



TOWN OF LONGBOAT KEY



Annual Comprehensive Financial Report

September 30, 2021

TOWN OF LONGBOAT KEY, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

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

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TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

| | |
|--|------|
| Transmittal Letter | i |
| List of Principal Officials | viii |
| Organizational Chart | ix |
| Certificate of Achievement for Excellence in Financial Reporting | x |

FINANCIAL SECTION

| | |
|--|----|
| Independent Auditor's Report..... | 1 |
| Management's Discussion and Analysis | 4 |
| Basic Financial Statements | |
| Government-wide Financial Statements | |
| Statement of Net Position..... | 21 |
| Statement of Activities..... | 22 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds..... | 23 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 24 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 25 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 26 |
| Statement of Net Position – Proprietary Funds | 27 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 28 |
| Statement of Cash Flows – Proprietary Funds | 29 |
| Statement of Fiduciary Net Position – Fiduciary Funds | 31 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Fund | 32 |
| Notes to the Financial Statements | 33 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund..... | 73 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GMD Assessments Fund..... | 75 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Neighborhoods Assessments Fund | 76 |
| Schedule of Changes in Net Pension Liability and Related Ratios – General Employees' Pension..... | 77 |
| Schedule of Changes in Net Pension Liability and Related Ratios – Police Pension | 78 |
| Schedule of Changes in Net Pension Liability and Related Ratios – Fire Pension | 79 |
| Schedule of Contributions – General Employees' Pension..... | 80 |
| Schedule of Contributions – Police Pension | 81 |
| Schedule of Contributions – Fire Pension | 82 |
| Schedule of Pension Investment Returns | 83 |

TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS (Continued)

| | <u>Page</u> |
|--|-------------|
| FINANCIAL SECTION (Continued) | |
| Schedule of the Town's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan | 84 |
| Schedule of Contributions – Florida Retirement System Pension Plan | 85 |
| Schedule of the Town's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Pension Plan | 86 |
| Schedule of Contributions – Health Insurance Subsidy Pension Plan | 87 |
| Schedule of the Town's Total OPEB Liability and Related Ratios | 88 |
| Supplementary Information: | |
| Combining and Individual Fund Statements and Schedules | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 89 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 91 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: | |
| Special Revenue Funds: | |
| Sarasota Infrastructure Surtax Fund | 93 |
| Manatee Infrastructure Surtax Fund | 94 |
| Tourist Development Tax Fund | 95 |
| Tree Replacement Fund | 96 |
| Police Training Fund | 97 |
| Law Enforcement Trust Fund | 98 |
| Miscellaneous Grants Fund | 99 |
| Road and Bridge Fund | 100 |
| Tennis Center Fund | 101 |
| Debt Service Funds: | |
| General Obligation Facilities Bonds Fund | 102 |
| General Obligation Fire Stations Bond Fund | 103 |
| Bayside District General Obligation Beach Bonds Fund | 104 |
| GMD Undergrounding Bonds Fund | 105 |
| Neighborhood Undergrounding Bonds Fund | 106 |
| Gulfside District General Obligation Beach Bonds Fund | 107 |
| STATISTICAL SECTION | |
| Net Position by Component | 108 |
| Changes in Net Position | 109 |
| Fund Balances, Governmental Funds | 111 |
| Changes in Fund Balances, Governmental Funds | 112 |
| Assessed and Estimated Actual Value of Taxable Property | 113 |
| Property Tax Rates – Direct and Overlapping Governments | 114 |
| Principal Property Taxpayers | 115 |
| Property Tax Levies and Collections | 116 |
| Ratio of Outstanding Debt by Type | 117 |

TOWN OF LONGBOAT KEY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS (Continued)

| | <u>Page</u> |
|---|-------------|
| STATISTICAL SECTION (Continued) | |
| Ratio of General Bonded Debt Outstanding..... | 118 |
| Direct and Overlapping Governmental Activities Debt | 119 |
| Pledged Revenue Coverage | 120 |
| Demographic and Economic Statistics..... | 122 |
| Principal Employers..... | 123 |
| Full-Time Equivalent Government Employees by Function/Program | 124 |
| Operations Indicators by Function/Program..... | 125 |
| Capital Assets Statistics by Function | 126 |

OTHER REPORTS

| | |
|---|-----|
| Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 127 |
| Independent Auditor’s Report on Compliance for Each Major State Project on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General | 129 |
| Schedule of Expenditures of State Financial Assistance | 131 |
| Schedule of Findings and Questioned Costs..... | 132 |
| Schedule of Prior Year Findings..... | 133 |
| Independent Auditor’s Management Letter | 134 |
| Independent Accountant’s Report – Investment Compliance | 136 |

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Introductory Section

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TOWN OF LONGBOAT KEY

Incorporated November 14, 1955

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

March 11, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021 (FY2021).

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, 2021, 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 end September 30, 2021, 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, 2021 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 (the "Town") 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 7,519 permanent residents. The Town 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 created for the purpose of financing periodic construction and maintenance of beaches. The Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B sunseted 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 Gulfside 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 Gulfside and Bayside Districts and requires a referendum to alter. The Town Commission sits as the Gulfside and Bayside District's governing body. Any future debt financings require referendum approval of Gulfside and Bayside residents. The Gulfside 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 \$20,872 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 7,519 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 71.3. According to the 2020 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 grown 9% over the past ten years, from 6,878 to 7,519. 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 a 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 of 2008. The Town property values peaked at \$6.6 billion in 2008, 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 most of its recession losses, currently at \$6.1 billion for FY2021. 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 Summer of FY2021, Florida experienced its worst surge of the pandemic caused by the Delta variant, but the surge quickly ended in October. Governor DeSantis resisted statewide lockdown measures during the coronavirus surge. Florida taxable sales activity was fueled by federal stimulus checks and the consumer drawdown of large savings that built up during the pandemic, however the leisure and hospitality industry bore the brunt of longer term consequences of the pandemic. It is believed the availability of COVID-19 vaccines and boosters and an open for business approach should continue to provide a boost to the Florida tourism industry and local economy in the year ahead. The state is seeing an unprecedented demand in luxury homes as people from the Northeast are abandoning big cities. According to the state's Office of Economic and Demographic Research, nearly 330,000 new residents settled in Florida between April 2020 and April 2021.

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. 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 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 in 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 (Development approved and in for building permitting);

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);

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 67 condominium units at the former Colony Beach and Tennis Resort was approved by the Town Commission in the fall of 2021 (construction begins in 2022 with completion anticipated by 2024); and

Sage Condominium: An 18-unit residential condominium with advertised prices beginning at \$4 million (currently under construction); 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.

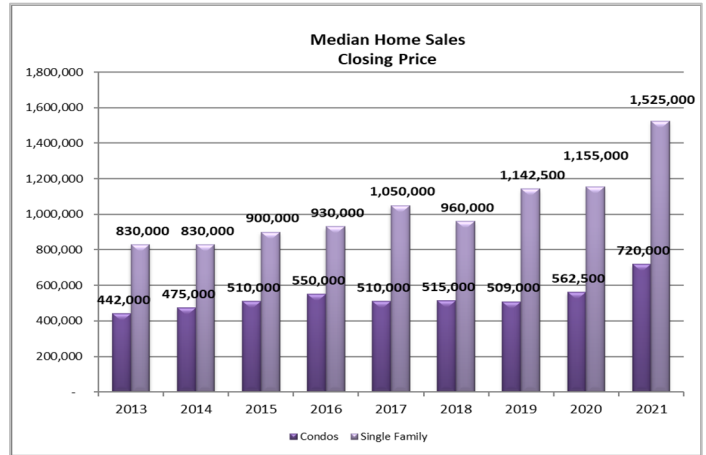
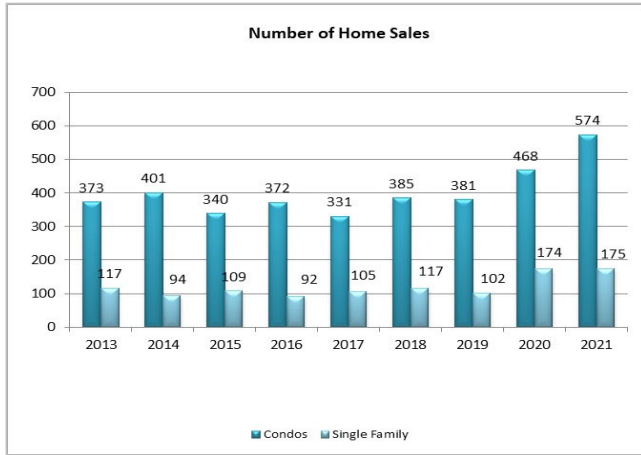
Comprehensive Plan and Zoning Regulations. The Town's Comprehensive Plan is developed pursuant to the requirements of Chapter 163, Florida Statutes, and the Florida Administrative Code. In addition to the purposes expressly set forth in the Florida Statutes and Administrative Code, the Town's Comprehensive 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 continued growth in the number of real estate transactions over the past two years. While home prices on Longboat Key can range from \$175,000 into the millions, the median condo prices increased 28%, while the median single-family home increased 32%. The median sale price for a single-family home and condominium for 2021 was \$1,525,000 and \$720,000 respectively. The highest closing price for the year on a single family home and condominium was \$10.2 million and \$6.5 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 referendums, 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 (4) phases and is currently on track. Bonding occurred in December 2018 and construction is expected to be completed by the end of FY2023.
- 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 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 was substantially completed on both fire stations during FY2021.
- Longboat Key draws residents and visitors from all over the world to live in this well-planned community and enjoy 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. The \$49.5 million five-year Beach Capital plan includes, but is not limited to: (1) the installation of five permeable rock groin structures at the north end, (2) sand fill using inlets and passage key sand sources, (3) continued work on Canal 1A

Dredge, and (4) sand search, design, consulting and monitoring of protected species. District Referenda approved by the voters, on March 17, 2020, authorized the borrowing of up to \$34.5 million and the Town issued \$21 million in bonds (including premium) in December 2020. The borrowings are taxed through the Town's new Gulfside and Bayside Beach Districts, which were redefined by Ordinance in 2014. The Districts are geographically split by the Gulf of Mexico Drive with the Gulfside paying 80% and the Bayside paying 20% of the combined mill rates.

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 was revised in March 2021 based on a risk-based assessment and peer review performed by Finance staff. The new policy calls for a combined target range of 32%-48% (120-180 days) of total budget expenditures excluding capital outlay. The Commission adopted reserving a two month minimum (60 days or 16%) of Unassigned Fund Balance in addition to two specific assignments using a minimum and maximum range, to allow for flexibility and changes in financial conditions or special circumstances. The reserve categories are shown below:

- Unassigned Fund Balance 16% (approximately 60 days)
- Economic Uncertainty/Revenue Stabilization Reserves 8%-16% (30-60 days)
- Emergency Reserves/Natural Disasters 8%-16% (30-60 days)

The unrestricted General Fund balance has steadily increased since 2013, and has grown to 70% of total General Fund expenditures for 2021.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2020. This was the 40th 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 annual comprehensive 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 annual comprehensive 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, 2021

TOWN COMMISSION

Mayor Ken Schneier
Vice-Mayor Mike Haycock

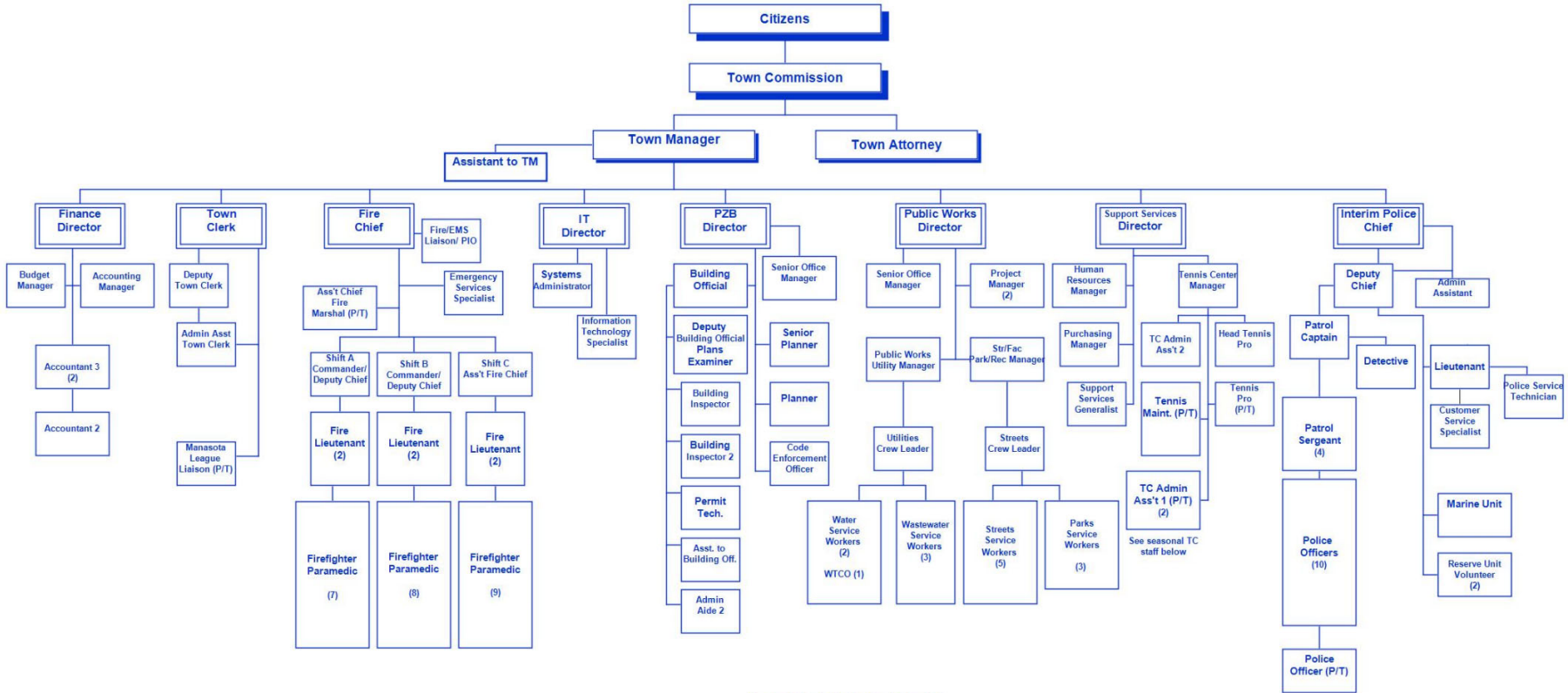
District 1 – Sherry Dominick
District 2 – Penny Gold
District 3 – Ken Schneier
District 4 – Debra Williams
District 5 – Maureen Merrigan
At Large – Mike Haycock
At Large – B.J. Bishop

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
George Turner, Chief of Police
Paul Dezzi, Fire Chief
Trish Shinkle, Town Clerk
Maggie Mooney, Town Attorney

AUDITORS

Mauldin & Jenkins, LLC



Seasonal Tennis Center Employees: (5)

July 15, 2021



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Longboat Key
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 4 through 20, 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 73 through 88 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 fund 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 schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General, and is also not a required part of the basic financial statements of the Town.

The combining and individual fund statements and schedules and the schedule of expenditures of state financial assistance 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 fund statements and schedules and the schedule of expenditures of state financial assistance 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 11, 2022, 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 11, 2022

Mauldin & Jenkins, LLC

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Management's Discussion and Analysis

The Town's Annual Comprehensive Financial Report (ACFR) 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, 2021 (FY2021). 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.

Annual Comprehensive Financial Report (ACFR) Overview

The ACFR 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.

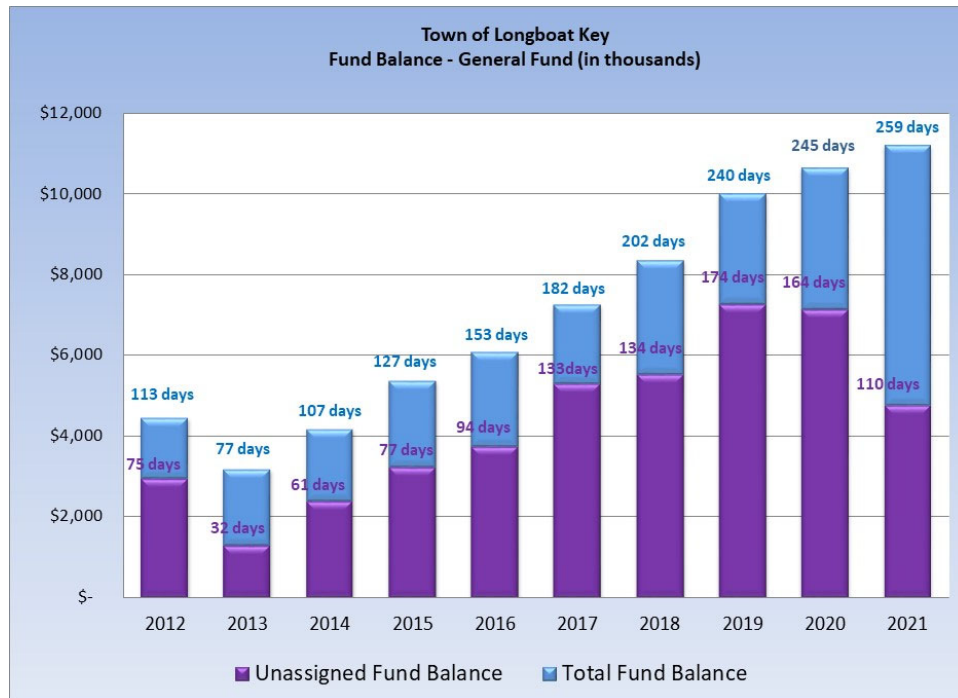
Financial Highlights

- 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 \$84.1 million (*net position*). The total net position increased by \$15.5 million (22.5%) from the previous year primarily due to the large addition of capital assets for beach structures, sand placement and the construction and renovations at both fire stations. These large assets were offset by the amounts owed for invoices associated with construction at year-end and related debt issued for the projects.
- Of this amount, \$75.4 million is invested in capital assets; \$11.6 million is restricted to specific purposes, leaving a negative \$2.9 million in *unrestricted net position*. A negative unrestricted net position is driven by the reporting of liabilities and deferred inflows related to pensions and other post-employment liabilities (OPEB) in the Statement of Net Position, (approximately \$27 million).
- The Town's total net position for business-type activities is \$35.2 million, which is an increase of \$0.3 million (0.8%) from the prior year. Of this amount, \$19.2 million is invested in capital assets; \$0.7 million is restricted to specific purposes leaving \$15.2 million unrestricted. Unrestricted net position increased by \$1.3 million (3.6%), predominantly due to the increase in building permit revenue activity, contributing to the addition of \$0.9 million to the Building Department's net position.
- Deferred outflow of resources, represents the required deferral of FY2021'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, 2020.
- At the close of the fiscal year, governmental funds reported combined ending fund balances of \$54.0 million, a decrease of \$14.4 million from the previous fiscal year. The decrease in fund balance is attributable to major capital outlay for beach nourishment, fire station renovation and construction and the undergrounding utility line projects. Approximately 8.8% or \$4.7 million is available for spending at the Town's discretion (*unassigned fund balance*).
- The General Fund ending fund balance increased \$0.6 million to \$11.2 million. This increase was due to three major factors: (1) revenues exceeded budgetary estimates because of reductions in sales tax revenue budgets due to COVID-19; (2) \$0.2 million remained in unspent contingency funds; and (3) Town departments underspent their appropriated budgets. Additional information on General Fund Budget Highlights is available on page 14.
- The Town Commission amended the Fund Balance Policy, increasing the assignment of reserves required for economic uncertainties, revenue stabilization and natural disasters. The policy also requires a minimum of approximately 60 days of unassigned fund balance with a total unrestricted target range of 32%-48% of total operating expenditures (120-180 days). The amendment followed a comprehensive risk analysis and a peer review of policies from similar barrier islands and neighboring entities. The General Fund has *assigned* reserves of \$2,600,000 for economic uncertainties/revenue stabilization, \$2,600,000 for extreme event/natural disasters,

Town of Longboat Key, Florida
Management’s Discussion and Analysis
 September 30, 2021

\$750,000 for future capital expenditures, \$412,368 for the subsequent year budget, and encumbrances of \$75,563. The Town’s total General Fund balance of \$11.2 million is equivalent to 259 operating days and the *unassigned* fund balance of \$4.8 million, is equivalent to 110 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 eight years. The decrease of unassigned fund balance from 164 days to 110 days is due to the policy change requiring larger assignments within the reserve categories.



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:

1. *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 Gulfside District General Obligation (G.O.) 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 73 through 76.
2. *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 27 through 30.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

3. *Fiduciary Funds* account for resources held for the benefit of parties outside of Town government. The Town of Longboat Key maintains and presents the Consolidated Pension Trust Fund which accounts for the Town's three retirement systems. Although this fund is presented in the fund set of statements, it does 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. This fund is presented on pages 31 and 32 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, physical environment, 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 21) 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 22) 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 ACFR 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 73 through 88) 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 89 through 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, 2021

Government-Wide Financial Analysis

Comparative data for fiscal years ending September 30, 2020 and 2021 are shown below:

Town of Longboat Key Net Position (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|------------|--------------------------|-----------|------------|------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Current/other assets | \$ 103,317 | \$ 105,596 | \$ 16,927 | \$ 17,982 | \$ 120,244 | \$ 123,578 |
| Capital assets, net | 64,686 | 104,218 | 28,901 | 27,248 | 93,587 | 131,466 |
| Total assets | 168,003 | 209,814 | 45,828 | 45,230 | 213,831 | 255,044 |
| Deferred Outflow of Resources | 6,670 | 5,388 | 217 | 200 | 6,887 | 5,588 |
| Current liabilities | 35,112 | 47,352 | 1,351 | 1,083 | 36,463 | 48,435 |
| Non current liabilities | 70,599 | 78,768 | 9,721 | 9,077 | 80,320 | 87,845 |
| Total liabilities | 105,711 | 126,120 | 11,072 | 10,160 | 116,783 | 136,280 |
| Deferred Inflows of Resources | 307 | 4,946 | 35 | 46 | 342 | 4,992 |
| Net investment in capital assets | 61,550 | 75,420 | 20,328 | 19,241 | 81,878 | 94,661 |
| Restricted | 18,138 | 11,614 | 642 | 742 | 18,780 | 12,356 |
| Unrestricted | (11,033) | (2,898) | 13,968 | 15,241 | 2,935 | 12,343 |
| Total net position | \$ 68,655 | \$ 84,136 | \$ 34,938 | \$ 35,224 | \$ 103,593 | \$ 119,360 |

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 FY2021 due to addition of \$38 million of beach improvements and \$5.8 million in fire station improvements.

