135,693	135,693
Water system improvements	-	2,020,277	2,020,277
Unrestricted	2,150,371	1,965,969	4,116,340
TOTAL NET POSITION	$ 17,256,604	$ 13,669,779	$ 30,926,383

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Activities
For the year ended September 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grant and Contributions	Program Revenues: Capital Grant and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	$ 1,422,763	$ 23,089	$ 8,563	$ 77,856	$ (1,313,255)	$ -	$ (1,313,255)
Community development	454,261	806,757	-	-	352,496	-	352,496
Police	1,462,957	29,481	256,256	70,851	(1,106,369)	-	(1,106,369)
Fire	669,469	-	29,748	43,906	(595,815)	-	(595,815)
Sanitation	570,321	721,290	-	-	150,969	-	150,969
Public works	94,933	-	-	-	(94,933)	-	(94,933)
Roads and streets	719,962	62,403	-	385,388	(272,171)	-	(272,171)
Library	241,371	60,170	-	-	(181,201)	-	(181,201)
Parks and recreation	659,042	69,742	4,763	241,965	(342,572)	-	(342,572)
Community redevelopment	50,468	-	-	-	(50,468)	-	(50,468)
Total governmental activities	6,345,547	1,772,932	299,330	819,966	(3,453,319)	-	(3,453,319)
Business-type activities							
Water utility	771,242	1,260,175	-	628,028	-	1,116,961	1,116,961
Sewer utility	1,397,709	1,602,268	-	891,319	-	1,095,878	1,095,878
Stormwater utility	89,682	67,123	-	-	-	(22,559)	(22,559)
Total business-type activities	2,258,633	2,929,566	-	1,519,347	-	2,190,280	2,190,280
TOTAL PRIMARY GOVERNMENT	$ 8,604,180	$ 4,702,498	$ 299,330	2,339,313	(3,453,319)	2,190,280	(1,263,039)
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes					1,528,286	-	1,528,286
Property taxes, levied for community redevelopment					230,100	-	230,100
Franchise taxes					478,355	-	478,355
Public service taxes					645,074	-	645,074
Fuel taxes levied for transportation purposes					389,812	-	389,812
State shared revenue					715,534	-	715,534
Investment earnings					220,589	9,188	229,777
Miscellaneous					115,241	-	115,241
TRANSFERS					552,421	(552,421)	-
Total general revenues and transfers					4,875,412	(543,233)	4,332,179
CHANGE IN NET POSITION					1,422,093	1,647,047	3,069,140
NET POSITION, beginning of year					15,834,511	12,022,732	27,857,243
NET POSITION, end of year					$ 17,256,604	$ 13,669,779	$ 30,926,383

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Balance Sheet – Governmental Funds
September 30, 2021

	General Fund	American Rescue Plan Grant Special Revenue Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 1,627,797	$ 1,566,920	$ 733,916	$ 3,928,633
Investments	94,730	-	-	94,730
Receivables, net:				
Customer accounts	70,088	-	-	70,088
Intergovernmental	165,933	-	-	165,933
Franchise and utility service taxes	90,141	-	-	90,141
Other	28,578	-	-	28,578
Prepaid expenditures	56,032	-	5,000	61,032
Deposits	-	-	6,697	6,697
Restricted assets:				
Cash and cash equivalents	1,241,484	-	-	1,241,484
Total assets	$ 3,374,783	$ 1,566,920	$ 745,613	$ 5,687,316
LIABILITIES				
Accounts payable and accrued expenditures	117,687	-	126,678	244,365
Accrued payroll and employee benefits	199,842	-	-	199,842
Due to other governments	6,238	-	-	6,238
Deposits	34,638	-	-	34,638
Unearned revenue	-	1,566,920	-	1,566,920
Total liabilities	358,405	1,566,920	126,678	2,052,003
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	24,818	-	-	24,818
FUND BALANCE				
Nonspendable:				
Prepaid expenditures and deposits	56,032	-	11,697	67,729
Restricted for:				
Law enforcement education and training	2,982	-	-	2,982
Crime prevention	26,968	-	-	26,968
Sanitation equipment and vehicles	215,768	-	-	215,768
Public safety improvements (impact fees)	-	-	53,226	53,226
Facilities and equipment - police (impact fees)	-	-	71,324	71,324
Facilities and equipment - fire (impact fees)	-	-	63,308	63,308
Recreation improvements (impact fees)	-	-	383,040	383,040
Building and permitting	995,766	-	-	995,766
Community redevelopment	-	-	36,340	36,340
Assigned for:				
Capital outlay	600,000	-	-	600,000
Debt service	80,000	-	-	80,000
Unassigned	1,014,044	-	-	1,014,044
Total fund balances	2,991,560	-	618,935	3,610,495
Total liabilities and fund balance	$ 3,374,783	$ 1,566,920	$ 745,613	$ 5,687,316

See Accompanying Notes to Financial Statements

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	3,610,495
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds except for deposits on capital asset acquisitions which are reported in the funds.		13,330,614
Real property held for investment is not a financial resource and not reported in the funds.		830,000
The net pension asset is not current financial resource and therefore are not reported as assets in the governmental funds.		358,214
Revenues not received within the "availability" period are deferred at the fund level and recognized in the statement of activities.		24,818
Deferred outflows of resources represent an decrease in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.		240,689
Deferred inflows of resources represent an increase in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.		(201,477)
Long-term liabilities, including bonds and notes payable, compensated absences, OPEB liabilities and net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(936,749)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	17,256,604

CITY OF LAKE ALFRED, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the year ended September 30, 2021

	General Fund	American Rescue Plan Grant Special Revenue Fund	Other Governmental Funds	Total
REVENUES:				
Taxes	$ 2,976,179	$ -	$ 230,100	$ 3,206,279
Licenses and permits	687,154	-	352,054	1,039,208
Intergovernmental revenue	1,174,359	-	-	1,174,359
Charges for services	950,095	-	-	950,095
Fines and forfeitures	44,660	-	-	44,660
Investment income	4,558	-	1,301	5,859
Other	290,477	-	-	290,477
Total revenues	6,127,482	-	583,455	6,710,937
EXPENDITURES:				
Current:				
General government	1,321,737	-	-	1,321,737
Public safety	2,367,421	-	-	2,367,421
Physical environment	563,505	-	-	563,505
Economic environment	-	-	14,954	14,954
Transportation	349,749	-	-	349,749
Culture/recreation	669,802	-	-	669,802
Capital outlay	444,167	-	289,121	733,288
Total expenditures	5,716,381	-	304,075	6,020,456
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	411,101	-	279,380	690,481
OTHER FINANCING SOURCES (USES)				
Transfers in	605,459	-	-	605,459
Transfers out	-	-	(53,038)	(53,038)
Loan proceeds	79,800	-	-	79,800
TOTAL OTHER FINANCING SOURCES (USES)	685,259	-	(53,038)	632,221
NET CHANGE IN FUND BALANCE	1,096,360	-	226,342	1,322,702
FUND BALANCE, beginning previously reported	2,165,781	-	122,012	2,287,793
Restatement (Note 14)	(270,581)	-	270,581	-
FUND BALANCE, beginning as restated	1,895,200	-	392,593	2,287,793
FUND BALANCE, end of year	$ 2,991,560	$ -	$ 618,935	$ 3,610,495

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities
For the year ended September 30, 2021

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	1,322,702
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount of capital assets recorded in the current period.		1,002,679
Deposits on capital acquisitions reported in the funds that are included above.		(6,697)
This is the amount of depreciation expense recorded in the current period.		(838,296)
This is the book value of dispositions recorded in the current period.		(8,523)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
This is the increase in the fair value of the City's investment in real property.		120,000
Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.		
This represents the change caused by the "availability" criterion.		7,418
Long-term obligations including bonds and notes payable, compensated absences and other postemployment benefit liabilities are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:		
This is the total loan proceeds received during the year.		(79,800)
This is the change in accrued compensated absences during the year.		(28,826)
This is the change in the total OPEB liability during the year.		(71,227)
Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental funds:		
This amount represents the change in the net pension asset.		299,482
This amount represents the change in deferred inflows related to pensions.		(134,484)
This amount represents the change in deferred outflows related to pensions.		(223,135)
This amount represents the change in the net pension liability.		60,800
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,422,093

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Net Position – Proprietary Fund
September 30, 2021

	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,152,964
Investments in external investment pools	674,844
Accounts receivable:	
Customers, net	342,625
Prepaid expenses	80,738
Total current assets	2,251,171
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	3,560,612
Capital assets:	
Non-depreciable	948,126
Depreciable, net	9,865,340
Total noncurrent assets	14,374,078
Total assets	16,625,249
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	56,533
LIABILITIES	
Current liabilities:	
Accounts payable	83,906
Accrued payroll and employee benefits	26,976
Compensated absences	7,496
Bonds and notes payable, current portion	509,493
Total current liabilities	627,871
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	515,195
Interest payable	10,547
Compensated absences	67,466
Other postemployment benefits payable	71,375
Net pension liability	72,479
Bonds and notes payable, noncurrent portion	1,638,120
Total noncurrent liabilities	2,375,182
Total liabilities	3,003,053
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	8,950
NET POSITION	
Net investment in capital assets	8,665,853
Restricted for:	
Debt retirement	58,300
Sewer system improvements	823,687
Stormwater system maintenance	135,693
Water system improvements	2,020,277
Unrestricted	1,965,969
Total net position	$ 13,669,779

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
For the year ended September 30, 2021

	Enterprise Fund
OPERATING REVENUES:	
Charges for services	$ 2,929,566
Total operating revenues	2,929,566
OPERATING EXPENSES:	
Personnel services	760,675
Operating expenses	817,924
Depreciation expense	626,599
Total operating expenses	2,205,198
OPERATING INCOME	724,368
NONOPERATING REVENUE (EXPENSE)	
Investment revenue	9,188
Interest expense	(53,435)
Total nonoperating revenues (expense)	(44,247)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	680,121
CAPITAL CONTRIBUTIONS	
Donated infrastructure	430,741
Impact fees	1,088,606
Total capital contributions	1,519,347
TRANSFERS OUT	(552,421)
CHANGE IN NET POSITION	1,647,047
NET POSITION, beginning of year	12,022,732
NET POSITION, end of year	$ 13,669,779

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Cash Flows – Proprietary Fund
For the year ended September 30, 2021

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	$ 2,941,885
Payments to suppliers	(788,448)
Payments for salaries and benefits	(710,594)
Net cash flows from operating activities	1,442,843
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	(552,421)
Net cash flows from noncapital financing activities	(552,421)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(324,617)
Principal paid on long-term debt	(498,072)
Interest paid on borrowings	(56,017)
Impact fees received	1,088,606
Net cash flows from capital and related financing activities	209,900
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	10,995
Net cash flows from investing activities	10,995
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,111,317
CASH AND CASH EQUIVALENTS, beginning of year	3,602,259
CASH AND CASH EQUIVALENTS, end of year	$ 4,713,576
As shown in the Accompanying Financial Statements	
Cash and cash equivalents	$ 1,152,964
Restricted cash and cash equivalents	3,560,612
Total cash and cash equivalents	$ 4,713,576
Noncash financing and investing activities:	
Donated infrastructure	$ 430,741

Continued…

See Accompanying Notes to Financial Statements

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 724,368
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	626,599
(Increase) decrease in accounts receivable	(18,544)
(Increase) decrease in prepaid expenses	(2,582)
Increase (decrease) in customer deposits	30,863
Increase (decrease) in accounts payable	32,058
Increase (decrease) in accrued wages and compensated absences	17,393
Increase (decrease) in other postemployment benefits payable	16,185
(Increase) decrease in deferred outflows related to pensions	37,815
Increase (decrease) in deferred inflows related to pensions	4,746
Increase (decrease) in the net pension liability	(26,058)
Net cash flows from operating activities	$ 1,442,843

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2021

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	$ -	$ 527,597
Receivables:		
Accrued income	901	-
Total receivables	901	-
Investments, at fair value:		
Short-term money market funds	70,513	-
Fixed income external investment pools	3,877,832	-
Equity securities external investment pools	6,386,271	-
Individual common stocks	1,587,070	-
Real estate securities and investment pools	556,496	-
Total investments	12,478,182	-
Total assets	12,479,083	527,597
LIABILITIES		-
Member contribution refunds payable	5,799	-
Due to other governments	-	527,597
Total Liabilities	5,799	527,597
NET POSITION		
Restricted for pension benefits	$ 12,473,284	$ -

See Accompanying Notes to Financial Statements

CITY OF LAKE ALFRED, FLORIDA
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the year ended September 30, 2021

	Pension Trust Funds	Custodial Trust Funds
ADDITIONS		
Contributions:		
Plan members	$ 143,201	$ -
State of Florida	80,036	-
Fees collected on behalf of other governments	-	1,235,674
Total contributions	223,237	1,235,674
Investment income	2,134,285	-
Less investment expenses:		
Performance evaluation	12,500	-
Custodial fees	19,015	-
Investment management fees	9,857	-
Total investment expenses	41,372	-
Net investment income	2,092,913	-
Total additions	2,316,150	1,235,674
DEDUCTIONS		
Administrative expenses:		
Legal	14,569	-
Administrator fee	3,000	-
Actuarial	33,446	-
Insurance, supplies and other	5,016	-
Audit	8,638	-
Total administrative expenses	64,669	-
Remittance of fees to other governments	-	1,235,674
Payments to retirees and participants	571,075	-
Total deductions	635,744	1,235,674
CHANGE IN NET POSITION	1,680,406	-
NET POSITION, beginning of year	10,792,878	-
NET POSITION, end of year	$ 12,473,284	$ -

See Accompanying Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its statements (GASBS) and interpretations (GASBI). The more significant accounting policies established in GAAP and used by the City are discussed below.

REPORTING ENTITY - The City of Lake Alfred, Florida (the "City") is a municipal corporation governed by a board of five (5) elected commissioners and was created in 1915. In 1925 the City adopted its charter under Florida law and was re-created in Polk County in 1973 by Chapter 73-514, Laws of Florida.

