



ANNUAL COMPREHENSIVE FINANCIAL REPORT



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

CITY OF ALTAMONTE SPRINGS | FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City of Altamonte Springs, Florida
For the Fiscal Year Ended September 30, 2022



Prepared By:
Department of Finance

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**City of Altamonte Springs, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022**

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March 15, 2023
To the Mayor and City Commission
City of Altamonte Springs, Florida

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Altamonte Springs, Florida (the "City") for the fiscal year ended September 30, 2022. This report meets the legal requirements of the City Charter, Florida Statutes, and the Rules of the Auditor General, as well as, continuing in the City's long tradition of full financial disclosure. The report was prepared by the City's Finance Department and is the City's official report of the City's financial position and operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by MSL, P.A., a firm of licensed certified public accountants. Such an independent audit is required by law. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City's fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the 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 the same. The City's MD&A can be found immediately following the report of the independent auditors.

CITY PROFILE

The City of Altamonte Springs, Florida, a municipal corporation established in 1920, is centrally located in the State of Florida and a part of the four-county Orlando-Kissimmee Metropolitan Statistical Area (MSA). The City has an estimated population of 47,413 within an area of approximately 9.6 square miles. The City operates under a Charter adopted in 1980, as amended, and uses a Commission-Manager form of government. The Commission enacts legislation, adopts budgets, determines policies, and appoints the City Manager, while the City Manager executes the laws and administers the government of the City. The City Commission is made up of a Mayor and four Commission members. The Mayor and Commissioners are elected at large and each Commissioner serves a two-year term while the Mayor serves a three-year term. The City Manager is appointed by the City Commission and serves at its pleasure. The structure of the City is similar to a corporate board and a chief executive officer.

The City provides a full range of governmental services, including police protection, sanitation, road maintenance, water and sewer operations, parks and recreation, planning and community development, and other inherent support activities. The City is primarily a retail, office and residential community with a smattering of light industry and light commercial. The City has consistently been recognized in both articles and awards as a progressive leader amongst local governments in the United States. Ongoing input from both residents and the business community indicate they are pleased with the quantity, quality and efficiency of the City government, and both groups indicate that they are happy to be located in Altamonte Springs.

Budgetary Cycle and Controls

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit budget requests to the City Finance. The Finance Department reviews and edits the requests and prepares a draft department requested budget. This draft budget is submitted to the City Manager for consideration.

The City Manager meets with each department director to review the requested budget. Using the submitted requested budget and the information from meeting with each department director, the City Manager develops a recommended budget. The City Manager submits the recommended budget to the City Commission.

During the summer, the City Manager and the City Commission hold a working meeting to review the recommended budget. During this working meeting, the City Manager presents the recommended budget.

The adopted budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. Changes in the total fund budget require City Commission approval.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and American Rescue Plan Act Fund (major funds) this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with adopted annual budgets, this comparison is presented in the governmental fund subsection of this report.

The City Commission holds public hearings on the proposed budget in September of each year and adopts a final budget no later than September 30th, the close of the City's fiscal year.

ECONOMIC CONDITIONS AND OUTLOOK

The information presented in the financial statements may be best understood when it is considered from the broader perspective of the specific economic environment within which the City of Altamonte Springs operates.

Altamonte Springs is considered one of the most innovative cities in the world with regard to environmental programs. Our environmental innovations have won state, national and international awards. Many of our smart growth land use policies have been adopted in other communities. The City ranked again this year as the best city in Seminole County and 15th best city in the U.S. for small businesses. We were ranked the 33rd best city in the country to live in by Money Magazine, in which we were one of only three cities in Florida, and the only city in Central Florida in the Top 50.

Although we are at one of the busiest intersections in Florida and have several hundred thousand regional trips pass through us each day at Interstate 4 and State Road 436, we continue creating alternatives for our residents to get around. We are implementing micro-mobility and pedestrian improvements throughout the City to make it easier for residents to get around. In the coming months, Altamonte Springs will launch the first autonomous vehicle program the State of Florida has ever funded over multiple years.

The Orlando-Kissimmee Metropolitan Statistical Area (MSA), which includes Orange, Seminole, Osceola, and Lake Counties, continues to rank as one of the top growth areas in the country based on population. In July 2022, the Orlando area's unemployment rate was 3.0 percent in July 2022, a decrease of 2.2 percentage points from 5.2 percent reported in July 2021 per the Florida Department of Economic Opportunity. Orlando area's private sector employment increased by 5.5 percent (+64,400 jobs) over the year, representing the third highest number of private sector jobs gained over the year in July 2022 among all metro areas. The Orlando area's labor force increased by 56,154 over the year in July 2022, an increase of 4.2 percent.

According to the Orlando Regional Realtor Association, the median home price has increased 4.5 percent to \$350,000 in January 2023 from \$335,000 in January 2022. Overall sales in January 2023 were 44.8% lower than January 2022 when there were 3,033 sales. Inventory in January 2023 (6,115) was 157.0% higher compared to January 2022, when it was recorded at only 2,379 homes, with the region seeing a 3.65-month supply of homes. Although the housing market is continuing to balance out, the demand for real estate is still strong.

The City of Altamonte Springs continues to remain a place where people want to move and stay with one of the lowest tax rates in Seminole County at 3.1 mills, the same millage rate for the past eight years in a row. The City of Altamonte continues to deliver excellent services at a great price for our residents during these high inflationary times while remaining debt-free for the 11th year in a row. Through uncertain times and ups and downs in the economy, the City of Altamonte Springs is one of the most financially-stable cities in the state.

Long-Term Financial Planning

The City takes a fiscally-conservative approach in its long-term financial planning and updates the five-year capital budget each year. From FY 23 to FY 27, the Capital Improvement Program (CIP) contains improvement projects totaling \$79 million. The majority of the capital projects focus on maintaining, repairing, and renovating existing City assets such as roads, trails, sidewalks, buildings and stormwater, wastewater, and water infrastructure.

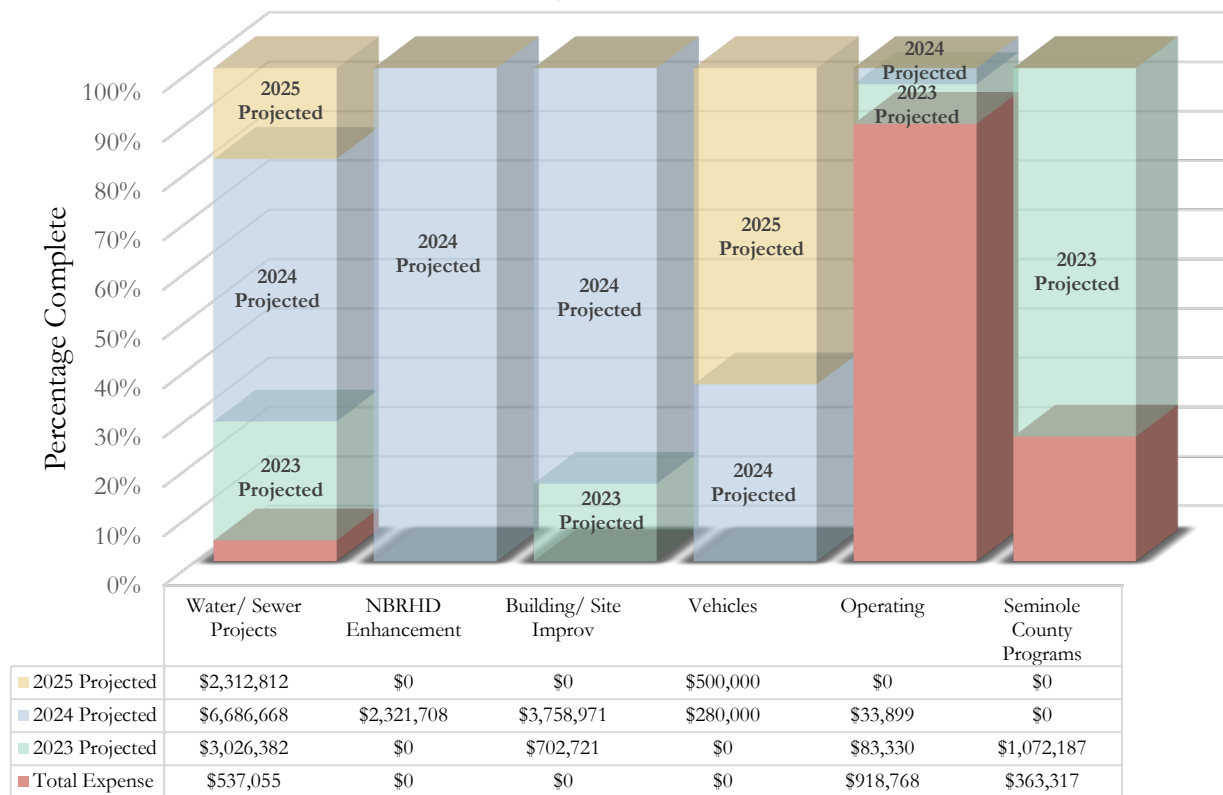
The maintenance of an adequate fund balance is one of the City's primary goals for ensuring the financial security and well-being of the City. In order to weather significant economic downturns and mitigate financial risk from unforeseen revenue fluctuations and unexpected emergencies such as natural disasters and catastrophic events, the City has established a fund balance policy. The City's goal for the unassigned fund balance within the General Fund will be an amount not less than 20% of the current fiscal year operating expenditure and regularly recurring transfers out budgeted for the fund.

Major Initiatives

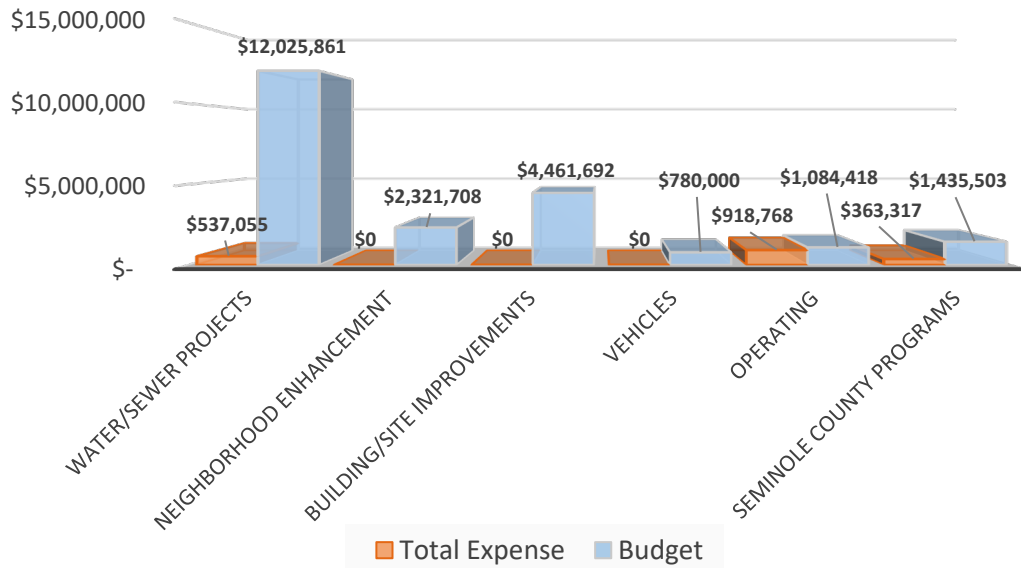
Altamonte Springs is a city born of innovation, fiscal responsibility and progressive ideas. From forward-thinking projects and proactive initiatives to an evolving business climate and environmentally-friendly projects, Altamonte Springs has set an example for other municipalities by striving to work beyond the typical constraints of local government.

The City received \$22.1 million in American Rescue Plan Act funds (ARPA) in FY 21 from the U.S. Department of Treasury as a result of the COVID-19 pandemic. The City Commission adopted a plan on the use of these funds in November 2021. Below is a list of the expenditure categories that were approved and how much has been expended as of September 30, 2022 and the projected date of completion.

ARPA Project Completion Timeline



Total ARPA Budget vs. Actual



East Town Center Project - This project includes construction of an extension of Amanda Street, which includes utility extensions and stormwater drainage. The project will extend Amanda Street from its current terminus at Jackson Street west to Station Street, behind the commercial properties fronting East Altamonte Drive. The new multi-modal roadway will include on-street parking, wider sidewalks and stormwater management systems and provide an alternative corridor to State Road 436 with improved access to the SunRail station for all modes of transportation. Additionally, this project includes modification of FEMA designated floodplains and implementation of mitigation strategies for wetland impacts which are required for construction of a regional stormwater facility. Construction is scheduled to be completed by the second quarter of FY 23.

Altamonte SunRail Station Bicycle and Pedestrian Improvements - In the fall of 2021, the City was awarded a matching service development grant from the Florida Department of Transportation. The grant will provide 50% in matching funds for a three-year autonomous vehicle pilot project in the planned corridor. This project creates a flexible on-street and off-street path to accommodate pedestrians, bicycles and other multi-mobility devices (such as autonomous vehicles). The project will provide an alternative parallel corridor to SR 436 that will traverse from the Altamonte Springs SunRail Station to Cranes Roost Park and the Uptown Altamonte area. The project provides a key connection from the SunRail station to Advent Health campus, the Altamonte Mall, Emerson Center and the Seminole Wekiva Trail. The design was completed spring 2022. A construction bid was awarded in the summer of 2022. Easement acquisition is delaying the construction start date of this project. Construction is anticipated to begin as soon as the last easements are obtained.

Regional Wastewater Treatment Plant Upgrades - The Altamonte Springs Regional Water Reclamation Facility (ASRWRF) is an award-winning water reclamation plant designed to provide treatment for up to 12 million gallons per day (MGD) of wastewater from several municipalities. Since 1989, the ASRWRF has been a leader in the United States for recycling treated wastewater and using it for irrigation. The City received a grant from the Florida Department of Agriculture and Consumer Services for \$500,000 to construct a 1-MW floating solar array that generates an estimated 1,554,000 kWh of energy annually and will reduce the energy requirements of the process airblowers by an estimated 326,000kWh annually. The floating solar array is presently the largest of its kind in Florida and the third largest in the nation. The project is scheduled to be completed by FY 24.

Independent Audit

Florida State Statutes require an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Commission. The City's auditors, MSL, P.A., have conducted the audit and issued their report which can be found in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. This was the thirty-seventh consecutive year the City has received this award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's high requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department staff. Special recognition goes out to our Finance Department team, led by Ms. Tara Culver, Chief Financial Officer. Mr. Chad Elliott, Comptroller, Ms. Liana Griffiths, Senior Accountant, Ms. Laurie Daugherty, Accountant II, Ms. Brina Ellis, Accountant II, and Ms. Jessica Mazzotti, Accountant I are all recognized for their tireless efforts in this regard.

Finally, a special acknowledgment goes out to our Mayor and City Commission for their continued support of our staff. The manner in which the City was restructured in 1980 created a government that operates much differently than most. Altamonte Springs has gained national and international prominence as a result. We plan and conduct the financial operations of the City in a responsible, prudent, and progressive manner. It is a pleasure to work with an elected body with a real sense of vision and focus on what is best for the people we serve together.

Respectfully submitted,



Franklin W. Martz II
City Manager

Tara J. Culver
Chief Financial Officer

City of Altamonte Springs, Florida

Principal Officials

September 30, 2022

Elected Officials

Mayor Pat Bates

Commissioner Sarah Reece

Commissioner Mike Brunscheen

Commissioner Bob O'Malley

Commissioner Jim Turney

Appointed Officials

City Manager Franklin W. Martz, II

City Clerk..... Angela M. Apperson

Director of Building and Fire Safety Department Anthony C. Apfelbeck

Chief Financial Officer..... Tara J. Culver

Director of Growth Management..... Jason Burton

Director of Human Resources Lee Ricci

Director of Leisure and Maintenance Services..... Stephen W. Falk

Chief of Police..... James F. Riggs

Director of Public Works & Utilities.....David J. Bass

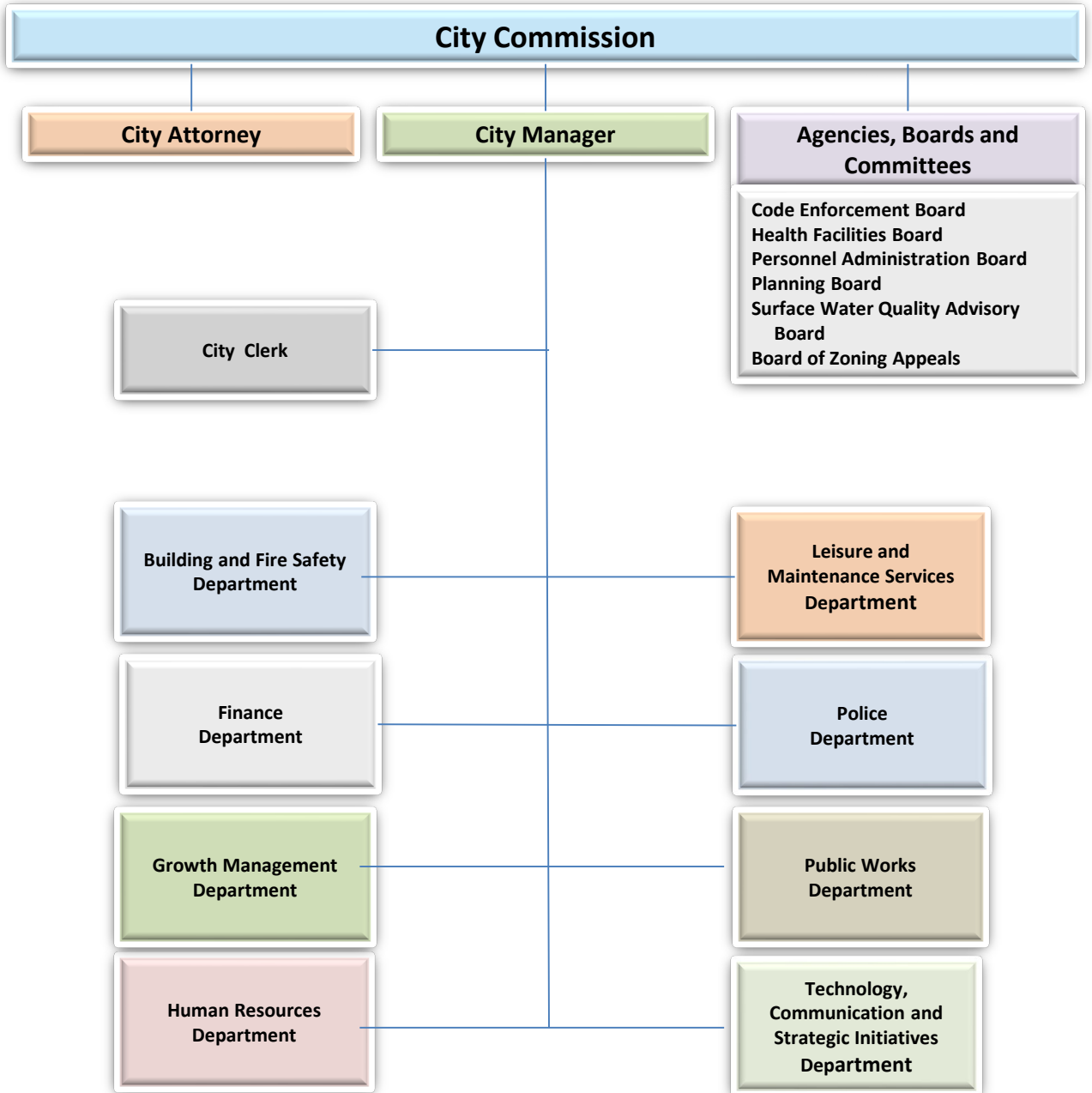
Director of Technology, Communication and Strategic Initiatives..... Rochelle Croskey

City Attorney James A. Fowler
Fowler, Feeney & Associates, P.A.

City Auditors MSL, P.A.

Organizational Chart

September 30, 2022





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Altamonte Springs
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
Altamonte Springs, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altamonte Springs, Florida (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit, 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, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis-of-Matter

As discussed in Note 8 to the financial statements, in the year ended September 30, 2022, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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.

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

INDEPENDENT AUDITOR'S REPORT *(Continued)*

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 and individual major and non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 15, 2023

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City of Altamonte Springs, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2022

As management of the City of Altamonte Springs (City), Florida, we offer readers of the City's financial statements this narrative and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. Information in this Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions and conditions. We encourage readers to consider the information presented here in conjunction with additional information provided in the transmittal letter, the basic financial statements, and the accompanying notes to financial statements, which are included in this report.

Financial Highlights

- For FY 2022, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$348 million (net position). Of this amount, over \$46 million (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors. The governmental activities net position increased by \$8.9 million or 4.4% and the business-type activities net position increased by \$3.2 million or 2.4%. The analysis of these changes in net position related to governmental and business-type activities is discussed further in this MD&A.
- The governmental activities revenue increased \$11.6 million or 29.2%. In FY 2022, the results of governmental activities produced an increase in net position of \$8.9 million, while in FY 2021 governmental activities net position increased by \$5.4 million. The analysis of these changes and current year impacts related to governmental activities is discussed further in this MD&A.
- The business-type activities revenue decreased by \$1.2 million or 4.6%. In FY 2022, the results of activities produced an increase in net position of \$3.2 million, while in FY 2021 net position increased by \$6.5 million. The analysis of these changes and current year impacts related to business-type activities is further discussed in this MD&A.
- The City's total expenses increased by \$10.2 million or 18.7%. The analysis of this change related to government-wide activities and changes in net position is further discussed in this MD&A.
- The General Fund, the primary operating fund, reflected on a current financial resource basis, reported an increase in fund balance of \$18,845, compared to an increase of \$3.0 million in FY 2021. The analysis of these changes related to the General Fund is further discussed in the fund financial statement analysis section of this MD&A.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City in a corporate-like manner similar to private sector 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. This statement format combines and consolidates the governmental funds' current financial resources with capital assets (including infrastructure) and long-term obligations.

The Statement of Activities is focused on both the gross and net cost of various functions (including governmental and business-type), which are supported by the government's general tax and other revenues. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The government-wide financial statements present information about the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities reflect the City's basic services, including public safety, culture and recreation, physical environment, and transportation.

Property, sales, gas, communication service and utility taxes along with other intergovernmental revenue finance the majority of these services. The business-type activities reflect private sector type operations (water and sewer utilities and residential refuse disposal), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government'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 several individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund, American Rescue Plan Act (ARPA) Fund, and Infrastructure Sales Tax Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the other supplemental information section of this report.

The City adopts an annual budget for its general and special revenue funds, and project-length budgets for the capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements. Budgetary comparisons for the City's General Fund and American Rescue Plan Act Fund are found within the basic governmental fund financial statements section.

Proprietary funds. The City maintains two different types of proprietary funds: Enterprise funds and Internal Service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses two enterprise funds, one to account for the fiscal activities relating to the water and sewer system and another to account for the fiscal activities of the refuse disposal division. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the City's workers' compensation self-insurance program. Because this fund and reserve predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements follow the statement of revenues, expenditures and changes in fund balances – budget to actual for major governmental funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting basis used for fiduciary funds is similar to proprietary funds. The City's fiduciary funds consist of two pension trust funds: the Police Officers' Pension Plan Fund and the General Employees' Pension Plan Fund. The basic fiduciary fund financial statements can be found in Note 11 of the Notes to the Financial Statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found after the fiduciary fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information related to the City's employee pension plans and other post-employment benefits (OPEB) obligations. The combining statements referred to earlier in connection with non-major governmental funds are presented in the other supplemental information section of this report. Combining and individual non-major governmental fund schedules, as well as, budgetary comparison schedules for capital project funds can be found following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

The following table reflects a summary of the Statement of Net Position compared to the prior year.

Table 1
Condensed Statement of Net Position
(all amounts are in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2022	2021	2022	2021	2022
Assets						
Current and other assets	\$ 63,638	\$ 79,119	\$ 27,144	\$ 30,231	\$ 90,782	\$ 109,350
Capital assets (net)	167,564	171,785	114,571	114,828	282,135	286,613
Total Assets	<u>\$ 231,202</u>	<u>\$ 250,904</u>	<u>\$ 141,715</u>	<u>\$ 145,059</u>	<u>\$ 372,917</u>	<u>\$ 395,963</u>
Deferred Outflows						
Deferred pension outflows	\$ 5,063	\$ 14,473	\$ 659	\$ 2,200	\$ 5,722	\$ 16,673
Deferred OPEB outflows	16	12	4	4	20	16
Total Deferred Outflows	<u>\$ 5,079</u>	<u>\$ 14,485</u>	<u>\$ 663</u>	<u>\$ 2,204</u>	<u>\$ 5,742</u>	<u>\$ 16,689</u>
Liabilities						
Current and other liabilities	\$ 15,756	\$ 33,475	\$ 2,759	\$ 5,925	\$ 18,515	\$ 39,400
Long-term liabilities	6,108	17,948	1,901	2,282	8,009	20,230
Total Liabilities	<u>\$ 21,864</u>	<u>\$ 51,423</u>	<u>\$ 4,660</u>	<u>\$ 8,207</u>	<u>\$ 26,524</u>	<u>\$ 59,630</u>
Deferred Inflows						
Deferred pension inflows	\$ 11,277	\$ 2,391	\$ 3,347	\$ 1,568	\$ 14,624	\$ 3,959
Deferred OPEB inflows	803	355	191	76	994	431
Total Deferred Inflows	<u>\$ 12,080</u>	<u>\$ 2,746</u>	<u>\$ 3,538</u>	<u>\$ 1,644</u>	<u>\$ 15,618</u>	<u>\$ 4,390</u>
Net Position						
Investment in capital assets	\$ 167,565	\$ 171,785	\$ 114,571	\$ 114,828	\$ 282,136	\$ 286,613
Restricted	190	6,389	9,768	10,130	9,958	16,519
Unrestricted	34,582	33,046	9,841	12,454	44,423	45,500
Total Net Position	<u>\$ 202,337</u>	<u>\$ 211,220</u>	<u>\$ 134,180</u>	<u>\$ 137,412</u>	<u>\$ 336,517</u>	<u>\$ 348,632</u>

Normal Impacts

There are three basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Spending of Non-Borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets, and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts - Government Wide Statement of Net Position

Governmental Activities:

Current and other assets increased by \$15.5 million. The increase is primarily due to an increase in investments of \$17.7 million. The City received its second tranche of American Rescue Plan Act funds (ARPA) in the amount of \$11 million which was invested in the City's investment portfolio.

Deferred outflows of resources increased \$9.4 million due to an increase in pension and OPEB related deferred outflows based on actuary reports.

Current and long-term liabilities increased \$29.6 million due primarily to the \$20.5 million in unearned ARPA funds that was received but not yet expended, and a \$11.7 million increase in the net pension liability based on GASB Statement 68 actuary reports.

Deferred inflows of resources decreased by \$9.3 million primarily due to a decrease in pension related deferred inflows based on GASB Statement 68 actuary reports.