Restricted net position decreased by \$6.5 million primarily due to cash spent down on neighborhood undergrounding and beach projects. **Unrestricted** net position increased \$8.1 million from a negative balance of \$11 million to a negative balance of \$2.9 million. The negative balance is due to the requirement to report pension and other post-employment benefit (OPEB) liabilities on the books. However, the decrease in that liability is due to market gains in pension assets. Any negative net position might 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 \$15.5 million (22.6%), primarily due to its investment in capital infrastructure, the ability to secure grants, efficient management over budgets and continued growth in fund balance. 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 finish construction by FY2024.

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

September 30, 2021

Business-type activities. The Town's business-type activities (water and sewer and building departments) net position increased by \$286,701 (0.8%). The Water and Sewer utility saw a decrease of \$651,739 in their net position due to increases in depreciation expense and decreases in investment earnings, while the Building Department saw an increase of \$938,440 due to increased building permitting. The Utility is subject to system rate pass-through 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 Utility completed a comprehensive rate study incorporating \$42.8 million in critical needs identified through FY2030 and is implementing annual rate increases beginning October 1, 2021.

Town of Longboat Key Statement of Activities (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|------------------|--------------------------|------------------|-------------------|-------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 |
| Program Revenues: | | | | | | |
| Charges for services | \$ 4,241 | \$ 6,085 | \$10,115 | \$ 10,887 | \$ 14,356 | \$ 16,972 |
| Operating grants and contributions | 229 | 557 | - | - | 229 | 557 |
| Capital grants and contributions | 351 | 12,450 | - | - | 351 | 12,450 |
| Total program revenue | <u>4,821</u> | <u>19,092</u> | <u>10,115</u> | <u>10,887</u> | <u>14,936</u> | <u>29,979</u> |
| Expenses: | | | | | | |
| General government | 4,956 | 4,958 | - | - | 4,956 | 4,958 |
| Public safety | 11,710 | 9,039 | - | - | 11,710 | 9,039 |
| Transportation | 916 | 944 | - | - | 916 | 944 |
| Culture and recreation | 6,370 | 11,124 | - | - | 6,370 | 11,124 |
| Physical environment | 2 | 5 | - | - | 2 | 5 |
| Interest on long-term debt | 1,511 | 1,794 | - | - | 1,511 | 1,794 |
| Water and sewer | - | - | 7,664 | 8,304 | 7,664 | 8,304 |
| Building department | - | - | 998 | 1,002 | 998 | 1,002 |
| Total expenses | <u>25,465</u> | <u>27,864</u> | <u>8,662</u> | <u>9,306</u> | <u>34,127</u> | <u>37,170</u> |
| Net expense | <u>(20,644)</u> | <u>(8,772)</u> | <u>1,453</u> | <u>1,581</u> | <u>(19,191)</u> | <u>(7,191)</u> |
| General Revenues: | | | | | | |
| Property taxes | 15,497 | 16,618 | - | - | 15,497 | 16,618 |
| Gasoline taxes | 369 | 405 | - | - | 369 | 405 |
| Sales taxes | 1,634 | 1,901 | - | - | 1,634 | 1,901 |
| Unrestricted state revenue sharing | 579 | 527 | - | - | 579 | 527 |
| Franchise fees | 988 | 1,031 | - | - | 988 | 1,031 |
| Business tax | 144 | 168 | - | - | 144 | 168 |
| Tourist tax | 820 | 712 | - | - | 820 | 712 |
| Interest income | 2,787 | 1,196 | 299 | 24 | 3,086 | 1,220 |
| Miscellaneous | 74 | 239 | 5 | - | 79 | 239 |
| Gain on sale of capital asset | 54 | 126 | - | 11 | 54 | 137 |
| Total general revenue | <u>22,946</u> | <u>22,923</u> | <u>304</u> | <u>35</u> | <u>23,250</u> | <u>22,958</u> |
| Increase in net position before transfers | 2,302 | 14,151 | 1,757 | 1,616 | 4,059 | 15,767 |
| Net transfers | <u>1,330</u> | <u>1,330</u> | <u>(1,330)</u> | <u>(1,330)</u> | <u>-</u> | <u>-</u> |
| Change in net position | 3,632 | 15,481 | 427 | 286 | 4,059 | 15,767 |
| Net position - beginning | <u>65,023</u> | <u>68,655</u> | <u>34,511</u> | <u>34,938</u> | <u>99,534</u> | <u>103,593</u> |
| Net position - ending | <u>\$ 68,655</u> | <u>\$ 84,136</u> | <u>\$ 34,938</u> | <u>\$ 35,224</u> | <u>\$ 103,593</u> | <u>\$ 119,360</u> |

Town of Longboat Key, Florida
Management’s Discussion and Analysis
 September 30, 2021

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 Activity expenses exceeded program revenues by \$8.8 million in FY2021. 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 69% of governmental activity expenses were paid for with program revenue compared to 19% in the prior year. The change is due to large beach grants received from the state’s FDEP Beach Management Funding Assistance Program.

Charges for services increased \$1.84 million predominantly from the recognition of deferred special assessment revenues to meet current year requirements for debt service and debt service transfers on Undergrounding projects. Operating grants increased \$.3 million due to COVID-19 related reimbursements and Capital grants increased \$12.0 million related to the Beach Nourishment. Manatee County contributed \$1.9 million to the Greer Island beach nourishment and the Town received or accrued \$10.1 million in grants under the FDEP Beach Management Funding Assistance Program.

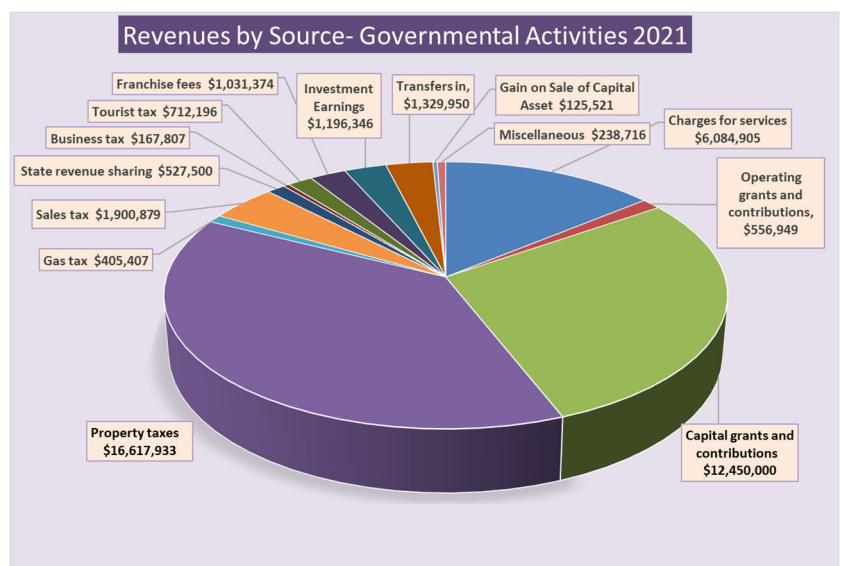
Property taxes includes the operating budget millage and debt service millages for the General Obligation Bonds (GOBs) associated with fire stations and beach renourishment. The FY2021 adopted budget was prepared based on a 0.88% decrease in property values. The operating mill rate remained flat at 2.1144. The beach nourishment tax levy imposed for Gulfside District was .09458 mills and Bayside District B was 0.2365 mills. This was a large increase from the prior year due to the issuance of debt for the beach project. The debt millage for facility fire station debt payments was 0.0607.

Total business-type activity revenues exceeded program expenses by \$1.6 million due to increased building permit activity. The Utility also collected on an old debt associated with the Colony Beach and Tennis Resort. 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. The top five revenues make up 89.8% of the Town’s governmental fund revenue as follows: (1) Property taxes 38.3%, (2) Capital grants and contributions 28.7%, (3) Charges for services (including special assessments) 14.0%, (4) Sales Tax 5.6% and (5) Transfers from building and utility funds 3.1%.

- Property taxes include \$12.5 million to support General Fund operations and capital costs and \$4.1 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). The recognition of deferred revenue on special assessments caused a large increase in charges for services. The reversal of COVID-19 lockdown policies helped restore tennis center revenues, that were lost due in the prior year.

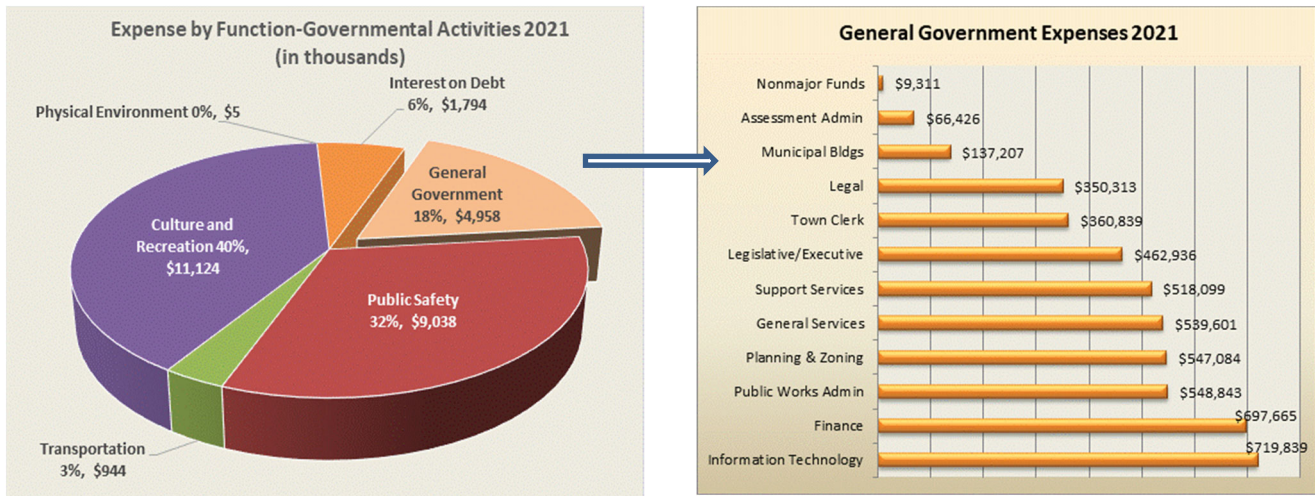


Town of Longboat Key, Florida
Management’s Discussion and Analysis
 September 30, 2021

- 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 and has remained there throughout FY2021. Investment income decreased \$1.6 million for governmental activities and \$275,000 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, culture and recreation (including beach renourishment/maintenance) made up 40% of expenses followed by 32% public safety, 18% general government, and 6% interest on debt. 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 on 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 31 and 32 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.

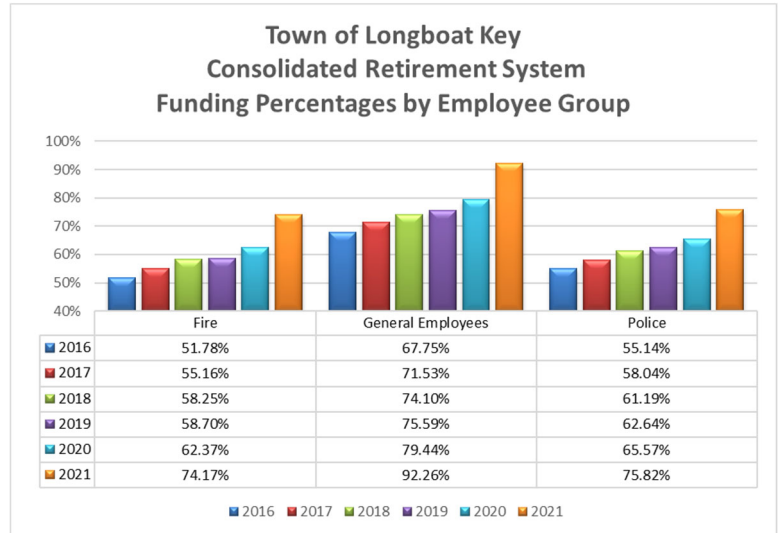
The fiduciary net position restricted for pension benefits is defined as the fair market value of investments less amounts due for administrative fees and other payables. The combined net position restricted for pension benefits, measured on September 30, 2021, was \$46.3 million compared to \$39.3 million in the prior year. The \$7 million increase is due to the outstanding market rate of return on investments during the year. The actuarial rate of return was 9.46%, using a 4 year smoothing, and the actual market rate of return was 21.45%. The Plan uses a 7% rate of return assumption.

Based on the October 1, 2020 valuation, the Consolidated Retirement System is 67.21% funded (62.37% funded for firefighters, 65.57% funded for police officers and 79.44% funded for general employees). These percentages have increased based on October 1, 2021 valuation to 78.90% (74.17% funded for firefighters, 75.82% funded for police officers and 92.26% 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
Management’s Discussion and Analysis
 September 30, 2021

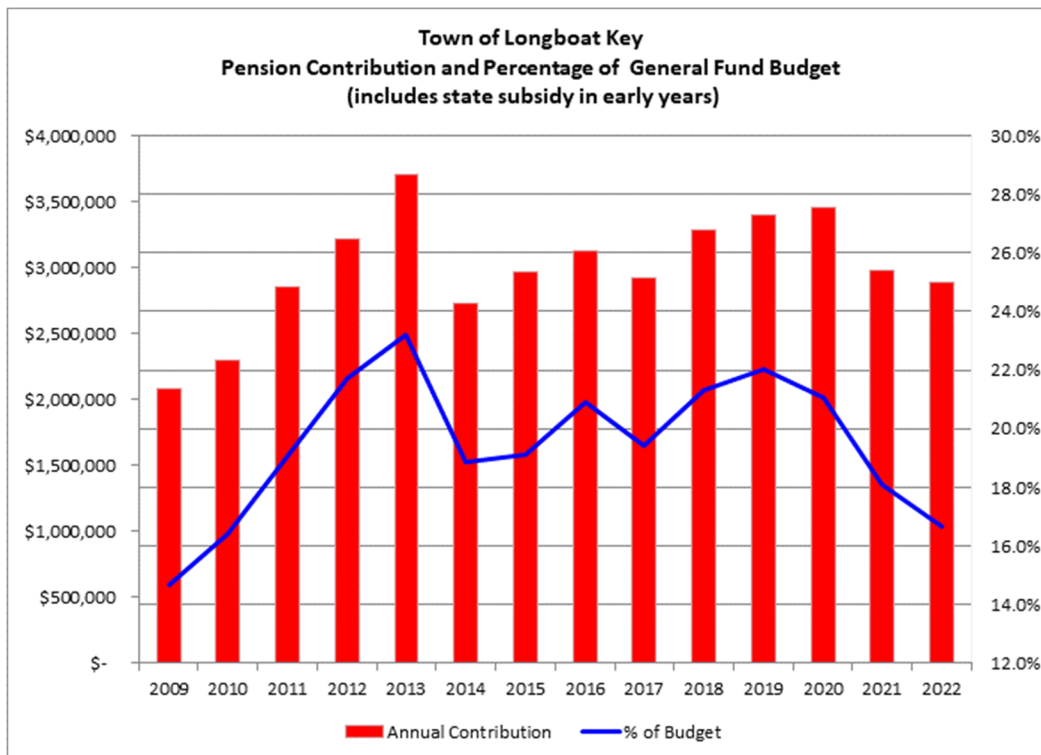
In lieu of the defined benefit plan, the police officers and general employees were enrolled in a Town sponsored defined contribution (401a) plan and the firefighters are members of the Florida Retirement System (FRS). The following provides an additional perspective on pension expenses:

- The Town’s combined required pension contribution in FY2021 for all three plans was \$3.0 million, approximately 18% of the total General Fund Budget. This is projected to decline to 14.5% by FY2023.
- The Town’s contributions to the FRS for firefighters was \$687,923, excluding the health insurance subsidy (HIS).
- The \$19.1 million Consolidated Net Pension Liability (NPL) is slightly larger than the General Fund budget.
- The Town’s share of the Florida Retirement System’s NPL is an additional \$1.2 million of liability. This liability decreased by \$6.4 million from the prior year.



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 below 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.



Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

Net Pension Liability with Measurement Date as of September 30, 2020

| | <u>General Employees</u> | <u>Police Officers</u> | <u>Firefighters</u> | <u>Combined</u> |
|---|------------------------------|------------------------|----------------------|----------------------|
| Total Pension Liability | \$ 14,351,378 | \$ 11,841,093 | \$ 32,208,387 | \$ 58,400,858 |
| Plan Fiduciary Net Position | (11,400,464) | (7,763,990) | (20,088,426) | (39,252,880) |
| Net Pension Liability | <u>\$ 2,950,914</u> | <u>\$ 4,077,103</u> | <u>\$ 12,119,961</u> | <u>\$ 19,147,978</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 79.44% | 65.57% | 62.37% | 67.21% |

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 \$14.4 million to \$54.0 million for FY2021. Below is a summary of changes in fund balances for governmental funds:

Town of Longboat Key - Governmental Funds Change in Fund Balance

| | <u>2020</u> | <u>2021</u> | <u>Increase (Decrease)</u> |
|--|----------------------|----------------------|--------------------------------|
| General Fund | \$ 10,655,450 | \$ 11,220,392 | \$ 564,942 |
| GMD Assessments Fund | 342,830 | 440,275 | 97,445 |
| Neighborhood Assessments Fund | 103,954 | 183,464 | 79,510 |
| Gulfside District G.O. Beach Bonds Fund | 26,289 | 184,558 | 158,269 |
| Beach Nourishment Capital Project Fund | 12,089,655 | 5,055,898 | (7,033,757) |
| GMD Undergrounding Capital Project Fund | 16,783,240 | 16,541,949 | (241,291) |
| Neighborhood Undergrounding Capital Project Fund | 17,774,324 | 12,554,684 | (5,219,640) |
| Nonmajor Governmental Funds | 10,591,801 | 7,793,301 | (2,798,500) |
| | <u>\$ 68,367,543</u> | <u>\$ 53,974,521</u> | <u>\$ (14,393,022)</u> |

Major Governmental Funds

The Town of Longboat Key reports seven major funds: General Fund, GMD Assessments Fund, Neighborhood Assessments Fund, Gulfside District G.O. 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, 2021, total fund balance in the General Fund was \$11.2 million of which \$4.8 million was unassigned. As a measure of the General Fund's liquidity, total fund balance and unassigned fund balance are 71% and 30% of total actual expenditures (excluding capital outlay), respectively, as compared to 67% and 45% for the prior fiscal year. \$412,368 of these reserves are being used to offset revenue losses and capital expenses in the FY2022 budget.

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

September 30, 2021

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 debt service payments and/or project costs associated with Undergrounding Utilities along Gulf of Mexico Drive. A receivable for the assessment in the amount of \$14,048,937 was recorded as of September 30, 2021. Fund balance increased \$97,445 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 \$12,495,341 was recorded as of September 30, 2021. Fund balance increased \$79,510 as sufficient revenue sources existed in the Neighborhood Debt Fund to cover current debt payments.

Gulfside District G.O. Beach Bonds Fund. The Gulfside District G.O. Beach Bonds Fund accounts for the property tax collections from a special district, defined as all properties located west of GMD, to pay for annual debt service payments on bonds or project costs related to the Beach Renourishment Projects. 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 taking place in FY2021. The Town issued \$18,480,000 at a premium of \$2,751,891 on December 9, 2020 to be paid over six years. The mill rate imposed was 0.9458 for the Gulfside District (80% of the sum of the mill rates). Another special district, covering all properties east of GMD pays the remaining 20%, whose mill rate was 0.2365 (20% of the sum of the mill rates) and is accounted for in a separate fund. The fund balance increased \$158,269 as mill rates were set prior to the issuance of debt and were slightly higher than required.

Beach Nourishment Capital Project Fund. The Town's beaches are the Key's most significant 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. A combination of bond proceeds, FEMA reimbursements, tourist development taxes, state grants and accumulated fund balance were used for the construction and renourishment project. The total cost of the project was \$37.3 million, using all new monies and reducing fund balance \$7,003,757.

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 prepaid assessments at the onset of the project, which reduced the amount of the borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2021, the fund incurred \$3.9 million in project costs and recognized all of its remaining unearned revenues associated with prepayments, which decreased fund balance \$241,291. Approximately 48% of the project is completed through FY2021 and expected to be completed in FY2023.

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% in prepaid assessments at the onset of the project, which reduced the amount of the borrowing, and the remaining is being collected over 30 years in annual assessments. During FY2021, the fund incurred \$5.2 million in project costs during the year, reducing fund balance by \$5.2 million. Approximately 56% of the project is completed through FY2021. Anticipated completion is estimated to be FY2023.

Fund Balance – Governmental Funds

The *nonspendable* fund balance of \$108,586 represents amounts, which cannot be spent such as prepaid items, fuel inventory and merchandise for resale at the tennis center.

Town of Longboat Key, Florida
Management’s Discussion and Analysis
September 30, 2021

Restricted fund balances of \$31,214,103, 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 \$17,901,306 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 \$4,750,526 represents the Town’s amount available for any other purpose.

General Fund Budgetary Highlights

The detailed line item budget can be found on page 73 through 76 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.

| Budget Amendments | | | |
|--------------------------|-----------------------|-----------------------|--------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Increase (Decrease)</u> |
| Revenue | \$ 16,318,441 | \$ 16,318,441 | \$ - |
| Expenditures | 17,325,197 | 17,344,934 | 19,737 ⁽¹⁾ |
| Use of Fund Balance | <u>\$ (1,006,756)</u> | <u>\$ (1,026,493)</u> | <u>\$ (19,737)</u> |

⁽¹⁾ Carryover of Open Purchase Orders from Fiscal 2018-19 Budget

During the year, the Town amended the Original Budget to carryover the open purchase orders from the prior fiscal year, in the amount of \$56,753, from assigned fund balance. The amendments were made to the original line items the purchase orders were encumbered against. Another amendment -\$37,016, reduced a transfer to the Australian Pine Tree (A-Pine) Removal Fund in order to eliminate the fund, and instead, include those costs in the General Fund moving forward.

