

Town of Longboat Key, Florida Comprehensive Annual Financial Report



**Fiscal Year Ended
September 30, 2020**

TOWN OF LONGBOAT KEY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

Prepared by:
Susan Smith, CGFO, Finance Director
Finance Department

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TOWN OF LONGBOAT KEY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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Introductory Section

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TOWN OF LONGBOAT KEY

Town Hall
501 Bay Isles Road
Longboat Key, FL 34228
(941) 316-1999
FAX (941) 316-1656
www.longboatkey.org

Incorporated November 14, 1955

March 18, 2021

Honorable Mayor and Town Commission
Town of Longboat Key
Longboat Key, Florida 34228

We are pleased to present to you, the Town Commission and the citizens of the Town of Longboat Key, Florida (the "Town"), the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020.

Chapter 218.32 of the Florida Statutes requires that each local government entity that is required to provide for an audit in accordance with Chapter 218.39 must submit an annual financial report with the audit report no later than nine months after the end of the fiscal year. This requirement has been met for the fiscal year ended September 30, 2020, and the report of the independent auditing firm has been included in the financial section of this report.

This report was prepared in accordance with generally accepted accounting principles (GAAP) by the Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Finance Director. 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 Town as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a comprehensive understanding of the Town's financial activity have been included.

The Finance Department is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. Because the cost of internal controls should not outweigh their benefit, the Town of Longboat Key's comprehensive 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 Town of Longboat Key's financial statements have been audited by Mauldin & Jenkins, LLC. The scope of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Governmental accounting and auditing principles requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Longboat Key's MD&A can be found immediately following the independent auditors' report.

Profile of the Government

The Town of Longboat Key is a political subdivision of the State of Florida and was formally incorporated in 1955. Longboat Key is a ten mile long barrier island, covering 4.75 square miles, located off the coast of Sarasota in Southwest Florida with an estimated population of 7,098 permanent residents. Longboat Key has a reputation as an affluent residential community, particularly for retirees who relocate predominantly from northern states. The island is bordered on the east by Sarasota Bay and on the west by the Gulf of Mexico. The northern half of the island is located in Manatee County, while the southern half is located in Sarasota County. The island's location, temperate climate, and natural resources, particularly its white sand beach, have had a major influence on the Town's growth. Residents and visitors enjoy numerous year-round recreational opportunities, including boating, fishing, golf, tennis, biking, and kayaking.

The citizens enjoy a full range of services including police, fire, ambulance, streets, parks, recreation, public improvements, planning, zoning and general administrative services. The Town also operates a Town-wide water and sewer transmission system. The Town purchases its water and wastewater treatment from Manatee County. Sanitation, electric, telephone, gas and cable television services are provided by franchisees.

The Town includes two dependent special districts consisting of Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B. These districts sunset on June 1, 2020, when the Beach Erosion Control District A General Obligation Bond, Series 2016 debt was retired. The district boundaries were redefined to be geographically separated by Gulf of Mexico Drive and a new Gulf-side District and Bayside District were adopted by Ordinance 2014-29 on November 3, 2014. Language was added to memorialize the 80/20 allocation of millage contribution between Gulf-side and Bayside Districts and requires a referendum to alter. The Town Commission sits as the Gulf-side/Bayside District governing body. Any future debt financings require referendum approval of Gulf-side and Bayside residents. The Gulf-side is given authority to assume all of the costs of renourishment if Bayside voters do not approve debt issuance at referendum.

Town Structure

The Town operates under a Charter that was adopted in 1955 and last revised in 2018. The Charter sets forth a Commission/Manager form of government. Seven Commissioners are elected for three-year terms and constitute the governing body of the Town. (Three-year terms became effective with the March 2020 General Election). Commissioners may only serve three consecutive terms as Town Commissioner without an interval of one complete term out of office. The appointed Mayor is the Commission's presiding officer. Elections are held annually with either four or three seats to be decided upon. Two Commissioners are elected at large. The remaining five Commissioners must reside in, and be nominated from, each of the five districts of the Town as set forth in the Charter. Following an election for the commission, the Commissioners elect a Mayor and Vice-Mayor.

The Town Manager is the chief administrative officer of the Town and is responsible to the Town Commission for the administration of all Town affairs. He/she establishes such departments and divisions of responsibility as necessary for administration of the affairs of the Town and performance of its municipal functions. The Town Manager is responsible for the preservation of peace and the protection of persons and property within the Town and is the director of all public safety forces. The Town Manager appoints, removes and fixes compensation for the chiefs and all subordinate officers of the police, fire and other safety forces of the Town, department heads and all other Town employees, except those specified by the Charter.

Formal budgetary integration is employed as a management control device during the year. Town department directors must submit their budgets by May 1 of each year to the Town Manager. After internal work sessions on departmental budgets are conducted, a tentative overall Town budget is submitted to the Town Commission and public hearings are held to obtain public comments. A final hearing is then held and the final budget adopted. Effective with the most recent charter change, the legal level of budgetary control is at the department level. Transfers of appropriations between funds and/or use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$20,604 within or between departments, offices, or agencies within the same fund may be approved by the Town Manager. Budget to actual comparisons are presented in this report for each individual fund for which an annual budget has been adopted. The Town follows the laws of the Florida regarding the control, adoption and amendment of the budget during each fiscal year.

Local economy

Longboat Key has a permanent population of approximately 7,098 residents, but it is also a popular seasonal destination for visitors and part-time residents from both the United States and abroad. During the winter months, when the climate in Florida is mild, the population on Longboat Key can increase up to 24,000. However, the majority of the seasonal residents are only on the island for a few weeks to a few months, at most. Close proximity to the Sarasota-Bradenton International Airport and the Tampa International Airport provides convenient access to part-time residents and out-of-state visitors. Longboat Key has no industrial development and limited commercial uses. The median age for the island's residents is 71.2. According to the 2019 U.S. Census, median household income in 2019 dollars was \$114,762, which is 194% higher than the Florida average.

The Town's permanent population increased steadily in the latter part of the 20th century, with near build-out being achieved by 2000. The number of permanent residents has shown little growth from 2011 through 2019. Much of the Town's building activity is redeveloping older homes and commercial properties into newer modern structures and developments. The Town has a long and distinguished history of planning foresight that contributes to the unique character and distinct feeling of being in special place when arriving in the Town from either north or south directions.

The Town has continued to fare well in terms of property values coming out of the national recession. The Town property values peaked at \$6.6 Billion in 2008, prior to the recession, and then steadily declined to \$4.6 Billion by 2013. Beginning in 2014, the Town has seen steady annual increases in assessed values and has now regained its 2009 level at \$6.2 Billion. The Town does not expect to keep pace with increases in property values as seen in Sarasota and Manatee Counties, due to the Counties' continued aggressive development.

During the Spring of fiscal year 2020, the COVID-19 related emergency orders for business shut downs and safer-at home orders reduced state and local revenues with sales taxes making up two-thirds of the state's losses. In June Governor DeSantis began to reopen businesses and resisted statewide lockdown measures despite a Coronavirus surge. Florida's economy is recovering, although tourism is still behind. Nearly 1,000 people are moving to Florida every day and the state is seeing an unprecedented demand in luxury homes as people from the Northeast are abandoning big cities. The COVID-19 vaccines will provide a boost to the Florida tourism industry and local economy in the year ahead.

Employment Types and Trends. The largest employer in the Town is OpRock, LLC, which owns the Longboat Key Club and the Zota Beach Resort (formerly the Hilton). Publix Supermarket and the Town are the next largest employers on the island. According to the 2010 U.S. Census, there are a total of 218 business establishments and 1,816 total employees. Hospitality and other tourism-related services, retail/food services and municipal government are the major sources of employment on the Town. Seasonal employment is common in the Town due to the influx of seasonal residents and visitors during the winter months.

The length of the typical "season," when most visitors and seasonal residents visit, has historically lasted from approximately November through April. During the recession, "season" gradually shrunk to only about four (4) months. However, weather patterns in northern states can influence the length of each season, with part-time residents sometimes staying longer if northern states continue to experience colder temperatures during early spring. This was the case during the late winter and early spring months over the last few years, when northern states experienced record cold temperatures and extended snow. Many part-time residents delayed their departure from the area, which resulted in record numbers of tourists to the area. This prompted many employers to retain seasonal employees longer than in years past.

The Town's current and future tourism developments generate a greater need for retail businesses and services than could otherwise be supported, provide future buyers for residences thus keeping property values relatively high, provide tax revenues for the Town, and provide places to stay for visiting relatives.

The Town is well positioned for a segment of the baby boom retirees. Economic growth in the region, and the advent of communications technology, could lead to more executives choosing housing and business opportunities on the Town, leading to a potential small demographic shift.

Redevelopment. The Town is currently experiencing a renewed interest in development and redevelopment in both the residential, tourism, and commercial sectors. Projects planned, underway, or recently completed include the following:

The Shore Restaurant: Redevelopment of a new 185-seat Bayfront restaurant building on north end of the island is complete;

Whitney's Restaurant: Redevelopment of a former gas station with a new 70-seat restaurant located at the corner of Gulf of Mexico Drive and Broadway Street is complete.

Buccaneer Restaurant: Redevelopment of a Bayfront restaurant formerly known as Patti George's (currently seeking development approvals);

Arts, Cultural, and Education Center: Multi-use arts, culture, and education center in the Bay Isles shopping area near Town Hall (currently Phase 1 development associated with the outdoor venue is complete);

The Preserve: A new 12-unit subdivision located on the north end of the island (currently under construction);

Longboat Key Club: 300-room resort with conference space on the south end of the island (currently in the planning phase);

Mixed Use Resort: St. Regis 166-room resort with meeting space and 78 condominium units at the former Colony Beach and Tennis Resort was approved by the Town Commission in early 2018 (construction anticipated to begin 2021); and

Sage Condominium: An 18-unit residential condominium with advertised prices beginning at \$4 million (currently in planning phase); and

Numerous individual single-family homes under construction on scattered lots island-wide, including tear-down of older homes to facilitate construction of new and larger homes.

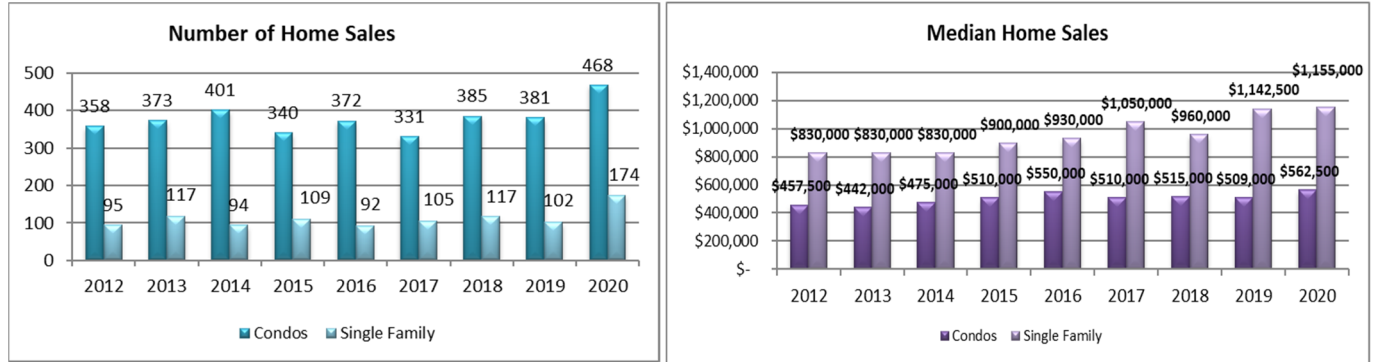
Comprehensive Plan and Zoning Regulations. The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, *Florida Statutes*, and the Florida Administrative Code. In addition to the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive Plan has the following goals:

- Improve the physical environment for the community as a setting for human and natural resource activities;
- Protect the public health, safety, and welfare;
- Insure that long-range considerations are included in the determination of short-range actions;
- Promote political cooperation by bringing professional and technical knowledge to bear on governmental decisions concerning the physical development of the Town; and,
- To ensure appropriate protection of the public interest with consideration of private property rights as determined by the Town Commission and state law.

The Town's Land Development Code (LDC) establishes the development regulations for all areas within the Town's incorporated boundaries. Most of Longboat Key's housing stock is comprised of condominiums built prior to the 1980's. Approximately 72% of the available housing stock is more than 25 years old and almost half of the island's housing was built over 35 years ago. As these properties age and look to modernize and/or redevelop, issues such as multiple-ownership, density restrictions and development regulations present serious challenges.

Developers have cited market trends, increased property values and Longboat Key's restrictive referendum requirements to add any density as cause to redevelop certain aging tourist properties into residential uses, even though recent reported sales prices indicate new individual luxury condominium units sell into the millions of dollars. The Town recently completed a major rewrite to its Land Development Codes, that streamlined processes, updated all zoning districts, incorporated strong graphic illustrations and resulted in a document that is easier to read and interpret, all while maintaining the economic vitality and the quality of life in the Town and improving its sustainability.

Housing. According to statistics provided by Coldwell Banker, the Town’s housing market showed a large increase the number of real estate transactions from the prior year. While home prices on Longboat Key can range from \$175,000 into the millions, the median condo prices increased 10.5%, while the median single-family home increased 1%. The median sale price for a single-family home and condominium for 2020 was \$1,155,000 and \$562,500 respectively. The highest closing price for the year on a single family home and condominium was \$16.5 million and \$3.6 million, respectively.



Major initiatives and Capital Projects

Management’s goals and objectives flow from the adopted Town Strategic Plan including efforts to continue providing a level of infrastructure to complement the residents’ lifestyle. The Town’s five-year annual capital planning process provides the mechanism to compile, rate and prioritize capital needs and also determine funding sources available. Some of our major projects are listed below:

- The Town is undertaking a major initiative to underground all of its overhead utility lines island wide for safety, reliability and aesthetics. The project is an island-wide undergrounding design, which includes electrical, communications, fiber optics and other utilities including the installation of street lighting. The initiative was divided into two referendum, one for Gulf of Mexico Drive and one for the remaining neighborhoods and side streets and will be paid for with non-ad valorem assessments. The Town is taking advantage of this opportunity to build a state-of-the-art network, running fiber optic cable conduit island wide, including areas already undergrounded. The Town is continuing to explore marketable investment partnerships or other viable opportunities to enhance Town fiber technologies, including but not limited to, improved cellular service through the deployment of intelligent wireless nodes, Wi-Fi access points and smart city concept devices. The project is condensed to four phases and is currently on track. Bonding occurred in December 2018, and construction is expected to be completed by December 2022.
- The idea of a cohesive Town Center is a major vision of the community’s planning efforts, due in part to the purchase of 4.81 acres of undeveloped land within the vicinity of Town Hall. The community recognized the potential to use this land to bring additional civic spaces to the area, such as a cultural center, park, and other community gathering spaces. The Town demolished the building formerly owned by Amore restaurant and prepared the site as an outdoor venue for social events and other gatherings to compliment a future Town Center. Phase 1, activated the site as an outdoor venue and preserves a buildable area for a future community facility. Phase 2 will provide improvements such as hard surface walkways, fixed location for a performance structure to support a portable stage, restrooms landscaping and space for tents and food trucks with provisions for power and water.
- Following a voter approved referendum, the Town issued \$5,655,000, General Obligation Bonds on September 12, 2018, for the purpose of financing the demolition and reconstruction and/or equipping of the South Fire Station and the renovation of the Town’s North Fire Station. Construction is underway on both fire stations and scheduled to be substantially complete by September 2021.
- The Public Work’s Department performed major reconstruction of the Emerald Harbor subdivision which had experienced multiple issues regarding the infrastructure, including road depression throughout the neighborhood, and degradation of the potable water distribution system and the sewer collections system. The Department also focused on storm water improvements, installing 20 special storm water valves in the Village and Sleepy Lagoon areas. The Water and Sewer Utility Division continued its lift station rehabilitation program throughout 2020 to provide uninterrupted wastewater treatment services to the residents and methodically televisive, clean and lined the Town’s wastewater lines to eliminate problems associated with inflow and infiltration.

- Longboat Key draws residents and visitors from all over the world to live in this well-planned community and play on our beaches and parks. The Town presently maintains 10.5 miles of engineered beaches and their management is guided by the updated Comprehensive Beach Management Plan adopted in 2019. Over the next five years, the comprehensive beach spending plan includes \$49.5 million of capital outlay and \$500,000 of operating costs, requiring the borrowing of \$21 million in fiscal year 2021. The five-year Beach Capital Plan includes, but is not limited to: (1) \$10 million for the installation of five permeable rock structures at the North end; (2) \$25-\$30 million for sand fill using inlets and passage key sand sources; (3) \$685,000 for continued work on Canal 1A Dredge; and (4) \$4.5 million for sand search, design, consulting and monitoring of protected species. Any new borrowings will be taxed through the Town's new Gulf-Side and Bayside Beach Districts, which were redefined by Ordinance in 2014. The Districts are geographically split by the Gulf of Mexico Drive with the Gulf-Side paying 80% and the Bay Side paying 20% of the combined mill rates. District Referenda authorizing up to \$34.5 million was approved by the voters on March 17, 2020.
- Through a feasibility study performed in 2016, the Town had identified 16 canals that required dredging to meet the three-foot design criteria. The project was reassessed in 2019 which scaled the project back to 14 canals and segregated Canal 1A Greer Island being addressed through the beach project. Our current budget will be able to continue the project through design and construction of Canal 1A. The Town plans on developing a long-term Dredge Management Program including funding strategies to move the entire program forward and dredge the remaining 14 canals, currently estimated between \$3.3 million and \$4.2 million.

Long-term Financial Planning

Prepared as part of the annual budget process, a five-year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of Town-wide infrastructure.

The Finance Department continues to fine tune its long-term forecasting tools, encompassing all fund account groups, providing the ability to enhance the long-term planning process. These tools enable the Town to make timely decisions such as reducing expenses, planning resources, taking advantage of trends and overall, avoiding surprises. Using a variety of forecasting tools and techniques, we will be able to analyze where each department of our business should be in the next year or two so we can make proactive, rather than reactive, decisions.

Relevant Financial Policies

Management's goals for long-term financial planning include stabilizing tax rates while maintaining adequate General Fund reserves to sustain a complete economic cycle and providing for contingency and emergency/disaster relief reserves. The Town's General Fund reserve policy calls for an unassigned General Fund balance of not less than two months or 16% of General Fund operating expenditures (including transfers out and contingency line items but excluding capital outlay), and the combined unrestricted available fund balance should not be less than three months or 25%. The unrestricted General Fund balance has steadily increased since 2013, and has grown to 67% of total General Fund expenditures for 2020.

Internal Controls. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Process. The Town's budget is a detailed operating plan, which identifies estimated costs and revenues to fund program initiatives. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Town Commission and Town Manager are made, implemented, and controlled. Note 1(N) to the basic financial statements summarizes the budgetary roles of various Town officials and the timetable for their various budgetary actions according to the Town Charter.

Cash Management. The Town's pooled deposits and investments are conservatively invested pursuant to policy established by Resolution working with the Town's Investment Advisory Oversight Committee and Investment Advisor. The Town's investment policy seeks the preservation of safety, liquidity and yield, in that order of priority. The policy addresses soundness of financial institutions holding our assets and the types of investments permitted by the Florida State Statutes. The Employees' Consolidated Retirement System deposits and investments follow policies established by their respective governing board.

Awards

The Government Finance Officers Association and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Longboat Key, Florida for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 39th consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgment

The preparation of this report would not have been possible without the dedicated service of the finance staff and the cooperation of Town departments. Our sincerest appreciation is extended to all of the contributing staff members. We also appreciate the professional service and assistance rendered by Mauldin & Jenkins, LLC. The Finance Department is committed to advancing its fiscal accountability, efficiency and integrity in the Town's financial operations.

Also, our thanks to members of the Town Commission for their support in planning and guiding the financial affairs of the Town in a responsible and progressive manner.

Respectfully submitted,



Thomas A. Harmer
Town Manager



Susan L. Smith
Finance Director

TOWN OF LONGBOAT KEY, FLORIDA

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2020

TOWN COMMISSION

Mayor Ken Schneier
Vice-Mayor Mike Haycock

District 1 – Sherry Dominick

District 2 – George Spoll

District 3 – Ken Schneier

District 4 – Jack Daly

District 5 – Ed Zunz

At Large – Mike Haycock

At Large – B.J. Bishop

TOWN DEPARTMENTS

Thomas A. Harmer, Town Manager

Carolyn Brown, Support Services

Susan L. Smith, Finance Director

Jason Keen, Information Technology Director

Allan Parsons, Planning Zoning & Building Director

Isaac Brownman, Public Works Director

Kelli Smith, Chief of Police

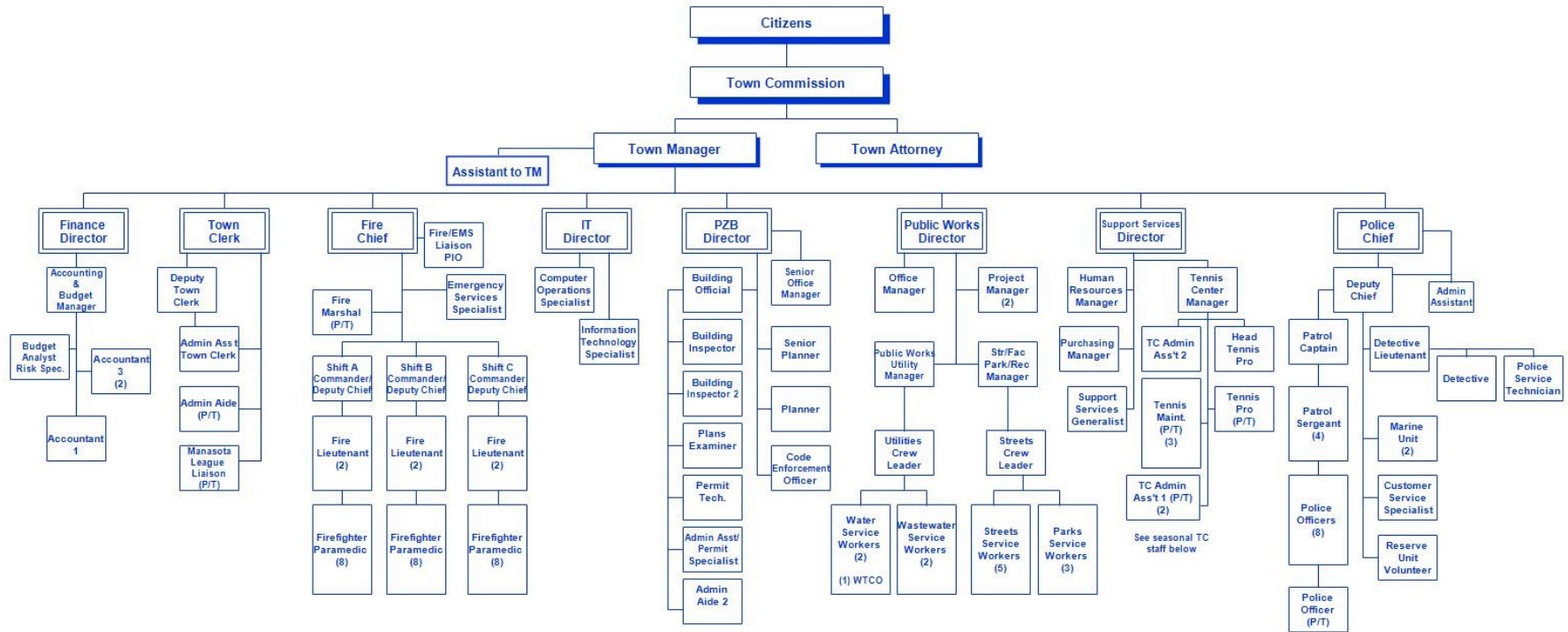
Paul Dezzi, Fire Chief

Trish Shinkle, Town Clerk

Maggie Mooney, Town Attorney

AUDITORS

Mauldin & Jenkins, LLC



Temporary Employees (7)
Seasonal Tennis Center Employees (5)

October 1, 2015



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Longboat Key
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Town of Longboat Key, Florida** (the "Town"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 18, the budgetary comparison information, schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, schedules of proportionate share of net pension liability, and schedule of the Town's total OPEB liability and related ratios on pages 72 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Longboat Key, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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 Town's internal control over financial reporting and compliance.

Bradenton, Florida
March 18, 2021



Management's Discussion and Analysis

The Town's Comprehensive Annual Financial report was prepared in accordance with generally accepted accounting principles (GAAP) applicable to government entities. As management, we present the readers this narrative overview and analysis of the financial activities of the Town of Longboat Key for the fiscal year ended September 30, 2020 (FY2020). Readers are encouraged to consider the information presented here in conjunction with additional information provided in the financial statements, the Letter of Transmittal, and the notes to the financial statements.

Comprehensive Annual Financial Report Overview

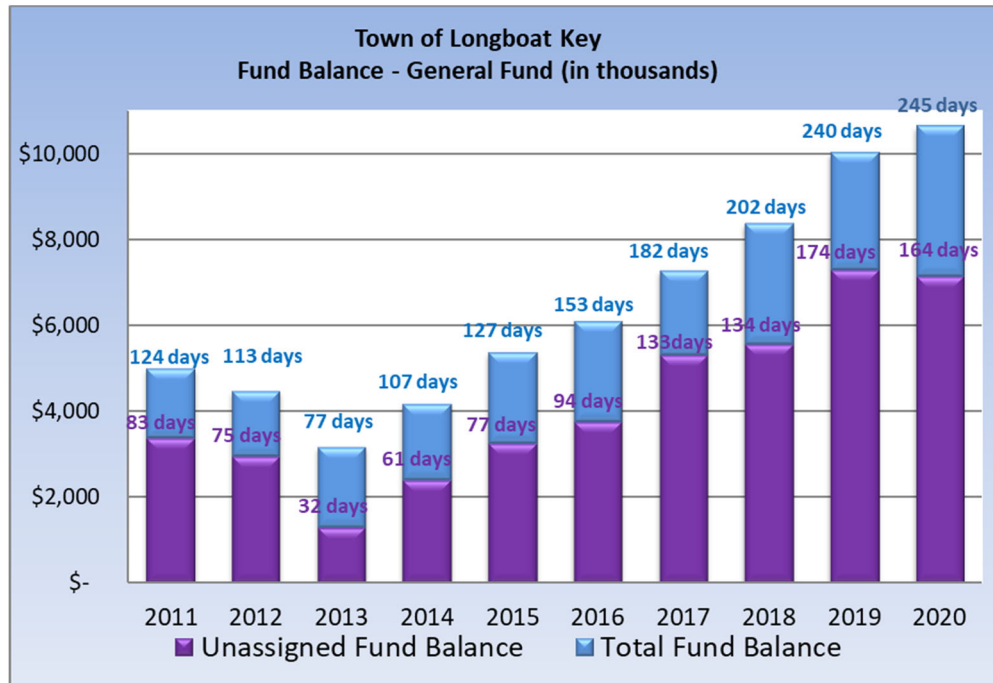
This report is organized into three main sections with the Financial Section containing Management's Discussion and Analysis, the Basic Financial Statements and Required Supplementary Information. Our discussion and analysis is intended to serve as an introduction to the Town of Longboat Key's financial statements, which include government-wide statements, fund statements, as well as notes to the basic financial statements. There is additional supplementary information following these financial statements which may be of interest to the reader.

Financial Highlights

- The assets and deferred outflows of the Town of Longboat Key governmental activities at the close of the fiscal year exceeded its liabilities and deferred inflows by \$68.7 million (*net position*). The total net position increased by \$3.6 million (5.6%) from the previous year primarily due to a General Fund operating surplus and the recognition of deferred special assessment revenues for amounts spent on undergrounding utility line projects.
- Of this amount, \$61.6 million is invested in capital assets; \$18.1 million is restricted to specific purposes, leaving a negative \$11.0 million in *unrestricted net position*. The negative unrestricted net position is driven by the reporting of liabilities related to pensions and other post-employment liabilities (OPEB) in the Statement of Net Position, (approximately \$31.5 million).
- The Town's total net position for business-type activities is \$34.9 million, which is an increase of \$0.4 million (1.2%) from the prior year. Of this amount, \$20.3 million is invested in capital assets; \$0.6 million is restricted to specific purposes leaving \$14.0 million unrestricted. Unrestricted net position increased by \$1.0 million, due to the release of restrictions on connection fees that were used to offset eligible costs incurred on prior and current debt payments.
- Deferred outflow of resources, represents the required deferral of FY2020's minimum required contribution to the pension and any applicable changes in actuarial assumptions. This deferral of the contribution was necessary because it occurred before year-end but subsequent to the measurement date of the Town's net pension liability, which is September 30, 2019.
- At the close of the fiscal year, governmental funds reported combined ending fund balances of \$68.4 million, a decrease of \$2.0 million from the previous fiscal year. Approximately 10.4% or \$7.0 million is available for spending at the Town's discretion (*unassigned fund balance*). The decrease in fund balance is attributable to construction activity in undergrounding utility line projects and other capital outlay.
- The General Fund ending fund balance increased \$0.6 million to \$10.7 million. This increase was due to three major factors: (1) revenues exceeded budgetary estimates by \$203,762 despite reductions in sales tax revenues from COVID-19; (2) \$198,360 remained in unspent contingency funds; and (3) Town departments underspent their appropriated budgets by \$723,028. Additional information on General Fund Budget Highlights is available on page 13.
- In accordance with the Fund Balance Policy, the Town General Fund has *assigned* reserves of \$1,310,075 for future pension liabilities, \$1,150,000 for economic uncertainty, \$969,940 for the subsequent year budget, encumbrances of \$59,005, and a \$27,499 reserve for the Australian Pine Tree Removal Program. The Town's total General Fund balance of \$10.65 million is equivalent to 245 operating days and the *unassigned* fund balance of \$7.1 million, is equivalent to 164 days.

Town of Longboat Key, Florida
Management's Discussion and Analysis
 September 30, 2020

- The Town's Policy is to maintain a minimum General Fund unrestricted fund balance of 25% of operating expenses, excluding capital outlay (90 days) and 16% of *unassigned* fund balance (60 days). Being a barrier island, Longboat Key is more vulnerable to storms and has built up its fund balance over the past several years to mitigate losses from storm events and prepare for future economic uncertainties. The chart below shows the history of fund balance levels for both total fund balance (in blue) and unassigned fund balance (in purple). The chart shows how successful the Town has been in the building up its rainy-day fund over the past seven years.



Financial Statements Overview

This section includes a brief overview of the Town's financial statements and is intended to help readers understand the basic financial statements.

Fund Types – The Town uses fund accounting to enhance public accountability over public resources and to demonstrate compliance with finance related legal requirements. A Fund is a self-balancing set of accounts that is used to maintain control over resources segregated for a specific purpose or objective.

There are three different fund types:

- Governmental funds* focus on short-term inflows and outflows of spendable resources, as well as spendable resources at year-end. The focus of governmental fund financial statements is on major funds: the General Fund, Gulf of Mexico (GMD) Assessment Fund, Neighborhood Assessment Fund, the General Obligation Beach Bonds Fund, the Beach Nourishment Capital Project fund, and the GMD Undergrounding Capital Project Fund. The Governmental Fund financial statements present information for each major fund, while the non-major funds are combined into a separate, single column. These non-major funds are shown separately following the notes to the financial statements on pages 88-100.
- Proprietary Funds* are business-type activities generally used for reporting charges for services for which the Town charges a fee. The Town of Longboat Key maintains and presents two major proprietary funds, a Water and Sewer enterprise fund and a Building Department enterprise fund that are presented on pages 25 to 27 of this report.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2020

3. *Fiduciary Funds* account for resources held for the benefit of parties outside Town government. An example of the Town's fiduciary funds is the Consolidated Pension Trust Fund which accounts for the Town's three retirement systems. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 29 and 30 of this report.