As required by GAAP, the accompanying financial statements present the City's primary government and component units based on the financial burden/benefit criteria in GASB Cod. Sec. 1200. The City has one blended component unit, the Lake Alfred Community Redevelopment Agency (the "CRA") which was created by City Ordinance 1335-14 pursuant to Chapter 163, Florida Statutes and whose governing board is the same as the City Commission. Blending refers to the fact that the component unit's funds are combined with those of the primary government for financial reporting purposes. The CRA is presented in the financial statements of the City as a special revenue fund. The CRA issues a separate publicly available financial report which may be obtained by contacting the City's finance department.

These financial statements include the accounts and transactions of the following entities, which do not satisfy the definition of component units because they are not legally separate from the City:

- City of Lake Alfred Police Officers' and Firefighters' Retirement System established pursuant to Florida Statute Chapters 175 and 185 and Ordinance No. 778.
- City of Lake Alfred General Employees Retirement System which was created by City Ordinance No. 911.

The Police Officers' and Firefighters' Retirement System and General Employees' Retirement System issue separate publicly available financial reports which may be obtained by contacting the City's finance department.

BASIS OF PRESENTATION - The basic financial statements consist of the government-wide financial statements and fund financial statements.

Government-wide financial statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all the nonfiduciary activities of the City. In general, the effects of interfund activity have been removed from these statements except for interfund costs that are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs reported for the various functions concerned. Fiduciary funds are also excluded from the government-wide financial statements since these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment, including depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont…)

The City does not allocate the interest expense of governmental fund debt. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Code Section 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds by category are summarized into a single column. The various funds are reported by type within the financial statements. The following describes the fund types and funds used and reported by the City.

Funds are classified into three categories: governmental, proprietary and fiduciary. The funds used by the City are as follows:

Governmental Funds - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

Major governmental funds:

- General Fund: The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- American Rescue Plan Grant Special Revenue Fund: This fund was established in 2021 to account for the collection and expenditure of the Coronavirus State and Local Recovery funds, a part of the American Rescue Plan Act.

Non-major governmental funds – These funds do not meet the major fund criteria set forth in GASB Cod. Sec 2200.

- Impact Fee Special Revenue Fund: In response to the requirements of Section 163.31801, Florida Statutes, this fund was created in 2021 to account for the financial transactions of the City impact fees other than water and sewer impact fees, which are accounted for in the enterprise fund.
- Community Redevelopment Fund: The City of Lake Alfred Community Redevelopment Agency (the "CRA") was created by City Ordinance 1335-14 pursuant to Chapter 163, Florida Statutes. The CRA has the power to levy taxes or appropriate funds to preserve and enhance the designated CRA district. The CRA receives incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The CRA's Board members consist of the City Commission and two appointed citizens.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont…)

Proprietary Funds - The focus of proprietary fund measurement is based upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

- The City has one Enterprise Fund which accounts for the activities associated with providing water, sewer and stormwater services to area residents and businesses.

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Fiduciary Funds - Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City reports the following fiduciary funds:

- Pension Trust Funds: The City has two pension trust funds which accumulate resources to provide retirement benefits to City employees. The two pension trust funds are the City of Lake Alfred Police Officers' and Firefighters' Retirement System and the General Employees' Retirement System.

- Custodial Fund: The custodial fund is to account for impact fees collected on behalf of Polk County, Florida (the “County”). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

MEASUREMENT FOCUS, AND BASIS OF ACCOUNTING

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions resources are reported as liabilities until the eligibility requirements are met and as deferred inflows if received before time requirements are met.

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, sewer and stormwater management. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services.

All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

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 60 days of the end of the current fiscal period. Revenues received prior to meeting the available criterion are reported as deferred inflows. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise and public service taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Property taxes are billed and collected within the same period in which the taxes are levied. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure. All other revenue items are considered to be measurable and available only when cash is received by the government.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCE

CASH AND CASH EQUIVALENTS - The City maintains a pooled cash account that is available for use by all operating funds of the City which utilizes a sweep feature for overnight investment of funds. In addition, deposits and investments are separately held by several of the City's funds and the pension trust funds. Amounts, if any, reported as deficits in cash and cash equivalents do not represent actual overdrawn balances in any bank account, but merely report a negative cash balance in the particular fund. For purposes of the statement of cash flows, the enterprise fund considers all cash, certificates of deposit and highly liquid investments, including overnight repurchase agreements, both restricted and unrestricted, to be cash equivalents.

INVESTMENTS - The types of investments in which the City may invest surplus funds are governed by State Statutes. According to State Statutes, the City is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized through the Florida Inter-local Cooperation Act; S.E.C. registered money market funds with the highest credit quality rating from a nationally recognized rating company; interest-bearing time deposits and savings accounts in qualified public depositories; and direct obligations of the U.S. Treasury.

The City pension trust funds are also authorized by City Ordinances to invest in such securities, investment vehicles or property as shall be approved by the individual pension’s Board of Trustees, including but not limited to common or preferred stock, bonds, other evidence of indebtedness or ownership and collective or group trusts subject to certain limitations. There were no violations of legal or contractual provisions for deposits and investments during the year.

Investments are reported at fair value or amortized cost, which approximates fair value. Purchases and sales of investments are reflected on trade dates. Net realized gains or losses on sales of investments are based on the cost of investments applied on a first-in, first-out basis and are reflected in current operating results.

CUSTOMER ACCOUNTS RECEIVABLE - The City accrues the unbilled service of its enterprise fund which represents the estimated value of service from the last billing date to year end which totaled $59,355 on September 30, 2021. reserve for doubtful accounts is maintained in the enterprise fund equal to the value of the receivables at year end that are not expected to be collected. As of September 30, 2021, such reserves totaled $722.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

INTERFUND RECEIVABLES AND PAYABLES - To the extent any interfund balances exist, management anticipates they will be settled in cash as opposed to a permanent transfer.

INVENTORIES - Inventories in governmental and enterprise funds consist of expendable supplies held for consumption and are expensed when purchased and are valued at cost using first-in/first-out (FIFO) method.

PREPAID ITEMS - 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.

CAPITAL ASSETS - In the government-wide financial statements capital assets include land, buildings, improvements, utility plant, infrastructure and furniture and equipment. Governmental fund infrastructure assets (e.g., roads, bridges, sidewalks, streets, drainage systems and lighting systems) acquired prior to October 1, 2003, have not been reported. Capital assets are defined by City resolution as tangible property or improvements with an individual cost of $1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, if purchased, and at acquisition value at date of gift, if donated. Major additions are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Capital asset depreciation is recognized using the straight-line method over the following estimated useful lives:

	Years
Utility plant in service	25-40
Buildings and improvements	15-40
Machinery and equipment	3-20
Infrastructure:	
Roads	20-75
Sidewalks	20

RESTRICTED ASSETS - Include cash and investments that are legally restricted to specific uses by external parties. The City generally uses unrestricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund types, fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as expenses in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

INTEREST DURING CONSTRUCTION - Interest costs incurred before the end of a construction period is a financing activity separate from the related capital asset and interest costs incurred before the end of the construction period are recognized as an expense in the period in which the cost is incurred. These interest costs are not capitalized as part of the historical cost of the capital asset.

CONNECTION FEES AND IMPACT FEES - Connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received which reserve capacity in the City's future water or wastewater facilities are deferred and reported as capital contributions when the requirements of the developer agreements are met by the City.

COMPENSATED ABSENCES - The City's policies permit employees to accumulate vacation, sick and compensatory time up to certain limits and to be compensated for these upon termination of employment. The liability for these compensated absences 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 because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

INTERFUND TRANSFERS - Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers.

ON-BEHALF PAYMENTS FOR FRINGE BENEFITS - The City receives on-behalf payments from the State of Florida to be used for the Lake Alfred Police Officers' and Firefighters' Retirement System which totaled $80,036 for the year ended September 30, 2021. Such payments are recorded as operating grants for the police and fire programs and public safety expenses/expenditures in the government-wide and general fund financial statements.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting as deferred outflows of resources which is the deferred outflows related to pensions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

The deferred outflows related to pensions are an aggregate of the items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two items that qualify for reporting as deferred inflows of resources. The first item of deferred inflows of resources is reported in the governmental funds balance sheet and represents unavailable revenues. This type of deferred inflows only arises under the modified accrual basis of accounting. The second item is deferred inflows related to pensions. The deferred inflows related to pensions are an aggregate of the items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as a reduction to pension expense in future reporting years.

EQUITY CLASSIFICATIONS -

Government-wide and Enterprise Fund Statements - The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance Classification in Governmental Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non spendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form such as inventories, prepaid items and noncurrent receivables (including interfund due froms) or (b) are legally or contractually required to be maintained intact. The City has non spendable fund balance representing prepaid expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont...)

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified building fees and police education fines and forfeitures as being restricted because their use is restricted by State Statute. The City has also classified its various impact fees and sanitation equipment fees as restricted as their use is restricted by local ordinances. Debt service resources are to be used for future servicing of the revenue notes and are restricted through debt covenants. Resources provided for capital projects are classified as restricted when the resources for the projects are restricted by the grantor (eg. Federal, State or local governments) for funding of specific projects.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Commission. These amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City did not have any committed resources as of September 30, 2021.

Assigned - This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. As of September 30, 2021, the City had assigned resources of $600,000 to be used for future capital outlay and $80,000 to be used for debt reduction.

Unassigned - This classification represents the residual amount for the general fund that is not constrained in the other classification. The general fund is the only fund that reports a positive unassigned fund balance.

The details of the components of fund balances are included in the governmental fund balance sheet. The City uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The City has established by resolution, a targeted minimum level of unassigned and assigned fund balance equal to 17% or more of the general fund's regular annual operating expenditures as reported in the City's subsequent year's budget. Under this resolution, regular operating expenditures are equal to total expenditures less capital outlay and debt service expenditures. Should unassigned and assigned fund balance fall below the targeted level, the City Manager shall implement a plan through the budgetary process to reach the targeted fund balance amounts in a reasonable timeframe not to exceed five fiscal years. The City met this requirement as of September 30, 2021.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City Commission prior to October 1 of each year and the Polk County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, the County, independent districts and the County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2021 was 7.2390.

NOTE 2 - PROPERTY TAX CALENDAR (cont…)

All taxes are due and payable on November 1 (levy date) of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in of November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal 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.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by Ordinance on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 4 - DEPOSITS AND INVESTMENTS

DEPOSITS IN FINANCIAL INSTITUTIONS - All of the City's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under the Act, all qualified public depositories are required to pledge collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledged level. The pledging level may range from 50% to 200% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

The captions on the government-wide statement of net position for "cash and cash equivalents", both restricted and unrestricted, were comprised of the following:

Cash and cash equivalents:		
Cash on hand	$	400
Cash deposits in financial institutions:		
Insured or fully collateralized bank deposits		7,130,687
State Board of Administration - local government pool		2,752,606
Total cash and investments	$	9,883,693

The State Board of Administration (SBA) component of cash and cash equivalents is an investment with Florida PRIME, an investment pool administered by the SBA, under the regulatory oversight of the State of Florida. Florida PRIME meets all the necessary criteria to report their investments at amortized cost in accordance with GASB Cod. Sec. In5. As of September 30, 2021, there were no redemption fees, maximum transaction amounts or any other requirements that serve to limit the City’s access to one hundred percent of their account value. The fair value of the City’s position in the pool is the same as the value of the pool shares.

INVESTMENTS - FAIR VALUE - The City categorizes its fair value measurements within the fair value hierarchy established by GASB Cod. Sec. 3100. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 4 - DEPOSITS AND INVESTMENTS (cont...)

INVESTMENT IN REAL PROPERTY - The City owns land that is reported as an investment in accordance with GASB Cod. Sec. I50. The City's investment in real property is reported at a fair value of $830,000 on September 30, 2021. This value was determined by an analysis of the property by a real estate appraiser which is considered a Level 3 input based upon the fair value hierarchy.

The general employees' pension trust fund is a participating member of the FMPTF. All assets with the FMPTF are invested through the Florida Municipal Investment Trust (FMIvT) for the benefit of the participating members. The FMIvT, administered by the Florida League of Cities, Inc., is an interlocal governmental entity created under the laws of the State of Florida as a local government investment pool and is considered an external investment pool for GASB purposes and; therefore, the City is not required to categorize the positions in the pool within the fair value hierarchy as established by U.S. GAAP. The City's business-type activities also has investments with the FMIvT. Redemptions from the FMIvT are permitted monthly upon advance written notification.

The investment securities held by the City and the City's pension trust funds have the following carrying values as of September 30, 2021, based upon the measurement criteria as specified.

City:

	September 30, 2021	Level 1	Level 2	Level 3
Investments at fair value				
Investments in external investment pools:				
FMIvT 0-2 Year High Quality Bond Fund	$ 216,733	$ -	$ -	$ -
FMIvT 1-3 Year High Quality Bond Fund	221,137	-	-	-
FMIvT Intermediate HQ Bond Fund	236,975	-	-	-
Voluntary Cleanup Tax Credit Certificates	94,730	-	94,730	-
Total investments at fair value	769,575	-	94,730	-
Investments measured at amortized cost				
State Board of Administration				
Florida Prime	2,752,606			
Total investments	$ 3,522,181			

General Employees' Pension Trust Fund:

	September 30, 2021
Investments at fair value	
Cash and money market	$ 46,375
FMIvT Broad Market High Quality Bond	1,026,867
FMIvT Core Plus	1,046,742
FMIvT Large Cap Diversified Value	1,676,112
FMIvT Diversified Small to Mid Cap Equity	920,868
FMIvT International Equity	1,351,490
FMIvT Core Real Estate	556,496
Total investments at fair value	6,624,950
Total investments	$ 6,624,950

NOTE 4 - DEPOSITS AND INVESTMENTS (cont...)