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 \$225,000 for general contingency and \$50,000 for red tide cleanup. Uses of contingency during the year included \$35,000 to create the A-Pine budget in the General Fund and \$30,000 for COVID-19 related supplies and equipment.

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Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

Town of Longboat Key General Fund Budgetary Basis

| | Budget | Actual | Increase (Decrease) |
|-------------------------------------|-----------------------|-------------------|------------------------|
| Revenues: | | | |
| Property taxes | \$ 12,398,165 | \$ 12,491,361 | \$ 93,196 |
| Other taxes | 135,000 | 167,807 | 32,807 |
| Licenses and permits | 23,400 | 23,353 | (47) |
| Intergovernmental | 1,181,100 | 1,394,012 | 212,912 |
| Charges for services | 440,400 | 475,320 | 34,920 |
| Franchise fees | 666,000 | 727,347 | 61,347 |
| Fines and miscellaneous | 52,726 | 168,691 | 115,965 |
| Grants | - | 135,535 | 135,535 |
| Income on investments | 91,500 | 24,294 | (67,206) |
| Other financing sources | 1,329,950 | 1,436,840 | 106,890 |
| Total Revenues | 16,318,241 | 17,044,560 | 726,319 |
| Expenditures: | | | |
| | Budget | Actual | Increase (Decrease) |
| General government | 5,409,591 | 4,736,701 | (672,890) |
| Public safety | 10,363,530 | 10,208,933 | (154,597) |
| Transportation | 632,649 | 616,623 | (16,026) |
| Culture and recreation | 282,291 | 261,596 | (20,695) |
| Capital outlay/transfers to capital | 656,873 | 655,765 | (1,108) |
| Total Expenditures | 17,344,934 | 16,479,618 | (865,316) |
| Net Change in Fund Balance | \$ (1,026,693) | \$ 564,942 | \$ 1,591,635 |

During the year, actual revenues exceeded budgetary estimates by \$726,319 primarily due to these factors:

- Property Taxes – Budget included a 4% discount for early payers and not all payers take advantage of the discount.
- Intergovernmental Revenue – State estimates for sales tax were discounted due to COVID-19 and results exceeded expectation from recover efforts.
- Fines and Miscellaneous – Planning and zoning staff review fees and lien search fees increased due to increase real estate activity.
- Grant revenues – We recovered CARES Act funding for COVID-19 expenses through Manatee and Sarasota 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 \$67,206 unfavorable variance in the General Fund. The Town does not budget for Unrealized gains and losses.
- Other Financing Sources – We realized \$106,890 on the auction of surplus capital assets.

During the year, expenditures were below budgetary estimates by \$865,316 primarily due to these factors:

- General Departmental Budgets – The largest department surpluses were in Legal \$54,068, I.T. \$105,972, Town Clerk \$42,228, Planning and Zoning \$65,873, and General Services \$75,642.
- Police and Fire Dept – \$125,483 for Police and \$28,575 Fire remained unspent due to vacancies and lower operating costs during the year.
- Contingency – \$209,980 of unspent Contingency funds remained.

The original budget included a reservation/use of fund balance in the amount of (\$1,026,693). The final result was an addition to fund balance reserves of \$564,942, which is a total positive variance of \$1,591,635.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

Below is a comparison between the two fiscal years.

Town of Longboat Key General Fund Budgetary Basis

| | <u>2020</u> | <u>2021</u> | <u>Increase (Decrease)</u> | <u>Note</u> |
|-------------------------------------|-------------------|-------------------|--------------------------------|-------------|
| Revenues: | | | | |
| Property taxes | \$ 12,574,815 | \$ 12,491,361 | \$ (83,454) | 1 |
| Other taxes | 144,375 | 167,807 | 23,432 | 2 |
| Licenses and permits | 15,294 | 23,353 | 8,059 | |
| Intergovernmental | 1,315,016 | 1,394,012 | 78,996 | 3 |
| Charges for services | 497,719 | 475,320 | (22,399) | 4 |
| Franchise fees | 683,688 | 727,347 | 43,659 | 5 |
| Fines and miscellaneous | 93,166 | 168,691 | 75,525 | 4 |
| Grants | 24,045 | 135,535 | 111,490 | 6 |
| Income on investments | 297,477 | 24,294 | (273,183) | 7 |
| Other financing sources | 1,357,795 | 1,436,840 | 79,045 | |
| Total Revenues | <u>17,003,390</u> | <u>17,044,560</u> | <u>41,170</u> | |
| Expenditures: | | | | |
| | 2020 | 2021 | Increase (Decrease) | Note |
| General government | 4,601,715 | 4,736,701 | 134,986 | 8 |
| Public safety | 10,354,437 | 10,208,933 | (145,504) | 8 |
| Transportation | 610,018 | 616,623 | 6,605 | |
| Culture and recreation | 251,420 | 261,596 | 10,176 | |
| Capital outlay/transfers to capital | 562,864 | 655,765 | 92,901 | |
| Total Expenditures | <u>16,380,454</u> | <u>16,479,618</u> | <u>99,164</u> | |
| Net Change in Fund Balance | <u>\$ 622,936</u> | <u>\$ 564,942</u> | <u>\$ (57,994)</u> | |

Notes:

- 1 - Decrease in property values of -0.88% reduced ad valorem tax revenue.
- 2 - Increase in business tax collections from economic recovery from COVID-19 and collection efforts.
- 3 - Sales tax revenues exceeded estimates due to economic recovery from COVID-19.
- 4 - Fire inspections, EMS billings and recreation fees decreased due to COVID-19.
- 5 - Electricity consumption increased causing an increase in franchise fees and TECO gas increased rates.
- 6 - The Town received and accrued payments from CARES Act.
- 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 where they remained throughout FY2021.
- 8 - Operating costs increased 9.6% due to increased legal services, planning and zoning services, and funding for sea level rise studies; Wages increased an average of 2.2% net of vacancies; Benefits decreased 5.1% due to decreased pension contribution requirements and vacancies in public safety.

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, 2021 totaled \$131.5 million, which is an increase of \$37.8 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 net increase to depreciable assets was \$42.7 million and \$6.7 was added to Construction in Progress for Governmental activities. The water and wastewater system experienced a

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

slow-down in capital infrastructure activity. The net increase to new depreciable assets was \$0.2 million and \$0.3 million was added to construction in progress for business-type activities. Below is a summary of the change in capital assets, net of depreciation for FY2021:

| Capital Assets Net of Accumulated Depreciation (in thousands) | | | | |
|--|------------------|-------------------|--------------------------------|----------------|
| Governmental Activities | | | | |
| | 2020 | 2021 | Increase (Decrease) | Percent |
| Land | \$ 27,509 | \$ 27,509 | \$ - | 0.0% |
| Buildings | 4,046 | 9,481 | 5,435 | 134.3% |
| Streets and roadways | 1,818 | 1,588 | (230) | -12.7% |
| Improvements other than buildings | 12,462 | 40,387 | 27,925 | 224.1% |
| Vehicles and other equipment | 3,777 | 3,464 | (313) | -8.3% |
| Construction in progress | 15,074 | 21,790 | 6,716 | 44.6% |
| Total | \$ 64,686 | \$ 104,219 | \$ 39,533 | 61.1% |
| Business Activities | | | | |
| | 2020 | 2021 | Increase (Decrease) | Percent |
| Land | \$ 1,794 | \$ 1,794 | \$ - | 0.0% |
| Buildings | 217 | 192 | (25) | -11.5% |
| Improvements other than buildings | 24,731 | 23,149 | (1,582) | -6.4% |
| Vehicles and other equipment | 1,727 | 1,371 | (356) | -20.6% |
| Construction in progress | 432 | 743 | 311 | 72.0% |
| Total | \$ 28,901 | \$ 27,249 | \$ (1,652) | -5.72% |

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

Governmental Activities:

| | |
|---|--------------|
| • 2021 Beach Nourishment Sand Placement | \$23,937,820 |
| • Permeable Rock Groin Structures | 14,032,665 |
| • Fire Station No. 92 | 4,830,763 |
| • Fire Station No. 91 Improvements | 1,034,404 |
| • Public Safety Equipment | 221,853 |
| • Vehicles and Dump Truck | 187,209 |
| • Information Technology and Software | 85,016 |
| • Boat Motors | 38,000 |
| • Yellowfin Vessel | 63,281 |
| • Tennis Center Improvements | 27,500 |

Business Activities:

| | |
|------------------------|---------|
| • Lift Station Rehabs | 314,048 |
| • SCADA System Upgrade | 145,837 |

Major assets still under construction include the GMD and Neighborhood Utility Undergrounding, Subaqueous Force Main Replacement 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.

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

September 30, 2021

Long-Term Debt

At September 30, 2021, the Town of Longboat Key had total bonded debt outstanding of \$63,596,512 consisting of \$5,554,791 for Fire Station Bonds, \$14,689,994 GMD Undergrounding Revenue Bonds, \$17,644,522 Neighborhood Undergrounding Revenue Bonds, \$17,699,799 Beach Bond Debt, and \$8,007,406 for Water and Wastewater Improvement Bonds.

| | Outstanding Debt | | |
|--------------------------|-------------------------|----------------------|--------------------------------|
| | 2020 | 2021 | Increase (Decrease) |
| General Obligation Bonds | \$ 11,327,501 | \$ 28,867,406 | \$ 17,539,905 |
| Revenue Bonds | 33,540,000 | 32,525,000 | (1,015,000) |
| Original Issue Discount | (202,528) | (190,484) | 12,044 |
| Premium | 205,993 | 2,394,590 | 2,188,597 |
| Notes Payable | 2,760,174 | - | (2,760,174) |
| Total | <u>\$ 47,631,140</u> | <u>\$ 63,596,512</u> | <u>\$ 15,965,372</u> |

On October 28, 2020, S&P Global Ratings assigned the Town an AA+ rating for its Series 2020 general obligation beach bonds and affirmed its AA+ rating on the Town’s existing G.O. bonds and special assessment revenue bonds with a stable outlook.

Other obligations, totaling \$24,247,856, 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. 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 taking place in FY2021. Ad valorem taxes will be levied with the Gulfside properties paying 80% and Bayside properties paying 20% of the sum of the millage. The project included the construction of five permeable groins at the north end of the Key, sand dredging, and beach nourishment throughout the island. Bonds were issued on December 9, 2020 providing \$21.2 million toward the project. Other funding sources included 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 30 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 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.

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

September 30, 2021

Economic Factors and Next Year's Budgets and Rates

According to the Florida Office of Economic and Demographic Research, *Florida: An Economic Overview*, Florida's real gross domestic product (GDP), ended the initial pandemic year of 2020 with a loss of -2.8 percent. FY2021, through a bumpy recovery, dealing with COVID-19 variants, increased only 1.8%. Personal income growth shot up 65.1% in the first quarter of 2021, largely due to two federal stimulus and relief programs. As those measures expired, personal income plummeted to 19.5% in the second quarter, producing a final rate of 7.5% for FY2021. Annual growth rates are expected to remain at or above 4.0%. Florida's average wage still remains low as compared to the U.S. average, at 87.2%. The state's unemployment rate shows a decrease from the prior year with an actual rate of 4.5% compared to the national rate of 4.2% (November 2021). With the onset of the pandemic, unemployment had spiked to 14.2% in May 2020.

Florida is currently the third most populous state, behind California and Texas, with population growth forecasted to grow an average of 1.41% from 2021 through 2025. The past four years has shown growth just under 2%, despite the losses from more deaths than births. The Florida housing market soared during the pandemic with the documentary stamp tax showing 48% growth in FY2021 over FY2020.

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. Previous studies of disease outbreaks show that it can take as long as 12 to 15 months after the outbreak ends for tourism to return to pre-disease levels.

Tourism declined nearly 70% from the prior year in the second quarter of 2020. By September 2021, tourism managed to recover 96% compared to the pre-COVID-19 quarter. Full recovery will be influenced by the actual course of the disease and distribution of vaccines globally. A robust growth during FY2022, with a projected overall increase of 36.3% from the extremely suppressed level in FY2021 is expected.

Sarasota County construction for retail and development has been very active over the past six 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 pandemic and its impact on home and work life has caused people to reconsider where they live and Florida is experiencing an extraordinary influx of new residents. This in combination with a tight real estate inventory has driven up market values. The FY2022 taxable base saw a moderate increase of 6%, driven by a booming real estate market attributable to lower mortgage rates and out of state buyers flocking to Florida.

Given the turn-around in the economy, thanks to vaccine distribution efforts and massive stimulus payments to individuals, families and businesses, our state revenue collections exceeded our conservative estimates. Non-ad valorem revenues for FY2022 have been adjusted accordingly for anticipated continued recovery efforts and growth in the economy.

Factors considered in preparing the Town of Longboat Key's budget for the FY2022 are shown below:

- The General Fund operating millage rate was kept flat at 2.1144.
- We are meeting our new Fund Balance Policy reserve requirements. Under all foreseeable circumstances, the Town plans to maintain funds in excess of the requirements of its Fund Balance Policy at all times.
- We will continue to perform close monitoring of General Fund and Program Revenues throughout the new year as the new COVID-19 variants spread.
- We have kept most operating budgets flat while maintaining publicly visible service levels.
- We will continue to pursue and maximize all eligible federal, state and local grants.
- We have carefully considered new project initiative impacts while continuing general support for the 5-year Capital Improvement Plan (CIP) for scheduled vehicle replacement, facility and infrastructure improvements.
- We will continue to seek more efficient methods of accomplishing the mission and monitor and/or evaluate rate and fee structures during the upcoming year.

All of these factors were considered in preparing the Town's budget for the FY 2022. The Town has maintained an operating millage rate of 2.1144 for the past six years including FY 2022.

Town of Longboat Key, Florida
Management's Discussion and Analysis
September 30, 2021

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.

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Basic Financial Statements

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TOWN OF LONGBOAT KEY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 29,045,879 | \$ 6,805,913 | \$ 35,851,792 |
| Investments | 41,826,685 | 9,553,389 | 51,380,074 |
| Accounts receivables, net | 26,876,228 | 779,078 | 27,655,306 |
| Accrued income | 76,499 | 32,726 | 109,225 |
| Due from other governments | 7,662,451 | - | 7,662,451 |
| Prepaid items | 7,917 | 1,200 | 9,117 |
| Inventory | 100,669 | 67,523 | 168,192 |
| Restricted asset, cash and cash equivalents | - | 741,736 | 741,736 |
| Capital assets | | | |
| Non-depreciable | 49,299,544 | 2,536,959 | 51,836,503 |
| Depreciable, net | 54,919,044 | 24,711,833 | 79,630,877 |
| Total assets | 209,814,916 | 45,230,357 | 255,045,273 |
| Deferred Outflows of Resources | | | |
| Deferred outflows - pensions | 5,013,286 | 153,799 | 5,167,085 |
| Deferred outflows - OPEB | 374,557 | 46,169 | 420,726 |
| Total deferred outflows of resources | 5,387,843 | 199,968 | 5,587,811 |
| Liabilities | | | |
| Accounts payable | 16,709,233 | 711,395 | 17,420,628 |
| Accrued liabilities | 749,528 | 116,212 | 865,740 |
| Due to other governments | 65,000 | - | 65,000 |
| Customer deposits payable | - | 255,610 | 255,610 |
| Unearned revenue | 29,828,230 | - | 29,828,230 |
| Noncurrent liabilities | | | |
| Due within one year | 4,526,507 | 916,574 | 5,443,081 |
| Due in more than one year | 74,241,382 | 8,159,905 | 82,401,287 |
| Total liabilities | 126,119,880 | 10,159,696 | 136,279,576 |
| Deferred Inflows of Resources | | | |
| Deferred inflows - pensions | 4,869,562 | 36,596 | 4,906,158 |
| Deferred inflows - OPEB | 77,035 | 9,496 | 86,531 |
| Total deferred inflows of resources | 4,946,597 | 46,092 | 4,992,689 |
| Net position | | | |
| Net investment in capital assets | 75,420,072 | 19,241,386 | 94,661,458 |
| Restricted for | | | |
| Capital projects | 11,369,482 | - | 11,369,482 |
| Debt service | 245,002 | 741,736 | 986,738 |
| Unrestricted | (2,898,274) | 15,241,415 | 12,343,141 |
| Total net position | \$ 84,136,282 | \$ 35,224,537 | \$ 119,360,819 |

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, 2021

| Functions/programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|----------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|--------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities | | | | | | | |
| General government | \$ 4,958,163 | \$ 94,425 | \$ - | \$ - | \$ (4,863,738) | \$ - | \$ (4,863,738) |
| Public safety | 9,038,445 | 496,471 | 418,410 | 6,976 | (8,116,588) | - | (8,116,588) |
| Transportation | 943,666 | 55,844 | - | - | (887,822) | - | (887,822) |
| Culture/recreation | 11,124,147 | 669,909 | 138,539 | 12,442,895 | 2,127,196 | - | 2,127,196 |
| Physical environment | 5,491 | 4,768,256 | - | - | 4,762,765 | - | 4,762,765 |
| Interest on long-term debt | 1,793,729 | - | - | - | (1,793,729) | - | (1,793,729) |
| Total governmental activities | <u>27,863,641</u> | <u>6,084,905</u> | <u>556,949</u> | <u>12,449,871</u> | <u>(8,771,916)</u> | <u>-</u> | <u>(8,771,916)</u> |
| Business-type activities | | | | | | | |
| Water and sewer | 8,304,246 | 8,683,816 | - | - | - | 379,570 | 379,570 |
| Building department | 1,001,690 | 2,203,420 | - | - | - | 1,201,730 | 1,201,730 |
| Total business-type activities | 9,305,936 | 10,887,236 | - | - | - | 1,581,300 | 1,581,300 |
| Total primary government | <u>\$ 37,169,577</u> | <u>\$ 16,972,141</u> | <u>\$ 556,949</u> | <u>\$ 12,449,871</u> | <u>(8,771,916)</u> | <u>1,581,300</u> | <u>(7,190,616)</u> |
| General revenues | | | | | | | |
| | | | | | 16,617,933 | - | 16,617,933 |
| | | | | | 405,407 | - | 405,407 |
| | | | | | 1,900,879 | - | 1,900,879 |
| | | | | | 527,500 | - | 527,500 |
| | | | | | 1,031,374 | - | 1,031,374 |
| | | | | | 167,807 | - | 167,807 |
| | | | | | 712,196 | - | 712,196 |
| | | | | | 1,196,346 | 24,251 | 1,220,597 |
| | | | | | 238,716 | - | 238,716 |
| | | | | | 125,521 | 11,100 | 136,621 |
| | | | | | 1,329,950 | (1,329,950) | - |
| | | | | | 24,253,629 | (1,294,599) | 22,959,030 |
| | | | | | 15,481,713 | 286,701 | 15,768,414 |
| | | | | | 68,654,569 | 34,937,836 | 103,592,405 |
| | | | | | \$ 84,136,282 | \$ 35,224,537 | \$ 119,360,819 |

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

TOWN OF LONGBOAT KEY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

| | General Fund | GMD Assessments Fund | Neighborhoods Assessments Fund | Gulfside District G.O. 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 | \$ 4,764,328 | \$ 593,084 | \$ 265,536 | \$ 75,127 | \$ 4,720,326 | \$ 7,942,308 | \$ 6,489,157 | \$ 4,196,013 | \$ 29,045,879 |
| Investments | 6,685,535 | 832,506 | 372,730 | 105,455 | 7,994,645 | 11,148,535 | 9,108,763 | 5,578,516 | 41,826,685 |
| Accounts receivable, net | 331,950 | 14,048,937 | 12,495,341 | - | - | - | - | - | 26,876,228 |
| Accrued income | 20,076 | 519 | 207 | 3,534 | 13,230 | 4,267 | 1,960 | 32,706 | 76,499 |
| Due from other governments | 138,232 | 2,396 | 2,482 | 442 | 6,952,278 | - | - | 566,621 | 7,662,451 |
| Inventory | 12,332 | - | - | - | - | - | - | 88,337 | 100,669 |
| Prepaid items | 7,917 | - | - | - | - | - | - | - | 7,917 |
| Total assets | \$ 11,960,370 | \$ 15,477,442 | \$ 13,136,296 | \$ 184,558 | \$ 19,680,479 | \$ 19,095,110 | \$ 15,599,880 | \$ 10,462,193 | \$ 105,596,328 |
| Liabilities, deferred inflows of resources, and fund balances | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ 272,202 | \$ - | \$ - | \$ - | \$ 10,230,990 | \$ 2,553,161 | \$ 3,045,196 | \$ 607,684 | \$ 16,709,233 |
| Accrued liabilities | 377,359 | - | - | - | - | - | - | 8,404 | 385,763 |
| Due to other governments | - | - | - | - | - | - | - | 65,000 | 65,000 |
| Unearned revenue | - | 15,037,167 | 12,952,832 | - | - | - | - | 1,838,231 | 29,828,230 |
| Total liabilities | 649,561 | 15,037,167 | 12,952,832 | - | 10,230,990 | 2,553,161 | 3,045,196 | 2,519,319 | 46,988,226 |
| Deferred inflows of resources | | | | | | | | | |
| Unavailable revenue | 90,417 | - | - | - | 4,393,591 | - | - | 149,573 | 4,633,581 |
| Fund balances | | | | | | | | | |
| Nonspendable | 20,249 | - | - | - | - | - | - | 88,337 | 108,586 |
| Restricted | - | 440,275 | 183,464 | 184,558 | 4,510,508 | 12,756,260 | 6,059,841 | 7,079,197 | 31,214,103 |
| Assigned | 6,437,931 | - | - | - | 545,390 | 3,785,689 | 6,494,843 | 637,453 | 17,901,306 |
| Unassigned | 4,762,212 | - | - | - | - | - | - | (11,686) | 4,750,526 |
| Total fund balances | 11,220,392 | 440,275 | 183,464 | 184,558 | 5,055,898 | 16,541,949 | 12,554,684 | 7,793,301 | 53,974,521 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 11,960,370 | \$ 15,477,442 | \$ 13,136,296 | \$ 184,558 | \$ 19,680,479 | \$ 19,095,110 | \$ 15,599,880 | \$ 10,462,193 | \$ 105,596,328 |