Basic Financial Statements – The basic financial statements consist of three components: (1) The Government-wide statements, (2) Individual Fund Statements, and (3) Notes to the Financial Statements.

1. *Government-Wide Financial Statements* provide a broad overview of the town's finances using the accrual basis of accounting similar to a private sector business entity. These statements are further broken into two types of activities – Governmental activities and Business-type activities:
 - a. *Governmental activities* are primarily supported by taxes and other non-program revenue which support general government, public safety, transportation, and culture and recreation.
 - b. *Enterprise or business-type activities* are primarily supported by user fees rather than taxes and non-program revenue. Major business activities in the Town of Longboat Key include water and sewer operations and Building Department functions.

Government wide statements include two types of financial statements:

- i. The *Statement of Net Position* (page 19) presents information on all of the Town's assets and liabilities with the difference being reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the Town is improving or deteriorating.
 - ii. The *Statement of Activities* (page 20) presents information showing how the Town's net position changed during the fiscal year related to revenue and expenses. All revenue and expenses are reported as soon as an underlying event occurs, regardless of when cash is received or paid, as required under accrual basis of accounting. (e.g., accounts payable and earned but unused vacation leave).
2. *Individual Fund Statements* – Individual fund statements report a narrower financial view than the government wide financial statements, but it is useful to compare fund information with the government wide information. A reconciliation of the difference between the two is provided in the comprehensive annual financial report following the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.
 3. *Notes to the Financial Statements* – The notes provide additional information that is essential to gaining a full understanding of the government-wide financials and the individual fund statements.

Required Supplementary information (RSI) – RSI (page 72-87) in addition to this MD&A provides a Budget to Actual Comparison for the General Fund and various Schedules related to the Town's pension plans and OPEB.

Combining and Individual Fund Statements and Schedules – These statements and schedules (page 88-107) are provided for the non-major governmental funds and are located immediately following the RSI.

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Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2020

Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2019 and 2020, are shown below.

Town of Longboat Key Net Position (in thousands)

Header	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current/other assets	\$ 107,982	\$ 103,317	\$ 16,867	\$ 16,927	\$ 124,849	\$ 120,244
Capital assets, net	62,370	64,686	28,813	28,901	91,183	93,587
Total assets	170,352	168,003	45,680	45,828	216,032	213,831
Deferred Outflow of Resources	6,351	6,670	215	216	6,566	6,886
Current liabilities	37,436	35,112	1,197	1,350	38,633	36,462
Non current liabilities	73,239	70,599	10,126	9,721	83,365	80,320
Total liabilities	110,675	105,711	11,323	11,071	121,998	116,782
Deferred Inflows of Resources	1,005	307	61	35	1,066	342
Net investment in capital assets	58,787	61,550	19,873	20,328	78,660	81,878
Restricted	17,348	18,138	1,713	642	19,061	18,780
Unrestricted	(11,112)	(11,033)	12,925	13,968	1,813	2,935
Total net position	\$ 65,023	\$ 68,655	\$ 34,511	\$ 34,938	\$ 99,534	\$ 103,593

Governmental activities. The largest portion of the Town's net position, reflects its investment in capital assets (i.e., land, buildings, vehicles, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves may not be used to liquidate these liabilities. Capital asset activity increased in FY2020 due to ongoing Undergrounding Projects.

Restricted net position increased by \$.8 million primarily due to the change in capital project activities. **Unrestricted** net position increased \$.08 million to a negative balance of \$11.0 million. The negative balance is due to the requirement to report pension and other post-employment benefit (OPEB) liabilities on the books. This could be alarming to the reader, however, pension benefits are normally paid out over the life of the retirees and the Town does not pay for any health benefits upon retirement. The Town allows retirees the option to stay on the health plan upon retirement at their own cost. This creates an implicit rate subsidy, signifying that the Town pays higher premiums because of the aging population in the group. The OPEB liability reported is strictly related to this implicit rate subsidy.

The overall financial position of the Town increased by \$3.6 million (5.6%). As noted earlier in our discussion, changes in net position over time can be one of the best and most useful indicators of financial position. The Town's fiscal outlook remains stable with steady annual increases expected in the tax base including the development of a new resort, the St. Regis, expected to begin construction by FY2022. The adjusted taxable property values increased 3.4% for FY2020.

Business-type activities. The Town's business-type activities (water and sewer and building departments) net position increased by \$427,185 (1.2%). The Water and Sewer utility saw a decrease of \$17,431 in their net position due to unanticipated decreases in investment interest rates, while the Building Department saw an increase of \$444,616. The Building Department permit revenues increased by 10% and saw a reduction in professional services expenses contributing to the positive results. As previously mentioned, current **unrestricted** assets increased \$1.0 million from the previous year due to the Water and Sewer release of restrictions on connection fees. The Utility is subject to system rate pass-through

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2020

increases each time Manatee County increases the Town's wholesale costs, which allows the revenues to keep pace with the increases in the utility's largest expenses. The Town's Utility Department is performing a rate study in FY2021 and the Building Department recently increased its rates as a result of a study performed in FY2020.

Town of Longboat Key Statement of Activities (in thousands)

Header	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Program Revenues:						
Charges for services	\$ 5,763	\$ 4,241	\$ 9,870	\$ 10,115	\$ 15,633	\$ 14,356
Operating grants and contributions	459	229	-	-	459	229
Capital grants and contributions	1,011	351	-	-	1,011	351
Total program revenue	<u>7,233</u>	<u>4,821</u>	<u>9,870</u>	<u>10,115</u>	<u>17,103</u>	<u>14,936</u>
Expenses:						
General government	4,785	4,956	-	-	4,785	4,956
Public safety	11,298	11,710	-	-	11,298	11,710
Transportation	913	916	-	-	913	916
Culture and recreation	6,438	6,370	-	-	6,438	6,370
Physical Environment	-	2	-	-	-	2
Interest on long-term debt	1,664	1,511	-	-	1,664	1,511
Water and sewer	-	-	7,513	7,664	7,513	7,664
Building Department	-	-	1,061	998	1,061	998
Total expenses	<u>25,098</u>	<u>25,465</u>	<u>8,574</u>	<u>8,662</u>	<u>33,672</u>	<u>34,127</u>
Net expense	<u>(17,865)</u>	<u>(20,644)</u>	<u>1,296</u>	<u>1,453</u>	<u>(16,569)</u>	<u>(19,191)</u>
General Revenues:						
Property taxes	15,285	15,497	-	-	15,285	15,497
Gasoline taxes	405	369	-	-	405	369
Sales taxes	1,681	1,634	-	-	1,681	1,634
Unrestricted state revenue sharing	587	579	-	-	587	579
Franchise fees	1,016	988	-	-	1,016	988
Business tax	123	144	-	-	123	144
Tourist tax	805	820	-	-	805	820
Interest income	2,932	2,787	464	299	3,396	3,086
Miscellaneous	160	74	-	5	160	79
Gain on Sale of capital asset	30	54	-	-	30	54
Total general revenue	<u>23,024</u>	<u>22,946</u>	<u>464</u>	<u>304</u>	<u>23,488</u>	<u>23,250</u>
Increase in net position before transfers	5,159	2,302	1,760	1,757	6,919	4,059
Net transfers	<u>1,298</u>	<u>1,330</u>	<u>(1,298)</u>	<u>(1,330)</u>	<u>-</u>	<u>-</u>
Change in net position	6,457	3,632	462	427	6,919	4,059
Net position - beginning	58,566	65,023	34,049	34,511	92,615	99,534
Net position - ending	<u>\$ 65,023</u>	<u>\$ 68,655</u>	<u>\$ 34,511</u>	<u>\$ 34,938</u>	<u>\$ 99,534</u>	<u>\$ 103,593</u>

Town of Longboat Key, Florida
Management’s Discussion and Analysis

September 30, 2020

Summary – Statement of Activities. The schedule above summarizes the Statement of Activities, which presents all revenues, expenses and other sources/uses of funds by Governmental and Business-type activities. These items are responsible for any changes in net position as discussed earlier.

As presented in the summary above, Governmental Activities expenses exceeded program revenues by \$20.7 million in FY2020. Most Governmental Activities expenses are not paid for with program revenue, but are typically paid for with general revenues, mainly property taxes, therefore reporting net expenses after deducting program revenues is normal for most local governments. Approximately 19% of governmental activity expenses were paid for with program revenue compared to 29% in the prior year.

Charges for services decreased \$1.5 million predominantly from the deferral of special assessment revenues collected which exceeded current year requirements for debt service and debt service transfers on Undergrounding projects. Due to COVID-19 related stay-at-home orders, the Tennis Center was temporarily closed and the Town Hall went virtual with limited access to the public. This reduced Tennis Center sales and services to the public. Other general revenues impacted by the pandemic include gas taxes, sales taxes, franchise fees, and investment income.

Property taxes includes the operating budget millage and debt service millages for the General Obligation Bonds (GOBs) associated with Fire Stations and Beach Renourishment. The FY2020 adopted budget was prepared based on a 3.6% increase in property values. The operating mill rate remained flat at 2.1144. The beach nourishment tax levy imposed for Beach Erosion Control District A was 0.6181 mills and Beach Erosion Control District B was 0.1545 mills. The debt millage for facility Fire Station debt payments was 0.0596.

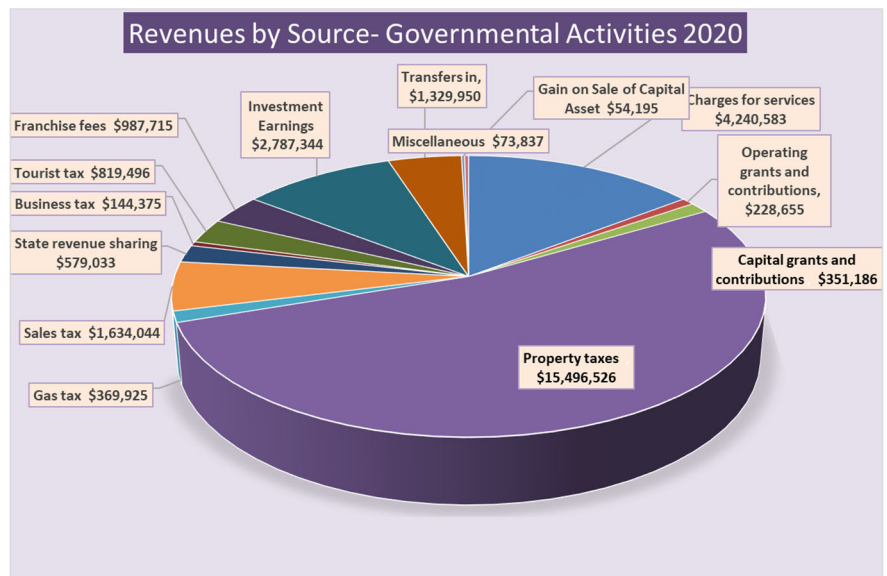
Total business-type activity revenues exceeded program expenses by \$1.5 million. Business-type activities expenses are typically paid for with user fees, because these services are provided on a cost reimbursement basis. The utility and building funds are required to reimburse the general fund for indirect costs incurred by the general fund, shown as net transfers. The Building Department and Water and Sewer Department transferred \$266,950 and \$1,063,000, to the General Fund, respectively.

Revenues-Governmental Activities:

The chart below displays the Town’s revenue sources by account type. These top five revenues make up 89.7% of the Town’s governmental fund revenue as follows: (1) Property taxes 53.3%, (2) Charges for services (including special assessments) 14.6%, (3) Investment income 9.6%, (4) Sales Taxes 7.6% and (5) Transfers from Building and Utility Funds 4.6%. Certain revenues were impacted by drops in tourism and business shutdowns due to COVID-19, such as Gas Taxes, Sales taxes, State revenue sharing, and franchise fees. The revenue reduction from the prior year was approximately \$118,000 for these revenue types. The true impact of Tourist Development taxes will not be felt until FY2021 and FY2022.

➤ Property taxes include \$12.6 million to support General Fund operations and capital costs and \$2.9 million for debt payments related to beach renourishment and Fire stations renovations.

➤ Charges for Services include fees for emergency medical services, fire inspections, zoning fees, recreation and Tennis Center sales. It also includes special non ad-valorem assessments associated with the Utility Undergrounding projects (Gulf of Mexico Drive and Remaining Neighborhoods). Deferred revenue adjustments to special assessments caused a large decrease in charges for services. The Tennis Center was forced to close its doors during the year, due to COVID-19, costing \$69,000 in revenue losses. The Department offset that loss by reducing staff and other expenses during that time period.

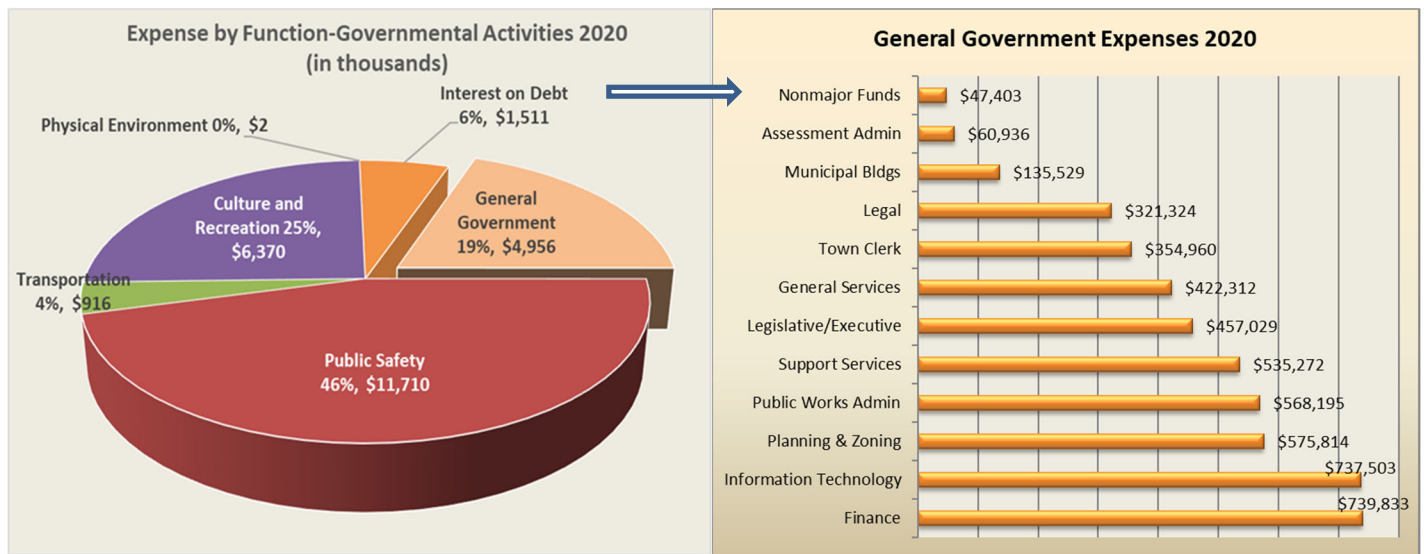


Town of Longboat Key, Florida
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- The COVID-19 pandemic induced market instability and a market liquidity crisis beginning in February 2020 beginning the COVID-19 recession. The federal funds rate was reduced to near zero. Investment income decreased \$145,000 for governmental activities and \$165,000 for business-type activities from the prior year.
- Transfers In are reimbursements from the Building and Utility Fund to the General Fund for direct and indirect costs expensed within the General Fund such as salaries, legal, and other administrative costs.

Expenses-Governmental Activities:

The display shown below on the left reflects that within governmental activities public safety makes up 46% of the expenses followed by Culture and Recreation (including Beach renourishment) 25%, General Government 19%, and Transportation 4%. These expenses include items not normally budgeted, such as depreciation of capital assets, the disposal of capital assets, the change in compensated absence accruals for vacation and sick pay and net pension and OPEB costs. The chart at the right shows a further breakdown of general government expenses by department, using a prorated allocation of these costs.



Fiduciary Funds

The Town of Longboat Key uses fiduciary funds to account for resources held for the benefit of parties outside Town government. Examples of the Town’s fiduciary funds are the funds used to account for the Town’s Consolidated Retirement System. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the Town of Longboat Key government’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 29 and 30 of this report.

The Town of Longboat Key accounts for three individual pension plans as a Consolidated Retirement System Trust Fund including police officers, firefighters, and general employees. The Town’s Pension was frozen during FY2014, which means that employees no longer accrue any benefits after the date of freeze. The accrued benefits they have earned prior to the freeze date are guaranteed and the pension plan will continue to exist until the final benefit payments are made.

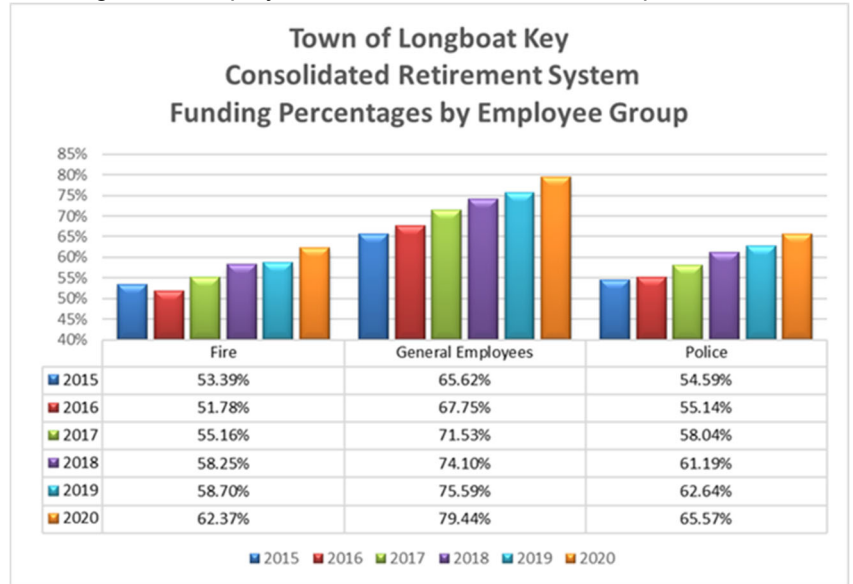
Due to the implementation of GASB Statements 67 and 68, we report data in our financial statements that was measured in the prior year, ending on September 30, 2019. The Net Position is defined as the fair market value of investments less amounts due for administrative fees and other payables. The combined net position restricted for pension benefits, measured on September 30, 2019, was \$37.5 million. By the end of FY2020, the net position increased to \$39.3 million, due to favorable portfolio returns.

Based on the October 1, 2019, valuation, the Consolidated Retirement System is 63.71% funded (58.7% funded for firefighters, 62.64% funded for police officers and 75.59% funded for general employees). These percentages have increased based on October 1, 2020, valuation to 67.21% (62.37% funded for firefighters, 65.57% funded for police officers and 79.44% funded for general employees). The past six years of funding percentages for each employee group are presented on the following page.

Town of Longboat Key, Florida
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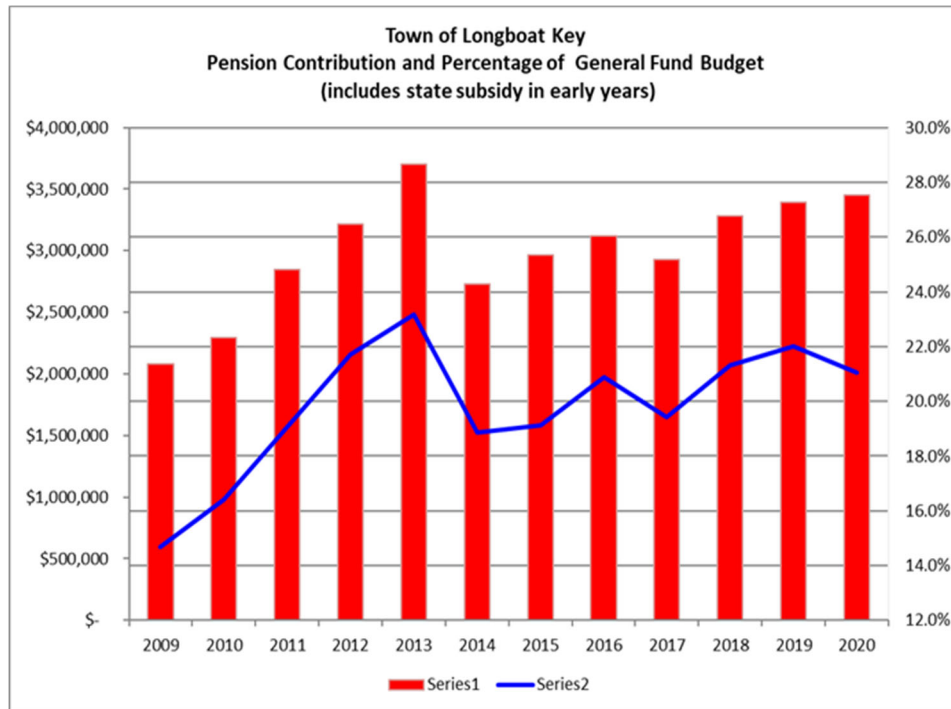
In lieu of the defined benefit plan, the police officers and general employees were enrolled in a Town sponsored defined contribution (401a) plan and the firefighters are members of the Florida Retirement System (FRS). The following provides an additional perspective on pension expenses:

- The Town’s combined required pension contribution in FY2020 for all three plans was \$3.4 million (approximately 21% of the total General Fund Budget). This is projected to decline to 16% by FY2022.
- The Town’s contributions to the FRS for Firefighters was \$687,553, excluding the health insurance subsidy (HIS).
- The \$21.4 million Consolidated Net Pension Liability (NPL) is slightly less than one and one-half times the General Fund budget.
- The Town’s share of the Florida Retirement System’s NPL is an additional \$8.5 million of liability.



The new provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, which became effective in FY2016, requires the inclusion of unfunded pension liabilities to be recorded in the Town’s financial statements. The implementation did not cause contributions to increase but has a significant negative effect on the Town’s financial net position.

The chart shows the trend of the Town’s annual contributions to the pension plan in red and the blue line represents the annual contribution as a percentage of the general fund budget. The steady increases from 2009 to 2013 took place during the Financial Crisis recession which sparked the Town’s efforts toward pension reform and the freezing of the pension plans.



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Net Pension Liability with Measurement Date as of September 30, 2019

Header	General Employees	Police Officers	Firefighters	Combined
Total Pension Liability	\$ 14,679,542	\$ 11,986,651	\$ 32,260,392	\$ 58,926,585
Plan Fiduciary Net Position	(11,096,808)	(7,508,728)	(18,935,407)	(37,540,943)
Net Pension Liability	\$ 3,582,734	\$ 4,477,923	\$ 13,324,985	\$ 21,385,642
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.59%	62.64%	58.70%	63.71%

Governmental Funds

The focus of the Town's Governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the Town of Longboat Key's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the General Fund, special revenue, debt service, and capital projects funds.

The combined fund balance for Governmental Funds decreased \$2.0 million to \$68.4 million for FY2020. Below is a summary of changes in fund balances for governmental funds:

Town of Longboat Key - Governmental Funds Change in Fund Balance

Header	2019	2020	Increase (Decrease)
General Fund	\$ 10,032,514	\$ 10,655,450	\$ 622,936
GMD Assessments Fund	233,211	342,830	109,619
Neighborhood Assessments Fund	(180,238)	103,954	284,192
General Obligation Beach Bonds Fund	226,993	26,289	(200,704)
Beach Nourishment Capital Project Fund	11,523,235	12,089,655	566,420
GMD Undergrounding Capital Project Fund	16,377,715	16,783,240	405,525
Neighborhood Undergrounding Capital Project Fund	19,985,983	17,774,324	(2,211,659)
Nonmajor Governmental Funds	12,132,221	10,591,801	(1,540,420)
Total	\$ 70,331,634	\$ 68,367,543	\$ (1,964,091)

Major Governmental Funds

The Town of Longboat Key reports seven major funds: General Fund, GMD Assessments Fund, Neighborhood Assessments Fund, General Obligation Beach Bonds Fund, Beach Nourishment Capital Project Fund, the GMD Undergrounding Capital Project Fund and the Neighborhood Undergrounding Capital Project Fund. To be classified as a major fund, a fund must report at least 10% of the Town's total governmental funds' assets, liabilities, revenues or expenses, and must report at least 5% of the Town's total governmental funds' plus enterprise funds' total assets, liabilities, revenues or expenses. The 10% and 5% tests must be passed for the same element (e.g. for assets) and the tests need only be passed for one of the four elements.

General Fund. The General Fund is the chief operating fund of the Town and accounts for the majority of general governmental activities. General Fund activities directly impact property taxes, which are the fund's largest revenue source. The next several pages highlight General Fund activity and budget highlights. At September 30, 2020, total fund balance in the General Fund was \$10,655,450 of which \$7,126,107 was unassigned. As a measure of the General Fund's liquidity, total fund balance and unassigned fund balance are 67% and 45% of total expenditures (excluding capital outlay), respectively, as compared to 66% and 48% for the prior fiscal year. \$969,940 of these reserves are being used to offset revenue losses and capital expenses in the FY2021 budget.

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Gulf of Mexico Drive (GMD) Assessments Fund. The GMD Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-03 on January 4, 2017. A general Notice of Assessment lien was recorded, following the bond validation, in May of 2017. These assessments are restricted for project costs and/or debt service payments associated with Undergrounding Utilities along Gulf of Mexico Drive. A receivable for the assessment in the amount of \$14,760,821 was recorded as of September 30, 2020. Fund balance increased \$109,619 as sufficient revenue sources existed in the GMD Debt Fund to cover current debt payments.

Neighborhood Assessments Fund. The Neighborhood Undergrounding Assessments Fund is a special revenue fund that accounts for the collection of non-ad valorem assessments, collected annually by the County Tax Collectors, based on the methodology approved by Resolution 2017-18 on November 13, 2017. A general Notice of Assessment lien was recorded, following the bond validation, in April of 2018 with the first annual assessments showing on the November 2018 tax bills. These assessments are restricted for project costs and/or debt service payments associated with Undergrounding Utilities in the remaining neighborhoods and side streets. A receivable for the assessment in the amount of \$13,036,435 was recorded as of September 30, 2020. Fund balance increased \$284,194 as sufficient revenue sources existed in the Neighborhood Debt Fund to cover current debt payments.

General Obligation Beach Bonds Fund. The General Obligation Beach Bonds Fund accounts for the property tax collections to pay for project costs or annual debt service payment on bonds related to the Beach Renourishment Project. The mill rate imposed was 0.6181 for Beach Erosion Control District A and 0.1545 for Beach Erosion Control District B. The Town borrowed \$10.7 million on June 10, 2016, requiring \$2.8 million in annual payments, with a final payment in FY2020, at which time the two Districts will sunset. Two new districts (Gulf-Side and Bayside Districts) were established in 2014, through adoption of Ordinance 2014-29 for future debt issuances.

Beach Nourishment Capital Project Fund. The Town's beaches are the Key's most important asset. The Comprehensive Beach Management Plan, updated in FY2019, provides for the development of methods which will reduce or minimize erosion, seek out sand sources, provide for periodic sand replenishment and develop funding alternatives. The Beach Nourishment Capital Project Fund accounts for the revenue sources and expenses associated with cyclical sand replacement, maintenance, dredging and reconstructing beach structures along the Town's Gulf of Mexico coastline. At referenda held March 17, 2020, the voters authorized the issuance of up to \$34.5 million in general obligation bonds for the construction of five permeable groins and island wide nourishment to take place in FY2021. The Town issued \$18,480,000 at a premium of \$2,751,891 on Dec 9, 2020, to be paid over six years. Tourist Development Taxes were transferred to the Beach Capital Fund in preparation for the upcoming construction and renourishment project, increasing fund balance \$566,420.

GMD Undergrounding Capital Project Fund. The GMD Undergrounding Capital Project, originally authorized at \$25,250,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities along Gulf of Mexico Drive. The Town collected 22.4% of the project cost in prepayments and the remaining is being collected over 30 years in annual assessments, which reduced the amount of the borrowing. A balance of \$3.7 million in assessments collected is recorded as unearned revenue until the project expenditures are incurred. The Fund recognized \$400,341 in investment income, which increased fund balance. Approximately 22% of the project is completed through FY2020 and expected to continue through December 2022.

Neighborhood Undergrounding Capital Project Fund. The Neighborhood Undergrounding Capital Project, originally authorized at \$23,850,000, was created to account for the bond proceeds, assessments, and expenses associated with undergrounding utilities in the remaining neighborhoods. The Town collected 20.3% of the project cost up front and the remaining is being collected over 30 years in annual assessments, which reduced the amount of the borrowing. The Fund recognized \$388,632 in investment income, \$617,530 in deferred assessment income and incurred \$3.2 million in project costs during the year, reducing fund balance by \$2.2 million. Approximately 30% of the project is completed through FY2020. Anticipated completion is estimated to be December 2022.

Fund Balance – Governmental Funds

The *nonspendable* fund balance of \$95,488 represents amounts, which cannot be spent such as prepaid items, fuel inventory and merchandise for resale at the Tennis Center.

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Restricted fund balances of \$41,568,954, are amounts that can be spent only for specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned fund balance of \$19,576,994 includes spendable fund balance amounts established by management of the Town that are intended to be used for specific purposes. Intent is expressed by the Town Commissioners or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances (open purchase orders) are also considered assignments of fund balances.

Unassigned fund balance is the residual classification for the general fund. The balance of \$7,126,107 represents the Town’s amount available for any other purpose.

General Fund Budgetary Highlights

The detailed line item budget can be found on pages 72 and 73 of the Required Supplementary Information (RSI) section which provides the original budget, the final budget after amendments, and the actual revenues received and expenditures incurred.

Header	Budget Amendments		
	Original	Final	Increase (Decrease)
Revenue	\$ 16,799,628	\$ 16,799,628	\$ -
Expenditures	\$ 17,301,842	\$ 17,346,420	\$ 44,578
Use of Fund Balance	\$ (502,214)	\$ (546,792)	\$ (44,578)

During the year, the Town amended the Original Budget to carryover the open purchase orders from the prior fiscal year, in the amount of \$44,578, from assigned fund balance. The amendments were made to the original line items the purchase orders were encumbered against.

The Town annually budgets a Contingency line item in the budget. This is a budgetary form of emergency money, similar to the Town’s unassigned fund balance. These funds may be used at a government’s discretion to address emergencies and unanticipated costs throughout the fiscal year. They provide flexibility to respond to unexpected emergencies without utilizing fund balance reserves and may help a government achieve its goals and initiatives. This account also ensures that a government has an ability to cover service costs and address unpredictable revenue fluctuations, which could occur during the budget year. The Town had budgeted \$250,000 for general contingency and \$100,000 for Red Tide cleanup. Uses of contingency during the year included \$7,140 for crossing guards at St. Armand’s Circle, \$84,500 for emergency supplies and personal protective equipment for COVID-19, and \$60,000 to replenish the Australian Pine removal program.

During the year, actual revenues exceeded budgetary estimates by \$203,762 primarily due to these factors:

- Grant revenues – We recovered \$24,045 in CARES Act funding for COVID-19 expenses through Manatee County.
- Investment Earnings – The Town pools all of its cash and investments and allocates earnings based on the equity of each fund’s cash balance in the pool. Investment earnings includes both realized gains (losses) and mark to market adjustments, which produced a \$75,962 favorable variance in the General Fund. The Town does not budget for Unrealized gains and losses.
- Sale of Capital Assets – We realized \$27,845 on the auction of surplus capital assets.
- Charges for Services – We collected \$27,075 more than anticipated for EMS ambulatory services.