Business-type Activities

Current and other assets increased \$3.1 million as a result of a receivable recorded for \$3 million regarding a wholesale sewer service agreement that was executed by the City of Winter Park in FY 2022 to reserve capacity for sewage treatment and disposal services.

Deferred outflows of resources increased \$1.5 million due to an increase in pension related deferred outflows based on actuary reports.

Current and long-term liabilities increased \$3.5 million associated with the wholesale sewer service agreement above in which a deposit was recorded and the \$3 million will be amortized over the fifty-year agreement.

Deferred inflows of resources decreased by \$1.9 million primarily due to a decrease in pension related deferred inflows based on GASB Statement 68 actuary reports.

Net Position:

Increases or decreases in net position may serve over time as a useful indicator of whether a government's financial position is improving or deteriorating. For the City as the primary government, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$348.6 million at the close of September 30, 2022. This is an increase of \$12.1 million from FY 2021.

The largest portion of the City's net position (82%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The City has restricted net position totaling \$16.5 million for utility and transportation system improvements, law enforcement and tree replacement. The remaining balance of unrestricted net position totaling approximately \$46 million is available to meet the City's ongoing obligations to citizens and creditors.

The City's net position increased by approximately \$12 million during the year. Key components of this increase include reimbursement of development expenses for the Gateway Drive project totaling \$5.6 million, reimbursement of \$2.0 million from Seminole County for the Amanda Street Extension project, and \$1.1 million in American Rescue Plan Act grant funds.

The table below summarizes the statement of activities and the changes in net position for the current and previous year.

Table 2
Condensed Statement of Changes in Net Position
(all amounts are in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2022	2021	2022	2021	2022
Revenues						
Program revenues						
Charges for services	\$ 10,649	\$ 16,284	\$ 22,810	\$ 24,287	\$ 33,459	\$ 40,571
Operating grants & contributions	1,930	1,526	118	63	2,048	1,589
Capital grants and contributions	377	-	3,393	2,436	3,770	2,436
General revenues						
Property taxes	11,017	11,264	-	-	11,017	11,264
Other taxes	11,493	12,202	-	-	11,493	12,202
Other	4,285	9,461	294	(796)	4,579	8,665
Total revenues	<u>\$ 39,751</u>	<u>\$ 50,737</u>	<u>\$ 26,615</u>	<u>\$ 25,990</u>	<u>\$ 66,366</u>	<u>\$ 76,727</u>
Expenses						
General government	\$ 12,607	\$ 16,356	\$ -	\$ -	\$ 12,607	\$ 16,356
Public safety	12,204	14,938	-	-	12,204	14,938
Physical environment	1,543	1,851	20,201	22,258	21,744	24,109
Transportation	2,564	2,971	-	-	2,564	2,971
Culture/recreation	5,331	6,238	-	-	5,331	6,238
Total expenses	<u>\$ 34,249</u>	<u>\$ 42,354</u>	<u>\$ 20,201</u>	<u>\$ 22,258</u>	<u>\$ 54,450</u>	<u>\$ 64,612</u>
Increase in net position before transfers	\$ 5,502	\$ 8,383	\$ 6,414	\$ 3,732	\$ 11,916	\$ 12,115
Transfers in (out)	(90)	500	90	(500)	-	-
Increase in net position	<u>\$ 5,412</u>	<u>\$ 8,883</u>	<u>\$ 6,504</u>	<u>\$ 3,232</u>	<u>\$ 11,916</u>	<u>\$ 12,115</u>
Net Position						
Beginning of year	196,925	202,337	127,676	134,180	324,601	336,517
End of year	<u>\$ 202,337</u>	<u>\$ 211,220</u>	<u>\$ 134,180</u>	<u>\$ 137,412</u>	<u>\$ 336,517</u>	<u>\$ 348,632</u>

Normal Impacts

There are eight basic (normal) impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property, sales, gas or other tax revenue, as well as, public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Commission approved rates – while certain tax rates are set by statute, the City Commission has significant authority to impose and periodically increase/decrease rates (millage, water and sewer, permitting, impact fees, recreation user fees, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state revenue sharing, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – the City’s investment portfolio is managed using a longer average maturity than most governments, and the market condition may cause investment income to fluctuate more than alternative shorter-term options.

Expenses:

Introduction of New Programs – within the functional expense categories (General Government, Public Safety, Physical Environment, Transportation and Culture/Recreation) individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – changes in service demand may cause the City Commission to increase/decrease authorized staffing.

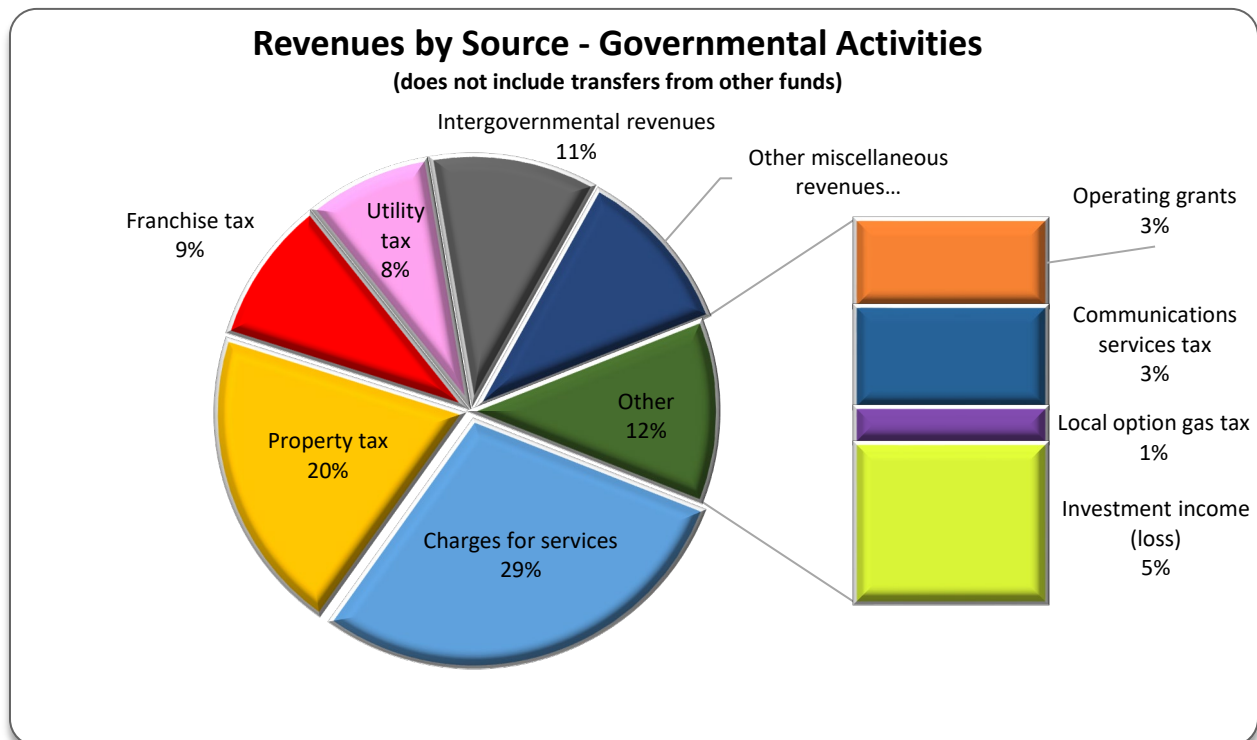
Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – the City is a major consumer of certain commodities such as chemicals, supplies, fuels, and parts. In a time with high inflation, some functions may experience unusual high commodity specific increases.

Current Year Impacts – Government Wide Statements of Activities and Changes in Net Position

Governmental Activities:

For FY 2022, the net position of the governmental activities increased by \$8.9 million, compared to an increase of \$5.4 million in FY 2021. The pie chart below highlights the sources of governmental activities revenue for FY 2022.

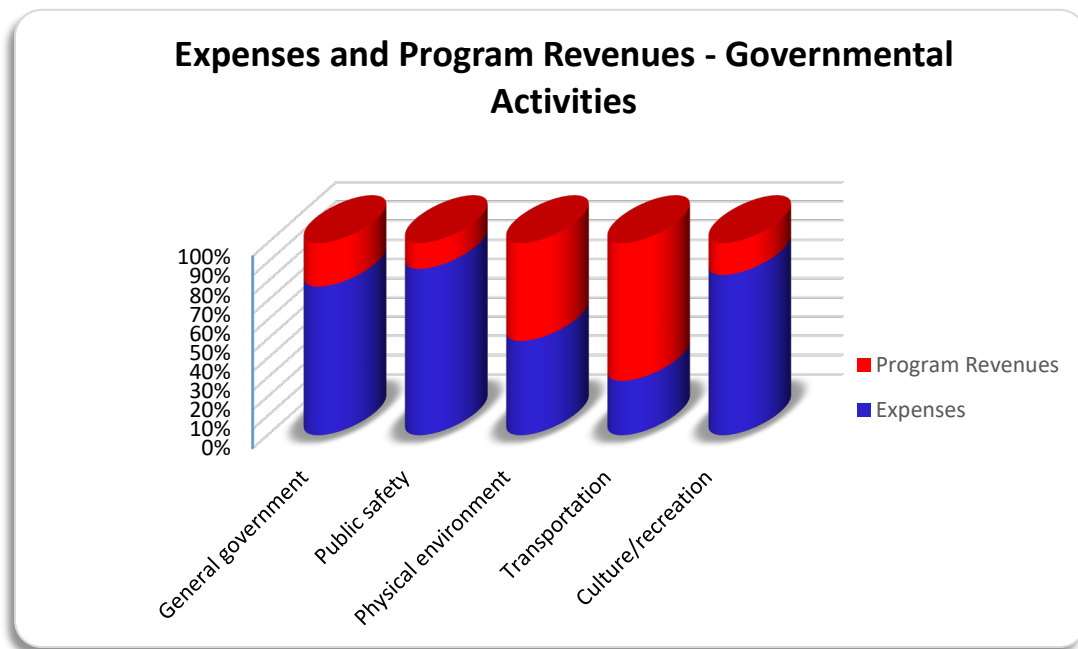


Charges for services increased by \$5.6 million in 2022 or 53% from the prior year. This increase was mainly due to the reimbursement of \$3.3 million from Seminole County for the Amanda Street Extension project and the Sunrail Station Bicycle and Pedestrian Connectivity Improvement project. In addition, approximately \$0.5 million was received in 2022 from a developer regarding the multi-use trail construction at Center Pointe Circle at East Central Parkway.

Operating and capital grants decreased by approximately \$0.8 million. This decrease was due to \$1.1 million in Cares Act funding related to the COVID-19 pandemic and \$376,864 from the USDA for the Little Wekiva River Erosion Control project received in FY 21 which were not received in FY 22 offset by additional ARPA funds received in FY 22.

Other revenues increased approximately \$5 million in FY 22 due to reimbursement of development expenses for the Gateway Drive project.

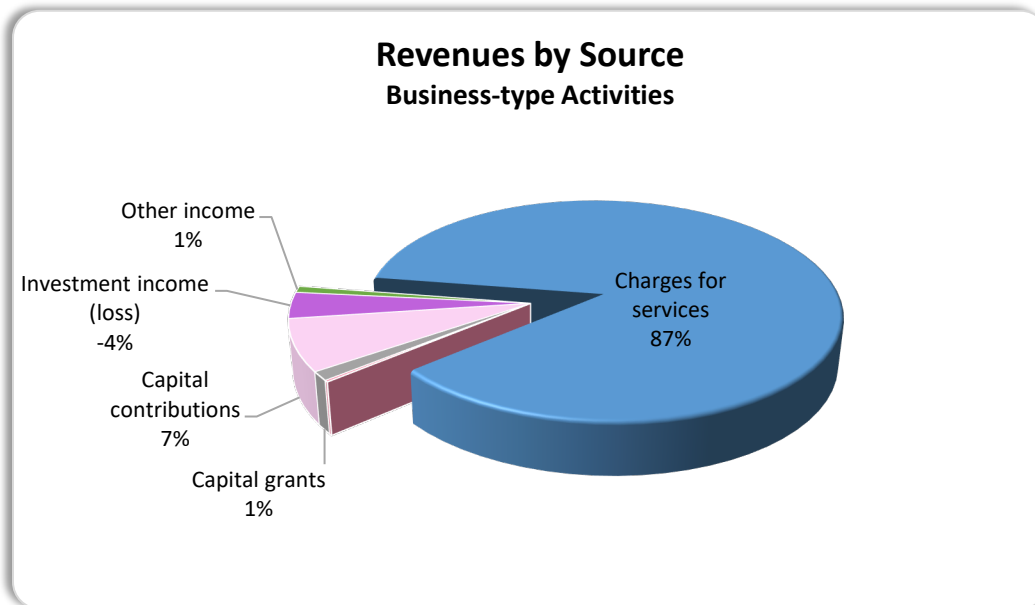
The following graph is a comparison of program revenues and program expenses for all governmental activities for FY 22. This graph reflects the degree to which governmental activities are self-supporting.



Governmental activities expenses increased by \$8.1 million in FY 22 or 23.7% from the prior year. This is due to General government expenses increasing \$3.7 million mainly due to spending of the ARPA grant funds related to the COVID-19 pandemic in the amount of \$0.5 million, workers' compensation claims increasing \$0.6 million and inflation and the increase in the cost of general operating supplies, contractual services, and fuel. Public safety expenses increased \$2.7 million as a result of an increase in pension expenses based on actuarial reports.

Business-type Activities:

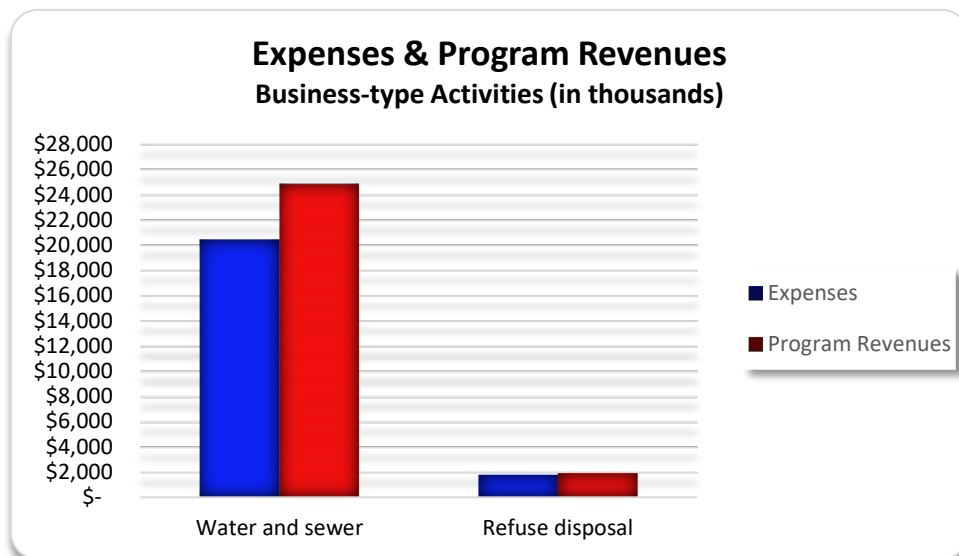
The City's business-type activities consist of the City's water and sewer system and residential refuse disposal operation. For FY 22, the net position of the business-type activities increased by \$3.2 million, compared to an increase of \$6.5 million in FY 2021. Business-type revenues for FY 22 are reflected in the pie chart below.



Charges for services increased by \$1.5 million in FY 22 or 6.5% from the prior year. This increase was partly due to a retroactive payment received by Seminole County for sewer charges for wholesale sewer customers who were inadvertently left off the payments to the City over the past five years.

Capital grants and contributions decreased by \$1 million in FY 22 or 28% as a result of the conclusion of the St. Johns River Water Management District grant in FY 21 for the Regional Water Reclamation Facility Process Improvements for Advanced Water Treatment project.

Investment income decreased \$1 million in FY 22 due to a lower annual rate of return on the investment portfolio. During FY 22 the rate of return was (4.15%) compared to (0.32%) during FY 21.



Expenses of the business-type activities increased by \$2.1 million in FY 22 or 10% from the prior year. This is mainly due to the increase in the pension expense of \$0.6 million as a result of the actuarial reports. Utility costs also increased by \$0.3 million due to the increase in rates, as well as, the completion of the Advanced Wastewater Treatment project which generates additional electricity.

FUND FINANCIAL STATEMENT ANALYSIS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of FY 22, the City's governmental funds reported combined ending fund balances of \$44.9 million, an increase of \$5.1 million from the prior year. Approximately 65% of this total amount (\$29.2 million) is non-spendable, restricted, committed, or assigned, leaving \$15.7 million (35%) as unassigned.

The General Fund is the primary operating fund of the City. At the end of FY 22, unassigned fund balance of the General Fund was \$15.7 million, while total fund balance was \$18 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total budgeted General Fund expenditures and transfers out. For FY 22, unassigned fund balance represented 36% of total budgeted General Fund expenditures and transfers out, while total fund balance represented 41% of that same amount.

General Fund revenues totaled \$37.3 million, a decrease of \$0.3 million or 1% over FY 21 due to the decrease in investment income. During FY 22, the rate of return was (4.15%) compared to (0.32%) during FY 21.

Property taxes increased by \$0.2 million. The tax rate for FY 22 was 3.1 mills, unchanged since fiscal year 2016. A 4.4% increase in assessed property values accounted for the increase in property tax revenues.

General Fund expenditures totaled \$35.5 million, an increase of \$2.3 million or 7% over FY 21.

The fund balances for the Capital Projects Fund (a major governmental fund) increased \$4 million in FY 22. This is primarily due to reimbursement of development expenses for the Gateway Drive project totaling \$5.6 million.

In September 2022, the City received \$11.05 million, the second half of the total allocation of American Rescue Plan Act (ARPA) Funds. For FY 22, the City recognized \$1.1 million in earned revenues based on total eligible ARPA expenditures incurred during the fiscal year. The balance of funds received, \$20.5 million, is reported as unearned revenues.

The Infrastructure Sales Tax Fund, the last of the City's major governmental funds, is used to account for the accumulation and use of infrastructure sales tax revenues. Fund balance increased \$1.7 million in FY 22 due to sales tax revenues increasing \$0.6 million, or 18% from the prior year. This reflects an economy rebounding from the effects of the COVID-19 pandemic, and expenditures increasing \$3.5 million primarily due to the Amanda Street Extension project.

Proprietary Fund

The fund financial statements for the proprietary funds essentially provides the same information found in the business-type activities column in the government-wide financial statements. Factors concerning the proprietary funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The budget for 2022 included \$36.3 million in revenues and \$37.9 million in expenditures. A summary of the budgeted and actual revenues, expenditures and changes in fund balance are shown in the table below.

General Fund				
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance				
For the Year Ended September 30, 2022				
	Final Budget	Actual	Variance	
Revenues				
Taxes	\$ 22,923,458	\$ 23,466,897	\$ 543,439	2%
Licenses and permits	836,500	952,895	116,395	14%
Intergovernmental revenues	4,878,500	6,234,198	1,355,698	28%
Charges for services	6,864,290	7,470,844	606,554	9%
Fines and forfeitures	154,500	207,715	53,215	34%
Investment income (loss)	250,000	(1,528,187)	(1,778,187)	-711%
Miscellaneous revenues	387,800	457,459	69,659	18%
	<u>\$ 36,295,048</u>	<u>\$ 37,261,821</u>	<u>\$ 966,773</u>	<u>3%</u>
Expenditures				
Current				
General government	\$ 19,231,632	\$ 17,955,618	\$ 1,276,014	7%
Public safety	11,949,467	11,653,296	296,171	2%
Transportation	864,544	672,052	192,492	22%
Culture/Recreation	5,621,749	5,247,879	373,870	7%
	<u>\$ 37,667,392</u>	<u>\$ 35,528,845</u>	<u>\$ 2,138,547</u>	<u>6%</u>
Excess of revenues over (under) expenditures	<u>\$ (1,372,344)</u>	<u>\$ 1,732,976</u>	<u>\$ 3,105,320</u>	<u>226%</u>
Other financing sources (uses)				
Transfers in				
American Rescue Plan Fund	\$ 1,961,897	\$ 35,869	\$ (1,926,028)	-
Transfers out				
Capital projects fund	(1,750,000)	(1,750,000)	-	-
	<u>\$ 211,897</u>	<u>\$ (1,714,131)</u>	<u>\$ (1,926,028)</u>	<u>-</u>
Net changes in fund balance	\$ (1,160,447)	\$ 18,845	\$ 1,179,292	102%
Fund balance				
Beginning of year	17,936,121	17,936,121	-	-
End of year	<u>\$ 16,775,674</u>	<u>\$ 17,954,966</u>	<u>\$ 1,179,292</u>	<u>7%</u>

General Fund actual revenues totaled \$37.3 million, \$1 million more than projected. This increase in actual revenues was primarily due to receipt of \$0.6 million in additional State Revenue Sharing along with \$0.6 in additional sales tax. The City took a more conservative approach in estimating tax revenues in FY 22 due to the COVID-19 pandemic and the uncertainty of the economic market. As noted previously, the effect of the pandemic on the economy resulted in significant drops in returns on the City's investment portfolio. This resulted in an investment loss of (\$1.5) for the general fund for FY 22.

Actual expenditures and transfers out were \$37.2 million, \$0.3 million less than the budgeted amount of \$37.5 million. This decrease in actual spending compared to budget was mainly due to a decrease in salaries and benefits from retirements and turnover.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022 totaled \$286.6 million (net of accumulated depreciation), up \$4.6 million (1.6%) from FY 21. Additional information on the City's capital assets can be found in Note 7 of this report.

Capital Assets
September 30, 2022
(all amounts are in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 6,153	\$ 6,153	\$ 644	\$ 644	\$ 6,797	\$ 6,797
Buildings and improvements	91,998	93,716	19,438	19,508	111,436	113,224
Water and sewer system	-	-	189,993	204,837	189,993	204,837
Infrastructure	101,691	109,306	-	-	101,691	109,306
Machinery and equipment	18,611	18,982	8,773	8,854	27,384	27,836
Construction in progress	19,895	19,654	16,331	5,975	36,226	25,629
Intangible assets	4,150	4,150	-	-	4,150	4,150
Lease building	-	116	-	-	-	116
	<u>\$ 242,498</u>	<u>\$ 252,077</u>	<u>\$ 235,179</u>	<u>\$ 239,818</u>	<u>\$ 477,677</u>	<u>\$ 491,895</u>
Accumulated depreciation	(74,934)	(80,292)	(120,608)	(124,990)	(195,542)	(205,282)
Capital assets, net	<u>\$ 167,564</u>	<u>\$ 171,785</u>	<u>\$ 114,571</u>	<u>\$ 114,828</u>	<u>\$ 282,135</u>	<u>\$ 286,613</u>

Long-term debt

At the end of FY 22, the City had total long-term liabilities of \$20.2 million, an increase of \$12.2 million (153%) from the prior year which related to a \$12.1 million increase in net pension liability. Long-term debt consists of compensated absences, other post-employment benefits (retiree health subsidy), and net pension liability. As of September 30, 2022, the City had an outstanding balance of \$3.1 million in compensated absences, a net pension liability of \$14.2 million, and \$2.9 million in other post-employment benefits liability. In addition to the net pension liability, the City has a net pension asset totaling \$1.2 million, a decrease of \$9.8 million from prior year, with \$0.5 million attributable to governmental activities and \$0.7 million attributable to business-type activities.

Long-term Debt
September 30, 2022
(all amounts are in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Compensated absences	\$ 2,536	\$ 2,626	\$ 488	\$ 498	\$ 3,024	\$ 3,124
Net pension liability	1,378	13,079	753	1,113	2,131	14,192
Total other post employment benefits liability	<u>2,194</u>	<u>2,243</u>	<u>659</u>	<u>671</u>	<u>2,853</u>	<u>2,914</u>
Total	<u>\$ 6,108</u>	<u>\$ 17,948</u>	<u>\$ 1,900</u>	<u>\$ 2,282</u>	<u>\$ 8,008</u>	<u>\$ 20,230</u>

Additional information on the City's debt can be found in Note 9 of this report. Additional information on other post-employment benefits can be found in Note 12 of this report. Additional information on the City's net pension liability and net pension asset can be found in Note 11 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The financial condition of the City, in spite of the effects of the pandemic, remains strong. The City-wide adopted budget for FY 23 is \$112.5 million or 17% greater than the FY 22 adopted budget of \$95.9 million. The General Fund budget for FY 23 is \$43.4 million or 9.7% greater than the FY 22 adopted budget of \$39.6 million. The millage for fiscal year 2023 remains at 3.1 mills, unchanged since fiscal year 2016. Water and sewer rates increased 2.5% and refuse disposal rates increased 1.1% in FY 22. Stormwater rates did not increase in FY 22.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department, 225 Newburyport Avenue, Altamonte Springs, Florida 32701.