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, 2021**

| | | |
|---|---------------------|-----------------------------|
| Total fund balances for governmental funds | | \$ 53,974,521 |
| 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 | \$ 177,593,144 | |
| Accumulated depreciation | <u>(73,374,556)</u> | 104,218,588 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds. | | 4,633,581 |
| 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 | 374,557 | |
| Deferred inflows - OPEB | (77,035) | |
| Deferred outflows - pensions | 5,013,286 | |
| Deferred inflows - pensions | <u>(4,869,562)</u> | 441,246 |
| Certain liabilities are not due and payable in the current period and are therefore not reported in the funds. | | |
| Accrued interest payable | (363,765) | |
| Compensated absences | (1,035,343) | |
| Net pension liability | (20,550,530) | |
| Total OPEB liability | (1,592,910) | |
| Bonds payable | <u>(55,589,106)</u> | <u>(79,131,654)</u> |
| Net position of governmental activities | | <u>\$ 84,136,282</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, 2021

| | General Fund | GMD Assessments Fund | Neighborhoods Assessments Fund | Gulfside District G.O. 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 | \$ 12,491,361 | \$ - | \$ - | \$ 3,164,313 | \$ - | \$ - | \$ - | \$ 962,259 | \$ 16,617,933 |
| Other taxes | 167,807 | - | - | - | - | - | - | 2,206,323 | 2,374,130 |
| Licenses and permits | 23,353 | - | - | - | - | - | - | - | 23,353 |
| Intergovernmental revenues | 1,394,012 | - | - | - | 1,923,711 | - | - | 84,186 | 3,401,909 |
| Charges for services | 475,320 | - | - | - | - | - | - | 719,458 | 1,194,778 |
| Franchise fees | 727,347 | - | - | - | - | - | - | 304,027 | 1,031,374 |
| Fines and forfeitures | 67,166 | - | - | - | - | - | - | 2,027 | 69,193 |
| Grant revenues | 135,535 | - | - | - | 6,115,593 | - | - | 151,746 | 6,402,874 |
| Investment earnings | 24,294 | 553,359 | 517,838 | 1,941 | 27,513 | 29,996 | 25,762 | 15,643 | 1,196,346 |
| Special assessments | - | 632,774 | 477,731 | - | - | 3,657,751 | - | - | 4,768,256 |
| Miscellaneous revenues | 101,525 | - | - | - | - | - | - | 154,167 | 255,692 |
| Total revenues | <u>15,607,720</u> | <u>1,186,133</u> | <u>995,569</u> | <u>3,166,254</u> | <u>8,066,817</u> | <u>3,687,747</u> | <u>25,762</u> | <u>4,599,836</u> | <u>37,335,838</u> |
| Expenditures | | | | | | | | | |
| Current | | | | | | | | | |
| General government | 4,736,701 | 34,088 | 30,355 | 883 | - | - | - | 8,150 | 4,810,177 |
| Public safety | 10,208,933 | - | - | - | - | - | - | 33,047 | 10,241,980 |
| Transportation | 616,623 | - | - | - | - | - | - | 10,141 | 626,764 |
| Culture/recreation | 261,596 | - | - | - | 92,654 | - | - | 628,232 | 982,482 |
| Debt service | | | | | | | | | |
| Principal retirement | - | 135,000 | 110,000 | 2,506,991 | - | - | - | 1,398,009 | 4,150,000 |
| Interest | - | - | - | 500,111 | 182,830 | - | - | 1,540,784 | 2,223,725 |
| Capital outlay | | | | | | | | | |
| General government | - | - | - | - | - | - | - | 156,902 | 156,902 |
| Public safety | 15,765 | - | - | - | - | - | - | 325,437 | 341,202 |
| Physical environment | - | - | - | - | - | 3,929,038 | 5,245,402 | - | 9,174,440 |
| Transportation | - | - | - | - | - | - | - | 4,592,772 | 4,592,772 |
| Culture/recreation | - | - | - | - | 37,056,981 | - | - | 63,666 | 37,120,647 |
| Total expenditures | <u>15,839,618</u> | <u>169,088</u> | <u>140,355</u> | <u>3,007,985</u> | <u>37,332,465</u> | <u>3,929,038</u> | <u>5,245,402</u> | <u>8,757,140</u> | <u>74,421,091</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(231,898)</u> | <u>1,017,045</u> | <u>855,214</u> | <u>158,269</u> | <u>(29,265,648)</u> | <u>(241,291)</u> | <u>(5,219,640)</u> | <u>(4,157,304)</u> | <u>(37,085,253)</u> |
| Other financing sources (uses) | | | | | | | | | |
| Proceeds from the sale of capital assets | 106,890 | - | - | - | - | - | - | 23,500 | 130,390 |
| Bonds issued | - | - | - | - | 18,480,000 | - | - | - | 18,480,000 |
| Premium on bonds issued | - | - | - | - | 2,751,891 | - | - | - | 2,751,891 |
| Transfers in | 1,329,950 | - | - | - | 1,000,000 | - | - | 2,346,006 | 4,675,956 |
| Transfers out | (640,000) | (919,600) | (775,704) | - | - | - | - | (1,010,702) | (3,346,006) |
| Total other financing sources (uses) | <u>796,840</u> | <u>(919,600)</u> | <u>(775,704)</u> | <u>-</u> | <u>22,231,891</u> | <u>-</u> | <u>-</u> | <u>1,358,804</u> | <u>22,692,231</u> |
| Change in fund balances | 564,942 | 97,445 | 79,510 | 158,269 | (7,033,757) | (241,291) | (5,219,640) | (2,798,500) | (14,393,022) |
| Fund balances (deficit), beginning 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> |
| Fund balances, end of year | <u>\$ 11,220,392</u> | <u>\$ 440,275</u> | <u>\$ 183,464</u> | <u>\$ 184,558</u> | <u>\$ 5,055,898</u> | <u>\$ 16,541,949</u> | <u>\$ 12,554,684</u> | <u>\$ 7,793,301</u> | <u>\$ 53,974,521</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, 2021**

| | | |
|---|---------------------|-----------------------------|
| Net Change in Fund Balances – Total Governmental Funds | | \$ (14,393,022) |
| <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 | \$ 51,385,963 | |
| Less current year depreciation | <u>(11,848,898)</u> | 39,537,065 |
| <p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.</p> | | |
| | | (4,869) |
| <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 | | 4,150,000 |
| Debt proceeds | | (18,480,000) |
| Premium on bonds issued | | (2,751,891) |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| | | 4,554,045 |
| <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 | 2,554,429 | |
| Change in total OPEB liability and deferred items | (69,452) | |
| Change in accrued interest | (121,254) | |
| Amortization of premium | 563,294 | |
| Amortization of original issue discount | (12,044) | |
| Change in compensated absences | <u>(44,588)</u> | <u>2,870,385</u> |
| Change in net position of governmental activities | | <u>\$ 15,481,713</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, 2021**

| | Water and Sewer | Building Department | Total |
|--|----------------------------|--------------------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 5,450,034 | \$ 1,355,879 | \$ 6,805,913 |
| Restricted cash and cash equivalents | 741,736 | - | 741,736 |
| Accounts receivable, net | 779,078 | - | 779,078 |
| Investments | 7,650,156 | 1,903,233 | 9,553,389 |
| Accrued income | 29,246 | 3,480 | 32,726 |
| Prepays | 1,200 | - | 1,200 |
| Inventory | 67,523 | - | 67,523 |
| Total current assets | <u>14,718,973</u> | <u>3,262,592</u> | <u>17,981,565</u> |
| Noncurrent assets | | | |
| Capital assets, non-depreciable | 2,536,959 | - | 2,536,959 |
| Capital assets, net | 24,616,371 | 95,462 | 24,711,833 |
| Total noncurrent assets | <u>27,153,330</u> | <u>95,462</u> | <u>27,248,792</u> |
| Total assets | <u>41,872,303</u> | <u>3,358,054</u> | <u>45,230,357</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows - pensions | 71,978 | 81,821 | 153,799 |
| Deferred outflows - OPEB | 22,058 | 24,111 | 46,169 |
| Total deferred outflows of resources | <u>94,036</u> | <u>105,932</u> | <u>199,968</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 671,290 | 40,105 | 711,395 |
| Bonds payable | 769,809 | - | 769,809 |
| Accrued liabilities | 106,033 | 10,179 | 116,212 |
| Compensated absences | 80,944 | 65,821 | 146,765 |
| Liabilities payable from restricted assets | | | |
| Customer deposits payable | 255,610 | - | 255,610 |
| Total current liabilities | <u>1,883,686</u> | <u>116,105</u> | <u>1,999,791</u> |
| Noncurrent liabilities | | | |
| Bonds payable, net of current portion | 7,237,597 | - | 7,237,597 |
| Net pension liability | 339,750 | 386,211 | 725,961 |
| Total OPEB liability | 93,808 | 102,539 | 196,347 |
| Total non-current liabilities | <u>7,671,155</u> | <u>488,750</u> | <u>8,159,905</u> |
| Total liabilities | <u>9,554,841</u> | <u>604,855</u> | <u>10,159,696</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows - pension | 17,127 | 19,469 | 36,596 |
| Deferred inflows - OPEB | 4,537 | 4,959 | 9,496 |
| Total deferred inflows of resources | <u>21,664</u> | <u>24,428</u> | <u>46,092</u> |
| Net position | | | |
| Net investment in capital assets | 19,145,924 | 95,462 | 19,241,386 |
| Restricted for | | | |
| Debt service | 741,736 | - | 741,736 |
| Unrestricted | 12,502,174 | 2,739,241 | 15,241,415 |
| Total net position | <u>\$ 32,389,834</u> | <u>\$ 2,834,703</u> | <u>\$ 35,224,537</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, 2021**

| | Water and Sewer | Building Department | Total |
|--|----------------------------|--------------------------------|----------------------|
| Operating revenues | | | |
| Charges for services | \$ 8,624,440 | \$ 2,195,033 | \$ 10,819,473 |
| Late charges | 42,825 | - | 42,825 |
| Rentals and miscellaneous | 16,551 | 8,387 | 24,938 |
| Total operating revenues | 8,683,816 | 2,203,420 | 10,887,236 |
| Operating expenses | | | |
| Personnel services and benefits | 691,611 | 839,394 | 1,531,005 |
| Professional services | 645,061 | 36,740 | 681,801 |
| General and administrative | 21,582 | 55,368 | 76,950 |
| Materials and supplies | 73,344 | 16,271 | 89,615 |
| Utility services | 133,089 | - | 133,089 |
| Insurance | 177,624 | - | 177,624 |
| Repairs and maintenance | 219,628 | 12,142 | 231,770 |
| Water purchased for resale | 1,656,888 | - | 1,656,888 |
| Wastewater treatment | 1,975,595 | - | 1,975,595 |
| Miscellaneous | 581 | 566 | 1,147 |
| Depreciation | 2,506,783 | 41,209 | 2,547,992 |
| Total operating expenses | 8,101,786 | 1,001,690 | 9,103,476 |
| Operating income | 582,030 | 1,201,730 | 1,783,760 |
| Nonoperating revenues (expenses) | | | |
| Investment earnings | 20,591 | 3,660 | 24,251 |
| Gain on disposal of capital assets | 11,100 | - | 11,100 |
| Interest expense | (202,460) | - | (202,460) |
| Total nonoperating revenues (expenses), net | (170,769) | 3,660 | (167,109) |
| Income before transfers | 411,261 | 1,205,390 | 1,616,651 |
| Transfers out | (1,063,000) | (266,950) | (1,329,950) |
| Change in net position | (651,739) | 938,440 | 286,701 |
| Total net position, beginning of year | 33,041,573 | 1,896,263 | 34,937,836 |
| Total net position, end of year | \$ 32,389,834 | \$ 2,834,703 | \$ 35,224,537 |

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, 2021**

| | Water and Sewer | Building Department | Total |
|---|----------------------------|--------------------------------|---------------------|
| Cash flows from operating activities | | | |
| Cash received from customers | \$ 8,673,177 | \$ 2,203,420 | \$ 10,876,597 |
| Cash paid to suppliers for goods and services | (5,161,076) | (116,480) | (5,277,556) |
| Cash paid to employees for services and benefits | (725,938) | (894,877) | (1,620,815) |
| Net cash provided by operating activities | <u>2,786,163</u> | <u>1,192,063</u> | <u>3,978,226</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 | (895,545) | - | (895,545) |
| Cash received from sale of capital assets | 11,100 | - | 11,100 |
| Principal paid on general obligation notes payable | (634,095) | - | (634,095) |
| Issuance of general obligation notes | 2,829,000 | - | 2,829,000 |
| Principal paid on notes payable | (2,760,174) | - | (2,760,174) |
| Interest paid | (198,916) | - | (198,916) |
| Net cash used in capital and related financing activities | <u>(1,648,630)</u> | <u>-</u> | <u>(1,648,630)</u> |
| Cash flows from investing activities | | | |
| Sale of investments | 2,798,143 | 134,238 | 2,932,381 |
| Purchase of investments | (2,533,227) | (630,225) | (3,163,452) |
| Interest received | 26,104 | 4,981 | 31,085 |
| Net cash provided by (used in) investing activities | <u>291,020</u> | <u>(491,006)</u> | <u>(199,986)</u> |
| Net change in cash and cash equivalents | 365,553 | 434,107 | 799,660 |
| Cash and cash equivalents, beginning of year | <u>5,826,217</u> | <u>921,772</u> | <u>6,747,989</u> |
| Cash and cash equivalents, end of year | <u>\$ 6,191,770</u> | <u>\$ 1,355,879</u> | <u>\$ 7,547,649</u> |
| Cash and cash equivalents classified as | | | |
| Cash and cash equivalents | \$ 5,450,034 | \$ 1,355,879 | \$ 6,805,913 |
| Restricted cash and cash equivalents | 741,736 | - | 741,736 |
| Total cash and cash equivalents | <u>\$ 6,191,770</u> | <u>\$ 1,355,879</u> | <u>\$ 7,547,649</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, 2021**

| | <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 | \$ 582,030 | \$ 1,201,730 | \$ 1,783,760 |
| Adjustment to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 2,506,783 | 41,209 | 2,547,992 |
| Change in operating assets and liabilities: | | | |
| (Increase) decrease in assets: | | | |
| Accounts receivable | (32,751) | - | (32,751) |
| Inventory | 2,191 | - | 2,191 |
| Deferred outflows - pension | 13,988 | 15,896 | 29,884 |
| Deferred outflows - OPEB | (7,642) | (5,814) | (13,456) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | (259,875) | 4,607 | (255,268) |
| Accrued liabilities | (14,880) | (22,640) | (37,520) |
| Compensated absences payable | 7,539 | 9,310 | 16,849 |
| Customer deposits | 22,112 | - | 22,112 |
| Deferred inflows - pension | 3,024 | 3,438 | 6,462 |
| Deferred inflows - OPEB | 2,295 | 2,114 | 4,409 |
| Net pension liability | (58,643) | (66,639) | (125,282) |
| Total OPEB liability | 19,992 | 8,852 | 28,844 |
| Net cash provided by operating activities | <u>\$ 2,786,163</u> | <u>\$ 1,192,063</u> | <u>\$ 3,978,226</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 FUND
SEPTEMBER 30, 2021**

| | <u>Consolidated Pension Trust Fund</u> |
|--|--|
| Assets | |
| Receivables/prepays | |
| Prepaid items | \$ 343,868 |
| Interest receivable | 89,870 |
| Due from broker | 11,220 |
| Total receivables | <u>444,958</u> |
| Investments, at fair value | |
| U.S. Government and agency securities | 4,395,352 |
| Corporate bonds | 4,157,086 |
| Equity securities | 37,312,434 |
| Total investments | <u>45,864,872</u> |
| Total assets | <u>\$ 46,309,830</u> |
| Liabilities | |
| Accounts payable | \$ 26,149 |
| Total liabilities | <u>26,149</u> |
| Net Position | |
| Restricted for pension benefits - active and retired members' benefits | <u>46,283,681</u> |
| Total liabilities and net position | <u>\$ 46,309,830</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 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | <u>Consolidated Pension Trust Fund</u> |
|---|--|
| Additions | |
| Contributions | |
| Town | \$ 2,980,962 |
| Total contributions | <u>2,980,962</u> |
| Investment income | |
| Net change in fair value of investments | 7,578,428 |
| Interest and dividends | 850,563 |
| Less investment expense | <u>(239,624)</u> |
| Net investment income | <u>8,189,367</u> |
| Total additions | <u>11,170,329</u> |
| Deductions | |
| Pension benefits | 4,048,918 |
| Administrative expenses | 90,610 |
| Total deductions | <u>4,139,528</u> |
| Change in net position | 7,030,801 |
| Net position, restricted for pension benefits | |
| Beginning of year | <u>39,252,880</u> |
| End of year | <u>\$ 46,283,681</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, 2021

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 Town has two blended component units reported in the Town’s Annual Comprehensive Financial Report. On November 3, 2014, the Town passed an Ordinance repealing Longboat Key Beach Erosion Control District A and Longboat Key Beach Erosion Control District B, effective June 1, 2021, upon the payoff of the Series 2016 G.O. Bonds. The Ordinance created two new dependent special districts, Bayside District and Gulfside District, geographically divided by Gulf of Mexico Drive. 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 on December 9, 2020, upon issuance of bonds. The governing boards of the Districts are 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.

The Consolidated Pension Trust Fund is a single-employer defined benefit pension plan administered by a Board of Trustees, which act as the administrator of the Plan. The Board consists of one elected police officer representative, one elected firefighter representative, one elected general employee representative, five Town Commission appointed residents, and one Town Manager designee. The Plan is reported as a fiduciary component unit in accordance with Governmental Accounting Standards Board Statement Number 84.

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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

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.

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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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.

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 *Gulfside District General Obligation (G.O.) Beach Bonds Fund* was created to account for the property tax collections from properties located west of Gulf of Mexico Drive to pay annual debt service payment on bonds.

The *Beach Nourishment Capital Project Fund* was created to account for the expenditures of reconstructing, renourishing or maintaining 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 following is reported as a fiduciary fund:

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

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

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, 2021

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, 2021, which are recorded at fair value:

| Cash and Equivalents | Rating (Moody's) | Fair Value |
|--|------------------|---------------|
| Petty cash | N/A | \$ 2,400 |
| Public depository accounts | | |
| Checking | N/A | 14,407,192 |
| Total cash and cash equivalents | | 14,409,592 |
| Investments | | |
| U.S. Government and Agency Obligations | | |
| Less than 1 year maturities | Aaa | 6,405,146 |
| 1 to 5 year maturities | Aaa | 18,166,022 |
| Corporate bonds | | |
| Less than 1 year maturities | Aaa | 338,043 |
| 1 to 5 year maturities | Aaa | 9,855,146 |
| Florida PRIME (S&P Rating) | AAAm | 22,178,532 |
| Florida Class (S&P Rating) | AAAm | 15,835,816 |
| Money market funds (S&P Rating) | AAAm | 785,305 |
| Total investments | | 73,564,010 |
| Total cash and cash equivalents and investments | | \$ 87,973,602 |
| Amounts as presented on the entity wide statement of net position: | | |
| Cash and cash equivalents | | \$ 35,851,792 |
| Investments | | 51,380,074 |
| Restricted cash and cash equivalents | | 741,736 |
| Total cash and cash equivalents and investments | | \$ 87,973,602 |

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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Cash and Investments – Continued

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, 2021:

| Investment | Fair Value Hierarchy | | | |
|---|----------------------|---------------|--------------|---------|
| | Fair Value | Level 1 | Level 2 | Level 3 |
| Fixed income securities: | | | | |
| U.S. Gov't Obligations | \$ 24,571,168 | \$ 19,538,810 | \$ 5,032,358 | \$ - |
| Corporate Bonds | 10,193,189 | 8,334,288 | 1,858,901 | - |
| Total fixed income securities | 34,764,357 | 27,873,098 | 6,891,259 | - |
| Money market funds | 785,305 | 785,305 | - | - |
| Investments exempt from level disclosure: | | | | |
| Florida PRIME | 22,178,532 | - | - | - |
| Florida Class | 15,835,816 | - | - | - |
| Total investments at fair value level | \$ 73,564,010 | \$ 28,658,403 | \$ 6,891,259 | \$ - |

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.

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, 2021, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | GMD Assessments Fund | Neighborhoods Assessments Fund | Gulfside District G.O. Beach Bonds Fund | Nonmajor Governmental Funds | Water and Sewer Fund | Total |
|--|--------------|----------------------|--------------------------------|---|-----------------------------|----------------------|---------------|
| Receivables | | | | | | | |
| Accounts | \$ 346,218 | \$ 14,048,937 | \$ 12,495,341 | \$ - | \$ - | \$ 779,820 | \$ 27,670,316 |
| Due from other governments | 138,232 | 2,396 | 2,482 | 442 | 566,621 | - | 7,662,451 |
| Less allowance for uncollectible receivables | (14,268) | - | - | - | - | (742) | (15,010) |
| Total | \$ 470,182 | \$ 14,051,333 | \$ 12,497,823 | \$ 442 | \$ 566,621 | \$ 779,078 | \$ 35,317,757 |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 \$741,736.

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, 2021.

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.