During the year, expenditures were below budgetary estimates by \$965,966 primarily due to these factors:

- Legal – The legal budget was originally lowered from the prior fiscal year; however, litigation and labor negotiations came in lower than expected. \$104,985 of legal funds remained unspent.
- Town Clerk – Election, advertising and professional service costs were not needed in FY2020 causing a surplus of \$49,223.
- Planning and Zoning –The original budget of \$72,000 for professional services exceeded the needs of the department by \$61,600 for the Zoning Code rewrites.

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- General Services – The budget shows \$88,586 remaining, however a purchase order was issued near the end of the fiscal year to continue the next phase of a sea-level rise study and carried over to the following year's budget.
- Police and Fire Dept – \$110,756 for Police and \$93,507 Fire remained unspent due to vacancies and lower operating costs during the year.
- Contingency – \$198,360 of unspent Contingency funds remained.

Below is a comparison between the two fiscal years.

Town of Longboat Key General Fund Budgetary Basis

	2019	2020	Increase (Decrease)	Note
Revenues:				
Property taxes	\$ 12,197,308	\$ 12,574,815	\$ 377,507	1
Other taxes	122,760	144,375	21,615	2
Licenses and permits	16,468	15,294	(1,174)	
Intergovernmental	1,359,265	1,315,016	(44,249)	3
Charges for services	421,521	497,719	76,198	4
Franchise fees	715,947	683,688	(32,259)	5
Fines and miscellaneous	160,360	93,166	(67,194)	4
Grants	394,371	24,045	(370,326)	6
Income on investments	392,885	297,477	(95,408)	7
Other financing sources	1,321,555	1,357,795	36,240	
Total Revenues	17,102,440	17,003,390	(99,050)	
Expenditures:				
General government	4,470,806	4,601,715	130,909	8
Public safety	9,927,136	10,354,437	427,301	8
Transportation	608,797	610,018	1,221	
Culture and recreation	237,457	251,420	13,963	
Capital outlay/transfers to capital	201,443	562,864	361,421	
Total Expenditures	15,445,639	16,380,454	934,815	
Net Change in Fund Balance	\$ 1,656,801	\$ 622,936	\$ (1,033,865)	

Notes:

1 - Increase in property values of 3.4% produced additional tax revenue.

2 - In 2020 collected past due accounts.

3 - Safer at home orders and business shut downs caused by COVID-19 impacted tourism which impacted sales tax revenues.

4 - Marine Patrol fees for Greer Island were recorded as Miscellaneous Revenue in 2019 and reclassified to Charges for Services in 2020.

5 - Florida Power & Light provided all customers a 25% power reduction in May 2020 due to COVID-19.

6 - The Town received and or accrued payments from FEMA for Hurricane IRMA in 2019.

7 - The COVID-19 pandemic induced market instability and a market liquidity crisis beginning in February 2020 beginning the COVID-19 recession. The Federal funds rates was reduced to near zero reducing investment earnings.

8 - Operating costs increased 4.6% partially due to COVID-19, wages increased an average of 2.2% net of vacancies, and benefits increased 5.1% from pension and medical increases.

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Management's Discussion and Analysis
September 30, 2020

Capital Assets

Our financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities and those assets not subject to depreciation such as land and construction-in-progress. The Town of Longboat Key's investment in capital assets for both governmental and business-type activities, net of accumulated depreciation at September 30, 2020, totaled \$93.6 million, which is an increase of \$2.4 million from the prior year.

The investment in capital assets includes land, buildings, building improvements, beach improvements, machinery and equipment, vehicles, parks, roads, and drainage structures. The Town invested an additional \$2.7 million in new capital assets and \$6.7 was added to Construction in Progress for Governmental activities. The Town invested an additional \$2.1 million in new capital assets and added \$238,079 to Construction in Progress for Business-type Activities.

Capital Assets Net of Accumulated Depreciation (in thousands)

Header	Governmental Activities			
	2019	2020	Increase (Decrease)	Percent
Land	\$ 27,509	\$ 27,509	\$ -	0.0%
Buildings	4,198	4,046	(152)	-3.6%
Streets and roadways	1,546	1,818	272	17.6%
Improvements other than buildings	17,664	12,462	(5,202)	-29.4%
Vehicles and other equipment	2,772	3,777	1,005	36.3%
Construction in progress	8,681	15,074	6,393	73.6%
Total	\$ 62,370	\$ 64,686	\$ 2,316	3.7%

Header	Business-type Activities			
	2019	2020	Increase (Decrease)	Percent
Land	\$ 1,794	\$ 1,794	\$ -	0.0%
Buildings	122	217	95	77.9%
Improvements other than buildings	24,732	24,731	(1)	0.0%
Vehicles and other equipment	1,897	1,727	(170)	-9.0%
Construction in progress	268	432	164	61.2%
Total	\$ 28,813	\$ 28,901	\$ 88	0.31%

Below is a summary of the change in capital assets, net of depreciation for FY2020:

Some of the major capital asset purchases, excluding construction in progress, during the current fiscal year include the following:

Governmental Activities:

- Aerial Fire Truck \$850,000
- Drainage Improvements 441,503
- Ambulance 277,644
- Beach Improvement Activities 223,429
- Information Technology and Software 213,166
- Police Vehicles with Retrofitting Equipment (4) 186,524
- Public Safety Equipment 101,031
- Roof Replacements and Painting 96,938
- Front End Loader 77,231
- Pickleball Expansion 51,455
- Marine Patrol Pickup Truck 45,369
- Boat Motors 35,000
- Tennis Center improvements 25,817

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Business-type Activities:

• Subaqueous Pipeline and Transmission improvements	\$1,080,425
• Water Pumping Stations Rehab	508,343
• Lift Station Rehabs (incl. 3F, 4A, 4D and Master Station D)	157,529
• SCADA System Upgrade	113,568
• Meters and Pumps	108,323
• Water Tank Rehab	87,040
• Portable Generator	42,802
• Utility SUV	34,048

Major assets still under construction include the GMD and Neighborhood Utility Undergrounding, Fire Station improvements, and other Drainage and Stormwater remediation.

Additional information on the Town of Longboat Key's capital assets can be found in Note 4 of this report.

Long-Term Debt

At September 30, 2020, the Town of Longboat Key had total bonded debt outstanding of \$47,631,140 consisting of \$5,515,000 for Fire Station Bonds, \$15,255,000 GMD Undergrounding Revenue Bonds, \$18,285,000 Neighborhood Undergrounding Revenue Bonds, \$5,812,501 for Water and Wastewater Improvement Bonds, and \$2,760,174 is for the Water and Sewer State Revolving Fund Loans.

Header	Outstanding Debt		
	2019	2020	Increase (Decrease)
General Obligation Bonds	\$ 14,642,665	\$ 11,327,501	\$ (3,315,164)
Revenue Bonds	34,425,000	33,540,000	(885,000)
Original Issue Discount	(214,669)	(202,528)	12,141
Premium	222,746	205,993	(16,753)
Notes Payable	2,983,156	2,760,174	(222,982)
Total	<u>\$ 52,058,898</u>	<u>\$ 47,631,140</u>	<u>\$ (4,427,758)</u>

On October 28, 2020, S&P Global Ratings assigned the Town an AA+ rating for its Series 2020 general obligation bonds and affirmed its AA+ rating on the Town's existing GO bonds and special assessments revenue bonds with a stable outlook. Other obligations, totaling \$32,689,335, include net pension liability, the implicit rate subsidies for retiree medical costs and accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 5 and Note 11 of the financial statements.

Beach Construction and Nourishment. During the year, the Town voters approved the authorization of up to \$34.5 million of new debt, maturing not later than eight years, for the next Beach nourishment project to take place in FY2021. Ad valorem taxes will be levied with the Gulf-Side properties paying 80% and Bayside properties paying 20% of the sum of the millage. The project includes, but is not limited to, the construction of five permeable groins at the North end of the Key, sand dredging, and beach nourishment throughout the island. Bonds were issued in FY2021 providing \$21.2 million toward the project. Other funding sources include available fund balance in the Beach Nourishment Capital Project Fund, Tourist Development Taxes and grants from the State of Florida FDEP Beach Management Funding Assistance Program.

Undergrounding Utilities. The Town is in the process of undergrounding electrical, communications, fiber optics, and other utilities including the installation of street lighting island wide. The Town split the undergrounding project into two separate referendums. On November 3, 2016, the Town's electors voted to authorize the Town's borrowing of up to \$25,250,000 for undergrounding Gulf of Mexico Drive including Binnacle Point in Spanish Main and on Broadway Street. The Town is funding the debt with Non-Ad valorem assessments over thirty years. The second referendum held March 15, 2017, authorized the borrowing of an additional \$23,850,000 to underground the remaining neighborhood side streets and install fiber optics in already undergrounded areas. The Town is funding the Neighborhood debt with Non-Ad valorem assessments and electric

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franchise fees equal to the debt associated with one-half of the general benefit assessment, over 30 years. The Town issued debt associated with the Undergrounding projects on December 31, 2018.

The constitution of the State of Florida sets no debt limit for municipalities. The Town maintains a "pay as you go" policy for most capital purchases. The Town of Longboat Key will issue debt only for the purposes of constructing or acquiring large nonrecurring permanent capital improvements and for making major renovations to existing capital improvements that are included within the Town's Capital Improvement program. The only exception to the above would involve entering into long-term leases as described above when it is cost justifiable to do so or to fund emergency projects that are not included within the Town's Capital Improvement program. All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event to exceed 30 years. Additional information on general obligations bonds can be found in Note 5 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

According to the Florida Office of Economic and Demographic Research (December 30, 2020) Economic Overview, prior to the pandemic, Florida's real gross domestic product (GDP), was expected to grow 2.5% in FY2020. Through the first half of the year, data showed that the State of Florida was on track to match that projection. Personal income growth is also on track to match the estimated 5.1 % increase. Florida's average wage still remains low as compared to the U.S. average, at 87.4%. The state's unemployment rate shows an increase from the prior year with an actual rate of 6.4% compared to the national rate of 6.7% (November 2020). With the onset of the pandemic, unemployment had spiked to 13.8% in April 2020. Florida is currently the third most populous state, behind California and Texas, with population growth expected to continually slow to 1.36%. The past two years has shown growth just under 2%. The Florida housing market is resilient with the documentary stamp tax showing an 8.4% growth in FY2020 over FY2019.

Florida tourism is a major component of the state's economy and state sales tax revenue relies heavily on strong tourism growth. Currently, tourism losses pose the greatest potential risk to the economic outlook and Florida is particularly vulnerable to the longer-term effects of the pandemic. Disease outbreaks, natural, or manmade disasters have shown that tourism demand is very sensitive to such events.

A year after the COVID-19 pandemic drove the U.S. economy into a downturn, economic indicators suggest a strong rebound. With more than two million Americans receiving the vaccine each day, States are increasingly reopening their economies. Parts of the economy have already returned or surpassed pre-COVID-19 levels, while state unemployment still remains high and travel and tourism industries remain depressed.

Sarasota County construction for retail and development has been very active over the past five years which is changing the face of Downtown Sarasota. Hotel, office, residential and mixed-use projects that offer a variety of urban amenities and price points are attracting new residents and businesses, along with increasing visitor opportunities.

The Town's FY2021 budget was an extraordinary year where the COVID-19 economic impacts not only effected Non-Ad Valorem revenue sources, but also, the property tax base in the Sarasota County portion of the Key, was negatively affected by declining condominium values. The property values in Sarasota County declined 2.81% while Manatee County property values increased 3.61%. This year's combined net decrease was 0.88%. The real estate values have since rebound and this was deemed to be a one-off year. These values are used to determine the ad valorem tax revenue to be received.

Despite General Fund revenue losses nearing \$0.5 million, the budget maintained focus on Town Commission prioritized initiatives, including but not limited to, managing the construction of undergrounding utilities, South Fire Station construction, North Fire Station renovations, construction of five permeable groins on the North end of the Key along with sand nourishment and advancing the Phase 2 improvements to the Outdoor Venue at the Town Center.

Factors considered in preparing The Town of Longboat Key's budget for the FY2021 included:

- No increase in General Fund operating millage.
- Meet reserve policy requirements (90 days of reserves).
- Continue to monitor general and program revenue projections and evaluate rate and fee structures.
- Reduce or keep operating budgets flat.
- Maintaining publicly visible service levels.
- Pursue and maximize all eligible grants to offset pandemic costs.
- Continue to seek more efficient methods of accomplishing the mission.

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- Carefully consider new project and initiative impacts.
- Identify stressed funds and develop viable funding strategies using forecasting models.
- Maintain support for five-year Capital Improvement Plan (CIP) for scheduled vehicle replacement, facility and infrastructure improvements.
- Maintain the Budget Stabilization Reserve for future economic downturn.

All of these factors were considered in preparing the Town's budget for the FY2021. The Town has maintained an operating millage rate of 2.1144 for the past five years including FY2021.

Requests for Information

This financial report is designed to provide a general overview of The Town of Longboat Key Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Susan L. Smith, CGFO, Finance Director, Town of Longboat Key, at 501 Bay Isles Road, Longboat Key, Florida, 34228 or by phone at (941) 316-6882. We also recommend that you visit our website at www.longboatkey.org for further information.

Basic Financial Statements

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TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 28,842,051	\$ 6,106,292	\$ 34,948,343
Investments	45,362,679	9,322,318	54,684,997
Accounts receivables, net	28,111,822	746,327	28,858,149
Accrued income	106,408	39,560	145,968
Due from other governments	798,184	-	798,184
Prepaid items	7,917	1,200	9,117
Inventory	87,571	69,714	157,285
Restricted asset, cash and cash equivalents	-	641,697	641,697
Capital assets			
Non-depreciable	42,582,897	2,226,155	44,809,052
Depreciable, net	22,103,495	26,675,084	48,778,579
Total assets	168,003,024	45,828,347	213,831,371
Deferred Outflows of Resources			
Deferred outflows - pensions	6,383,015	183,683	6,566,698
Deferred outflows - OPEB	286,719	32,713	319,432
Total deferred outflows of resources	6,669,734	216,396	6,886,130
Liabilities			
Accounts payable	1,705,884	966,663	2,672,547
Accrued liabilities	924,658	150,188	1,074,846
Due to other governments	65,000	-	65,000
Customer deposits payable	-	233,498	233,498
Unearned revenue	32,416,522	-	32,416,522
Noncurrent liabilities			
Due within one year	1,663,067	864,325	2,527,392
Due in more than one year	68,936,071	8,857,012	77,793,083
Total liabilities	105,711,202	11,071,686	116,782,888
Deferred Inflows of Resources			
Deferred inflows - pensions	262,405	30,134	292,539
Deferred inflows - OPEB	44,582	5,087	49,669
Total deferred inflows of resources	306,987	35,221	342,208
Net position			
Net investment in capital assets	61,550,069	20,328,564	81,878,633
Restricted for			
Capital projects	18,063,120	-	18,063,120
Debt service	74,220	641,697	715,917
Unrestricted	(11,032,840)	13,967,575	2,934,735
Total net position	\$ 68,654,569	\$ 34,937,836	\$ 103,592,405

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

TOWN OF LONGBOAT KEY, FLORIDA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 4,956,110	\$ 65,110	\$ -	\$ -	\$ (4,891,000)	\$ -	\$ (4,891,000)
Public safety	11,709,523	467,651	167,088	399	(11,074,385)	-	(11,074,385)
Transportation	916,222	66,799	-	-	(849,423)	-	(849,423)
Culture/recreation	6,369,986	618,275	61,567	350,787	(5,339,357)	-	(5,339,357)
Physical environment	1,872	3,022,748	-	-	3,020,876	-	3,020,876
Interest on long-term debt	1,511,341	-	-	-	(1,511,341)	-	(1,511,341)
Total governmental activities	<u>25,465,054</u>	<u>4,240,583</u>	<u>228,655</u>	<u>351,186</u>	<u>(20,644,630)</u>	<u>-</u>	<u>(20,644,630)</u>
Business-type activities							
Water and sewer	7,663,894	8,441,773	-	-	-	777,879	777,879
Building department	998,032	1,672,906	-	-	-	674,874	674,874
Total business-type activities	<u>8,661,926</u>	<u>10,114,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,452,753</u>	<u>1,452,753</u>
Total primary government	<u>\$ 34,126,980</u>	<u>\$ 14,355,262</u>	<u>\$ 228,655</u>	<u>\$ 351,186</u>	<u>(20,644,630)</u>	<u>1,452,753</u>	<u>(19,191,877)</u>
General revenues							
Property taxes					15,496,526	-	15,496,526
Gas taxes					369,925	-	369,925
Sales taxes					1,634,044	-	1,634,044
Unrestricted state revenue sharing					579,033	-	579,033
Franchise fees					987,715	-	987,715
Business tax					144,375	-	144,375
Tourist tax					819,496	-	819,496
Investment earnings					2,787,344	299,381	3,086,725
Miscellaneous					73,837	-	73,837
Gain on sale of capital asset					54,195	5,001	59,196
Transfers					<u>1,329,950</u>	<u>(1,329,950)</u>	<u>-</u>
Total general revenues and transfers					<u>24,276,440</u>	<u>(1,025,568)</u>	<u>23,250,872</u>
Change in net position					<u>3,631,810</u>	<u>427,185</u>	<u>4,058,995</u>
Net position, beginning of year					<u>65,022,759</u>	<u>34,510,651</u>	<u>99,533,410</u>
Net position, end of year					<u>\$ 68,654,569</u>	<u>\$ 34,937,836</u>	<u>\$ 103,592,405</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	General Obligation Beach Bonds Fund	Beach Nourishment Capital Project Fund	GMD Undergrounding Capital Project Fund	Neighborhoods Undergrounding Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 4,382,887	\$ 393,559	\$ 163,206	\$ 8,541	\$ 4,825,331	\$ 8,295,963	\$ 7,243,425	\$ 3,529,139	\$ 28,842,051
Investments	6,738,008	600,836	249,163	13,039	7,366,708	12,665,232	11,058,350	6,671,343	45,362,679
Accounts receivable, net	314,566	14,760,821	13,036,435	-	-	-	-	-	28,111,822
Due from other funds	37,374	-	-	-	-	-	-	-	37,374
Accrued income	25,886	1,061	474	4,701	18,386	11,987	8,335	35,578	106,408
Due from other governments	146,504	-	-	8	-	-	-	651,672	798,184
Inventory	4,907	-	-	-	-	-	-	82,664	87,571
Prepaid items	7,917	-	-	-	-	-	-	-	7,917
Total assets	<u>\$ 11,658,049</u>	<u>\$ 15,756,277</u>	<u>\$ 13,449,278</u>	<u>\$ 26,289</u>	<u>\$ 12,210,425</u>	<u>\$ 20,973,182</u>	<u>\$ 18,310,110</u>	<u>\$ 10,970,396</u>	<u>\$ 103,354,006</u>
Liabilities, deferred inflows of resources, and fund balances									
Liabilities									
Accounts payable	\$ 276,270	\$ -	\$ -	\$ -	\$ 120,770	\$ 532,191	\$ 535,786	\$ 240,867	\$ 1,705,884
Accrued liabilities	665,237	-	-	-	-	-	-	16,910	682,147
Due to other governments	-	-	-	-	-	-	-	65,000	65,000
Unearned revenue	-	15,413,447	13,345,324	-	-	3,657,751	-	-	32,416,522
Due to other funds	-	-	-	-	-	-	-	37,374	37,374
Total liabilities	<u>941,507</u>	<u>15,413,447</u>	<u>13,345,324</u>	<u>-</u>	<u>120,770</u>	<u>4,189,942</u>	<u>535,786</u>	<u>360,151</u>	<u>34,906,927</u>
Deferred inflows of resources									
Unavailable revenue	61,092	-	-	-	-	-	-	18,444	79,536
Fund balances									
Nonspendable	12,824	-	-	-	-	-	-	82,664	95,488
Restricted	-	342,830	103,954	26,289	11,735,827	12,873,041	10,503,011	5,984,002	41,568,954
Assigned	3,516,519	-	-	-	353,828	3,910,199	7,271,313	4,525,135	19,576,994
Unassigned	7,126,107	-	-	-	-	-	-	-	7,126,107
Total fund balances	<u>10,655,450</u>	<u>342,830</u>	<u>103,954</u>	<u>26,289</u>	<u>12,089,655</u>	<u>16,783,240</u>	<u>17,774,324</u>	<u>10,591,801</u>	<u>68,367,543</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,658,049</u>	<u>\$ 15,756,277</u>	<u>\$ 13,449,278</u>	<u>\$ 26,289</u>	<u>\$ 12,210,425</u>	<u>\$ 20,973,182</u>	<u>\$ 18,310,110</u>	<u>\$ 10,970,396</u>	<u>\$ 103,354,006</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balances for governmental funds		\$ 68,367,543
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.		
Governmental capital assets	128,183,811	
Accumulated depreciation	<u>(63,497,419)</u>	64,686,392
Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds.		
		79,536
Deferred outflows and deferred inflows are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds		
Deferred outflows - OPEB	286,719	
Deferred inflows - OPEB	(44,582)	
Deferred outflows - pensions	6,383,015	
Deferred inflows - pensions	<u>(262,405)</u>	6,362,747
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Accrued interest payable	(242,511)	
Compensated absences	(990,755)	
Net pension liability	(29,081,845)	
Total OPEB liability	(1,468,073)	
Bonds payable	<u>(39,058,465)</u>	<u>(70,841,649)</u>
Net position of governmental activities		<u>\$ 68,654,569</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	GMD Assessments Fund	Neighborhoods Assessments Fund	General Obligation Beach Bonds Fund	Beach Nourishment Capital Project Fund	GMD Undergrounding Capital Project Fund	Neighborhoods Undergrounding Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Property taxes	\$ 12,574,815	\$ -	\$ -	\$ 2,567,211	\$ -	\$ -	\$ -	\$ 354,500	\$ 15,496,526
Other taxes	144,375	-	-	-	-	-	-	2,071,352	2,215,727
Licenses and permits	15,294	-	-	-	-	-	-	-	15,294
Intergovernmental revenues	1,315,016	-	-	-	-	-	-	357,697	1,672,713
Charges for services	497,719	-	-	-	-	-	-	671,113	1,168,832
Franchise fees	683,688	-	-	-	-	-	-	304,027	987,715
Fines and forfeitures	24,829	-	-	-	-	-	-	2,541	27,370
Grant revenues	24,045	-	-	-	468,644	-	-	143,043	635,732
Investment earnings	297,477	574,354	617,125	32,731	223,013	400,341	388,632	253,671	2,787,344
Special assessments	-	637,417	470,146	-	-	1,297,655	617,530	-	3,022,748
Miscellaneous revenues	68,337	-	-	-	-	-	-	5,899	74,236
Total revenues	<u>15,645,595</u>	<u>1,211,771</u>	<u>1,087,271</u>	<u>2,599,942</u>	<u>691,657</u>	<u>1,697,996</u>	<u>1,006,162</u>	<u>4,163,843</u>	<u>28,104,237</u>
Expenditures									
Current									
General government	4,601,715	30,468	27,375	646	-	-	-	44,351	4,704,555
Public safety	10,354,437	-	-	-	-	-	-	84,010	10,438,447
Transportation	610,018	-	-	-	-	-	-	7,461	617,479
Culture/recreation	251,420	-	-	-	87,026	-	-	592,898	931,344
Debt service									
Principal retirement	-	130,000	-	2,750,761	-	-	-	1,175,000	4,055,761
Interest	-	-	-	49,239	-	-	-	1,482,384	1,531,623
Capital outlay									
General government	54,466	-	-	-	-	-	-	478,508	532,974
Public safety	57,398	-	-	-	-	-	-	1,399,326	1,456,724
Physical environment	-	-	-	-	-	1,292,471	3,217,821	-	4,510,292
Transportation	-	-	-	-	-	-	-	1,964,313	1,964,313
Culture/recreation	-	-	-	-	616,443	-	-	92,518	708,961
Total expenditures	<u>15,929,454</u>	<u>160,468</u>	<u>27,375</u>	<u>2,800,646</u>	<u>703,469</u>	<u>1,292,471</u>	<u>3,217,821</u>	<u>7,320,769</u>	<u>31,452,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(283,859)</u>	<u>1,051,303</u>	<u>1,059,896</u>	<u>(200,704)</u>	<u>(11,812)</u>	<u>405,525</u>	<u>(2,211,659)</u>	<u>(3,156,926)</u>	<u>(3,348,236)</u>
Other financing sources (uses)									
Proceeds from the sale of capital assets	27,845	-	-	-	-	-	-	26,350	54,195
Transfers in	1,329,950	-	-	-	578,232	-	-	2,368,388	4,276,570
Transfers out	(451,000)	(941,684)	(775,704)	-	-	-	-	(778,232)	(2,946,620)
Total other financing sources (uses)	<u>906,795</u>	<u>(941,684)</u>	<u>(775,704)</u>	<u>-</u>	<u>578,232</u>	<u>-</u>	<u>-</u>	<u>1,616,506</u>	<u>1,384,145</u>
Change in fund balances	622,936	109,619	284,192	(200,704)	566,420	405,525	(2,211,659)	(1,540,420)	(1,964,091)
Fund balances (deficit), beginning of year	<u>10,032,514</u>	<u>233,211</u>	<u>(180,238)</u>	<u>226,993</u>	<u>11,523,235</u>	<u>16,377,715</u>	<u>19,985,983</u>	<u>12,132,221</u>	<u>70,331,634</u>
Fund balances, end of year	<u>\$ 10,655,450</u>	<u>\$ 342,830</u>	<u>\$ 103,954</u>	<u>\$ 26,289</u>	<u>\$ 12,089,655</u>	<u>\$ 16,783,240</u>	<u>\$ 17,774,324</u>	<u>\$ 10,591,801</u>	<u>\$ 68,367,543</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances – Total Governmental Funds		\$ (1,964,091)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 9,127,819	
Less current year depreciation	<u>(6,811,612)</u>	2,316,207
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.</p>		
Repayment of principal of long-term debt		4,055,761
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(391,518)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense	(85,579)	
Change in total OPEB liability and deferred items	(43,708)	
Change in accrued interest	15,670	
Amortization of premium	16,753	
Amortization of original issue discount	(12,141)	
Change in compensated absences	<u>(275,544)</u>	<u>(384,549)</u>
Change in net position of governmental activities		<u>\$ 3,631,810</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 5,184,520	\$ 921,772	\$ 6,106,292
Restricted cash and cash equivalents	641,697	-	641,697
Accounts receivable, net	746,327	-	746,327
Investments	7,915,072	1,407,246	9,322,318
Accrued income	34,759	4,801	39,560
Prepays	1,200	-	1,200
Inventory	69,714	-	69,714
Total current assets	<u>14,593,289</u>	<u>2,333,819</u>	<u>16,927,108</u>
Noncurrent assets			
Capital assets, non-depreciable	2,226,155	-	2,226,155
Capital assets, net	<u>26,538,413</u>	<u>136,671</u>	<u>26,675,084</u>
Total noncurrent assets	<u>28,764,568</u>	<u>136,671</u>	<u>28,901,239</u>
Total assets	<u>43,357,857</u>	<u>2,470,490</u>	<u>45,828,347</u>
Deferred Outflows of Resources			
Deferred outflows - pensions	85,966	97,717	183,683
Deferred outflows - OPEB	14,416	18,297	32,713
Total deferred outflows of resources	<u>100,382</u>	<u>116,014</u>	<u>216,396</u>
Liabilities			
Current liabilities			
Accounts payable	931,165	35,498	966,663
Bonds payable	505,095	-	505,095
Notes payable	229,314	-	229,314
Accrued liabilities	117,369	32,819	150,188
Compensated absences	73,405	56,511	129,916
Liabilities payable from restricted assets			
Customer deposits payable	233,498	-	233,498
Total current liabilities	<u>2,089,846</u>	<u>124,828</u>	<u>2,214,674</u>
Noncurrent liabilities			
Bonds payable, net of current portion	5,307,406	-	5,307,406
Notes payable, net of current portion	2,530,860	-	2,530,860
Net pension liability	398,393	452,850	851,243
Total OPEB liability	73,816	93,687	167,503
Total non-current liabilities	<u>8,310,475</u>	<u>546,537</u>	<u>8,857,012</u>
Total liabilities	<u>10,400,321</u>	<u>671,365</u>	<u>11,071,686</u>
Deferred Inflows of Resources			
Deferred inflows - pension	14,103	16,031	30,134
Deferred inflows - OPEB	2,242	2,845	5,087
Total deferred inflows of resources	<u>16,345</u>	<u>18,876</u>	<u>35,221</u>
Net position			
Net investment in capital assets	20,191,893	136,671	20,328,564
Restricted for			
Debt service	641,697	-	641,697
Unrestricted	<u>12,207,983</u>	<u>1,759,592</u>	<u>13,967,575</u>
Total net position	<u>\$ 33,041,573</u>	<u>\$ 1,896,263</u>	<u>\$ 34,937,836</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Operating revenues			
Charges for services	\$ 8,329,165	\$ 1,651,842	\$ 9,981,007
Late charges	100,135	-	100,135
Rentals and miscellaneous	12,473	21,064	33,537
Total operating revenues	<u>8,441,773</u>	<u>1,672,906</u>	<u>10,114,679</u>
Operating expenses			
Personnel services and benefits	636,781	835,386	1,472,167
Professional services	360,507	67,311	427,818
General and administrative	13,842	46,102	59,944
Materials and supplies	54,790	10,575	65,365
Utility services	131,759	-	131,759
Insurance	142,347	-	142,347
Repairs and maintenance	203,345	8,326	211,671
Water purchased for resale	1,713,860	-	1,713,860
Wastewater treatment	1,951,967	-	1,951,967
Miscellaneous	665	518	1,183
Depreciation	2,201,054	29,814	2,230,868
Total operating expenses	<u>7,410,917</u>	<u>998,032</u>	<u>8,408,949</u>
Operating income	<u>1,030,856</u>	<u>674,874</u>	<u>1,705,730</u>
Nonoperating revenues (expenses)			
Investment earnings	262,689	36,692	299,381
Gain on disposal of capital assets	5,001	-	5,001
Interest expense	(252,977)	-	(252,977)
Total nonoperating revenues, net	<u>14,713</u>	<u>36,692</u>	<u>51,405</u>
Income before transfers	1,045,569	711,566	1,757,135
Transfers out	<u>(1,063,000)</u>	<u>(266,950)</u>	<u>(1,329,950)</u>
Change in net position	(17,431)	444,616	427,185
Total net position, beginning of year	33,059,004	1,451,647	34,510,651
Total net position, end of year	<u>\$ 33,041,573</u>	<u>\$ 1,896,263</u>	<u>\$ 34,937,836</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 8,456,490	\$ 1,672,906	\$ 10,129,396
Cash paid to suppliers for goods and services	(4,368,704)	(159,399)	(4,528,103)
Cash paid to employees for services and benefits	(674,972)	(859,731)	(1,534,703)
Net cash provided by operating activities	<u>3,412,814</u>	<u>653,776</u>	<u>4,066,590</u>
Cash flows from noncapital financing activities			
Transfer to other funds	(1,063,000)	(266,950)	(1,329,950)
Net cash used in noncapital financing activities	<u>(1,063,000)</u>	<u>(266,950)</u>	<u>(1,329,950)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(2,306,258)	(13,242)	(2,319,500)
Cash received from sale of capital assets	5,001	-	5,001
Principal paid on bonds payable	(144,403)	-	(144,403)
Principal paid on notes payable	(222,982)	-	(222,982)
Interest paid	(247,193)	-	(247,193)
Net cash used in capital and related financing activities	<u>(2,915,835)</u>	<u>(13,242)</u>	<u>(2,929,077)</u>
Cash flows from investing activities			
Sale of investments	3,378,339	297,049	3,675,388
Purchase of investments	(3,391,953)	(603,066)	(3,995,019)
Interest received	267,507	37,089	304,596
Net cash provided by (used in) investing activities	<u>253,893</u>	<u>(268,928)</u>	<u>(15,035)</u>
Net change in cash and cash equivalents	(312,128)	104,656	(207,472)
Cash and cash equivalents, beginning of year	<u>6,138,345</u>	<u>817,116</u>	<u>6,955,461</u>
Cash and cash equivalents, end of year	<u>\$ 5,826,217</u>	<u>\$ 921,772</u>	<u>\$ 6,747,989</u>
Cash and cash equivalents classified as			
Cash and cash equivalents	\$ 5,184,520	\$ 921,772	\$ 6,106,292
Restricted cash and cash equivalents	641,697	-	641,697
Total cash and cash equivalents	<u>\$ 5,826,217</u>	<u>\$ 921,772</u>	<u>\$ 6,747,989</u>

(Continued)

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water and Sewer</u>	<u>Building Department</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 1,030,856	\$ 674,874	\$ 1,705,730
Adjustment to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,201,054	29,814	2,230,868
Change in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	42,959	-	42,959
Prepays	(1,200)	-	(1,200)
Inventory	5,788	-	5,788
Deferred outflows - pension	167	191	358
Deferred outflows - OPEB	(1,151)	(267)	(1,418)
Increase (decrease) in liabilities:			
Accounts payable	199,790	(26,567)	173,223
Accrued liabilities	(388)	3,396	3,008
Compensated absences payable	(2,599)	17,543	14,944
Customer deposits	(28,242)	-	(28,242)
Deferred inflows - pension	(11,351)	(12,903)	(24,254)
Deferred inflows - OPEB	(691)	(1,142)	(1,833)
Net pension liability	(25,316)	(28,783)	(54,099)
Total OPEB liability	3,138	(2,380)	758
Net cash provided by operating activities	<u>\$ 3,412,814</u>	<u>\$ 653,776</u>	<u>\$ 4,066,590</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020**

	Consolidated Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 42,155	\$ 30,906
Receivables/prepays		
Prepaid items	337,053	-
Interest receivable	93,825	-
Due from broker	287,757	-
Total receivables	<u>718,635</u>	<u>-</u>
Investments, at fair value		
U.S. Government and agency securities	5,348,590	-
Corporate bonds	3,856,953	-
Equity securities	29,331,832	-
Total investments	<u>38,537,375</u>	<u>-</u>
Total assets	<u>\$ 39,298,165</u>	<u>\$ 30,906</u>
Liabilities		
Accounts payable	\$ 45,285	\$ -
Amounts held as agent for others	-	30,906
Total liabilities	<u>45,285</u>	<u>30,906</u>
Net Position		
Restricted for pension benefits - active and retired members' benefits	<u>39,252,880</u>	<u>-</u>
Total liabilities and net position	<u>\$ 39,298,165</u>	<u>\$ 30,906</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Consolidated Pension Trust Fund</u>
Additions	
Contributions	
Town	\$ 3,448,668
Total contributions	<u>3,448,668</u>
Investment income	
Net change in fair value of investments	1,679,548
Interest and dividends	856,556
Less investment expense	<u>(204,445)</u>
Net investment income	<u>2,331,659</u>
Total additions	<u>5,780,327</u>
Deductions	
Pension benefits	3,972,184
Administrative expenses	96,206
Total deductions	<u>4,068,390</u>
Change in net position	1,711,937
Net position, restricted for pension benefits	
Beginning of year	<u>37,540,943</u>
End of year	<u>\$ 39,252,880</u>

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Town of Longboat Key, Florida (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

The Town is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town Charter is reviewed every ten years and has been amended by referendum six times. The current charter was adopted in 2018. The Town operates under a Commission-Manager form of government under which a seven member Commission is elected to serve as the executive and legislative body for the Town. The Commissioners appoint a Town Manager whose duties include the administration of directives and policies of the Commissioners and who has the responsibility for the operation of all Town provided services as authorized by its charter.