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City of Altamonte Springs, Florida
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,232,407	\$ 685,748	\$ 3,918,155
Investments	66,255,305	11,809,521	78,064,826
Restricted assets	30,100	10,180,467	10,210,567
Special assessments receivable	38,415	-	38,415
Accounts receivable	626,395	2,728,300	3,354,695
Accrued interest receivable	200,592	45,941	246,533
Due from other governments	7,924,525	3,621,215	11,545,740
Inventories	46,876	288,427	335,303
Prepays	251,670	158,274	409,944
Net pension asset	512,773	713,454	1,226,227
Capital assets not being depreciated	25,807,435	6,619,014	32,426,449
Capital assets net of accumulated depreciation	145,977,859	108,208,881	254,186,740
Total Assets	\$ 250,904,352	\$ 145,059,242	\$ 395,963,594
Deferred Outflows			
Deferred outflows from pensions	\$ 14,472,976	\$ 2,200,011	\$ 16,672,987
Deferred outflows from OPEB	12,583	3,619	16,202
Total Deferred Outflows	\$ 14,485,559	\$ 2,203,630	\$ 16,689,189
Liabilities			
Accounts payable	\$ 3,009,825	\$ 1,007,026	\$ 4,016,851
Accrued liabilities	2,786,722	347,763	3,134,485
Due to other governments	47,133	13,232	60,365
Unearned revenues	27,462,892	-	27,462,892
Refundable impact fees	38,416	-	38,416
Prepaid connection fees	-	50,830	50,830
Deposits	89,736	4,506,222	4,595,958
Long-term liabilities			
Due within one year			
Compensated absences	1,050,370	199,014	1,249,384
Lease Liability	40,234	-	40,234
Due in more than one year			
Compensated absences	1,575,555	298,523	1,874,078
Net pension liability	13,079,389	1,113,200	14,192,589
Other post employment benefits liability	2,242,531	671,489	2,914,020
Total Liabilities	\$ 51,422,803	\$ 8,207,299	\$ 59,630,102
Deferred Inflows			
Deferred inflows from pensions	\$ 2,390,743	\$ 1,567,876	\$ 3,958,619
Deferred inflows from OPEB	355,336	76,463	431,799
Total Deferred Inflows	\$ 2,746,079	\$ 1,644,339	\$ 4,390,418
Net Position			
Investment in capital assets	\$ 171,785,294	\$ 114,827,895	\$ 286,613,189
Restricted for			
Capital improvements	5,746,559	10,129,637	15,876,196
Law enforcement	474,655	-	474,655
Tree replacement	168,081	-	168,081
Unrestricted	33,046,440	12,453,702	45,500,142
Total Net Position	\$ 211,221,029	\$ 137,411,234	\$ 348,632,263

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 16,355,891	\$ 3,672,107	\$ 1,118,844	\$ -
Public safety	14,938,037	1,916,384	400,691	-
Physical environment	1,850,867	1,922,769	-	-
Transportation	2,970,489	7,534,912	-	-
Culture/Recreation	6,238,197	1,237,899	6,563	-
Total Governmental Activities	\$ 42,353,481	\$ 16,284,071	\$ 1,526,098	\$ -
Business-type Activities				
Water and sewer	\$ 20,460,366	\$ 22,372,208	\$ 62,400	\$ 2,435,773
Refuse disposal	1,797,217	1,915,143	-	-
Total Business-type Activities	\$ 22,257,583	\$ 24,287,351	\$ 62,400	\$ 2,435,773
Total	\$ 64,611,064	\$ 40,571,422	\$ 1,588,498	\$ 2,435,773

General Revenues

Property tax
Franchise fee tax
Utility tax
Communications services tax
Local option gas tax
Intergovernmental revenues - unrestricted
Investment income (loss)
Other miscellaneous revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position

Beginning of Year

End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (11,564,940)	\$ -	\$ (11,564,940)
(12,620,962)	-	(12,620,962)
71,902	-	71,902
4,564,423	-	4,564,423
(4,993,735)	-	(4,993,735)
<u>\$ (24,543,312)</u>	<u>\$ -</u>	<u>\$ (24,543,312)</u>
\$ -	\$ 4,410,015	\$ 4,410,015
-	117,926	117,926
<u>-</u>	<u>117,926</u>	<u>117,926</u>
\$ -	\$ 4,527,941	\$ 4,527,941
<u>-</u>	<u>4,527,941</u>	<u>4,527,941</u>
\$ (24,543,312)	\$ 4,527,941	\$ (20,015,371)
<u>(24,543,312)</u>	<u>4,527,941</u>	<u>(20,015,371)</u>
\$ 11,264,235	\$ -	\$ 11,264,235
5,296,731	-	5,296,731
4,518,931	-	4,518,931
1,767,769	-	1,767,769
619,231	-	619,231
6,075,471	-	6,075,471
(2,793,289)	(1,051,270)	(3,844,559)
6,178,216	255,055	6,433,271
500,000	(500,000)	-
<u>33,427,295</u>	<u>(1,296,215)</u>	<u>32,131,080</u>
\$ 8,883,983	\$ 3,231,726	\$ 12,115,709
<u>8,883,983</u>	<u>3,231,726</u>	<u>12,115,709</u>
202,337,046	134,179,508	336,516,554
<u>202,337,046</u>	<u>134,179,508</u>	<u>336,516,554</u>
\$ 211,221,029	\$ 137,411,234	\$ 348,632,263
<u>211,221,029</u>	<u>137,411,234</u>	<u>348,632,263</u>

City of Altamonte Springs, Florida

Balance Sheet

ALL GOVERNMENTAL FUNDS

September 30, 2022

	MAJOR FUNDS					
			Capital	Infrastructure	Non-Major	Total
	General	ARPA	Projects	Sales Tax	Governmental	Governmental
		Fund	Fund	Fund	Funds	Funds
Assets						
Cash and cash equivalents	\$ 598,294	\$ 1,191,908	\$ 297,580	\$ 373,840	\$ 670,797	\$ 3,132,419
Investments	15,496,679	19,435,027	7,126,633	8,642,821	13,957,192	64,658,352
Receivables						
Special assessments	-	-	38,415	-	-	38,415
Accounts receivable	626,395	-	-	-	-	626,395
Accrued interest	122,632	-	24,819	30,100	47,579	225,130
Due from other funds	700,000	-	-	-	-	700,000
Advance to other funds	1,400,000	-	-	-	-	1,400,000
Due from other governments	1,251,875	-	-	6,672,650	-	7,924,525
Inventories	46,876	-	-	-	-	46,876
Prepays	193,509	-	-	-	9,377	202,886
Total Assets	\$ 20,436,260	\$ 20,626,935	\$ 7,487,447	\$ 15,719,411	\$ 14,684,945	\$ 78,954,998
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 649,629	\$ 114,773	\$ 620,544	\$ 1,446,038	\$ 213,819	\$ 3,044,803
Due to other funds	-	-	-	700,000	-	700,000
Advance from other funds	-	-	-	1,400,000	-	1,400,000
Due to other governments	47,133	-	-	-	-	47,133
Accrued liabilities	1,167,883	-	-	-	116,344	1,284,227
Deposits	89,736	-	-	-	-	89,736
Refundable impact fees	-	-	38,416	-	-	38,416
Unearned revenues	523,916	20,512,162	-	6,426,814	-	27,462,892
Total Liabilities	2,478,297	20,626,935	658,960	9,972,852	330,163	34,067,207
Deferred Inflows of Resources						
Unavailable Revenue	2,997	-	-	-	-	2,997
Total Deferred Inflows of Resources	2,997	-	-	-	-	2,997
Fund Balances						
Nonspendable	237,049	-	-	-	9,376	246,425
Restricted	325,703	-	-	5,746,559	317,033	6,389,295
Committed	198,092	-	6,828,487	-	14,028,373	21,054,952
Assigned	1,520,823	-	-	-	-	1,520,823
Unassigned	15,673,299	-	-	-	-	15,673,299
Total Fund Balances	17,954,966	-	6,828,487	5,746,559	14,354,782	44,884,794
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 20,436,260	\$ 20,626,935	\$ 7,487,447	\$ 15,719,411	\$ 14,684,945	\$ 78,954,998

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Reconciliation of the Balance Sheet to the Statement of Net Position

GOVERNMENTAL FUNDS

September 30, 2022

Total fund balances of governmental funds	\$ 44,884,794
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$252,077,500 and the accumulated depreciation is \$80,292,206.	171,785,294
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Deferred outflows of resources reported in the Statement of Net Position.	14,485,559
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Deferred inflow from grants are not available at the fund level but are recognized as revenue in the Entity-wide statements.	2,997
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The internal service funds are used by management to charge the cost of risk management services and employee health insurance premiums to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	243,536
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Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Long-term liabilities at year-end consisted of:

Compensated absences	(2,625,925)	
Net pension asset (liability)	(12,566,616)	
Other post employment benefits	(2,242,531)	(17,435,072)

Deferred inflows of resources reported in the Statement of Net Position.	(2,746,079)
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Total net position of governmental activities	<u><u>\$ 211,221,029</u></u>
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The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	MAJOR FUNDS					
	General	ARPA Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 23,466,897	\$ -	\$ -	\$ -	\$ -	\$ 23,466,897
Licenses and permits	952,895	-	-	-	-	952,895
Intergovernmental revenues	6,234,198	1,067,072	51,771	7,044,168	662,837	15,060,046
Charges for services	7,470,844	-	-	488,045	3,729,029	11,687,918
Fines and forfeitures	207,715	-	-	-	-	207,715
Impact fees	-	-	-	-	323,069	323,069
Investment income (loss)	(1,528,187)	-	(182,772)	(317,179)	(681,392)	(2,709,530)
Miscellaneous revenues	457,459	-	5,710,311	-	63,392	6,231,162
Total Revenues	\$ 37,261,821	\$ 1,067,072	\$ 5,579,310	\$ 7,215,034	\$ 4,096,935	\$ 55,220,172
Expenditures						
Current						
General government	\$ 17,955,618	\$ 494,148	\$ 517,355	\$ 80,426	\$ -	\$ 19,047,547
Public safety	11,653,296	-	-	-	2,084,976	13,738,272
Physical environment	-	-	-	-	1,499,835	1,499,835
Transportation	672,052	-	-	-	-	672,052
Culture/Recreation	5,247,879	-	-	-	-	5,247,879
Capital Outlay	-	537,055	3,813,244	5,475,560	601,668	10,427,527
Total Expenditures	\$ 35,528,845	\$ 1,031,203	\$ 4,330,599	\$ 5,555,986	\$ 4,186,479	\$ 50,633,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,732,976	\$ 35,869	\$ 1,248,711	\$ 1,659,048	\$ (89,544)	\$ 4,587,060
Other Financing Sources or (Uses)						
Transfers in (out)	\$ (1,714,131)	\$ (35,869)	\$ 2,750,000	\$ -	\$ (500,000)	\$ 500,000
Total Other Financing Sources and (Uses)	\$ (1,714,131)	\$ (35,869)	\$ 2,750,000	\$ -	\$ (500,000)	\$ 500,000
Net Change in Fund Balances	\$ 18,845	\$ -	\$ 3,998,711	\$ 1,659,048	\$ (589,544)	\$ 5,087,060
Fund Balances						
Beginning of year	17,936,121	-	2,829,776	4,087,511	14,944,326	39,797,734
End of year	\$ 17,954,966	\$ -	\$ 6,828,487	\$ 5,746,559	\$ 14,354,782	\$ 44,884,794

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

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

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds \$ 5,087,060

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases of \$10,898,796 exceeded depreciation expense of \$6,577,164 in the current period. 4,321,632

Governmental funds do not report gains or losses on sales of capital assets. (100,876)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.
Deferred inflows of resources 2,997

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:

Compensated absences	(89,949)	
Other post employment benefits	(427,305)	
Net pension liability	<u>396,120</u>	(121,134)

The internal service funds are used by management to charge the costs of risk management services and employee health insurance premiums to other funds. The change in net position of the internal service fund is reported with governmental activities. (305,696)

Change in net position of governmental activities \$ 8,883,983

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

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

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Taxes				
Property tax	\$ 11,313,968	\$ 11,313,968	\$ 11,264,235	\$ (49,733)
Franchise fees	4,888,000	4,888,000	5,296,731	408,731
Utility tax	4,411,490	4,411,490	4,518,931	107,441
Communications services tax	1,740,000	1,740,000	1,767,769	27,769
Local option gas tax	570,000	570,000	619,231	49,231
	<u>\$ 22,923,458</u>	<u>\$ 22,923,458</u>	<u>\$ 23,466,897</u>	<u>\$ 543,439</u>
Licenses and Permits				
Local business licenses	\$ 823,000	\$ 823,000	\$ 908,073	\$ 85,073
Building permits	13,500	13,500	44,822	31,322
	<u>\$ 836,500</u>	<u>\$ 836,500</u>	<u>\$ 952,895</u>	<u>\$ 116,395</u>
Intergovernmental Revenues				
Federal and state grants	\$ 13,500	\$ 13,500	\$ 50,689	\$ 37,189
Local grants	300,000	300,000	356,565	56,565
State revenue sharing	1,500,000	1,500,000	2,129,132	629,132
Sales taxes	3,000,000	3,000,000	3,635,770	635,770
Other intergovernmental revenues	65,000	65,000	62,042	(2,958)
	<u>\$ 4,878,500</u>	<u>\$ 4,878,500</u>	<u>\$ 6,234,198</u>	<u>\$ 1,355,698</u>
Charges for Services				
General government charges	\$ 5,446,300	\$ 5,446,300	\$ 5,682,750	\$ 236,450
Public safety charges	319,450	319,450	341,462	22,012
Transportation	157,400	157,400	208,733	51,333
Physical environment charges	4,500	4,500	-	(4,500)
Culture/Recreation charges	936,640	936,640	1,237,899	301,259
	<u>\$ 6,864,290</u>	<u>\$ 6,864,290</u>	<u>\$ 7,470,844</u>	<u>\$ 606,554</u>
Fines and Forfeitures	<u>\$ 154,500</u>	<u>\$ 154,500</u>	<u>\$ 207,715</u>	<u>\$ 53,215</u>
Miscellaneous Revenues				
Investment income (loss)	\$ 250,000	\$ 250,000	\$ (1,528,187)	\$ (1,778,187)
Sales of surplus equipment	30,000	30,000	29,381	(619)
Contributions	206,500	206,500	221,852	15,352
Other revenue	151,300	151,300	206,226	54,926
	<u>\$ 637,800</u>	<u>\$ 637,800</u>	<u>\$ (1,070,728)</u>	<u>\$ (1,708,528)</u>
Total Revenues	<u>\$ 36,295,048</u>	<u>\$ 36,295,048</u>	<u>\$ 37,261,821</u>	<u>\$ 966,773</u>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

**Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual - Continued**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Expenditures				
General Government				
City manager's office	\$ 945,984	\$ 945,984	\$ 982,134	\$ (36,150)
Legal services	330,211	330,211	306,395	23,816
Human resources	714,417	714,417	743,575	(29,158)
City clerk	753,764	753,764	559,476	194,288
Finance	2,219,538	2,219,538	2,020,426	199,112
Technology, Communication, and Strategic Initiatives	3,873,965	3,873,965	3,646,872	227,093
Growth management	1,332,320	1,332,320	744,850	587,470
Maintenance services	7,043,777	7,040,316	7,082,860	(42,544)
Non-departmental	2,021,117	2,021,117	1,869,030	152,087
	<u>\$ 19,235,093</u>	<u>\$ 19,231,632</u>	<u>\$ 17,955,618</u>	<u>\$ 1,276,014</u>
Public Safety				
Police department	\$ 11,796,150	\$ 11,796,150	\$ 11,510,770	\$ 285,380
Building & life safety inspections	153,317	153,317	142,526	10,791
	<u>\$ 11,949,467</u>	<u>\$ 11,949,467</u>	<u>\$ 11,653,296</u>	<u>\$ 296,171</u>
Transportation				
Streets maintenance division	\$ 864,544	\$ 864,544	\$ 672,052	\$ 192,492
Culture/Recreation				
Administration	\$ 496,503	\$ 499,603	\$ 490,118	\$ 9,485
Library	508,945	508,945	443,111	65,834
Lake Brantley	101,874	95,374	60,093	35,281
Lake Lotus	209,026	209,026	217,376	(8,350)
Eastmonte park	136,581	132,042	96,300	35,742
Merrill park	30,800	19,500	16,907	2,593
Westmonte park	183,724	216,584	204,057	12,527
Altamonte sports	3,037,617	3,077,757	3,147,468	(69,711)
Park rangers	612,032	561,732	482,331	79,401
Science Incubator	301,186	301,186	90,118	211,068
	<u>\$ 5,618,288</u>	<u>\$ 5,621,749</u>	<u>\$ 5,247,879</u>	<u>\$ 373,870</u>
Total Expenditures	<u>\$ 37,667,392</u>	<u>\$ 37,667,392</u>	<u>\$ 35,528,845</u>	<u>\$ 2,138,547</u>
Excess of Revenues				
Over Expenditures	<u>\$ (1,372,344)</u>	<u>\$ (1,372,344)</u>	<u>\$ 1,732,976</u>	<u>\$ 3,105,320</u>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual - Continued

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Other Financing Sources (Uses)				
Transfers In				
American Rescue Plan Fund	\$ -	\$ 1,961,897	\$ 35,869	\$ (1,926,028)
Transfers Out				
Capital projects fund	(1,750,000)	(1,750,000)	(1,750,000)	-
Total Other Financing Sources (Uses)	\$ (1,750,000)	\$ 211,897	\$ (1,714,131)	\$ (1,926,028)
Net Changes in Fund Balance	\$ (3,122,344)	\$ (1,160,447)	\$ 18,845	\$ 1,179,292
Fund Balance				
Beginning of Year	17,936,121	17,936,121	17,936,121	-
End of Year	\$ 14,813,777	\$ 16,775,674	\$ 17,954,966	\$ 1,179,292

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

AMERICAN RESCUE PLAN ACT FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental revenues	\$ -	\$ 21,580,865	\$ 1,067,072	\$ (20,513,793)
Total Revenues	\$ -	\$ 21,580,865	\$ 1,067,072	\$ (20,513,793)
Expenditures				
Current				
General Government	\$ -	\$ 21,580,865	\$ 494,148	\$ 21,086,717
Capital outlay		-	537,055	(537,055)
Total Expenditures	\$ -	\$ 21,580,865	\$ 1,031,203	\$ 20,549,662
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 35,869	\$ 35,869
Other Financing Sources or (Uses)				
Transfers in (out)	\$ -	\$ -	\$ (35,869)	\$ 35,869
Total Other Financing Sources and (Uses)	\$ -	\$ -	\$ (35,869)	\$ 35,869
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ 71,738
Fund Balance				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ 71,738

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Net Position

PROPRIETARY FUNDS

September 30, 2022

	Business-type Activities			Governmental Activities
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 608,442	\$ 77,306	\$ 685,748	\$ 99,988
Investments	10,946,777	862,744	11,809,521	1,596,953
Accounts receivable (net)	2,728,300	-	2,728,300	-
Accrued interest receivable	42,936	3,005	45,941	5,562
Due from other governments	3,621,215	-	3,621,215	-
Restricted investments	4,506,222	-	4,506,222	-
Restricted accrued interest receivable	30,541	-	30,541	-
Prepays	145,400	12,874	158,274	48,784
Inventory	288,427	-	288,427	-
Total Current Assets	<u>\$ 22,918,260</u>	<u>\$ 955,929</u>	<u>\$ 23,874,189</u>	<u>\$ 1,751,287</u>
Non-current Assets				
Restricted assets - connection/impact fees				
Restricted investments	\$ 5,643,704	\$ -	\$ 5,643,704	\$ -
Net pension asset	638,721	74,733	713,454	-
Capital assets				
Land	\$ 644,114	\$ -	\$ 644,114	\$ -
Building and improvements	19,391,705	116,172	19,507,877	-
Water and sewer system	204,836,778	-	204,836,778	-
Machinery and equipment	5,719,123	3,135,234	8,854,357	-
Construction in progress	5,974,900	-	5,974,900	-
Less: accumulated depreciation	(123,426,519)	(1,563,612)	(124,990,131)	-
Total capital assets	<u>\$ 113,140,101</u>	<u>\$ 1,687,794</u>	<u>\$ 114,827,895</u>	<u>\$ -</u>
Total Noncurrent Assets	<u>\$ 119,422,526</u>	<u>\$ 1,762,527</u>	<u>\$ 121,185,053</u>	<u>\$ -</u>
Total Assets	<u>\$ 142,340,786</u>	<u>\$ 2,718,456</u>	<u>\$ 145,059,242</u>	<u>\$ 1,751,287</u>
Deferred outflows				
Deferred outflows from pensions	\$ 1,899,288	\$ 300,723	\$ 2,200,011	\$ -
Deferred outflows from OPEB	3,165	454	3,619	-
	<u>\$ 1,902,453</u>	<u>\$ 301,177</u>	<u>\$ 2,203,630</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Net Position - Continued

PROPRIETARY FUNDS

September 30, 2022

	Business-type Activities			Governmental Activities
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
Liabilities				
Current Liabilities				
Accounts payable	\$ 953,176	\$ 53,850	\$ 1,007,026	\$ 5,256
Accrued liabilities	312,022	35,741	347,763	1,502,495
Customer deposits	4,506,222	-	4,506,222	-
Due to other governments	13,232	-	13,232	-
Compensated absences payable (current)	165,299	33,715	199,014	-
Prepaid connection fees	50,830	-	50,830	-
Total Current Liabilities	\$ 6,000,781	\$ 123,306	\$ 6,124,087	\$ 1,507,751
Noncurrent Liabilities				
Compensated absences payable	\$ 247,950	\$ 50,573	\$ 298,523	\$ -
Net pension liability	1,034,234	78,966	1,113,200	-
Other post employment benefits	584,946	86,543	671,489	-
Total Noncurrent Liabilities	\$ 1,867,130	\$ 216,082	\$ 2,083,212	\$ -
Total Liabilities	\$ 7,867,911	\$ 339,388	\$ 8,207,299	\$ 1,507,751
Deferred inflows				
Deferred inflows from pensions	\$ 1,416,036	\$ 151,840	\$ 1,567,876	\$ -
Deferred inflows from OPEB	71,336	5,127	76,463	-
	\$ 1,487,372	\$ 156,967	\$ 1,644,339	\$ -
Net Position				
Investment in capital assets	\$ 113,140,101	\$ 1,687,794	\$ 114,827,895	\$ -
Restricted for capital outlay	10,129,637	-	10,129,637	-
Unrestricted	11,618,218	835,484	12,453,702	243,536
Total Net Position	\$ 134,887,956	\$ 2,523,278	\$ 137,411,234	\$ 243,536

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position

PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	Business-type Activities			Governmental Activities
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 22,372,208	\$ 1,915,143	\$ 24,287,351	\$ 534,000
Operating Expenses				
Personal services	\$ 6,348,687	\$ 889,201	\$ 7,237,888	\$ -
Contractual services	980,726	314,662	1,295,388	-
Supplies	572,047	2,129	574,176	-
Materials and maintenance	1,156,228	85,066	1,241,294	-
Utilities	1,459,799	-	1,459,799	-
Claims expense	-	-	-	591,900
Administrative expenses	-	-	-	23,570
Insurance premiums	-	-	-	182,206
Other services and charges	5,665,075	235,865	5,900,940	6,190
Depreciation	4,277,804	270,294	4,548,098	-
Total Operating Expenses	\$ 20,460,366	\$ 1,797,217	\$ 22,257,583	\$ 803,866
Operating Income (Loss)	\$ 1,911,842	\$ 117,926	\$ 2,029,768	\$ (269,866)
Non-operating Revenues (Expenses)				
Intergovernmental revenues	\$ 62,400	\$ -	\$ 62,400	\$ -
Investment income (loss)	(1,014,349)	(36,921)	(1,051,270)	(83,759)
Insurance reimbursements	-	-	-	47,929
Other income	216,245	-	216,245	-
Gain (loss) on disposal of surplus assets	38,810	-	38,810	-
Total Non-operating Revenues (net)	\$ (696,894)	\$ (36,921)	\$ (733,815)	\$ (35,830)
Income (Loss) Before Contributions and Transfers	\$ 1,214,948	\$ 81,005	\$ 1,295,953	\$ (305,696)
Capital Grants and Contributions				
Capital grants	\$ 358,161	\$ -	\$ 358,161	\$ -
Capital contributions	2,077,612	-	2,077,612	-
Total capital grants and contributions	\$ 2,435,773	\$ -	\$ 2,435,773	\$ -
Other Financing Sources (Uses)				
Transfers In (Out)	\$ (500,000)	\$ -	\$ (500,000)	\$ -
Change in Net Position	\$ 3,150,721	\$ 81,005	\$ 3,231,726	\$ (305,696)
Net Position				
Beginning of Year	\$ 131,737,235	\$ 2,442,273	\$ 134,179,508	\$ 549,232
End of Year	\$ 134,887,956	\$ 2,523,278	\$ 137,411,234	\$ 243,536

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Cash Flows

PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	Business-type Activities			Governmental Activities
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 20,076,958	\$ 1,915,144	\$ 21,992,102	\$ 535,516
Receipts from other sources	3,278,802	-	3,278,802	47,929
Payments to suppliers	(9,560,534)	(2,393,433)	(11,953,967)	(718,940)
Payments to employees	(6,561,425)	851,244	(5,710,181)	-
Net Cash Provided				
by Operating Activities	\$ 7,233,801	\$ 372,955	\$ 7,606,756	\$ (135,495)
Cash Flows from Non-Capital Financing Activities				
Transfers from (to) other funds	\$ (500,000)	\$ -	\$ (500,000)	\$ -
Operating grants	62,400	-	62,400	-
Net Cash Provided by Non-Capital and Financing Activities	\$ (437,600)	\$ -	\$ (437,600)	\$ -
Cash Flows from Capital Activities				
Capital grants	\$ 358,161	-	358,161	-
Acquisition or construction of capital assets	(4,332,599)	-	(4,332,599)	-
Proceeds from sale of capital assets	40,622	-	40,622	-
Capital contributions	1,259,937	-	1,259,937	-
Net Cash (Used) by Capital and Related Financing Activities	\$ (2,673,879)	\$ -	\$ (2,673,879)	\$ -
Cash Flows from Investing Activities				
Purchase of investments	\$ (1,008,151)	\$ (37,690)	\$ (1,045,841)	\$ (81,437)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 3,114,171	\$ 335,265	\$ 3,449,436	\$ (216,932)
Cash and Cash Equivalents				
Beginning of Year	18,590,974	604,785	19,195,759	1,913,873
End of Year	\$ 21,705,145	\$ 940,050	\$ 22,645,195	\$ 1,696,941
Cash and Cash Equivalents Classified As				
Current assets	\$ 11,555,219	\$ 940,050	\$ 12,495,269	\$ 1,696,941
Restricted assets	10,149,926	-	10,149,926	-
Total Cash and Cash Equivalents	\$ 21,705,145	\$ 940,050	\$ 22,645,195	\$ 1,696,941

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Cash Flows - Continued

PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	Business-type Activities			Governmental Activities
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 1,911,842	\$ 117,926	\$ 2,029,768	\$ (269,866)
Depreciation	\$ 4,277,804	\$ 270,294	\$ 4,548,098	\$ -
Miscellaneous non-operating income	216,245	-	216,245	47,929
Change in assets and liabilities				
(Increase) Decrease in accounts receivable	810,119	-	810,119	1,516
(Increase) Decrease in due from other governments	(3,105,369)	-	(3,105,369)	-
(Increase) Decrease in inventories	(46,984)	-	(46,984)	-
(Increase) Decrease in prepaid expenses	(26,065)	(1,043)	(27,108)	1,585
Increase (Decrease) in accounts payable	346,390	23,734	370,124	301
Increase (Decrease) in accrued liabilities	71,411	5,000	76,411	-
Increase (Decrease) in customer deposits	3,061,578	-	3,061,578	-
Increase (Decrease) in claims payable	-	-	-	83,040
Increase (Decrease) in due to other governments	979	-	979	-
Increase (Decrease) in compensated absences	3,851	4,668	8,519	-
Increase (Decrease) in other post employment benefits	(86,428)	(14,525)	(100,953)	-
Increase (Decrease) in net pension liability	(201,572)	(33,099)	(234,671)	-
Total Adjustments	\$ 5,321,959	\$ 255,029	\$ 5,576,988	\$ 134,371
Net Cash Provided by Operating Activities	\$ 7,233,801	\$ 372,955	\$ 7,606,756	\$ (135,495)
Noncash Investing, Capital, and Financing Activities				
Contributed capital assets received	\$ 817,675	\$ -	\$ 817,675	\$ -

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Fiduciary Net Position

PENSION TRUST FUNDS

September 30, 2022

Assets	
Cash and equivalents	\$ 83,918
Investments	
Mutual funds	
U. S. Treasuries	1,990,346
Corporate bonds	21,812,981
Equities	47,194,236
Accrued interest receivable	<u>20,630</u>
 Total Assets	 <u>\$ 71,102,111</u>
Liabilities	
Accounts payable	<u>\$ 48,662</u>
 Total Liabilities	 <u>\$ 48,662</u>
Net Position	
Net position restricted for pensions	<u><u>\$ 71,053,449</u></u>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Changes in Fiduciary Net Position

PENSION TRUST FUNDS

For the Year Ended September 30, 2022

Additions

Employer contributions	\$ 3,118,740
Employee contributions	168,679
Net investment income	
Appreciation in value of plan assets	(12,258,919)
Interest and dividend income	1,181,613
Investment expense	<u>(235,229)</u>
 Total additions	 <u>\$ (8,025,116)</u>

Deductions

Benefits	\$ 1,416,912
Transfer to Investment Plan	\$ 252,078
Administrative expenses	<u>72,537</u>
 Total deductions	 <u>\$ 1,741,527</u>
 Change in net position	 \$ (9,766,643)

Net Position Restricted for Pensions

Beginning of year	<u>80,820,092</u>
 End of year	 <u><u>\$ 71,053,449</u></u>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Altamonte Springs, Florida (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

A. Financial Reporting Entity

The City is a municipal corporation located in Seminole County, Florida. The City was created by a vote of Qualified Electors on November 11, 1920 and known as the Town of Altamonte Springs. The original corporate limits were created under State Charter, Chapter 8918 (no. 518). The legislative branch of the City is composed of a five (5) member elected Commission, including a City-wide elected mayor. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission appointed City Manager.