Police Officers' and Firefighters' Pension Trust Fund:

	September 30, 2021	Level 1	Level 2	Level 3
Investments at fair value				
Fixed income mutual funds	$ 1,804,223	$ 1,804,223	$ -	$ -
Equity securities mutual funds	2,437,801	2,437,801	-	-
Individual common stocks	1,587,070	1,587,070	-	-
Total investments at fair value	5,829,094	$ 5,829,094	$ -	$ -
Investments measured at amortized cost				
Money market mutual funds	24,138			
Total investments	$ 5,853,232			

Information related to interest rate and credit risk for the City's fixed income investments is summarized below (information marked NA is not available):

Investment Type	Fitch/ S&P Rating	Fair Value/ Amortized Cost	Weighted Average Maturity (WAM)/ Duration (WAD)
Primary government			
State Board of Administration			
Florida PRIME	S&P - AAAm	$ 2,752,606	WAM: 0.14 years
FMIvT Pooled Fixed Income Funds:			
0-2 Year High Quality Bond Fund	Fitch - AAAf/S1	216,733	WAM: 0.80 years
1-3 Year High Quality Bond Fund	Fitch - AAAf/S2	221,137	WAM: 1.50 years
Intermediate HQ Bond Fund	Fitch - AAAf/S3	236,975	WAM: 3.90 years
Total		$ 3,427,451	
General Employees Pension Trust Fund:			
Cash and money market fund	Not Rated	$ 46,375	N/A
FMIvT Broad Market High Quality Bond	Fitch - AAf/S4	1,026,867	WAD: 5.39 years
FMIvT Core Plus	Not Rated	1,046,742	WAD: 3.98 years
Total		$ 2,119,984	
Police Officers' and Firefighters' Pension Trust Fund:			
Short-term money market fund	S&P - AAAm	$ 24,138	N/A
Fixed income mutual funds:			
Dodge & Cox Income Fund	Not Rated	1,599,277	WAD: 5.1 years
Pimco Diversified Income Fund	Not Rated	204,946	WAD: 5.8 years
Total fixed income mutual funds		1,804,223	
Total		$ 1,828,361	

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021, is summarized below:

	Balance October 1, 2020	Transfers	Increases	Decreases	Balance September 30, 2021
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 2,947,283	$ -	$ 31,656	$ -	$ 2,978,939
Construction in process	-	-	310,304	-	310,304
Total capital assets, not being depreciated	2,947,283	-	341,960	-	3,289,243
Capital assets, being depreciated:					
Buildings and improvements	5,619,520	-	-	-	5,619,520
Equipment	4,875,963	(3,120)	117,130	(106,818)	4,883,155
Infrastructure:					
Road network	4,362,934	-	460,080	-	4,823,014
Sidewalks	3,287,054	-	83,509	-	3,370,563
Total capital assets, being depreciated	18,145,471	(3,120)	660,719	(106,818)	18,696,252
Less accumulated depreciation for:					
Buildings and improvements	(2,494,077)	-	(236,492)	-	(2,730,569)
Equipment	(3,494,419)	3,120	(296,972)	98,295	(3,689,976)
Infrastructure:					
Road network	(1,283,677)	-	(208,241)	-	(1,491,918)
Sidewalks	(639,130)	-	(96,591)	-	(735,721)
Total accumulated depreciation	(7,911,303)	3,120	(838,296)	98,295	(8,648,184)
Total capital assets being depreciated, net	10,234,168	-	(177,577)	(8,523)	10,048,068
Governmental activities capital assets, net	$ 13,181,451	$ -	$ 164,383	$ (8,523)	$ 13,337,311
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 628,168	$ -	$ -	$ -	$ 628,168
Construction-in-progress	196,402	-	123,556	-	319,958
Total capital assets, not being depreciated	824,570	-	123,556	-	948,126
Capital assets, being depreciated:					
Buildings and improvements	22,251,916	-	430,742	-	22,682,658
Equipment	1,213,595	3,120	201,060	(7,879)	1,409,896
Total capital assets, being depreciated	23,465,511	3,120	631,802	(7,879)	24,092,554
Less accumulated depreciation for:					
Buildings and improvements	(12,798,879)	-	(554,887)	-	(13,353,766)
Equipment	(806,495)	(3,120)	(71,712)	7,879	(873,448)
Total accumulated depreciation	(13,605,374)	(3,120)	(626,599)	7,879	(14,227,214)
Total capital assets being depreciated, net	9,860,137	-	5,203	-	9,865,340
Business-type activities capital assets, net	$ 10,684,707	$ -	$ 128,759	$ -	$ 10,813,466

NOTE 5 - CAPITAL ASSETS (cont…)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:		
General government	$	79,541
Police		113,088
Fire		29,271
Community development		561
Sanitation		56,342
Public works		34,460
Roads and streets		315,506
Library		33,716
Parks and recreation		175,811
Total depreciation expense - governmental activities	$	838,296

Business-type Activities:		
Water utility	$	185,269
Sewer utility		408,391
Stormwater utility		32,939
Total depreciation expense - business-type activities	$	626,599

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended September 30, 2021:

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021	Amounts Due within One Year
Governmental Activities:					
Long-term liabilities:					
Long-term debt:					
2021 note payable	$ -	$ 79,800	$ -	$ 79,800	$ 79,800
Total long-term debt	-	79,800	-	79,800	79,800
Other liabilities:					
Net pension liability	229,919	-	(60,800)	169,119	-
Total OPEB liability	242,885	71,227	-	314,112	-
Compensated absences	344,892	176,359	(147,533)	373,718	37,372
Total other liabilities	817,696	247,586	(208,333)	856,949	37,372
Total long-term liabilities	$ 817,696	$ 327,386	$ (208,333)	936,749	$ 117,172
Less amounts due in one year				(117,172)	
Net long-term liabilities in excess of one year				$ 819,577	
Business-type Activities:					
Long-term liabilities:					
Long-term debt:					
Notes payable:					
Series 2012 Revenue Refunding Note	$ 743,729	$ -	$ (222,787)	$ 520,942	$ 228,114
WW719090 installment note to FDEP	1,901,956	-	(275,285)	1,626,671	281,379
Total bonds and notes payable	2,645,685	-	(498,072)	2,147,613	509,493
Other liabilities:					
Net pension liability	98,537	-	(26,058)	72,479	-
Total OPEB liability	55,190	16,185	-	71,375	-
Compensated absences	60,539	40,156	(25,733)	74,962	7,496
Total other liabilities	214,266	56,341	(51,791)	218,816	7,496
Total long-term liabilities	$ 2,859,951	$ 56,341	$ (549,863)	2,366,429	$ 516,989
Less amounts due in one year				(516,989)	
Net long-term liabilities in excess of one year				$ 1,849,440	

NOTE 6 - LONG-TERM OBLIGATIONS (cont...)

Notes to Long-Term Obligations Table

Long term liabilities, including accumulated compensated absences, OPEB liabilities and the City's net pension liabilities, are typically liquidated by the general fund or the enterprise fund, depending upon which individual fund to which the liability is directly associated.

All of the City's long-term debt arose through direct borrowings or direct placements.

Governmental Activities:

- 2021 Note Payable – The proceeds from the 2021 note were used for environmental cleanup activities within the City and totaled $79,800 and received in November 2020. The note agreement requires interest at 1.00% and was fully paid off in November 2021 for a combined principal and accrued interest of $79,932.

Business-type Activities:

- Series 2012 and Series 2008A Notes - The Series 2012 notes were issued September 6, 2012 in the exact principal amount $2,358,619 of the then outstanding balance of the Series 2008A notes, effectively replacing the 2008A notes with the 2012 notes. Both the lender and the maturity date of September 23, 2023 remained the same. The carrying amount and reacquisition price of the 2008A notes were the same on the date of refunding. The average interest rate on the 2012 notes is 2.37% and was 4.20% on the 2008A notes resulting in a cash flow savings to maturity of $272,790 and a discounted cash flow savings to maturity (economic gain) of approximately $238,000. The Series 2012 note is secured by a senior lien on the revenues of the water and sewer systems and contains a requirement to maintain a minimum debt service coverage ratio of 1.2. The retired 2008A note proceeds were used to retire debt whose proceeds were originally used to finance improvements primarily to the sewer system.

  In the event of default, the lender has the right to take whatever legal actions are necessary to collect the amounts due and may declare the entire indebtedness due and payable.

- Installment Note to DEP (WW 719090) - This note, in the original amount of $5,143,530, is secured by a subordinate lien on the water and sewer revenues and bears interest at 2.205%, with semi-annual principal and interest payments of $157,823 on July 15 and December 15 and continuing to maturity in January 2027. The note proceeds used to fund expansion of the wastewater treatment facility.

  In the event of default and subject to the rights of superior liens on the pledged revenues, the lender may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the City under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due, notify financial market credit rating agencies and potential creditors, sue for payment of amounts due and may accelerate the repayment schedule or increase the interest rate on the unpaid principal on the loan to as much as 1.667 times the loan interest rate.

NOTE 6 - LONG-TERM OBLIGATIONS (cont...)

Notes to Long-Term Obligations Table (cont…)

Pledged Revenues:

The following table provides a summary of the pledged revenues for the City's outstanding debt issues. Additional information regarding the City's pledged revenue can be found in the preceding sections of this note:

Pledged Revenue	Revenue Pledged Through	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Net Revenue	Percentage of Net Revenues to Principal and Interest Paid
Water and sewer revenue	1/15/2027	$ 2,272,550	$ 554,089	$ 2,438,381	440%

Maturities:

Annual requirements to repay all long-term bonds and notes payable as of September 30, 2021, were as follows:

	Governmental Activities		Business-type Activities	
Fiscal Year Ending	Principal	Interest	Principal	Interest
2022	$ 79,800	$ 130	$ 509,493	$ 44,597
2023	-	-	521,175	32,914
2024	-	-	353,232	22,025
2025	-	-	300,479	15,167
2026	-	-	307,130	8,516
2027-2031	-	-	156,104	1,718
Total	$ 79,800	$ 130	$ 2,147,613	$ 124,937

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended September 30, 2021, consisted of:

Receiving Fund	Paying Fund	Amount
General Fund	Enterprise Fund	$ 552,421
General Fund	Impact Fee Special Revenue Fund	53,038

The transfer from the enterprise fund to the general fund is a budgeted transfer. The transfer from the impact fee special revenue fund is to repay the general fund for facility expansion expenditures paid from general fund unrestricted cash in a prior year.

NOTE 8 - PENSION TRUST FUNDS

Plan Descriptions - The City of Lake Alfred contributes to two single-employer defined benefit pension plans: The General Employees Retirement System and the Police Officers' and Firefighters' Retirement System. Each plan provides retirement and disability benefits to plan members and beneficiaries. The plans are established by City Ordinance and the benefits and contribution requirements can be amended by the City Commission through ordinance. Both plans are administered by separate boards of trustees who are either appointed by the City Commission or elected by plan members. It is the City's policy to annually fund the annual required contribution amount for each plan. Contributions are also provided to the Police and Fire plan by the State of Florida from a tax collected on insurance premiums. Each plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for that plan. Those reports may be obtained by contacting the City of Lake Alfred Finance Department at 155 E. Pomelo Street, Lake Alfred, FL 33850. The Plans' fiduciary net position has been determined on the same basis used by the individual pension plans.

Basis of Accounting: The General Employees Retirement System and the Police Officers' and Firefighters' Retirement System financial statements are prepared using the accrual basis of accounting. All costs of administering the Plans are paid out of the individual Plans' funds. Benefit payments, including refunds of employee contributions, are reported as expenses when the benefit is currently due and payable in accordance with the benefit terms.

Benefits - The City's pension plans provide retirement and disability benefits. Benefits for all members vest after 10 years of service. Retirement benefits for general employee members are calculated at 2.72% of average compensation of the best 5 years of the preceding 10 years multiplied by years of creditable service. Normal retirement is the earlier of age 60 with 5 years of service (if attained prior to October 1, 2011) or age 59 with 12 years of service. Benefits for police officers and firefighters are calculated at 3.00% of average compensation of the best 5 years of the preceding 10 years multiplied by years of creditable service. Normal retirement is the earlier of age 55 with 10 years of service or attainment of age 52 with 25 years of credited service. Both plans offer early retirement at reduced benefits.

Contributions – It is the City's policy to annually fund the actuarially determined required contributions representing the difference between the actuarially determined amount and the contributions of plan members and the State of Florida in the case of the Police Officers' and Firefighters' plan. Contribution rates and other information for the year ended September 30, 2021 is presented below:

	General Employees' Pension Trust Fund	Police Officers' and Firefighters' Pension Trust Fund
Contribution rates:		
City	0.0%	8.0%
Plan members	5.0%	5.0%
Actuarially determined contribution	$ 247,802	$ 168,075
Contributions made in relation to the Actuarially determined contribution	$ -	$ 80,036

NOTE 8 – PENSION TRUST FUNDS (cont…)

Plan Membership – Participant data for the City pension plans, as of the latest available actuarial valuation was as follows:

	as of October 1, 2020	
	General Employees' Pension Trust Fund	Police Officers' and Firefighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	26	7
Inactive plan members entitled to but not yet receiving benefits	37	9
Active plan members	38	20
Total	101	36

Net Pension Liability (Asset) – The components of the changes in the net pension liability (asset) for both pension plans for the year ended September 30, 2020 is shown below. September 30, 2020 is the measurement date of the net pension liability (asset) reported in the City's September 30, 2021 financial statements. The net pension liability (asset) as of September 30, 2021, for City financial reporting purposes, was determined by actuarial valuations as of October 1, 2019 updated to September 30, 2020 (the measurement date).

General Employees' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Measurement date - September 30, 2019	$ 5,708,313	$ 5,379,857	$ 328,456
Changes for the year:			
Service cost	206,381	-	206,381
Interest	429,229	-	429,229
Difference between actual and expected experience	135,621	-	135,621
Change in assumptions	(44,750)	-	(44,750)
Contributions - City	-	493,651	(493,651)
Contributions - employee	-	86,546	(86,546)
Net investment income	-	340,554	(340,554)
Benefit payments, including refunds of employee contributions	(383,278)	(448,882)	65,604
Administrative expense	-	(41,808)	41,808
Net changes	343,203	430,061	(86,858)
Measurement date - September 30, 2020	$ 6,051,516	$ 5,809,918	$ 241,598

NOTE 8 – PENSION TRUST FUNDS (cont…)

Police Officers' and Firefighters' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Measurement date - September 30, 2019	$ 4,692,828	$ 4,751,560	$ (58,732)
Changes for the year:			
Service cost	182,194	-	182,194
Interest	335,830	-	335,830
Difference between actual and expected experience	14,759	-	14,759
Changes of assumptions	(115,095)	-	(115,095)
Contributions - City	-	163,385	(163,385)
Contributions - State	-	77,169	(77,169)
Contributions - employee	-	45,681	(45,681)
Net investment income	-	466,908	(466,908)
Benefit payments, including refunds of employee contributions	(485,770)	(485,770)	-
Administrative expense	-	(35,973)	35,973
Net changes	(68,082)	231,400	(299,482)
Measurement date - September 30, 2020	$ 4,624,746	$ 4,982,960	$ (358,214)

Actuarial Assumptions – The actuarial valuation date and significant actuarial assumptions used to measure the total pension liability on September 30, 2020 were as follows:

	General Employees' Pension Trust Fund	Police Officers' and Firefighters' Pension Trust Fund
Actuarial valuation date	October 1, 2019 updated to September 30, 2020	October 1, 2019 updated to September 30, 2020
Inflation	3.00%	2.50%
Projected salary increases	Service Based	Service Based
Investment rate of return	7.25%	7.00%
Discount rate	7.25%	7.00%
Date of actuarial experience study	June 15, 2020	June 15, 2020

Mortality rates were based on the RP-2000 tables for active, inactive, and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.