The accompanying financial statements present the Town’s primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town (as distinct from legal relationships). Blended component units, although legally separate entities, are in substance part of the Town’s operations and as a result considered to be financially accountable. The financial transactions of these component units are merged in with similar transactions of the Town as part of the primary government.

The following component units are reported in the Town’s Comprehensive Annual Financial Report. In August 1992, the Town passed ordinances creating two dependent special districts, Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B. The purpose of these districts is to renourish and maintain the Town’s beachfront area. The services provided by these districts are solely for the benefit of the Town. These Districts began operations in January 1993 upon issuance of bonds. The governing boards of the Districts are substantially the same as that of the Town. These Districts are blended into the Town’s primary government although retaining a separate legal identity. Separate financial statements are not prepared for these component units. These districts sunset on June 1, 2020, upon the payoff of the Series 2016 G.O. Bonds.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the Town.

Government-wide financial statements include a statement of net position and a statement of activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses on all non-fiduciary activities of the Town, providing a consolidated financial picture of the government as a whole. For the most part, the effect of interfund activity has been removed from these statements.

Each statement distinguishes between activities that are supported primarily by taxes and intergovernmental revenues (*governmental activities*) and activities that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, transportation, physical environment, and culture/recreation. The business-type activities of the Town include the water and sewer system and building permits.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The effect of administrative and support services' indirect expense allocations has been eliminated in the government-wide financial statements. Depreciation expense for capital assets that serve all functions is reported as a direct expense of the general government function on the government-wide statement of activities. All interest on long-term debt is considered indirect and is reported separately in the government-wide statement of activities.

Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, and other items not properly included among program revenues are reported instead as *general revenues*. For identifying the function to which program revenue pertains, the determining factor for *charges for services* is the function that generates the revenue. For *grants and contributions*, the determining factor is the function to which the revenues are restricted.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Fund structures have been designed to comply with all the requirements of bond resolutions and regulatory provisions or administrative action. The fund financial statements report additional and detailed information about the Town's operations for major funds individually and non-major funds in the aggregate for governmental, proprietary and fiduciary funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The preparation of financial statements in conformity with generally accepted accounting principles, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

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

The government-wide financial statements, as well as the fund financial statements for proprietary funds and the pension trust funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows. Agency funds, however, have no measurement focus but do use the accrual basis of accounting for reporting assets and liabilities.

Proprietary Funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from producing or providing goods and services such as water, sewer and garbage services. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses or other expense directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

All governmental fund financial statements are reported using a *current financial resources measurement focus* on a *modified accrual basis of accounting*. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be 60 days. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated sick pay and accumulated vacation pay, which are not recorded as expenditures; (2) prepaid insurance and similar items, which are reported only on the balance sheet and do not affect expenditures; and (3) principal and interest on long-term debt, which are recognized when due. It is the Town's policy to recognize grant revenues when earned to match the corresponding expenditures.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, because they are generally not measurable until actually received. Investment earnings and most fines and forfeitures are recorded as earned since they are measurable and available.

The Town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

The *GMD Assessments Fund* was created to account for special non-ad valorem assessments collected for the Gulf of Mexico Drive undergrounding project. These assessments will fund the costs of or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive.

The *Neighborhoods Assessments Fund* was created to account for special non-ad valorem assessments collected for the Neighborhoods Undergrounding Project. These assessments will fund the costs of or debt issued for undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting.

The *General Obligation Beach Bonds Fund* was created to account for the property tax collections from Sarasota and Manatee Counties and to pay annual debt service payment on bonds.

The *Beach Nourishment Capital Project Fund* was created to account for the expenditures of reconstructing or renourishing beaches along the Town's Gulf of Mexico coastline.

The *GMD Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the Gulf of Mexico Drive utility undergrounding project.

The *Neighborhoods Undergrounding Capital Project Fund* was created to account for the expenditures incurred for the neighborhoods utility undergrounding project.

The following are reported as major proprietary funds:

The *Water and Sewer Fund* accounts for the operation of the Town's potable water, wastewater services to residents and businesses.

The *Building Department Fund* accounts for the permitting and inspecting functions of construction activities.

The Town also reports the following fund types:

The *Consolidated Pension Trust Fund* accounts for the activities of the Town's consolidated pension plan covering general employees, police officers and firefighters.

The *Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are merely clearing accounts for assets held by a government as an agent for individuals, private organizations, other governments or other funds. Agency funds held by the Town include the Code Enforcement Fund, which holds funds prior to legal disbursement and the Police Donations Fund, which hold money in a custodial capacity. These funds are accounted for on an accrual basis of accounting.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items, operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

D. Cash and Investments

All funds participate in a pooled cash investment program, excluding certain investments held in a fiduciary capacity or those investments belonging to a specific fund due to legal or other restrictions. Formal accounting records detail the monthly equities of all participating funds. Interest earned on these investments is allocated to funds based on average equity balances. Cash and cash equivalents are cash on hand as well as demand deposits and pooled cash and non-pooled investments with original maturities of three months or less.

The Town is authorized pursuant Resolution 2017-01, adopted January 9, 2017, to invest surplus funds in accordance with Florida Statute 218.415. Investment guidelines have been defined in the policy and authorize the Town to invest in the following:

1. United States Government Securities
2. United States Government Agencies
3. United States Government Sponsored Enterprises (GSE) Federal Instrumentalities
4. Mortgage-Backed Securities
5. Non-Negotiable Interest Bearing Time Certificates of Deposit or Savings Accounts
6. Repurchase Agreements
7. Commercial Paper
8. Corporate Notes
9. Bankers' Acceptances
10. State or Local Government Taxable and/or Tax-Exempt Debt
11. Registered Investments Companies (Money Market Mutual Funds)
12. Supranationals
13. Asset-Backed Securities
14. Intergovernmental Investment Pool
15. The Florida Local Government Surplus Trust Funds - Florida PRIME

Pension trust funds may be invested in the above as well as certain corporate obligations and equities.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

Investments

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, all investments have been reported at fair value. The Town has implemented GASB 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*, which requires more comprehensive disclosure of various common risks related to deposits and investments.

Investments in debt securities and money markets are recorded at fair value using quoted market prices. If quoted market prices are unavailable, fair values are based on quoted market prices of comparable instruments or values obtained from independent pricing services. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses are netted for financial statement presentation purposes.

The Local Government Surplus Funds Trust Fund (Florida PRIME) is an external 2A7-like investment pool administered by the Florida State Board of Administration. The Town's investment in Florida PRIME represented less than 1% of Florida PRIME's total investments. Investments held in Florida PRIME include, but are not limited to, short-term federal agency obligations, treasury bills, repurchase agreements, and commercial paper. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of Florida PRIME based on their equity participation.

Florida Class (FLCLASS) is an independent local government investment pool (LGIP) open to all political subdivisions, instrumentalities of political subdivisions, and state agencies in the State of Florida. The management of FLCLASS is under the direction of a Board of Trustees comprised of eligible Participants of the FLCLASS program. The Town's investment in FLCLASS represented less than 1% of FLCLASS's total investments. Investments held in FLCLASS include, but are not limited to, commercial paper, Certificates of Deposit, U.S. Treasury Securities, Repurchase Agreements and Money Market Funds. These short-term investments are stated at cost, which approximates market value. Investment income is recognized as earned and is allocated to participants of FLCLASS based on their equity participation.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

The following summarizes the Town's cash and investments, excluding Pension Trust Funds, at September 30, 2020, which are recorded at fair value:

Cash and Equivalents	Rating (Moody's)	Fair Value
Petty Cash	N/A	\$ 2,394
Public Depository accounts		
Checking	N/A	13,474,506
Total cash and cash equivalents		13,476,900
Investments		
U.S. Government and Agency Obligations		
Less than 1 year maturities	Aaa	7,953,825
1 to 5 year maturities	Aaa	18,628,139
Corporate Bonds		
Less than 1 year maturities	Aaa	2,813,529
1 to 5 year maturities	Aaa	5,892,574
Florida PRIME (S&P Rating)	AAAm	22,144,046
Florida Class (S&P Rating)	AAAm	19,213,850
Money market funds (S&P Rating)	AAAm	183,080
Total investments		76,829,043
Total cash and cash equivalents and investments		\$ 90,305,943
Amounts as presented on the entity wide statement of net position:		
Cash and cash equivalents		\$ 34,948,343
Investments		54,684,997
Restricted cash and cash equivalents		641,697
Amounts as presented on the fiduciary statement of net position:		
Cash and cash equivalents - Agency Funds		30,906
Total cash and cash equivalents and investments		\$ 90,305,943

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

Custodial Risk: All of the Town’s deposits (checking, savings, money market and certificates of deposit) are held in the Town’s name in banks or savings and loan associations certified by the State of Florida as qualified public depositories under Chapter 280, *Florida Statutes*, the Florida Security of Public Deposits Act and are either insured by federal depository insurance or through the State of Florida’s public depository collateral pool.

Concentration of Credit Risk: It is the policy of the Town to diversify its investment portfolio. Assets are diversified to control the risk of loss resulting from over concentration for assets in a specific maturity, a specific issuer or a specific instrument or class of instruments, and dealers through whom these instruments are bought and sold. To limit concentration of credit risk, the Town’s investment policy requires diversification of the portfolio with maximum limits that can be invested per investment type. Diversification strategies are reviewed and revised periodically as necessary.

Custodial Credit Risk – Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town requires its investments to be held in the Town’s name to negate this risk.

Interest Rate Risk: Investment rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town’s investment policy recognizes that the longer a maturity of an investment, the greater its price volatility. The Town limits its investment risk for investments by requiring all investments to have a maximum maturity of five years from the date of purchase.

Fair Value Measurements: The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2020:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. Gov’t Obligations	\$ 26,581,964	\$ 21,132,654	\$ 5,449,310	\$ -
Corporate Bonds	8,706,103	7,551,490	1,154,613	-
Total fixed income securities	35,288,067	28,684,144	6,603,923	-
Money market funds	183,080	183,080	-	-
Investments exempt from level disclosure:				
Florida PRIME	22,144,046	-	-	-
Florida Class	19,213,850	-	-	-
Total investments at fair value level	\$ 76,829,043	\$ 28,867,224	\$ 6,603,923	\$ -

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due. Receivables as of September 30, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>GMD Assessments Fund</u>	<u>Neighborhoods Assessments Fund</u>	<u>G.O. Beach Bonds Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Receivables							
Accounts	\$ 324,114	\$ 14,760,821	\$ 13,036,435	\$ -	\$ -	\$ 1,263,544	\$ 29,384,914
Due from other governments	146,504	-	-	8	651,672	-	798,184
Less allowance for uncollectible receivables	<u>(9,548)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(517,217)</u>	<u>(526,765)</u>
Total	<u>\$ 461,070</u>	<u>\$ 14,760,821</u>	<u>\$ 13,036,435</u>	<u>\$ 8</u>	<u>\$ 651,672</u>	<u>\$ 746,327</u>	<u>\$ 29,656,333</u>

F. Inventories and Prepaid Items

Inventories are determined by physical count and valued at cost using first-in first-out (FIFO) method. Inventories, consisting of expendable supplies are recorded as expenditures as they are used (consumption method). Governmental fund inventories are classified as nonspendable fund balance which indicates that the fund balance is not in spendable form.

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

G. Restricted Assets

The following items are classified as restricted assets of the statement of net position because their use is limited by applicable bond covenants or Town policy: resources of the Town's enterprise fund are set aside for the repayment of scheduled annual debt service payments in the amount of \$641,697.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, and similar items), are reported in the proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at cost at the time of purchase and an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest expense was capitalized during the year ended September 30, 2020.

Amounts expended for maintenance and repairs are charged to expenditures/expenses as incurred. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Capital Assets – Continued

GASB No. 51 established accounting and financial reporting requirements for intangible assets. The Town complies with this statement by incorporating software, easements, patents, copyrights, water, timber and land rights as intangible assets.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Buildings	15 - 75	\$ 10,000
Building improvements	7 - 15	\$ 10,000
Equipment	5 - 10	\$ 5,000
Autos, trucks and buses	3 - 12	\$ 5,000
System infrastructure	20 - 40	\$ 25,000
Public domain infrastructure	20 - 40	\$ 25,000
Beach nourishment	7 - 15	\$ 25,000
Intangible assets:		
Software internally generated	3 - 10	\$ 25,000
Software purchased	3 - 10	\$ 25,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend asset lives are not capitalized.

I. Unamortized Debt Expense

Unamortized debt expense is amortized by using the outstanding principal method over the life of the debt and is recorded as a reduction to bonds payable.

J. Amortization of Premiums/Discounts on Bonds

Amortization of premiums and discounts on bonds is determined by using the effective interest method and is recorded as interest expense each year over the life of the debt when applicable.

K. Net Position/Fund Balance Classification

Net investment in capital assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation.

At year-end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the statement of net position.

Unrestricted net position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Net Position/Fund Balance Classification – Continued

In accordance with GASB Statement No. 54, the Town classified governmental fund balance as follows:

- **Nonspendable Fund Balance** – This represents amounts that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact (such as corpus of an endowment fund).
- **Restricted Fund Balance** – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the Town Commission, the Town's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Town removes those constraints by taking the same type of action.
- **Assigned Fund Balance** – Assigned fund balances includes spendable fund balance amounts established by management of the Town that are intended to be used for a specific purposes that are neither considered restricted or committed. Intent is expressed by the Town Commission or a body or official to which the Town Commissioners have delegated authority, which is the Town Manager, to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.
- **Unassigned Fund Balance** – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The desired unassigned General Fund balance shall be not less than two months or 16% of General Fund operating expenditures. The desired combined unrestricted available fund balances should not be less than three months or 25%. The three month minimum is based on the caveat that there is sufficient cash available for borrowing in other funds in case of a natural disaster. Minimum target levels of unassigned fund balance are reviewed annually. If fund balance falls below minimum target levels, the Town Manager will so advise the Town Commission in order for the necessary action to be taken to restore the unassigned fund balance to acceptable levels within two budget cycles.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. Property Taxes

Property tax revenue is recognized in the year for which taxes are levied provided the availability test is met.

The value of all taxable property is assessed as of January 1. The Town Commission levies property taxes by approving the millage rate for the following fiscal year in September. Property taxes become due and payable on November 1 of the same year. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Taxes become delinquent on April 1 of the next year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1. Tax certificate proceeds are remitted to the Town, thereby assuring that virtually all taxes levied are collected within the same fiscal year, after allowing for discounts and any disputed assessment in litigation. The tax certificate, once sold, represents a lien on the property, which may be redeemed by the property owner by paying the face amount of the certificate plus interest and other costs. Property taxes receivable and a corresponding reserve for uncollectable property taxes are not included in the financial statements, as there are no material delinquent taxes as of September 30, 2020. No accrual for the property tax levy becoming due in November of 2020 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

M. Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are paid for 50% of accumulated sick leave upon death, normal retirement or early retirement. Accumulated vacation and vested sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability in the amount of \$815,493 has been accrued for vacation leave and \$305,178 has been accrued for vested accumulated sick leave as described above. A liability for these amounts is reported in governmental funds only when employees were terminated by year-end. The General Fund is the governmental fund where compensated absences are recorded. Non-vested sick leave is recorded when paid.

N. Budgets and Budgetary Data

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During the Month of April a Citizens Goals and Objectives workshop is held. During the month of May, the Town Manager and the department and division directors prepare and review the preliminary budget documents.
2. A minimum of two public budget workshops are held in May and June.
3. On or before June 15th of each year the Town Manager presents the Preliminary Budget.
4. In July the tentative maximum millage is set and county and state agencies are notified.
5. On or before August 1st the Recommended Budget is presented to the Town Commission.
6. At the first Regular Commission meeting in September, reading of the budget and millage ordinances takes place. Upon approval of the second reading the budget is legally adopted.
7. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the appropriations) is the department level. Transfers of appropriations between funds and use of unallocated fund balances amend the budget and require approval by the Town Commission. Transfers of appropriations up to \$20,604 (\$20k adjusted for CPI US City Average measured each year on September 30) between line items within or between departments may be approved by the Town Manager. Examples of line items are Wages, Office Supplies, Communications and Capital Outlay. The Town does not currently use program budgeting.
8. All appropriations except for capital expenditures shall lapse to the extent that it has not been expended or encumbered.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Deferred Outflows/Inflows of Resources

The Town reports deferred inflows and deferred outflows related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in these liabilities are recognized as pension or OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Town's actuary which adjust the net pension liability or total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability or total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between Town contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the Town to the pension and OPEB plan before year-end but subsequent to the measurement date of the Town's net pension liability and total OPEB liability are reported as deferred outflows of resources.

In addition to the above pension related deferred inflows, the Town also has one other type of these items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from certain charges for services and fines and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

P. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's three plans and the FRS plan and additions to/deductions from these plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Use of Estimates

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS

Plan Description

The Town in prior years had three single employer pension plans, for general employees, police officers and firefighters. A Consolidated Board of Trustees was formed in October 2014, with a goal to consolidate the three plans by October 1, 2015. The plans have been consolidated and are maintained as a single Pension Trust Fund and are reported herein as part of the Town's reporting entity. The ordinances establishing the pension plans and its provisions were passed in 1972 for general employees and in 1975 for police and fire employees. An ordinance was passed in 1991 to modify benefits relative to the general employees' and police officers' pension plans. During 2013, the Town adopted several Ordinances which provide for a Plan freeze as of September 30, 2013, for the Firefighters and General Employees' pension plans. The Police Officers' plan was subsequently frozen effective February 1, 2014. In addition, the Town has opted out of participation in the premium tax revenue sharing program established by Chapter 175 and Chapter 185, *Florida Statutes*. As a result of the Plan freezes, employees ceased contributing to the Plans and members become 100% vested regardless of the number of years of credited service. Early retirement provisions were eliminated except for general employees. Members with less than ten years of credited service were allowed to elect to receive a refund of their accumulated contributions or the actuarial present value of their frozen accrued benefit, in lieu of any other benefit under the Plans. There is no assumption for future salary increases on any of the Plans. In lieu of the defined benefit plan, all current and future firefighters shall be enrolled in the State of Florida Retirement System (FRS). General employees and police officers elected a Town sponsored defined contribution 401(a) plan. All accumulated plan assets are available to pay for any benefit to any plan member or beneficiary. The Town does not issue a stand-alone financial report for this plan.

Actuarial Assumption/Method Changes Since Prior Valuation

There have been no changes of actuarial assumptions since the prior valuation.

Employee membership data as of October 1, 2019, follows:

	General Employees'	Police Officers'	Fire Fighters'	Total
Number of participants:				
Active	17	5	5	27
Retirees and terminated employees with vested benefits	54	21	40	115
Total	<u>71</u>	<u>26</u>	<u>45</u>	<u>142</u>

Members are 100% vested in their frozen accrued benefit.

Benefit Provisions

Effective Date

General Employees, Police Officers, and Firefighters – April 1, 1992

Normal Retirement Date

General Employees – Earlier of age 62 or age 55 and 30 years of service

Police Officers – Earlier of age 60, age 55 and 10 years of service or 25 years of service

Firefighters – Earlier of age 60, age 55 and 10 years of service or 25 years of service

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Benefit Provisions – Continued

Early Retirement Date

General Employees – Age 50 and 15 years of service

Police Officers – None

Firefighters – None

Normal Retirement Benefit

General Employees – 2.75% of Average Final Compensation times years of credited service accrued as of September 30, 2013

Police Officers – 3.5% of Average Final Compensation times years of credited service accrued as of February 1, 2014

Firefighters – 3.5% of Average Final Compensation times years of credited service accrued as of September 30, 2013

Normal Form of Benefit

General Employees, Police Officers and Firefighters – Life annuity with 120 months certain. Benefits and refunds of the Plans are recognized when due and payable in accordance with terms of the Plans.

Disability Benefit

In the event an employee becomes totally and permanently disabled, disability benefits are available.

Termination of Employment Benefit

Upon an employee's termination of employment for reason other than death, disability, or retirement, he shall be entitled to his "accrued benefit", multiplied by his vested percentage. His accrued benefit means a deferred retirement benefit commencing as of his Normal or Early Retirement Date equal to the benefit computed as for normal or early retirement respectively based upon his Years of Service completed to date of termination and his Average Monthly Compensation as of such date.

Contributions and Reserves

Contributions – Employees

General Employees – None (previously 6% of compensation)

Police Officers – None (previously 10% of compensation)

Firefighters – None (previously 10% of compensation)

Contributions – Town

The Town's obligation to contribute is established by ordinance. The Town contributes remaining amounts necessary to fund the plans as actuarially determined using criteria to satisfy statutory funding requirements. The Town's contribution to the Police Officers' and Firefighters' plan was supplemented by certain statutory contributions from the Office of the State Insurance Commissioner. The Town also pays directly all administrative costs incurred by the Plans. It then reduces its final statutory funding requirement by the payments previously incurred. As a result of the Plan freezes, contributions from the state ceased in 2014.

Concentrations

There were no investments (other than U.S. Government and U.S. Government-guaranteed obligations) that represent more than 5% of net position restricted for benefits.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Contributions and Reserves – Continued

There are no investments in, loans to, or leases with, any Town official, government employer official, party related to a Town official or government employer official, non-employer contributor, or organization included in the reporting entity.

Rate of Return – For the year ended September 30, 2020, the annual money-weighted rate of return on the Town's pension plan investments, net of pension plan investment expense, was 2.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

The following summarizes the investments of the Town's Pension Trust Fund at September 30, 2020, which are recorded at fair value:

Header Investment Type	Credit Rating		Fair Market	Investment Maturity (in Years)			
	(Moody's)	(S&P)		Less Than 1	1 - 5	6 - 10	More Than 10
U.S. Government and agency securities	Aaa		\$ 5,348,590	\$ 800,884	\$ 2,631,776	\$ 1,915,930	\$ -
Corporate obligations		BBB+	706,263	221,676	373,083	111,504	-
Corporate obligations		BBB	615,861	-	210,796	405,065	-
Corporate obligations		AAA	133,449	-	133,449	-	-
Corporate obligations		AA+	147,403	-	147,403	-	-
Corporate obligations		AA-	235,558	100,220	135,338	-	-
Corporate obligations		A-	720,671	-	94,802	506,993	118,876
Corporate obligations		A	1,184,904	100,158	500,737	494,365	89,644
Corporate obligations		AA	112,844	-	112,844	-	-
Total			9,205,543	<u>\$ 1,222,938</u>	<u>\$ 4,340,228</u>	<u>\$ 3,433,857</u>	<u>\$ 208,520</u>
Equity investments	Not rated		29,331,832				
Total investments			<u>\$ 38,537,375</u>				

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Fair Value Measurements: The Town has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2020:

Investment	Fair Value Hierarchy			
	Fair Value	Level 1	Level 2	Level 3
Fixed income securities:				
U.S. Gov't and agency securities	\$ 5,348,590	\$ -	\$ 5,348,590	\$ -
Corporate Bonds	3,856,953	-	3,856,953	-
Total fixed income securities	9,205,543	-	9,205,543	-
Equity investments:				
Common stock - domestic	8,980,261	8,947,021	-	33,240
Common stock - foreign	4,488,906	4,488,906	-	-
Real estate investment trusts	116,750	116,750	-	-
Call options	(18,784)	(18,784)	-	-
Hedge funds	15,764,699	11,028,418	1,043,915	3,692,366
Total equity investments	29,331,832	24,562,311	1,043,915	3,725,606
Total investments at fair value level	\$ 38,537,375	\$ 24,562,311	\$ 10,249,458	\$ 3,725,606

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 of the fair value hierarchy are valued using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of the investments).

Deferred Retirement Option Program (DROP) – The Consolidated Retirement System no longer provides a DROP feature after February 1, 2014, for Police members; or after September 30, 2013, for Firefighter and General Employee members.

Net Pension Liability of the Town

The Town's net pension liability for the plan was measured as of September 30, 2019. The components of the net pension liability of the Town at September 30, 2020, were as follows:

Header	General Employees'	Police Officers'	Fire Fighters'	Total
Total pension liability	\$14,679,542	\$11,986,651	\$ 32,260,392	\$ 58,926,585
Plan fiduciary net position	(11,096,808)	(7,508,728)	(18,935,407)	(37,540,943)
Town's net pension liability	\$ 3,582,734	\$ 4,477,923	\$ 13,324,985	\$ 21,385,642
Plan fiduciary net position as a percentage of net pension liability	75.59%	62.64%	58.70%	63.71%

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

For the year ended September 30, 2020, the Town recognized pension expense of \$2,066,563 for the plan. At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows related to its pension plan from the following sources:

Header	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ -
Experience differences	-	126,831
Net difference between projected and actual earnings on investments	426,459	-
Town pension plan contributions subsequent to the measurement date	3,448,668	-
Total	<u>\$ 3,875,127</u>	<u>\$ 126,831</u>

The deferred outflows of resources related to the Pension Plan, totaling \$3,448,668 resulting from Town contributions to the plans subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Year ended September 30,	
2021	\$ (230,314)
2022	(18,329)
2023	240,195
2024	308,076
2025	-
Total	<u>\$ 299,628</u>

The required schedule of changes in the Town's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2018, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	0.0%
Discount rate	7.0%
Investment rate of return	7.0%

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	5.71%
International equity	4.60%
Fixed income	1.45%
Real estate	4.80%
Master limited partnerships	4.82%

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

Changes in the Net Pension Liability of the Town. The changes in the components of the net pension liability of the Town for the fiscal year ended September 30, 2020, were as follows:

Header	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a-b)</u>
Balances at September 30, 2019	\$58,937,053	\$ 37,055,538	\$21,881,515
Changes for the year:			
Service cost	28,900	-	28,900
Interest on total pension liability	3,992,647	-	3,992,647
Changes of benefit terms	410	-	410
Differences between expected and actual experience	(182,519)	-	(182,519)
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(3,849,906)	(3,849,906)	-
Contributions - employer	-	3,393,342	(3,393,342)
Net investment income	-	1,034,293	(1,034,293)
Administrative expenses	-	(92,324)	92,324
Net change	<u>(10,468)</u>	<u>485,405</u>	<u>(495,873)</u>
Balances at September 30, 2020	<u>\$58,926,585</u>	<u>\$ 37,540,943</u>	<u>\$21,385,642</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liabilities of the Town using the measurement date of September 30, 2019, calculated using the discount rates noted, as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Sponsor's Net Pension Liability	6.00%	7.00%	8.00%
General Employees:	\$ 5,110,136	\$ 3,582,734	\$ 2,295,157
Police Officers:	5,852,560	4,477,923	3,333,598
Firefighters:	17,244,092	13,324,985	10,080,794
Total:	<u>\$ 28,206,788</u>	<u>\$ 21,385,642</u>	<u>\$ 15,709,549</u>

The Following presents the net pension liabilities of the Town using the measurement date of September 30, 2020:

	1% Decrease	Current Discount Rate	1% Increase
Sponsor's Net Pension Liability	6.00%	7.00%	8.00%
General Employees:	\$ 4,410,287	\$ 2,950,914	\$ 1,715,860
Police Officers:	5,357,984	4,077,103	3,001,421
Firefighters:	15,800,560	12,119,961	9,049,033
Total:	<u>\$ 25,568,831</u>	<u>\$ 19,147,978</u>	<u>\$ 13,766,314</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and employee.

The assumptions used in the October 1, 2018, actuarial valuation are as follows.