In evaluating the City (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the City have been addressed. Financial accountability is present if the City Commission (the “Commission”) appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City has no blended component units. Additionally, the primary government is required to consider other organizations for which the primary government is not financially accountable to determine whether the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has one discretely presented component unit, the Altamonte Springs Health Facilities Authority, in which the governing body is not the same as the City's governing body, and it does not provide services to the City government. However, the Altamonte Springs Health Facilities Authority does not have any assets, liabilities, or operating activities. It does not collect or receive any funds; therefore, it is not reported on the City's financial statements.

The accompanying financial statements present the financial condition of the City.

1. Implementation of New GASB Pronouncements:

During the fiscal year ended September 30, 2022, the City adopted the following new GASB pronouncements:

GASB Statement 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement 92, *Omnibus 2020*. This statement was issued January 2020 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement 93, *Replacement of Interbank Offered Rates*. This statement was issued March 2020 to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) in agreements in which variable payments made or received depend on an IBOR.

GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements 14 and 84, and a supersession of GASB Statement 32*. This statement was issued June 2020 to provide for more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The requirements in (1) paragraph 4 of Statement 97, as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, and (2) paragraph 5 of Statement 97 are effective immediately.

2. Future Adoption of GASB Pronouncements:

GASB Statement 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement 91 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement was issued March 2020 to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. Statement 94 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement was issued May 2020 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Statement 96 will be effective for the fiscal year ending September 30, 2023.

GASB Statement 99, *Omnibus 2022*. This statement was issued April 2022 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement 99 will be effective for the fiscal year ending September 30, 2024.

GASB Statement 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This statement was issued June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement 100 will be effective for the fiscal year ending September 30, 2024.

GASB Statement 101, *Compensated Absences*. This statement was issued June 2022 to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 will be effective for the fiscal year ending September 30, 2025.

The City of Altamonte Springs will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *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 and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Government-wide Financial Statements:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. An exception to this rule is the Workers' Compensation Internal Service Fund. The City does not employ an indirect administrative cost allocation system. An administrative fee is charged by the General Fund to other operating funds to cover the costs, in part or in whole, of administrative services funded directly by the General Fund but provided City-wide. At the fund-level statements the administrative fee is included. The administrative fee is eliminated in the entity-wide statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

2. Fund Financial Statements:

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

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

3. Major Governmental Funds:

The measurement focus of the Governmental Funds (in the fund financial statements) is based upon the 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 major Governmental Funds of the City:

a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

b. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

c. The American Rescue Plan Act (ARPA) Fund, a special revenue fund, accounts for revenues and expenditures related to federal funds received as part of the American Rescue Plan Act. Expenditures are limited to those activities approved within the Act.

d. The Infrastructure Sales Tax Fund, a capital projects fund, accounts for revenues from the infrastructure sales tax. Expenditures are limited to infrastructure improvements.

4. Proprietary Funds:

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, claims, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. The following is a description of the Proprietary Funds of the City:

a. The Water and Sewer System Fund, a major fund, accounts for the fiscal activities of the City's water and wastewater treatment and distribution operations as well as the funding and payment of related debt.

b. The Refuse Disposal Fund, a non-major fund, accounts for the fiscal activities of the City's residential refuse disposal operations.

5. Other Funds:

a. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

b. Impact Fee Fund, a capital projects fund, accounts for revenues and expenditures from Impact Fees which are levied on new construction to pay for additional capital facilities required as a result of new development.

c. Internal Service Fund accounts for certain activities of the City's workers' compensation self-insurance program.

d. Pension Trust Funds account for the activities of the City's Police Officers' Pension Plan and General Employees' Pension Plan, each of which accumulate resources for pension benefit payments to qualified police officers and general employees.

D. Encumbrances

Encumbrance accounting is utilized by the governmental funds of the City. Monies are set aside when a purchase order is issued in order to reserve a portion of the applicable budget appropriation. Encumbrances lapse at year-end.

E. Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first, and then restricted resources, as they are needed for their intended purposes. Resources are

reported as restricted when constraints are placed on the use of such resources. These constraints must be externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or, imposed by law through constitutional provisions or enabling legislation.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include cash on hand, demand deposits, money market accounts, and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. The City's investment policies authorize investment in obligations of the U.S. Treasury, federal agencies, corporate bonds, asset backed securities, money market mutual funds, bankers' acceptances, commercial paper, collateralized mortgage obligations, and repurchase agreements. In addition, authorized pension fund investments include common stocks. Investments are stated at fair value.

2. Property Taxes Receivable:

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 laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's current (fiscal year 2022) millage is 3.1 mills.

All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Seminole County Property Appraiser (levy date). Seminole County mails to each property owner on the assessment roll a notice of the taxes due and the County collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the Laws of Florida.

3. Accounts Receivable:

Water and Sewer Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption taken at the beginning of October and billed in October.

4. Special Assessments Receivable:

Special assessment receivables are recorded at the time the related project is completed and are secured by liens on the property benefited. Revenue in governmental funds is deferred until such time it becomes an available, spendable or appropriable resource. Special assessment revenues are recorded in the government-wide fund financial statements when earned.

5. Inventories and Prepaid Items:

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Prepays of governmental funds represent payments made to vendors for services that will benefit the City beyond September 30, 2022 and are recorded as expenditures when consumed rather than when purchased.

6. Restricted Assets:

The uses of certain assets of the Water and Sewer Fund are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the Statement of Net Position.

7. Capital Assets:

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, property, plant, and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$5,000 and have estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following useful lives:

	YEARS
Buildings	4 - 50
Improvements Other Than Buildings	5 - 40
Machinery and Equipment	5 - 10
Infrastructure	10 - 100

8. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions and OPEB:

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between projected and actual earnings on the respective pension or OPEB plan investments are amortized to pension or OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of the respective pension plan's total pension liability or the OPEB total liability are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB that are derived from changes in actuarial assumptions about future economic or demographic factors or of other inputs are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. Contributions to the pension or OPEB plan from the employer subsequent to the measurement date of the net pension or net OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions or OPEB. This contribution is included as an increase in the respective pension plan or OPEB plan fiduciary net position in the subsequent fiscal year.

9. Unearned Revenues:

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned but not available is reported as a deferred inflow of resources until such time as the revenue becomes available. In the proprietary funds (and for the governmental activities in the government-wide statements), unearned revenue is reported regardless of its availability.

10. Compensated Absences:

All full-time and permanent part-time employees are entitled to accrue Paid Leave Time based on the number of years of service. This time is accrued on a pay period basis and is divided into two categories; Active Leave and Catastrophic Leave. Each pay period, 65% of the total accrued leave time is credited to the employee's Active Leave Bank. This accrued time can be used for vacation, sick or any other leave. Each year the employee must use at least 50% of the Active Leave time accrued during the year. Unused Active Leave time can be banked each year until the employee's Active Leave Bank reaches a maximum of 600 hours. Alternatively, the employee can choose to receive a cash benefit, in lieu of banking these hours, of 25% of the eligible hours to be banked annually. Upon termination in good standing, the employee can receive a cash benefit for the accrued Active Leave time, up to a maximum of 600 hours at the employee's current wage rate.

The remaining 35% of the total accrued leave time is credited to the employee's Catastrophic Leave Bank. This time can only be used for approved leave in excess of 80 hours or, in the event of bereavement, three days (if deceased is a family member of the employee). This leave includes sickness of the employee or immediate family member, temporary disability or maternity leave. There is a maximum of 480 hours that can be accrued into the employee's Catastrophic Leave Bank. Hours in the employee's Catastrophic Leave Bank cannot be exchanged for a cash benefit at any time, including termination or retirement.

The City records compensated absences in the governmental fund types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

11. Net Pension Liability:

The Net Pension Liability is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the respective pension plan's fiduciary net position. See Note 10 for additional information on the Net Pension Liability.

12. Net OPEB Liability:

The Net OPEB Liability is the difference between the actuarial present value of projected benefit payments attributable to employees' past service and the OPEB plan's fiduciary net position. See Note 11 for additional information on the Net OPEB Liability.

13. Fund Balances:

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring use of resources for specific purposes consistent with a written policy adopted by the City Commission in 2014. Management assigns fund balances to the various classifications pursuant to the authority granted by the City Commission. The classifications used are nonspendable, restricted, committed, assigned, and unassigned.

a. Nonspendable fund balance includes amounts not in spendable form or contractually required to be maintained intact.

b. Restricted fund balances are amounts constrained in use. These constraints are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or, imposed by law through constitutional provisions or enabling legislation.

c. Committed fund balances are constrained in use by action of the City Commission, the City's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking similar legislative action.

d. Assigned fund balances are amounts constrained by the City's stated intent to use such amounts for a specific purpose. These are intended to be used for the stated purposes but do not meet the criteria to be classified as committed. The Commission has passed the authority to assign fund balances to management.

e. Unassigned fund balance is the residual classification for the general fund, the only fund that reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. The table shows the classifications and amounts of fund balances within the governmental funds as of September 30, 2022.

The City uses restricted amounts first when both restricted and unrestricted fund balance is available. The City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The fund balance policy establishes a targeted minimum unassigned fund balance level of not less than 20% of total budgeted expenditures and transfers out. This target balance applies only to the General Fund.

Governmental Funds					
Fund Balances at September 30, 2022					
	General Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
Nonspendable:					
Inventory	\$ 46,876	\$ -	\$ -	\$ -	\$ 46,876
Prepaid expenditures	190,173	-	-	9,376	199,549
Sub-total	237,049	-	-	9,376	246,425
Restricted for:					
Law enforcement	157,622	-	-	317,033	474,655
Infrastructure improvements	-	-	5,746,559	-	5,746,559
Tree replacement	168,081	-	-	-	168,081
Sub-total	325,703	-	5,746,559	317,033	6,389,295
Committed to:					
Street lighting	44,968	-	-	-	44,968
Road improvements	153,124	-	-	-	153,124
Stormwater system	-	-	-	9,909,203	9,909,203
Building inspections	-	-	-	3,305,458	3,305,458
Capital projects	-	6,828,487	-	-	6,828,487
Capital improvements					
Transportation	-	-	-	433,851	433,851
Law enforcement	-	-	-	195,119	195,119
Parks	-	-	-	184,742	184,742
Sub-total	198,092	6,828,487	-	14,028,373	21,054,952
Assigned to:					
Police Department Activities	28,832	-	-	-	28,832
Altamonte Springs Science Incubator	1,308,298	-	-	-	1,308,298
Leisure Services	183,693	-	-	-	183,693
Sub-total	1,520,823	-	-	-	1,520,823
Unassigned:	15,673,299	-	-	-	15,673,299
Total Fund Balances	\$ 17,954,966	\$ 6,828,487	\$ 5,746,559	\$ 14,354,782	\$ 44,884,794

14. Net Position:

In the governmental-wide financial statements and proprietary fund financial statements, net positions are classified as follows:

a. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

b. Restricted net position is restricted by external creditors, grantors, contributors, or laws and regulations of other governments.

c. Unrestricted net position is all resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

15. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Revenues, Expenditures, and Expenses

Substantially all governmental fund revenues (including sales taxes, franchise fees, and licenses) are accrued. Property taxes are generally billed and collected within the same period in which the taxes are levied.

In addition, revenue from Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal on-going operation. The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses for these operations include all costs related to providing the service. These costs include salaries, contractual services, depreciation, and administrative expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred except for the following:

- Compensated absences are reported, if any, only when due.
- Inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Requirements

The following procedures are used to establish the budgetary data reflected in the financial statements:

- Prior to September 30 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1.
- Public hearings are held to obtain taxpayer comments.

- Prior to October 1, the budget is legally enacted through passage of an ordinance or resolution.
- Formal budgetary integration is employed as a management control device during the year for all governmental fund and proprietary fund types.
- Budgets for the governmental fund types are adopted on a basis consistent with GAAP. Budgets for proprietary fund types are adopted on a non-GAAP basis as a result of recognizing debt service principal and capital expenditures within the proprietary fund types budgetary operating statements.
- The City Manager is authorized to transfer part or all of an unencumbered appropriation balance between departments within a fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Commission. The classification detail at which expenditures may not legally exceed appropriations is at the total fund level. During the fiscal year ended, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- Every appropriation, except capital projects, lapse at the close of the fiscal year.
- A budget is not adopted for the Police Premium Tax Trust special revenue fund.

B. Excess of Expenditures Over Appropriations

There were no expenditures over appropriations this fiscal year.

NOTE 3 – DEPOSITS AND INVESTMENTS

As of September 30, 2022, the City's investment portfolio is as follows:

Investment type	Fair Value	Weighted avg. maturity (years)	Credit Quality
U.S. Treasuries	\$ 24,977,563	0.6678	Aaa
U.S. Agencies	8,204,818	0.2591	Aaa
Corporate bonds	23,753,999	0.5307	A
Mutual funds	31,278,372	-	Aaa-mf
	<u>\$ 88,214,752</u>		
Portfolio weighted average maturity		1.4576	

Fair Value Hierarchy. The City categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City had the following fair value measurements as of September 30, 2022:

Fair Value Hierarchy of Investments

	Total Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Treasuries	\$ 24,977,563	\$ 24,977,563	\$ -	\$ -
U.S. Agencies	8,204,818	8,204,818	-	-
Corporate bonds	23,753,999	23,753,999	-	-
Mutual funds	31,278,372	31,278,372	-	-
	<u>\$ 88,214,752</u>	<u>\$ 88,214,752</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk. In accordance with its policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than six years. Additionally, the City limits investment of more than 50% of the total portfolio in securities maturing more than five years from the date of purchase and prohibits investment in any security with a maturity date of more than ten years from the date of purchase.

Credit Risk and Concentration of Credit Risk. To manage exposure to credit risk the City's investment policy requires at least 20% of the portfolio be invested in U. S. Treasury or federal agency securities. Additional requirements and limitations, including avoidance of concentration of credit risk, are as follows:

Credit Risk and Concentration of Credit Risk	
Security type	Requirements and limitations
Corporate bonds	Rated at least investment grade. Not more than 80% of the portfolio; not more than 5% of the portfolio invested in the debt of any one corporation.
Asset backed securities	Rated "Aaa". Not more than 20% of the portfolio; not more than 5% in any one issue.
Money market mutual funds	SEC registered with highest credit rating. Not more than 20% of the portfolio; not more than 5% in any one fund.
Bankers acceptances	Issued by institution with a long-term debt rating of least "A" or better. Not more than 10% of the portfolio; not more than 5% in any one issuer.
Commercial paper	Rating of at least "A-1" or "Prime 1". Not more than 10% of the portfolio; not more than 5% in any one issuer.
Collateralized mortgage obligations	Restricted to those backed by GNMA, FHLMC or FNMA and must pass FIEC high risk security test. Not more than 10% of the portfolio; not more than 5% in any one issue.

In addition, City policy prohibits investment in reverse purchase agreements, indexed floating rate securities, tranches of collateralized mortgage obligations and leveraging.

NOTE 4 – RECEIVABLES

This table is a detail listing of receivables for the City's individual major funds and the aggregate of non-major governmental funds, including the applicable allowances for uncollectible accounts at September 30, 2022. Special assessment receivables are secured by liens placed on the benefited properties at the time of the original assessment.

	General Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Water and Sewer Sys. Fund	Non-major Governmental Funds	Total
Accounts receivable	\$ 626,395	\$ -	\$ -	\$ 2,853,941	\$ -	\$ 3,480,336
Special assessments	-	38,415	-	-	-	38,415
Accrued interest receivable	122,632	24,819	30,100	42,936	47,579	268,066
	<u>\$ 749,027</u>	<u>\$ 63,234</u>	<u>\$ 30,100</u>	<u>\$ 2,896,877</u>	<u>\$ 47,579</u>	<u>\$ 3,786,817</u>
Less: allowance for doubtful accounts	-	-	-	(125,641)	-	(125,641)
Total	<u>\$ 749,027</u>	<u>\$ 63,234</u>	<u>\$ 30,100</u>	<u>\$ 2,771,236</u>	<u>\$ 47,579</u>	<u>\$ 3,661,176</u>

NOTE 5 – INTERFUND ACCOUNTS

Interfund transactions include due from\to other funds, advances from\to other funds, and interfund transfers. Due to/from other funds includes \$700,000 due to the General Fund from the Infrastructure Sales Tax Fund to pay an installment on an advance to provide funding for the neighborhood improvement program. The total original advance was \$3,500,000. The balance of the advance to the General Fund from the Infrastructure Sales Tax Fund as of September 30, 2022, was \$1,400,000. Interfund transfers during the year were as follows:

	<u>In</u>	<u>Out</u>	
Capital projects fund (major fund)	\$ 1,750,000	\$ -	Annual transfer to the capital projects fund for current and future capital improvements
General fund (major fund)	-	1,750,000	
Capital projects fund (major fund)	500,000	-	To provide funding for the stormwater portion of neighborhood enhancement program
Stormwater fund (non-major fund)	-	500,000	
General fund (major fund)	35,869	-	To reimburse the general fund for administrative overhead from ARPA program.
American rescue plan fund (major fund)	-	35,869	
Capital projects fund (major fund)	500,000	-	To provide funding for the water and sewer portion of neighborhood enhancement program
Water and sewer fund (major fund)	-	500,000	
Total	<u>\$ 2,785,869</u>	<u>\$ 2,785,869</u>	

NOTE 6 – RESTRICTED ASSETS

The City restricts funds available for repayment of customer deposits. Connection and impact fees collected but unspent for the water and sewer system operation are restricted as these funds are specifically earmarked for capital acquisitions and improvements. Restricted assets at September 30, 2022 are as follows:

	<u>Governmental</u>	<u>Enterprise</u>
Customer deposits		
Investments	\$ -	\$ 4,506,222
Connection / impact fees		
Investments	-	5,643,704
Accrued interest	-	30,541
Capital Projects	30,100	-
Total Restricted Assets	<u>\$ 30,100</u>	<u>\$ 10,180,467</u>

NOTE 7 – CAPITAL ASSETS

Changes in Capital Assets. The following tables show the changes in capital assets by governmental activities and business-type activities.

Changes in Capital Assets For the Year Ended September 30, 2022

	Beginning Balance	Additions	Deletions / Adjustments	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6,153,490	\$ -	\$ -	\$ 6,153,490
Construction in progress	19,894,733	2,982,241	(3,223,029)	19,653,945
Total capital assets not being depreciated	26,048,223	2,982,241	(3,223,029)	25,807,435
Capital assets being depreciated				
Buildings and improvements	36,159,230	227,707	-	36,386,937
Improvements other than buildings	55,838,972	1,489,637	-	57,328,609
Infrastructure	101,690,893	7,615,010	-	109,305,903
Machinery and equipment	18,611,159	2,252,544	(1,881,241)	18,982,462
Intangible assets	4,150,000	-	-	4,150,000
Total capital assets being depreciated	216,450,254	11,584,898	(1,881,241)	226,153,911
Less accumulated depreciation				
Buildings and improvements	(11,553,346)	(1,068,823)	-	(12,622,169)
Improvements other than buildings	(23,231,763)	(1,575,978)	-	(24,807,741)
Infrastructure	(26,828,091)	(2,026,294)	-	(28,854,385)
Machinery and equipment	(13,064,823)	(1,746,217)	1,218,898	(13,592,142)
Intangible assets	(255,917)	(83,000)	-	(338,917)
Total accumulated depreciation	(74,933,940)	(6,500,312)	1,218,898	(80,215,354)
Total capital assets being depreciated - net	141,516,314	5,084,586	(662,343)	145,938,557
Governmental activities capital assets - net	\$ 167,564,537	\$ 8,066,827	\$ (3,885,372)	\$ 171,745,992
Right to use leases being amortized				
Buildings	\$ -	\$ 116,154	-	\$ 116,154
Total right to use leases being amortized	-	116,154	-	116,154
Less accumulated amortization				
Buildings	-	(76,852)	-	(76,852)
Total accumulated amortization	-	(76,852)	-	(76,852)
Total right to use leases being amortized - net	-	39,302	-	39,302
Governmental activities capital assets & right to use leases - net	\$ 167,564,537	\$ 8,106,129	\$ (3,885,372)	\$ 171,785,294
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 644,114	\$ -	\$ -	\$ 644,114
Construction in progress	16,330,720	2,228,799	(12,584,619)	5,974,900
	\$ 16,974,834	\$ 2,228,799	\$ (12,584,619)	\$ 6,619,014
Capital assets being depreciated				
Buildings and improvements	\$ 19,438,305	\$ 69,572	\$ -	\$ 19,507,877
Water and sewer system	174,994,248	14,026,321	-	189,020,569
Water and sewer system - contributions	14,998,534	817,675	-	15,816,209
Machinery and equipment	8,772,824	249,307	(167,774)	8,854,357
	\$ 218,203,911	\$ 15,162,875	\$ (167,774)	\$ 233,199,012
Less accumulated depreciation for				
Buildings and improvements	\$ (5,912,697)	\$ (373,243)	\$ -	\$ (6,285,940)
Water and sewer system	(98,485,096)	(3,377,885)	-	(101,862,981)
Water and sewer system - contributions	(10,592,342)	(260,311)	-	(10,852,653)
Machinery and equipment	(5,617,860)	(536,659)	165,962	(5,988,557)
	\$ (120,607,995)	\$ (4,548,098)	\$ 165,962	\$ (124,990,131)
Total capital assets being depreciated - net	\$ 97,595,916	\$ 10,614,777	\$ (1,812)	\$ 108,208,881
Business-type activities capital assets - net	\$ 114,570,750	\$ 12,843,576	\$ (12,586,431)	\$ 114,827,895

Depreciation. Depreciation was charged to the functions and/or programs of the City as shown below.

**Depreciation Amortization and Expense
For the Year Ended September 30, 2022**

	Governmental Activities	Business-type Activities	Total
General government	\$ 2,112,276	\$ -	\$ 2,112,276
Public safety	425,708	-	425,708
Physical environment	371,006	-	371,006
Transportation	2,260,352	-	2,260,352
Culture/Recreation	1,407,822	-	1,407,822
Water and sewer system	-	4,277,804	4,277,804
Refuse disposal	-	270,294	270,294
	<u>\$ 6,577,164</u>	<u>\$ 4,548,098</u>	<u>\$ 11,125,262</u>

Net Capital Assets. The following is a summary of net capital assets as shown on the government-wide statement of net position.

**Net Capital Assets
For the Year Ended September 30, 2022**

	Governmental Activities	Business-type Activities	Total
Land	\$ 6,153,490	\$ 644,114	\$ 6,797,604
Buildings and improvements	93,715,546	19,507,877	113,223,423
Water and sewer system	-	204,836,778	204,836,778
Infrastructure	109,305,903	-	109,305,903
Machinery and equipment	18,982,462	8,854,357	27,836,819
Construction in progress	19,653,945	5,974,900	25,628,845
Intangible assets	4,150,000	-	4,150,000
Lease building	116,154	-	116,154
	<u>\$ 252,077,500</u>	<u>\$ 239,818,026</u>	<u>\$ 491,895,526</u>
Less accumulated depreciation	(80,292,206)	(124,990,131)	(205,282,337)
	<u>\$ 171,785,294</u>	<u>\$ 114,827,895</u>	<u>\$ 286,613,189</u>

Construction Commitments. The City had several active construction projects as of September 30, 2022. These include upgrading the sewer treatment plant, various public improvements within the central business district, an evaluation of reclaimed water fire hydrants, and numerous other public improvement projects. At year end, the City's commitments with contractors are shown below.

**Construction Commitments
For the Year Ended September 30, 2022**

	Governmental Activities	Business-type Activities	Total
Water & sewer system			
Water & wastewater improvements	\$ -	\$ 2,306,710	\$ 2,306,710
Stormwater system improvements	1,133,507	-	1,133,507
City buildings	120,284	-	120,284
City park	132,189	-	132,189
City streets	2,151,490	-	2,151,490
	<u>\$ 3,537,470</u>	<u>\$ 2,306,710</u>	<u>\$ 5,844,180</u>

NOTE 8 – LEASES

For the year ended 9/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee. On 10/1/2020, the City entered into a 36-month lease as Lessee for the use of building office space at 283 Cranes Roost Blvd. As of 9/30/22, the value of the lease liability is \$27,492. The City is required to make monthly fixed payments of \$2,257. The lease has an interest rate of 2.7%. The buildings estimated useful life was 360 months as of the contract commencement.

On 12/31/2019, the City entered into a 36-month lease as Lessee for the use of building office space at 150 Cranes Roost Blvd. As of 9/30/22, the value of the lease liability is \$12,742. The City is required to make monthly fixed payments of \$4,266.46. The lease has an interest rate of 2.7%. The buildings estimated useful life was 360 months as of the contract commencement.

On 9/16/2021, The City entered into a 60-month lease as Lessee for the use of uniforms. This lease agreement was not included in the measurement of the lease liability due to variable payments.

At September 30, 2022, the total lease liability principal and interest requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,234	\$ 461	\$ 40,695

Lessor. On 11/30/2020, the City entered into a 60-month lease as Lessor for the use of building concession stands. This lease agreement was not included in the measurement of the lease receivable due to variable payments.

NOTE 9 – LONG-TERM DEBT

Schedule of Changes in Long-Term Debt. The City's outstanding long-term debt includes compensated absences and other post-employment benefits. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2022.