NOTE 8 - PENSION TRUST FUNDS (cont...)

Long-term Expected Rate of Return on Pension Plan Investments - Best estimates of arithmetic real rates of return for each major asset and the pension plans' target asset allocations as of September 30, 2021, are summarized in the following table.

General Employees' Pension Trust Fund:

Asset Class	Long-term Expected Real Rates of Return	Target Asset Allocations
Core Bonds - Broad Market High Quality	2.60%	15.00%
Core Plus Fixed Income Fund	2.90%	15.00%
US Large Cap Equity	7.20%	25.00%
US Small Cap Equity	8.40%	14.00%
International Equity	8.20%	21.00%
Core Real Estate	6.70%	10.00%

Police Officers' and Firefighters' Pension Trust Fund:

Asset Class	Long-term Expected Real Rates of Return	Target Asset Allocations
Domestic Equity	7.50%	50.00%
International Equity	8.50%	15.00%
Broad Market Fixed Income	2.50%	30.00%
Global Fixed Income	3.50%	5.00%

NOTE 8 - PENSION TRUST FUNDS (cont...)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions - For the year ended September 30, 2021, the City recognized total pension expense of $344,546 consisting of pension expense for the General Employees' Retirement System of $237,211 and $107,335 for the Police Officers' and Firefighters' Retirement System. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions, combined and individually for both plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 150,320	$ 11,626
Change in assumptions	-	116,156
Net difference between expected and actual earnings on Plan investments	66,809	82,645
City contributions subsequent to the measurement date	80,093	-
Total Combined All Pension Trust Funds	$ 297,222	$ 210,427

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 121,634	$ -
Change in assumptions	-	29,834
Net difference between expected and actual earnings on Plan investments	66,809	-
City contributions subsequent to the measurement date	-	-
Total General Employees' Pension Trust Fund	$ 188,443	$ 29,834

Police Officers' and Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,686	$ 11,626
Change in assumptions	-	86,322
Net difference between expected and actual earnings on Plan investments	-	82,645
City contributions subsequent to the measurement date	80,093	-
Total Police Officers' and Firefighters' Pension Trust Fund	$ 108,779	$ 180,593

NOTE 8 - PENSION TRUST FUNDS (cont...)

Deferred outflows of resources related to City contributions subsequent to the measurement date of September 30, 2020 will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred inflows and outflows of resources will be recognized in pension expense in the years and amounts shown below:

Year ending September 30,	General Employees' Pension Trust fund	Police Officers' and Firefighters' Pension Trust fund	Total
2022	$ 47,819	$ (60,663)	$ (12,844)
2023	64,512	(35,868)	28,644
2024	33,636	(29,184)	4,452
2025	12,642	(26,192)	(13,550)
Total	$ 158,609	$ (151,907)	$ 6,702

Discount Rate - A rate of 7.25% was used for the general employees' pension trust fund and a rate of 7.00% was used for the police and firefighters' pension trust fund to measure the total pension liability of each plan as of September 30, 2020, which is the measurement date for financial reporting purposes. 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 actuarially determined contribution rate. Based on those assumptions, the pension plans' 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability(asset) of the City as of the measurement date (September 30, 2020), calculated using the discount rates discussed above for each plan, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	Net Pension Liability (Asset) at Measurement Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.25%	$ 1,048,436	$ 241,598	$ (417,211)
Police Officers' and Firefighters'	7.00%	189,826	(358,214)	(499,493)
City's Net Pension Liability (Asset)		$ 1,238,262	$ (116,616)	$ (916,704)

NOTE 8 - PENSION TRUST FUNDS (cont...)

The following presents the net pension liability (asset) of the City as of the financial reporting date (September 30, 2021), calculated using the current discount rates for each plan, as well as what the City's net pension liability(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each plan.

	Current Discount Rate	Net Pension Liability (Asset) at Financial Reporting Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.25%	$ 488,534	$ (356,663)	$ (1,042,871)
Police Officers' and Firefighters'	7.00%	(364,001)	(929,984)	(1,405,124)
City's Net Pension Liability (Asset)		$ 124,533	$ (1,286,647)	$ (2,447,995)
Change in City's net pension liability between measurement date and reporting date		$ (1,113,729)	$ (1,170,031)	$ (1,531,291)

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS

Plan Description – The Other Postemployment Benefits Plan (OPEB Plan) is a single employer defined benefit plan administered by the City. The OPEB Plan allows employees who retire and meet retirement eligibility requirements under the applicable City retirement plan to continue medical insurance coverage as a participant in the City's health insurance plan.

Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City are eligible to participate in the City's healthcare and life insurance benefits. The City subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. The OPEB Plan doesn't issue stand-alone financial statements and the OPEB Plan is not included in the annual report of a public employee retirement system or another entity.

There are currently 55 active plan members and no inactive plan members.

Funding Policy – OPEB Plan benefits are pursuant to the provisions of Section 112.0801, Florida Statutes. The City has not advance-funded or established a funding methodology for the annual other postemployment benefit (OPEB) costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

Benefits Provided – The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City who meet the eligibility requirements of the applicable City retirement plan are eligible to receive postemployment health care benefits. All retiree, spouse and dependent coverage is at the expense of the retiree.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (cont…)

Total OPEB Liability – The City's total OPEB liability as of September 30, 2021 was determined by an actuarial valuation as of September 30, 2019 (the measurement date), rolled forward to the September 30, 2020 measurement date. The actuarial assumptions used in the September 30, 2019 valuation were as follows:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.14%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Year to Ultimate Trend Rate	55

Mortality rates were based on The Society of Actuaries' Retirement Plan Experience Committee (RPEC) Pub-2010 Public Retirement Plans Mortality Tables Report projected to the valuation date using projection scale MP-2019.

Discount Rate – The discount rate was based on a high-quality municipal bond rate of 2.14%, The high-quality bond rate was based on the measurement date of the S&P Municipal bond 20-year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20-year High Grade Rate Index consists of bonds in the S&P Municipal bond Index with a maturity of 20 years. Eligible bonds must be rates at least AA by Standards and Poor's Ratings Services, As2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

The OPEB Plan qualifies for the alternative measurement method in determining their total OPEB liability. Under the alternative measurement method, changes in the total OPEB liability are not permitted to be included in deferred outflows or inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

OPEB Expense – For the year ended September 30, 2021, the City recognized OPEB expense of $99,104.

Changes in Total OPEB Liability:

		Total OPEB Liability
Reporting period ending September 30, 2020	$	298,075
Changes for the year:		
Service cost		28,226
Interest		11,519
Changes of assumptions		56,784
Benefit payments		(9,117)
Net changes		87,412
Reporting period ending September 30, 2021	$	385,487

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (concluded)

Sensitivity of the Total OPEB Liability to changes in the discount rate - The following 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-point higher than the current discount rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	$ 433,827	$ 385,487	$ 344,671

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates – The following 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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00% to 6.50%)	Healthcare Cost Trend Rates (4.00% to 7.50%)	1% Increase (5.00% to 8.50%)
Total OPEB liability	$ 339,173	$ 385,487	$ 440,869

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

NOTE 10 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The City has outstanding debt secured by its water and sewer revenues. The water and sewer operations are accounted for in a single enterprise fund along with stormwater. Because many of the assets and liabilities of the enterprise fund are not separately identifiable with any one operating segment (e.g. cash, accounts receivable, accounts payable, etc.), it is not possible to present segment information disclosures for cash flows and some components of net position. Segment financial information that can be separately identified for the water and sewer operations as of and for the year ended September 30, 2021, is presented below:

	Water & Sewer System
Condensed statement of revenues, expenses and changes in net position:	
Charges for services	$ 2,862,443
Operating expenses	(1,521,856)
Depreciation	(593,660)
Operating income (loss)	746,927
Interest income	9,188
Interest expense	(53,435)
Impact fees and capital grants and contributions	1,519,347
Transfers out	(552,421)
Change in net position	$ 1,669,606
Condensed statement of net position:	
Capital assets, net	$ 10,314,500
Long-term notes payable	$ 2,147,613
Net investment in capital assets	$ 8,166,887

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Risk Management - Commercial insurance protection with normal deductibles is in place to limit the City's exposure from losses arising from liability and property and equipment damages. There have been no significant reductions in coverage nor have settlement amounts exceeded the City's coverage during the year ended September 30, 2021 or the previous two years. The City's workers compensation coverage is provided through a non-assessable program; in the event the insurance company were declared insolvent, the City would only be responsible for its own claims and not the claims of other insured entities under the program.

Litigation - The City is contingently liable with respect to lawsuits and other claims which arise in the ordinary course of carrying out its public service. Management believes that any losses not covered by insurance which may ultimately be incurred as a result of the suits and claims will not be material, with the exception of attorney's fees which are not determinable.

Unemployment Compensation - The City has elected to reimburse the State directly for its unemployment claims rather than participate in the State insurance fund for this purpose. As a result, the cost for unemployment claims is deducted when paid. Such costs have been insignificant in the past and no provision for potential claims has been made in the financial statements.

NOTE 12 – JOINT VENTURE

Background - The Polk Regional Water Cooperative (PRWC) was created on April 1, 2016 by a interlocal agreement between the City of Lake Alfred, City of Auburndale, City of Bartow, City of Davenport, City of Eagle Lake, City of Fort Meade, City of Frostproof, City of Haines City, City of Lakeland, City of Lake Wales, City of Mulberry, Polk City, City of Winter Haven, Town of Dundee, Town of Lake Hamilton and Polk County in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The PRWC is a separate legal entity organized under the laws of the State of Florida, and the Member Governments have no equity ownership in the PRWC.

The PRWC is devoted to encouraging the development of fully integrated, robust public water supply systems comprised of diverse sources managed in a manner that take full advantage of Florida’s intense climatic cycles to ensure reliable, sustainable and drought resistant systems which maximize the use of alternative water supplies to the greatest extent practicable. The PRWC will evaluate, plan and implement water projects and coordinate partnerships with other water users.

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC’s annual working capital needs which are established annually by a resolution of the PRWC’s Board of Directors. For the year ended September 30, 2021, the total annual working capital needs of the PRWC was $198,000 of which the City’s proportionate share was $2,894.

Contact - Complete financial statements of the PRWC may be obtained from the PRWC’s Executive Director at 330 W. Church Street, P.O. Box 9005, Drawer CA01, Bartow, FL 33831-9005.

NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLES

- During the fiscal year ended September 30, 2021, the City implemented the provisions of GASB Statement No. 84 – Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). Implementation of this Statement did not require a restatement of net position or fund balance but resulted in the creation of a custodial fund to account for fees collected on behalf of other governments. See Note 1 for more information about the City's fund structure.

- In response to the changes to Section 163.31801, Florida Statutes, the City has established the impact fee special revenue fund effective October 1, 2020 to account for the financial transactions of the City impact fees other than water and sewer impact fees. This reporting change is considered a change in accounting principle and as a result, fund balance of the general fund, as previously reported, was decreased by $270,581 which is the total of unspent impact fees previously reported in the general fund as of September 30, 2020. The beginning of the year fund balance of the impact fee special revenue fund was increased by this same amount.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Budgetary Comparison Schedule – General Fund (Unaudited)
For the year ended September 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	$ 2,889,499	$ 3,022,599	$ 2,976,179	$ (46,420)
Licenses and permits	189,200	685,402	687,154	1,752
Intergovernmental revenue	900,953	2,766,098	1,174,359	(1,591,739)
Charges for services	848,100	950,097	950,095	(2)
Fines and forfeitures	24,500	44,660	44,660	-
Investment income	15,000	5,859	4,558	(1,301)
Other	218,200	198,903	290,477	91,574
Prior year surplus appropriated	50,000	-	-	na
Total revenues	5,135,452	7,673,618	6,127,482	(1,546,136)
EXPENDITURES:				
General government	1,224,575	1,320,031	1,321,737	(1,706)
Public safety	2,371,461	2,353,995	2,367,421	(13,426)
Physical environment	485,810	562,078	563,505	(1,427)
Transportation	388,827	348,879	349,749	(870)
Culture/recreation	645,689	667,924	669,802	(1,878)
Capital outlay	379,373	444,167	444,167	-
Budgeted carryover reserve	192,138	2,528,965	-	na
Total expenditures	5,687,873	8,226,039	5,716,381	(19,307)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(552,421)	(552,421)	411,101	963,522
Interfund transfers	552,421	552,421	605,459	53,038
Loan proceeds	-	-	79,800	79,800
NET CHANGE IN FUND BALANCE	$ -	$ -	$ 1,096,360	$ 1,096,360

Notes to Budgetary Comparison Schedule:

The budget is prepared on the GAAP basis of accounting.

The general fund is the only major governmental fund with a legally adopted budget for the year ended September 30, 2021, and therefore the only governmental fund budgetary comparison schedule presented as required supplementary information.