Valuation date	10/1/2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage - closed
Remaining amortization period	24 years
Actuarial asset valuation method	4 year smooth
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	None

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS

Florida Retirement System:

General Information – Substantially all of the Town’s fire fighter employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating town or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, *Florida Administrative Code*. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan (Continued):

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular–8.47% and 10.0%; Senior Management–25.41% and 27.29%; Elected Officers’–48.82% and 49.18%; and DROP participants–14.60% and 16.98%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$687,553 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Town reported a liability of \$7,634,566 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Town’s proportionate share of the net pension liability was based on the Town’s 2019-2020 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2020, the Town’s proportionate share was 0.01761%, which was a small decrease from its proportionate share measured as of June 30, 2019 (0.01793%).

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan (Continued):

For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$1,856,718. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 292,190	\$ -
Change of assumptions	1,382,099	-
Net difference between projected and actual earnings on Pension Plan investments	454,569	-
Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions	195,756	84,557
Town Pension Plan contributions subsequent to the measurement date	132,444	-
Total	<u>\$ 2,457,058</u>	<u>\$ 84,557</u>

The deferred outflows of resources related to the Pension Plan, totaling \$132,444 resulting from Town contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021.

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

Fiscal Year Ending September 30:	<u>Amount</u>
2021	\$ 461,622
2022	718,948
2023	611,103
2024	365,320
2025	83,064
Thereafter	-

Actuarial Assumptions – The net pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan (Continued):

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

⁽¹⁾ As outlined in the Pension Plan’s investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

<u>Header</u>	<u>1% Decrease (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase (7.80%)</u>
Town’s proportionate share of the net pension liability	\$ 12,406,238	\$ 7,634,566	\$ 3,896,477

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2020, the Town reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020, was 1.66%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town’s contributions to the HIS Plan totaled \$43,880 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Town reported a liability of \$912,880 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Town’s proportionate share of the net pension liability was based on the Town’s 2019-2020 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2020, the Town’s proportionate share was 0.00747%, which was a small decrease from its proportionate share (0.00777%) measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Town recognized pension expense of \$167,101. In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,342	\$ 704
Change of assumptions	98,160	53,080
Net difference between projected and actual earnings on HIS Plan investments	729	-
Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions	88,098	27,367
Town HIS Plan contributions subsequent to the measurement date	10,184	-
Total	<u>\$ 234,513</u>	<u>\$ 81,151</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan (Continued):

The deferred outflows of resources related to the HIS Plan, totaling \$10,184 resulting from Town contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ 39,625
2022	29,393
2023	8,032
2024	18,650
2025	25,396
Thereafter	22,082

Actuarial Assumptions – The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008 – June 30, 2013. In the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%
Actuarial cost method	Individual entry age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

Discount Rate – The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following represents the Town’s proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

Header	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Town's proportionate share of the net pension liability	\$ 1,097,253	\$ 912,880	\$ 828,051

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan (Continued):

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2020, the Town reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Applicable totals for all of the Town’s defined benefit pension plans are reflected below:

Header	Consolidated Town Pension Plan	FRS Pension	HIS Pension	Total
Town's net pension liability	\$ 21,385,642	\$ 7,634,566	\$ 912,880	\$ 29,933,088
Deferred outflows of resources	3,875,127	2,457,058	234,513	6,566,698
Deferred inflows of resources	126,831	84,557	81,151	292,539
Pension expense/expenditure	2,066,563	1,856,718	167,101	4,090,382

NOTE 4 – CAPITAL ASSETS

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 27,509,195	\$ -	\$ -	\$ -	\$ 27,509,195
Construction in progress	8,680,972	6,667,165	-	(274,435)	15,073,702
Total capital assets, not being depreciated	36,190,167	6,667,165	-	(274,435)	42,582,897
Capital assets, being depreciated					
Buildings	9,899,571	96,938	-	-	9,996,509
Streets and roadways	7,263,807	195,249	-	262,506	7,721,562
Improvements other than buildings	57,760,410	293,185	-	7,515	58,061,110
Vehicles and other equipment	8,330,352	1,875,282	(388,315)	4,414	9,821,733
Total capital assets, being depreciated	83,254,140	2,460,654	(388,315)	274,435	85,600,914
Less accumulated depreciation for					
Buildings	(5,702,161)	(248,993)	-	-	(5,951,154)
Streets and roadways	(5,718,177)	(236,527)	-	-	(5,954,704)
Improvements other than buildings	(40,096,210)	(5,450,798)	-	-	(45,547,008)
Vehicles and other equipment	(5,557,574)	(875,294)	388,315	-	(6,044,553)
Total accumulated depreciation	(57,074,122)	(6,811,612)	388,315	-	(63,497,419)
Total capital assets, being depreciated, net	26,180,018	(4,350,958)	-	274,435	22,103,495
Governmental activities capital assets, net	\$ 62,370,185	\$ 2,316,207	\$ -	\$ -	\$ 64,686,392

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4 – CAPITAL ASSETS – CONTINUED

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 1,794,235	\$ -	\$ -	\$ -	\$ 1,794,235
Construction in progress	267,541	238,079	-	(73,700)	431,920
Total capital assets, not being depreciated	<u>2,061,776</u>	<u>238,079</u>	<u>-</u>	<u>(73,700)</u>	<u>2,226,155</u>
Capital assets, being depreciated					
Buildings	2,012,854	126,946	-	-	2,139,800
Improvements other than buildings	44,712,169	1,757,709	-	73,700	46,543,578
Vehicles and other equipment	3,910,736	196,766	(15,945)	-	4,091,557
Total capital assets, being depreciated	<u>50,635,759</u>	<u>2,081,421</u>	<u>(15,945)</u>	<u>73,700</u>	<u>52,774,935</u>
Less accumulated depreciation for					
Buildings	(1,891,012)	(32,182)	-	-	(1,923,194)
Improvements other than buildings	(19,980,130)	(1,832,000)	-	-	(21,812,130)
Vehicles and other equipment	(2,013,786)	(366,686)	15,945	-	(2,364,527)
Total accumulated depreciation	<u>(23,884,928)</u>	<u>(2,230,868)</u>	<u>15,945</u>	<u>-</u>	<u>(26,099,851)</u>
Total capital assets, being depreciated, net	<u>26,750,831</u>	<u>(149,447)</u>	<u>-</u>	<u>73,700</u>	<u>26,675,084</u>
Business-type activities capital assets, net	<u>\$ 28,812,607</u>	<u>\$ 88,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,901,239</u>

Depreciation expense was charged to the functions of the government as follows:

Governmental Activities

General government	\$ 261,107
Public safety	754,743
Transportation	321,078
Culture and recreation	5,474,684
Total depreciation expense, governmental activities	<u>\$ 6,811,612</u>

Business-type activities

Water and sewer	\$ 2,201,054
Building department	29,814
Total depreciation expense, business-type activities	<u>\$ 2,230,868</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds payable					
General obligation bonds	\$ 8,685,761	\$ -	\$ (3,170,761)	\$ 5,515,000	\$ 150,000
Premium	222,746	-	(16,753)	205,993	-
Revenue bonds	34,425,000	-	(885,000)	33,540,000	770,000
Original issue discount	(214,669)	-	12,141	(202,528)	-
Total bonds payable	43,118,838	-	(4,060,373)	39,058,465	920,000
Total OPEB liability	1,384,633	194,926	(111,486)	1,468,073	-
Compensated absences	715,211	737,780	(462,236)	990,755	743,067
Net pension liability	28,019,405	7,091,045	(6,028,605)	29,081,845	-
Total governmental activities	<u>\$ 73,238,087</u>	<u>\$ 8,023,751</u>	<u>\$ (10,662,700)</u>	<u>\$ 70,599,138</u>	<u>\$ 1,663,067</u>
Business-type activities					
General obligation notes	\$ 5,956,904	\$ -	\$ (144,403)	\$ 5,812,501	\$ 505,095
Notes payable from direct borrowings	2,983,156	-	(222,982)	2,760,174	229,314
Total OPEB liability	166,745	21,658	(20,900)	167,503	-
Compensated absences	114,972	82,208	(67,264)	129,916	129,916
Net pension liability	905,342	199,287	(253,386)	851,243	-
Total business-type activities	<u>\$ 10,127,119</u>	<u>\$ 303,153</u>	<u>\$ (708,935)</u>	<u>\$ 9,721,337</u>	<u>\$ 864,325</u>

Compensated absences are reported in governmental funds only if they have matured. For governmental activities, compensated absences, the total OPEB liability, and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences, the total OPEB liability and the net pension liability are liquidated by the Water and Sewer Fund and the Building Department Fund.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – LONG-TERM DEBT – CONTINUED

Long-term debt payable as of September 30, 2020, is composed of the following issues:

Bonds Payable

Special Assessment Revenue Bonds, Series 2018 (GMD Undergrounding Project), due in annual installments through August 1, 2046, in amounts ranging from \$380,000 to \$905,000, plus interest at various rates from 2.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	\$15,255,000
Special Assessment Revenue Bonds, Series 2018 (Neighborhoods Undergrounding Project), due in annual installments through August 1, 2048, in amounts ranging from \$205,000 to \$1,040,000, plus interest at various rates from 3.0% to 4.0%; collateralized by special assessments and backup covenant to budget and appropriate all other non-ad valorem tax revenues.	18,285,000
General Obligation Bond, Series 2018 (Fire Stations Improvements/ Replacement), due in annual installments through August 1, 2043, plus variable interest ranging from 3.00% to 5.00%; collateralized by ad valorem tax levies.	5,515,000
General Obligation Refunding Note, Series 2019 (Water and Wastewater Improvements), due in annual installments through October 1, 2022, in amounts ranging from \$122,000 to \$493,000, plus interest at a rate of 2.41%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	1,238,000
General Obligation Note, Series 2014 (Water and Wastewater Improvements), due in annual installments through October 1, 2030, in amounts ranging from \$19,836 to \$665,731, plus interest at a rate of 3.09%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.	4,574,501
Total bonds payable	<u>\$44,867,501</u>

Notes Payable from Direct Borrowings

Water and Sewer State Revolving Fund Loans, due in annual installments of \$305,545 including interest at the rate of 2.82% on various maturities; collateralized by revenues of the Water and Sewer Fund.	\$ 2,760,174
Total notes payable	<u>\$ 2,760,174</u>

TOWN OF LONGBOAT KEY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2020, are as follows:

Fiscal Year	G.O. (Sewer) - Series 2019			G.O. (Sewer) - Series 2014		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 482,000	\$ 24,028	\$ 506,028	\$ 23,095	\$ 140,995	\$ 164,090
2022	493,000	12,279	505,279	23,809	140,271	164,080
2023	263,000	3,169	266,169	266,345	135,788	402,133
2024	-	-	-	554,601	123,104	677,705
2025	-	-	-	571,750	105,702	677,452
2026-2030	-	-	-	3,134,901	248,068	3,382,969
2031-2035	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-
2041-2045	-	-	-	-	-	-
2046-2048	-	-	-	-	-	-
Total	\$ 1,238,000	\$ 39,476	\$ 1,277,476	\$ 4,574,501	\$ 893,928	\$ 5,468,429

Fiscal Year	Revenue Bond (GMD) - Series 2018			Revenue Bond (NH) - Series 2018		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 380,000	\$ 551,813	\$ 931,813	\$ 390,000	\$ 689,731	\$ 1,079,731
2022	390,000	544,213	934,213	405,000	674,131	1,079,131
2023	400,000	532,512	932,512	420,000	657,931	1,077,931
2024	415,000	520,513	935,513	440,000	641,131	1,081,131
2025	425,000	508,063	933,063	455,000	623,681	1,078,681
2026-2030	2,330,000	2,340,962	4,670,962	2,500,000	2,904,656	5,404,656
2031-2035	2,725,000	1,949,844	4,674,844	2,915,000	2,485,481	5,400,481
2036-2040	3,285,000	1,385,800	4,670,800	3,500,000	1,882,600	5,382,600
2041-2045	4,005,000	673,000	4,678,000	4,260,000	1,124,600	5,384,600
2046-2048	900,000	36,000	936,000	3,000,000	243,200	3,243,200
Total	\$ 15,255,000	\$ 9,042,720	\$ 24,297,720	\$ 18,285,000	\$ 11,927,142	\$ 30,212,142

Fiscal Year	G.O. (Fire Stations) - Series 2018			State Revolving Fund Loans (Sewer)		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 150,000	\$ 205,931	\$ 355,931	\$ 229,314	\$ 76,232	\$ 305,546
2022	155,000	198,431	353,431	235,826	69,719	305,545
2023	160,000	190,681	350,681	242,523	63,022	305,545
2024	170,000	182,681	352,681	249,411	56,135	305,546
2025	180,000	174,181	354,181	256,494	49,052	305,546
2026-2030	1,035,000	731,556	1,766,556	1,395,957	131,771	1,527,728
2031-2035	1,230,000	538,856	1,768,856	150,649	2,124	152,773
2036-2040	1,445,000	325,838	1,770,838	-	-	-
2041-2045	990,000	70,000	1,060,000	-	-	-
2046-2048	-	-	-	-	-	-
Total	\$ 5,515,000	\$ 2,618,155	\$ 8,133,155	\$ 2,760,174	\$ 448,055	\$ 3,208,229

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2020, are as follows:

Fiscal Year	Total		
	Principal	Interest	Total
2021	\$ 1,654,409	\$ 1,688,730	\$ 3,343,139
2022	1,702,635	1,639,044	3,341,679
2023	1,751,868	1,583,103	3,334,971
2024	1,829,012	1,523,564	3,352,576
2025	1,888,244	1,460,679	3,348,923
2026-2030	10,395,858	6,357,013	16,752,871
2031-2035	7,020,649	4,976,305	11,996,954
2036-2040	8,230,000	3,594,238	11,824,238
2041-2045	9,255,000	1,867,600	11,122,600
2046-2048	3,900,000	279,200	4,179,200
Total	<u>\$ 47,627,675</u>	<u>\$24,969,476</u>	<u>\$ 72,597,151</u>

Authorized but Unissued Debt

The total of authorized but unissued bonds at September 30, 2020, is \$62,102,835.

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
Water and Wastewater Improvement Projects	\$ 27,000,000	\$ 13,869,574	\$ 13,130,426
Fire Stations	5,895,000	5,892,591	2,409
GMD Utility Undergrounding	25,250,000	15,765,000	9,485,000
Neighborhood Utility Undergrounding	23,850,000	18,865,000	4,985,000
Beach Renourishment	34,500,000	-	34,500,000
Total			<u>\$ 62,102,835</u>

Pursuant to a resolution adopted by referendum on March 17, 2009, the Town authorized the issuance of tax-exempt debt not to exceed \$27,000,000 to reimburse various costs and expenses relating to the acquisition, rehabilitation, replacement and equipping of various capital improvements to the Town's water and wastewater utility system.

Pursuant to an Ordinance adopted by referendum on November 3, 2015, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$25,250,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Gulf of Mexico Drive. Bonds were issued in the amount of \$15,765,000 on December 31, 2018. The Town redeemed \$130,000 of bonds on February 1, 2020.

Pursuant to an Ordinance adopted by referendum on March 15, 2016, the Town authorized the issuance of Revenue Bonds and/or Notes not to exceed \$23,850,000 maturing on or within 30 years of issuance, and payable from special non-ad valorem assessments and other non-ad valorem revenues if necessary, to finance the cost of undergrounding electrical, communications, fiber optics and other utilities and the installation of street lighting relating to Neighborhoods. Bonds were issued in the amount of \$18,865,000 on December 31, 2018. The Town redeemed \$205,000 of those bonds on August 1, 2020, and \$110,000 on February 1, 2021.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 5 – LONG-TERM DEBT – CONTINUED

Pursuant to a resolution adopted by referendum on March 20, 2018, the Town authorized the issuance of Bonds and/or Notes not to exceed \$5,895,000, maturing not beyond 25 years from issuance, payable from the full faith, credit and unlimited ad valorem taxing power of the Town, to finance the design, demolition, construction, replacement, reconstruction, renovation, improvement, and/or equipping of the Fire Stations. Bonds were issued in the amount of \$5,655,000 plus \$237,591 premium for a total of \$5,892,591 on September 12, 2018.

During 2019, the Town issued \$1,360,000 of Series 2019 General Obligation Refunding Note for the purpose of refunding \$1,644,400 of the General Obligation Bonds, Water and Sewer, Series 2009. The refunding note in addition to \$353,206 of available debt service funds, less issuance costs were used to prepay and redeem the old note on July 3, 2019. The refunding resulted in an economic savings to the Town of \$53,983.

Pursuant to a resolution adopted by referenda on March 17, 2020, the Town authorized the issuance of Bonds and/or Notes not to exceed \$34,500,000 in aggregate principal amount (taking into account any gross premium) maturing not beyond 8 (eight) years from issuance, and payable from the Town's ad valorem tax revenues and full faith, credit and unlimited ad valorem taxing power within the Gulf-side District and certain ad valorem taxes imposed and collected within the Bayside District, for the purpose of financing the costs of design, acquisition, construction and installation of Beach Restoration, Nourishment and Maintenance Capital Projects within the Town. Bonds were issued on December 9, 2020 to be paid over 6 (six) years in the amount of \$18,480,000 plus \$2,751,891 premium for a total of \$21,231,891.

NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES

The net position of the Water and Sewer Fund is restricted in the amount of \$641,697 in accordance with the terms of the bond ordinances and Town policy, which require establishment of reserve accounts equal to the debt service of the next fiscal year.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – RESTRICTIONS ON NET POSITION/FUND BALANCES – CONTINUED

Governmental fund balances are classified as follows:

General Fund		
Nonspendable:	Inventory	\$ 4,907
	Prepaid items	7,917
Assigned:	Offset future pension costs	1,310,075
	Economic uncertainty	1,150,000
	Australian Pine tree removal	27,499
	Encumbrances	59,005
	Funding of subsequent year budget	969,940
Unassigned		7,126,107
Total General Fund fund balance		<u>\$ 10,655,450</u>
GMD Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 342,830</u>
Neighborhoods Assessments Fund		
Restricted:	Undergrounding special assessments costs	<u>\$ 103,954</u>
G.O. Beach Bonds Fund		
Restricted:	Debt service	<u>\$ 26,289</u>
Beach Nourishment Capital Project Fund		
Restricted:	Beach nourishment and projects	\$ 11,735,827
Assigned:	Encumbrances	353,828
Total Beach Nourishment Capital Project Fund fund balance		<u>\$ 12,089,655</u>
GMD Undergrounding Capital Project Fund		
Restricted:	GMD Undergrounding	\$ 12,873,041
Assigned:	Encumbrances	3,910,199
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 16,783,240</u>
Neighborhoods Undergrounding Capital Project Fund		
Restricted:	Neighborhoods Undergrounding	\$ 10,503,011
Assigned:	Encumbrances	7,271,313
Total GMD Undergrounding Capital Project Fund fund balance		<u>\$ 17,774,324</u>
Nonmajor Governmental Funds		
Nonspendable:	Inventory	\$ 82,664
Restricted:	Sarasota Infrastructure Surtax	413,437
	Manatee Infrastructure Surtax	151,593
	Tourist Development Tax	1,415,964
	Highway maintenance and road improvements	498,891
	Tree Replacement	54,493
	Police Training	24,559
	Law Enforcement	140,775
	General Obligation Facility Bonds	10,702
	General Obligation Fire Stations Bonds	7,621
	GMD Undergrounding Bonds	15,660
	Neighborhood Undergrounding Bonds	13,948
	Streets Capital Projects	773,053
	Fire Station Capital Project	237,271
	Other Capital Projects	400,559
	Land Acquisition Fees	720,134
	Canal Dredging	901,062
	Parks and Recreation	204,280
Assigned:	Streets Capital Projects - encumbrances	293,092
	Fire Station Capital Project - encumbrances	4,101,684
	Other Capital Projects - encumbrances	6,906
	Land Acquisition - encumbrances	91,515
	Canal Dredging - encumbrances	10,244
	Tennis Center	21,694
Total Nonmajor Governmental Funds fund balance		<u>\$ 10,591,801</u>
Total governmental funds fund balance		<u>\$ 68,367,543</u>

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2020, is as follows:

	Transfers In			Total Transfers
	General Fund	Beach Nourishment	Non Major Governmental	
Transfers Out				
General Fund	\$ -	\$ -	\$ 451,000 ⁽⁴⁾	\$ 451,000
GMD Assessments Fund	-	-	941,684 ⁽⁵⁾	941,684
Neighborhoods Assessments Fund	-	-	775,704 ⁽⁶⁾	775,704
Water and Sewer Fund	1,063,000 ⁽¹⁾	-	-	1,063,000
Building Department Fund	266,950 ⁽²⁾	-	-	266,950
Non Major Governmental Funds	-	578,232 ⁽³⁾	200,000 ⁽⁷⁾	778,232
Total Transfers	<u>\$ 1,329,950</u>	<u>\$ 578,232</u>	<u>\$ 2,368,388</u>	<u>\$ 4,276,570</u>

- (1) Administration fees transferred to General Fund from Water and Sewer Enterprise Fund.
- (2) Administration fees transferred to General Fund from Building Enterprise Fund.
- (3) Transfer of Tourist Development Taxes to fund Beach Renourishment Projects.
- (4) Transfer to Other Capital Projects Fund for capital purchases made with general ad valorem taxes.
- (5) Transfer from GMD Assessments to GMD Debt Fund to cover debt service payment.
- (6) Transfer from Neighborhood Assessments to Neighborhood Debt Fund to cover debt service payment.
- (7) Transfer gas tax revenue from Road & Bridge Fund to the Streets Capital Projects Fund for construction.

NOTE 8 – COMPLIANCE

The Town Commission passed a Resolution to amend the budget to cover the negative balances. However, there are some accounts in the General Fund that finished with immaterial negative balances.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grant Programs

The Town participates in several state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives periodically. Such grant programs include FEMA, Department of Environmental Protection Beach Restorations and various other state and local grants.

Contract Commitments

The Town has open construction contracts and other commitments totaling approximately \$17.0 million of which \$0.76 million is for business-type activities and \$16.24 million is for governmental activities.

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the local economies. While it is unknown how long these conditions will last and what the complete financial effect will be to the Town. As the economy continues to open throughout the region, management anticipates revenue to return to normal levels. The ultimate impact of the pandemic on the Town's results of operations, financial position, and liquidity cannot be reasonably estimated at this time.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – COMMITMENTS AND CONTINGENCIES – CONTINUED

Pollution Remediation

A wastewater force main (owned and operated by the Town) leak occurred on or around June 18, 2020, approximately 350 feet north of Sarasota Bay in a mangrove fringe. The construction for the emergency leak repair resulted in dredge and fill activities and mangrove alteration impacting at least 0.54 acres or more. Further analysis revealed no evidence of impact from the discharge on bacteria levels in Sarasota Bay. On February 22, 2021, the Town Commission authorized the Town Manager to enter into an agreement (Consent Order) with the State of Florida Department of Environmental Protection (DEP) to reach settlement associated with the force main leak. The consent order allows the Town to, in lieu of a cash payment of \$188,382 for civil penalties, perform an in-kind penalty project valued at one and half times the civil penalty, which in this case is the equivalent of at least \$281,073. The consent order also requires the Town to perform certain restoration activities that include fill removal and re-grading, mangrove plantings, and monitoring and maintenance for five years. These pollution remediation costs are estimated to be \$106,000. The Town has accrued these costs as additional liabilities within its Water and Sewer Fund as of year-end. The Town will comply with corrective and restoration actions outlined in the Consent Order and report quarterly in writing to the DEP the status and progress of projects being completed until the requirements of the Consent Order are completed.

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and pollution related activities. The Town's participation in the risk pool requires annual premium payments in return for transferring risks among pool participants. Settled claims from these risks have not exceeded the risk pool insurance limits nor have additional premiums been assessed relative to the past three years.

The Town is a member of a purchasing cooperative of government agencies for the purpose of providing employee health benefits through Public Risk Management of Florida Group Health Trust. The Town offers to its employees and covered dependents a choice of two medical plans, two dental plans, vision, life and long- and short-term disability insurance. Medical plans do not have a lifetime maximum per insured.

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

The Town administers a single-employer OPEB plan. The purpose of this plan is to account for the implicit rate subsidy the Town provides to its retirees. Florida Statutes require that municipalities provide their retirees access to the same health insurance programs as their current employees at the same rates. Since the inclusion of the retirees results in higher overall health insurance costs to the municipality which cannot be passed on to the retirees, it in effect results in what is called the implicit rate subsidy. This is the only post-employment benefit the Town provides to its retirees other than its pension plans.

Employees who retire under a Town-sponsored pension plan are entitled to participate in the group medical insurance plan, provided, if the Town has a Medicare Supplemental Plan, the employee will be entitled to participate only in the Medicare Supplemental Plan.

Membership in the plan consisted of the following at September 30, 2018:

Retirees and beneficiaries receiving benefits	32
Active plan members	109
Covered spouses	<u>8</u>
Total	<u>149</u>

Separate financial statements for the Town's OPEB plan are not available. Funds from the General Fund are used to liquidate the total OPEB liability.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress presented in the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Benefits Provided:

Retirees and their dependents can continue participating in the group insurance plans offered by the Town of Longboat Key, but they are required to contribute 100% of the active premiums.

Total OPEB Liability of the Town

The Town's total OPEB liability was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2018.

Actuarial Assumptions. The total OPEB was determined by an actuarial valuation as of September 30, 2018, using the following actuarial assumptions:

Inflation Rate:	2.50%
Salary Increase:	Varies by service
Discount Rate:	3.58%
Initial Trend Rate:	8.00%
Ultimate Trend Rate:	4.00%
Years to Ultimate:	56
Participation Rate:	30%

For general employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward two years, male lives set back four years. Disabled mortality has not been adjusted for mortality improvements.

For police and fire employees, mortality rates were also based on various RP-2000 mortality tables. For female lives, 100% of the white-collar table was used. For male lives, a 10% white collar table, 90% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled female lives, a blend of 60% of the RP-2000 disabled female mortality table set forward two years and 40% of the white collar table with no setback was used. For disabled male lives, a blend of 60% of the RP-2000 disabled male mortality table set back four years and 40% of the white-collar table with no setback was used. Disabled mortality has not been adjusted for mortality improvements.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Discount Rate:

Given the Town's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

Changes in the Total OPEB Liability of the Town. The changes in the total OPEB liability of the Town for the year ended September 30, 2020, were as follows:

Header	<u>Total OPEB Liability</u>
Balances at September 30, 2019	\$ 1,551,378
Changes for the year:	
Service cost	86,359
Interest	65,719
Differences between expected and actual experience	-
Changes of assumptions	64,506
Changes of benefit terms	-
Contributions - employer	-
Benefit payments	<u>(132,386)</u>
Net changes	84,198
Balances at September 30, 2020	<u>\$ 1,635,576</u>

Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2018.

Changes of Assumptions reflect a change in the discount rate from 4.18% for the reporting period ended September 30, 2019, to 3.58% for the reporting period ended September 30, 2020. Also reflected under changes of assumptions are updated:

- Health care costs and premiums,
- Health care cost trend rates,
- Percentage of service-related disabilities for firefighters,
- Salary scale increases, and
- Participation rates for future retirees and their covered spouses.

The required schedule of changes in the Town's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

Header	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB liability	\$ 1,752,835	\$ 1,635,576	\$ 1,530,304

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Header	1% Decrease <u>(3.00 - 7.00%)</u>	Healthcare Cost Trend Rates <u>(4.00 - 8.00%)</u>	1% Increase <u>(5.00 - 9.00%)</u>
Total OPEB liability	\$ 1,506,753	\$ 1,635,576	\$ 1,782,416

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the Town recognized OPEB expense of \$187,432. At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 22,132
Change of assumptions	173,215	27,537
Town contributions subsequent to the measurement date	146,127	-
Total	<u>\$ 319,342</u>	<u>\$ 49,669</u>

The deferred outflow of resources totaling \$146,127 resulting from Town contributions subsequent to the plan measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ended September 30, 2021. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30:	<u>Amount</u>
2021	\$ 25,904
2022	25,904
2023	25,904
2024	35,083
2025	10,751
Thereafter	-

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Town had no significant amounts of expenditures in excess of appropriations as of September 30, 2020.

NOTE 13 – DEFINED CONTRIBUTION PLANS

The Town adopted and maintains several salary savings plans available to various employee groups. The Town has a 401(a), a 401(k) and a Roth Salary Savings Plan. The plans are administered on behalf of the Town by the ICMA Retirement Corporation, an unrelated financial institution.

Plan Description

The Town’s 401(a) plan is a pre-tax defined contribution governmental money purchase plan in which participants may contribute a percentage of their base pay to the plan each pay period and receive a matching contribution from the Town as outlined in the plan. Participants are not taxed on the contributions until the funds are withdrawn, usually at retirement. The plan applies to all regular, full-time employees, who are not firefighters. The normal retirement age is 59.5 to 62 based on employee group.

The 401(k) plan is a voluntary pre-tax defined contribution profit sharing plan and trust, with a normal retirement date of 59.5 applicable to the General Employees, At Will, Managers, Police Deputy Chiefs and Police Captains.

Town Matching

Due to the freezing of the defined benefit plan, the Town makes a base contribution to the employee’s 401(a) plan as shown below. In addition, the Town has various voluntary matching programs based on employee groups as shown below:

Employee Group	Town Contribution	Additional Matching Program	
		Employee Contribution	Town Match
General Employees	6%	0 - 6%	50% up to 3%
Police Officers	11%	0 - 3%	100% up to 3%
At Will	16%	Not Applicable	Not Applicable
Town Manager	17.80%	Not Applicable	Not Applicable

The 401(k) plan provides for an elective deferral of up to 6% of earnings with an employer match based on the Participant’s years of service: from 1 to 5 years of service a 25% match; for 5 or more years of service a 50% match.

The Town’s contributions to the 401(a) and 401(k) Plans for the years ended September 30, 2020 and 2019, were \$726,785 and \$697,388, respectively.

Forfeitures

A participant who separates from service prior to obtaining full vesting shall forfeit that percentage of his/her employer contribution account balance which has not vested as of the date such participant incurs a break in service of five consecutive years or, if earlier, the date such participant receives, or is deemed to have received, distribution of the entire non-forfeitable interest in his/her employer contribution account.

All amounts forfeited by terminated participants shall be allocated to a suspense account and used to reduce dollar for dollar employer contributions otherwise required under the Plan for the current plan year and succeeding plan years, if necessary. Forfeitures may first be used to pay the reasonable administrative expenses of the Plan, with any remainder being applied to reduce employer contributions. There are no forfeitures reflected in pension expense for the fiscal year 2020.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 13 – DEFINED CONTRIBUTION PLANS – CONTINUED

Rollover Contributions by Participants

Participants may rollover funds contained in another qualified retirement plan or IRA to the Plan.

Vesting Provisions

Former participants of the Town of Longboat Key Defined Benefit Plan are vested immediately for the Town's matching contributions. New hires are 100% vested for the Town's matching contributions after five years of service. The Town Manager and At Will employees are vested immediately. Participants are eligible to withdraw the retirement funds when they are no longer employed by the Town or reach age 59.5 or 62, depending on the employee group. Participants may choose distribution in a single payment, installment payments, life annuity or rollover to another qualified retirement account.

NOTE 14 – SUBSEQUENT EVENTS

On November 2, 2020, the Town adopted Ordinance 2020-11, establishing a Master Water and Wastewater Bond Ordinance for the Utility's future borrowings and authorized the issuance of a not-to-exceed \$3.1 million Water and Wastewater Refunding Revenue Note to refinance the Utility's State Revolving Fund (SRF) loan agreements. The SRF loans were paid off on November 5, 2020, and refinanced through Truist Bank at a net present value savings of approximately \$148,000 (Resolution 2020-26).