Changes in Long-term Debt For the Year Ended September 30, 2022					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 2,535,976	\$ 1,677,362	\$ (1,587,413)	\$ 2,625,925	\$ 1,050,370
Net pension liability	1,377,862	11,701,527	-	13,079,389	-
Other post employment benefits	2,194,333	48,198	-	2,242,531	-
	<u>\$ 6,108,171</u>	<u>\$ 13,427,087</u>	<u>\$ (1,587,413)</u>	<u>\$ 17,947,845</u>	<u>\$ 1,050,370</u>
Business-type activities					
Compensated absences	\$ 489,017	\$ 459,124	\$ (450,604)	\$ 497,537	\$ 199,014
Net pension liability	752,955	360,245	-	1,113,200	-
Other post employment benefits	659,206	12,283	-	671,489	-
	<u>\$ 1,901,178</u>	<u>\$ 831,652</u>	<u>\$ (450,604)</u>	<u>\$ 2,282,226</u>	<u>\$ 199,014</u>

Compensated absences, net pension liability, and other post-employment benefits will be liquidated in the future by the operating funds in which the liability was incurred. For governmental activities these funds are the General Fund, the Stormwater Management Fund, the Building Inspection Fund, and the Law Enforcement Trust Fund. For business-type activities these funds are the Water and Sewer Fund and the Refuse Disposal Fund.

Bonds Payable. The City has no general obligation debt. As of September 30, 2022, the City had no outstanding bonded indebtedness obligations.

NOTE 10 – LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Water and Sewer System enterprise fund at September 30, 2022 are shown in the following table.

Liabilities Payable from Restricted Assets

At September 30, 2022

Accounts payable	\$ 62,036
Customer deposits	4,506,222
Prepaid connection fees	50,830
	<u>\$ 4,619,088</u>

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS

All full-time City employees participate in one or more of the seven following retirement plans offered by the City:

- the Florida Retirement System (FRS),
- the Health Insurance Subsidy (HIS),
- the Altamonte Springs Police Officers' Pension Plan (POPP),
- the Altamonte Springs General Employees' Pension Plan (GEPP),
- the Police Officers' Share Plan,
- the General Employees' Investment Plan (GEIP), or,
- the Executive Investment Plan (EIP).

Full-time employees hired before December 31, 1995, participate in the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS). Full-time employees hired after December 31, 1995, participate in one or more of the other four plans. Total pension expense for all plans was \$3,311,379 for the fiscal year ending September 30, 2022.

All full-time General Employees are initially enrolled in the General Employees' Pension Plan (a defined benefit plan) but have a one-time option to switch to the General Employees' Investment Plan (a defined contribution plan) at any time during employment with the City. This decision is irrevocable. All full-time police officers are enrolled in the Police Officers' Pension Plan. There are no opt-out provisions for this plan.

**Pension Plan Enrollment
At September 30, 2022**

	FRS	POPP	GEPP	GEIP	EIP	Total
Defined benefit plans						
Active members						
regular, vested	14	-	115	-	-	129
regular, non-vested	-	-	145	-	-	145
special risk (police), vested	1	55	-	-	-	56
special risk (police), non-vested	-	31	-	-	-	31
senior management, vested	1	-	8	-	-	9
senior management, non-vested	-	-	4	-	-	4
Total active members	16	86	272	-	-	374
Retirees and beneficiaries						
receiving benefits	-	26	82	-	-	108
Terminated members entitled to, but not receiving benefits	-	11	70	-	-	81
DROP	12	-	-	-	-	12
Pending refunds	-	4	38	-	-	42
Total defined benefit plans	28	127	462	-	-	617
Defined contribution plans						
Active members						
regular	-	-	-	14	42	56
special risk (police)	1	-	-	-	-	1
senior management	-	-	-	6	12	18
Total defined contribution plans	1	-	-	20	54	75
Total all plans	29	127	462	20	54	692

The Florida Retirement System (FRS). The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan. The plan was further amended in 2000 with the creation of the FRS Investment Plan, a defined contribution plan alternative to the defined benefit plan effective July 1, 2002. The City had one police officer employee participating in the FRS Investment Plan during fiscal year 2022. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance.

The FRS is a cost sharing, multiple employer, public-employee retirement system with two defined benefit plans and other nonintegrated programs administered by the Department of Management Services, Division of Retirement. Financial information for both the FRS and HIS plans is included in the Florida Retirement System (System) Pension Plan and Other State-Administered Systems' Annual Comprehensive Financial Report (ACFR). The System ACFR, including audited financial information to support the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer, are available online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

The System ACFR and actuarial reports may also be obtained by contacting the Division of Retirement by mail at Department of Management Services, Division of Retirement, Bureau of Research and Member Contributions, P. O. Box 9000, Tallahassee, FL, 32315-9000, or by phone at 850-488-5706.

The State of Florida Annual Comprehensive Financial Report is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com).

The City follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

FRS Defined Benefit Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer, contributory, defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The Plan provides benefits for several classes of employees. However, the City has only four participating employee classes, which are as follows:

- Regular members are full-time employees who are not classified in any other category.
- Senior management members include department directors.
- Special Risk members are employees who are certified and employed full-time as police officers.
- DROP members are employees who have effectively retired but continue to be employed by the City in a full-time capacity.

Benefits. After vesting, pension benefits are determined by category, length of service and average final compensation. The average final compensation is the average of the employee's highest five years or eight years, depending on hire date, of compensation. Normal retirement for regular employees is reached at age 62 or 65 with at least 6 years or 8 years of creditable service, or 30 or 33 years of creditable service regardless of age. For special risk employees, normal retirement is reached at age 55 or 60 with at least 6 years of creditable service, or 25 or 30 years of creditable service regardless of age.

	Enrolled before July 1, 2011	Enrolled on or after July 1, 2011
Regular employees		
Vesting, years of service required	6	8
Normal retirement age	62	65
Years of service to normal retirement	30	33
Special risk (firefighters, police, etc.)		
Vesting, years of service required	6	8
Normal retirement age	55	60
Years of service to normal retirement	25	30
All members		
Average final compensation, highest years of service	5 years	8 years
Benefit calculation factor (times years of service):		
Special risk	3.0%	3.0%
Regular employees (enrolled before July 1, 2011)		
Up to age 62 or up to 30 years of service	1.60%	1.60%
At age 63 or with 31 years of service	1.63%	1.63%
At age 64 or with 32 years of service	1.65%	1.65%
At age 65 or with 33 or more years of service	1.68%	1.68%
Regular employees (enrolled on or after July 1, 2011)		
Up to age 65 or up to 33 years of service	1.60%	1.60%
At age 66 or with 34 years of service	1.63%	1.63%
At age 67 or with 35 years of service	1.65%	1.65%
At age 68 or with 36 or more years of service	1.68%	1.68%

Regular employees earn benefits at the rate of 1.6% for each year of creditable service and special risk employees at the rate of 3%. Retirement benefits include a 3% annual cost of living increase for members retired prior to July 1, 2011. Members retiring on or after July 1, 2011 receive an annual cost of living increase calculated by dividing years of service prior to July 1, 2011 by total years of service. This figure is then multiplied by 3%. Under the DROP program members who have reached their normal retirement date can effectively retire but continue to be employed by the City for up to five years. During this time the members monthly retirement benefit is paid into an interest-bearing account with federal income taxes deferred. Upon final separation from the City the member can receive these funds either in periodic installments or in a lump-sum.

Funding Policy. FRS contribution requirements of the City and members are established and may be amended by the State legislature. The contribution rates for both the FRS Defined Benefit Plan and the FRS Investment Plan are “blended” to produce a single uniform rate for each employee class. The four FRS classes of membership applicable to the City had the contribution rates as shown at right.

FRS Defined Benefit Plan and FRS Investment Plan Blended Uniform Contribution Rates (expressed as a percentage of covered payroll)				
	Regular	Senior Management	Special Risk	DROP
Effective July 1, 2021				
Employer contribution	10.82%	29.01%	25.89%	18.34%
Employee contribution	3.00%	3.00%	3.00%	n/a
Total contribution rate	13.82%	32.01%	28.89%	18.34%
Effective July 1, 2022				
Employer contribution	11.91%	31.57%	27.83%	18.60%
Employee contribution	3.00%	3.00%	3.00%	n/a
Total contribution rate	14.91%	34.57%	30.83%	18.60%

Employer contributions include an administrative fee of 0.06%, which is transferred to the State Board of Administration to offset administrative and educational costs of the Public Employee Optional Retirement Program. The system also provides disability and survivor benefits. Benefits are established by State Statute.

Total payroll for the year ended September 30, 2022, was \$23,546,483 of which \$2,095,985 was paid to City FRS members. Contributions to the FRS for the past three years are shown in the chart.

Fiscal year 2011 was the first year employee contributions were required. Contributions made were equal to the required contributions for each year.

FRS Defined Benefit Plan City Contribution History		
Fiscal Year	Employer	Employees
2020	\$ 409,731	\$ 54,437
2021	383,799	39,348
2022	338,595	33,761

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2022, the City reported a liability of \$2,844,771 as its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City’s proportionate share of the net pension liability was based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the fiscal year ended June 30, 2022. At June 30, 2022, the City’s proportionate share was 0.008%, which was a decrease of 14% from its proportionate share of 0.009% measured as of June 30, 2021.

For the year ended September 30, 2022, the pension expense was a credit of \$481,459 for the FRS Pension Plan. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the sources and in the amounts listed in the following table.

The deferred outflows of resources related to pensions totaling \$93,985 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

Other amounts reported for the FRS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in the following table.

FRS Defined Benefit Plan
Deferred Outflows and Deferred Inflows
At September 30, 2022

	<u>outflows</u>	<u>inflows</u>
Differences between expected and actual experience	\$ 135,110	\$ -
Changes in assumptions	350,345	-
Net difference between projected and actual earnings on pension plan investments	187,840	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(1,355,479)
City contributions subsequent to the measurement date	93,985	-
	<u>\$ 767,280</u>	<u>\$ (1,355,479)</u>

FRS Defined Benefit Plan
Annual Recognition of
Deferred Outflows and Inflows

Fiscal Year Ending <u>June 30,</u>	Amount <u>Recognized</u>
2023	\$ (320,294)
2024	(334,385)
2025	(359,090)
2026	341,692
2027	(10,106)

Basis for Allocation. The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ending June 30, 2020, 2021 and 2022, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2022, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions. Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially. The July 1, 2022, valuation is the most recent actuarial valuation. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.4%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.7%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate and the long-term expected rate of return was reduced from 6.8% to 6.7% in 2022.

Discount Rate. The discount rate used to measure the total pension liability for the FRS Pension Plan disclosed above is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the 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.

Long-Term Expected Rate of Return. The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20%, which is consistent with the 4.38% real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2022 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary both components and the overall 6.70% return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.70% reported investment return assumption is the same as the investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic mode.

FRS Defined Benefit Plan
Actuarial Assumptions for Each Investment Class

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Assumed inflation - Mean			2.4%	1.3%

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 6.70%. Also presented is the City's proportionate share of the FRS Pension Plan net pension liability if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate.

Pension Plan Fiduciary Net Position. Detailed information about FRS Pension Plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report. This report is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500.

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Plan Description. The HIS Pension Plan is a cost-sharing, multiple-employer, non-contributory, defined benefit pension plan established to assist retired members in paying the costs of health insurance. Eligibility includes members who retire under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of

FRS Defined Benefit Plan		
Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in Discount Rate		
1% Decrease	Current Discount	1% Increase
5.70%	Rate	7.70%
\$ 4,919,835	6.70%	
	\$ 2,844,771	\$ 1,109,770

health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Anyone retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the Investment Plan, must satisfy the vesting requirements for his or her membership class under the Pension Plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit.

Benefits. The benefit of the HIS Pension Plan is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs. The Plan is administered by the Department of Management Services, Division of Retirement. Benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

Eligible retirees and beneficiaries receive a monthly payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature.

Funding Policy. The Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all specified employees. The contribution rate for all of fiscal year 2022 was 1.66%. There are no required employee contributions. Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. The City's contributions to the Plan totaled \$34,801 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2022 the City reported a liability of \$647,612 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on accrued retirement contributions for employers that were members of the HIS Pension Plan during the fiscal year ended June 30, 2022. At June 30, 2022, the City's proportionate share was 0.006%, which was a decrease of 18% from its proportionate share of 0.007% measured as of June 30, 2021.

For the year ended September 30, 2022, pension expense was a credit of \$206,815 for the HIS Pension Plan. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the sources and in the amounts shown in the table below.

**HIS Defined Benefit Plan
Deferred Outflows and Deferred Inflows
At September 30, 2022**

	<u>outflows</u>	<u>inflows</u>
Differences between expected and actual experience	\$ 19,657	\$ (2,850)
Changes in assumptions	37,122	(100,185)
Net difference between projected and actual earnings on pension plan investments	938	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(573,629)
City contributions subsequent to the measurement date	<u>8,239</u>	<u>-</u>
	<u>\$ 65,956</u>	<u>\$ (676,664)</u>

The deferred outflows of resources related to the HIS pension totaling \$8,239 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported for the HIS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below.

**HIS Defined Benefit Plan
Annual Recognition of Deferred
Outflows and Inflows**

Fiscal Year Ending June 30,	Amount Recognized
2023	\$ (191,764)
2024	(151,724)
2025	(113,660)
2026	(90,939)
2027	(54,853)
Thereafter	(16,009)

Basis for Allocation. The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ending June 30, 2020, 2021 and 2022, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2021, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions. Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the depletion date. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for the HIS plan was based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

Discount Rate. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS Pension Plan is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-Term Expected Rate of Return. As stated above, the HIS Pension Plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.54%. Also presented is what the City's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate.

HIS Defined Benefit Plan Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
\$ 740,922	\$647,612	\$ 570,401

Pension Plan Fiduciary Net Position. Detailed information about HIS Pension Plan's fiduciary net position is available in a separately issued FRS Annual Comprehensive Financial Report. This Report is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500.

Altamonte Springs Retirement System (ASRS) Police Officers' and General Employees' Defined Benefit Pension Plans

Plan Description. Both the Altamonte Springs General Employees' Pension Plan (GEPP) and the Police Officers' Pension Plan (POPP) are single-employer, defined benefit, public employee retirement systems established by the City Commission. Any amendments thereto are at the sole discretion of the City Commission. Both Plans are component units (reporting as Pension Trust Funds) of the City's financial reporting entity. Investments are reported at fair value. Neither Plan issues separate financial statements.

The Altamonte Springs General Employees' Pension Plan. The GEPP provides retirement, disability and death benefits to all full-time employees, other than certified police officers and firefighters, hired by the City after December 31, 1995. The GEPP is administered by a five-member Board of Trustees (the "Board") consisting of the Mayor and four City Commissioners.

The Altamonte Springs Police Officers' Pension Plan. The POPP provides retirement, disability and death benefits to all full-time, certified police officers hired by the City after December 31, 1995. The POPP was established and operates within the parameters of Florida Statute 185 which govern police pension plans in the State of Florida. The POPP is administered by a five-member Board of Trustees (the "Board"). Two members of the Board must be members of the plan elected by a majority of all members of the Plan. Two additional members of the Board are citizens of the City appointed by the City Commission. The fifth, and final, member of the Board is elected by a majority of the other four Board members.

Benefits.

The Altamonte Springs General Employees' Pension Plan. Members are vested after 6 years of creditable service. Benefits, established by the City Commission, are determined by length of service and average final compensation. Average final compensation is the average of the employee's highest five years of compensation. Normal retirement is reached at age 62 with at least 6 years of creditable service or 30 years of creditable service regardless of age. Regular employees earn benefits at the rate of 1.6% for each year of creditable service. Senior Management employees earn benefits at the rate of 2% for each year of creditable service. Retirees receive a 3% annual cost of living increase in monthly benefits.

The Altamonte Springs Police Officers' Pension Plan. Members are vested after 6 years of creditable service. Benefits, established by the City Commission, are determined by length of service and average final compensation. Average final compensation is the average of the employee's highest five years of compensation. Normal retirement is reached at age 55 with at least 6 years of creditable service or 25 years of creditable service regardless of age. Employees earn benefits at the rate of 3% for each year of creditable service. Retirees receive a 3% annual cost of living increase in monthly benefits.

Accounting Policy. The financial statements of both plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are payable when due in accordance with the terms of the plans. All plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Funding Policy.

The Altamonte Springs General Employees' Pension Plan. Plan members hired prior to January 1, 2012, are not required to contribute to the Plan. Plan members hired on or after January 1, 2012, are required to contribute 1% of their annual compensation to the Plan. The City is required to contribute at an actuarially determined rate; the rate applicable for the fiscal year ended September 30, 2022, was 11.15% of annual covered payroll.

The Altamonte Springs Police Officers' Pension Plan. The Plan requires members to contribute 1% of their annual compensation to the Plan. The City is required to contribute at an actuarially determined rate; the rate applicable for the fiscal year ended September 30, 2022, was 19.68% of annual covered payroll.

Municipalities that have established pension plans complying with the provisions of Chapter 185, Florida Statutes and that have enacted appropriate taxing legislation are eligible to receive revenues generated from the Pension Fund Excise Tax imposed on the gross receipts of casualty insurance for properties located within the City limits. These revenues amounted to \$417,306 for the year ended September 30, 2022 and are considered an employer contribution.

Investment Policy.

The Altamonte Springs General Employees' Pension Plan. The pension plan's investment policy was established and may be amended by the Board of Trustees. This policy is governed by the Plan, as adopted by the City Commission, and applicable state and federal laws. The Board's stated investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized capital gains or losses, commensurate with the Prudent Investor Rule. The investment policy allows investment in annuity and life insurance contracts, time or savings deposits with banks insured by the Federal Deposit Insurance Corporation, obligations of the U. S. Government or its agencies, bonds issued by the State of Israel, corporate stocks, corporate bonds, repurchase agreements collateralized by U. S. Treasury securities, SEC registered money market funds, and the Florida Local Government Surplus Funds Trust Fund. Investment in corporate common stock is limited to not more than 70% of total fund assets, at market. Investment in foreign securities is limited to not more than 25% of the value of the fund at market. Investment of more than 5% of Plan assets in the common or capital stock of any one issuing company is not allowed. Investment in more than 10% of Plan assets in the bonds of any single corporation is not allowed.

The Altamonte Springs Police Officers' Pension Plan. The pension plan's investment policy was established and may be amended by the Board of Trustees. This policy is governed by the Plan, as adopted by the City Commission, and applicable state and federal laws. The Board's stated investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized capital gains or losses, commensurate with the Prudent Investor Rule. The investment policy allows investment in annuity and life insurance contracts, time or savings deposits with banks insured by the Federal Deposit Insurance Corporation, obligations of the U. S. Government or its agencies, bonds issued by the State of Israel, corporate stocks, corporate bonds, repurchase agreements collateralized by U. S. Treasury securities, SEC registered money market funds, and the Florida Local Government Surplus Funds Trust Fund. Investment in corporate common stock is limited to not more than 65% of total fund assets, at market. Investment in foreign securities is limited to not more than 15% of the value of the fund at cost. Investment of more than 5% of Plan assets in the common or capital stock of any one issuing company is not allowed.

Fair Value Hierarchy. Both plans categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plans had the following fair value measurements as of September 30, 2022.

**ASRS Defined Benefit Pension Plans
Fair Value Measurement
At September 30, 2022**

	Total Fair Value	quoted prices in active markets for identical assets (Level 1)	significant other observable inputs (Level 2)	significant unobservable inputs (Level 3)
General Employees'				
Debt securities				
U.S. treasury mutual fund	\$ 1,098,296	\$ 1,098,296	\$ -	\$ -
Baird mutual bond fund	11,363,979	11,363,979	-	-
Equity securities				
Domestic	24,998,228	24,998,228	-	-
International	-	-	-	-
	<u>\$ 37,460,503</u>	<u>\$ 37,460,503</u>	<u>\$ -</u>	<u>\$ -</u>
Police Officers'				
Debt securities				
U.S. treasury mutual fund	\$ 892,050	\$ 892,050	\$ -	\$ -
Baird mutual bond fund	10,449,002	10,449,002	-	-
Equity securities				
Domestic	22,196,008	22,196,008	-	-
International	-	-	-	-
	<u>\$ 33,537,060</u>	<u>\$ 33,537,060</u>	<u>\$ -</u>	<u>\$ -</u>

Rate of Return. For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (13.69)% for the General Employees' Pension Plan and (13.75)% for the Police Officers' Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. At September 30, 2022, the City reported a net pension asset of \$1,226,228 for the General Employees' Plan and net pension liability of \$10,700,211 for the Police Officers' Plan. The net pension liability was measured as of September 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022. For the year ended September 30, 2022, pension expense was \$1,113,210 for the General Employee's Plan and \$2,886,443 for the Police Officers' Plan.

**ASRS Defined Benefit Plans
Net Pension Liability (Asset)
as of September 30, 2022**

	General Employees'	Police Officers'
Total pension liability	\$ 36,259,285	\$ 44,268,147
Plan fiduciary net position	(37,485,513)	(33,567,936)
City's net pension (asset) liability	<u>\$ (1,226,228)</u>	<u>\$ 10,700,211</u>
Plan fiduciary net position as a percentage of the total pension liability	103.4%	75.8%

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the two pension plans from the sources and in the amounts listed in the table below.

ASRS Defined Benefit Plans
Deferred Outflows and Deferred Inflows of Resources
as of September 30, 2022

	General Employees'		Police Officers'	
	Outflows	Inflows	Outflows	Inflows
Differences between expected and actual experience	\$ 110,979	\$ (465,975)	\$ 2,845,889	\$ -
Changes in assumptions	1,283,057	(1,460,504)	3,073,194	-
Net difference between projected and actual earnings on pension plan investments	4,558,369	-	3,968,259	-
	<u>\$ 5,952,405</u>	<u>\$ (1,926,479)</u>	<u>\$ 9,887,342</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below.

ASRS Defined Benefit Plan
Annual Recognition of Deferred Outflows
and Deferred Inflows

Fiscal Year	Amount Recognized	
	General Employees'	Police Officers'
Ending Sept 30,		
2023	\$ 628,910	\$ 2,164,055
2024	328,424	1,982,305
2025	752,817	2,208,432
2026	2,077,347	2,620,092
2027	238,427	500,375
Thereafter	-	412,082

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of September 30, 2022, using the following actuarial assumptions.

ASRS Defined Benefit Plan
Actuarial Assumptions

	General Employees Plan	Police Plan
Inflation	2.75%	2.75%
Salary increases	3.5% to 7%	3% to 6.5%
Investment rate of return	7% net of pension plan investment expense, including inflation	7% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the table.

ASRS Defined Benefit Plans
Long-term Expected Real Rate of Return

Asset Class	General Employees'	Police Officers'
Domestic equity	9.3%	9.3%
International equity	10.3%	10.3%
Domestic bonds	5.3%	5.3%

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City calculated using the discount rate of 7%, as well as, what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

ASRS Defined Benefit Plans
Net Pension Liability (Asset) Sensitivity to Changes in Discount Rate

	1% decrease to 6%	current discount rate 7%	1% increase to 8%
General employees'	\$ 4,469,631	\$ \$ (1,226,228)	\$ (5,861,027)
Police officers'	\$ \$ 19,277,023	\$ \$ 10,700,211	\$ \$ 3,976,881

Changes in Net Pension Liability. The following table shows beginning balance, changes, and ending balance of the net pension liability.

ASRS Defined Benefit Plans
Changes in Net Pension Liability (Asset)
For the Year Ended September 30, 2022

	General Employees'			Police Officers'		
	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability
Beginning balance (9/30/21)	\$ 31,919,530	\$ 42,893,091	\$ (10,973,561)	\$ 38,454,330	\$ 37,927,001	\$ 527,329
Changes for the year						
Service cost	1,432,538	-	1,432,538	866,596	-	866,596
Interest	2,385,094	-	2,385,094	2,823,196	-	2,823,196
Differences between expected and actual experience	123,284	-	123,284	977,435	-	977,435
Changes to assumptions	1,307,279		1,307,279	1,907,140		1,907,140
Contributions - city	-	1,482,996	(1,482,996)	-	1,218,438	(1,218,438)
Contributions - state					417,306	(417,306)
Contributions - employee	-	106,655	(106,655)	-	62,024	(62,024)
Net investment income	-	(6,051,217)	6,051,217	-	(5,261,318)	5,261,318
Benefit payments	(908,440)	(908,440)	-	(760,550)	(760,550)	-
Administrative expense	-	(37,572)	37,572	-	(34,965)	34,965
Net changes	\$ 4,339,755	\$ (5,407,578)	\$ 9,747,333	\$ 5,813,817	\$ (4,359,065)	\$ 10,172,882
Ending balance (9/30/22)	\$ 36,259,285	\$ 37,485,513	\$ (1,226,228)	\$ 44,268,147	\$ 33,567,936	\$ 10,700,211

Annual Financial Statements. A combining statement of fiduciary net position and changes to fiduciary net position for fiscal year 2022 for both plans follows.

ASRS Defined Pension Plans: Pension Trust Funds
Combining Statement of Fiduciary Net Position
At September 30, 2022

	General Employees'	Police Officers'	Total
Assets			
Cash and equivalents	\$ 44,127	\$ 39,791	\$ 83,918
Investments			
Mutual funds (u.s. treasuries & agencies)	1,098,296	892,050	1,990,346
Mutual funds (corporate bonds)	11,363,979	10,449,002	21,812,981
Common stocks	24,998,228	22,196,008	47,194,236
Accrued interest receivable	6,235	14,395	20,630
Prepaid expenses	-	-	-
Total assets	\$ 37,510,865	\$ 33,591,246	\$ 71,102,111
Liabilities			
Accounts payable	\$ 25,352	\$ 23,310	\$ 48,662
Total liabilities	\$ 25,352	\$ 23,310	\$ 48,662
Net position restricted for pensions	\$ 37,485,513	\$ 33,567,936	\$ 71,053,449

ASRS Defined Pension Plans: Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Total</u>
Additions			
Contributions			
Employer	\$ 1,482,996	\$ 1,218,438	\$ 2,701,434
State	-	417,306	417,306
Employee	106,655	62,024	168,679
Investment income			
Appreciation in value of plan assets	(6,545,861)	(5,713,058)	(12,258,919)
Interest and dividend income	619,492	562,121	1,181,613
Investment expense	(124,848)	(110,381)	(235,229)
Total additions	<u>\$ (4,461,566)</u>	<u>\$ (3,563,550)</u>	<u>\$ (8,025,116)</u>
Deductions			
Benefits, including refunds			
of member contributions	\$ 656,362	\$ 760,550	\$ 1,416,912
Transferred to investment plan	252,078	-	252,078
Administrative expenses	37,572	34,965	72,537
Total deductions	<u>\$ 946,012</u>	<u>\$ 795,515</u>	<u>\$ 1,741,527</u>
Net increase in net position	\$ (5,407,578)	\$ (4,359,065)	\$ (9,766,643)
Net position restricted for pensions			
Beginning of year	42,893,091	37,927,001	80,820,092
End of year	<u>\$ 37,485,513</u>	<u>\$ 33,567,936</u>	<u>\$ 71,053,449</u>

Defined Contribution Plans

General Employees' Investment Plan. In 2012, the City established the General Employees' Investment Plan, a single-employer, defined contribution, contributory, money purchase plan. This Plan is available to all full-time employees except police officers. Employees are required to contribute 1% of compensation to the Plan. The City contributes an amount equal to 10% of compensation for regular employees and 12% for senior management employees. Employees make individual investment decisions and individual investment gains or losses are the employees' and the employees' alone. The City has no ongoing obligation to participating employees beyond making timely contributions to the Plan. As of September 30, 2022, there were 20 Plan members. For the year ended September 30, 2022, employer contributions totaled \$80,328 and employee contributions totaled \$8,033.