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Plan

The following information presents the changes in net pension liability for the General Employees' pension plan:

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	$ 205,075	$ 206,381	$ 211,276	$ 193,994
Interest	441,055	429,229	403,077	380,720
Change in assumptions	-	(44,750)	-	-
Difference between expected and actual experience	(89,015)	135,621	93,660	18,610
Benefit payments, including refunds of of employee contributions	(346,143)	(383,278)	(348,831)	(300,164)
Employee buy-back	-	-	11,628	11,989
Net change in total pension liability	210,972	343,203	370,810	305,149
Total pension liability, beginning	6,051,516	5,708,313	5,337,503	5,032,354
Total pension liability, ending (a)	$ 6,262,488	$ 6,051,516	$ 5,708,313	$5,337,503
Plan fiduciary net position				
Contributions - City	$ -	$ 493,651	$ 229,964	$ 216,098
Contributions - Retroactive City	-	-	-	-
Contributions - Employee	93,431	86,546	79,133	77,075
Contributions - Employee buy-back	-	-	11,628	11,989
Net investment income (loss)	1,099,300	340,554	274,336	353,176
Benefit payments, including refunds Of employee contributions	(346,143)	(448,882)	(298,774)	(284,617)
Administrative expenses	(37,355)	(41,808)	(34,491)	(30,140)
Net change in plan fiduciary net position	809,233	430,061	261,796	343,581
Plan fiduciary net position, beginning	5,809,918	5,379,857	5,118,061	4,774,480
Plan fiduciary net position, ending (b)	$ 6,619,151	$ 5,809,918	$ 5,379,857	$5,118,061
Net pension liability (asset) (a)-(b)	$ (356,663)	$ 241,598	$ 328,456	$ 219,442
Plan fiduciary net position as a percentage of total pension liability	105.70%	96.01%	94.25%	95.89%
Covered payroll	$ 1,868,615	$ 1,730,788	$ 1,582,655	$1,530,313
Net pension liability as a percentage of covered payroll	-19%	14%	21%	14%

Continued…

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Plan (concluded)

City reporting period date	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability				
Service cost	$ 170,659	$ 154,686	$ 148,309	$ 134,677
Interest	349,574	320,365	318,656	303,446
Change in assumptions	-	164,833	-	-
Difference between expected and actual experience	(4,941)	12,782	(180,354)	-
Benefit payments, including refunds of of employee contributions	(278,261)	(280,105)	(260,308)	(237,593)
Employee buy-back	165,863	-	-	-
Net change in total pension liability	402,894	372,561	26,303	200,530
Total pension liability, beginning	4,629,460	4,256,899	4,230,596	4,030,066
Total pension liability, ending (a)	$ 5,032,354	$ 4,629,460	$ 4,256,899	$ 4,230,596
Plan fiduciary net position				
Contributions - City	$ 188,390	173,325	$ 177,969	$ 198,995
Contributions - Retroactive City	74,865	-	-	-
Contributions - Employee	71,966	58,327	56,377	56,427
Contributions - Employee buy-back	165,863	-	-	-
Net investment income (loss)	548,625	303,304	(3,845)	308,029
Benefit payments, including refunds of employee contributions	(278,262)	(280,105)	(260,307)	(237,593)
Administrative expenses	(40,417)	(36,681)	(28,284)	(27,085)
Net change in plan fiduciary net position	731,030	218,170	(58,090)	298,773
Plan fiduciary net position, beginning	4,043,450	3,825,280	3,883,370	3,584,597
Plan fiduciary net position, ending (b)	$ 4,774,480	$ 4,043,450	$ 3,825,280	$ 3,883,370
Net pension liability (asset) (a)-(b)	$ 257,874	$ 586,010	$ 431,619	$ 347,226
Plan fiduciary net position as a percentage of total pension liability	94.88%	87.34%	89.86%	91.79%
Covered payroll	$ 1,454,094	$ 1,166,417	$ 1,126,891	$ 1,098,655
Net pension liability as a percentage of covered payroll	18%	50%	38%	32%

Additional years will be added to this schedule annually until 10 years' data is presented.

Changes of Assumptions:

For the measurement date September 30, 2020:

- As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.
- Additionally, as a result of the experience study dated June 15, 2020, the following changes were made:
    - The investment return assumption changed from 7.50% to 7.25% per year, net of investment related expenses.
    - The assumed rate of individual increases was changed from a flat 6.0% per year to a service-based table with the first 5 years of employment at 7.0% per year, the next 5 years at 6.0% per year and for service beyond 10 years, 5.5%.
    - The assumed rates of retirement were changed to an age-based table with varying rates from age 55 to 65.
    - The assumed rates of pre-retirement withdrawal were amended to better reflect anticipated experience.
    - The assumed rates of disability were reduced by 50% at all ages.

For the measurement date September 30, 2016:

- As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by FRS.

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' and Firefighters' Pension Trust Fund

The following information presents the changes in net pension liability for the Police Officers' and Firefighters' pension plan:

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	$ 144,548	$ 182,194	$ 163,963	$ 163,316
Interest	325,978	335,830	320,259	286,203
Change in excess State money	-	-	-	-
Change in benefit terms	-	-	39	-
Difference between expected and actual experience	53,809	14,759	(23,250)	70,462
Change of assumptions	-	(115,095)	-	-
Benefit payments, including refunds of of employee contributions	(224,932)	(485,770)	(43,100)	(58,762)
Net change in total pension liability	299,403	(68,082)	417,911	461,219
Total pension liability, beginning	4,624,746	4,692,828	4,274,917	3,813,698
Total pension liability, ending (a)	$ 4,924,149	$ 4,624,746	$ 4,692,828	$ 4,274,917
Plan fiduciary net position				
Contributions - City	$ -	$ 163,385	$ 103,411	$ 13,327
Contributions - State of Florida	80,036	77,169	70,945	64,374
Contributions - Employee	49,770	45,681	43,576	38,798
Net investment income (loss)	993,613	466,908	213,148	299,677
Benefit payments, including refunds of employee contributions	(224,932)	(485,770)	(43,100)	(58,762)
Administrative expenses	(27,314)	(35,973)	(25,145)	(26,509)
Net change in plan fiduciary net position	871,173	231,400	362,835	330,905
Plan fiduciary net position, beginning	4,982,960	4,751,560	4,388,725	4,057,820
Plan fiduciary net position, ending (b)	$ 5,854,133	$ 4,982,960	$ 4,751,560	$ 4,388,725
Net pension liability (asset) (a)-(b)	$ (929,984)	$ (358,214)	$ (58,732)	$ (113,808)
Plan fiduciary net position as a percentage of total pension liability (asset)	118.89%	107.75%	101.25%	102.66%
Covered payroll	$ 995,406	$ 913,614	$ 871,511	$ 775,961
Net pension liability (asset) as a percentage of covered payroll	-93%	-39%	-7%	-15%

Continued…

CITY OF LAKE ALFRED, FLORIDA

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' and Firefighters' Pension Trust Fund (concluded)

City reporting period date	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability				
Service cost	$ 122,315	$ 115,618	$ 121,228	$ 136,192
Interest	271,787	247,111	224,790	205,111
Change in excess State money	-	(5,582)	1,815	3,767
Change in benefit terms	-	166,204	-	-
Difference between expected and actual experience	(158,983)	(69,149)	(156,848)	-
Change of assumptions	107,014	85,378	-	-
Benefit payments, including refunds of of employee contributions	(59,891)	(53,403)	(50,886)	(77,030)
Net change in total pension liability	282,242	486,177	140,099	268,040
Total pension liability, beginning	3,531,456	3,045,279	2,905,180	2,637,140
Total pension liability, ending (a)	$ 3,813,698	$ 3,531,456	$ 3,045,279	$ 2,905,180
Plan fiduciary net position				
Contributions - City	$ 91,908	$ 61,125	$ 108,161	$ 89,875
Contributions - State of Florida	61,371	62,347	58,522	60,972
Contributions - Employee	37,000	29,016	36,721	36,260
Net investment income (loss)	476,615	199,227	(43,196)	318,977
Benefit payments, including refunds of employee contributions	(59,891)	(53,403)	(50,886)	(77,030)
Administrative expenses	(22,882)	(27,555)	(28,759)	(19,030)
Net change in plan fiduciary net position	584,121	270,757	80,563	410,024
Plan fiduciary net position, beginning	3,473,699	3,202,942	3,122,379	2,712,355
Plan fiduciary net position, ending (b)	$ 4,057,820	$ 3,473,699	$ 3,202,942	$ 3,122,379
Net pension liability (asset) (a)-(b)	$ (244,122)	$ 57,757	$ (157,663)	$ (217,199)
Plan fiduciary net position as a percentage of total pension liability (asset)	106.40%	98.36%	105.18%	107.48%
Covered payroll	$ 739,995	$ 580,100	$ 761,837	$ 659,279
Net pension liability (asset) as a percentage of covered payroll	-33%	10%	-21%	-33%

Additional years will be added to this schedule annually until 10 years' data is presented.

Changes in Benefit Terms:

For measurement date September 30, 2019:

- The amounts reported as changes in benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. Effective July 1, 2019, a death or disability for a firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty related.

For measurement date September 30, 2016:

- The benefit accrual rate was increased from 2.75% to 3.00% of average final compensation.

Changes of Assumptions:

For the measurement date September 30, 2020:

- As required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 Florida Retirement System (FRS) valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
- As a result of the June 15, 2020 experience study the following assumptions changes were made:
    - The investment rate of return assumption was reduced from 7.25% to 7.00%, net of investment related fees.
    - The assumed individual salary increases were changed from an age-based table to a service-based table.
    - The assumed retirement age for those eligible for normal retirement is being changed to a 33.33% probability at first eligibility for normal retirement, 50% probability in second year of eligibility and 100% at 2 years after being first eligible for normal retirement. The assumption that members eligible for normal retirement on the valuation date will work one more year has been removed.
    - The assumed rates of pre-retirement withdrawal have been changed from an age-based to a service-based table.

For measurement date September 30, 2017:

- As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by FRS.
- The investment rate of return was lowered from 7.50% to 7.25%

For measurement date September 30, 2016:

- As a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by FRS.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Contributions - General Employees' Pension Plan

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2021	$ 247,802	$ -	$ (247,802)	$ 1,868,615	0.00%
September 30, 2020	245,849	493,651	247,802	1,730,788	28.52%
September 30, 2019	229,964	229,964	-	1,582,655	14.53%
September 30, 2018	216,098	216,098	-	1,530,313	14.12%
September 30, 2017	170,830	188,390	17,560	1,454,094	12.96%
September 30, 2016	168,960	173,325	4,365	1,166,417	14.86%
September 30, 2015	172,875	177,969	5,094	1,126,891	15.79%
September 30, 2014	204,413	205,381	968	1,098,655	18.69%
September 30, 2013	160,529	166,916	6,387	1,081,295	15.44%
September 30, 2012	145,913	146,005	92	1,095,004	13.33%

Significant methods and assumptions used in calculating the actuary determined contributions:

- Valuation Date: October 1, 2019 for fiscal year 2021 contributions.
- Actuarial Cost Method: Entry age normal actuarial cost method.
- Asset Valuation Method: All assets were valued at market value with an adjustment to uniformly spread actuarial investment gains and losses over a four-year period.
- Salary Increases: 6.00%.
- Investment Rate of Return: 7.50% per year compounded annually, net of investment related expenses.
- Payroll Growth: None.
- Retirement Age: Age 59 with 12 years of service.
- Mortality rates were based on the RP-2000 tables for active, inactive, and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.
- Termination and disability rate tables:

  Termination rates are assumed to be 18% for the first two years of employment, 14% for years three to six and for all years thereafter the assumption is based upon employee age as noted in the following table:

Age	% Terminating during the year	% Becoming disabled during The year
25	28.30%	0.05%
35	12.30%	0.07%
45	4.20%	0.22%
55	1.80%	0.89%
65	0.00%	2.80%

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Contributions - Police Officers' and Firefighters' Pension Plan

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2021	$ 168,075	$ 80,036	$ (88,039)	$ 995,406	8.04%
September 30, 2020	159,690	240,554	80,864	913,614	26.33%
September 30, 2019	164,806	174,356	9,550	871,511	20.01%
September 30, 2018	117,110	77,701	(39,409)	775,961	10.01%
September 30, 2017	124,930	153,279	28,349	739,995	20.71%
September 30, 2016	109,780	138,364	28,584	580,100	23.85%
September 30, 2015	154,952	154,952	-	761,837	20.34%
September 30, 2014	151,695	151,695	-	659,279	23.01%
September 30, 2013	151,134	159,355	8,221	772,791	20.62%
September 30, 2012	104,247	104,247	-	750,077	13.90%

Significant methods and assumptions used in calculating the actuary determined contributions:

- Valuation Date: October 1, 2019 for fiscal year 2021 contributions.
- Actuarial Cost Method: Entry age normal actuarial cost method.
- Asset Valuation Method: All assets were valued at market value with an adjustment to uniformly spread actuarial investment gains and losses over a four-year period.
- Salary Increases: 6.00% per year until age 30 and 5.25% per year on and after age 30. Projected salary at retirement is increased individually to account for non-regular compensation.
- Investment Rate of Return: 7.25% per year compounded annually, net of investment related expenses.
- Payroll Growth: 0.00%
- Retirement Age: Age 55 with 10 years of service or age 52 and 25 years of service. Any member who has reached normal retirement is assumed to continue employment for one additional year.
- Mortality rates were based on the RP-2000 tables for active, inactive, and disabled males or females, as appropriate, with adjustments for mortality improvements based on Scale BB.
- Termination and disability rate tables:

Age	% Terminating during the year	% Becoming disabled during The year
25	13.10%	0.03%
35	8.70%	0.05%
45	3.70%	0.10%
55	0.70%	0.36%
65	0.50%	2.22%

CITY OF LAKE ALFRED, FLORIDA
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios

Measurement date	9/29/2020	9/30/2019	9/30/2018	9/30/2017
Reporting period ending	9/29/2021	9/29/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service cost	$ 28,226	$ 24,899	$ 26,054	$ 27,423
Interest	11,519	11,645	9,650	7,748
Change in assumptions	-	26,724	(14,470)	(15,812)
Difference between expected and actual experience	56,784	(15,389)	-	-
Benefit payments	(9,117)	(6,908)	(6,352)	(5,841)
Net change in total OPEB liability	87,412	40,971	14,882	13,518
Total OPEB liability, beginning	298,075	257,104	242,222	228,704
Total OPEB liability, ending	$ 385,487	$ 298,075	$ 257,104	$ 242,222
Covered-employee payroll	$ 2,558,531	$ 2,496,128	$ 2,154,818	$ 2,050,987
Total OPEB liability as a percentage of covered-employee payroll	15.07%	11.94%	11.93%	11.81%

Notes to Schedule:

No assets are being accumulated in a trust to pay for plan benefits.