On December 9, 2020, pursuant to a Resolution adopted by referenda on March 17, 2020, the Town issued tax-exempt general obligation bonds in the amount of \$18,480,000, plus \$2,751,891 premium maturing in six years. The bonds are payable from ad valorem tax revenues imposed on the Gulf-Side and Bayside Districts, to finance the cost of the design, acquisition, construction and installation of Beach Restoration Nourishment and Maintenance Capital Projects within the Town.

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**Required
Supplementary
Information**

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General Fund

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, transportation, and culture and recreation). These activities are funded principally by property taxes, user fees, and grants from other governmental units.

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TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Header	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 12,544,313	\$ 12,544,313	\$ 12,574,815	\$ 30,502
Other taxes	135,000	135,000	144,375	9,375
Licenses and permits	23,400	23,400	15,294	(8,106)
Intergovernmental	1,360,900	1,360,900	1,315,016	(45,884)
Charges for services	442,400	442,400	497,719	55,319
Franchise fees	686,000	686,000	683,688	(2,312)
Fines and forfeitures	22,500	22,500	24,829	2,329
Grant revenues	-	-	24,045	24,045
Investment earnings	221,515	221,515	297,477	75,962
Miscellaneous revenues	33,650	33,650	68,337	34,687
Other financing sources:				
Transfers in	1,329,950	1,329,950	1,329,950	-
Proceeds from the sale of capital assets	-	-	27,845	27,845
Total revenues	<u>\$ 16,799,628</u>	<u>\$ 16,799,628</u>	<u>\$ 17,003,390</u>	<u>\$ 203,762</u>
Expenditures:				
Current				
General government				
Legislative				
Town Commission	\$ 30,500	\$ 30,500	\$ 14,176	\$ 16,324
Town Manager	432,099	432,099	419,656	12,443
Town Clerk	386,166	386,166	336,943	49,223
Financial and administrative				
Finance Department	712,814	712,814	702,282	10,532
Public Works	550,015	550,015	539,355	10,660
Legal counsel	410,000	410,000	305,015	104,985
Support services	545,207	545,207	508,103	37,104
Comprehensive planning				
Planning and zoning	607,304	623,788	546,588	77,200
Other general government				
Information Technology	720,784	725,050	700,070	24,980
Municipal buildings	142,754	142,754	128,650	14,104
General services	499,363	489,463	400,877	88,586
Contingencies	350,000	198,360	-	198,360
Total general government	<u>5,387,006</u>	<u>5,246,216</u>	<u>4,601,715</u>	<u>644,501</u>
Public safety				
Law enforcement				
Police Department	3,190,818	3,133,420	3,022,664	110,756
Fire control/rescue service				
Fire Department	7,253,620	7,259,779	7,166,272	93,507
Emergency and disaster relief services	74,738	192,143	165,501	26,642
Total public safety	<u>10,519,176</u>	<u>10,585,342</u>	<u>10,354,437</u>	<u>230,905</u>
Transportation				
Street Department	<u>665,234</u>	<u>672,374</u>	<u>610,018</u>	<u>62,356</u>
Culture and recreation				
Parks Division	234,526	234,526	223,835	10,691
Recreation Center	44,900	44,900	27,585	17,315
Total culture and recreation	<u>279,426</u>	<u>279,426</u>	<u>251,420</u>	<u>28,006</u>

(Continued)

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

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Capital outlay				
General government	\$ -	\$ 54,664	\$ 54,466	\$ 198
Public safety	-	57,398	57,398	-
Total capital outlay	-	112,062	111,864	198
Transfers out	451,000	451,000	451,000	-
Total expenditures	17,301,842	17,346,420	16,380,454	965,966
Change in fund balance	\$ (502,214)	\$ (546,792)	\$ 622,936	\$ 1,169,728

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL - GMD ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 28,600	\$ 28,600	\$ 574,354	\$ 545,754
Special assessments	1,389,589	1,389,589	637,417	(752,172)
Total revenues	<u>1,418,189</u>	<u>1,418,189</u>	<u>1,211,771</u>	<u>(206,418)</u>
Expenditures				
Current				
General government	44,060	44,060	30,468	13,592
Debt service				
Principal retirement	-	-	130,000	(130,000)
Total expenditures	<u>44,060</u>	<u>44,060</u>	<u>160,468</u>	<u>(116,408)</u>
Excess of revenues over expenditures	<u>1,374,129</u>	<u>1,374,129</u>	<u>1,051,303</u>	<u>(322,826)</u>
Other financing uses				
Transfers out	(943,957)	(943,957)	(941,684)	2,273
Total other financing uses	<u>(943,957)</u>	<u>(943,957)</u>	<u>(941,684)</u>	<u>2,273</u>
Change in fund balance	430,172	430,172	109,619	(320,553)
Fund balance, beginning of year	<u>233,211</u>	<u>233,211</u>	<u>233,211</u>	<u>-</u>
Fund balance, end of year	<u>\$ 663,383</u>	<u>\$ 663,383</u>	<u>\$ 342,830</u>	<u>\$ (320,553)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
BUDGET AND ACTUAL - NEIGHBORHOODS ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 12,227	\$ 12,227	\$ 617,125	\$ 604,898
Special assessments	1,024,702	1,024,702	470,146	(554,556)
Total revenues	<u>1,036,929</u>	<u>1,036,929</u>	<u>1,087,271</u>	<u>50,342</u>
Expenditures				
Current				
General government	37,250	37,250	27,375	9,875
Total expenditures	<u>37,250</u>	<u>37,250</u>	<u>27,375</u>	<u>9,875</u>
Excess of revenues over expenditures	<u>999,679</u>	<u>999,679</u>	<u>1,059,896</u>	<u>60,217</u>
Other financing uses				
Transfers out	(1,079,732)	(775,705)	(775,704)	1
Total other financing uses	<u>(1,079,732)</u>	<u>(775,705)</u>	<u>(775,704)</u>	<u>1</u>
Change in fund balance	(80,053)	223,974	284,192	60,218
Fund balance (deficit), beginning of year	<u>(180,238)</u>	<u>(180,238)</u>	<u>(180,238)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (260,291)</u>	<u>\$ 43,736</u>	<u>\$ 103,954</u>	<u>\$ 60,218</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - GENERAL EMPLOYEES' PENSION**

Reporting period ending measurement date	9/30/2021 <u>9/30/2020</u>	9/30/2020 <u>9/30/2019</u>	9/30/2019 <u>9/30/2018</u>	9/30/2018 <u>9/30/2017</u>	9/30/2017 <u>9/30/2016</u>	9/30/2016 <u>9/30/2015</u>	9/30/2015 <u>9/30/2014</u>	9/30/2014 <u>9/30/2013</u>
Total pension liability								
Service cost	\$ 2,024	\$ 2,231	\$ 2,272	\$ 4,174	\$ 753	\$ 2,151	\$ 2,197	\$ 2,053
Interest on total pension liability	991,851	1,009,583	1,020,110	1,020,584	988,019	1,008,600	999,070	976,287
Change of benefit terms	-	-	-	-	(327,798)	-	-	-
Differences between expected and actual experience	(266,891)	(253,661)	54,437	240,109	51,519	34,090	-	-
Change of assumptions	(30,620)	-	-	-	508,618	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,024,528)</u>	<u>(997,983)</u>	<u>(1,456,337)</u>	<u>(1,083,136)</u>	<u>(1,091,116)</u>	<u>(928,199)</u>	<u>(801,953)</u>	<u>(504,068)</u>
Net change in total pension liability	<u>(328,164)</u>	<u>(239,830)</u>	<u>(379,518)</u>	<u>181,731</u>	<u>129,995</u>	<u>116,642</u>	<u>199,314</u>	<u>474,272</u>
Total pension liability - beginning	<u>14,679,542</u>	<u>14,919,372</u>	<u>15,298,890</u>	<u>15,117,159</u>	<u>14,987,164</u>	<u>14,870,522</u>	<u>14,671,208</u>	<u>14,196,936</u>
Total pension liability - ending (a)	<u>\$14,351,378</u>	<u>\$14,679,542</u>	<u>\$14,919,372</u>	<u>\$15,298,890</u>	<u>\$15,117,159</u>	<u>\$14,987,164</u>	<u>\$14,870,522</u>	<u>\$14,671,208</u>
Plan fiduciary net position								
Contributions - employer	\$ 670,264	\$ 758,168	\$ 742,489	\$ 712,431	\$ 738,676	\$ 704,515	\$ 597,459	\$ 986,240
Contributions - state	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	153,500
Net investment income	686,511	308,291	861,006	1,114,680	797,582	(86,333)	912,279	865,755
Benefit payments, including refunds of member contributions	(1,024,528)	(997,983)	(1,456,337)	(1,083,136)	(1,091,116)	(928,199)	(801,953)	(504,068)
Administrative expenses	<u>(28,591)</u>	<u>(27,538)</u>	<u>(33,995)</u>	<u>(42,660)</u>	<u>(37,853)</u>	<u>(59,605)</u>	<u>(65,356)</u>	<u>(23,490)</u>
Net change in plan fiduciary net position	303,656	40,938	113,163	701,315	407,289	(369,622)	642,429	1,477,937
Plan fiduciary net position - beginning	<u>11,096,808</u>	<u>11,055,870</u>	<u>10,942,707</u>	<u>10,241,392</u>	<u>9,834,103</u>	<u>10,203,725</u>	<u>9,561,296</u>	<u>8,083,359</u>
Plan fiduciary net position - ending (b)	<u>\$11,400,464</u>	<u>\$11,096,808</u>	<u>\$11,055,870</u>	<u>\$10,942,707</u>	<u>\$10,241,392</u>	<u>\$ 9,834,103</u>	<u>\$10,203,725</u>	<u>\$ 9,561,296</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 2,950,914</u>	<u>\$ 3,582,734</u>	<u>\$ 3,863,502</u>	<u>\$ 4,356,183</u>	<u>\$ 4,875,767</u>	<u>\$ 5,153,061</u>	<u>\$ 4,666,797</u>	<u>\$ 5,109,912</u>
Plan fiduciary net position as a percentage of the total pension liability	79.44%	75.59%	74.10%	71.53%	67.75%	65.62%	68.62%	65.17%
Covered payroll	N/A	N/A	N/A	N/A	\$ 1,198,776	\$ 1,763,906	\$ 1,373,718	\$ 2,558,341
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	406.73%	292.14%	339.72%	199.74%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - POLICE PENSION**

Reporting period ending Measurement date	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
Total pension liability								
Service cost	\$ 14,470	\$ 15,180	\$ 18,025	\$ 19,241	\$ 14,674	\$ 28,625	\$ 6,496	\$ 6,043
Interest on total pension liability	810,997	827,065	827,736	814,693	797,181	812,505	823,074	835,384
Change of benefit terms	-	-	-	-	(9,211)	-	-	-
Differences between expected and actual experience	98,696	(257,101)	(40,037)	176,585	(337,539)	(4,365)	-	-
Changes in assumptions	(246,036)	-	-	-	653,987	570,366	-	-
Benefit payments, including refunds of employee contributions	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)	(744,769)
Net change in total pension liability	<u>(145,558)</u>	<u>(219,119)</u>	<u>(14,941)</u>	<u>185,253</u>	<u>178,936</u>	<u>689,174</u>	<u>(437,713)</u>	<u>96,658</u>
Total pension liability - beginning	<u>11,986,651</u>	<u>12,205,770</u>	<u>12,220,711</u>	<u>12,035,458</u>	<u>11,856,522</u>	<u>11,167,348</u>	<u>11,605,061</u>	<u>11,508,403</u>
Total pension liability - ending (a)	<u>\$11,841,093</u>	<u>\$11,986,651</u>	<u>\$12,205,770</u>	<u>\$12,220,711</u>	<u>\$12,035,458</u>	<u>\$11,856,522</u>	<u>\$11,167,348</u>	<u>\$11,605,061</u>
Plan fiduciary net position								
Contributions - employer	\$ 634,000	\$ 654,726	\$ 664,376	\$ 594,116	\$ 623,019	\$ 621,921	\$ 552,573	\$ 824,909
Contributions - state	-	-	-	-	-	-	81,017	77,298
Contributions - employee	-	-	-	-	-	-	35,601	100,547
Net investment income	464,297	207,777	554,260	715,583	519,859	(246,652)	658,894	785,731
Benefit payments, including refunds of member contributions	(823,685)	(804,263)	(820,665)	(825,266)	(940,156)	(717,957)	(1,267,283)	(744,769)
Administrative expenses	(19,350)	(18,630)	(22,077)	(27,649)	(39,247)	(41,553)	(35,945)	(28,794)
Net change in plan fiduciary net position	<u>255,262</u>	<u>39,610</u>	<u>375,894</u>	<u>456,784</u>	<u>163,475</u>	<u>(384,241)</u>	<u>24,857</u>	<u>1,014,922</u>
Plan fiduciary net position - beginning	<u>7,508,728</u>	<u>7,469,118</u>	<u>7,093,224</u>	<u>6,636,440</u>	<u>6,472,965</u>	<u>6,857,206</u>	<u>6,832,349</u>	<u>5,817,427</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,763,990</u>	<u>\$ 7,508,728</u>	<u>\$ 7,469,118</u>	<u>\$ 7,093,224</u>	<u>\$ 6,636,440</u>	<u>\$ 6,472,965</u>	<u>\$ 6,857,206</u>	<u>\$ 6,832,349</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 4,077,103</u>	<u>\$ 4,477,923</u>	<u>\$ 4,736,652</u>	<u>\$ 5,127,487</u>	<u>\$ 5,399,018</u>	<u>\$ 5,383,557</u>	<u>\$ 4,310,142</u>	<u>\$ 4,772,712</u>
Plan fiduciary net position as a percentage of the total pension liability	65.57%	62.64%	61.19%	58.04%	55.14%	54.59%	61.40%	58.87%
Covered payroll	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217	\$ 900,553	\$ 1,005,469
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	1257.51%	892.47%	478.61%	474.68%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - FIRE PENSION**

Reporting period ending Measurement date	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
Total pension liability								
Service cost	\$ 6,585	\$ 11,489	\$ 11,382	\$ 12,384	\$ 7,140	\$ 16,994	\$ 17,183	\$ 15,910
Interest on total pension liability	2,184,370	2,155,999	2,127,614	2,077,039	2,005,250	2,089,626	2,082,208	2,046,450
Change of benefit terms	-	410	-	-	(349,443)	-	-	-
Differences between expected and actual experience	603,406	328,243	264,783	566,726	79,615	82,293	-	-
Change in assumptions	(722,995)	-	-	-	1,696,399	1,573,612	1,446,265	-
Benefit payments, including refunds of employee contributions	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)	(1,806,573)	(1,426,754)
Net change in total pension liability	(52,005)	448,481	453,841	740,787	(181,842)	2,146,343	1,739,083	635,606
Total pension liability - beginning	<u>32,260,392</u>	<u>31,811,911</u>	<u>31,358,070</u>	<u>30,617,283</u>	<u>30,799,125</u>	<u>28,652,782</u>	<u>26,913,699</u>	<u>26,278,093</u>
Total pension liability - ending (a)	<u>\$32,208,387</u>	<u>\$32,260,392</u>	<u>\$31,811,911</u>	<u>\$31,358,070</u>	<u>\$30,617,283</u>	<u>\$30,799,125</u>	<u>\$28,652,782</u>	<u>\$26,913,699</u>
Plan fiduciary net position								
Contributions - employer	\$ 2,144,404	\$ 1,980,448	\$ 1,876,726	\$ 1,705,515	\$ 1,758,137	\$ 2,906,549	\$ 1,524,626	\$ 1,542,566
Contributions - state	-	-	-	-	-	-	-	269,818
Contributions - employee	-	-	-	-	-	-	-	259,097
Net investment income (loss)	1,180,845	518,225	1,360,587	1,720,301	1,308,231	(507,247)	1,384,374	1,401,812
Benefit payments, including refunds of member contributions	(2,123,371)	(2,047,660)	(1,949,938)	(1,915,362)	(3,620,803)	(1,616,182)	(1,806,573)	(1,426,754)
Administrative expenses	(48,859)	(46,156)	(53,767)	(66,029)	(35,696)	(45,679)	(60,620)	(54,124)
Net change in plan fiduciary net position	1,153,019	404,857	1,233,608	1,444,425	(590,131)	737,441	1,041,807	1,992,415
Plan fiduciary net position - beginning	<u>18,935,407</u>	<u>18,530,550</u>	<u>17,296,942</u>	<u>15,852,517</u>	<u>16,442,648</u>	<u>15,705,207</u>	<u>14,663,400</u>	<u>12,670,985</u>
Plan fiduciary net position - ending (b)	<u>\$20,088,426</u>	<u>\$18,935,407</u>	<u>\$18,530,550</u>	<u>\$17,296,942</u>	<u>\$15,852,517</u>	<u>\$16,442,648</u>	<u>\$15,705,207</u>	<u>\$14,663,400</u>
Town's net pension liability - ending (a) - (b)	<u>\$12,119,961</u>	<u>\$13,324,985</u>	<u>\$13,281,361</u>	<u>\$14,061,128</u>	<u>\$14,764,766</u>	<u>\$14,356,477</u>	<u>\$12,947,575</u>	<u>\$12,250,299</u>
Plan fiduciary net position as a percentage of the total pension liability	62.37%	58.70%	58.25%	55.16%	51.78%	53.39%	54.81%	54.48%
Covered payroll	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832	\$ 2,590,971
Town's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	1652.70%	962.57%	1523.55%	472.81%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE PENSION**

Reporting period ending	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Actuarially determined contribution	\$ 634,000	\$ 654,726	\$ 664,376	\$ 585,869	\$ 623,019	\$ 621,921	\$ 633,590	\$ 902,207
Contributions in relation to the actuarially determined contribution	<u>634,000</u>	<u>654,726</u>	<u>664,376</u>	<u>594,116</u>	<u>623,019</u>	<u>621,921</u>	<u>633,590</u>	<u>902,207</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,247)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	N/A	N/A	N/A	N/A	\$ 429,341	\$ 603,217	\$ 900,553	\$ 1,005,469
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	145.11%	103.10%	70.36%	89.73%

Notes to the Schedule:

Valuation Date

October 1, 2018

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

Methods and assumptions used to determine contribution rates:

Funding method:

Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method:

Level dollar.

Remaining amortization period:

24 years (as of October 1, 2018).

Mortality:

RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years.

Termination rates:

See table below.

Disability rates:

See table below. 75% of disability retirements are assumed to be service related.

Retirement age:

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest Rate:

7.0% per year, compounded annually, net of investment-related expenses.

Salary increases:

None.

Early retirement

None.

Cost of Living adjustment:

3.0% per year, beginning 5 years after retirement.

Payroll growth:

None.

Asset valuation method:

The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.20%	0.14%
30	7.30%	0.18%
40	3.50%	0.30%
50	0.80%	1.00%

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIRE PENSION**

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Reporting period ending								
Actuarially determined contribution	\$ 2,144,404	\$ 1,980,448	\$ 1,876,726	\$ 1,660,200	\$ 1,758,137	\$ 1,638,549	\$ 1,526,725	\$ 1,812,384
Contributions in relation to the actuarially determined contribution	<u>2,144,404</u>	<u>1,980,448</u>	<u>1,876,726</u>	<u>1,705,515</u>	<u>1,758,137</u>	<u>2,906,549</u>	<u>1,526,725</u>	<u>1,812,384</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,315)</u>	<u>\$ -</u>	<u>\$ (1,268,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	N/A	N/A	N/A	N/A	\$ 893,374	\$ 1,491,476	\$ 849,832	\$ 2,590,971
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	196.80%	194.88%	179.65%	69.95%

Notes to the Schedule:

Valuation Date October 1, 2018

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

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method. An interest load equal to 1.5 years has been applied for determination of the total required contribution.

Amortization method: Level percentage of pay, closed.

Remaining amortization period: 24 years (as of October 1, 2018).

Mortality: RP-2000 (combined healthy with no projection). Disabled lives set forward 5 years.

Termination rates: See table below. This is based on the results of an experience study for the period 2002 to 2007.

Disability rates: See table below. 75% of disability retirements are assumed to be service related.

Retirement age: The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses.

Salary increases: None.

Early retirement: None.

Cost of Living adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll growth: None.

Asset valuation method: The actuarial value of assets is brought forward using the historical four-year geometric average of market value returns (net of fees). Over time, this may result in a deminis bias that is above or below the market value of assets.

Termination and disability rate table:

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.40%	0.14%
30	10.50%	0.18%
40	5.70%	0.30%
50	1.50%	1.00%

The schedule will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

Reporting Period Ending Measurement Date	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<u>9/30/2017</u> <u>9/30/2016</u>	<u>9/30/2016</u> <u>9/30/2015</u>	<u>9/30/2015</u> <u>9/30/2014</u>	<u>9/30/2014</u> <u>9/30/2013</u>
General Employees: Annual money-weighted rate of return, net of investment expenses	6.36%	2.86%	8.04%	11.15%	8.25%	-1.01%	9.53%	10.30%
Police: Annual money-weighted rate of return, net of investment expenses	6.36%	2.86%	8.04%	11.15%	8.25%	-3.67%	9.94%	13.20%
Fire: Annual money-weighted rate of return, net of investment expenses	6.36%	2.86%	8.04%	11.15%	8.25%	-3.28%	9.60%	10.62%

Notes to the Schedules:

The schedules will present 10 years of information once it is accumulated.

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the FRS net pension liability	0.0176149%	0.0179257%	0.0173769%	0.0174717%	0.0176405%	0.0148110%	0.0104297%
Town's proportionate share of the FRS net pension liability	\$ 7,634,566	\$ 6,173,377	\$ 5,234,011	\$ 5,168,012	\$ 4,454,244	\$ 1,913,034	\$ 636,365
Town's covered payroll	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240	\$ 1,424,541
Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll	293.65%	237.44%	211.36%	217.75%	194.70%	95.26%	44.67%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Contractually required FRS contribution	\$ 585,266	\$ 555,827	\$ 495,228	\$ 454,831	\$ 430,192	\$ 361,104	\$ 228,454
FRS Contributions in relation to the contractually required FRS contribution	<u>585,266</u>	<u>555,827</u>	<u>495,228</u>	<u>454,831</u>	<u>430,192</u>	<u>361,104</u>	<u>228,454</u>
FRS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,643,352	\$ 2,607,089	\$ 2,511,448	\$ 2,396,497	\$ 2,257,018	\$ 2,701,101	\$ 2,746,629
FRS Contributions as a percentage of covered payroll	22.14%	21.32%	19.72%	18.98%	19.06%	13.37%	8.32%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Town's proportion of the HIS net pension liability	0.0074766%	0.0077742%	0.0075818%	0.0074460%	0.0074208%	0.0066135%	0.0045987%
Town's proportionate share of the HIS net pension liability	\$ 912,880	\$ 869,855	\$ 802,463	\$ 796,157	\$ 864,858	\$ 674,468	\$ 429,993
Town's covered payroll	\$ 2,599,851	\$ 2,600,024	\$ 2,476,338	\$ 2,373,392	\$ 2,287,722	\$ 2,008,240	\$ 1,424,541
Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll	35.11%	33.46%	32.41%	33.55%	37.80%	33.59%	30.18%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2020</u> <u>6/30/2020</u>	<u>9/30/2019</u> <u>6/30/2019</u>	<u>9/30/2018</u> <u>6/30/2018</u>	<u>9/30/2017</u> <u>6/30/2017</u>	<u>9/30/2016</u> <u>6/30/2016</u>	<u>9/30/2015</u> <u>6/30/2015</u>	<u>9/30/2014</u> <u>6/30/2014</u>
Contractually required HIS contribution	\$ 43,084	\$ 43,169	\$ 41,116	\$ 39,406	\$ 38,036	\$ 25,281	\$ 15,754
HIS Contributions in relation to the contractually required HIS contribution	<u>43,084</u>	<u>43,169</u>	<u>41,116</u>	<u>39,406</u>	<u>38,036</u>	<u>25,281</u>	<u>15,754</u>
HIS Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,643,352	\$ 2,607,089	\$ 2,511,448	\$ 2,396,497	\$ 2,257,018	\$ 2,701,101	\$ 2,746,629
HIS Contributions as a percentage of covered payroll	1.63%	1.66%	1.64%	1.64%	1.69%	0.94%	0.57%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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

TOWN OF LONGBOAT KEY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

Reporting period ending Measurement date	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>
Service cost	\$ 86,359	\$ 60,955	\$ 62,113
Interest	65,719	50,864	43,733
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(33,200)	-
Changes of assumptions	64,506	179,191	(55,074)
Benefit payments	<u>(132,386)</u>	<u>(84,932)</u>	<u>(78,098)</u>
Net change in total OPEB liability	84,198	172,878	(27,326)
Total OPEB liability - beginning	1,551,378	1,378,500	1,405,826
Total OPEB liability - ending	<u>\$ 1,635,576</u>	<u>\$ 1,551,378</u>	<u>\$ 1,378,500</u>
Covered employee payroll (projected)	\$ 7,941,495	\$ 7,563,329	\$ 7,237,402
Town's total OPEB liability as a percentage of covered employee payroll	20.60%	20.51%	19.05%

Notes to the Schedule:

Covered employee payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2019, using applicable salary increase assumptions.

Difference Between Expected and Actual Experience. Difference Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2018.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.18%
Fiscal Year Ending September 30, 2018:	3.64%
Fiscal Year Ending September 30, 2017:	3.06%

The schedule will present 10 years of information once it is accumulated.

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

Combining and Individual Fund Statements and Schedules

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects.

Sarasota Infrastructure Surtax Fund

To account for the Town's portion of the Sarasota County local option one-cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

Manatee Infrastructure Surtax Fund

To account for the Town's portion of the Manatee County local option one-cent sales tax and expenditures made to acquire and maintain governmental infrastructure.

Tourist Development Tax Fund

To account for the beach nourishment portion of tourist development tax revenues.

Tree Replacement Fund

To account for fees collected through permits for tree removal or relocation for which funds may only be used to plant or replace trees on public property. Funds may be used for Town or state projects that include trees.

Police Training Fund

To account for revenue received through the court system which may only be used for police education and training.

Law Enforcement Trust Fund (LETF)

To account for receipt of awards for information or assistance leading to a civil or criminal forfeiture. Funds are restricted to crime prevention, safe neighborhood, drug abuse education and prevention, other law enforcement purposes, defibrillators, matching funds for federal grants, but may not be used to meet normal operating expenses of the agency.

Miscellaneous Grants Fund

To account for the receipt and disbursement of small miscellaneous grants received by the Town.

Road and Bridge Fund

To account for the collection of county road funds and state fuel taxes and expenditures made to maintain and improve the Town's roads and bridges.

Tennis Center Fund

To account for the sales and expenses associated with running the Tennis Center facility.

Debt Service Funds

General Obligation Facilities Bonds Fund

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on bonds.

General Obligation Fire Stations Bonds Fund

To account for the property tax collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the Fire Stations bonds.

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Nonmajor Governmental Funds continued

Debt Service Funds (Continued)

GMD Undergrounding Bonds Fund

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

NH Undergrounding Bonds Fund

To account for the special assessment collections for Sarasota and Manatee County collectors office and pays annual debt service payment on the undergrounding bonds.

Capital Project Funds

Street Capital Projects Fund

To account for the collection of county road funds and state fuel taxes and expenditures to maintain and improve the Town's roads, storm water systems and drainage.

Fire Stations Capital Projects Fund

To account for the issuance of general obligation bonds to be used for capital improvements of the Town's fire stations.

Other Capital Projects Fund

To account for miscellaneous smaller capital projects of the Town.

Land Acquisition Fees Fund

To account for funds received from contractors to secure undeveloped land in the Town to preserve open spaces or for public purposes.

Canal Dredging Fund

To account for expenditures incurred in dredging of canals within the Town.

Parks and Recreation Capital Project Fund

To account for grants and donations and expenditures of constructing new parks and recreational facilities.