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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Capital Assets – Continued

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 | 6 - 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, 2021

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 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 Town Commission passed Resolution 2021-06 on March 1, 2021, amending the Town's Fund Balance Policy. The desired combined target range is 32%-48% (120-180 days) of total budgeted expenditures (excluding capital outlay) with reserve categories shown below:

- Unassigned Fund Balance 16% (approximately 60 days)
- Assignment for Economic Uncertainty/Revenue Stabilization 8%-16% (30-60 days)
- Assignment for Emergency/Natural Disasters 8%-16% (30-60 days)

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, 2021

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, 2021. No accrual for the property tax levy becoming due in November of 2021 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 \$831,376 has been accrued for vacation leave and \$350,731 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 \$20,872 (\$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, 2021

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 the 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, 2021

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, 2020 is as follows:

| | <u>General Employees</u> | <u>Police Officers</u> | <u>Firefighters</u> | <u>Total</u> |
|---|------------------------------|----------------------------|---------------------|--------------|
| Number of participants: | | | | |
| Active | 15 | 4 | 5 | 24 |
| Retirees and terminated employees with vested benefits | 55 | 22 | 40 | 117 |
| Total | <u>70</u> | <u>26</u> | <u>45</u> | <u>141</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, 2021

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, 2021

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, 2021, the annual money-weighted rate of return on the Town's pension plan investments, net of pension plan investment expense, was 21.45%. 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, 2021, which are recorded at fair value:

| 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 | | \$ 4,395,352 | \$ 623,886 | \$ 2,963,270 | \$ 808,196 | \$ - |
| Corporate obligations | | BBB+ | 471,861 | 106,400 | 365,461 | - | - |
| Corporate obligations | | BBB | 501,840 | - | 399,586 | 102,254 | - |
| Corporate obligations | | BBB- | 166,286 | - | 89,029 | 77,257 | - |
| Corporate obligations | | AAA | 130,822 | 130,822 | - | - | - |
| Corporate obligations | | AA+ | 144,524 | - | 144,524 | - | - |
| Corporate obligations | | AA- | 241,688 | 132,787 | 108,901 | - | - |
| Corporate obligations | | A- | 942,524 | - | 583,340 | 359,184 | - |
| Corporate obligations | | A | 1,417,794 | - | 1,094,421 | 323,373 | - |
| Corporate obligations | | AA | 139,747 | - | 139,747 | - | - |
| Total | | | 8,552,438 | \$ 993,895 | \$ 5,888,279 | \$ 1,670,264 | \$ - |
| Equity investments | Not rated | | 37,312,434 | | | | |
| Total investments | | | \$ 45,864,872 | | | | |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021:

| Investment | Fair Value Hierarchy | | | |
|---------------------------------------|----------------------|---------------------|---------------------|---------------------|
| | Fair Value | Level 1 | Level 2 | Level 3 |
| Fixed income securities: | | | | |
| U.S. Gov't and agency securities | \$ 4,395,352 | \$ - | \$ 4,395,352 | \$ - |
| Corporate Bonds | 4,157,086 | - | 4,157,086 | - |
| Total fixed income securities | 8,552,438 | - | 8,552,438 | - |
| Equity investments: | | | | |
| Common stock - domestic | 12,882,876 | 12,827,353 | - | 55,523 |
| Common stock - foreign | 6,126,020 | 6,126,020 | - | - |
| Real estate investment trusts | 105,362 | 105,362 | - | - |
| Call options | (9,312) | (9,312) | - | - |
| Mutual/hedge funds | 18,207,488 | 12,215,107 | 1,961,132 | 4,031,249 |
| Total equity investments | 37,312,434 | 31,264,530 | 1,961,132 | 4,086,772 |
| Total investments at fair value level | <u>\$45,864,872</u> | <u>\$31,264,530</u> | <u>\$10,513,570</u> | <u>\$ 4,086,772</u> |

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, 2020. The components of the net pension liability of the Town at September 30, 2021 were as follows:

| | General Employees | Police Officers | Firefighters | Total |
|---|----------------------|---------------------|----------------------|----------------------|
| Total pension liability | \$ 14,351,378 | \$ 11,841,093 | \$ 32,208,387 | \$ 58,400,858 |
| Plan fiduciary net position | (11,400,464) | (7,763,990) | (20,088,426) | (39,252,880) |
| Town's net pension liability | <u>\$ 2,950,914</u> | <u>\$ 4,077,103</u> | <u>\$ 12,119,961</u> | <u>\$ 19,147,978</u> |
| Plan fiduciary net position as a percentage of net pension liability | 79.44% | 65.57% | 62.37% | 67.21% |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2 – DEFINED BENEFIT PENSION PLANS – CONTINUED

Net Pension Liability of the Town – Continued

For the year ended September 30, 2021, the Town recognized pension expense of \$909,823 for the plan. At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows related to its pension plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Changes of assumptions | \$ - | \$ 15,310 |
| Experience differences | - | 133,446 |
| Net difference between projected and actual earnings on investments | 749,562 | - |
| Town pension plan contributions subsequent to the measurement date | 2,980,962 | - |
| Total | \$ 3,730,524 | \$ 148,756 |

The deferred outflows of resources related to the Pension Plan, totaling \$2,980,962 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, 2022. 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, | |
|--------------------------|-------------------|
| 2022 | \$ (112,180) |
| 2023 | 295,100 |
| 2024 | 362,982 |
| 2025 | 54,904 |
| 2026 | - |
| Total | \$ 600,806 |

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, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020 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, 2021

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, 2021, are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|---|
| Domestic equity | 5.96% |
| International equity | 4.75% |
| Fixed income | 1.40% |
| Real estate | 4.40% |
| Master limited partnerships | 3.27% |

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, 2021, were as follows:

| | <u>Total Pension Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net Pension Liability (a-b)</u> |
|---|--|--|--|
| Balances at September 30, 2020 | \$ 58,926,585 | \$ 37,540,943 | \$ 21,385,642 |
| Changes for the year: | | | |
| Service cost | 23,079 | - | 23,079 |
| Interest on total pension liability | 3,987,218 | - | 3,987,218 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 435,211 | - | 435,211 |
| Change in assumptions | (999,651) | - | (999,651) |
| Benefit payments, including refunds of employee contributions | (3,971,584) | (3,971,584) | - |
| Contributions - employer | - | 3,448,668 | (3,448,668) |
| Net investment income | - | 2,331,653 | (2,331,653) |
| Administrative expenses | - | (96,800) | 96,800 |
| Net change | <u>(525,727)</u> | <u>1,711,937</u> | <u>(2,237,664)</u> |
| Balances at September 30, 2021 | <u>\$ 58,400,858</u> | <u>\$ 39,252,880</u> | <u>\$ 19,147,978</u> |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2020, 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 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|---------------------------------|----------------------|-----------------------------------|----------------------|
| Sponsor's Net Pension Liability | | | |
| 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> |

The following presents the net pension liabilities of the Town using the measurement date of September 30, 2021:

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|---------------------------------|----------------------|-----------------------------------|----------------------|
| Sponsor's Net Pension Liability | | | |
| General Employees: | \$ 2,510,449 | \$ 1,102,579 | \$ (93,067) |
| Police Officers: | 4,155,186 | 2,885,981 | 1,818,129 |
| Firefighters: | 12,010,507 | 8,390,627 | 5,360,128 |
| Total: | <u>\$ 18,676,142</u> | <u>\$ 12,379,187</u> | <u>\$ 7,085,190</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, 2021, and the current sharing pattern of costs between employer and employee.

The assumptions used in the October 1, 2019, actuarial valuation are as follows.

| | |
|----------------------------------|---------------------------|
| Valuation date | October 1, 2019 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage - closed |
| Remaining amortization period | 23 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, 2021

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS

Florida Retirement System:

General Information – Substantially all of the Town’s firefighter 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 website: 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, 2021

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, 2020 through June 30, 2021, and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular–10.00% and 10.82%; Senior Management–27.29% and 29.01%; Elected Officers’–49.18% and 51.42%; and DROP participants–16.98% and 18.34%. These employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2020 through September 30, 2021.

The Town’s contributions, including employee contributions, to the Pension Plan totaled \$723,580 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Town reported a liability of \$1,179,903 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Town’s proportionate share of the net pension liability was based on the Town’s 2020-2021 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2021, the Town’s proportionate share was 0.01561%, which was a small decrease from its proportionate share measured as of June 30, 2020 (0.01761%).

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – Pension Plan (Continued):

For the fiscal year ended September 30, 2021, the Town recognized pension expense of (\$17,829). 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 | \$ 202,237 | \$ - |
| Change of assumptions | 807,348 | - |
| Net difference between projected and actual earnings on Pension Plan investments | - | 4,116,384 |
| Changes in proportion and differences between Town Pension Plan contributions and proportionate share of contributions | 83,654 | 578,582 |
| Town Pension Plan contributions subsequent to the measurement date | 164,124 | - |
| Total | <u>\$ 1,257,363</u> | <u>\$ 4,694,966</u> |

The deferred outflows of resources related to the Pension Plan, totaling \$164,124 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, 2022. 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 | Amount |
|--------------------|--------------|
| September 30: | |
| 2022 | \$ (634,355) |
| 2023 | (739,716) |
| 2024 | (979,839) |
| 2025 | (1,255,595) |
| 2026 | 7,778 |
| Thereafter | - |

Actuarial Assumptions – The net pension liability in the June 30, 2021, 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 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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% | 2.1% | 2.1% | 1.1% |
| Fixed income | 20.0% | 3.8% | 3.7% | 3.3% |
| Global equity | 54.2% | 8.2% | 6.7% | 17.8% |
| Real estate | 10.3% | 7.1% | 6.2% | 13.8% |
| Private equity | 10.8% | 11.7% | 8.5% | 26.4% |
| Strategic investments | 3.7% | 5.7% | 5.4% | 8.4% |
| Total | 100.0% | | | |
| | | | | |
| Assumed Inflation - Mean | | | 2.4% | 1.2% |

⁽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>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 | \$ 6,055,565 | \$ 1,179,903 | \$(2,575,823) |

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2021, 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, 2021.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, 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, 2021, the HIS contribution for the period October 1, 2019 through June 30, 2021, and from July 1, 2021 through September 30, 2021, 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 \$46,884 for the fiscal year ended September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the Town reported a liability of \$948,610 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Town’s proportionate share of the net pension liability was based on the Town’s 2020-2021 fiscal year contributions relative to the fiscal year contributions of all participating members. At June 30, 2021, the Town’s proportionate share was 0.00773%, which was a small decrease from its proportionate share (0.00747%) measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the Town recognized pension expense of \$119,270. 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 | \$ 31,743 | \$ 397 |
| Change of assumptions | 74,540 | 39,085 |
| Net difference between projected and actual earnings on HIS Plan investments | 989 | - |
| Changes in proportion and differences between Town HIS Plan contributions and proportionate share of contributions | 60,262 | 22,954 |
| Town HIS Plan contributions subsequent to the measurement date | 11,664 | - |
| Total | <u>\$ 179,198</u> | <u>\$ 62,436</u> |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

Florida Retirement System – HIS Plan (Continued):

The deferred outflows of resources related to the HIS Plan, totaling \$11,664 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, 2022. 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 |
|-------------------------------------|-----------|
| 2022 | \$ 28,948 |
| 2023 | 9,222 |
| 2024 | 19,027 |
| 2025 | 25,256 |
| 2026 | 18,889 |
| Thereafter | 3,756 |

Actuarial Assumptions – The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. In the July 1, 2021, 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 | 2.16% |
| 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 2.16%. 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 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate:

| | 1% Decrease (1.16%) | Current Discount Rate (2.16%) | 1% Increase (3.16%) |
|--|------------------------|-------------------------------------|------------------------|
| Town's proportionate share of the net pension liability | \$ 1,102,480 | \$ 948,610 | \$ 831,667 |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan – At September 30, 2021, 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, 2021.

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 Annual Comprehensive 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, 2021, 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, 2021

NOTE 3 – OTHER EMPLOYEES’ PENSION PLANS – CONTINUED

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

| | Consolidated Town Pension Plan | FRS Pension | HIS Pension | Total |
|--------------------------------|--------------------------------------|----------------|----------------|---------------|
| Town's net pension liability | \$ 19,147,978 | \$ 1,179,903 | \$ 948,610 | \$ 21,276,491 |
| Deferred outflows of resources | 3,730,524 | 1,257,363 | 179,198 | 5,167,085 |
| Deferred inflows of resources | 148,756 | 4,694,966 | 62,436 | 4,906,158 |
| 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 | 15,073,702 | 9,377,230 | - | (2,660,583) | 21,790,349 |
| Total capital assets, not being depreciated | 42,582,897 | 9,377,230 | - | (2,660,583) | 49,299,544 |
| Capital assets, being depreciated | | | | | |
| Buildings | 9,996,509 | 4,210,399 | - | 1,664,177 | 15,871,085 |
| Streets and roadways | 7,721,562 | 21,966 | - | 51,730 | 7,795,258 |
| Improvements other than buildings | 58,061,110 | 37,074,291 | - | 944,676 | 96,080,077 |
| Vehicles and other equipment | 9,821,733 | 702,077 | (1,976,630) | - | 8,547,180 |
| Total capital assets, being depreciated | 85,600,914 | 42,008,733 | (1,976,630) | 2,660,583 | 128,293,600 |
| Less accumulated depreciation for | | | | | |
| Buildings | (5,951,154) | (439,724) | - | - | (6,390,878) |
| Streets and roadways | (5,954,704) | (252,290) | - | - | (6,206,994) |
| Improvements other than buildings | (45,547,008) | (10,145,917) | - | - | (55,692,925) |
| Vehicles and other equipment | (6,044,553) | (1,010,967) | 1,971,761 | - | (5,083,759) |
| Total accumulated depreciation | (63,497,419) | (11,848,898) | 1,971,761 | - | (73,374,556) |
| Total capital assets, being depreciated, net | 22,103,495 | 30,159,835 | (4,869) | 2,660,583 | 54,919,044 |
| Governmental activities capital assets, net | \$ 64,686,392 | \$ 39,537,065 | \$ (4,869) | \$ - | \$ 104,218,588 |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 | 431,920 | 310,804 | - | - | 742,724 |
| Total capital assets, not being depreciated | <u>2,226,155</u> | <u>310,804</u> | <u>-</u> | <u>-</u> | <u>2,536,959</u> |
| Capital assets, being depreciated | | | | | |
| Buildings | 2,139,800 | 19,737 | - | - | 2,159,537 |
| Improvements other than buildings | 46,543,578 | 489,533 | - | - | 47,033,111 |
| Vehicles and other equipment | 4,091,557 | 75,471 | (344,988) | - | 3,822,040 |
| Total capital assets, being depreciated | <u>52,774,935</u> | <u>584,741</u> | <u>(344,988)</u> | <u>-</u> | <u>53,014,688</u> |
| Less accumulated depreciation for | | | | | |
| Buildings | (1,923,194) | (44,881) | - | - | (1,968,075) |
| Improvements other than buildings | (21,812,130) | (2,071,688) | - | - | (23,883,818) |
| Vehicles and other equipment | (2,364,527) | (431,423) | 344,988 | - | (2,450,962) |
| Total accumulated depreciation | <u>(26,099,851)</u> | <u>(2,547,992)</u> | <u>344,988</u> | <u>-</u> | <u>(28,302,855)</u> |
| Total capital assets, being depreciated, net | <u>26,675,084</u> | <u>(1,963,251)</u> | <u>-</u> | <u>-</u> | <u>24,711,833</u> |
| Business-type activities capital assets, net | <u>\$ 28,901,239</u> | <u>\$ (1,652,447)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,248,792</u> |

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

Governmental Activities

| | |
|---|----------------------|
| General government | \$ 298,826 |
| Public safety | 1,030,219 |
| Transportation | 345,534 |
| Culture and recreation | 10,174,319 |
| Total depreciation expense, governmental activities | <u>\$ 11,848,898</u> |

Business-Type activities

| | |
|--|---------------------|
| Water and sewer | \$ 2,506,783 |
| Building department | 41,209 |
| Total depreciation expense, business-type activities | <u>\$ 2,547,992</u> |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2021:

| | <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 | \$ 5,515,000 | \$ 18,480,000 | \$ (3,135,000) | \$ 20,860,000 | \$ 2,960,000 |
| Premium | 205,993 | 2,751,891 | (563,294) | 2,394,590 | - |
| Revenue bonds | 33,540,000 | - | (1,015,000) | 32,525,000 | 790,000 |
| Original issue discount | (202,528) | - | 12,044 | (190,484) | - |
| Total bonds payable | 39,058,465 | 21,231,891 | (4,701,250) | 55,589,106 | 3,750,000 |
| Total OPEB liability | 1,468,073 | 319,200 | (194,363) | 1,592,910 | - |
| Compensated absences | 990,755 | 709,324 | (664,736) | 1,035,343 | 776,507 |
| Net pension liability | 29,081,845 | 7,051,395 | (15,582,710) | 20,550,530 | - |
| Total governmental activities | <u>\$ 70,599,138</u> | <u>\$ 29,311,810</u> | <u>\$ (21,143,059)</u> | <u>\$ 78,767,889</u> | <u>\$ 4,526,507</u> |
| Business-type activities | | | | | |
| General obligation notes | \$ 5,812,501 | \$ 2,829,000 | \$ (634,095) | \$ 8,007,406 | \$ 769,809 |
| Notes payable from direct borrowings | 2,760,174 | - | (2,760,174) | - | - |
| Total OPEB liability | 167,503 | 39,346 | (10,502) | 196,347 | - |
| Compensated absences | 129,916 | 80,414 | (63,565) | 146,765 | 146,765 |
| Net pension liability | 851,243 | 208,501 | (333,783) | 725,961 | - |
| Total business-type activities | <u>\$ 9,721,337</u> | <u>\$ 3,157,261</u> | <u>\$ (3,802,119)</u> | <u>\$ 9,076,479</u> | <u>\$ 916,574</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, 2021

NOTE 5 – LONG-TERM DEBT – CONTINUED

Long-term debt payable as of September 30, 2021 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. | \$14,740,000 |
| 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. | 17,785,000 |
| 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. | 5,365,000 |
| General Obligation Bond, Series 2020 (Gulfside and Bayside Beach Projects), due in annual installments through August 1, 2026, plus interest at 5.00%; collateralized by ad valorem tax levies. | 15,495,000 |
| 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. | 756,000 |
| 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. | 4,551,406 |
| Water and Sewer Refunding Revenue Note, Series 2020, due in annual installments through April 1, 2031, in amounts ranging from \$289,983 to \$291,837, plus interest at a rate of 1.43.%; collateralized by ad valorem tax levies with the intention of payment coming from the net revenues of the utility | 2,700,000 |
| Total bonds payable | <u>2,700,000</u> <u>\$61,392,406</u> |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT – CONTINUED

The annual debt service payments required on outstanding debt at September 30, 2021 are as follows:

| Fiscal Year | Governmental Activities | | | Business-type Activities | | |
|-------------|-------------------------|---------------------|----------------------|--------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 3,750,000 | \$ 2,187,431 | \$ 5,937,431 | \$ 769,809 | \$ 190,259 | \$ 960,068 |
| 2023 | 3,920,000 | 2,011,531 | 5,931,531 | 786,345 | 173,034 | 959,379 |
| 2024 | 4,110,000 | 1,827,481 | 5,937,481 | 815,601 | 153,492 | 969,093 |
| 2025 | 4,300,000 | 1,634,581 | 5,934,581 | 836,750 | 132,343 | 969,093 |
| 2026 | 4,505,000 | 1,436,931 | 5,941,931 | 858,382 | 110,600 | 968,982 |
| 2027-2031 | 6,000,000 | 5,769,181 | 11,769,181 | 3,940,519 | 215,754 | 4,156,273 |
| 2032-2036 | 7,060,000 | 4,719,625 | 11,779,625 | - | - | - |
| 2037-2041 | 8,500,000 | 3,263,650 | 11,763,650 | - | - | - |
| 2042-2046 | 9,210,000 | 1,497,350 | 10,707,350 | - | - | - |
| 2047-2048 | 2,030,000 | 122,600 | 2,152,600 | - | - | - |
| | <u>\$ 53,385,000</u> | <u>\$24,470,361</u> | <u>\$ 77,855,361</u> | <u>\$ 8,007,406</u> | <u>\$ 975,482</u> | <u>\$ 8,982,888</u> |

| Fiscal Year | Totals | | |
|-------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2022 | \$ 4,519,809 | \$ 2,377,690 | \$ 6,897,499 |
| 2023 | 4,706,345 | 2,184,565 | 6,890,910 |
| 2024 | 4,925,601 | 1,980,973 | 6,906,574 |
| 2025 | 5,136,750 | 1,766,924 | 6,903,674 |
| 2026 | 5,363,382 | 1,547,531 | 6,910,913 |
| 2027-2031 | 9,940,519 | 5,984,935 | 15,925,454 |
| 2032-2036 | 7,060,000 | 4,719,625 | 11,779,625 |
| 2037-2041 | 8,500,000 | 3,263,650 | 11,763,650 |
| 2042-2046 | 9,210,000 | 1,497,350 | 10,707,350 |
| 2047-2048 | 2,030,000 | 122,600 | 2,152,600 |
| | <u>\$ 61,392,406</u> | <u>\$25,445,843</u> | <u>\$ 86,838,249</u> |

Authorized but Unissued Debt

The total of authorized but unissued bonds at September 30, 2021 is \$40,868,535.

| Project | Bonding Authorization | Previously Bonded | Authorized But Unissued |
|---|-----------------------|-------------------|-------------------------|
| Water and Wastewater Improvement Projects | \$ 27,000,000 | \$ 13,869,574 | \$ 13,130,426 |
| 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 | 21,231,891 | 13,268,109 |
| | | | <u>\$ 40,868,535</u> |

Pursuant to a resolution adopted by referendum on March 17, 2009, the Town authorized 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.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT – CONTINUED

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, 2021 and \$135,000 of bonds on August 1, 2021.

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, 2019, and \$110,000 on February 1, 2021.