Additional information will be provided annually until ten years of data is presented.

Changes of Assumptions:

The following discount rates are those used for each measurement date:

Measurement Date	Discount Rate
September 30, 2020	2.14%
September 30, 2019	3.58%
September 30, 2018	4.18%
September 30, 2017	3.64%
September 30, 2016	3.06%



(This page intentionally left blank)

OTHER SUPPLEMENTARY INFORMATION

CITY OF LAKE ALFRED, FLORIDA
Other Supplementary Information
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2021

	Special Revenue Funds		
	Impact Fee Fund	Community Redevelopment Fund	Total
ASSETS			
Cash and cash equivalents	$ 570,898	$ 163,018	$ 733,916
Prepaid expenditures	-	5,000	5,000
Deposits	-	6,697	6,697
Total assets	$ 570,898	$ 174,715	$ 745,613
LIABILITIES			
Accounts payable and accrued expenditures	-	126,678	126,678
Total liabilities	-	126,678	126,678
FUND BALANCE			
Nonspendable:			
Prepaid expenditures and deposits	-	11,697	11,697
Restricted for:			
Public safety improvements (impact fees)	53,226	-	53,226
Facilities and equipment - police (impact fees)	71,324	-	71,324
Facilities and equipment - fire (impact fees)	63,308	-	63,308
Recreation improvements (impact fees)	383,040	-	383,040
Community redevelopment	-	36,340	36,340
Unassigned	-	-	-
Total fund balances	570,898	48,037	618,935
Total liabilities and fund balance	$ 570,898	$ 174,715	$ 745,613

CITY OF LAKE ALFRED, FLORIDA
Other Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
For the year ended September 30, 2021

	Special Revenue Funds		
	Impact Fee Fund	Community Redevelopment Fund	Total
REVENUES:			
Taxes	$ -	$ 230,100	$ 230,100
Licenses and permits	352,054	-	352,054
Investment income	1,301	-	1,301
Total revenues	353,355	230,100	583,455
EXPENDITURES:			
Current:			
Economic environment	-	14,954	14,954
Capital outlay	-	289,121	289,121
Total expenditures	-	304,075	304,075
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	353,355	(73,975)	279,380
OTHER FINANCING SOURCES (USES)			
Transfers out	(53,038)	-	(53,038)
TOTAL OTHER FINANCING SOURCES (USES)	(53,038)	-	(53,038)
NET CHANGE IN FUND BALANCE	300,317	(73,975)	226,342
FUND BALANCE, beginning, previously reported	-	122,012	122,012
Restatement (Note 14)	270,581	-	270,581
FUND BALANCE, beginning as restated	270,581	122,012	392,593
FUND BALANCE, end of year	$ 570,898	$ 48,037	$ 618,935

CITY OF LAKE ALFRED, FLORIDA
Other Supplementary Information
Combining Statement of Fiduciary Net Position – Pension Trust Funds
September 30, 2021

	General Employees' Pension Trust Fund	Police Officers' and Firefighters' Pension Trust Fund	Total
ASSETS			
Receivables:			
Accrued income	$ -	$ 901	$ 901
Total receivables	-	901	901
Investments, at fair value:			
Short-term money market funds	46,375	24,138	70,513
Fixed income external investment pools	2,073,609	1,804,223	3,877,832
Equity securities external investment pools	3,948,470	2,437,801	6,386,271
Individual common stocks	-	1,587,070	1,587,070
Real estate securities and investment pools	556,496	-	556,496
Total investments	6,624,950	5,853,232	12,478,182
Total assets	6,624,950	5,854,133	12,479,083
LIABILITIES			
Member contribution refunds payable	5,799	-	5,799
Total Liabilities	5,799	-	5,799
NET POSITION			
Restricted for pension benefits	$ 6,619,151	$ 5,854,133	$ 12,473,284

CITY OF LAKE ALFRED, FLORIDA
Other Supplementary Information
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds
For the year ended September 30, 2021

	General Employees' Pension Trust Fund	Police Officers' and Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions:			
Plan members	$ 93,431	$ 49,770	$ 143,201
State of Florida	-	80,036	80,036
Total contributions	93,431	129,806	223,237
Investment income	1,112,815	1,021,470	2,134,285
Less investment expenses:			
Performance evaluation	-	12,500	12,500
Custodial fees	13,515	5,500	19,015
Investment management fees	-	9,857	9,857
Total investment expenses	13,515	27,857	41,372
Net investment income	1,099,300	993,613	2,092,913
Total additions	1,192,731	1,123,419	2,316,150
DEDUCTIONS			
Administrative expenses:			
Legal	8,508	6,061	14,569
Administration fees	3,000	-	3,000
Actuarial	18,598	14,848	33,446
Insurance	2,926	2,090	5,016
Audit	4,323	4,315	8,638
Total administrative expenses	37,355	27,314	64,669
Payments to retirees and participants	346,143	224,932	571,075
Total deductions	383,498	252,246	635,744
CHANGE IN NET POSITION	809,233	871,173	1,680,406
NET POSITION, beginning of year	5,809,918	4,982,960	10,792,878
NET POSITION, end of year	$ 6,619,151	$ 5,854,133	$ 12,473,284

CITY OF LAKE ALFRED, FLORIDA
Other Supplementary Information
Budgetary Comparison Schedule – Community Redevelopment Agency (Unaudited)
For the year ended September 30, 2021

	Budgeted Amounts		Actual Amounts (GAAP basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	$ 239,647	$ 230,100	$ 230,100	$ -
Total revenues	239,647	230,100	230,100	-
EXPENDITURES:				
Economic environment	29,647	22,882	14,954	7,928
Capital outlay	320,000	317,218	289,121	28,097
Budgeted carryover reserve	-	-	-	n/a
Total expenditures	349,647	340,100	304,075	36,025
NET CHANGE IN FUND BALANCE	$ (110,000)	$ (110,000)	$ (73,975)	$ 36,025

Notes to Budgetary Comparison Schedule:

The budget is prepared on the GAAP basis of accounting.

STATISTICAL SECTION

Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component 69
Changes in Net Position..... 70-71
Fund Balances of Governmental Funds..... 72
Changes in Fund Balances of Governmental Funds..... 73

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Assessed and Estimated Actual Value of Taxable Property..... 74
Direct and Overlapping Property Tax Rates..... 75
Principal Property Taxpayers..... 76
Property Tax Levies and Collections..... 77

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type..... 78
Ratios of General Bonded Debt Outstanding..... 79
Direct and Overlapping Governmental Activities Debt..... 80
Legal Debt Margin..... 81
Pledged-Revenue Coverage..... 82

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial statements take place.

Demographic and Economic Statistics..... 83

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial statements relates to the services the City provides and the activities it performs.

Principal Employers..... 84
Full-time Equivalent City Government Employees by Function/Program..... 85
Various Indicators by Function/Program..... 86
Capital Asset Statistics by Function..... 87

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

Lake Alfred, Florida
Schedule of Net Position - By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	$ 7,714,984	$ 8,548,958	$ 9,079,417	$ 9,190,078	$ 9,009,284	$ 11,301,070	$ 10,955,616	$ 12,304,702	$ 13,181,451	$ 13,257,511
Restricted	856,865	899,724	555,791	624,366	769,426	674,249	1,179,774	804,790	1,166,030	1,848,722
Unrestricted	1,582,491	1,382,740	1,519,177	1,638,237	2,461,461	1,988,336	1,861,272	1,719,317	1,487,030	2,150,371
Total governmental activities net position	$ 10,154,340	$ 10,831,422	$ 11,154,385	$ 11,452,681	$ 12,240,171	$ 13,963,655	$ 13,996,662	$ 14,828,809	$ 15,834,511	$ 17,256,604
Business-type activities										
Net investment in capital assets	$ 6,578,397	$ 6,520,782	$ 6,442,795	$ 6,554,998	$ 6,599,507	$ 6,650,029	$ 6,578,896	$ 7,477,333	$ 8,039,022	$ 8,665,853
Restricted	578,769	648,668	805,494	936,463	1,304,383	1,357,390	1,769,142	2,209,355	1,933,458	3,037,957
Unrestricted	2,543,333	2,637,302	2,554,578	2,525,196	2,605,795	2,538,538	2,314,633	2,050,039	2,050,252	1,965,969
Total Business-type activities net position	$ 9,700,499	$ 9,806,752	$ 9,802,867	$ 10,016,657	$ 10,509,685	$ 10,545,957	$ 10,662,671	$ 11,736,727	$ 12,022,732	$ 13,669,779
Primary Government										
Net investment in capital assets	$ 14,293,381	$ 15,069,740	$ 15,522,212	$ 15,745,076	$ 15,608,791	$ 17,951,099	$ 17,534,512	$ 19,782,035	$ 21,220,473	$ 21,923,364
Restricted	1,435,634	1,548,392	1,361,285	1,560,829	2,073,809	2,031,639	2,948,916	3,014,145	3,099,488	4,886,679
Unrestricted	4,125,824	4,020,042	4,073,755	4,163,433	5,067,256	4,526,874	4,175,905	3,769,356	3,537,282	4,116,340
Total primary government net position	$ 19,854,839	$ 20,638,174	$ 20,957,252	$ 21,469,338	$ 22,749,856	$ 24,509,612	$ 24,659,333	$ 26,565,536	$ 27,857,243	$ 30,926,383

Sources: Information derived from the annual financial reports for the relevant year.

Lake Alfred, Florida
Schedule of
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General government	$ 686,202	$ 784,415	$ 860,296	$ 924,434	$ 942,096	$ 1,136,799	$ 1,351,350	$ 1,361,600	$ 1,353,291	$ 1,422,763
Community development	247,438	239,687	255,597	193,212	213,568	276,964	298,437	487,355	527,498	454,261
Police	896,655	941,577	940,496	945,253	868,641	1,167,239	1,108,327	1,250,339	1,343,241	1,462,957
Fire	550,019	658,036	678,182	635,691	536,885	671,908	579,922	619,784	647,016	669,469
Sanitation	359,980	351,853	407,304	464,978	465,357	480,427	572,951	504,133	628,669	570,321
Public works	-	-	-	-	86,043	84,122	69,981	88,542	84,363	94,933
Roads and streets	557,511	527,850	532,877	590,287	508,831	514,053	597,249	636,651	643,467	719,962
Library	-	-	-	-	-	192,263	197,344	201,493	204,990	241,371
Parks and recreation	409,886	520,781	592,818	577,686	621,740	499,560	565,403	601,341	603,831	659,042
Community redevelopment	-	-	-	-	973	14,615	8,849	22,947	19,342	50,468
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	3,707,691	4,024,199	4,267,570	4,331,541	4,244,134	5,037,950	5,349,813	5,774,185	6,055,708	6,345,547
Business-type activities:										
Water Utility	865,434	687,076	672,716	696,219	678,900	684,857	942,046	735,065	781,073	771,242
Sewer Utility	1,245,867	1,177,667	1,187,302	1,210,142	1,247,874	1,261,158	1,411,327	1,444,745	1,399,188	1,397,709
Stormwater Utility	122,427	62,768	70,545	104,900	61,380	75,235	73,530	90,409	96,645	89,682
Total business-type activities expenses	2,233,728	1,927,511	1,930,563	2,011,261	1,988,154	2,021,250	2,426,903	2,270,219	2,276,906	2,258,633
Total primary government expenses	$ 5,941,419	$ 5,951,710	$ 6,198,133	$ 6,342,802	$ 6,232,288	$ 7,059,200	$ 7,776,716	$ 8,044,404	$ 8,332,614	$ 8,604,180
Program revenues										
Governmental activities:										
Charges for services	$ 937,419	$ 929,830	$ 1,021,571	$ 1,143,811	$ 1,124,938	$ 1,011,427	$ 1,313,148	$ 1,147,798	$ 1,171,639	$ 1,772,932
Operating grants and contributions	133,255	148,397	156,609	161,941	180,490	190,598	274,760	296,412	327,013	299,330
Capital grants and contributions	993,532	957,098	483,533	127,041	131,418	1,934,036	123,220	806,336	1,256,786	819,966
Total governmental activities program rev.	2,064,206	2,035,325	1,661,713	1,432,793	1,436,846	3,136,061	1,711,128	2,250,546	2,755,438	2,892,228
Business-type activities:										
Charges for services	2,056,237	2,081,268	2,143,442	2,339,599	2,440,362	2,441,297	2,580,513	2,683,597	2,755,556	2,929,566
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	22,208	54,188	153,761	345,815	346,142	103,083	423,999	1,221,313	304,733	1,519,347
Total business-type program revenues	2,078,445	2,135,456	2,297,203	2,685,414	2,786,504	2,544,380	3,004,512	3,904,910	3,060,289	4,448,913
Total primary government program revenues	$ 4,142,651	$ 4,170,781	$ 3,958,916	$ 4,118,207	$ 4,223,350	$ 5,680,441	$ 4,715,640	$ 6,155,456	$ 5,815,727	$ 7,341,141
Net(expenses)/revenue										
Governmental activities	(1,643,485)	(1,988,874)	(2,605,857)	(2,898,748)	(2,807,288)	(1,901,889)	(3,638,685)	(3,523,639)	(3,300,270)	(3,453,319)
Business-type activities	(155,283)	207,945	366,640	674,153	798,350	523,130	577,609	1,634,691	783,383	2,190,280
Total primary government net expenses	$ (1,798,768)	$ (1,780,929)	$ (2,239,217)	$ (2,224,595)	$ (2,008,938)	$ (1,378,759)	$ (3,061,076)	$ (1,888,948)	$ (2,516,887)	$ (1,263,039)

Sources: Information derived from the annual financial reports for the relevant year.