TOWN OF LONGBOAT KEY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds								
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Assets									
Cash and cash equivalents	\$ 136,614	\$ 52,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,326	\$ 53,186
Investments	208,565	80,426	942,588	54,357	24,788	140,232	-	313,466	-
Due from other governments	64,448	18,390	469,389	-	288	-	62,236	36,903	-
Inventory	-	-	-	-	-	-	-	-	82,664
Accrued income	3,810	96	3,987	136	153	543	-	8,196	-
Total assets	<u>\$ 413,437</u>	<u>\$ 151,593</u>	<u>\$ 1,415,964</u>	<u>\$ 54,493</u>	<u>\$ 25,229</u>	<u>\$ 140,775</u>	<u>\$ 62,236</u>	<u>\$ 563,891</u>	<u>\$ 135,850</u>
Liabilities and fund balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 670	\$ -	\$ 6,418	\$ -	\$ 14,582
Accrued liabilities	-	-	-	-	-	-	-	-	16,910
Due to other governments	-	-	-	-	-	-	-	65,000	-
Due to other funds	-	-	-	-	-	-	37,374	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>-</u>	<u>43,792</u>	<u>65,000</u>	<u>31,492</u>
Deferred inflows of resources									
Unavailable revenue	-	-	-	-	-	-	18,444	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	-	-	82,664
Restricted	413,437	151,593	1,415,964	54,493	24,559	140,775	-	498,891	-
Assigned	-	-	-	-	-	-	-	-	21,694
Total fund balances	<u>413,437</u>	<u>151,593</u>	<u>1,415,964</u>	<u>54,493</u>	<u>24,559</u>	<u>140,775</u>	<u>-</u>	<u>498,891</u>	<u>104,358</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 413,437</u>	<u>\$ 151,593</u>	<u>\$ 1,415,964</u>	<u>\$ 54,493</u>	<u>\$ 25,229</u>	<u>\$ 140,775</u>	<u>\$ 62,236</u>	<u>\$ 563,891</u>	<u>\$ 135,850</u>

Debt Service Funds				Capital Project Funds						Parks and Recreation Capital Project Fund	Total Nonmajor Governmental Funds
G.O. Facilities Bonds	G.O. Fire Stations Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Fire Stations	Other Capital Projects	Land Acquisition Fees	Canal Dredging			
\$ 6,891	\$ -	\$ 6,089	\$ 5,365	\$ 430,198	\$ 1,782,518	\$ 171,852	\$ 318,491	\$ 359,928	\$ -	\$ 3,529,139	
2,909	7,611	9,296	8,190	656,772	2,721,324	262,362	486,232	549,493	202,732	6,671,343	
18	-	-	-	-	-	-	-	-	-	651,672	
-	-	-	-	-	-	-	-	-	-	82,664	
884	10	275	393	2,533	2,395	103	8,199	2,317	1,548	35,578	
<u>\$ 10,702</u>	<u>\$ 7,621</u>	<u>\$ 15,660</u>	<u>\$ 13,948</u>	<u>\$ 1,089,503</u>	<u>\$ 4,506,237</u>	<u>\$ 434,317</u>	<u>\$ 812,922</u>	<u>\$ 911,738</u>	<u>\$ 204,280</u>	<u>\$ 10,970,396</u>	
\$ -	\$ -	\$ -	\$ -	\$ 23,358	\$ 167,282	\$ 26,852	\$ 1,273	\$ 432	\$ -	\$ 240,867	
-	-	-	-	-	-	-	-	-	-	16,910	
-	-	-	-	-	-	-	-	-	-	65,000	
-	-	-	-	-	-	-	-	-	-	37,374	
-	-	-	-	23,358	167,282	26,852	1,273	432	-	360,151	
-	-	-	-	-	-	-	-	-	-	18,444	
-	-	-	-	-	-	-	-	-	-	82,664	
10,702	7,621	15,660	13,948	773,053	237,271	400,559	720,134	901,062	204,280	5,984,002	
-	-	-	-	293,092	4,101,684	6,906	91,515	10,244	-	4,525,135	
<u>10,702</u>	<u>7,621</u>	<u>15,660</u>	<u>13,948</u>	<u>1,066,145</u>	<u>4,338,955</u>	<u>407,465</u>	<u>811,649</u>	<u>911,306</u>	<u>204,280</u>	<u>10,591,801</u>	
<u>\$ 10,702</u>	<u>\$ 7,621</u>	<u>\$ 15,660</u>	<u>\$ 13,948</u>	<u>\$ 1,089,503</u>	<u>\$ 4,506,237</u>	<u>\$ 434,317</u>	<u>\$ 812,922</u>	<u>\$ 911,738</u>	<u>\$ 204,280</u>	<u>\$ 10,970,396</u>	

TOWN OF LONGBOAT KEY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds								
	Sarasota Infrastructure Surtax	Manatee Infrastructure Surtax	Tourist Development Tax	Tree Replacement	Police Training	Law Enforcement Trust	Miscellaneous Grants	Road and Bridge Fund	Tennis Center
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	707,970	190,091	819,496	-	-	-	-	292,228	-
Intergovernmental revenue	-	-	-	-	-	-	-	77,697	-
Charges for services	-	-	-	-	-	-	-	66,799	604,314
Franchise fees	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	2,541	-	-	-	-
Grant revenues	-	-	-	-	-	-	97,600	-	-
Investment earnings	9,966	2,269	22,231	1,057	507	2,755	-	10,116	-
Miscellaneous revenues	-	-	-	-	-	-	399	-	5,500
Total revenues	<u>717,936</u>	<u>192,360</u>	<u>841,727</u>	<u>1,057</u>	<u>3,048</u>	<u>2,755</u>	<u>97,999</u>	<u>446,840</u>	<u>609,814</u>
Expenditures									
Current									
General government	140	30	260	16	-	-	-	-	-
Public Safety	-	-	-	-	3,471	40	80,499	-	-
Transportation	-	-	-	-	-	-	-	7,461	-
Culture and recreation	-	-	-	-	-	-	-	-	592,898
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital Outlay									
General government	53,539	-	-	-	-	-	-	-	-
Public Safety	1,216,546	148,304	-	-	-	16,976	17,500	-	-
Transportation	-	-	-	-	-	-	-	84,001	-
Culture and recreation	69,756	-	-	-	-	-	-	-	-
Total expenditures	<u>1,339,981</u>	<u>148,334</u>	<u>260</u>	<u>16</u>	<u>3,471</u>	<u>17,016</u>	<u>97,999</u>	<u>91,462</u>	<u>592,898</u>
Excess (deficiency) of revenues over (under) expenditures	(622,045)	44,026	841,467	1,041	(423)	(14,261)	-	355,378	16,916
Other Financing Sources (Uses)									
Proceeds from the sale of capital assets	26,350	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	(578,232)	-	-	-	-	(200,000)	-
Total other financing sources (uses)	<u>26,350</u>	<u>-</u>	<u>(578,232)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(595,695)	44,026	263,235	1,041	(423)	(14,261)	-	155,378	16,916
Fund balances, beginning	<u>1,009,132</u>	<u>107,567</u>	<u>1,152,729</u>	<u>53,452</u>	<u>24,982</u>	<u>155,036</u>	<u>-</u>	<u>343,513</u>	<u>87,442</u>
Fund balances, ending	<u>\$ 413,437</u>	<u>\$ 151,593</u>	<u>\$ 1,415,964</u>	<u>\$ 54,493</u>	<u>\$ 24,559</u>	<u>\$ 140,775</u>	<u>\$ -</u>	<u>\$ 498,891</u>	<u>\$ 104,358</u>

Debt Service Funds				Capital Project Funds						Total Nonmajor Governmental Funds
G.O. Facilities Bonds	G.O. Fire Stations Bonds	GMD Undergrounding Bonds	Neighborhood Undergrounding Bonds	Street Capital Projects	Fire Stations	Other Capital Projects	Land Acquisition Fees	Canal Dredging	Parks and Recreation Capital Project Fund	
\$ -	\$ 354,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,500
-	-	-	-	-	-	-	61,567	-	-	2,071,352
-	-	-	-	-	-	-	280,000	-	-	357,697
-	-	-	-	-	-	-	-	-	-	671,113
-	-	-	304,027	-	-	-	-	-	-	304,027
-	-	-	-	-	-	-	-	-	-	2,541
-	-	-	-	45,443	-	-	-	-	-	143,043
221	3,693	15,760	13,792	20,275	102,660	9,887	16,897	17,701	3,884	253,671
-	-	-	-	-	-	-	-	-	-	5,899
221	358,193	15,760	317,819	65,718	102,660	9,887	358,464	17,701	3,884	4,163,843
4	339	100	178	293	1,461	100	200	41,173	57	44,351
-	-	-	-	-	-	-	-	-	-	84,010
-	-	-	-	-	-	-	-	-	-	7,461
-	-	-	-	-	-	-	-	-	-	592,898
280,000	140,000	380,000	375,000	-	-	-	-	-	-	1,175,000
3,038	212,931	561,684	704,731	-	-	-	-	-	-	1,482,384
-	-	-	-	-	-	-	424,969	-	-	478,508
-	-	-	-	-	-	-	-	-	-	1,399,326
-	-	-	-	331,694	1,244,799	303,819	-	-	-	1,964,313
-	-	-	-	-	-	-	-	-	22,762	92,518
283,042	353,270	941,784	1,079,909	331,987	1,246,260	303,919	425,169	41,173	22,819	7,320,769
(282,821)	4,923	(926,024)	(762,090)	(266,269)	(1,143,600)	(294,032)	(66,705)	(23,472)	(18,935)	(3,156,926)
-	-	-	-	-	-	-	-	-	-	26,350
-	-	941,684	775,704	200,000	-	451,000	-	-	-	2,368,388
-	-	-	-	-	-	-	-	-	-	(778,232)
-	-	941,684	775,704	200,000	-	451,000	-	-	-	1,616,506
(282,821)	4,923	15,660	13,614	(66,269)	(1,143,600)	156,968	(66,705)	(23,472)	(18,935)	(1,540,420)
293,523	2,698	-	334	1,132,414	5,482,555	250,497	878,354	934,778	223,215	12,132,221
\$ 10,702	\$ 7,621	\$ 15,660	\$ 13,948	\$ 1,066,145	\$ 4,338,955	\$ 407,465	\$ 811,649	\$ 911,306	\$ 204,280	\$ 10,591,801

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SARASOTA INFRASTRUCTURE SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 757,940	\$ 757,940	\$ 707,970	\$ (49,970)
Investment earnings	8,938	8,938	9,966	1,028
Total revenues	<u>766,878</u>	<u>766,878</u>	<u>717,936</u>	<u>(48,942)</u>
Expenditures				
Current				
General government	632	632	140	492
Capital outlay	1,669,086	1,422,744	1,339,841	82,903
Total expenditures	<u>1,669,718</u>	<u>1,423,376</u>	<u>1,339,981</u>	<u>83,395</u>
Deficiency of revenues under expenditures	<u>(902,840)</u>	<u>(656,498)</u>	<u>(622,045)</u>	<u>34,453</u>
Other financing sources				
Proceeds from the sale of capital assets	-	-	26,350	26,350
Total other financing sources	<u>-</u>	<u>-</u>	<u>26,350</u>	<u>26,350</u>
Change in fund balance	(902,840)	(656,498)	(595,695)	60,803
Fund balance, beginning of year	<u>1,009,132</u>	<u>1,009,132</u>	<u>1,009,132</u>	<u>-</u>
Fund balance, end of year	<u>\$ 106,292</u>	<u>\$ 352,634</u>	<u>\$ 413,437</u>	<u>\$ 60,803</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MANATEE INFRASTRUCTURE SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other taxes	\$ 186,660	\$ 186,660	\$ 190,091	\$ 3,431
Investment earnings	1,073	1,073	2,269	1,196
Total revenues	<u>187,733</u>	<u>187,733</u>	<u>192,360</u>	<u>4,627</u>
Expenditures				
Current				
General government	30	30	30	-
Capital outlay	<u>242,925</u>	<u>208,548</u>	<u>148,304</u>	<u>60,244</u>
Total expenditures	<u>242,955</u>	<u>208,578</u>	<u>148,334</u>	<u>60,244</u>
Change in fund balance	(55,222)	(20,845)	44,026	64,871
Fund balance, beginning of year	<u>107,567</u>	<u>107,567</u>	<u>107,567</u>	<u>-</u>
Fund balance, end of year	<u>\$ 52,345</u>	<u>\$ 86,722</u>	<u>\$ 151,593</u>	<u>\$ 64,871</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TOURIST DEVELOPMENT TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 795,568	\$ 795,568	\$ 819,496	\$ 23,928
Investment earnings	7,150	7,150	22,231	15,081
Total revenues	<u>802,718</u>	<u>802,718</u>	<u>841,727</u>	<u>39,009</u>
Expenditures				
Current				
General government	260	260	260	-
Total expenditures	<u>260</u>	<u>260</u>	<u>260</u>	<u>-</u>
Excess of revenues over expenditures	<u>802,458</u>	<u>802,458</u>	<u>841,467</u>	<u>39,009</u>
Other financing uses				
Transfers out	(578,232)	(578,232)	(578,232)	-
Total other financing uses	<u>(578,232)</u>	<u>(578,232)</u>	<u>(578,232)</u>	<u>-</u>
Change in fund balance	224,226	224,226	263,235	39,009
Fund balance, beginning of year	<u>1,152,729</u>	<u>1,152,729</u>	<u>1,152,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,376,955</u>	<u>\$ 1,376,955</u>	<u>\$ 1,415,964</u>	<u>\$ 39,009</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TREE REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 866	\$ 866	\$ 1,057	\$ 191
Miscellaneous revenues	3,000	3,000	-	(3,000)
Total revenues	<u>3,866</u>	<u>3,866</u>	<u>1,057</u>	<u>(2,809)</u>
Expenditures				
Current				
General government	26	26	16	10
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>5,026</u>	<u>5,026</u>	<u>16</u>	<u>5,010</u>
Change in fund balance	(1,160)	(1,160)	1,041	2,201
Fund balance, beginning of year	<u>53,452</u>	<u>53,452</u>	<u>53,452</u>	<u>-</u>
Fund balance, end of year	<u>\$ 52,292</u>	<u>\$ 52,292</u>	<u>\$ 54,493</u>	<u>\$ 2,201</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - POLICE TRAINING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 440	\$ 440	\$ 2,541	\$ 2,101
Investment earnings	375	375	507	132
Total revenues	<u>815</u>	<u>815</u>	<u>3,048</u>	<u>2,233</u>
Expenditures				
Current				
Public safety	10,023	10,023	3,471	6,552
Total expenditures	<u>10,023</u>	<u>10,023</u>	<u>3,471</u>	<u>6,552</u>
Change in fund balance	(9,208)	(9,208)	(423)	8,785
Fund balance, beginning of year	<u>24,982</u>	<u>24,982</u>	<u>24,982</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,774</u>	<u>\$ 15,774</u>	<u>\$ 24,559</u>	<u>\$ 8,785</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 2,413	\$ 2,413	\$ 2,755	\$ 342
Total revenues	<u>2,413</u>	<u>2,413</u>	<u>2,755</u>	<u>342</u>
Expenditures				
Current				
Public safety	95	95	40	55
Capital outlay	18,000	18,000	16,976	1,024
Total expenditures	<u>18,095</u>	<u>18,095</u>	<u>17,016</u>	<u>1,079</u>
Change in fund balance	(15,682)	(15,682)	(14,261)	1,421
Fund balance , beginning of year	<u>155,036</u>	<u>155,036</u>	<u>155,036</u>	<u>-</u>
Fund balance , end of year	<u>\$ 139,354</u>	<u>\$ 139,354</u>	<u>\$ 140,775</u>	<u>\$ 1,421</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grant revenues	\$ 280,736	\$ 281,740	\$ 97,600	\$ (184,140)
Miscellaneous revenues	17,878	17,878	399	(17,479)
Total revenues	<u>298,614</u>	<u>299,618</u>	<u>97,999</u>	<u>(201,619)</u>
Expenditures				
Current				
General government	1,000	1,000	-	1,000
Public safety	261,042	262,046	80,499	181,547
Capital outlay	36,572	36,572	17,500	19,072
Total expenditures	<u>298,614</u>	<u>299,618</u>	<u>97,999</u>	<u>201,619</u>
Change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 320,973	\$ 320,973	\$ 292,228	\$ (28,745)
Intergovernmental revenue	81,747	81,747	77,697	(4,050)
Charges for service	66,125	66,125	66,799	674
Investment earnings	4,111	4,111	10,116	6,005
Total revenues	<u>472,956</u>	<u>472,956</u>	<u>446,840</u>	<u>(26,116)</u>
Expenditures				
Current				
Transportation	8,100	8,100	7,461	639
Capital outlay	107,500	107,500	84,001	23,499
Total expenditures	<u>115,600</u>	<u>115,600</u>	<u>91,462</u>	<u>24,138</u>
Excess of revenues over expenditures	<u>357,356</u>	<u>357,356</u>	<u>355,378</u>	<u>(1,978)</u>
Other financing uses				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Change in fund balance	157,356	157,356	155,378	(1,978)
Fund balance, beginning of year	<u>343,513</u>	<u>343,513</u>	<u>343,513</u>	<u>-</u>
Fund balance, end of year	<u>\$ 500,869</u>	<u>\$ 500,869</u>	<u>\$ 498,891</u>	<u>\$ (1,978)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TENNIS CENTER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 660,860	\$ 660,860	\$ 604,314	\$ (56,546)
Miscellaneous revenues	-	-	5,500	5,500
Total revenues	<u>660,860</u>	<u>660,860</u>	<u>609,814</u>	<u>(51,046)</u>
Expenditures				
Current				
Culture and recreation	<u>647,417</u>	<u>647,417</u>	<u>592,898</u>	<u>54,519</u>
Total expenditures	<u>647,417</u>	<u>647,417</u>	<u>592,898</u>	<u>54,519</u>
Change in fund balance	13,443	13,443	16,916	3,473
Fund balance, beginning of year	<u>87,442</u>	<u>87,442</u>	<u>87,442</u>	<u>-</u>
Fund balance, end of year	<u>\$ 100,885</u>	<u>\$ 100,885</u>	<u>\$ 104,358</u>	<u>\$ 3,473</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL OBLIGATION FACILITIES BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 221	\$ 221
Total revenues	<u>-</u>	<u>-</u>	<u>221</u>	<u>221</u>
Expenditures				
Current				
General government	100	100	4	96
Debt service				
Principal retirement	280,000	280,000	280,000	-
Interest	3,038	3,038	3,038	-
Total expenditures	<u>283,138</u>	<u>283,138</u>	<u>283,042</u>	<u>96</u>
Deficiency of revenues under expenditures	<u>(283,138)</u>	<u>(283,138)</u>	<u>(282,821)</u>	<u>317</u>
Other financing uses				
Transfers out	(6,429)	(6,429)	-	6,429
Total other financing uses	<u>(6,429)</u>	<u>(6,429)</u>	<u>-</u>	<u>6,429</u>
Change in fund balance	(289,567)	(289,567)	(282,821)	6,746
Fund balance, beginning of year	<u>293,523</u>	<u>293,523</u>	<u>293,523</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,956</u>	<u>\$ 3,956</u>	<u>\$ 10,702</u>	<u>\$ 6,746</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL OBLIGATION FIRE STATIONS BOND FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 353,389	\$ 353,389	\$ 354,500	\$ 1,111
Investment earnings	956	956	3,693	2,737
Total revenues	<u>354,345</u>	<u>354,345</u>	<u>358,193</u>	<u>3,848</u>
Expenditures				
Current				
General government	400	400	339	61
Debt service				
Principal retirement	140,000	140,000	140,000	-
Interest	212,932	212,932	212,931	1
Total expenditures	<u>353,332</u>	<u>353,332</u>	<u>353,270</u>	<u>62</u>
Excess of revenues over expenditures	<u>1,013</u>	<u>1,013</u>	<u>4,923</u>	<u>3,910</u>
Other financing sources				
Transfers in	6,429	6,429	-	(6,429)
Total other financing sources	<u>6,429</u>	<u>6,429</u>	<u>-</u>	<u>(6,429)</u>
Change in fund balance	7,442	7,442	4,923	(2,519)
Fund balance, beginning of year	<u>2,698</u>	<u>2,698</u>	<u>2,698</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,140</u>	<u>\$ 10,140</u>	<u>\$ 7,621</u>	<u>\$ (2,519)</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GMD UNDERGROUNDING BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 8,437	\$ 8,437	\$ 15,760	\$ 7,323
Total Revenues	<u>8,437</u>	<u>8,437</u>	<u>15,760</u>	<u>7,323</u>
Expenditures				
Current				
General government	400	400	100	300
Debt service				
Principal retirement	380,000	380,000	380,000	-
Interest	563,957	563,957	561,684	2,273
Total expenditures	<u>944,357</u>	<u>944,357</u>	<u>941,784</u>	<u>2,573</u>
Deficiency of revenues under expenditures	<u>(935,920)</u>	<u>(935,920)</u>	<u>(926,024)</u>	<u>9,896</u>
Other financing sources				
Transfers in	943,957	943,957	941,684	(2,273)
Total other financing sources	<u>943,957</u>	<u>943,957</u>	<u>941,684</u>	<u>(2,273)</u>
Change in fund balance	8,037	8,037	15,660	7,623
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ 8,037</u>	<u>\$ 8,037</u>	<u>\$ 15,660</u>	<u>\$ 7,623</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NEIGHBORHOOD UNDERGROUNDING BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Franchise fees	\$ 304,027	\$ 304,027	\$ 304,027	\$ -
Investment earnings	12,446	12,446	13,792	1,346
Total revenues	<u>316,473</u>	<u>316,473</u>	<u>317,819</u>	<u>1,346</u>
Expenditures				
Current				
General government	550	550	178	372
Debt service				
Principal retirement	375,000	375,000	375,000	-
Interest	704,732	704,732	704,731	1
Total expenditures	<u>1,080,282</u>	<u>1,080,282</u>	<u>1,079,909</u>	<u>373</u>
Deficiency of revenues under expenditures	<u>(763,809)</u>	<u>(763,809)</u>	<u>(762,090)</u>	<u>1,719</u>
Other financing sources				
Transfers in	1,079,732	775,705	775,704	(1)
Total other financing sources	<u>1,079,732</u>	<u>775,705</u>	<u>775,704</u>	<u>(1)</u>
Change in fund balance	315,923	11,896	13,614	1,718
Fund balance, beginning of year	<u>334</u>	<u>334</u>	<u>334</u>	<u>-</u>
Fund balance, end of year	<u>\$ 316,257</u>	<u>\$ 12,230</u>	<u>\$ 13,948</u>	<u>\$ 1,718</u>

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

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL OBLIGATION BEACH BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,565,000	\$ 2,565,000	\$ 2,567,211	\$ 2,211
Intergovernmental revenue	18,025	18,025	32,731	14,706
Total revenues	<u>2,583,025</u>	<u>2,583,025</u>	<u>2,599,942</u>	<u>16,917</u>
Expenditures				
Current				
General government	1,050	1,050	646	404
Debt service				
Principal retirement	2,750,761	2,750,761	2,750,761	-
Interest	49,239	49,239	49,239	-
Total expenditures	<u>2,801,050</u>	<u>2,801,050</u>	<u>2,800,646</u>	<u>404</u>
Change in fund balance	(218,025)	(218,025)	(200,704)	17,321
Fund balance, beginning of year	<u>226,993</u>	<u>226,993</u>	<u>226,993</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,968</u>	<u>\$ 8,968</u>	<u>\$ 26,289</u>	<u>\$ 17,321</u>

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

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Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Fund

To account for the Town's single employer defined benefit pension plan which provides pension benefits for full-time personnel.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Code Enforcement Bond Fund

The Town holds bond money as security for changes which need to remedy violations of the Town Code.

Police Donations Fund

The Town allows the Police Department to accept contributions in lieu of gratuities and provide a general use and benefit to the members of the Police Department.

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TOWN OF LONGBOAT KEY, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2020**

	Code Enforcement	Police Donations	Total
Assets			
Cash and cash equivalents	\$ 13,625	\$ 17,281	\$ 30,906
Total assets	\$ 13,625	\$ 17,281	\$ 30,906
Liabilities			
Amounts held as agent for others	\$ 13,625	\$ 17,281	\$ 30,906
Total liabilities	\$ 13,625	\$ 17,281	\$ 30,906

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

TOWN OF LONGBOAT KEY, FLORIDA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Balance 10/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2020</u>
<u>Code Enforcement Fund</u>				
Assets				
Cash and cash equivalents	\$ 23,125	\$ -	\$ 9,500	\$ 13,625
Total assets	<u>\$ 23,125</u>	<u>\$ -</u>	<u>\$ 9,500</u>	<u>\$ 13,625</u>
Liabilities				
Amounts held as agent for others	\$ 23,125	\$ -	\$ 9,500	\$ 13,625
Total liabilities	<u>\$ 23,125</u>	<u>\$ -</u>	<u>\$ 9,500</u>	<u>\$ 13,625</u>
<u>Police Donations Fund</u>				
Assets				
Cash and cash equivalents	\$ 18,975	\$ 3,505	\$ 5,199	\$ 17,281
Total assets	<u>\$ 18,975</u>	<u>\$ 3,505</u>	<u>\$ 5,199</u>	<u>\$ 17,281</u>
Liabilities				
Amounts held as agent for others	\$ 18,975	\$ 3,505	\$ 5,199	\$ 17,281
Total liabilities	<u>\$ 18,975</u>	<u>\$ 3,505</u>	<u>\$ 5,199</u>	<u>\$ 17,281</u>
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 42,100	\$ 3,505	\$ 14,699	\$ 30,906
Total assets	<u>\$ 42,100</u>	<u>\$ 3,505</u>	<u>\$ 14,699</u>	<u>\$ 30,906</u>
Liabilities				
Amounts held as agent for others	\$ 42,100	\$ 3,505	\$ 14,699	\$ 30,906
Total liabilities	<u>\$ 42,100</u>	<u>\$ 3,505</u>	<u>\$ 14,699</u>	<u>\$ 30,906</u>

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

Statistical Section

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

Contents

Financial Trends (Pages 108 – 112) (Tables 1 – 4)

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

Revenue Capacity (Pages 113 – 116) (Tables 5 – 8)

These schedules contain information to help the reader assess the Town's most significant sources of revenue.

Debt Capacity (Pages 117 – 121) (Tables 9 – 12)

These schedules contain information to help the reader assess the affordability of the Town's current level of debt and the Town's ability to issue debt in the future.

Demographics and Economic Information (Pages 122 and 123) (Tables 13 and 14)

These schedules offer demographics and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information (Pages 124 – 126) (Tables 15 – 17)

These schedules contain information regarding the number of employees, the operating indicators, and the capital assets used in the various functions and programs

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

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TOWN OF LONGBOAT KEY, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 1)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 52,337,893	\$ 50,178,473	\$ 47,891,475	\$ 46,906,127	\$ 46,507,514	\$ 48,772,257	\$ 56,025,058	\$ 56,478,072	\$ 58,787,253	\$ 61,550,069
Restricted										
Capital projects	-	-	13,087,478	11,402,376	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120
Debt service	-	-	45,276	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220
Unrestricted	16,439,938	17,433,460	2,764,712	3,907,538	(11,950,563)	(3,708,420)	(8,378,269)	(5,703,438)	(11,112,772)	(11,032,840)
Total governmental activities net position	\$ 68,777,831	\$ 67,611,933	\$ 63,788,941	\$ 62,222,481	\$ 49,006,476	\$ 57,331,122	\$ 56,229,786	\$ 58,566,288	\$ 65,022,759	\$ 68,654,569
Business-type activities										
Net investment in capital assets	\$ 16,834,998	\$ 14,945,148	\$ 13,353,674	\$ 14,194,467	\$ 16,234,308	\$ 16,805,803	\$ 16,710,926	\$ 17,808,807	\$ 19,872,547	\$ 20,328,564
Restricted										
Debt service	439,625	439,625	1,067,550	1,067,543	982,210	981,794	601,674	623,781	274,362	641,697
Renewal and replacement	5,735,449	3,672,943	-	-	-	-	-	-	-	-
Connection fees	3,026,870	3,036,737	1,294,486	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-
Unrestricted	5,609,562	10,100,635	16,672,366	16,498,288	14,570,090	14,341,142	15,918,440	14,225,116	12,924,696	13,967,575
Total business-type activities net position	\$ 31,646,504	\$ 32,195,088	\$ 32,388,076	\$ 33,060,355	\$ 33,091,647	\$ 33,457,553	\$ 34,590,601	\$ 34,048,968	\$ 34,510,651	\$ 34,937,836
Primary government										
Net investment in capital assets	\$ 69,172,891	\$ 65,123,621	\$ 61,245,149	\$ 61,100,594	\$ 62,741,822	\$ 65,578,060	\$ 72,735,984	\$ 74,286,879	\$ 78,659,800	\$ 81,878,633
Restricted										
Capital projects	-	-	13,087,478	11,402,376	11,241,249	8,944,542	8,120,414	7,130,626	16,824,730	18,063,120
Debt service	439,625	439,625	1,112,826	1,073,983	4,190,486	4,304,537	1,064,257	1,284,809	797,910	715,917
Renewal and replacement	5,735,449	3,672,943	-	-	-	-	-	-	-	-
Connection fees	3,026,870	3,036,737	1,294,486	1,300,057	1,305,039	1,328,814	1,359,561	1,391,264	1,439,046	-
Unrestricted	22,049,500	27,534,095	19,437,078	20,405,826	2,619,527	10,632,722	7,540,171	8,521,678	1,811,924	2,934,735
Total primary government net position	\$ 100,424,335	\$ 99,807,021	\$ 96,177,017	\$ 95,282,836	\$ 82,098,123	\$ 90,788,675	\$ 90,820,387	\$ 92,615,256	\$ 99,533,410	\$ 103,592,405

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 2)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 7,467,428	\$ 7,296,613	\$ 4,794,174	\$ 4,412,661	\$ 4,330,147	\$ 4,957,901	\$ 6,000,443	\$ 4,563,210	\$ 4,785,548	\$ 4,956,110
Public safety	7,022,706	6,675,600	9,648,821	9,276,537	8,978,316	11,187,571	12,954,560	12,178,651	11,298,115	11,709,523
Transportation	507,134	735,024	837,858	882,169	885,495	889,340	883,892	743,164	912,741	916,222
Economic environment	69,300	8,990	10,262	4,069,126	4,118,326	4,109,675	6,804,311	6,204,287	6,437,819	6,369,986
Culture and recreation	3,146,845	3,861,447	3,960,972	-	-	-	-	-	-	1,872
Interest on long-term debt	92,512	70,462	40,145	34,829	29,295	51,509	201,343	149,256	1,663,826	1,511,341
Total governmental activities expenses	18,305,925	18,648,136	19,292,232	18,675,322	18,341,579	21,195,996	26,844,549	23,838,568	25,098,049	25,465,054
Business-type activities:										
Water and sewer	5,533,338	5,926,342	6,196,380	6,234,131	6,284,460	6,583,800	6,493,020	7,250,303	7,513,461	7,663,894
Building department	533,565	522,213	578,350	719,762	642,798	789,776	345,853	1,387,191	1,060,745	998,032
Total business-type activities expenses	6,066,903	6,448,555	6,774,730	6,953,893	6,927,258	7,373,576	6,838,873	8,637,494	8,574,206	8,661,926
Total primary government expenses	\$ 24,372,828	\$ 25,096,691	\$ 26,066,962	\$ 25,629,215	\$ 25,268,837	\$ 28,569,572	\$ 33,683,422	\$ 32,476,062	\$ 33,672,255	\$ 34,126,980
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 62,779	\$ 132,563	\$ 194,057	\$ 53,176	\$ 70,588	\$ 46,183	\$ 66,033	\$ 94,607	\$ 45,790	\$ 65,110
Public safety	322,745	243,276	232,970	352,312	947,282	858,151	371,309	344,639	375,146	467,651
Transportation	44,385	14,050	74,253	39,975	48,422	52,996	66,810	62,000	64,870	66,799
Culture and recreation	469,975	493,120	442,788	557,692	22,326	594,545	593,982	648,216	691,257	618,275
Physical environment	-	-	-	-	-	528,514	924,329	2,172,305	4,585,813	3,022,748
Operating grants and contributions	130,882	342,084	199,421	506,453	2,273,534	122,371	240,431	289,444	458,873	228,655
Capital grants and contributions	571,183	1,837,074	8,236	49,418	727,425	7,498,538	2,805,928	2,045,057	1,040,509	351,186
Total governmental activities program revenues	1,601,949	3,062,167	1,151,725	1,559,026	4,089,577	9,701,298	5,068,822	5,656,268	7,262,258	4,820,424
Business type activities:										
Charges for services:										
Water and sewer	7,262,114	7,128,657	7,284,125	7,417,037	7,644,027	7,886,444	8,119,588	8,140,102	8,342,704	8,441,773
Building department	933,697	1,083,741	866,011	1,518,265	1,689,287	985,797	1,122,628	1,279,642	1,526,856	1,672,906
Capital grants and contributions	613,668	-	31,022	-	-	-	-	-	-	-
Total business-type activities program revenues	8,809,479	8,212,398	8,181,158	8,935,302	9,333,314	8,872,241	9,242,216	9,419,744	9,869,560	10,114,679
Total primary government program revenues	\$ 10,411,428	\$ 11,274,565	\$ 9,332,883	\$ 10,494,328	\$ 13,422,891	\$ 18,573,539	\$ 14,311,038	\$ 15,076,012	\$ 17,131,818	\$ 14,935,103
Net (Expense)/Revenue										
Governmental activities	\$ (16,703,976)	\$ (15,585,969)	\$ (18,140,507)	\$ (17,116,296)	\$ (14,252,002)	\$ (11,494,698)	\$ (21,775,727)	\$ (18,182,300)	\$ (17,835,791)	\$ (20,644,630)
Business-type activities	2,742,576	1,763,843	1,406,428	1,981,409	2,406,056	1,498,665	2,403,343	782,250	1,295,354	1,452,753
Total primary government net expense	\$ (13,961,400)	\$ (13,822,126)	\$ (16,734,079)	\$ (15,134,887)	\$ (11,845,946)	\$ (9,996,033)	\$ (19,372,384)	\$ (17,400,050)	\$ (16,540,437)	\$ (19,191,877)