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, 2021, 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 Gulfside 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 \$741,736 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, 2021

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

Governmental fund balances are classified as follows:

| | | |
|--|---|-----------------------------|
| General Fund | | |
| Nonspendable: | Inventory | \$ 12,332 |
| | Prepaid items | 7,917 |
| Assigned: | Extreme events/natural disasters | 2,600,000 |
| | Economic stabilization/pension | 2,600,000 |
| | Future capital expenditures | 750,000 |
| | Encumbrances | 75,563 |
| | Funding of subsequent year budget | 412,368 |
| Unassigned | | 4,762,212 |
| Total General Fund fund balance | | <u>\$ 11,220,392</u> |
| GMD Assessments Fund | | |
| Restricted: | Undergrounding special assessments costs | <u>\$ 440,275</u> |
| Neighborhoods Assessments Fund | | |
| Restricted: | Undergrounding special assessments costs | <u>\$ 183,464</u> |
| Gulfside District G.O. Beach Bonds Fund | | |
| Restricted: | Debt service | <u>\$ 184,558</u> |
| Beach Nourishment Capital Project Fund | | |
| Restricted: | Beach nourishment and projects | \$ 4,510,508 |
| Assigned: | Encumbrances | 545,390 |
| Total Beach Nourishment Capital Project Fund fund balance | | <u>\$ 5,055,898</u> |
| GMD Undergrounding Capital Project Fund | | |
| Restricted: | GMD Undergrounding | \$ 12,756,260 |
| Assigned: | Encumbrances | 3,785,689 |
| Total GMD Undergrounding Capital Project Fund fund balance | | <u>\$ 16,541,949</u> |
| Neighborhoods Undergrounding Capital Project Fund | | |
| Restricted: | Neighborhoods Undergrounding | \$ 6,059,841 |
| Assigned: | Encumbrances | 6,494,843 |
| Total GMD Undergrounding Capital Project Fund fund balance | | <u>\$ 12,554,684</u> |
| Nonmajor Governmental Funds | | |
| Nonspendable: | Inventory | \$ 88,337 |
| Restricted: | Sarasota Infrastructure Surtax | 1,053,776 |
| | Manatee Infrastructure Surtax | 268,430 |
| | Tourist Development Tax | 1,128,990 |
| | Highway maintenance and road improvements | 913,404 |
| | Tree Replacement | 64,557 |
| | Police Training | 21,592 |
| | Police Donations | 13,503 |
| | Law Enforcement | 133,010 |
| | General Obligation Fire Stations Bonds | 10,106 |
| | Bayside District G.O. Beach Bonds | 30,629 |
| | GMD Undergrounding Bonds | 3,915 |
| | Neighborhood Undergrounding Bonds | 15,794 |
| | Streets Capital Projects | 569,318 |
| | Fire Station Capital Project | 169,008 |
| | Other Capital Projects | 380,697 |
| | Land Acquisition Fees | 1,078,627 |
| | Canal Dredging | 902,110 |
| | Parks and Recreation | 321,731 |
| Assigned: | Streets Capital Projects - encumbrances | 442,669 |
| | Fire Station Capital Project - encumbrances | 8,181 |
| | Land Acquisition - encumbrances | 129,304 |
| | Canal Dredging - encumbrances | 5,896 |
| | Tennis Center | 51,403 |
| Unassigned: | Miscellaneous Grants | (11,117) |
| | ARPA | (569) |
| Total Nonmajor Governmental Funds fund balance | | <u>\$ 7,793,301</u> |
| Total governmental funds fund balance | | <u><u>\$ 53,974,521</u></u> |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2021 is as follows:

| Transfers Out | Transfers In | | | Total Transfers |
|--------------------------------|--------------------------|--------------------------|---------------------------|---------------------|
| | General Fund | Beach Nourishment | Non Major Governmental | |
| General Fund | \$ - | \$ - | \$ 640,000 ⁽⁴⁾ | \$ 640,000 |
| GMD Assessments Fund | - | - | 919,600 ⁽⁵⁾ | 919,600 |
| 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 | - | 1,000,000 ⁽³⁾ | 10,702 ⁽⁷⁾ | 1,010,702 |
| Total Transfers | \$ 1,329,950 | \$ 1,000,000 | \$ 2,346,006 | \$ 4,675,956 |

- ⁽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 Land Acquisition Fund and Other Capital Projects Fund for Town Center initiatives and 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 and 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 \$21.5 million of which all are for governmental activities.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 \$196,000. 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, 2020:

| | |
|---|------------|
| Inactive plan members or beneficiaries currently receiving benefits | 28 |
| Active plan members | 109 |
| Inactive plan members entitled to but not yet receiving benefits | <u>-</u> |
| Total | <u>137</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, 2021

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, 2020.

Actuarial Assumptions. The total OPEB was determined by an actuarial valuation as of September 30, 2020 using the following actuarial assumptions:

| | |
|----------------------|-------------------|
| Inflation Rate: | 2.50% |
| Salary Increase: | Varies by service |
| Discount Rate: | 2.14% |
| Initial Trend Rate: | 7.00% |
| Ultimate Trend Rate: | 4.00% |
| Years to Ultimate: | 54 |
| Participation Rate: | 40% |

All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018. All mortality rates are those outlined in the July 1, 2019 Florida Retirement System (FRS) actuarial valuation report.

Mortality – Healthy Active Lives:

For *General Employee* female lives, the headcount-weighted PubG-2010 below-median income employee table was used. For male lives, the headcount-weighted PubG-2010 employee table, set back one year, was used. For *Fire and Police Employee* female lives, the headcount-weighted PubS-2010 employee table, set forward one year was used. For male lives, the headcount-weighted below-median income PubS-2010 employee table, set forward one year, was used.

Mortality - Inactive Healthy Lives:

For *General Employee* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used. For *Fire and Police Employee* male and female lives, the headcount-weighted PubS-2010 for Healthy Retirees table, set forward one year was used.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Mortality – Beneficiary Lives:

For *General, Fire and Police Employees* female lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For male lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used.

Mortality – Disabled Lives:

For *General Employees* male and female lives, 100% of the PubG-2010 disabled retiree table was used, set forward three years. For *Fire and Police Employees* male and female lives, the 80% headcount weighted PubG-2010 and 20% headcount-weighted PubS-2010 for Disabled Retirees table was used.

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 2.14%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor’s Ratings Services, Aa2 by Moody’s or AA by Fitch. If there are multiple ratings, the lowest rating is used.

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, 2021, were as follows:

| | Total OPEB Liability |
|--|-----------------------------|
| Balances at September 30, 2020 | \$ 1,635,576 |
| Changes for the year: | |
| Service cost | 98,229 |
| Interest | 59,535 |
| Differences between expected and actual experience | (61,889) |
| Changes of assumptions | 200,783 |
| Benefit payments | (142,977) |
| Net changes | 153,681 |
| Balances at September 30, 2021 | \$ 1,789,257 |

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, 2020. Changes of Assumptions reflect a change in the discount rate from 3.58% for the reporting period ended September 30, 2020, to 2.14% for the reporting period ended September 30, 2021. Also reflected under changes of assumptions are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

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 (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate:

| | 1% Decrease (1.14%) | Current Discount Rate (2.14%) | 1% Increase (3.14%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 1,937,173 | \$ 1,789,257 | \$ 1,657,645 |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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:

| | 1% Decrease (3.00 - 6.50%) | Healthcare Cost Trend Rates (4.00 - 7.50%) | 1% Increase (5.00 - 8.50%) |
|----------------------|-------------------------------|--|-------------------------------|
| Total OPEB liability | \$ 1,642,906 | \$ 1,789,257 | \$ 1,958,391 |

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, 2021, 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, 2021 the Town recognized OPEB expense of \$209,966. At September 30, 2021, 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 | \$ - | \$ 68,173 |
| Change of assumptions | 299,918 | 18,358 |
| Town contributions subsequent to the measurement date | 120,808 | - |
| | \$ 420,726 | \$ 86,531 |

The deferred outflow of resources totaling \$120,808 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, 2022. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending | Amount |
|--------------------|-----------|
| September 30: | |
| 2022 | \$ 49,053 |
| 2023 | 49,053 |
| 2024 | 58,232 |
| 2025 | 33,900 |
| 2026 | 23,149 |
| Thereafter | - |

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Town had no significant amounts of expenditures in excess of appropriations as of September 30, 2021.

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 | 12% | 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, 2021 and 2020 were \$738,316 and \$726,785, 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 2021.

TOWN OF LONGBOAT KEY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

The Town has evaluated all subsequent events through March 11, 2022, the date the financial statements were available to be issued.

**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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 12,398,165 | \$ 12,398,165 | \$ 12,491,361 | \$ 93,196 |
| Other taxes | 135,000 | 135,000 | 167,807 | 32,807 |
| Licenses and permits | 23,400 | 23,400 | 23,353 | (47) |
| Intergovernmental | 1,181,100 | 1,181,100 | 1,394,012 | 212,912 |
| Charges for services | 440,400 | 440,400 | 475,320 | 34,920 |
| Franchise fees | 666,000 | 666,000 | 727,347 | 61,347 |
| Fines and forfeitures | 19,000 | 19,000 | 67,166 | 48,166 |
| Grant revenues | - | - | 135,535 | 135,535 |
| Investment earnings | 91,700 | 91,500 | 24,294 | (67,206) |
| Miscellaneous revenues | 33,726 | 33,726 | 101,525 | 67,799 |
| Other financing sources: | | | | |
| Transfers in | 1,329,950 | 1,329,950 | 1,329,950 | - |
| Proceeds from the sale of capital assets | - | - | 106,890 | 106,890 |
| Total revenues | <u>\$ 16,318,441</u> | <u>\$ 16,318,241</u> | <u>\$ 17,044,560</u> | <u>\$ 726,319</u> |
| Expenditures: | | | | |
| Current | | | | |
| General government | | | | |
| Legislative | | | | |
| Town Commission | \$ 29,446 | \$ 29,446 | \$ 22,911 | \$ 6,535 |
| Town Manager | 440,474 | 440,474 | 426,208 | 14,266 |
| Town Clerk | 392,297 | 392,297 | 350,069 | 42,228 |
| Financial and administrative | | | | |
| Finance department | 709,826 | 709,826 | 676,842 | 32,984 |
| Public works | 546,574 | 546,574 | 532,462 | 14,112 |
| Legal counsel | 393,925 | 393,925 | 339,857 | 54,068 |
| Support services | 538,290 | 538,290 | 502,635 | 35,655 |
| Comprehensive planning | | | | |
| Planning and zoning | 591,533 | 596,628 | 530,755 | 65,873 |
| Other general government | | | | |
| Information technology | 794,426 | 804,326 | 698,354 | 105,972 |
| Municipal buildings | 148,687 | 148,687 | 133,112 | 15,575 |
| General services | 501,860 | 599,118 | 523,476 | 75,642 |
| Contingencies | 275,000 | 210,000 | 20 | 209,980 |
| Total general government | <u>5,362,338</u> | <u>5,409,591</u> | <u>4,736,701</u> | <u>672,890</u> |
| Public safety | | | | |
| Law enforcement | | | | |
| Police department | 3,180,756 | 3,180,756 | 3,055,273 | 125,483 |
| Fire control/rescue service | | | | |
| Fire department | 7,138,853 | 7,138,853 | 7,110,278 | 28,575 |
| Emergency and disaster relief services | 62,592 | 43,921 | 43,382 | 539 |
| Total public safety | <u>10,382,201</u> | <u>10,363,530</u> | <u>10,208,933</u> | <u>154,597</u> |
| Transportation | | | | |
| Street department | <u>653,149</u> | <u>632,649</u> | <u>616,623</u> | <u>16,026</u> |
| Culture and recreation | | | | |
| Parks division | <u>282,291</u> | <u>282,291</u> | <u>261,596</u> | <u>20,695</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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------------|------------------|----------------|------------|-------------------------------|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Capital outlay | | | | |
| General government | \$ - | \$ - | \$ - | \$ - |
| Public safety | 5,218 | 16,873 | 15,765 | 1,108 |
| Total capital outlay | 5,218 | 16,873 | 15,765 | 1,108 |
| Transfers out | 640,000 | 640,000 | 640,000 | - |
| Total expenditures | 17,325,197 | 17,344,934 | 16,479,618 | 865,316 |
| Change in fund balance | \$ (1,006,756) | \$ (1,026,693) | \$ 564,942 | \$ 1,591,635 |

Notes to RSI:

The annual budgets for the Town's General Fund, GMD Assessments Fund, and Neighborhoods Assessments Fund are adopted and presented herein on a basis consistent with generally accepted accounting principles.

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 ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Investment earnings | \$ 3,700 | \$ 3,700 | \$ 553,359 | \$ 549,659 |
| Special assessments | 1,483,371 | 1,483,371 | 632,774 | (850,597) |
| Total revenues | <u>1,487,071</u> | <u>1,487,071</u> | <u>1,186,133</u> | <u>(300,938)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 43,810 | 43,810 | 34,088 | 9,722 |
| Debt service | | | | |
| Principal retirement | - | - | 135,000 | (135,000) |
| Total expenditures | <u>43,810</u> | <u>43,810</u> | <u>169,088</u> | <u>(125,278)</u> |
| Excess of revenues over expenditures | <u>1,443,261</u> | <u>1,443,261</u> | <u>1,017,045</u> | <u>(426,216)</u> |
| Other financing uses | | | | |
| Transfers out | (931,813) | (931,813) | (919,600) | 12,213 |
| Total other financing uses | <u>(931,813)</u> | <u>(931,813)</u> | <u>(919,600)</u> | <u>12,213</u> |
| Change in fund balance | 511,448 | 511,448 | 97,445 | (414,003) |
| Fund balance, beginning of year | <u>342,830</u> | <u>342,830</u> | <u>342,830</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 854,278</u> | <u>\$ 854,278</u> | <u>\$ 440,275</u> | <u>\$ (414,003)</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 - NEIGHBORHOODS ASSESSMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Investment earnings | \$ 700 | \$ 700 | \$ 517,838 | \$ 517,138 |
| Special assessments | 1,115,730 | 1,115,730 | 477,731 | (637,999) |
| Total revenues | <u>1,116,430</u> | <u>1,116,430</u> | <u>995,569</u> | <u>(120,861)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 38,250 | 38,250 | 30,355 | 7,895 |
| Debt service | | | | |
| Principal retirement | - | - | 110,000 | (110,000) |
| Total expenditures | <u>38,250</u> | <u>38,250</u> | <u>140,355</u> | <u>(102,105)</u> |
| Excess of revenues over expenditures | <u>1,078,180</u> | <u>1,078,180</u> | <u>855,214</u> | <u>(222,966)</u> |
| Other financing uses | | | | |
| Transfers out | (780,000) | (780,000) | (775,704) | 4,296 |
| Total other financing uses | <u>(780,000)</u> | <u>(780,000)</u> | <u>(775,704)</u> | <u>4,296</u> |
| Change in fund balance | 298,180 | 298,180 | 79,510 | (218,670) |
| Fund balance (deficit), beginning of year | <u>103,954</u> | <u>103,954</u> | <u>103,954</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 402,134</u> | <u>\$ 402,134</u> | <u>\$ 183,464</u> | <u>\$ (218,670)</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 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Measurement date | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 | 9/30/2013 |
| Total pension liability | | | | | | | | | |
| Service cost | \$ 1,435 | \$ 2,024 | \$ 2,231 | \$ 2,272 | \$ 4,174 | \$ 753 | \$ 2,151 | \$ 2,197 | \$ 2,053 |
| Interest on total pension liability | 969,116 | 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 | (61,880) | (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 | (1,016,606) | (1,024,528) | (997,983) | (1,456,337) | (1,083,136) | (1,091,116) | (928,199) | (801,953) | (504,068) |
| Net change in total pension liability | (107,935) | (328,164) | (239,830) | (379,518) | 181,731 | 129,995 | 116,642 | 199,314 | 474,272 |
| Total pension liability - beginning | 14,351,378 | 14,679,542 | 14,919,372 | 15,298,890 | 15,117,159 | 14,987,164 | 14,870,522 | 14,671,208 | 14,196,936 |
| Total pension liability - ending (a) | \$14,243,443 | \$14,351,378 | \$14,679,542 | \$14,919,372 | \$15,298,890 | \$15,117,159 | \$14,987,164 | \$14,870,522 | \$14,671,208 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ 420,842 | \$ 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 | 2,362,477 | 686,511 | 308,291 | 861,006 | 1,114,680 | 797,582 | (86,333) | 912,279 | 865,755 |
| Benefit payments, including refunds of member contributions | (1,016,606) | (1,024,528) | (997,983) | (1,456,337) | (1,083,136) | (1,091,116) | (928,199) | (801,953) | (504,068) |
| Administrative expenses | (26,313) | (28,591) | (27,538) | (33,995) | (42,660) | (37,853) | (59,605) | (65,356) | (23,490) |
| Net change in plan fiduciary net position | 1,740,400 | 303,656 | 40,938 | 113,163 | 701,315 | 407,289 | (369,622) | 642,429 | 1,477,937 |
| Plan fiduciary net position - beginning | 11,400,464 | 11,096,808 | 11,055,870 | 10,942,707 | 10,241,392 | 9,834,103 | 10,203,725 | 9,561,296 | 8,083,359 |
| Plan fiduciary net position - ending (b) | \$13,140,864 | \$11,400,464 | \$11,096,808 | \$11,055,870 | \$10,942,707 | \$10,241,392 | \$ 9,834,103 | \$10,203,725 | \$ 9,561,296 |
| Town's net pension liability - ending (a) - (b) | \$ 1,102,579 | \$ 2,950,914 | \$ 3,582,734 | \$ 3,863,502 | \$ 4,356,183 | \$ 4,875,767 | \$ 5,153,061 | \$ 4,666,797 | \$ 5,109,912 |
| Plan fiduciary net position as a percentage of the total pension liability | 92.26% | 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 | 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 | 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 | 9/30/2022 <u>9/30/2021</u> | 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 | \$ 13,174 | \$ 14,470 | \$ 15,180 | \$ 18,025 | \$ 19,241 | \$ 14,674 | \$ 28,625 | \$ 6,496 | \$ 6,043 |
| Interest on total pension liability | 799,407 | 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 | 143,217 | 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 | (861,120) | (823,685) | (804,263) | (820,665) | (825,266) | (940,156) | (717,957) | (1,267,283) | (744,769) |
| Net change in total pension liability | 94,678 | (145,558) | (219,119) | (14,941) | 185,253 | 178,936 | 689,174 | (437,713) | 96,658 |
| Total pension liability - beginning | <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> | <u>11,508,403</u> |
| Total pension liability - ending (a) | <u>\$11,935,771</u> | <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 | \$ 553,969 | \$ 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 | 1,610,874 | 464,297 | 207,777 | 554,260 | 715,583 | 519,859 | (246,652) | 658,894 | 785,731 |
| Benefit payments, including refunds of member contributions | (861,120) | (823,685) | (804,263) | (820,665) | (825,266) | (940,156) | (717,957) | (1,267,283) | (744,769) |
| Administrative expenses | (17,923) | (19,350) | (18,630) | (22,077) | (27,649) | (39,247) | (41,553) | (35,945) | (28,794) |
| Net change in plan fiduciary net position | 1,285,800 | 255,262 | 39,610 | 375,894 | 456,784 | 163,475 | (384,241) | 24,857 | 1,014,922 |
| Plan fiduciary net position - beginning | <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> | <u>5,817,427</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 9,049,790</u> | <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>\$ 2,885,981</u> | <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 | 75.82% | 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 | 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 | 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 | 9/30/2022 <u>9/30/2021</u> | 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 | \$ 6,608 | \$ 6,585 | \$ 11,489 | \$ 11,382 | \$ 12,384 | \$ 7,140 | \$ 16,994 | \$ 17,183 | \$ 15,910 |
| Interest on total pension liability | 2,179,058 | 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 | 260,793 | 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 | <u>(2,171,192)</u> | <u>(2,123,371)</u> | <u>(2,047,660)</u> | <u>(1,949,938)</u> | <u>(1,915,362)</u> | <u>(3,620,803)</u> | <u>(1,616,182)</u> | <u>(1,806,573)</u> | <u>(1,426,754)</u> |
| Net change in total pension liability | 275,267 | (52,005) | 448,481 | 453,841 | 740,787 | (181,842) | 2,146,343 | 1,739,083 | 635,606 |
| Total pension liability - beginning | <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> | <u>26,278,093</u> |
| Total pension liability - ending (a) | <u>\$32,483,654</u> | <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 | \$ 2,006,151 | \$ 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) | 4,216,016 | 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 | <u>(2,171,192)</u> | <u>(2,123,371)</u> | <u>(2,047,660)</u> | <u>(1,949,938)</u> | <u>(1,915,362)</u> | <u>(3,620,803)</u> | <u>(1,616,182)</u> | <u>(1,806,573)</u> | <u>(1,426,754)</u> |
| Administrative expenses | <u>(46,374)</u> | <u>(48,859)</u> | <u>(46,156)</u> | <u>(53,767)</u> | <u>(66,029)</u> | <u>(35,696)</u> | <u>(45,679)</u> | <u>(60,620)</u> | <u>(54,124)</u> |
| Net change in plan fiduciary net position | 4,004,601 | 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>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> | <u>12,670,985</u> |
| Plan fiduciary net position - ending (b) | <u>\$24,093,027</u> | <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>\$ 8,390,627</u> | <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 | 74.17% | 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 | 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 | 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
GENERAL EMPLOYEES' PENSION**

| Reporting period ending | <u>9/30/2021</u> | <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 | \$ 420,842 | \$ 670,264 | \$ 758,168 | \$ 742,489 | \$ 679,109 | \$ 738,676 | \$ 704,515 | \$ 597,459 | \$ 986,240 |
| Contributions in relation to the actuarially determined contribution | <u>420,842</u> | <u>670,264</u> | <u>758,168</u> | <u>742,489</u> | <u>712,431</u> | <u>738,676</u> | <u>704,515</u> | <u>597,459</u> | <u>986,240</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (33,322)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | N/A | N/A | N/A | N/A | N/A | \$1,198,776 | \$ 1,763,906 | \$1,373,718 | \$2,558,341 |
| Contributions as a percentage of covered payroll | N/A | N/A | N/A | N/A | N/A | 61.62% | 39.94% | 43.49% | 38.55% |

Notes to the Schedule:

Valuation date: October 1, 2019
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

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: 23 years (as of October 1, 2019).
 Mortality: RP-2000 combined healthy (sex distinct), projected to valuation date using scale AA.
 Termination rates: Table 1305, see sample rates below.

| Age | % Terminating During the Year |
|-----|-------------------------------------|
| 20 | 17.20% |
| 30 | 15.00% |
| 40 | 8.20% |
| 50 | 1.70% |

Retirement age: The earlier of age 62 or age 55 and completion of 30 years of credited service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
 Early retirement: 5% per year, for each year of eligibility, beginning at age 50 with 15 years of credited service.
 Interest rate: 7.0% per year, compounded annually, net of investment-related expenses.
 Salary increases: None.
 Payroll growth: None.
 Asset valuation method: Each year, the prior actuarial value of assets is brought forward using the historical geometric four-year average market value return. It is possible that over time this technique will produce an insignificant bias above or below market value.