Lake Alfred, Florida
Schedule of
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	$ 920,201	$ 926,120	$ 956,105	$ 986,370	$ 1,068,364	$ 1,155,060	$ 1,266,244	$ 1,392,879	$ 1,560,287	$ 1,758,386
Franchise Taxes	286,614	276,797	306,954	357,432	422,204	389,062	409,610	460,174	428,264	478,355
Public Service Taxes	511,314	495,270	481,847	522,661	554,930	559,301	588,241	612,635	629,434	645,074
Fuel Taxes	238,265	264,742	279,194	298,864	313,288	332,253	360,190	361,466	345,310	389,812
State shared revenue	366,651	387,313	412,098	439,968	473,840	505,869	558,835	616,588	595,341	715,534
Investment earnings	12,030	10,130	9,220	11,425	29,629	67,450	42,493	67,556	25,457	220,589
Miscellaneous	191,207	187,348	154,137	141,510	127,191	93,218	168,866	202,063	176,178	115,241
Interfund transfer	-	118,236	329,265	475,335	332,370	523,160	461,809	642,425	545,701	552,421
Total governmental activities	2,526,282	2,665,956	2,928,820	3,233,565	3,321,816	3,625,373	3,856,288	4,355,786	4,305,972	4,875,412
Business-type Activities:										
Investment earnings	33,481	10,492	10,415	20,704	26,539	28,428	45,022	81,790	48,323	9,188
Miscellaneous	27,826	6,052	3,269	725	509	7,874	-	-	-	-
Interfund transfer	-	(118,236)	(329,265)	(475,335)	(332,370)	(523,160)	(461,809)	(642,425)	(545,701)	(552,421)
Total business-type activities	61,307	(101,692)	(315,581)	(453,906)	(305,322)	(486,858)	(416,787)	(560,635)	(497,378)	(543,233)
Total primary government	$ 2,587,589	$ 2,564,264	$ 2,613,239	$ 2,779,659	$ 3,016,494	$ 3,138,515	$ 3,439,501	$ 3,795,151	$ 3,808,594	$ 4,332,179
Change in Net Position										
Governmental activities	$ 882,797	$ 677,082	$ 939,946	$ 334,817	$ 514,528	$ 1,723,484	$ 217,603	$ 832,147	$ 1,005,702	$ 1,422,093
Business-type activities	(93,976)	106,253	(107,636)	220,247	493,028	36,272	160,822	1,074,056	286,005	1,647,047
Total Primary Government	$ 788,821	$ 783,335	$ 832,310	$ 555,064	$ 1,007,556	$ 1,759,756	$ 378,425	$ 1,906,203	$ 1,291,707	$ 3,069,140

Sources: Information derived from the annual financial reports for the relevant year.

Lake Alfred, Florida
Schedule of
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
General Fund					
Nonspendable	$ 43,191	$ 41,878	$ 43,204	$ -	$ 65,311
Restricted	856,865	899,724	555,791	624,366	927,756
Assigned	-	-	50,000	100,000	255,000
Unassigned	1,589,503	1,391,295	1,524,560	1,668,143	1,527,003
Total General Fund	$ 2,489,559	$ 2,332,897	$ 2,173,555	$ 2,392,509	$ 2,775,070
Community Redevelopment Special Revenue Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	25,138
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Community Redevelopment Special Revenue Fund	$ -	$ -	$ -	$ -	$ 25,138

	2017	2018	2019	2020	2021
General Fund					
Nonspendable	$ 39,450	$ 43,292	$ 49,827	$ 367,127	$ 56,032
Restricted	612,879	1,051,739	783,978	1,044,018	1,241,484
Assigned	275,000	567,000	442,000	50,000	680,000
Unassigned	1,113,881	878,212	792,275	704,636	1,014,044
Total General Fund	$ 2,041,210	$ 2,540,243	$ 2,068,080	$ 2,165,781	$ 2,991,560
Community Redevelopment Special Revenue Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ 11,697
Restricted	61,370	128,035	20,812	122,012	607,238
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Community Redevelopment Special Revenue Fund	$ 61,370	$ 128,035	$ 20,812	$ 122,012	$ 618,935

Lake Alfred, Florida
Schedule of Changes in
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 1,918,812	$ 1,918,497	$ 1,975,110	$ 2,111,357	$ 2,302,194	$ 2,372,540	$ 2,554,968	$ 2,768,416	$ 2,910,708	$ 3,206,279
Licenses and Permits	52,029	69,285	116,518	215,034	274,727	179,844	488,266	359,637	384,642	1,039,208
Intergovernmental	628,951	667,460	683,494	676,383	748,244	766,509	865,399	1,064,768	1,085,555	1,174,359
Charges for services	782,127	776,539	804,534	834,686	735,664	773,060	819,957	807,331	795,940	950,095
Fines and forfeitures	50,695	30,278	33,290	32,482	28,474	14,579	29,488	19,627	11,083	44,660
Other	236,390	286,060	270,306	321,081	301,257	248,369	297,750	284,771	323,129	296,336
Total revenues	$ 3,669,004	$ 3,748,119	$ 3,883,252	$ 4,191,023	$ 4,390,560	$ 4,354,901	$ 5,055,828	$ 5,304,550	$ 5,511,057	$ 6,710,937
Expenditures										
Current:										
General Government	$ 656,099	$ 777,340	$ 850,293	$ 814,955	$ 915,025	$ 1,260,365	$ 1,282,374	$ 1,351,064	$ 1,235,606	$ 1,321,737
Public Safety	1,608,131	1,713,537	1,673,442	1,734,275	1,568,413	1,833,646	1,864,003	2,161,370	2,270,495	2,367,421
Physical environment	425,882	381,812	401,801	378,204	403,029	398,760	514,519	462,262	595,362	563,505
Economic environment	-	-	-	-	973	14,615	984	15,660	15,505	14,954
Transportation	347,346	333,271	335,978	370,903	359,150	598,400	443,182	612,857	417,562	349,749
Culture & Recreation	292,765	365,438	418,152	423,872	489,583	558,818	599,937	706,908	592,233	669,802
Debt Service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital Outlay	344,603	451,619	692,193	580,375	604,196	885,947	246,940	1,216,240	731,094	733,288
Total expenditures	$ 3,674,826	$ 4,023,017	$ 4,371,859	$ 4,302,584	$ 4,340,369	$ 5,550,551	$ 4,951,939	$ 6,526,361	$ 5,857,857	$ 6,020,456
Excess(deficiency) of revenues over(under) expenditures	$ (5,822)	$ (274,898)	$ (488,607)	$ (111,561)	$ 50,191	$ (1,195,650)	$ 103,889	$ (1,221,811)	$ (346,800)	$ 690,481
Other financing sources(uses)										
Transfers in, net	-	118,236	329,265	330,515	332,370	523,160	461,809	642,425	545,701	552,421
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	79,800
Total other financing sources (uses)	$ -	$ 118,236	$ 329,265	$ 330,515	$ 332,370	$ 523,160	$ 461,809	$ 642,425	$ 545,701	$ 632,221
Net change in fund balance	$ (5,822)	$ (156,662)	$ (159,342)	$ 218,954	$ 382,561	$ (672,490)	$ 565,698	$ (579,386)	$ 198,901	$ 1,322,702
Debt service as percentage of non-capital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Lake Alfred, Florida
Schedule of
Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years

Fiscal Year	Real Property	Assessed Value of Personal Property	Centrally Assessed Property	Taxable Assessed Valuation	Total Direct Tax Rate
2012	$ 106,670,468	$ 19,917,742	$ 598,433	$ 127,186,643	7.589
2013	109,009,276	20,421,028	902,536	130,332,840	7.589
2014	113,690,173	19,681,167	929,761	134,301,101	7.589
2015	122,538,915	20,757,085	948,884	144,244,884	7.489
2016	139,131,303	22,571,088	1,012,647	162,715,038	7.239
2017	152,282,769	22,157,070	1,003,584	175,443,423	7.239
2018	167,253,403	19,973,352	1,040,655	188,267,410	7.239
2019	188,898,531	19,463,673	1,006,867	209,369,071	7.239
2020	207,143,585	27,953,448	1,117,040	236,214,073	7.239
2021	228,307,493	28,172,258	1,138,857	257,618,608	7.239

(1) The State of Florida, by statute, requires property appraisers to assess all property within the State at 100% of market value. Therefore, the assessed valuation and estimated actual value is the same.

Source: Polk County Property Appraiser
Note: Property in the city is assessed each year. Tax rates are per $1,000 of assessed value.

Lake Alfred, Florida
Schedule of
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Lake Alfred [1]	Polk County (BOCC)	Polk County School Board	Lakes Management	Southwest Florida Water Management District	Total
2012	7.5890	6.8665	7.4920	0.4996	0.3928	22.8399
2013	7.5890	6.8670	7.5470	0.4920	0.3818	22.8768
2014	7.5890	7.7393	7.2080	0.4924	0.3658	23.3945
2015	7.4890	7.6543	7.1490	0.4715	0.3488	23.1126
2016	7.2390	7.6543	6.7970	0.4512	0.3317	22.4732
2017	7.2390	7.6543	6.5140	0.4214	0.3131	22.1418
2018	7.2390	7.1565	6.2510	0.4214	0.1209	21.1888
2019	7.2390	7.1565	6.0860	0.4214	0.1152	21.0181
2020	7.2390	6.8990	5.9350	0.4100	0.2669	20.7499
2021	7.2390	6.8990	5.8290	0.4100	0.1061	20.4831

Source: Polk County Property Appraiser
(1) - There are no separate components of this direct property tax rate.

Lake Alfred, Florida
Schedule of
Principal Property Tax Payers
For the Current Year and Ten Years Prior

	2021		2011	
Taxpayer	**Taxable Assessed Valuation**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Valuation**	**Percentage of Total Taxable Assessed Value**
Mizkan Americas Inc	$ 13,620,815	5.49%	7,333,462	5.31%
CAX Cyperss Greens LLC	9,795,784	3.95%	5,892,162	4.27%
Tampa Electric	7,647,433	3.08%	3,425,035	2.48%
Carribbean Distillers	3,243,694	1.31%	5,288,128	3.83%
Clayton Properties	2,803,504	1.13%	*	*
ILP Lake Alfred LLC	2,363,834	0.95%	*	*
1792BT LLC	2,268,748	0.92%	1,981,268	1.43%
Lake Alfred Self Storage LLC	2,250,584	0.91%	*	*
Frontier	2,244,699	0.91%	*	*
Adams Estate LLC	2,034,905	0.82%	*	*
	$ 34,653,185	13.98%		

* Data not available
Source: Polk County Tax Collector

Lake Alfred, Florida
Schedule of
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Prior Year Tax Collections	Total Tax Collections	Ratio of Levy to Collections
2012	$ 965,219	$ 963,416	99.81%	$ 3,280	$ 956,225	99.07%
2013	989,096	952,642	96.31%	25,743	978,385	98.92%
2014	1,019,211	978,201	95.98%	8,574	986,775	96.82%
2015	1,087,254	1,047,359	96.33%	4,377	1,051,736	96.73%
2016	1,171,058	1,126,395	96.19%	4,490	1,130,885	96.57%
2017	1,263,741	1,223,373	96.81%	746	1,224,119	96.86%
2018	1,362,868	1,324,056	97.15%	1,490	1,325,546	97.26%
2019	1,515,623	1,470,820	97.04%	3,499	1,470,820	97.04%
2020	1,709,954	1,640,754	95.95%	-	1,640,754	95.95%
2021	1,864,901	*	*	*	*	*

* Data not available

Lake Alfred, Florida
Schedule of
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business - Type Activities						
Fiscal Year	Notes Payable	Capital Lease	Notes Payable	State Revolving Loans	Capital Lease	Total Primary Government	Lake Alfred Personal Income	Percentage of Income	Per Capita
2012	$ -	$ -	$ 2,358,620	$ 3,900,127	$ -	$ 6,258,747	$ 167,837,046	3.73%	$ 1,247
2013	-	-	2,164,174	3,669,070	-	5,833,244	191,747,780	3.04%	1,151
2014	-	-	1,975,351	3,432,899	-	5,408,250	176,332,911	3.07%	1,055
2015	-	-	1,782,014	3,191,500	-	4,973,514	181,027,830	2.75%	935
2016	-	-	1,584,052	2,944,758	-	4,528,810	195,891,872	2.31%	791
2017	-	-	1,381,358	2,692,556	-	4,073,914	212,773,635	1.91%	690
2018	-	-	1,173,817	2,434,771	-	3,608,588	211,004,850	1.71%	606
2019	-	-	961,314	2,171,279	-	3,132,593	230,497,417	1.36%	505
2020	-	-	743,729	1,901,956	-	2,645,685	252,515,760	1.05%	417
2021	79,800	-	520,942	1,626,671	-	2,227,413	*	*	339

* Information not available

Sources Personal Income derived from State of Florida Personal Income using Lake Alfred Population from University of Florida BEBR

Lake Alfred, Florida
Schedule of
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

The City has not had any general bonded debt in the past ten fiscal years.

Source: City of Lake Alfred Finance Department

Lake Alfred, Florida
Schedule of
Direct and Overlapping Governmental Activities Debt
9/30/2021

Jurisdiction	Total Governmental Activities Debt Outstanding	Percentage Applicable to Lake Alfred		Amount Applicable to Lake Alfred
District School Board of Polk County	$ 369,522,680	0.59%	(1)	$ 2,180,188
Polk County Board of County Commissioners	179,979,649	0.59%	(2)	1,061,882
Total Overlapping Debt				3,242,070
Total Direct Debt				-
Total Direct and Overlapping Debt				$ 3,242,070

The percentage of overlapping debt applicable is calculated as a ratio of taxable assessed property values in the City of Lake Alfred to total taxable valuation of property in Polk County

Lake Alfred currently does not currently have any governmental activities debt which is being repaid through general property taxes.

Sources:

(1) School Board of Polk County June 30, 2020 Comprehensive Annual Financial Report (latest available)

(2) Polk County, Florida September 30, 2020 Comprehensive Financial Report (latest available)

Lake Alfred, Florida
Schedule of
Legal Debt Margin Information
Last Ten Fiscal Years

The City Charter and Florida State Statute 200.181 does not provide for legal debt limit.