Police Officers' Share Plan. In 2016, the City established the Police Officers' Share Plan, a single-employer, defined contribution, non-contributory, money purchase plan. Each year annual premium tax revenues received up to an amount equal to the amount received in calendar year 2012 must be used to fund minimum benefits or other retirement benefit in excess of the minimum benefits. Of the additional insurance premium tax revenues received in excess of the amount received in calendar year 2012, 50% must be used to fund minimum benefits and 50% must be placed in a defined contribution plan to fund special benefits. Each member of the Defined Benefit Plan is automatically enrolled in the Share Plan. The City deposited \$63,060 in fiscal year 2022 to the individual accounts of members of the Share Plan.

Executive Employees' Investment Plan. Established in 2012 and amended in 2021, the City's Executive Employees' Investment Plan is a single-employer, defined contribution, non-contributory, money purchase plan. This Plan is available only to executive level positions. The City contributes an amount equal to 2% to 6% of compensation to the Plan based on the position. The Plan is administered by the ICMA Retirement Corporation. Employees make individual investment decisions and individual investment gains or losses are the employee's and the employee's alone. The City has no ongoing obligation to participating employees beyond making timely contributions to the Plan. For the year ended September 30, 2022, employer contributions totaled \$112,734.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description. The Other Post-employment Benefit Plan (OPEB Plan) is a single-employer benefit plan administered by the City. No assets are accumulated in a GASB compliant trust. Retirees are offered continuing healthcare insurance coverage after retirement. Retirees are required to pay the full premium charged by the insurance company. However, premiums are calculated based on a blending of the claims experience of both employees and retirees pursuant to Florida Statutes. It is assumed premiums for retirees would be greater if rated separately from employees (retirees generally have higher average ages and a greater number and severity of health issues than employees). Blending the claims experience of both groups lowers the premium cost for retirees, thus providing an implicit rate subsidy. The Plan does not issue a stand-alone report.

Summary of Significant Accounting Policies. For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from OPEB Plan fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer and the full cost of the benefit is covered by the Plan.

Employees Covered by Benefit Terms. At September 30, 2022, there were 12 retirees and beneficiaries currently receiving benefit payments and 406 active employees.

Contributions. For the OPEB Plan contribution requirements of the City are established, and may be amended, through action by the City Commission. Currently the City's OPEB Plan is unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate trust fund or equivalent arrangement into which the City might make contributions to advance-fund the obligation. Subsidies provided over time are financed directly by general assets of the City.

Discount Rate. In general, the discount rate for calculating the total OPEB liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the OPEB Plan is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the City's projected rate on long-term investments.

Actuarial Assumptions. The Total OPEB liability was determined by an actuarial valuation as of September 30, 2022, using the following actuarial assumptions.

Actuarial cost method	Individual entry age
Amortization method	Level dollar, closed
Remaining amortization period	5 years
Medical inflation	5%
Investment rate of return	3.75%
Retirement age	100% at normal retirement eligibility date
Mortality	Florida Retirement System Mortality Table

Changes in OPEB Liability. The following changes show beginning balance, changes, and ending balance of the Total OPEB liability.

OPEB Plan: Changes in Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at September 30, 2021	\$ 2,853,540	\$ -	\$ 2,853,540
Changes for the year			
Service cost	53,928	-	53,928
Interest	105,121	-	105,121
Differences between expected and actual experience	-	-	-
Changes to assumptions and meth	-	-	-
Benefit payments	(96,527)	-	(96,527)
Other changes	(2,042)	-	(2,042)
Net changes	\$ 60,480	\$ -	\$ 60,480
Balance at September 30, 2022	<u>\$ 2,914,020</u>	<u>\$ -</u>	<u>\$ 2,914,020</u>

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 one percentage point lower (2.75%) or one percentage point higher (4.75%) than the current discount rate.

**OPEB Plan: Sensitivity of the OPEB Liability
to Changes in the Discount Rate**

1% Decrease to 2.75%	Current Discount Rate 3.75%	1% Increase to 4.75%
\$ 2,479,025	\$ 2,914,020	\$ 3,466,012

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 health care cost trend rates that are one percentage point lower (4%) or one percentage point higher (6%) than the current healthcare trend rates.

**OPEB Plan: Sensitivity of the OPEB Liability to Changes in
Health Care Cost Trend Rates**

1% Decrease to 4.00%	Current Trend Rate 5.00%	1% Increase to 6.00%
\$ 2,487,075	\$ 2,914,020	\$ 3,438,256

Other Post-employment Benefits Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources. At September 30, 2022, the City reported a liability of \$2,914,020 for Other Post-employment Benefits (OPEB). The OPEB liability was measured as of September 30, 2022. The Total OPEB liability was determined by an actuarial valuation as of September 30, 2022. For the year ended September 30, 2022, the City recognized OPEB expense of \$400,545. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources and in the amounts listed in the table below.

**OPEB Plan: Deferred Outflows and Deferred Inflows of Resources
At September 30, 2022**

	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ -	\$ 308,654
Changes in assumptions	16,202	123,145
	<u>\$ 16,202</u>	<u>\$ 431,799</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as shown in the table below.

**OPEB Plan: Annual Recognition of
Deferred Outflows and Deferred Inflows**

<u>Fiscal Year Ending September 30,</u>	<u>Amount Recognized</u>
2023	\$ (146,586)
2024	(146,586)
2025	(61,214)
2026	(61,211)
Thereafter	-

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With the exception of workers' compensation, the City purchases commercial insurance for all types of claims with nominal deductible amounts. There were no material changes to coverage during fiscal year 2022. Settled claims have not exceeded this commercial coverage during any of the past four years. The following page provides a summary of the City's significant insurance coverage and limitations.

**Schedule of Insurance in Force
September 30, 2022**

<u>Coverage</u>	<u>Limitations (dollar values are in thousands)</u>		
General / professional liability	\$ 300	Each person	
Includes errors and omissions, employee benefits program administration, and broad form property damage.	300	Each occurrence	
	2,000	Combined single limit per occurrence	
	25	Extra contractual legal	
	250	Public officials' fiduciary bond	
	1,000	Pollution liability; general aggregate limit	
	1,000	Petroleum liability – below ground	
	2,000	Petroleum liability – above ground	
Law Enforcement Liability	200	Each person	
	300	Each occurrence	
	2,000	Combined single-limit per occurrence	
Automobile	100	Each person	
Includes bodily injury, property damage, personal injury protection, auto physical damage, and auto medical payments	300	Each occurrence	
	2,000	Combined single-limit per occurrence	
	10	Auto medical payments	
Property Damage	93,024	Buildings and personal property; per occurrence	
	10,000	Boiler and machinery	

Workers' Compensation Insurance Fund. In fiscal year 1992 the City established a Workers' Compensation Self-Insurance Fund (an internal service fund) to account for and finance the uninsured risks of loss. Under this program, the Workers' Compensation Self-Insurance Fund provides coverage up to a maximum of \$200,000 per claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage in any of the past four years.

All funds of the City participate in the program and make payments to the Workers' Compensation Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$243,536 at September 30, 2022, and is reported as unrestricted net position in the Workers' Compensation Self-Insurance Fund. The claims liability of \$1,502,495 reported in the Fund at September 30, 2022, is based on provisions of GASB Statement No. 10, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal years 2021 and 2022 were as shown in the accompanying chart.

**Workers' Compensation Program
Claims Payable**

	2021	2022
Balance beginning of year	\$ 1,479,612	\$ 1,419,455
Current year claims and changes in estimates	(25,590)	674,940
Claims paid	(34,567)	(591,900)
Balance end of year	<u>\$ 1,419,455</u>	<u>\$ 1,502,495</u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Intergovernmental Grants. Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

Litigation. Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, the City Attorney has expressed his opinion that there will be no material effect whatsoever on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

FLORIDA RETIREMENT SYSTEM

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years (a)**

City's Share for the Fiscal Year Ended June 30th	2014	2015	2016
FRS Plan total net pension liability	\$ 6,101,470,575	\$ 12,916,341,186	\$ 25,250,078,485
Proportion of the net pension liability	0.02679%	0.02528%	0.02243%
Proportionate share of the net pension liability	\$ 1,634,584	\$ 3,264,913	\$ 5,663,207
Covered payroll	\$ 6,019,257	\$ 5,967,358	\$ 5,384,910
Proportionate share of the net pension liability as a percentage of its covered payroll	27.2%	54.7%	105.2%
Plan fiduciary net position as a percentage of the total pension liability	96.1%	92.0%	84.9%

**Schedule of the City's Contributions
Last Nine Fiscal Years (a)**

City's Share for the Fiscal Year Ended September 30th	2014	2015	2016
Required contribution	\$ 699,641	\$ 700,711	\$ 670,979
Contribution in relation to the actuarially determined contributions	699,641	700,711	670,979
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 6,015,008	\$ 5,846,128	\$ 5,391,105
Contributions as a percentage of covered payroll	11.6%	12.0%	12.4%

(a) These schedules ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

2017	2018	2019	2020	2021	2022
\$ 29,589,481,842	\$ 30,120,518,391	\$ 34,438,607,783	\$ 43,341,472,108	\$ 7,553,863,454	\$ 37,208,036,193
0.01923%	0.01586%	0.01365%	0.01078%	0.00908%	0.00765%
\$ 5,690,057	\$ 4,777,352	\$ 4,700,025	\$ 4,671,714	\$ 685,593	\$ 2,844,771
\$ 4,664,048	\$ 4,049,659	\$ 3,590,757	\$ 3,092,686	\$ 2,649,149	\$ 2,225,585
122.0%	118.0%	130.9%	151.1%	25.9%	127.8%
83.9%	84.3%	82.7%	78.9%	96.4%	82.9%

2017	2018	2019	2020	2021	2022
\$ 582,494	\$ 502,906	\$ 407,876	\$ 354,260	\$ 341,741	\$ 326,251
582,494	502,906	407,876	354,260	341,741	326,251
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,554,792	\$ 3,875,621	\$ 3,440,806	\$ 2,988,525	\$ 2,534,310	\$ 2,028,127
12.8%	13.0%	11.9%	11.9%	13.5%	16.1%

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

HEALTH INSURANCE SUBSIDY

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years (a)**

City's Share for the Fiscal Year Ended June 30th	2014	2015	2016
HIS Plan total net pension liability	\$ 9,350,244,011	\$ 10,198,426,975	\$ 11,654,585,746
Proportion of the net pension liability	0.02067%	0.01995%	0.01776%
Proportionate share of the net pension liability	\$ 1,932,902	\$ 2,034,329	\$ 2,070,206
Covered payroll	\$ 6,153,916	\$ 6,052,357	\$ 5,483,767
Proportionate share of the net pension liability as a percentage of its covered payroll	31.4%	33.6%	37.8%
Plan fiduciary net position as a percentage of the total pension liability	1.0%	0.5%	1.0%

**Schedule of the City's Contributions
Last Nine Fiscal Years (a)**

City's Share for the Fiscal Year Ended September 30th	2014	2015	2016
Required contribution	\$ 70,816	\$ 76,252	\$ 65,507
Contribution in relation to the actuarially determined contributions	70,816	76,252	65,507
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 6,090,935	\$ 5,932,091	\$ 5,515,456
Contributions as a percentage of covered payroll	1.2%	1.3%	1.2%

(a) These schedules ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

2017	2018	2019	2020	2021	2022
\$ 10,692,461,377	\$ 10,584,112,254	\$ 11,188,999,285	\$ 12,209,833,393	\$ 12,266,503,481	\$ 10,591,597,209
0.01508%	0.01263%	0.01098%	0.00909%	0.00748%	0.00611%
\$ 1,612,535	\$ 1,337,131	\$ 1,228,366	\$ 1,109,589	\$ 917,900	\$ 647,612
\$ 4,815,538	\$ 4,126,265	\$ 3,667,363	\$ 3,152,380	\$ 2,649,149	\$ 2,225,585
33.5%	32.4%	33.5%	35.2%	34.6%	29.1%
1.6%	2.2%	2.6%	3.0%	3.6%	4.8%

2017	2018	2019	2020	2021	2022
\$ 77,687	\$ 64,335	\$ 58,879	\$ 50,252	\$ 42,078	\$ 34,801
77,687	64,335	58,879	50,252	42,078	34,801
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,683,725	\$ 3,951,984	\$ 3,521,247	\$ 3,026,652	\$ 2,534,310	\$ 2,095,985
1.7%	1.6%	1.7%	1.7%	1.7%	1.7%

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL EMPLOYEES' PENSION TRUST FUND

Schedule of Changes in the City's Net Pension Liability and Related Ratios for the Last Nine Fiscal Years (a)

For the Fiscal Year Ended September 30th	2014	2015	2016
Change in total pension liability			
Service costs	\$ 965,186	\$ 1,045,961	\$ 1,168,063
Interest	1,191,693	1,183,208	1,413,217
Differences between expected and actual experience	(375,569)	(78,148)	484,615
Changes of assumptions	-	561,876	-
Benefit payments, including refunds of member contributions	(221,019)	(357,311)	(225,927)
Net change in total pension liability	\$ 1,560,291	\$ 2,355,586	\$ 2,839,968
Total pension liability			
Beginning of year	13,871,914	15,432,205	17,787,791
End of year	<u>\$ 15,432,205</u>	<u>\$ 17,787,791</u>	<u>\$ 20,627,759</u>
Change in plan fiduciary net position			
Contributions			
Employer	\$ 1,069,973	\$ 1,159,350	\$ 1,384,025
Employees	42,844	54,453	53,355
Net investment income	1,971,895	(887,808)	2,184,469
Benefit payments, including refunds of member contributions	(221,019)	(357,311)	(225,927)
Administrative expense	(21,619)	(31,148)	(26,204)
Net changes in plan fiduciary net position	\$ 2,842,074	\$ (62,464)	\$ 3,369,718
Plan fiduciary net position			
Beginning of year	14,201,877	17,043,951	16,981,487
End of year	<u>\$ 17,043,951</u>	<u>\$ 16,981,487</u>	<u>\$ 20,351,205</u>
Plan net pension liability - ending	<u>\$ (1,611,746)</u>	<u>\$ 806,304</u>	<u>\$ 276,554</u>
Plan fiduciary net position as a percentage of the total pension liability	110%	95%	99%
Covered payroll	\$ 9,016,971	\$ 9,810,843	\$ 10,136,017
City's net pension liability as a percentage of covered payroll	-17.87%	8.22%	2.73%

(a) This schedule ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,301,379	\$ 1,523,151	\$ 1,574,550	\$ 1,602,627	\$ 1,358,758	\$ 1,432,538
1,629,530	1,929,448	2,100,781	2,308,408	2,185,195	2,385,094
1,355,604	(346,642)	(74,109)	(670,347)	12,364	123,284
-	-	-	(2,921,008)	-	1,307,279
(404,136)	(614,621)	(1,131,213)	(590,647)	(837,301)	(908,440)
\$ 3,882,377	\$ 2,491,336	\$ 2,470,009	\$ (270,967)	\$ 2,719,016	\$ 4,339,755
<u>20,627,759</u>	<u>24,510,136</u>	<u>27,001,472</u>	<u>29,471,481</u>	<u>29,200,514</u>	<u>31,919,530</u>
<u>\$ 24,510,136</u>	<u>\$ 27,001,472</u>	<u>\$ 29,471,481</u>	<u>\$ 29,200,514</u>	<u>\$ 31,919,530</u>	<u>\$ 36,259,285</u>
\$ 1,564,132	\$ 1,665,861	\$ 1,623,823	\$ 1,461,094	\$ 1,477,290	\$ 1,482,996
80,189	72,040	94,137	112,356	111,064	106,655
3,098,717	2,891,076	1,633,165	4,219,943	6,210,417	(6,051,217)
(404,136)	(614,621)	(1,131,213)	(590,647)	(837,301)	(908,440)
(48,268)	(31,478)	(41,361)	(40,527)	(33,866)	(37,572)
\$ 4,290,634	\$ 3,982,878	\$ 2,178,551	\$ 5,162,219	\$ 6,927,604	\$ (5,407,578)
<u>20,351,205</u>	<u>24,641,839</u>	<u>28,624,717</u>	<u>30,803,268</u>	<u>35,965,487</u>	<u>42,893,091</u>
<u>\$ 24,641,839</u>	<u>\$ 28,624,717</u>	<u>\$ 30,803,268</u>	<u>\$ 35,965,487</u>	<u>\$ 42,893,091</u>	<u>\$ 37,485,513</u>
<u>\$ (131,703)</u>	<u>\$ (1,623,245)</u>	<u>\$ (1,331,787)</u>	<u>\$ (6,764,973)</u>	<u>\$ (10,973,561)</u>	<u>\$ (1,226,228)</u>
101%	106%	105%	123%	134%	103%
\$ 10,884,334	\$ 11,588,812	\$ 11,976,262	\$ 12,387,257	\$ 12,912,668	\$ 13,531,401
-1.21%	-14.01%	-11.12%	-54.61%	-84.98%	-9.06%

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL EMPLOYEES' PENSION TRUST FUND

Schedule of City Contributions for the Last Nine Years (a)

For the Fiscal Year Ended September 30th	2014	2015	2016
Actuarially determined contribution	\$ 1,060,379	\$ 1,149,610	\$ 1,347,887
Contribution in relation to the actuarially determined contributions	<u>1,112,479</u>	<u>1,202,825</u>	<u>1,435,926</u>
Contribution deficiency (excess)	<u>\$ (52,100)</u>	<u>\$ (53,215)</u>	<u>\$ (88,039)</u>
Covered payroll	\$ 9,016,971	\$ 9,810,843	\$ 10,136,017
Contributions as a percentage of covered payroll	12.3%	12.3%	14.2%

Notes to this schedule

Valuation date

Actuarially determined contribution rates are determined as of September 30th, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Individual Entry Age, Level Percent of Pay
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	
General employees	N/A
Asset Valuation Method	Market Value
Inflation	2.75%
Investment Return	7.00%
Salary Increases	7% to 3.5%
Retirement Age	100% at Normal Retirement Eligibility Date
Mortality	Florida Retirement System Mortality Table

Schedule of Investment Returns for the Last Nine Years (a)

For the Fiscal Year Ended September 30th	2014	2015	2016
Annual money-weighted rate of return, net of investment expense	13.95%	(4.71%)	12.77%

(a) This schedule ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,702,795	\$ 1,633,399	\$ 1,664,193	\$ 1,370,046	\$ 1,418,713	\$ 1,556,466
<u>1,622,787</u>	<u>1,728,331</u>	<u>1,684,716</u>	<u>1,515,885</u>	<u>1,530,842</u>	<u>1,536,755</u>
<u>\$ 80,008</u>	<u>\$ (94,932)</u>	<u>\$ (20,523)</u>	<u>\$ (145,839)</u>	<u>\$ (112,129)</u>	<u>\$ 19,711</u>
\$ 10,884,334	\$ 11,588,812	\$ 11,976,262	\$ 12,387,257	\$ 12,912,668	\$ 13,531,401
14.9%	14.9%	14.1%	12.2%	11.9%	11.4%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
14.94%	11.92%	5.94%	13.74%	17.59%	(13.69%)

City of Altamonte Springs, Florida
REQUIRED SUPPLEMENTAL INFORMATION
POLICE OFFICERS' PENSION TRUST FUND

Schedule of Changes in the City's Net Pension Liability and Related Ratios for the Last Nine Fiscal Years (a)

For the Fiscal Year Ended September 30th	2014	2015	2016
Change in total pension liability			
Service costs	\$ 761,879	\$ 825,274	\$ 915,650
Interest	898,908	1,031,141	1,257,908
Differences between expected and actual experience	516,164	359,838	1,092,795
Changes of assumptions	-	367,984	-
Benefit payments, including refunds of member contributions	(42,793)	(43,621)	(83,758)
Net change in total pension liability	\$ 2,134,158	\$ 2,540,616	\$ 3,182,595
Total pension liability			
Beginning of year	11,223,564	13,357,722	15,898,338
End of year	<u>\$ 13,357,722</u>	<u>\$ 15,898,338</u>	<u>\$ 19,080,933</u>
Change in plan fiduciary net position			
Contributions			
Employer	\$ 672,997	\$ 626,320	\$ 965,198
State	309,831	321,481	345,710
Employees	41,817	44,540	49,373
Net investment income	1,551,615	(612,415)	1,761,585
Benefit payments, including refunds of member contributions	(42,793)	(43,621)	(568,009)
Administrative expense	(22,216)	(33,138)	(39,065)
Net changes in plan fiduciary net position	\$ 2,511,251	\$ 303,167	\$ 2,514,792
Plan fiduciary net position			
Beginning of year	11,057,237	13,568,488	13,871,655
End of year	<u>\$ 13,568,488</u>	<u>\$ 13,871,655</u>	<u>\$ 16,386,447</u>
Plan net pension liability - ending	<u>\$ (210,766)</u>	<u>\$ 2,026,683</u>	<u>\$ 2,694,486</u>
Plan fiduciary net position as a percentage of the total pension liability	102%	87%	86%
Covered payroll	\$ 4,368,320	\$ 4,742,636	\$ 5,209,768
City's net pension liability as a percentage of covered payroll	(4.82%)	42.73%	51.72%

(a) This schedule ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 957,088	\$ 1,063,368	\$ 1,130,499	\$ 1,167,026	\$ 809,257	\$ 866,596
1,497,791	1,718,913	1,995,840	2,276,177	2,583,039	2,823,196
601,280	1,165,608	938,264	660,733	618,052	977,435
-	-	-	2,095,081	-	1,907,140
(134,959)	(293,308)	(352,036)	(374,558)	(749,758)	(760,550)
\$ 2,921,200	\$ 3,654,581	\$ 3,712,567	\$ 5,824,459	\$ 3,260,590	\$ 5,813,817
<u>19,080,933</u>	<u>22,002,133</u>	<u>25,656,714</u>	<u>29,369,281</u>	<u>35,193,740</u>	<u>38,454,330</u>
<u>\$ 22,002,133</u>	<u>\$ 25,656,714</u>	<u>\$ 29,369,281</u>	<u>\$ 35,193,740</u>	<u>\$ 38,454,330</u>	<u>\$ 44,268,147</u>
\$ 1,168,194	\$ 1,276,172	\$ 1,356,413	\$ 1,313,477	\$ 1,243,107	\$ 1,218,438
361,244	366,638	426,077	351,309	342,920	417,306
51,600	52,525	56,675	58,848	60,999	62,024
2,236,762	2,343,422	1,330,558	3,776,460	5,444,484	(5,261,318)
(134,959)	(293,308)	(352,036)	(374,558)	(749,758)	(760,550)
(30,646)	(45,563)	(31,776)	(32,205)	(32,521)	(34,965)
\$ 3,652,195	\$ 3,699,886	\$ 2,785,911	\$ 5,093,331	\$ 6,309,231	\$ (4,359,065)
<u>16,386,447</u>	<u>20,038,642</u>	<u>23,738,528</u>	<u>26,524,439</u>	<u>31,617,770</u>	<u>37,927,001</u>
<u>\$ 20,038,642</u>	<u>\$ 23,738,528</u>	<u>\$ 26,524,439</u>	<u>\$ 31,617,770</u>	<u>\$ 37,927,001</u>	<u>\$ 33,567,936</u>
<u>\$ 1,963,491</u>	<u>\$ 1,918,186</u>	<u>\$ 2,844,842</u>	<u>\$ 3,575,970</u>	<u>\$ 527,329</u>	<u>\$ 10,700,211</u>
91%	93%	90%	90%	99%	76%
\$ 5,016,813	\$ 5,254,904	\$ 5,637,710	\$ 5,822,142	\$ 6,052,861	\$ 6,486,855
39.14%	36.50%	50.46%	61.42%	8.71%	164.95%

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

POLICE OFFICERS' PENSION TRUST FUND

Schedule of City Contributions for the Last Nine Years (a)

For the Fiscal Year Ended September 30th	2014	2015	2016
Actuarially determined contribution	\$ 1,001,765	\$ 1,040,284	\$ 1,396,331
Contribution in relation to the actuarially determined contributions	<u>1,013,262</u>	<u>983,344</u>	<u>1,862,478</u>
Contribution deficiency (excess)	<u>\$ (11,497)</u>	<u>\$ 56,940</u>	<u>\$ (466,147)</u>
Covered payroll	\$ 4,368,320	\$ 4,742,636	\$ 5,027,212
Contributions as a percentage of covered payroll	23.2%	20.7%	37.0%

Notes to this schedule

Valuation date

Actuarially determined contribution rates are determined as of September 30th, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Individual Entry Age, Level Percent of Pay
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	
Police officers	2-15 years
Asset Valuation Method	Market Value
Inflation	2.75%
Investment Return	7.00%
Salary Increases	6.5% to 3%
Retirement Age	100% at Normal Retirement Eligibility Date
Mortality	Florida Retirement System Mortality Table

Schedule of Investment Returns for the Last Nine Years (a)

For the Fiscal Year Ended September 30th

Annual money-weighted rate of return, net of investment expense	14.21%	(3.89%)	12.67%
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(a) These schedules ultimately will provide ten years of historical information. However, the required information is only available for the last nine years. Additional years will be added in the future.

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

OTHER POST-EMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
For the Last Five Fiscal Years (a)

For the Fiscal Year Ended September 30th	2018	2019	2020	2021	2022
Change in total OPEB liability					
Service costs	\$ 90,546	\$ 173,355	\$ 48,322	\$ 90,591	\$ 53,928
Interest	131,452	285,665	115,473	247,339	105,121
Differences between expected and actual experience	-	(142,801)	-	(389,660)	-
Changes of assumptions	(144,193)	(369,434)	-	24,423	-
Benefit payments, including refunds of member contributions	(96,813)	(219,188)	(134,611)	(265,732)	(96,527)
Other charges	-	(125,185)	-	(29,183)	(2,042)
Net change in total OPEB liability	\$ (19,008)	\$ (397,588)	\$ 29,184	\$ (322,222)	\$ 60,480
Total OPEB liability					
Beginning of year	3,563,174	3,544,166	3,146,578	3,175,762	2,853,540
End of year	\$ 3,544,166	\$ 3,146,578	\$ 3,175,762	\$ 2,853,540	\$ 2,914,020
Covered employee payroll	\$ 23,075,259	\$ 21,216,304	\$ 22,064,957	\$ 23,279,842	\$ 23,937,846
City's total OPEB liability as a percentage of covered employee payroll	15.36%	14.83%	14.39%	12.26%	12.17%

Note. The City's OPEB Plan is unfunded. The required contributions are based on pay-as-you-go financing requirements. There are not assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

(a) This schedule ultimately will provide ten years of historical information. However, the required information is only available for the last five years. Additional years will be added in the future.

Non-major Governmental Funds

Special Revenue Funds

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which are designed to finance particular functions or activities of the government. The City has the following non-major Special Revenue Funds:

Stormwater Management Fund – To account for revenues and expenditures related to stormwater management, i.e. – the collection, storage, treatment and dispersal of rainwater. The City established the program and fund, and began imposing a City-wide stormwater management fee in 1989.