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>9/30/2021</u> | <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 | \$ 553,969 | \$ 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>553,969</u> | <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>\$ -</u> | <u>\$ (8,247)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | N/A | 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 | N/A | 145.11% | 103.10% | 70.36% | 89.73% |

Notes to the Schedule:

Valuation date: October 1, 2019
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

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: 23 years (as of October 1, 2019).

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:

| Age | % Terminating During the Year | % Becoming Disabled During the Year |
|-----|-------------------------------------|---|
| 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**

| Reporting period ending | <u>9/30/2021</u> | <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 | \$2,006,151 | \$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>2,006,151</u> | <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>\$ -</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 | 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 | N/A | 196.80% | 194.88% | 179.65% | 69.95% |

Notes to the Schedule:

Valuation date: October 1, 2019
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

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: 23 years (as of October 1, 2019).

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 demeris bias that is above or below the market value of assets.

Termination and disability rate table:

| Age | % Terminating During the Year | % Becoming Disabled During the Year |
|-----|-------------------------------------|---|
| 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>9/30/2022</u> <u>9/30/2021</u> | <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 | 21.45% | 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 | 21.45% | 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 | 21.45% | 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 | <u>9/30/2021</u> | <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> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement date | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
| Town's proportion of the FRS net pension liability | 0.0156199% | 0.0176149% | 0.0179257% | 0.0173769% | 0.0174717% | 0.0176405% | 0.0148110% | 0.0104297% |
| Town's proportionate share of the FRS net pension liability | \$1,179,903 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Town's covered payroll | \$2,735,183 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Town's proportionate share of the FRS net pension liability as a percentage of its covered payroll | 43.14% | 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 | 96.40% | 78.85% | 82.61% | 84.26% | 3.89% | 84.88% | 92.00% | 96.09% |
| | 2,599,851 | 2,600,024 | 2,476,338 | 2,373,392 | 2,287,722 | 2,008,240 | 1,424,541 | |

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>9/30/2021</u> <u>6/30/2021</u> | <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 | \$ 595,049 | \$ 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>595,049</u> | <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> | <u>\$ -</u> |
| Covered payroll | \$2,824,311 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| FRS contributions as a percentage of covered payroll | 21.07% | 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. | 2,643,352 | 2,607,089 | 2,511,448 | 2,396,497 | 2,257,018 | 2,701,101 | 2,746,629 | |

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>9/30/2021</u> <u>6/30/2021</u> | <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 | 0.00773333% | 0.0074766% | 0.0077742% | 0.0075818% | 0.0074460% | 0.0074208% | 0.0066135% | 0.0045987% |
| Town's proportionate share of the HIS net pension liability | \$ 948,610 | \$ 912,880 | \$ 869,855 | \$ 802,463 | \$ 796,157 | \$ 864,858 | \$ 674,468 | \$ 429,993 |
| Town's covered payroll | \$2,735,183 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Town's proportionate share of the HIS net pension liability as a percentage of its covered payroll | 34.68% | 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 | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.0% | 0.99% |
| | 2,599,851 | 2,600,024 | 2,476,338 | 2,373,392 | 2,287,722 | 2,008,240 | 1,424,541 | |

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>9/30/2021</u> <u>6/30/2021</u> | <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 | \$ 45,457 | \$ 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>45,457</u> | <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> | <u>\$ -</u> |
| Covered payroll | \$2,824,311 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| HIS contributions as a percentage of covered payroll | 1.61% | 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. | 2,643,352 | 2,607,089 | 2,511,448 | 2,396,497 | 2,257,018 | 2,701,101 | 2,746,629 | |

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>9/30/2021</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> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Service cost | \$ 98,229 | \$ 86,359 | \$ 60,955 | \$ 62,113 |
| Interest | 59,535 | 65,719 | 50,864 | 43,733 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (61,889) | - | (33,200) | - |
| Changes of assumptions | 200,783 | 64,506 | 179,191 | (55,074) |
| Benefit payments | <u>(142,977)</u> | <u>(132,386)</u> | <u>(84,932)</u> | <u>(78,098)</u> |
| Net change in total OPEB liability | 153,681 | 84,198 | 172,878 | (27,326) |
| Total OPEB liability - beginning | 1,635,576 | 1,551,378 | 1,378,500 | 1,405,826 |
| Total OPEB liability - ending | <u>\$ 1,789,257</u> | <u>\$ 1,635,576</u> | <u>\$ 1,551,378</u> | <u>\$ 1,378,500</u> |
| Covered employee payroll | \$ 7,855,198 | \$ 7,941,495 | \$ 7,563,329 | \$ 7,237,402 |
| Town's total OPEB liability as a percentage of covered employee payroll | 22.78% | 20.60% | 20.51% | 19.05% |

Notes to the Schedule:

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, 2020.

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, 2021: | 2.14% |
| 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-half 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.

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.

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.

ARPA Fund

To account for the receipt and disbursement of American Rescue Plan Act funds awarded to the Town as a Non-Entitlement Unit. Funds may be used to recover revenue loss.

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.

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Nonmajor Governmental Funds continued

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.

Bayside District General Obligation Beach Bonds Fund

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

Gulf of Mexico Dr (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.

Neighborhood 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, 2021

| | Special Revenue Funds | | | | | | | | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------|---------------------|--------------------|---------------------|-----------------------------|---------------------|-------------------------|----------------------------|-------------------|
| | Sarasota Infrastructure Surtax | Manatee Infrastructure Surtax | Tourist Development Tax | Tree Replacement | Police Training | Police Donations | Law Enforcement Trust | ARPA Fund | Miscellaneous Grants | Road and Bridge Fund | Tennis Center |
| Assets | | | | | | | | | | | |
| Cash and cash equivalents | \$ 422,602 | \$ 139,683 | \$ 301,598 | \$ 26,810 | \$ 8,895 | \$ 14,471 | \$ 55,605 | \$ 760,206 | \$ 131,352 | \$ 386,017 | \$ 75,405 |
| Investments | 593,202 | 196,008 | 423,353 | 37,634 | 12,487 | - | 78,052 | 1,066,339 | - | 541,848 | - |
| Accounts receivable, net | - | - | - | - | - | - | - | - | - | - | - |
| Due from other governments | 80,446 | 23,147 | 400,539 | - | 67 | - | - | - | 18,407 | 42,732 | - |
| Inventory | - | - | - | - | - | - | - | - | - | - | 88,337 |
| Accrued income | 3,375 | - | 3,500 | 113 | 143 | - | 487 | - | - | 7,807 | - |
| Total assets | <u>\$ 1,099,625</u> | <u>\$ 358,838</u> | <u>\$ 1,128,990</u> | <u>\$ 64,557</u> | <u>\$ 21,592</u> | <u>\$ 14,471</u> | <u>\$ 134,144</u> | <u>\$ 1,826,545</u> | <u>\$ 149,759</u> | <u>\$ 978,404</u> | <u>\$ 163,742</u> |
| Liabilities and fund balances | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | |
| Accounts payable | \$ 45,849 | \$ 90,408 | \$ - | \$ - | \$ - | \$ 968 | \$ 1,134 | \$ - | \$ 186 | \$ - | \$ 15,598 |
| Accrued liabilities | - | - | - | - | - | - | - | - | - | - | 8,404 |
| Due to other governments | - | - | - | - | - | - | - | - | - | 65,000 | - |
| Unearned revenue | - | - | - | - | - | - | - | 1,827,114 | 11,117 | - | - |
| Total liabilities | <u>45,849</u> | <u>90,408</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>968</u> | <u>1,134</u> | <u>1,827,114</u> | <u>11,303</u> | <u>65,000</u> | <u>24,002</u> |
| Deferred inflows of resources | | | | | | | | | | | |
| Unavailable revenue | - | - | - | - | - | - | - | - | 149,573 | - | - |
| Fund balances | | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | 88,337 |
| Restricted | 1,053,776 | 268,430 | 1,128,990 | 64,557 | 21,592 | 13,503 | 133,010 | - | - | 913,404 | - |
| Assigned | - | - | - | - | - | - | - | - | - | - | 51,403 |
| Unassigned | - | - | - | - | - | - | - | (569) | (11,117) | - | - |
| Total fund balances (deficits) | <u>1,053,776</u> | <u>268,430</u> | <u>1,128,990</u> | <u>64,557</u> | <u>21,592</u> | <u>13,503</u> | <u>133,010</u> | <u>(569)</u> | <u>(11,117)</u> | <u>913,404</u> | <u>139,740</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,099,625</u> | <u>\$ 358,838</u> | <u>\$ 1,128,990</u> | <u>\$ 64,557</u> | <u>\$ 21,592</u> | <u>\$ 14,471</u> | <u>\$ 134,144</u> | <u>\$ 1,826,545</u> | <u>\$ 149,759</u> | <u>\$ 978,404</u> | <u>\$ 163,742</u> |

| Debt Service Funds | | | | | | Capital Project Funds | | | | | | Total Nonmajor Governmental Funds |
|-----------------------|--------------------------|-----------------------------------|--------------------------|-----------------------------------|-------------------------|-----------------------|------------------------|-----------------------|----------------|---|---------------|-----------------------------------|
| G.O. Facilities Bonds | G.O. Fire Stations Bonds | Bayside District G.O. Beach 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 | | |
| \$ - | \$ 4,219 | \$ 12,462 | \$ 1,571 | \$ 6,431 | \$ 420,132 | \$ 256,977 | \$ 157,507 | \$ 503,873 | \$ 376,946 | \$ 133,251 | \$ 4,196,013 | |
| - | 5,887 | 17,492 | 2,205 | 9,027 | 589,734 | 360,716 | 221,091 | 707,282 | 529,115 | 187,044 | 5,578,516 | |
| - | - | - | - | - | - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | 1,283 | - | - | - | 566,621 | |
| - | - | - | - | - | - | - | - | - | - | - | 88,337 | |
| - | - | 675 | 139 | 336 | 2,121 | 2,137 | 816 | 7,676 | 1,945 | 1,436 | 32,706 | |
| \$ - | \$ 10,106 | \$ 30,629 | \$ 3,915 | \$ 15,794 | \$ 1,011,987 | \$ 619,830 | \$ 380,697 | \$ 1,218,831 | \$ 908,006 | \$ 321,731 | \$ 10,462,193 | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 442,641 | \$ - | \$ 10,900 | \$ - | \$ - | \$ 607,684 | |
| - | - | - | - | - | - | - | - | - | - | - | 8,404 | |
| - | - | - | - | - | - | - | - | - | - | - | 65,000 | |
| - | - | - | - | - | - | - | - | - | - | - | 1,838,231 | |
| - | - | - | - | - | - | 442,641 | - | 10,900 | - | - | 2,519,319 | |
| - | - | - | - | - | - | - | - | - | - | - | 149,573 | |
| - | - | - | - | - | - | - | - | - | - | - | 88,337 | |
| - | 10,106 | 30,629 | 3,915 | 15,794 | 569,318 | 169,008 | 380,697 | 1,078,627 | 902,110 | 321,731 | 7,079,197 | |
| - | - | - | - | - | 442,669 | 8,181 | - | 129,304 | 5,896 | - | 637,453 | |
| - | - | - | - | - | - | - | - | - | - | - | (11,686) | |
| - | 10,106 | 30,629 | 3,915 | 15,794 | 1,011,987 | 177,189 | 380,697 | 1,207,931 | 908,006 | 321,731 | 7,793,301 | |
| \$ - | \$ 10,106 | \$ 30,629 | \$ 3,915 | \$ 15,794 | \$ 1,011,987 | \$ 619,830 | \$ 380,697 | \$ 1,218,831 | \$ 908,006 | \$ 321,731 | \$ 10,462,193 | |

TOWN OF LONGBOAT KEY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Special Revenue Funds | | | | | | | | | | |
|--|--------------------------------------|-------------------------------------|-------------------------------|---------------------|--------------------|---------------------|-----------------------------|-----------------|-------------------------|----------------------------|-------------------|
| | Sarasota Infrastructure Surtax | Manatee Infrastructure Surtax | Tourist Development Tax | Tree Replacement | Police Training | Police Donations | Law Enforcement Trust | ARPA Fund | Miscellaneous Grants | Road and Bridge Fund | Tennis Center |
| Revenues | | | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Other taxes | 814,929 | 219,438 | 712,196 | - | - | - | - | - | 321,221 | - | |
| Intergovernmental revenue | - | - | - | - | - | - | - | - | 84,186 | - | |
| Charges for services | - | - | - | - | - | - | - | - | 55,844 | 663,614 | |
| Franchise fees | - | - | - | - | - | - | - | - | - | - | |
| Fines and forfeitures | - | - | - | - | 2,027 | - | - | - | - | - | |
| Grant revenues | - | - | - | - | - | - | - | 151,746 | - | - | |
| Investment earnings (loss) | 723 | 281 | 1,081 | 81 | 38 | - | 210 | (569) | 888 | - | |
| Miscellaneous revenues | - | - | - | - | - | - | - | - | - | - | |
| Total revenues | <u>815,652</u> | <u>219,719</u> | <u>713,277</u> | <u>10,081</u> | <u>2,065</u> | <u>18,478</u> | <u>210</u> | <u>(569)</u> | <u>6,976</u> | <u>462,139</u> | <u>663,614</u> |
| Expenditures | | | | | | | | | | | |
| Current | | | | | | | | | | | |
| General government | 187 | 28 | 251 | 17 | - | - | - | - | - | - | |
| Public safety | - | - | - | - | 5,032 | 4,975 | 42 | - | 22,998 | - | |
| Transportation | - | - | - | - | - | - | - | - | 10,141 | - | |
| Culture and recreation | - | - | - | - | - | - | - | - | - | 628,232 | |
| Debt service | | | | | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - | - | - | - | |
| Interest | - | - | - | - | - | - | - | - | - | - | |
| Capital outlay | | | | | | | | | | | |
| General government | 43,651 | - | - | - | - | - | - | - | - | - | |
| Public safety | 67,809 | 102,854 | - | - | - | - | 7,933 | - | 146,841 | - | |
| Transportation | - | - | - | - | - | - | - | - | 60,985 | - | |
| Culture and recreation | <u>63,666</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Total expenditures | <u>175,313</u> | <u>102,882</u> | <u>251</u> | <u>17</u> | <u>5,032</u> | <u>4,975</u> | <u>7,975</u> | <u>-</u> | <u>169,839</u> | <u>71,126</u> | <u>628,232</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>640,339</u> | <u>116,837</u> | <u>713,026</u> | <u>10,064</u> | <u>(2,967)</u> | <u>13,503</u> | <u>(7,765)</u> | <u>(569)</u> | <u>(11,117)</u> | <u>391,013</u> | <u>35,382</u> |
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Proceeds from the sale of capital assets | - | - | - | - | - | - | - | - | 23,500 | - | |
| Transfers from other funds | - | - | - | - | - | - | - | - | - | - | |
| Transfers to other funds | - | - | (1,000,000) | - | - | - | - | - | - | - | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(1,000,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,500</u> | |
| Net change in fund balance | 640,339 | 116,837 | (286,974) | 10,064 | (2,967) | 13,503 | (7,765) | (569) | (11,117) | 414,513 | 35,382 |
| Fund balances, beginning | 413,437 | 151,593 | 1,415,964 | 54,493 | 24,559 | - | 140,775 | - | - | 498,891 | 104,358 |
| Fund balances (deficit), ending | <u>\$ 1,053,776</u> | <u>\$ 268,430</u> | <u>\$ 1,128,990</u> | <u>\$ 64,557</u> | <u>\$ 21,592</u> | <u>\$ 13,503</u> | <u>\$ 133,010</u> | <u>\$ (569)</u> | <u>\$ (11,117)</u> | <u>\$ 913,404</u> | <u>\$ 139,740</u> |

| G.O. Facilities Bonds | G.O. Fire Stations Bonds | Debt Service Funds | | | | Capital Project Funds | | | | | Parks and Recreation Capital Project Fund | Total Nonmajor Governmental Funds |
|-----------------------|--------------------------|-----------------------------------|--------------------------|-----------------------------------|-------------------------|-----------------------|------------------------|-----------------------|----------------|----------------|---|-----------------------------------|
| | | Bayside District G.O. Beach Bonds | GMD Undergrounding Bonds | Neighborhood Undergrounding Bonds | Street Capital Projects | Fire Stations | Other Capital Projects | Land Acquisition Fees | Canal Dredging | | | |
| \$ - | \$ 358,532 | \$ 603,727 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 962,259 |
| - | - | - | - | - | - | - | - | - | 138,539 | - | - | 2,206,323 |
| - | - | - | - | - | - | - | - | - | - | - | - | 84,186 |
| - | - | - | - | - | - | - | - | - | - | - | - | 719,458 |
| - | - | - | - | 304,027 | - | - | - | - | - | - | - | 304,027 |
| - | - | - | - | - | - | - | - | - | - | - | - | 2,027 |
| - | - | - | - | - | - | - | - | - | - | - | - | 151,746 |
| - | 231 | 368 | 911 | 521 | 1,510 | 4,514 | 1,866 | 1,291 | 1,318 | 380 | - | 15,643 |
| - | - | - | - | - | - | - | - | - | - | - | - | 154,167 |
| - | <u>358,763</u> | <u>604,095</u> | - | - | - | <u>1,570</u> | - | - | - | - | <u>117,143</u> | <u>4,599,836</u> |
| - | - | - | <u>911</u> | <u>304,548</u> | <u>1,510</u> | <u>6,084</u> | <u>1,866</u> | <u>139,830</u> | <u>1,318</u> | <u>117,523</u> | - | - |
| - | 347 | 101 | 443 | 722 | 308 | 659 | 100 | 297 | 4,618 | 72 | - | 8,150 |
| - | - | - | - | - | - | - | - | - | - | - | - | 33,047 |
| - | - | - | - | - | - | - | - | - | - | - | - | 10,141 |
| - | - | - | - | - | - | - | - | - | - | - | - | 628,232 |
| - | 150,000 | 478,009 | 380,000 | 390,000 | - | - | - | - | - | - | - | 1,398,009 |
| - | 205,931 | 95,356 | 551,813 | 687,684 | - | - | - | - | - | - | - | 1,540,784 |
| - | - | - | - | - | - | - | - | 113,251 | - | - | - | 156,902 |
| - | - | - | - | - | - | - | - | - | - | - | - | 325,437 |
| - | - | - | - | - | 55,360 | 4,167,191 | 309,236 | - | - | - | - | 4,592,772 |
| - | - | - | - | - | - | - | - | - | - | - | - | 63,666 |
| - | <u>356,278</u> | <u>573,466</u> | <u>932,256</u> | <u>1,078,406</u> | <u>55,668</u> | <u>4,167,850</u> | <u>309,336</u> | <u>113,548</u> | <u>4,618</u> | <u>72</u> | - | <u>8,757,140</u> |
| - | <u>2,485</u> | <u>30,629</u> | <u>(931,345)</u> | <u>(773,858)</u> | <u>(54,158)</u> | <u>(4,161,766)</u> | <u>(307,470)</u> | <u>26,282</u> | <u>(3,300)</u> | <u>117,451</u> | - | <u>(4,157,304)</u> |
| - | - | - | - | - | - | - | - | - | - | - | - | 23,500 |
| - | - | - | 919,600 | 775,704 | - | - | 280,702 | 370,000 | - | - | - | 2,346,006 |
| (10,702) | - | - | - | - | - | - | - | - | - | - | - | (1,010,702) |
| (10,702) | - | - | <u>919,600</u> | <u>775,704</u> | - | - | <u>280,702</u> | <u>370,000</u> | - | - | - | <u>1,358,804</u> |
| (10,702) | 2,485 | 30,629 | (11,745) | 1,846 | (54,158) | (4,161,766) | (26,768) | 396,282 | (3,300) | 117,451 | - | (2,798,500) |
| 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 |
| \$ - | \$ 10,106 | \$ 30,629 | \$ 3,915 | \$ 15,794 | \$ 1,011,987 | \$ 177,189 | \$ 380,697 | \$ 1,207,931 | \$ 908,006 | \$ 321,731 | - | \$ 7,793,301 |

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, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other taxes | \$ 588,000 | \$ 588,000 | \$ 814,929 | \$ 226,929 |
| Investment earnings | 1,500 | 1,500 | 723 | (777) |
| Total revenues | <u>589,500</u> | <u>589,500</u> | <u>815,652</u> | <u>226,152</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 200 | 200 | 187 | 13 |
| Capital outlay | 486,373 | 423,734 | 175,126 | 248,608 |
| Total expenditures | <u>486,573</u> | <u>423,934</u> | <u>175,313</u> | <u>248,621</u> |
| Change in fund balance | 102,927 | 165,566 | 640,339 | 474,773 |
| Fund balance, beginning of year | <u>413,437</u> | <u>413,437</u> | <u>413,437</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 516,364</u> | <u>\$ 579,003</u> | <u>\$ 1,053,776</u> | <u>\$ 474,773</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Other taxes | \$ 166,545 | \$ 166,545 | \$ 219,438 | \$ 52,893 |
| Investment earnings | 600 | 600 | 281 | (319) |
| Total revenues | <u>167,145</u> | <u>167,145</u> | <u>219,719</u> | <u>52,574</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 30 | 30 | 28 | 2 |
| Capital outlay | <u>198,244</u> | <u>198,244</u> | <u>102,854</u> | <u>95,390</u> |
| Total expenditures | <u>198,274</u> | <u>198,274</u> | <u>102,882</u> | <u>95,392</u> |
| Change in fund balance | (31,129) | (31,129) | 116,837 | 147,966 |
| Fund balance, beginning of year | <u>151,593</u> | <u>151,593</u> | <u>151,593</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 120,464</u> | <u>\$ 120,464</u> | <u>\$ 268,430</u> | <u>\$ 147,966</u> |