Source: City of Lake Alfred Finance Department

Lake Alfred, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Water and Sewer Revenue (1)	Less: Operating Expenses (2)	Net Revenues (3)	Senior Bond service Requirements (4)	Senior Debt Svc Coverage Test 1 (5)	Required Debt Svc Coverage Test 1 (6)	Net Revenues Less: Senior Bond Service Requirements	Junior Bond Service Requirements	Debt Svc Coverage Test 2	Required Debt Svc Coverage Test 2
2012	$ 2,056,647	$ 1,302,128	$ 754,519	$ 282,215	2.67	1.20	$ 472,304	$ 315,646	1.50	1.15
2013	2,090,139	1,116,504	973,635	238,443	4.08	1.20	735,192	315,646	2.33	1.15
2014	2,058,478	1,187,794	870,684	236,171	3.69	1.20	634,513	315,646	2.01	1.15
2015	2,649,933	1,272,771	1,377,162	236,171	5.83	1.20	1,140,991	315,646	3.61	1.15
2016	2,440,362	1,325,237	1,115,125	236,171	4.72	1.20	878,954	315,646	2.78	1.15
2017	2,380,624	1,311,149	1,069,475	236,171	4.53	1.20	833,304	315,646	2.64	1.15
2018	2,564,160	1,527,205	1,036,955	236,171	4.39	1.20	800,784	315,646	2.54	1.15
2019	2,701,552	1,554,877	1,146,675	236,171	4.86	1.20	910,504	315,646	2.88	1.15
2020	2,685,528	1,551,525	1,134,003	236,171	4.80	1.20	897,832	315,646	2.84	1.15
2021	2,871,631	1,521,856	1,349,775	238,443	5.66	1.20	1,111,332	315,646	3.52	1.15

(1) Gross revenues include all money received from rates, fees, rentals or other charges received by the City or accrued to it in the management and operation of the water and sewer system

(2) Operating expenses include all costs of operating the water and sewer system but does not include depreciation expense and renewal and replacement reserve payments, the annual bond service requirement or transfers to other funds

(3) Net revenues is equal to gross revenue less operating expenses

(4) Senior bond service requirement is the amount required to pay the interest and principal due in each bond year on all senior debt obligations.

(5) Net revenues divided by senior bond service requirements.

(6) Test 1 is net revenues divided by the senior bond service requirements.

(7) Test 2 is net revenues less the senior bond service requirements divided by the junior bond service requirements

Lake Alfred, Florida
Schedule of
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income	Median Age (2)	School Enrollment (3)	Unemployment Rate for Polk County (2)
2021	6,568	*	*	*	3,516	*
2020	6,351	39,760	252,515,760	40.2	3,557	7.8
2019	6,199	37,183	230,497,417	40.2	3,535	5.7
2018	5,950	35,463	211,004,850	40.2	2,870	3.9
2017	5,903	36,045	212,773,635	40.2	2,913	4.6
2016	5,728	34,199	195,891,872	40.3	2,651	5.8
2015	5,322	34,015	181,027,830	40.3	2,760	5.8
2014	5,127	34,393	176,332,911	40.5	2,717	8.2
2013	5,068	37,835	191,747,780	39.8	2,745	6.8
2012	5,018	33,447	167,837,046	39.8	2,682	8.6

* Information not available
(1) Office of Economic & Demographic Research
(2) FRED Economic Data: St. Louis Fed
(3) Florida Department of Education

Lake Alfred, Florida
Schedule of
Principal Employers
Years Ended September 30, 2021 and September 30, 2011

Employer	Type of Business	2021 Employees	2021 Rank	2021 Percentage of Total City Employment	2011 Employees	2011 Rank	2011 Percentage of Total City Employment
IFAS/ Univerty of Florida	Research Center	250	1	28%	246	1	27%
Polk County School Board	Education	236	2	26%	225	2	25%
City of Lake Alfred	Government	90	3	10%	75	3	8%
Florida Distillers	Manufacturer	50	4	6%	50	4	6%
Mizkan	Manufacturer	47	5	5%	45	6	5%
Southern Gardens	Assisted Living	43	6	5%	42	7	5%
Dunkin Donuts	Resturant	21	7	2%	0		0%
Hardee's	Resturant	20	8	2%	0		0%
Grower's Fertilizer	Manufacturer	0	9	0%	49	5	5%
Lake Alfred Assisted Living	Assisted Living	15	10	2%	25	8	3%
Total		772			757		

Estimated Total City Employmen 900

(1) Source: Survey of Employers
2011 Data from - 2011 Comprehensive Annual Report, page 59

Lake Alfred, Florida
Schedule
Full Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
City Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Administration	3.0	3.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5
Finance	2.0	3.5	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5
Public Safety										
Police	16.0	16.0	16.0	16.0	16.0	16.0	16.0	20.0	21.0	21.0
Fire	14.0	14.0	14.0	15.0	12.0	12.0	12.0	12.0	12.0	12.0
Building & Zoning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.5	4.5
Library	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Parks & Recreation	4.5	5.5	5.5	6.5	6.5	7.0	8.5	9.0	9.0	9.0
DPW Administration	4.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building Maintenance	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
CGMP	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5
Sanitation	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Roads & Streets	6.0	6.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0	4.0
Total General Fund	**63.0**	**65.0**	**61.5**	**62.5**	**58.5**	**58.5**	**62.0**	**67.5**	**69.0**	**69.0**
ENTERPRISE FUND										
Utilities (Water & Wastewater)	11.5	9.5	9.5	10.0	10.0	11.0	11.0	10.0	10.0	11.0
Stormwater	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Enterprise Fund	**11.5**	**9.5**	**9.5**	**10.0**	**10.0**	**11.0**	**11.0**	**10.0**	**10.0**	**11.0**
TOTAL STAFF	**74.5**	**74.5**	**71.0**	**72.5**	**68.5**	**69.5**	**73.0**	**77.5**	**79.0**	**80.0**

(1) Source: City of Lake Alfred payroll

Lake Alfred, Florida
Schedule
Various Indicators by Function/Program
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Calls for Service	6,026	5,712	4,437	4,769	5,331	8,302	8,619	9,144	8,586	8,755
Traffic Crashes	114	126	125	147	166	202	193	226	177	231
Traffic Violations	1,630	671	408	411	339	971	937	1,105	1,102	2,539
Fire Control										
Number of Calls	1,301	1,402	1,115	1,142	744	723	767	743	739	1,193
Building Department										
Permits Issued	188	235	292	313	309	362	617	439	407	598
Code Enforcement Compl.	209	247	220	240	82	165	31	101	165	229
Inspections	179	274	936	1,936	1,599	1,843	1,845	1,996	1,004	1,659
Leisure Services										
Summer Attendees	50	64	40	53	45	62	54	55	-	33
Library Visitations	24,647	36,818	34,816	36,649	37,660	36,885	36,709	34,650	24,616	29,578
Circulation	19,753	26,400	30,860	29,304	31,806	36,999	35,980	35,484	39,568	34,938
Facility Rentals	60	85	77	117	102	111	115	95	76	
Human Services										
Cemetery plots sold	14	13	25	14	19	12	16	10	26	29
Business Tax Receipts	261	224	243	240	220	219	200	217	226	188
Solid Waste										
Refuse collected (Tons)	1,937	1,827	1,920	2,159	2,211	2,572	3,146	4,197	5,321	4,467
Brush collected (Tons)	1,193	1,164	1,102	1,195	1,247	1,469	1,297	*	*	501
Commercial Customers	70	66	68	61	77	72	72	83	88	70
Residential Customers	1,781	1,752	1,797	1,894	2,087	2,099	2,147	2,246	2,323	2,399
Public Works										
Street Resurfacing (Miles)	-	7	-	-	-	0.50	0.25	-	-	0.75
Water										
New Connections	4	24	32	5	73	26	90	46	30	80
Number of Customers	2,883	2,754	2,804	2,891	2,877	3,133	3,223	3,337	3,467	3,525
Wastewater										
New Connections	2	1	27	5	71	24	49	46	30	80
Number of Customers	2,247	2,166	2,264	2,354	2,335	2,567	2,616	2,729	2,759	2,834
Avg Daily Sewage Treatment	375,000	375,000	375,000	375,000	412,500	412,500	481,000	494,000	520,000	437,000

* : Information not available

Source - City Departments

Lake Alfred, Florida
Schedule
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Cars	8	8	8	8	10	11	11	12	13	13
Fire Trucks	4	4	4	4	4	4	4	4	4	4
Solid Waste										
Collection Trucks	3	3	3	3	4	4	4	4	4	4
Transportation										
Street Miles	48.00	48.00	48.00	48.00	48.00	48.00	48.25	49.79	52.02	52.82
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Leisure Services										
Parks	10	10	10	10	10	10	10	10	10	10
Parks Acreage	166	166	166	166	166	166	166	166	166	166
Rental Facilities	3	3	3	3	3	3	3	3	3	3
Playgrounds	4	4	4	4	4	4	4	4	4	4
Boat Ramps	6	6	6	6	6	6	6	6	6	6
Library	1	1	1	1	1	1	1	1	1	1
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Baseball Fields	3	3	3	3	3	3	3	3	3	3
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Football Field	1	1	1	1	1	1	1	1	1	1
General Government										
Number of Buildings	6	6	6	7	8	9	9	10	10	10
Cemeteries	2	2	2	2	2	2	2	2	2	2
Water										
Water Treatment Plants	2	2	2	2	2	2	2	2	2	2
Fire Hydrants	190	190	190	190	190	190	190	190	195	201
Water Main Miles	30	30	30	31	31	31	31	31	32	33
Wastewater										
Waster Treatment Plant	1	1	1	1	1	1	1	1	1	1
Lift Stations	30	30	30	30	30	30	30	30	30	30
Sanitary Sewer Miles	19	19	19	20	20	20	20	20	21	22

* : Information not available

Source - City Departments



(This page intentionally left blank)

OTHER REPORTS

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 Members of the City Commission
City of Lake Alfred, Florida

We have audited, in accordance with the 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 City of Lake Alfred, Florida as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Lake Alfred, Florida's basic financial statements, and have issued our report thereon dated April 14, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described below as finding 2021-01, that we consider to be a significant deficiency.

2021-01 – CAPITAL ASSET ACCOUNTING

Criteria: The City's internal control over capital asset accounting should be designed to provide reasonable assurance that all the City's capital assets are identified, valued, recorded and tracked within the City's accounting information system. Furthermore, a properly designed internal control system should be operating effectively to provide the reasonable assurance referenced above.

Condition: During our prior year audit we identified several significant errors pertaining to the identification, valuation and recording of the City's capital asset activity and these errors were not identified by the City's internal controls. We also found several significant errors pertaining to the identification, valuation and recording of the City's capital asset activity during our current audit.

Cause: The internal controls over the capital asset accounting function were not properly designed.

Effect: Due to the deficiency in the design of internal controls over the capital asset accounting function, the City's financial records could contain material misstatements that would not be detected by employees in the ordinary course of performing their assigned functions.

Recommendation: Management must design and implement adequate internal controls over the capital asset accounting function which may include segregation of duties whereby one individual performs the accounting, and another individual will review and reconcile their work. Furthermore, increased training in this area may be helpful and management should review their capital asset accounting policy to make sure it is clear and up to date.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lake Alfred, Florida'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.*

City of Lake Alfred, Florida's Response to Findings

City of Lake Alfred, Florida's response to the findings identified in our audit is described in the accompanying letter of management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 14, 2022

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Members of the City Commission
City of Lake Alfred, Florida

We have examined City of Lake Alfred, Florida's compliance with Section 218.415, Florida Statutes for the year ended September 30, 2021. Management is responsible for City of Lake Alfred, Florida's compliance with those specified requirements. Our responsibility is to express an opinion on City of Lake Alfred, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards required that we plan and perform the examination to obtain reasonable assurance about whether the City of Lake Alfred, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Lake Alfred, Florida complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of City of Lake Alfred's compliance with the specified requirements.

In our opinion, City of Lake Alfred, Florida complied, in all material respects, with the aforementioned requirements of Section 218.415, Florida Statutes for the year ended September 30, 2021.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 14, 2022

MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission
City of Lake Alfred, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Lake Alfred, Florida as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated April 14, 2022.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 13, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except for the prior year finding 2020-01 which is also reported in the current year as finding 2021-01. This finding was not reported in the second preceding 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. For the legal authority of City of Lake Alfred, Florida, see footnote A of the summary of significant accounting policies in the notes to financial statements.

Financial Condition and Management

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

***Financial Condition and Management** (concluded)*

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor City of Lake Alfred, 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Other Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 have the following finding:

2021-02

Criteria: Section 553.80(7), Florida Statutes allows local governments to carry forward unspent building permit fees to be used in subsequent years for allowable activities, but the carry forward amount cannot exceed the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years.

Condition: During our audit we identified the City's unspent building permit fees subject to the cap totaled $995,766 on September 30, 2021 which exceeded the average costs incurred to enforce the Florida Building Code over the prior 4 fiscal years by $834,806.

Cause: Building permit receipts have exceeded allowable uses to the extent the unspent balance exceeds the average costs incurred to enforce the Florida Building Code over the prior 4 fiscal years.

Effect: Noncompliance

Recommendation: We recommend that management work with the City Attorney to analyze the statutory requirements and to take whatever actions are deemed necessary to ensure City compliance with Section 553.80, Florida Statutes.

View of Responsible Official: See accompanying letter of management's response.

City of Lake Alfred, Florida's Response to Finding

The City of Lake Alfred's response to the finding identified above is described in the accompanying letter of management's response and was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Specific Information

Management has provided the specific information required by Section 218.39(3)(c), Florida Statutes in the separately published annual financial report of the City of Lake Alfred Community Redevelopment Agency for the year ended September 30, 2021.

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, members of the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 13, 2021



(This page intentionally left blank)

OTHER INFORMATION

120 E. Pomelo Street
Lake Alfred, FL 33850-2135

CITY OF LAKE ALFRED

Ph.: (863) 291-5270
Fax: (863) 291-5317

Management's Response Letter to Auditor's Findings:

2021-01 Capital Asset Accounting

A new policy has been adopted by the City Commission effective October 1,2021. It defines what a capital asset is, how to determine value and what useful life should be applied. There will be an annual calendar included to ensure staff is processing in a timely manner. A new position has been added to the finance department to be cross trained on how to enter assets, disposals, and how to identify assets while processing accounts payables.

2021-02 Building Permit Fees

The city is currently conducting a rate study to determine what the permit fees should be, and how they should be calculated. Management is working with the City Auditor and City Attorney to create a "rate stabilization fund" which will use "excess" permit funding to reduce the permit fee rates with a methodology determined by the City to be in compliance with 553.80, Florida Statues.

Respectfully submitted,

Ryan Leavengood
City Manager

Amber Deaton
Finance Director