Law Enforcement Trust Fund – To account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgement. The proceeds are to be used solely for crime fighting purposes.

Building Inspection Fund – To account for revenues and expenditures related to acceptance and review of proposed building plans, issuance of building permits and inspection of building projects during construction.

Police Premium Tax Trust Fund – To account for the excise tax imposed on insurance premiums collected by the Florida Department of Revenue and remitted to the City. These tax revenues are to be used as retirement contributions to the Police Officers' Pension Plan.

Capital Projects Funds

Capital Projects Funds account for revenues designated for the purpose of financing the acquisition or construction of capital equipment or facilities. The City has the following major and non-major Capital Projects Funds:

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Infrastructure Sales Tax Fund - To account for revenues and expenditures from Infrastructure Sales Tax. Expenditures are limited to infrastructure improvements.

Impact Fee Fund - To account for revenues and expenditures from Impact Fees which are levied on new construction to pay for additional capital facilities required as a result of new development.

City of Altamonte Springs, Florida

Combining Balance Sheet

ALL NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Assets			
Cash and cash equivalents	\$ 617,650	\$ 53,147	\$ 670,797
Investments	12,757,616	1,199,576	13,957,192
Receivables			
Accrued interest	43,401	4,178	47,579
Prepays	9,377	-	9,377
Total Assets	<u>\$ 13,428,044</u>	<u>\$ 1,256,901</u>	<u>\$ 14,684,945</u>
Liabilities			
Accounts payable	\$ 205,065	\$ 8,754	\$ 213,819
Accrued liabilities	116,344	-	116,344
Total Liabilities	<u>\$ 321,409</u>	<u>\$ 8,754</u>	<u>\$ 330,163</u>
Fund Balances			
Nonspendable	\$ 9,376	\$ -	\$ 9,376
Restricted	317,033	-	317,033
Committed	12,780,226	1,248,147	14,028,373
Total Fund Balances	<u>\$ 13,106,635</u>	<u>\$ 1,248,147</u>	<u>\$ 14,354,782</u>
Total Liabilities and Fund Balances	<u>\$ 13,428,044</u>	<u>\$ 1,256,901</u>	<u>\$ 14,684,945</u>

City of Altamonte Springs, Florida

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

ALL NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Intergovernmental revenues	\$ 662,837	\$ -	\$ 662,837
Charges for services	3,729,029	-	3,729,029
Impact fees	-	323,069	323,069
Investment income (loss)	(631,811)	(49,581)	(681,392)
Miscellaneous revenues	63,392	-	63,392
	<u>\$ 3,823,447</u>	<u>\$ 273,488</u>	<u>\$ 4,096,935</u>
Total Revenues			
Expenditures			
Current			
Public safety	\$ 2,084,976	\$ -	\$ 2,084,976
Physical environment	1,499,835	-	1,499,835
Capital outlay	527,508	74,160	601,668
	<u>\$ 4,112,319</u>	<u>\$ 74,160</u>	<u>\$ 4,186,479</u>
Total Expenditures			
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>\$ (288,872)</u>	<u>\$ 199,328</u>	<u>\$ (89,544)</u>
Other Financing Sources or (Uses)			
Transfers in (out)	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ (500,000)</u>
Total Other Financing Sources and (Uses)	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ (500,000)</u>
Net Change in Fund Balances	<u>\$ (788,872)</u>	<u>\$ 199,328</u>	<u>\$ (589,544)</u>
Fund Balances			
Beginning of year	<u>13,895,507</u>	<u>1,048,819</u>	<u>14,944,326</u>
End of year	<u><u>\$ 13,106,635</u></u>	<u><u>\$ 1,248,147</u></u>	<u><u>\$ 14,354,782</u></u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

September 30, 2022

	Stormwater Management Fund	Law Enforcement Trust Fund	Building Inspection Fund	Police Prem. Tax Trust Fund	Total
Assets					
Cash and cash equivalents	\$ 468,690	\$ 20,545	\$ 128,415	\$ -	\$ 617,650.00
Investments	9,232,322	296,561	3,228,733	-	12,757,616
Receivables					
Accrued interest	32,155	-	11,246	-	43,401
Prepays	4,559	-	4,818	-	9,377
Total Assets	<u>\$ 9,737,726</u>	<u>\$ 317,106</u>	<u>\$ 3,373,212</u>	<u>\$ -</u>	<u>\$ 13,428,044</u>
Liabilities					
Accounts payable	\$ 200,555	\$ 73	\$ 4,437	\$ -	\$ 205,065
Accrued liabilities	57,845	-	58,499	-	116,344
Total Liabilities	<u>\$ 258,400</u>	<u>\$ 73</u>	<u>\$ 62,936</u>	<u>\$ -</u>	<u>\$ 321,409</u>
Fund Balances					
Nonspendable	\$ 4,558	\$ -	\$ 4,818	\$ -	\$ 9,376
Restricted	-	317,033	-	-	317,033
Committed	9,474,768	-	3,305,458	-	12,780,226
Total Fund Balance	<u>\$ 9,479,326</u>	<u>\$ 317,033</u>	<u>\$ 3,310,276</u>	<u>\$ -</u>	<u>\$ 13,106,635</u>
Total Liabilities and Fund Balances	<u>\$ 9,737,726</u>	<u>\$ 317,106</u>	<u>\$ 3,373,212</u>	<u>\$ -</u>	<u>\$ 13,428,044</u>

City of Altamonte Springs, Florida

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

**NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

For the Year Ended September 30, 2022

	Stormwater Management Fund	Law Enforcement Trust Fund	Building Inspection Fund	Police Prem. Tax Trust Fund	Total
Revenues					
Intergovernmental revenues	\$ -	\$ 245,531	\$ -	\$ 417,306	\$ 662,837
Charges for services	1,910,359	-	1,818,670	-	3,729,029
Investment income (loss)	(473,387)	-	(158,424)	-	(631,811)
Miscellaneous revenues	58,642	-	4,750	-	63,392
Total Revenues	\$ 1,495,614	\$ 245,531	\$ 1,664,996	\$ 417,306	\$ 3,823,447
Expenditures					
Current					
Public safety	\$ -	\$ 16,000	\$ 1,651,670	\$ 417,306	\$ 2,084,976
Physical environment	1,499,835	-	-	-	1,499,835
Capital outlay	527,508	-	-	-	527,508
Total Expenditures	\$ 2,027,343	\$ 16,000	\$ 1,651,670	\$ 417,306	\$ 4,112,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (531,729)	\$ 229,531	\$ 13,326	\$ -	\$ (288,872)
Other Financing Sources or (Uses)					
Transfers in (out)	\$ (500,000)	\$ -	\$ -	\$ -	\$ (500,000)
Total Other Financing Sources and (Uses)	\$ (500,000)	\$ -	\$ -	\$ -	\$ (500,000)
Net Change in Fund Balances	\$ (1,031,729)	\$ 229,531	\$ 13,326	\$ -	\$ (788,872)
Fund Balances					
Beginning of year	10,511,055	87,502	3,296,950	-	13,895,507
End of year	<u>\$ 9,479,326</u>	<u>\$ 317,033</u>	<u>\$ 3,310,276</u>	<u>\$ -</u>	<u>\$ 13,106,635</u>

City of Altamonte Springs, Florida

Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS

September 30, 2022

	Impact Fee Fund	Total
Assets		
Cash and cash equivalents	\$ 53,147	\$ 53,147
Investments	1,199,576	1,199,576
Receivables		
Accrued interest	4,178	4,178
Total Assets	<u>\$ 1,256,901</u>	<u>\$ 1,256,901</u>
Liabilities		
Accounts payable	\$ 8,754	\$ 8,754
Total Liabilities	<u>\$ 8,754</u>	<u>\$ 8,754</u>
Fund Balances		
Committed	<u>\$ 1,248,147</u>	<u>\$ 1,248,147</u>
Total Fund Balances	<u>\$ 1,248,147</u>	<u>\$ 1,248,147</u>
Total Liabilities and Fund Balance	<u>\$ 1,256,901</u>	<u>\$ 1,256,901</u>

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures
and Changes in Fund Balances

NON-MAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS

For the Year Ended September 30, 2022

	Impact Fee Fund	Total
Revenues		
Impact fees	\$ 323,069	\$ 323,069
Investment income (loss)	(49,581)	(49,581)
Total Revenues	\$ 273,488	\$ 273,488
Expenditures		
Capital outlay	\$ 74,160	\$ 74,160
Total Expenditures	\$ 74,160	\$ 74,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 199,328	\$ 199,328
Net Change in Fund Balances	\$ 199,328	\$ 199,328
Fund Balances		
Beginning of year	1,048,819	1,048,819
End of year	\$ 1,248,147	\$ 1,248,147

City of Altamonte Springs, Florida

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

STORMWATER MANAGEMENT FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	\$ 1,971,678	\$ 1,910,359	\$ (61,319)
Miscellaneous revenues			
Investment income (loss)	97,419	(473,387)	(570,806)
Other miscellaneous income	-	58,642	58,642
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 2,069,097	\$ 1,495,614	\$ (573,483)
Expenditures			
Current			
Physical environment	\$ 1,908,544	\$ 1,499,835	\$ 408,709
Capital outlay	3,548,500	527,508	3,020,992
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 5,457,044	\$ 2,027,343	\$ 3,429,701
	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,387,947)	\$ (531,729)	\$ 2,856,218
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources or (Uses)			
Transfers in (out)	\$ (500,000)	\$ (500,000)	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources and (Uses)	\$ (500,000)	\$ (500,000)	\$ -
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	\$ (3,887,947)	\$ (1,031,729)	\$ 2,856,218
Fund Balance			
Beginning of year	10,511,055	10,511,055	-
	<u> </u>	<u> </u>	<u> </u>
End of year	\$ 6,623,108	\$ 9,479,326	\$ 2,856,218
	<u> </u>	<u> </u>	<u> </u>

City of Altamonte Springs, Florida

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

LAW ENFORCEMENT TRUST FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental revenues	\$ -	\$ 245,531	\$ 245,531
Investment income (loss)	148	-	(148)
	<u>\$ 148</u>	<u>\$ 245,531</u>	<u>\$ 245,383</u>
Total Revenues			
	<u>\$ 148</u>	<u>\$ 245,531</u>	<u>\$ 245,383</u>
Expenditures			
Current			
Public safety	\$ 20,500	\$ 16,000	\$ 4,500
	<u>\$ 20,500</u>	<u>\$ 16,000</u>	<u>\$ 4,500</u>
Total Expenditures			
	<u>\$ 20,500</u>	<u>\$ 16,000</u>	<u>\$ 4,500</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (20,352)</u>	<u>\$ 229,531</u>	<u>\$ 249,883</u>
Fund Balance			
Beginning of year	<u>87,502</u>	<u>87,502</u>	<u>-</u>
End of year	<u>\$ 67,150</u>	<u>\$ 317,033</u>	<u>\$ 249,883</u>

City of Altamonte Springs, Florida

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

BUILDING INSPECTION FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Charges for services	\$ 1,003,000	\$ 1,818,670	\$ 815,670
Investment income (loss)	15,000	(158,424)	(173,424)
Miscellaneous revenues	-	4,750	4,750
Total Revenues	<u>\$ 1,018,000</u>	<u>\$ 1,664,996</u>	<u>\$ 646,996</u>
Expenditures			
Current			
Public safety	\$ 1,817,015	\$ 1,651,670	\$ 165,345
Total Expenditures	<u>\$ 1,817,015</u>	<u>\$ 1,651,670</u>	<u>\$ 165,345</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (799,015)</u>	<u>\$ 13,326</u>	<u>\$ 812,341</u>
Net Change in Fund Balances	\$ (799,015)	\$ 13,326	\$ 812,341
Fund Balance			
Beginning of year	<u>3,296,950</u>	<u>3,296,950</u>	<u>-</u>
End of year	<u>\$ 2,497,935</u>	<u>\$ 3,310,276</u>	<u>\$ 812,341</u>

City of Altamonte Springs, Florida

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

CAPITAL PROJECTS FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental revenues	\$ -	\$ 51,771	\$ 51,771
Investment income (loss)	15,334	(182,772)	(198,106)
Miscellaneous revenues	10,000	5,710,311	5,700,311
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 25,334	\$ 5,579,310	\$ 5,553,976
	<u> </u>	<u> </u>	<u> </u>
Expenditures			
Current			
General government	\$ 644,711	\$ 517,355	\$ 127,356
Capital outlay	5,203,789	3,813,244	1,390,545
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 5,848,500	\$ 4,330,599	\$ 1,517,901
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	\$ (5,823,166)	\$ 1,248,711	\$ 7,071,877
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources (Uses)			
Transfers in (out)	\$ 2,750,000	\$ 2,750,000	\$ -
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	\$ 2,750,000	\$ 2,750,000	\$ -
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	\$ (3,073,166)	\$ 3,998,711	\$ 7,071,877
	<u> </u>	<u> </u>	<u> </u>
Fund Balance			
Beginning of year	2,829,776	2,829,776	-
	<u> </u>	<u> </u>	<u> </u>
End of year	\$ (243,390)	\$ 6,828,487	\$ 7,071,877
	<u> </u>	<u> </u>	<u> </u>

City of Altamonte Springs, Florida

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

INFRASTRUCTURE SALES TAX FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental revenues	\$ 11,077,524	\$ 7,044,168	\$ (4,033,356)
charges for services	-	488,045	488,045
Investment income (loss)	48,780	(317,179)	(365,959)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 11,126,304	\$ 7,215,034	\$ (3,911,270)
Expenditures			
Current			
Transportation	\$ 81,500	\$ 80,426	\$ 1,074
Capital outlay	14,512,250	5,475,560	9,036,690
	<u>14,593,750</u>	<u>5,555,986</u>	<u>9,037,764</u>
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 14,512,250	\$ 5,555,986	\$ 9,036,690
Excess of Revenues Over (Under) Expenditures	<u>\$ (3,385,946)</u>	<u>\$ 1,659,048</u>	<u>\$ 5,125,420</u>
Fund Balance			
Beginning of year	4,087,511	4,087,511	-
	<u> </u>	<u> </u>	<u> </u>
End of year	<u>\$ 701,565</u>	<u>\$ 5,746,559</u>	<u>\$ 5,125,420</u>

City of Altamonte Springs, Florida

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

IMPACT FEE FUND

For the Year Ended September 30, 2022

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Impact fees	\$ 59,000	\$ 323,069	\$ 264,069
Investment income (loss)	10,681	(49,581)	(60,262)
Total Revenues	<u>\$ 69,681</u>	<u>\$ 273,488</u>	<u>\$ 203,807</u>
Expenditures			
Current			
Capital outlay	\$ 619,750	\$ 74,160	\$ 545,590
Total Expenditures	<u>\$ 619,750</u>	<u>\$ 74,160</u>	<u>\$ 545,590</u>
Excess of Revenues Over (Under) Expenditures	\$ (550,069)	\$ 199,328	\$ 749,397
Fund Balance			
Beginning of year	1,048,819	1,048,819	-
End of year	<u>\$ 498,750</u>	<u>\$ 1,248,147</u>	<u>\$ 749,397</u>

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Statistical Section (Unaudited)

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	110
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity.....	120
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Demographic and Economic Information	127
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	129
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Reports for the relevant year.

Schedule 1

City of Altamonte Springs, Florida

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Governmental activities					
Net investment					
in capital assets	\$ 80,136,277	\$ 81,366,873	\$ 87,665,334	\$ 110,830,333	\$ 127,879,280
Restricted	5,966,473	7,121,967	7,486,746	10,073,426	6,488,138
Unrestricted	75,976,311	78,296,743	74,138,829	54,990,921	44,137,904
Total governmental activities	\$ 162,079,061	\$ 166,785,583	\$ 169,290,909	\$ 175,894,680	\$ 178,505,322
Business-type activities					
Net investment					
in capital assets	\$ 75,416,324	\$ 74,334,730	\$ 87,713,904	\$ 88,926,552	\$ 97,136,161
Restricted	12,988,753	12,612,343	6,760,136	7,951,460	7,371,496
Unrestricted	20,992,733	23,559,322	22,199,636	22,473,581	16,425,065
Total business-type activities	\$ 109,397,810	\$ 110,506,395	\$ 116,673,676	\$ 119,351,593	\$ 120,932,722
Primary government					
Net investment					
in capital assets	\$ 155,552,601	\$ 155,701,603	\$ 175,379,238	\$ 199,756,885	\$ 225,015,441
Restricted	18,955,226	19,734,310	14,246,882	18,024,886	13,859,634
Unrestricted	96,969,044	101,856,065	96,338,465	77,464,502	60,562,969
Total primary government	\$ 271,476,871	\$ 277,291,978	\$ 285,964,585	\$ 295,246,273	\$ 299,438,044

2018	2019	2020	2021	2022
\$ 146,550,710	\$ 161,823,296	\$ 168,717,350	\$ 167,564,537	\$ 171,785,294
3,852,154	2,053,646	2,155,846	190,113	6,389,295
30,001,743	23,747,785	26,052,323	34,582,396	33,059,935
\$ 180,404,607	\$ 187,624,727	\$ 196,925,519	\$ 202,337,046	\$ 211,234,524
\$ 98,546,176	\$ 102,210,268	\$ 111,082,577	\$ 114,570,750	\$ 114,827,895
9,177,062	9,969,975	9,830,286	9,767,885	10,129,637
10,584,070	9,868,267	6,762,598	9,840,873	12,453,702
\$ 118,307,308	\$ 122,048,510	\$ 127,675,461	\$ 134,179,508	\$ 137,411,234
\$ 245,096,886	\$ 264,033,564	\$ 279,799,927	\$ 282,135,287	\$ 286,613,189
13,029,216	12,023,621	11,986,132	9,957,998	16,518,932
40,585,813	33,616,052	32,814,921	44,423,269	45,513,637
\$ 298,711,915	\$ 309,673,237	\$ 324,600,980	\$ 336,516,554	\$ 348,645,758

Schedule 2

City of Altamonte Springs, Florida

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
Expenses					
Governmental Activities					
General government	\$ 10,367,430	\$ 11,251,654	\$ 11,798,199	\$ 14,038,290	\$ 13,137,783
Public safety	11,647,867	12,564,313	13,172,095	13,124,215	13,499,482
Physical environment	1,288,459	1,288,150	1,490,942	1,510,966	1,836,579
Transportation	1,814,099	1,548,148	1,565,964	1,142,749	2,000,012
Culture/Recreation	4,961,998	5,050,839	5,256,550	4,918,063	5,612,077
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>\$ 30,079,853</u>	<u>\$ 31,703,104</u>	<u>\$ 33,283,750</u>	<u>\$ 34,734,283</u>	<u>\$ 36,085,933</u>
Business-type activities:					
Water and sewer	\$ 17,184,906	\$ 16,927,444	\$ 17,215,573	\$ 17,424,336	\$ 18,446,932
Refuse disposal	1,746,260	1,780,632	1,838,217	1,854,785	1,813,167
Total business-type activities	<u>\$ 18,931,166</u>	<u>\$ 18,708,076</u>	<u>\$ 19,053,790</u>	<u>\$ 19,279,121</u>	<u>\$ 20,260,099</u>
Total primary government expenses	<u>\$ 49,011,019</u>	<u>\$ 50,411,180</u>	<u>\$ 52,337,540</u>	<u>\$ 54,013,404</u>	<u>\$ 56,346,032</u>
Program revenues					
Governmental activities					
Charges for services					
General government	\$ 4,788,065	\$ 4,734,383	\$ 5,425,672	\$ 5,627,152	\$ 3,414,943
Public safety	1,682,678	2,198,311	1,680,673	1,901,023	1,964,435
Physical environment	1,958,704	1,960,754	1,914,118	2,061,691	1,978,981
Transportation	195,925	2,030,874	1,827,402	4,855,090	4,101,968
Culture / recreation	763,670	827,429	762,804	778,370	1,074,629
Operating grants and contributions	200,079	182,358	168,242	-	794,634
Capital grants and contributions	-	-	4,068,404	400,295	-
Total governmental activities	<u>\$ 9,589,121</u>	<u>\$ 11,934,109</u>	<u>\$ 15,847,315</u>	<u>\$ 15,623,621</u>	<u>\$ 13,329,590</u>
Business-type activities:					
Charges for services					
Water and sewer	\$ 16,604,720	\$ 16,705,464	\$ 17,506,740	\$ 18,014,170	\$ 18,309,111
Refuse disposal	1,686,823	1,730,562	1,737,888	1,722,629	1,782,260
Operating grants and contributions	-	-	-	-	499,543
Capital grants and contributions	158,950	924,747	6,280,457	1,499,651	926,713
Total business-type activities	<u>\$ 18,450,493</u>	<u>\$ 19,360,773</u>	<u>\$ 25,525,085</u>	<u>\$ 21,236,450</u>	<u>\$ 21,517,627</u>
Total primary government revenues	<u>\$ 28,039,614</u>	<u>\$ 31,294,882</u>	<u>\$ 41,372,400</u>	<u>\$ 36,860,071</u>	<u>\$ 34,847,217</u>
Net (expense) / revenue					
Governmental activities	\$ (20,490,732)	\$ (19,768,995)	\$ (17,436,435)	\$ (19,110,662)	\$ (22,756,343)
Business-type activities	(480,673)	652,697	6,471,295	1,957,329	1,257,528
Total primary government	<u>\$ (20,971,405)</u>	<u>\$ (19,116,298)</u>	<u>\$ (10,965,140)</u>	<u>\$ (17,153,333)</u>	<u>\$ (21,498,815)</u>

Continued next page

2018	2019	2020	2021	2022
\$ 13,484,900	\$ 13,768,429	\$ 14,242,279	\$ 12,607,409	\$ 16,355,891
13,033,722	13,874,075	13,559,819	12,204,220	14,938,037
1,970,289	2,052,084	1,618,946	1,543,170	1,850,867
2,096,183	2,181,437	2,442,640	2,563,818	2,970,489
5,041,822	5,440,706	6,076,181	5,331,881	6,238,197
-	-	-	-	-
\$ 35,626,916	\$ 37,316,731	\$ 37,939,865	\$ 34,250,498	\$ 42,353,481
\$ 19,301,385	\$ 18,717,860	\$ 18,468,013	\$ 18,606,210	\$ 20,460,366
1,766,622	1,882,929	1,784,874	1,594,901	1,797,217
\$ 21,068,007	\$ 20,600,789	\$ 20,252,887	\$ 20,201,111	\$ 22,257,583
\$ 56,694,923	\$ 57,917,520	\$ 58,192,752	\$ 54,451,609	\$ 64,611,064
\$ 3,453,350	\$ 3,180,769	\$ 3,066,072	\$ 2,765,098	\$ 3,672,107
1,743,879	2,210,821	1,710,634	1,742,865	1,916,384
1,939,590	2,023,404	1,972,691	1,903,851	1,922,769
3,513,932	4,372,617	3,974,671	3,440,638	7,534,912
826,951	1,232,315	523,984	796,794	1,237,899
234,322	569,636	1,524,102	1,929,681	1,526,098
-	-	5,123,526	376,865	-
\$ 11,712,024	\$ 13,589,562	\$ 17,895,680	\$ 12,955,792	\$ 17,810,169
\$ 18,716,873	\$ 19,782,506	\$ 19,918,772	\$ 20,946,687	\$ 22,372,208
1,778,899	1,806,619	1,875,239	1,863,767	1,915,143
-	619,300	144,010	117,867	62,400
1,327,411	2,652,900	4,236,579	3,393,198	2,435,773
\$ 21,823,183	\$ 24,861,325	\$ 26,174,600	\$ 26,321,519	\$ 26,785,524
\$ 33,535,207	\$ 38,450,887	\$ 44,070,280	\$ 39,277,311	\$ 44,595,693
\$ (23,914,892)	\$ (23,727,169)	\$ (20,044,185)	\$ (21,294,706)	\$ (24,543,312)
755,176	4,260,536	5,921,713	6,120,408	4,527,941
\$ (23,159,716)	\$ (19,466,633)	\$ (14,122,472)	\$ (15,174,298)	\$ (20,015,371)

Schedule 2

City of Altamonte Springs, Florida

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016	2017
General revenues and other changes in net position					
Governmental activities					
Property tax	\$ 6,443,901	\$ 6,577,557	\$ 6,665,337	\$ 7,901,226	\$ 8,221,567
Franchise fee tax	4,359,505	4,512,748	4,616,642	4,426,482	4,425,465
Utility tax	3,659,368	3,841,601	3,770,949	3,878,987	3,860,607
Communications services tax	2,484,421	2,360,224	2,129,703	1,924,231	1,870,666
Local option gas tax	640,025	603,662	627,285	648,512	670,411
Intergovernmental revenues	3,699,946	3,950,825	4,256,032	4,341,063	4,588,359
Investment income (loss)	288,752	1,014,438	1,315,563	1,873,196	664,326
Other miscellaneous revenues	2,254,570	1,614,462	701,311	720,737	1,065,585
Transfers in (out)	(1,000,000)	-	-	-	-
Total governmental activities	<u>\$ 22,830,488</u>	<u>\$ 24,475,517</u>	<u>\$ 24,082,822</u>	<u>\$ 25,714,434</u>	<u>\$ 25,366,986</u>
Business-type activities					
Investment income (loss)	\$ 109,379	\$ 406,239	\$ 458,683	\$ 663,496	\$ 259,461
Gain (loss) on sale of surplus assets	4,760,171	-	-	-	-
Other miscellaneous revenues	63,623	49,649	176,553	57,092	64,140
Transfers in (out)	1,000,000	-	-	-	-
Total business-type activities	<u>\$ 5,933,173</u>	<u>\$ 455,888</u>	<u>\$ 635,236</u>	<u>\$ 720,588</u>	<u>\$ 323,601</u>
Total primary government	<u>\$ 28,763,661</u>	<u>\$ 24,931,405</u>	<u>\$ 24,718,058</u>	<u>\$ 26,435,022</u>	<u>\$ 25,690,587</u>
Change in net position					
Governmental activities	\$ 2,339,756	\$ 4,706,522	\$ 6,646,387	\$ 6,603,772	\$ 2,610,643
Business-type activities	5,452,500	1,108,585	7,106,531	2,677,917	1,581,129
	<u>\$ 7,792,256</u>	<u>\$ 5,815,107</u>	<u>\$ 13,752,918</u>	<u>\$ 9,281,689</u>	<u>\$ 4,191,772</u>