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 2)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes In Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 9,247,176	\$ 8,776,567	\$ 8,576,215	\$ 9,707,955	\$ 13,426,484	\$ 13,950,405	\$ 14,609,896	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526
Gasoline taxes	487,002	515,847	389,503	411,864	423,578	425,861	417,112	422,851	405,427	369,925
Sales taxes	1,127,784	1,128,388	1,160,767	1,223,709	1,302,442	1,357,642	1,493,594	1,633,731	1,680,821	1,634,044
State revenue sharing	591,914	612,738	570,126	587,946	576,628	550,938	619,668	590,797	586,869	579,033
Business Tax	166,731	503,673	502,206	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715
Tourist tax	542,761	496,733	509,370	294,611	152,704	156,420	157,626	128,155	122,760	144,375
Franchise tax	980,723	896,715	812,026	575,583	661,694	675,353	760,200	742,198	804,869	819,496
Income on Investments	181,250	134,982	51,128	121,010	150,753	200,368	129,841	253,771	2,932,252	2,787,344
Gain on disposal of capital assets	-	-	-	-	43,753	10,924	-	60,925	29,668	54,195
Miscellaneous	413,975	101,035	162,869	272,137	1,257,455	277,220	167,797	145,411	130,733	73,837
Net Transfers	1,262,605	1,264,805	1,262,605	1,383,855	1,383,855	1,255,500	1,350,500	1,334,474	1,297,787	1,329,950
Total governmental activities	15,001,921	14,431,483	13,996,815	15,536,786	20,368,389	19,819,344	20,674,391	21,311,566	24,292,262	24,276,440
Business-type activities:										
Income on Investments	114,539	49,546	35,522	(14,541)	83,412	122,741	80,205	146,128	464,116	299,381
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	5,001
Miscellaneous	-	-	13,644	-	-	-	-	-	-	-
Net Transfers	(1,262,605)	(1,264,805)	(1,262,605)	(1,383,855)	(1,383,855)	(1,255,500)	(1,350,500)	(1,334,474)	(1,297,787)	(1,329,950)
Total business-type activities	(1,148,066)	(1,215,259)	(1,213,439)	(1,398,396)	(1,300,443)	(1,132,759)	(1,270,295)	(1,188,346)	(833,671)	(1,025,568)
Total primary government	13,853,855	13,216,224	12,783,376	14,138,390	19,067,946	18,686,585	19,404,096	20,123,220	23,458,591	23,250,872
Change in Net Position										
Governmental activities	\$ (1,702,055)	\$ (1,154,486)	\$ (4,143,692)	\$ (1,579,510)	\$ 6,116,387	\$ 8,324,646	\$ (1,101,336)	\$ 3,129,266	\$ 6,456,471	\$ 3,631,810
Business-type activities	1,594,510	548,584	192,989	583,013	1,105,613	365,906	1,133,048	(406,096)	461,683	427,185
Total primary government	\$ (107,545)	\$ (605,902)	\$ (3,950,703)	\$ (996,497)	\$ 7,222,000	\$ 8,690,552	\$ 31,712	\$ 2,723,170	\$ 6,918,154	\$ 4,058,995

TOWN OF LONGBOAT KEY, FLORIDA

FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Table 3)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 154,260	\$ 116,818	\$ 159,043	\$ 10,412	\$ 6,204	\$ 367,620	\$ 13,482	\$ 13,647	\$ 14,168	\$ 12,824
Committed	1,000,000	1,000,000	-	-	-	-	-	-	-	-
Assigned	486,253	393,857	1,706,941	1,771,647	2,134,202	1,978,997	1,953,147	2,817,163	2,747,485	3,516,519
Unassigned	<u>3,369,650</u>	<u>2,953,482</u>	<u>1,313,072</u>	<u>2,398,106</u>	<u>3,240,217</u>	<u>3,750,286</u>	<u>5,302,772</u>	<u>5,544,903</u>	<u>7,270,861</u>	<u>7,126,107</u>
Total General Fund	<u>\$ 5,010,163</u>	<u>\$ 4,464,157</u>	<u>\$ 3,179,056</u>	<u>\$ 4,180,165</u>	<u>\$ 5,380,623</u>	<u>\$ 6,096,903</u>	<u>\$ 7,269,401</u>	<u>\$ 8,375,713</u>	<u>\$ 10,032,514</u>	<u>\$ 10,655,450</u>
All Other Governmental Funds										
Nonspendable, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ 56,032	\$ 67,805	\$ 71,950	\$ 68,837	\$ 72,381	\$ 91,721	\$ 82,664
Capital Projects Funds	-	-	-	-	-	-	2,817	-	-	-
Restricted, reported in:										
Special Revenue Funds	5,297,690	5,899,155	5,495,810	5,585,642	3,667,333	3,485,965	3,002,628	2,385,563	3,079,622	3,146,496
Debt Service Funds	65,718	80,656	45,276	6,440	3,208,276	3,322,743	462,583	661,028	523,548	74,220
Capital Projects Funds	6,061,009	7,380,539	7,591,668	5,816,734	7,805,512	5,687,859	5,832,361	11,594,718	46,551,577	38,348,238
Assigned	560,440	197,275	238,102	331,346	357,455	4,432,756	1,501,676	1,333,754	10,237,169	16,060,475
Unassigned	-	-	-	(3,469)	(7,448)	(390,439)	(1,141,330)	(362)	(184,517)	-
Total all other governmental funds	<u>\$ 11,984,857</u>	<u>\$ 13,557,625</u>	<u>\$ 13,370,856</u>	<u>\$ 11,792,725</u>	<u>\$ 15,098,933</u>	<u>\$ 16,610,834</u>	<u>\$ 9,729,572</u>	<u>\$ 16,047,082</u>	<u>\$ 60,299,120</u>	<u>\$ 57,712,093</u>

TOWN OF LONGBOAT KEY, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (Table 4)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 9,247,176	\$ 8,776,567	\$ 8,576,215	\$ 9,707,955	\$ 13,454,695	\$ 13,950,405	\$ 14,300,315	\$ 14,809,552	\$ 15,285,129	\$ 15,496,526
Other taxes	1,646,303	1,995,198	1,912,164	2,170,345	3,973,529	1,861,572	2,148,734	2,283,095	2,203,350	2,215,727
Licenses and permits	23,795	31,971	27,758	36,586	43,949	36,601	24,753	21,292	16,468	15,294
Intergovernmental	1,286,117	1,295,746	1,270,315	1,328,164	1,352,354	1,374,292	1,441,637	1,446,562	1,563,490	1,672,713
Charges for services	869,432	817,473	865,228	878,995	1,020,296	1,499,066	1,930,285	1,099,973	1,160,377	1,168,832
Franchise	980,723	896,715	812,026	958,116	989,043	958,713	968,157	1,189,701	1,015,947	987,715
Fines/miscellaneous/interest	585,654	236,017	224,106	406,188	1,483,311	1,030,587	1,727,270	662,892	3,130,139	2,888,950
Special assessments	-	-	-	-	-	-	139,257	2,172,305	4,585,813	3,022,748
Grants	702,065	2,179,158	198,123	151,075	792,122	2,180,989	1,402,724	46,862	8,365,321	635,732
Total revenues	15,341,265	16,228,845	13,885,935	15,637,424	23,109,299	22,892,225	24,083,132	23,732,234	37,326,034	28,104,237
Expenditures										
General government	7,156,191	7,037,417	4,528,112	4,098,356	4,410,644	4,601,435	4,402,763	4,624,728	4,663,593	4,704,555
Public safety	6,277,819	6,175,591	9,173,803	8,720,902	10,252,547	9,386,368	9,485,446	9,924,191	9,956,307	10,438,447
Transportation	507,134	507,735	609,835	629,488	679,846	623,326	623,293	666,229	615,856	617,479
Economic environment	69,300	8,990	8,987	-	-	-	-	-	-	-
Culture and recreation	765,943	688,400	755,428	807,203	787,632	778,052	2,571,524	991,417	993,481	931,344
Debt service										
Principal retirement	5,425,000	220,000	245,000	255,000	-	260,000	2,877,893	2,924,866	3,182,388	4,055,761
Interest	89,916	70,462	40,145	34,829	14,648	26,474	207,885	160,106	1,043,812	1,531,623
Fiscal charges	2,596	-	-	-	-	-	-	177,998	391,808	-
Capital outlay	5,386,179	1,758,293	1,579,802	3,183,023	3,841,171	16,964,797	10,983,196	4,126,867	6,305,576	9,173,264
Total expenditures	25,680,078	16,466,888	16,941,112	17,728,801	19,986,488	32,640,452	31,152,000	23,596,402	27,152,821	31,452,473
Excess of revenues over (under) expenditures	(10,338,813)	(238,043)	(3,055,177)	(2,091,377)	3,122,811	(9,748,227)	(7,068,868)	135,832	10,173,213	(3,348,236)
Other Financing Sources (uses)										
Proceeds from the sale of capital assets	-	-	-	-	-	-	9,604	60,925	29,668	54,195
Bond proceeds	2,355,000	-	-	-	-	10,720,908	-	5,655,000	34,630,000	-
Premium on bonds issued	-	-	-	-	-	-	-	237,591	-	-
Original issue discount	-	-	-	-	-	-	-	-	(221,829)	-
Payment to escrow agent	(13,654)	-	-	-	-	-	-	-	-	-
Transfers in	5,452,360	2,292,605	3,480,482	2,646,206	4,486,991	6,296,022	6,544,228	4,010,964	3,243,240	4,276,570
Transfers out	(4,189,755)	(1,027,800)	(2,217,877)	(1,262,351)	(3,103,136)	(5,040,522)	(5,193,728)	(2,676,490)	(1,945,453)	(2,946,620)
Total other financing sources (uses)	3,603,951	1,264,805	1,262,605	1,383,855	1,383,855	11,976,408	1,360,104	7,287,990	35,735,626	1,384,145
Net change in fund balances	\$ (6,734,862)	\$ 1,026,762	\$ (1,792,572)	\$ (707,522)	\$ 4,506,666	\$ 2,228,181	\$ (5,708,764)	\$ 7,423,822	\$ 45,908,839	\$ (1,964,091)
Debt service as a percentage of noncapital expenditures	20%	2%	2%	2%	0%	2%	15%	16%	20%	25%

TOWN OF LONGBOAT KEY, FLORIDA

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)
(Table 5)**

Fiscal Year	Real and Personal Property Sarasota County	Real and Personal Property Manatee County	Total Assessed Value	Estimated Actual Value ⁽¹⁾	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
2011	\$ 3,504,013,002	\$ 1,364,896,458	\$ 4,868,909,460	\$ 4,868,909,460	1.9588	100%
2012	3,345,653,526	1,298,954,253	4,644,607,779	4,644,607,779	1.9549	100%
2013	3,301,413,064	1,276,173,127	4,577,586,191	4,577,586,191	1.9436	100%
2014	3,400,782,934	1,297,409,359	4,698,192,293	4,698,192,293	2.1320	100%
2015	3,558,297,887	1,375,400,033	4,933,697,920	4,933,697,920	2.2368	100%
2016	3,719,283,879	1,471,187,971	5,190,471,850	5,190,471,850	2.1876	100%
2017	3,908,461,938	1,557,319,515	5,465,781,453	5,465,781,453	2.1691	100%
2018	4,051,443,151	1,693,475,816	5,744,918,967	5,744,918,967	2.1658	100%
2019	4,181,674,911	1,782,763,409	5,964,438,320	5,964,438,320	2.1621	100%
2020	4,310,961,756	1,851,503,160	6,162,464,916	6,162,464,916	2.1740	100%

Source: Certification from County Property Appraisers Offices - Sarasota and Manatee Counties.

Note: The year indicated is for the fiscal year ended September 30. The amounts indicated are for valuations established as of the prior January 1. As an example, the 2020 Sarasota County valuation of \$4,310,961,756 represents valuations as of January 1, 2019. Taxes were collected during 2019/2020.

⁽¹⁾ The property appraisers have always maintained that assessments were at 100% of actual value; and there was no independent attempt to establish an estimated actual value.

TOWN OF LONGBOAT KEY, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)
 (Table 6)

Fiscal Year	Town Direct Rates			Overlapping Rates							
	Operating Millage	General Obligation Debt Service	Total Direct Rate	⁽¹⁾ Beach Erosion Control		County	Manatee		Sarasota		
				District A	District B		District A	District B	County	District A	District B
2011	1.8872	0.0716	1.9588	-	-	14.7045	14.7045	14.7045	12.8905	12.8905	12.8905
2012	1.8872	0.0677	1.9549	-	-	14.9504	14.9504	14.9504	12.4919	12.4919	12.4919
2013	1.8872	0.0564	1.9436	-	-	14.5824	14.5824	14.5824	12.7257	12.7257	12.7257
2014	2.0760	0.0560	2.1320	-	-	14.5544	14.5544	14.5544	12.8687	12.8687	12.8687
2015	2.1763	0.0605	2.2368	0.8500	0.2125	14.3360	15.1860	14.5485	12.6597	13.5097	12.8722
2016	2.1300	0.0576	2.1876	0.8328	0.2082	14.2100	15.0428	14.4182	12.5949	13.4277	12.8031
2017	2.1144	0.0547	2.1691	0.7699	0.1925	13.8587	14.6286	14.0512	12.2478	13.0177	12.4403
2018	2.1144	0.0514	2.1658	0.7272	0.1818	13.5210	14.2482	13.7028	11.9947	12.7219	12.1765
2019	2.1144	0.0477	2.1621	0.7002	0.1750	14.2585	14.9587	14.4335	11.7711	12.4713	11.9461
2020	2.1144	0.0596	2.1740	0.6181	0.1545	14.0471	14.6652	14.2016	11.7376	12.3557	11.8921

Source: Town's Financial records and Property Appraiser's Office in Sarasota and Manatee Counties.

Note: The Town of Longboat Key is located within two counties. Taxpayers pay taxes to the county in which they reside. Taxes are collected by both counties and distributed to the Town. The year indicates the year taxes are collected. Assessments are based on the valuations as of January 1 of the previous year. As an example, 2020 direct tax rate of 2.1740 applies to valuations as of January 1, 2019.

⁽¹⁾ The Town has two dependent special districts that were created for beach erosion control. District A is primarily beachfront properties, while District B encompasses all other properties on Longboat Key.

TOWN OF LONGBOAT KEY, FLORIDA

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 7)**

Header Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
OPROCK Longboat (Hotel-Zota and Longboat Key Club)	\$ 28,769,270	1	0.47%	\$ 15,682,639	2	0.34%
Avenue of the Flowers,LLC (Retail Supermarket-Publix)	22,888,300	2	0.37%	10,273,600	4	0.22%
LB 500, LLC (Resort - 3000 Harbourside Dr)	18,750,000	3	0.30%			
Pleasant Real Estate LLC (Residential-857 Longboat Club Rd.)	12,023,660	4	0.20%	8,656,300	7	0.19%
Michels M (TTEE) (Residential-809 Longboat Club Rd.)	11,837,158	5	0.19%			
Grand Mariner on Dream Island LLC (Condominium)	11,771,000	6	0.19%			
Mike McKee (Residential-845 Longboat Club Rd.)	11,638,158	7	0.19%	9,881,100	5	0.21%
P & W Charters, LLC (Residential-825 Longboat Club Rd.)	10,807,700	8	0.18%			
Veranda Beach Club (Resort)	9,816,200	9	0.16%	11,360,000	3	0.24%
LB 500, LLC (Hotel-Inn on the Beach -301 Gulf of Mexico Dr)	8,984,030	10	0.15%			
Key Club Associates				16,898,700	1	0.36%
BBC of Longboat Key LLC				9,576,400	6	0.21%
Key Club Associates				7,464,600	8	0.16%
Four Winds Beach Resort				6,730,000	9	0.14%
Sun N Sea Resort				6,407,821	10	0.14%
Total	\$ 147,285,476		2.39%	\$ 102,931,160		2.21%

Source: Sarasota and Manatee Counties' Tax Rolls.

TOWN OF LONGBOAT KEY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Table 8)

Fiscal Year	Total Tax Levy For Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount ⁽²⁾	Percentage of Levy		Collections	Percentage of Levy
2011	\$ 9,536,616	\$ 9,241,627	96.9%	\$ 4,684	\$ 9,246,311	97.0%
2012	9,085,731	8,771,883	96.5%	15	8,771,898	96.5%
2013	8,896,997	8,576,215	96.4%	-	8,576,215	96.4%
2014	10,016,546	9,707,938	96.9%	-	9,707,938	96.9%
2015	14,005,969	13,454,360	96.1%	335	13,454,695	96.1%
2016	14,355,766	13,950,405	97.2%	6	13,950,411	97.2%
2017	14,773,619	14,300,060	96.8%	255	14,300,315	96.8%
2018	15,536,171	14,809,552	95.3%	29	14,809,581	95.3%
2019	15,337,764	14,876,333	97.0%	-	14,876,333	97.0%
2020	16,009,888	15,496,449	96.8%	37	15,496,486	96.8%

Source: Town's Audited Financial Statements and Sarasota and Manatee County Property Appraiser's Office.

⁽¹⁾ Property taxes become due and payable on November 1 of each year and a 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Therefore, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1, of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1 of each year. A small difference is also indicated by changes to original tax levy due to Board of Equalization adjustments which reduces assessed valuations and the percentage collected based on the original tax levy. Property taxes receivable and the corresponding reserve for uncollectable property taxes are not included in the financial statements as there are no material delinquent taxes as of September 30, 2020.

⁽²⁾ Tax levy includes millage for operating and debt service requirements.

⁽³⁾ Collection in subsequent years is reported for Manatee County only; Sarasota County does not provide.

TOWN OF LONGBOAT KEY, FLORIDA

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Table 9)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Per Capita	Percentage of Actual Estimated Value of Property ⁽²⁾
	General Obligation Bonds	Revenue Bonds	General Obligation Bonds	Notes Payable				
2011	\$ 2,070,000	\$ -	\$ 8,789,018	\$ 4,412,945	\$ 15,271,963	2.47%	2,219	0.29%
2012	1,850,000	-	8,464,300	4,380,815	14,695,115	2.48%	2,137	0.30%
2013	1,605,000	-	8,142,400	4,197,523	13,944,923	2.10%	2,026	0.30%
2014	1,350,000	-	7,803,800	4,009,032	13,162,832	2.08%	1,929	0.28%
2015	1,350,000	-	7,864,300	3,815,184	13,029,484	2.06%	1,904	0.26%
2016	11,810,908	-	7,488,264	3,615,830	22,915,002	3.54%	3,331	0.44%
2017	8,933,015	-	7,093,016	3,410,817	19,436,848	2.88%	2,781	0.36%
2018	11,900,740	-	6,677,736	3,199,980	21,778,456	2.90%	3,082	0.37%
2019	8,908,507	34,210,331	5,956,904	2,983,156	52,058,898	7.35%	7,197	0.87%
2020	5,720,993	33,337,472	5,812,501	2,760,174	47,631,140	6.77%	6,711	0.77%

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

⁽¹⁾ See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁽²⁾ See Table 5 footnote 1 for explanation of Actual Estimated Value of Property.

TOWN OF LONGBOAT KEY, FLORIDA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Table 10)**

Fiscal Year	Governmental Activities General Obligation Bonds	Business- Type Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2011	\$ 2,070,000	\$ 8,789,018	\$ 65,718	\$ 10,793,300	0.22%	\$ 1,568
2012	1,850,000	8,464,300	71,354	10,242,946	0.22%	1,489
2013	1,605,000	8,142,400	35,972	9,711,428	0.21%	1,411
2014	1,350,000	7,803,800	6,440	9,147,360	0.19%	1,340
2015	1,350,000	7,864,300	281,712	8,932,588	0.18%	1,305
2016	11,810,908	7,488,264	287,216	19,011,956	0.37%	2,764
2017	8,933,015	7,093,016	292,982	15,733,049	0.29%	2,269
2018	11,663,149	6,677,736	661,028	17,679,857	0.31%	2,529
2019	8,908,507	5,956,904	523,548	14,341,863	0.24%	2,036
2020	5,720,993	5,812,501	74,220	11,459,274	0.19%	1,614

Note:

⁽¹⁾ See Table 5 for property value data.

⁽²⁾ See Table 13 for population data.

TOWN OF LONGBOAT KEY, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020
(Table 11)**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Longboat Key ⁽¹⁾</u>	<u>Amount Applicable to Longboat Key</u>
Town of Longboat Key	\$ 39,058,465	100.00%	\$ 39,058,465
Overlapping Bonded Debt⁽²⁾:			
Sarasota County Schools	4,602,207	6.74%	310,189
Manatee County Schools	136,229,867	4.59%	6,252,951
Sarasota County ⁽³⁾	59,665,000	6.74%	4,021,421
Total Overlapping Bonded Debt	<u>200,497,074</u>		<u>10,584,561</u>
Total net direct and net overlapping bonded debt	<u>\$ 239,555,539</u>		<u>\$ 49,643,026</u>

⁽¹⁾ Calculated as a ratio of taxable valuation of property in the Town of Longboat Key to total taxable valuation of property in Sarasota and Manatee Counties.

⁽²⁾ Includes general obligation debt.

⁽³⁾ Limited Ad Valorem debt.

Sources: Sarasota and Manatee Counties Finance Division CAFRs

TOWN OF LONGBOAT KEY, FLORIDA

PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Table 12)

Fiscal Year	General Obligation Bonds (Beach and Facilities)			
	Pledged Revenues ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
2011	\$ 3,838,917	\$ 3,070,000	\$ 89,916	1.2
2012	303,886	220,000	70,462	2.4
2013	248,900	245,000	40,145	2.3
2014	258,972	255,000	34,828	0.9
2015	288,104	-	14,648	19.7
2016	291,871	260,000	26,475	1.0
2017	2,920,489	2,877,893	207,885	0.9
2018	3,088,105	2,924,866	160,106	1.0
2019	3,276,647	2,977,388	106,671	1.1
2020	3,444,925	3,170,761	265,208	1.0

Fiscal Year	Special Assessment Revenue Bonds (Gulf of Mexico Drive Utility Undergrounding)			
	Pledged Revenues ⁽⁶⁾	Debt Service		Coverage
		Principal	Interest	
2011	\$ -	\$ -	\$ -	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	1,662,882	-	-	-
2018	1,648,132	-	-	-
2019	1,562,213	-	330,541	4.7
2020	1,528,442	510,000	561,684	1.4

Fiscal Year	Special Assessment Revenue Bonds (Remaining Neighborhoods Utility Undergrounding)			
	Pledged Revenues ⁽⁶⁾	Debt Service		Coverage
		Principal ⁽⁷⁾	Interest	
2011	\$ -	\$ -	\$ -	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	1,288,701	205,000	417,619	2.1
2020	1,450,852	375,000	704,731	1.3

TOWN OF LONGBOAT KEY, FLORIDA

PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Table 12)

Fiscal Year	Water and Sewer						Coverage
	Revenue Bonds ⁽²⁾ , State Revolving Fund Loan ⁽³⁾ , General Obligation Note ⁽⁴⁾⁽⁵⁾						
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
			Principal	Interest			
2011	\$ 7,965,571	\$ 4,093,248	\$ 3,872,323	\$ 247,171	\$ 661,972	4.2	
2012	7,164,921	4,229,121	2,935,800	471,287	567,948	2.8	
2013	7,284,125	5,015,625	2,268,500	489,289	564,967	2.2	
2014	7,417,037	4,280,748	3,136,289	510,394	593,100	2.8	
2015	7,644,027	4,331,348	3,312,679	532,448	421,210	3.5	
2016	7,886,444	4,585,149	3,301,295	575,389	396,550	3.4	
2017	8,119,588	4,376,845	3,742,743	600,262	370,582	3.9	
2018	8,140,102	5,060,405	3,079,697	626,117	360,615	3.1	
2019	8,342,704	5,079,720	3,262,984	980,481	316,992	2.5	
2020	8,441,773	5,209,863	3,231,910	367,385	252,977	5.2	

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense.

(1) Combined revenues of Ad Valorem Taxes for Facilities and Beach Districts A and B and Tourist Development Taxes (2009-2011).

(2) Revenue Bonds were defeased in 2010

(3) State Revolving Fund Loan began in 2009 with first payment due in 2011 and is serviced by the Water and Sewer Fund.

(4) General Obligation Note began in 2009 with first payment due in 2010; this debt is collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility system.

(5) 2009 General Obligation Note was partially advanced refunded in 2014 and 2019.

(6) Pledged revenues include special assessments and prepayments of assessments. Remaining Neighborhoods includes franchise fee revenues covering one-half of debt associated with general benefits, beginning in 2020.

(7) Principal payments include extraordinary bond redemptions.

TOWN OF LONGBOAT KEY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Table 13)

Year	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2011	6,882	\$ 591,812,892	\$ 81,573	10.1%
2012	6,878	654,015,264	95,088	8.2%
2013	6,884	665,056,356	96,609	6.8%
2014	6,825	632,056,425	92,609	5.9%
2015	6,845	633,573,200	92,560	5.1%
2016	6,879	646,426,509	93,971	4.7%
2017	6,934	674,130,414	97,221	3.9%
2018	6,990	742,379,940	106,206	3.3%
2019	7,043	689,270,238	97,866	2.9%
2020	7,098	703,887,366	99,167	5.2%

Sources: ⁽¹⁾ 2020 population: Office of Economic and Demographic Research, April 2020

⁽²⁾ United States Census Bureau, July 2020

⁽³⁾ U.S. Department of Labor, Bureau of Labor Statistics
(North Port - Sarasota - Bradenton, FL MSA), 2020

TOWN OF LONGBOAT KEY, FLORIDA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 14)**

Header Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Resort at Longboat Key Club ⁽¹⁾	181	1	12.22%	529	1	27.65%
Publix Supermarket	180	2	12.15%	137	2	7.16%
Town of Longboat Key	122	3	8.24%	129	3	6.74%
Shore Restaurant	100	4	6.75%			
Dry Dock Restaurant	90	5	6.08%			
Zota Beach Resort (formerly Hilton)	61	6	4.12%			
Mar Vista	61	7	4.12%	63	7	3.29%
Michael Saunders and Company	58	8	3.92%	75	5	3.92%
Charthouse Restaurant	50	9	3.38%	65	6	3.40%
Grant's Gardens	45	10	3.04%			
Longboat Key Hilton				83	4	4.34%
Valleycrest Landscape Maintenance				62	8	3.24%
Euphemia Haye				49	9	2.56%
Moore's Stonecrab Restaurant				41	10	2.14%
Total	948		64.01%	1,233		64.45%

⁽¹⁾ Resort reduced staff by 222 due to impacts associated with COVID-19.

Source: Employers/Town of Longboat Key.

TOWN OF LONGBOAT KEY, FLORIDA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 15)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Function										
General Government										
Town Manager								5.0	2.0	2.0
Support Services								-	4.0	4.4
Town Clerk ⁽¹⁾								3.0	3.0	3.2
Finance								6.0	6.0	6.0
I.T.								3.0	3.0	3.0
Public Works								4.0	5.0	5.0
Planning, Zoning, Building								4.0	5.0	6.0
Total General Government	32.0	25.0	25.0	26.0	26.0	31.0	36.0	25.0	28.0	29.6
Public Safety										
Fire/Rescue								36.5	36.5	39.0
Police								23.5	22.5	26.0
Total Public Safety	65.0	67.0	67.0	63.0	60.0	62.0	61.0	60.0	59.0	65.0
Transportation										
Streets	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Culture and Recreation										
Parks								3.0	3.0	3.0
Tennis								2.0	2.0	3.8
Total Culture and Recreation	5.0	5.0	5.0	7.0	7.0	7.0	5.0	5.0	5.0	6.8
Total Governmental Activities	108.0	103.0	103.0	102.0	99.0	106.0	108.0	96.0	98.0	107.4
Business-Type Activities										
Water and Sewer	7.0	7.0	7.0	7.0	6.0	8.0	9.0	8.0	7.0	8.0
Building								8.0	7.0	7.0
Total Business-Type Activities	7.0	7.0	7.0	7.0	6.0	8.0	9.0	16.0	14.0	15.0
Total	115.0	110.0	110.0	109.0	105.0	114.0	117.0	112.0	112.0	122.4

⁽¹⁾ Excludes poll workers

⁽²⁾ Building FTE's are included in general government for years 2011 through 2017

Source: Town of Longboat Key Finance Department; 2014 and 2015 restated.

Note: The Town didn't start tracking by Program until fiscal year 2018.

TOWN OF LONGBOAT KEY, FLORIDA
OPERATIONS INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 16)

Function/Program	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire										
Fire calls	423	412	401	444	403	466	485	695	754	819
Rescue calls	1,073	1,003	1,093	1,050	1,035	1,138	1,058	1,068	1,164	1,082
Inspections	804	805	559	1,119	317	622	352	349	332	271
Police										
Law violations ⁽¹⁾	354	200	683	436	545	623	1,079	650	1,003	1,403
Law arrests	101	46	65	61	48	48	66	81	102	65
Water system										
Number of users or consumers	10,723	16,802	16,802	18,680	17,991	18,108	19,778	19,910	18,778	19,000
Daily average finished flow in gallons	1,697,937	1,609,210	1,569,241	1,635,660	1,584,641	1,650,375	1,646,296	1,610,605	1,945,729	1,929,416
Sewer system										
Daily average treatment in gallons	1,632,912	1,690,384	1,647,711	1,737,618	1,823,843	1,794,885	1,767,603	1,850,992	1,730,279	1,674,411

⁽¹⁾ The increase in Law Violations is a result of the increased parking violations in the Village and Northshore.

Sources: various Town of Longboat Key departments

TOWN OF LONGBOAT KEY, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Table 17)

Function/Program	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	5	6	6	6	8	7	7	7
Marine units	1	1	2	2	2	2	2	2	2	2
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	3	3	3	3	3	3	3	3	3	3
Marine units	1	1	1	1	1	1	1	1	1	1
Beach rescue units	1	1	2	2	2	2	2	2	2	2
Highways and Streets										
Streets - paved (miles)	14	14	14	14	14	14	14	14	14	14
Alleys	1	1	1	1	1	1	1	1	1	1
Sidewalks (miles)	10	10	10	10	10	10	10	10	10	10
Streetlights	283	283	283	283	283	283	283	283	283	283
Traffic signals	4	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Parks acreage (in excess of)	141	141	141	141	141	141	141	141	141	141
Parks	5	5	5	5	5	5	6	6	6	6
Recreation center	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Shuffleboard courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	2	2	2	2	2	2	2	2	2	1
Pickelball courts	-	-	-	-	-	-	1	1	1	3
Water										
Water mains (miles)	46	46	46	46	46	46	46	46	46	46
Storage capacity (thousands of gallons)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Fire hydrants	209	212	212	212	212	212	400	405	405	405
Wastewater										
Sanitary sewers (miles)	44	44	44	44	44	44	44	44	44	44
Storm sewers (miles)	1	1	1	1	1	1	1	1	1	1

Note: No capital asset indicators are available for the general government function
Sources: various Town of Longboat Key departments

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**INDEPENDENT AUDITORS' 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 Town Commission,
Town of Longboat Key, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longboat Key, Florida (the "Town"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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.

Bradenton, Florida
March 18, 2021

Mauldin & Jenkins, LLC

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ yes X no

Significant deficiencies identified not considered to be material weaknesses?

___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards and State Financial Assistance Projects

A federal and state single audit were not required as the Town did not expend in excess of \$750,000 of federal or state financial assistance.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL/STATE AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Longboat Key, Florida (the "Town"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 18, 2021.

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*; Schedule of Findings and Responses; 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 these reports, which are dated March 18, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 Town of Longboat Key, Florida is a political subdivision of the State of Florida created by Special Act of 1957, Chapter 1540 and Chapter 69-1265. The Town includes the following blended component units within its annual financial report: the Longboat Key Beach Erosion Control District A and the Longboat Key Beach Erosion Control District B.

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 Town has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town 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 Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

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*.

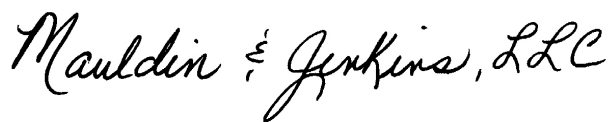
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Mayor and Members of the Town Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
March 18, 2021





INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and Members of
the Town Commission,
Town of Longboat Key, Florida

We have examined the Town of Longboat Key, Florida's (the "Town") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management of the Town is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
March 18, 2021

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC". The signature is written in black ink and is positioned to the right of the date and location.

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