2018	2019	2020	2021	2022
\$ 8,964,640	\$ 9,697,830	\$ 10,443,924	\$ 11,016,972	\$ 11,264,235
4,689,468	4,984,567	4,737,080	4,796,349	5,296,731
3,900,287	4,201,925	4,287,899	4,371,613	4,518,931
1,858,673	1,752,271	1,741,441	1,736,014	1,767,769
672,462	674,207	585,886	589,487	619,231
4,795,845	4,940,156	3,963,053	4,107,212	6,075,471
223,649	2,237,570	1,704,865	(164,608)	(2,793,289)
245,245	458,763	566,829	343,108	6,178,216
3,500,000	2,000,000	1,314,000	(89,914)	500,000
<u>\$ 28,850,269</u>	<u>\$ 30,947,289</u>	<u>\$ 29,344,977</u>	<u>\$ 26,706,233</u>	<u>\$ 33,427,295</u>
\$ 128,538	\$ 1,227,372	\$ 826,181	\$ (55,442)	\$ (1,051,270)
-	-	-	-	-
904,323	253,294	193,048	349,167	255,055
(3,500,000)	(2,000,000)	(1,314,000)	89,914	(500,000)
<u>\$ (2,467,139)</u>	<u>\$ (519,334)</u>	<u>\$ (294,771)</u>	<u>\$ 383,639</u>	<u>\$ (1,296,215)</u>
<u>\$ 26,383,130</u>	<u>\$ 30,427,955</u>	<u>\$ 29,050,206</u>	<u>\$ 27,089,872</u>	<u>\$ 32,131,080</u>
\$ 4,935,377	\$ 7,220,120	\$ 9,300,792	\$ 5,411,527	\$ 8,883,983
(1,711,963)	3,741,202	5,626,942	6,504,047	3,231,726
<u>\$ 3,223,414</u>	<u>\$ 10,961,322</u>	<u>\$ 14,927,734</u>	<u>\$ 11,915,574</u>	<u>\$ 12,115,709</u>

Schedule 3

City of Altamonte Springs, Florida

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
General fund					
Nonspendable	\$ 221,188	\$ 166,763	\$ 201,911	\$ 138,998	\$ 437,688
Restricted	244,962	224,891	200,336	184,776	169,957
Committed	218,616	164,942	243,258	242,442	203,472
Assigned	-	-	-	-	-
Unassigned	27,616,726	27,481,163	15,013,005	13,431,467	13,426,236
Total general fund	<u>\$ 28,301,492</u>	<u>\$ 28,037,759</u>	<u>\$ 15,658,510</u>	<u>\$ 13,997,683</u>	<u>\$ 14,237,353</u>
Other governmental funds					
Nonspendable	\$ 17,170	\$ 16,487	\$ 22,581	\$ 4,744	\$ 5,250
Restricted	5,740,875	6,915,464	7,486,746	10,073,426	6,318,181
Committed	40,936,292	44,513,564	49,004,229	37,192,736	33,586,839
Assigned	9,135,715	8,545,728	16,791,157	11,549,797	4,516,615
Total other governmental funds	<u>\$ 55,830,052</u>	<u>\$ 59,991,243</u>	<u>\$ 73,304,713</u>	<u>\$ 58,820,703</u>	<u>\$ 44,426,885</u>
Total all governmental funds	<u><u>\$ 84,131,544</u></u>	<u><u>\$ 88,029,002</u></u>	<u><u>\$ 88,963,223</u></u>	<u><u>\$ 72,818,386</u></u>	<u><u>\$ 58,664,238</u></u>

2018	2019	2020	2021	2022
\$ 473,835	\$ 176,607	\$ 533,157	\$ 508,580	\$ 237,049
160,375	131,547	132,783	102,611	325,703
226,670	198,371	393,556	198,092	198,092
-	-	-	-	1,520,823
12,683,033	14,162,104	13,895,671	17,126,838	15,673,299
\$ 13,543,913	\$ 14,668,629	\$ 14,955,167	\$ 17,936,121	\$ 17,954,966
\$ 6,019	\$ 6,412	\$ 7,688	\$ 8,480	\$ 9,377
3,692,111	1,922,099	2,023,063	87,502	6,063,592
32,581,899	18,523,780	17,166,953	21,765,631	14,028,372
(5,545,928)	717,800	2,111,989	-	6,828,487
\$ 30,734,101	\$ 21,170,091	\$ 21,309,693	\$ 21,861,613	\$ 26,929,828
\$ 44,278,014	\$ 35,838,720	\$ 36,264,860	\$ 39,797,734	\$ 44,884,794

Schedule 4

City of Altamonte Springs, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 17,587,220	\$ 17,895,792	\$ 17,809,916	\$ 18,779,438	\$ 19,048,716
Licenses and permits	904,405	877,519	883,230	859,491	866,305
Intergovernmental revenues	6,037,489	6,562,068	12,513,726	10,904,496	9,410,066
Charges for services	9,534,332	11,640,103	10,125,708	11,280,914	10,906,267
Fines and forfeitures	487,963	361,466	219,984	211,929	182,974
Impact fees	206,977	496,778	309,699	558,854	310,337
Investment income (loss)	283,289	996,461	1,297,240	1,852,341	656,265
Miscellaneous revenues	3,354,467	6,047,062	679,446	689,091	1,078,922
Total revenues	\$ 38,396,142	\$ 44,877,249	\$ 43,838,949	\$ 45,136,554	\$ 42,459,852
Expenditures					
Current					
General government	\$ 13,297,165	\$ 14,108,894	\$ 14,575,195	\$ 15,632,689	\$ 15,676,107
Public safety	10,884,564	11,751,976	12,034,663	12,398,080	12,694,338
Physical environment	953,087	929,854	1,117,351	1,011,369	2,013,960
Transportation	794,693	784,497	1,564,858	15,326,379	5,650,519
Culture/Recreation	3,594,293	3,675,667	3,905,385	4,251,716	4,762,610
Capital Outlay	12,672,319	9,728,903	9,707,276	12,661,159	15,816,465
Total expenditures	\$ 42,196,121	\$ 40,979,791	\$ 42,904,728	\$ 61,281,392	\$ 56,613,999
Excess of revenues over expenditures	\$ (3,799,979)	\$ 3,897,458	\$ 934,221	\$ (16,144,838)	\$ (14,154,147)
Other financing sources (uses)					
Transfers in	\$ 3,486,119	\$ 3,540,121	\$ 15,119,695	\$ 4,069,637	\$ 6,500,000
Transfers (out)	(4,486,119)	(3,540,121)	(15,119,695)	(4,069,637)	(6,500,000)
Total other financing sources (uses)	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ (4,799,979)	\$ 3,897,458	\$ 934,221	\$ (16,144,838)	\$ (14,154,147)
Debt service as a percentage of non-capital expenditures	n/a	n/a	n/a	n/a	n/a

2018	2019	2020	2021	2022
\$ 20,085,530	\$ 21,310,800	\$ 21,796,230	\$ 22,510,435	\$ 23,466,897
860,643	872,268	920,361	858,582	952,895
8,784,184	9,807,886	13,394,965	10,954,986	15,060,046
10,200,529	11,201,137	10,216,635	10,444,899	11,687,918
217,844	255,969	160,173	248,940	207,715
178,920	402,248	444,452	132,627	323,069
219,276	2,171,441	1,638,699	(159,103)	(2,709,530)
952,469	613,478	673,477	741,584	6,231,162
\$ 41,499,395	\$ 46,635,227	\$ 49,244,992	\$ 45,732,950	\$ 55,220,172
\$ 16,162,893	\$ 16,208,722	\$ 16,896,591	\$ 16,993,726	\$ 19,047,547
12,938,409	13,504,548	13,406,697	13,370,920	13,738,272
1,192,702	1,264,640	1,252,709	1,291,305	1,499,835
682,521	698,073	676,114	652,362	672,052
4,110,974	4,587,524	4,903,805	4,605,736	5,247,879
24,298,121	20,811,014	12,996,936	5,196,113	10,427,527
\$ 59,385,620	\$ 57,074,521	\$ 50,132,852	\$ 42,110,162	\$ 50,633,112
\$ (17,886,225)	\$ (10,439,294)	\$ (887,860)	\$ 3,622,788	\$ 4,587,060
\$ 3,500,000	\$ 2,000,000	\$ 1,314,000	\$ -	\$ 500,000
-	-	-	(89,914)	
\$ 3,500,000	\$ 2,000,000	\$ 1,314,000	\$ (89,914)	\$ 500,000
\$ (14,386,225)	\$ (8,439,294)	\$ 426,140	\$ 3,532,874	\$ 5,087,060
n/a	n/a	n/a	n/a	n/a

Schedule 5

City of Altamonte Springs, Florida

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year	Assessed Values *				Less: Tax Exempt Property *	Total Taxable Assessed Value *	Total Direct Tax Rate
	Real Property		Personal Property	Total			
	Residential	Commercial					
2013	\$ 1,512.90	\$ 1,162.37	\$ 293.25	\$ 2,968.52	\$ (665.17)	\$ 2,303.35	2.8900
2014	1,607.82	1,155.05	287.03	3,049.90	(685.05)	2,364.84	2.8900
2015	1,816.77	1,185.06	313.74	3,315.57	(817.36)	2,498.21	2.7624
2016	1,937.09	1,335.59	324.68	3,597.36	(958.89)	2,638.46	3.1000
2017	2,056.26	1,377.29	324.97	3,758.51	(997.06)	2,761.45	3.1000
2018	2,325.38	1,422.42	332.02	4,079.82	(1,080.49)	2,999.33	3.1000
2019	2,632.15	1,466.75	353.06	4,451.96	(1,206.18)	3,245.78	3.1000
2020	2,868.34	1,561.76	383.80	4,813.90	(1,317.37)	3,496.53	3.1000
2021	3,067.75	1,579.62	373.86	5,021.23	(1,337.37)	3,683.85	3.1000
2022	3,194.99	1,590.46	479.59	5,265.04	(1,472.38)	3,792.65	3.1000

* In millions.

Source: Seminole County Property Appraiser's Office.

Note: Property is reassessed each year by the Seminole County Property Appraiser. Property is assessed at actual value, therefore the assessed values are equal to the actual values. Tax rates are per \$1,000 of assessed valuation.

Schedule 6

City of Altamonte Springs, Florida

**TAXABLE VALUES BY CLASSIFICATION
Last Ten Fiscal Years (in millions)**

Fiscal Year	Vacant Residential	Single Family House	Condo	Apts	Commercial	Industrial	Other	Centrally Assessed	Personal Property	Total Taxable Value
2013	\$3.14	\$528.70	\$207.88	\$357.72	\$880.29	\$59.50	\$40.19	\$0.38	\$225.55	\$2,303.35
2014	2.40	544.77	233.86	393.74	870.89	60.22	39.55	0.40	219.02	2,364.85
2015	2.45	583.84	265.92	434.41	888.39	62.11	39.18	0.41	221.50	2,498.21
2016	5.81	615.54	292.87	470.41	911.50	70.74	47.88	0.42	223.29	2,638.46
2017	7.13	645.55	315.98	511.32	948.68	68.76	47.47	0.45	216.10	2,761.44
2018	6.30	695.71	346.92	611.73	986.67	72.58	47.53	0.44	231.44	2,999.32
2019	5.83	752.35	382.98	731.80	1,009.79	77.51	51.54	0.46	233.44	3,245.70
2020	3.49	809.23	419.34	815.48	1,063.36	82.07	62.55	0.45	240.57	3,496.54
2021	2.60	865.17	458.30	881.48	1,083.07	89.72	67.41	0.50	235.60	3,683.85
2022	4.10	914.60	497.83	898.73	1,071.75	96.99	70.65	0.51	237.49	3,792.65

Source: Seminole County Property Appraiser

Schedule 7**City of Altamonte Springs, Florida****SINGLE FAMILY HOME
AVERAGE PROPERTY VALUES AND TAXES
Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Taxable Value	Millage Rate	Annual Taxes	Variance from Prior Year	
2013	\$125,508	\$82,532	2.89	\$238.52	(190.03)	-44.3%
2014	128,734	84,788	2.89	245.04	6.52	2.7%
2015	143,570	89,863	2.76	248.24	3.20	1.3%
2016	152,013	94,698	3.10	293.56	45.33	18.3%
2017	160,518	99,133	3.10	307.31	13.75	4.7%
2018	179,127	106,524	3.10	330.22	22.91	7.5%
2019	196,910	115,128	3.10	356.90	26.67	8.1%
2020	208,396	122,666	3.10	380.27	23.37	6.5%
2021	220,195	131,586	3.10	407.92	27.65	7.3%
2022	229,883	138,241	3.10	428.55	20.63	5.1%

Source: Seminole County Tax Collector's Office.

Schedule 8

City of Altamonte Springs, Florida

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Per \$1,000 of Assessed Taxable Value)

Fiscal Year	Direct (a)	Overlapping				Total
	City of Altamonte Springs	Seminole County			St. John's River Water Mgmt. Dist.	
		Government	Fire District	School Board		
2013	2.890	5.045	2.330	7.553	0.331	18.149
2014	2.890	4.875	2.330	8.361	0.328	18.784
2015	2.762	4.875	2.330	7.849	0.302	18.119
2016	3.100	4.875	2.330	7.849	0.302	18.456
2017	3.100	4.875	2.330	7.557	0.289	18.151
2018	3.100	4.875	2.765	6.569	0.272	17.581
2019	3.100	4.875	2.765	6.313	0.256	17.309
2020	3.100	4.875	2.765	6.133	0.241	17.114
2021	3.100	4.875	2.765	5.934	0.229	16.903
2022	3.100	4.875	2.765	5.825	0.219	16.784

Source: Seminole County Property Appraiser's Website.

- (a) The City had no property tax supported debt during the past ten years. Therefore revenues generated from the direct property tax rate was used only for operating purposes.

Schedule 9

City of Altamonte Springs, Florida

**PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	Property Description	Use
Altamonte Mall Joint Venture	Altamonte Mall	Retail
Lotus Landing FL Partners LLC	Lotus Landing Apts	Residential
675 Jamestown Boulevard LLC	Timberlake Apts.	Residential
IMT Capital IV Maitland	IMT Maitland Apartments	Residential
Duke Energy Florida Inc	Progress Energy	Public Utility
Vineridge Association LLC	Vineridge Apartments	Residential
United Dominion Realty Trst	Los Altos & Lakeside North Apts	Residential
Altamonte Association LLC	Uptown Lofts at Altamonte	Residential
NIC Gateway Orlando LLC	Nine 12 Gateway Apts	Residential
Central Park Fee Owner LLC	One Center at the Mall	Residential
Emerson International, Inc.	Cranes Roost Office Park Et Al	Mixed Use
Embarq, Inc.	Embarq Telephone System	Public Utility
Price Reit Renaissance Ptrn	Renaissance Centre	Retail
CC Altamonte Joint Venture	West Town Corners	Retail

(a) The fiscal year ended September 30, 2022 tax levy is based on the 2020 taxable value.

(b) The fiscal year ended September 30, 2013 tax levy is based on the 2011 taxable value.

Source: Seminole County Property Appraiser's Office.

Fiscal Year 2021 / 2022 (a)				Fiscal Year 2012 / 2013 (b)			
Taxable Value	Percent of Total Taxable Value	Amount of Tax	Rank	Taxable Value	Percent of Total Taxable Value	Amount of Tax	Rank
\$ 103,660,478	2.73%	\$ 321,347	1	\$ 92,127,442	4.00%	\$ 266,248	1
74,177,635	1.96%	229,951	2	36,856,658	1.60%	106,516	4
73,437,824	1.94%	227,657	3	48,298,200	2.10%	139,582	2
62,996,186	1.66%	195,288	4	32,068,458	1.39%	92,678	5
55,979,241	1.48%	173,536	5	37,925,137	1.65%	109,604	3
55,458,489	1.46%	171,921	6	28,683,490	1.25%	82,895	6
54,146,078	1.43%	167,853	7	25,263,300	1.10%	73,011	9
52,504,368	1.38%	162,764	8	26,331,204	1.14%	76,097	8
43,675,876	1.15%	135,395	9	-	-	-	
41,038,698	1.08%	127,220	10	-	-	-	
-	-	-	-	36,856,658	1.60%	106,516	4
-	-	-	-	32,068,458	1.39%	92,678	5
-	-	-	-	27,130,249	1.18%	78,406	7
-	-	-	-	23,256,969	1.01%	67,213	10
<u>\$ 617,074,873 16.27% \$1,912,932</u>				<u>\$ 446,866,223 19.41% \$1,291,444</u>			

Schedule 10

City of Altamonte Springs, Florida

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (a)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Levy</u>
2013	\$6,655,080	\$6,437,027	96.7%	\$6,874	\$6,443,901	96.8%
2014	6,834,402	6,570,461	96.1%	7,096	6,577,557	96.2%
2015	6,901,051	6,660,520	96.5%	4,797	6,665,317	96.6%
2016	8,179,234	7,891,380	96.5%	9,847	7,901,227	96.6%
2017	8,560,488	8,212,792	95.9%	8,775	8,221,567	96.0%
2018	9,297,929	8,956,537	96.3%	8,103	8,964,640	96.4%
2019	10,061,918	9,690,783	96.3%	4,612	9,695,395	96.4%
2020	10,839,249	10,435,791	96.3%	8,133	10,443,924	96.4%
2021	11,419,945	10,997,821	96.3%	19,151	11,016,972	96.5%
2022	11,757,228	11,163,783	95.0%	100,452	11,264,235	95.8%

Source: Seminole County Tax Collector's Office.

- (a)** Taxes are due and payable on November 1st of each year. A discount is available for early payment. This discount is 4% if taxes are paid in November, 3% for December, 2% for January and 1% for February. Taxes become delinquent on April 1st.

Schedule 11

City of Altamonte Springs, Florida

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2) (in millions)	School Enrollment (3)	Unemployment Rate (4)
2013	42,495	\$39,528	\$1,680	5,722	5.9%
2014	42,719	41,339	1,766	5,778	5.1%
2015	43,325	43,846	1,900	5,773	5.1%
2016	43,905	44,301	1,945	5,779	4.3%
2017	44,482	46,782	2,081	5,792	3.0%
2018	44,497	49,049	2,183	5,553	3.0%
2019	45,293	50,520	2,288	5,553	3.0%
2020	45,304	51,156	2,318	5,339	5.7%
2021	46,231	53,403	2,469	5,130	4.4%
2022	47,413	58,539	2,776	5,356	2.5%

Sources: (1) U.S. Census of Population and Housing. University of Florida, Bureau of Economic and Business Research, "Florida Statistical Abstract".

(2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The actual per capita personal income for the City is not known. The figures are for Seminole County. The per capita figures are multiplied by the population to determine the total

(3) Seminole County School Board.

(4) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Schedule 12

City of Altamonte Springs, Florida

**PRINCIPAL EMPLOYERS
CENTRAL FLORIDA**

Employer (local subsidiary)	Business	Number of Employees in Central Florida				Rank	
		2012		2022		2012	2022
Walt Disney Co. (Walt Disney World)	Entertainment/Retail	66,700	5.7%	70,000	4.9%	1	1
Advent Health (Florida Hospital)	Health Care	20,899	1.8%	39,374	2.8%	2	2
Orange County Public Schools	Education	-	-	24,576	1.7%	-	3
Universal Studios Florida	Entertainment/Retail	16,500	1.4%	24,000	1.7%	4	4
Orlando Health	Health Care	14,869	1.3%	23,252	1.6%	5	5
University of Central FL	Education	-	-	10,614	0.7%	-	6
Seminole County Public Schools	Education	-	-	10,000	0.7%	-	7
Lockheed Martin Corp	Global Security/ Aerospace	7,510	0.6%	8,099	0.6%	8	8
School District of Osceola County	Education	-	-	7,903	0.6%	-	9
Orange County Government	Government	-	-	7,601	0.5%	-	10
Publix Supermarkets Inc	Grocery	19,019	1.6%	-	-	3	
Hilton Hotels Corp	Hospitality	9,595	0.8%	-	-	6	
McDonald's Corp	Restaurant	8,275	0.7%	-	-	7	
Harris Corp	Aerospace	6,500	0.6%	-	-	10	

Source: Orlando Business Journal

Schedule 13

City of Altamonte Springs, Florida

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Administration	20	21	22	22	22	22	22	25	30	32
Finance	18	19	20	20	19	19	18	18	20	21
Information Services	10	11	12	12	12	10	10	10	10	10
Growth management	8	8	9	10	10	10	9	9	9	12
Maintenance	60	61	63	65	65	64	64	60	60	60
Public safety										
Police officers	99	103	104	104	103	102	100	101	101	101
Police civilians	18	19	18	17	18	18	21	21	19	18
Inspections	12	12	13	14	14	14	14	16	16	16
Physical environment										
Water and sewer operations	85	85	87	88	88	88	89	89	90	92
Residential refuse disposal	20	20	20	20	20	20	20	19	19	15
Stormwater management	11	12	12	12	12	12	12	13	13	15
Transportation										
Streets	7	7	7	7	7	7	8	8	8	8
Culture / Recreation										
Administration	5	5	5	5	5	5	5	4	4	4
Library	7	8	8	8	8	8	8	8	8	8
Parks	16	17	17	17	17	17	17	15	13	13
Events	18	19	20	20	20	18	19	27	28	29
Total	413	425	436	440	439	432	434	441	446	452

Source: City Finance Department.

Schedule 14

City of Altamonte Springs, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water System										
Number of customers	11,638	11,758	11,811	11,876	11,780	12,145	11,749	11,854	11,860	12,010
Average daily flow (millions of gallons)	4.88	4.76	5.37	5.73	5.68	5.50	5.08	5.08	5.61	5.96
Sewer System										
Average daily flow (millions of gallons)	5.95	5.88	6.35	6.18	6.46	6.80	6.85	7.27	7.22	7.40
Reclaimed Water System										
Average daily demand (millions of gallons)	5.62	5.04	5.46	6.28	6.19	6.80	6.69	7.27	7.22	7.03
Number of customers										
Single family homes	5,829	5,735	5,747	5,773	5,770	5,806	5,637	5,685	5,680	5,748
Multi-family properties	91	91	94	94	97	97	97	97	97	97
Golf course	-	-	-	-	-	-	-	-	-	-
Commercial properties	467	467	542	547	577	561	584	609	690	691
City properties	16	16	16	16	16	16	16	16	16	16
Building Inspections										
Building permits issued	473	468	639	647	537	607	349	317	282	340

Source: Various City Departments.

Schedule 15

City of Altamonte Springs, Florida

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transportation										
Miles of streets	74.45	74.57	72.9	72.9	73.4	73.4	73.4	73.4	73.4	73.4
Potable Water System										
Miles of water mains	108	130	113	184	184	184	182	182	182	183
Plant Capacity - all plants (millions of gallons)	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10
Number of fire hydrants	1,246	1,255	1,256	1,216	1,210	1,211	1,138	1,152	1,152	1,157
Water plants	3	3	3	3	2	2	2	2	2	2
Deep wells	12	12	12	12	12	12	10	10	10	10
Ground storage tanks	6	5	5	4	4	4	4	4	4	4
Ground storage tank capacity (millions of gallons)	3.88	3.88	3.88	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Elevated storage tanks	4	4	4	4	4	4	4	4	4	4
Elevated storage tank capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3
Reclaimed Water System										
Reclaimed water plants	-	-	-	-	2	2	2	2	2	2
Ground storage tanks	2	2	3	3	4	4	4	4	4	3
Ground storage tank capacity (millions of gallons)	6.0	6.0	6.2	6.2	6.2	6.2	6.3	6.3	6.3	6.3
Miles of reclaimed water lines	105	106	112	116	116	116	116	116	116	117
Stormwater System										
Number of pumping stations	2	3	3	3	3	3	3	3	3	3
Number of ponds	80	80	82	82	82	82	82	82	82	88
Miles of stormwater lines	103	103	103	103	105	105	105	105	105	105
Sewer System										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Daily treatment capacity (millions of gallons)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Number of lift stations	72	72	72	72	72	73	72	72	72	72
Miles of sewer lines	144	144	144	144	144	111	107	107	107	108
Parks and Recreation										
Park acreage	272	272	272	272	272	272	272	272	272	272
Number of nature parks	1	1	1	1	1	1	1	1	1	1
Number of urban parks	1	1	1	1	1	1	1	1	1	1
Number of community parks	5	5	5	5	5	5	5	5	5	5
Number of neighborhood parks	3	3	3	3	3	3	3	3	3	3
Number of libraries	1	1	1	1	1	1	1	1	1	1
Library book collection	37,889	37,720	41,099	43,575	43,498	43,349	48,669	43,194	40,479	47,431

Source: Various City Departments.

(a) Information prior to 2013 is not readily available.

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City of Altamonte Springs, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended September 30, 2022

FEDERAL AWARDS

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Grant Identification Number	Amount of Federal Expenditures
U.S. Department of Justice:			
Bulletproof Vest Partnership Grant	16.607	2020	\$ 2,607
Bulletproof Vest Partnership Grant	16.607	2021	4,386
			<u>6,993</u>
Total U.S. Department of Justice			<u>6,993</u>
U.S. Department of Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Passed through Florida Division of Emergency Management (Amount passed through to subrecipients \$363,317) American Rescue Plan Act	21.027	Y5002	1,067,072
Total U.S. Department of Treasury			<u>1,067,072</u>
U.S. Department of Energy:			
State Energy Program Passed through Florida Department of Agriculture and Consumer Services Solar Array Connection Infrastructure and Energy Efficient Process Air Blower	81.041	WG005	358,161
Total U.S. Department of Energy			<u>358,161</u>
Executive Office of the President:			
High Intensity Drug Trafficking Areas Program (HIDTA) Passed through Seminole County Sheriff's Office FY 21 High Intensity Drug Trafficking Area Program	95.001	G21CF0008A	19,710
Total Executive Office of the President			<u>19,710</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,451,936</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

City of Altamonte Springs, Florida

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2022

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the City of Altamonte Springs, Florida (the City) under programs of the Federal government for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, and Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cashflows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

Amounts remitted to subrecipients are shown parenthetically under the program title.

5. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.



**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
Altamonte Springs, 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 the City of Altamonte Springs, Florida (the “City”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 15, 2023.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and Members of the City Commission
Altamonte Springs, Florida

Report on Compliance and Other Matters

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

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated March 15, 2023.

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.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 15, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Commission
City of Altamonte Springs, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Altamonte Springs, Florida (the "City") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibility of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 15, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 15, 2023

CITY OF ALTAMONTE SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2022

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of report issued on compliance for major federal programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance?

☐ Yes ☒ No

Identification of Major Federal Programs:

Assistance Listing

21.027

Name of Federal Program

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

CITY OF ALTAMONTE SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For the Year Ended September 30, 2022

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE
REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION REPORTED IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

No matters were reported.

SECTION IV - SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

No matters were reported.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission
Altamonte Springs, Florida

Report on Financial Statements

We have audited the financial statements of the City of Altamonte Springs, Florida (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated March 15, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 15, 2023, 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 report. There were no audit findings or recommendations identified in the preceding annual financial 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. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City'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 the same. The assessment was done as of the fiscal year end.

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.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Altamonte Springs Health Facilities Authority (the "Authority"), a dependent special district of the City, reported:

- a) The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as 0.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes as \$0.

Honorable Mayor and Members of the City Commission
Altamonte Springs, Florida

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 15, 2023



INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Members of the City Commission
Altamonte Springs, Florida

We have examined the compliance of the City of Altamonte Springs, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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 on the City's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 15, 2023