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, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Other taxes | \$ 655,096 | \$ 655,096 | \$ 712,196 | \$ 57,100 |
| Investment earnings | 1,700 | 1,700 | 1,081 | (619) |
| Total revenues | <u>656,796</u> | <u>656,796</u> | <u>713,277</u> | <u>56,481</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 260 | 260 | 251 | 9 |
| Total expenditures | <u>260</u> | <u>260</u> | <u>251</u> | <u>9</u> |
| Excess of revenues over expenditures | <u>656,536</u> | <u>656,536</u> | <u>713,026</u> | <u>56,490</u> |
| Other financing uses | | | | |
| Transfers out | (1,000,000) | (1,000,000) | (1,000,000) | - |
| Total other financing uses | <u>(1,000,000)</u> | <u>(1,000,000)</u> | <u>(1,000,000)</u> | <u>-</u> |
| Change in fund balance | (343,464) | (343,464) | (286,974) | 56,490 |
| Fund balance, beginning of year | <u>1,415,964</u> | <u>1,415,964</u> | <u>1,415,964</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 1,072,500</u> | <u>\$ 1,072,500</u> | <u>\$ 1,128,990</u> | <u>\$ 56,490</u> |

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, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment earnings | \$ 300 | \$ 300 | \$ 81 | \$ (219) |
| Miscellaneous revenues | 500 | 500 | 10,000 | 9,500 |
| Total revenues | <u>800</u> | <u>800</u> | <u>10,081</u> | <u>9,281</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 26 | 26 | 17 | 9 |
| Culture and recreation | 5,000 | 5,000 | - | 5,000 |
| Total expenditures | <u>5,026</u> | <u>5,026</u> | <u>17</u> | <u>5,009</u> |
| Change in fund balance | (4,226) | (4,226) | 10,064 | 14,290 |
| Fund balance, beginning of year | <u>54,493</u> | <u>54,493</u> | <u>54,493</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 50,267</u> | <u>\$ 50,267</u> | <u>\$ 64,557</u> | <u>\$ 14,290</u> |

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, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Fines and forfeitures | \$ 1,200 | \$ 1,200 | \$ 2,027 | \$ 827 |
| Investment earnings | 100 | 100 | 38 | (62) |
| Total revenues | <u>1,300</u> | <u>1,300</u> | <u>2,065</u> | <u>765</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | <u>10,023</u> | <u>10,023</u> | <u>5,032</u> | <u>4,991</u> |
| Total expenditures | <u>10,023</u> | <u>10,023</u> | <u>5,032</u> | <u>4,991</u> |
| Change in fund balance | (8,723) | (8,723) | (2,967) | 5,756 |
| Fund balance, beginning of year | <u>24,559</u> | <u>24,559</u> | <u>24,559</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 15,836</u> | <u>\$ 15,836</u> | <u>\$ 21,592</u> | <u>\$ 5,756</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Investment earnings | \$ 700 | \$ 700 | \$ 210 | \$ (490) |
| Total revenues | <u>700</u> | <u>700</u> | <u>210</u> | <u>(490)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 25,095 | 95 | 42 | 53 |
| Capital outlay | - | 25,000 | 7,933 | 17,067 |
| Total expenditures | <u>25,095</u> | <u>25,095</u> | <u>7,975</u> | <u>17,120</u> |
| Change in fund balance | (24,395) | (24,395) | (7,765) | 16,630 |
| Fund balance, beginning of year | <u>140,775</u> | <u>140,775</u> | <u>140,775</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 116,380</u> | <u>\$ 116,380</u> | <u>\$ 133,010</u> | <u>\$ 16,630</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|----------------|--------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Grant revenues | \$ 309,403 | \$ 295,131 | \$ 151,746 | \$ (143,385) |
| Miscellaneous revenues | 21,534 | 21,534 | 6,976 | (14,558) |
| Total revenues | <u>330,937</u> | <u>316,665</u> | <u>158,722</u> | <u>(157,943)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 1,000 | 1,000 | - | 1,000 |
| Public safety | 107,765 | 115,608 | 22,998 | 92,610 |
| Capital outlay | 222,172 | 200,057 | 146,841 | 53,216 |
| Total expenditures | <u>330,937</u> | <u>316,665</u> | <u>169,839</u> | <u>146,826</u> |
| Change in fund balance | - | - | (11,117) | (11,117) |
| Fund balance, beginning of year | - | - | - | - |
| Fund balance (deficit), end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (11,117)</u> | <u>\$ (11,117)</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-------------------------|-------------------|-------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Other taxes | \$ 273,389 | \$ 273,389 | \$ 321,221 | \$ 47,832 |
| Intergovernmental revenue | 73,521 | 73,521 | 84,186 | 10,665 |
| Charges for service | 69,329 | 69,329 | 55,844 | (13,485) |
| Investment earnings | 2,500 | 2,500 | 888 | (1,612) |
| Total revenues | <u>418,739</u> | <u>418,739</u> | <u>462,139</u> | <u>43,400</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 23,100 | 23,100 | 10,141 | 12,959 |
| Capital outlay | <u>152,231</u> | <u>75,000</u> | <u>60,985</u> | <u>14,015</u> |
| Total expenditures | <u>175,331</u> | <u>98,100</u> | <u>71,126</u> | <u>26,974</u> |
| Excess of revenues over expenditures | <u>243,408</u> | <u>320,639</u> | <u>391,013</u> | <u>70,374</u> |
| Other financing sources | | | | |
| Proceeds from the sale of capital assets | - | - | 23,500 | 23,500 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>23,500</u> | <u>23,500</u> |
| Change in fund balance | 243,408 | 320,639 | 414,513 | 93,874 |
| Fund balance, beginning of year | <u>498,891</u> | <u>498,891</u> | <u>498,891</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 742,299</u> | <u>\$ 819,530</u> | <u>\$ 913,404</u> | <u>\$ 93,874</u> |

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, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Charges for services | \$ 684,860 | \$ 684,860 | \$ 663,614 | \$ (21,246) |
| Total revenues | <u>684,860</u> | <u>684,860</u> | <u>663,614</u> | <u>(21,246)</u> |
| Expenditures | | | | |
| Current | | | | |
| Culture and recreation | 657,692 | 657,692 | 628,232 | 29,460 |
| Total expenditures | <u>657,692</u> | <u>657,692</u> | <u>628,232</u> | <u>29,460</u> |
| Change in fund balance | 27,168 | 27,168 | 35,382 | 8,214 |
| Fund balance, beginning of year | <u>104,358</u> | <u>104,358</u> | <u>104,358</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 131,526</u> | <u>\$ 131,526</u> | <u>\$ 139,740</u> | <u>\$ 8,214</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-----------------|-----------------|---------------------------------------|
| | Original | Final | | |
| Other financing uses | | | | |
| Transfers out | \$ - | \$ (10,702) | \$ (10,702) | \$ - |
| Total other financing uses | <u>-</u> | <u>(10,702)</u> | <u>(10,702)</u> | <u>-</u> |
| Change in fund balance | - | (10,702) | (10,702) | - |
| Fund balance, beginning of year | <u>10,702</u> | <u>10,702</u> | <u>10,702</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 10,702</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-----------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 355,932 | \$ 355,932 | \$ 358,532 | \$ 2,600 |
| Investment earnings | 700 | 700 | 231 | (469) |
| Total revenues | <u>356,632</u> | <u>356,632</u> | <u>358,763</u> | <u>2,131</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 430 | 430 | 347 | 83 |
| Debt service | | | | |
| Principal retirement | 150,000 | 150,000 | 150,000 | - |
| Interest | 205,932 | 205,932 | 205,931 | 1 |
| Total expenditures | <u>356,362</u> | <u>356,362</u> | <u>356,278</u> | <u>84</u> |
| Change in fund balance | 270 | 270 | 2,485 | 2,215 |
| Fund balance, beginning of year | <u>7,621</u> | <u>7,621</u> | <u>7,621</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 7,891</u> | <u>\$ 7,891</u> | <u>\$ 10,106</u> | <u>\$ 2,215</u> |

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BAYSIDE DISTRICT G.O. BEACH BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|-----------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ - | \$ 599,959 | \$ 603,727 | \$ 3,768 |
| Investment earnings | - | 1,760 | 368 | (1,392) |
| Total revenues | <u>-</u> | <u>601,719</u> | <u>604,095</u> | <u>2,376</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | - | 130 | 101 | 29 |
| Debt service | | | | |
| Principal retirement | - | 504,600 | 478,009 | 26,591 |
| Interest | - | 95,359 | 95,356 | 3 |
| Total expenditures | <u>-</u> | <u>600,089</u> | <u>573,466</u> | <u>26,623</u> |
| Change in fund balance | - | 1,630 | 30,629 | 28,999 |
| Fund balance, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ -</u> | <u>\$ 1,630</u> | <u>\$ 30,629</u> | <u>\$ 28,999</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenue | \$ 3,200 | \$ 3,200 | \$ 911 | \$ (2,289) |
| Total revenues | <u>3,200</u> | <u>3,200</u> | <u>911</u> | <u>(2,289)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 460 | 460 | 443 | 17 |
| Debt service | | | | |
| Principal retirement | 380,000 | 380,000 | 380,000 | - |
| Interest | 551,813 | 551,813 | 551,813 | - |
| Total expenditures | <u>932,273</u> | <u>932,273</u> | <u>932,256</u> | <u>17</u> |
| Deficiency of revenues under expenditures | <u>(929,073)</u> | <u>(929,073)</u> | <u>(931,345)</u> | <u>(2,272)</u> |
| Other financing sources | | | | |
| Transfers in | 931,813 | 931,813 | 919,600 | (12,213) |
| Total other financing sources | <u>931,813</u> | <u>931,813</u> | <u>919,600</u> | <u>(12,213)</u> |
| Change in fund balance | 2,740 | 2,740 | (11,745) | (14,485) |
| Fund balance, beginning of year | <u>15,660</u> | <u>15,660</u> | <u>15,660</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 18,400</u> | <u>\$ 18,400</u> | <u>\$ 3,915</u> | <u>\$ (14,485)</u> |

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, 2021**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Franchise fees | \$ 304,027 | \$ 304,027 | \$ 304,027 | \$ - |
| Investment earnings | 1,500 | 1,500 | 521 | (979) |
| Total revenues | <u>305,527</u> | <u>305,527</u> | <u>304,548</u> | <u>(979)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 550 | 850 | 722 | 128 |
| Debt service | | | | |
| Principal retirement | 390,000 | 390,000 | 390,000 | - |
| Interest | 689,732 | 689,432 | 687,684 | 1,748 |
| Total expenditures | <u>1,080,282</u> | <u>1,080,282</u> | <u>1,078,406</u> | <u>1,876</u> |
| Deficiency of revenues under expenditures | <u>(774,755)</u> | <u>(774,755)</u> | <u>(773,858)</u> | <u>897</u> |
| Other financing sources | | | | |
| Transfers in | 780,000 | 780,000 | 775,704 | (4,296) |
| Total other financing sources | <u>780,000</u> | <u>780,000</u> | <u>775,704</u> | <u>(4,296)</u> |
| Change in fund balance | 5,245 | 5,245 | 1,846 | (3,399) |
| Fund balance, beginning of year | <u>13,948</u> | <u>13,948</u> | <u>13,948</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 19,193</u> | <u>\$ 19,193</u> | <u>\$ 15,794</u> | <u>\$ (3,399)</u> |

TOWN OF LONGBOAT KEY, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GULFSIDE DISTRICT G.O. BEACH BONDS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 3,746,533 | \$ 3,146,574 | \$ 3,164,313 | \$ 17,739 |
| Intergovernmental revenue | 11,000 | 9,240 | 1,941 | (7,299) |
| Total revenues | <u>3,757,533</u> | <u>3,155,814</u> | <u>3,166,254</u> | <u>10,440</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 950 | 820 | 883 | (63) |
| Debt service | | | | |
| Principal retirement | 3,746,533 | 2,646,454 | 2,506,991 | 139,463 |
| Interest | - | 500,120 | 500,111 | 9 |
| Total expenditures | <u>3,747,483</u> | <u>3,147,394</u> | <u>3,007,985</u> | <u>139,409</u> |
| Change in fund balance | 10,050 | 8,420 | 158,269 | 149,849 |
| Fund balance, beginning of year | <u>26,289</u> | <u>26,289</u> | <u>26,289</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 36,339</u> | <u>\$ 34,709</u> | <u>\$ 184,558</u> | <u>\$ 149,849</u> |

Statistical Section

This part of the Town of Longboat Key's annual comprehensive 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 | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 75,420,072 |
| 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 | 11,369,482 |
| Debt service | - | 45,276 | 6,440 | 3,208,276 | 3,322,743 | 462,583 | 661,028 | 523,548 | 74,220 | 245,002 |
| Unrestricted | 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) | (2,898,274) |
| Total governmental activities net position | <u>\$ 67,611,933</u> | <u>\$ 63,788,941</u> | <u>\$ 62,222,481</u> | <u>\$ 49,006,476</u> | <u>\$ 57,331,122</u> | <u>\$ 56,229,786</u> | <u>\$ 58,566,288</u> | <u>\$ 65,022,759</u> | <u>\$ 68,654,569</u> | <u>\$ 84,136,282</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 19,241,386 |
| Restricted | | | | | | | | | | |
| Debt service | 439,625 | 1,067,550 | 1,067,543 | 982,210 | 981,794 | 601,674 | 623,781 | 274,362 | 641,697 | 741,736 |
| Renewal and replacement | 3,672,943 | - | - | - | - | - | - | - | - | - |
| Connection fees | 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 | 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 | 15,241,415 |
| Total business-type activities net position | <u>\$ 32,195,088</u> | <u>\$ 32,388,076</u> | <u>\$ 33,060,355</u> | <u>\$ 33,091,647</u> | <u>\$ 33,457,553</u> | <u>\$ 34,590,601</u> | <u>\$ 34,048,968</u> | <u>\$ 34,510,651</u> | <u>\$ 34,937,836</u> | <u>\$ 35,224,537</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 94,661,458 |
| 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 | 11,369,482 |
| Debt service | 439,625 | 1,112,826 | 1,073,983 | 4,190,486 | 4,304,537 | 1,064,257 | 1,284,809 | 797,910 | 715,917 | 986,738 |
| Renewal and replacement | 3,672,943 | - | - | - | - | - | - | - | - | - |
| Connection fees | 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 | 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 | 12,343,141 |
| Total primary government net position | <u>\$ 99,807,021</u> | <u>\$ 96,177,017</u> | <u>\$ 95,282,836</u> | <u>\$ 82,098,123</u> | <u>\$ 90,788,675</u> | <u>\$ 90,820,387</u> | <u>\$ 92,615,256</u> | <u>\$ 99,533,410</u> | <u>\$ 103,592,405</u> | <u>\$ 119,360,819</u> |

TOWN OF LONGBOAT KEY, FLORIDA

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

| | FISCAL YEAR | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 8,990 | \$ 10,262 | \$ 4,412,661 | \$ 4,330,147 | \$ 4,957,901 | \$ 6,000,443 | \$ 4,563,210 | \$ 4,785,548 | \$ 4,956,110 | \$ 4,958,163 |
| Public safety | \$ 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 | \$ 4,958,163 |
| Transportation | 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 | 9,038,445 |
| Culture/recreation | 735,024 | 837,858 | 882,169 | 885,495 | 889,340 | 883,892 | 743,164 | 912,741 | 916,222 | 943,666 |
| Physical environment | 3,861,447 | 3,960,972 | 4,069,126 | 4,118,326 | 4,109,675 | 6,804,311 | 6,204,287 | 6,437,819 | 6,369,986 | 11,124,147 |
| Interest on long-term debt | 8,990 | 10,262 | - | - | - | - | - | - | 1,872 | 5,491 |
| Total governmental activities expenses | 70,462 | 40,145 | 34,829 | 29,295 | 51,509 | 201,343 | 149,256 | 1,663,826 | 1,511,341 | 1,793,729 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 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 | 27,863,641 |
| Building department | 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 | 8,304,246 |
| Total business-type activities expenses | 522,213 | 578,350 | 719,762 | 642,798 | 789,776 | 345,853 | 1,387,191 | 1,060,745 | 998,032 | 1,001,690 |
| Total primary government expenses | 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 | 9,305,936 |
| | \$ 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 | \$ 37,169,577 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 132,563 | \$ 194,057 | \$ 53,176 | \$ 70,588 | \$ 46,183 | \$ 66,033 | \$ 94,607 | \$ 45,790 | \$ 65,110 | \$ 94,425 |
| Public safety | 243,276 | 232,970 | 352,312 | 947,282 | 858,151 | 371,309 | 344,639 | 375,146 | 467,651 | 496,471 |
| Transportation | 14,050 | 74,253 | 39,975 | 48,422 | 52,996 | 66,810 | 62,000 | 64,870 | 66,799 | 55,844 |
| Culture and recreation | 493,120 | 442,788 | 557,692 | 22,326 | 594,545 | 593,982 | 648,216 | 691,257 | 618,275 | 669,909 |
| Physical environment | - | - | - | - | 528,514 | 924,329 | 2,172,305 | 4,585,813 | 3,022,748 | 4,768,256 |
| Operating grants and contributions | 342,084 | 199,421 | 506,453 | 2,273,534 | 122,371 | 240,431 | 289,444 | 458,873 | 228,655 | 556,949 |
| Capital grants and contributions | 1,837,074 | 8,236 | 49,418 | 727,425 | 7,498,538 | 2,805,928 | 2,045,057 | 1,040,509 | 351,186 | 12,449,871 |
| Total governmental activities program revenues | 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 | 19,091,725 |
| Business type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 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 | 8,683,816 |
| Building department | 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 | 2,203,420 |
| Capital grants and contributions | - | 31,022 | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 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 | 10,887,236 |
| Total primary government program revenues | \$ 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 | \$ 29,978,961 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (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) | \$ (8,771,916) |
| Business-type activities | 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 | 1,581,300 |
| Total primary government net expense | \$ (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) | \$ (7,190,616) |

TOWN OF LONGBOAT KEY, FLORIDA

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

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| General Revenues and Other Changes In Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 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 | \$ 16,617,933 |
| Gasoline taxes | 515,847 | 389,503 | 411,864 | 423,578 | 425,861 | 417,112 | 422,851 | 405,427 | 369,925 | 405,407 |
| Sales taxes | 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 | 1,900,879 |
| State revenue sharing | 612,738 | 570,126 | 587,946 | 576,628 | 550,938 | 619,668 | 590,797 | 586,869 | 579,033 | 527,500 |
| Business Tax | 503,673 | 502,206 | 958,116 | 989,043 | 958,713 | 968,157 | 1,189,701 | 1,015,947 | 987,715 | 1,031,374 |
| Tourist tax | 496,733 | 509,370 | 294,611 | 152,704 | 156,420 | 157,626 | 128,155 | 122,760 | 144,375 | 167,807 |
| Franchise tax | 896,715 | 812,026 | 575,583 | 661,694 | 675,353 | 760,200 | 742,198 | 804,869 | 819,496 | 712,196 |
| Income on Investments | 134,982 | 51,128 | 121,010 | 150,753 | 200,368 | 129,841 | 253,771 | 2,932,252 | 2,787,344 | 1,196,346 |
| Gain on disposal of capital assets | - | - | - | 43,753 | 10,924 | - | 60,925 | 29,668 | 54,195 | 125,521 |
| Miscellaneous | 101,035 | 162,869 | 272,137 | 1,257,455 | 277,220 | 167,797 | 145,411 | 130,733 | 73,837 | 238,716 |
| Net transfers | 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 | 1,329,950 |
| Total governmental activities | 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 | 24,253,629 |
| Business-type activities: | | | | | | | | | | |
| Income (loss) on Investments | 49,546 | 35,522 | (14,541) | 83,412 | 122,741 | 80,205 | 146,128 | 464,116 | 299,381 | 24,251 |
| Gain on disposal of capital assets | - | - | - | - | - | - | - | - | 5,001 | 11,100 |
| Miscellaneous | - | 13,644 | - | - | - | - | - | - | - | - |
| Net transfers | (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) | (1,329,950) |
| Total business-type activities | (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) | (1,294,599) |
| Total primary government | 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 | 22,959,030 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (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 | \$ 15,481,713 |
| Business-type activities | 548,584 | 192,989 | 583,013 | 1,105,613 | 365,906 | 1,133,048 | (406,096) | 461,683 | 427,185 | 286,701 |
| Total primary government | \$ (605,902) | \$ (3,950,703) | \$ (996,497) | \$ 7,222,000 | \$ 8,690,552 | \$ 31,712 | \$ 2,723,170 | \$ 6,918,154 | \$ 4,058,995 | \$ 15,768,414 |

TOWN OF LONGBOAT KEY, FLORIDA

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

| | FISCAL YEAR | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 116,818 | \$ 159,043 | \$ 10,412 | \$ 6,204 | \$ 367,620 | \$ 13,482 | \$ 13,647 | \$ 14,168 | \$ 12,824 | \$ 20,249 |
| Committed | 1,000,000 | - | - | - | - | - | - | - | - | - |
| Assigned | 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 | 6,437,931 |
| Unassigned | <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> | <u>4,762,212</u> |
| Total General Fund | <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> | <u>\$ 11,220,392</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 | \$ 88,337 |
| Capital Projects Funds | - | - | - | - | - | 2,817 | - | - | - | - |
| Restricted, reported in: | | | | | | | | | | |
| Special Revenue Funds | 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 | 4,221,001 |
| Debt Service Funds | 80,656 | 45,276 | 6,440 | 3,208,276 | 3,322,743 | 462,583 | 661,028 | 523,548 | 74,220 | 245,002 |
| Capital Projects Funds | 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 | 26,748,100 |
| Assigned | 197,275 | 238,102 | 331,346 | 357,455 | 4,432,756 | 1,501,676 | 1,333,754 | 10,237,169 | 16,060,475 | 11,463,375 |
| Unassigned | - | - | (3,469) | (7,448) | (390,439) | (1,141,330) | (362) | (184,517) | - | (11,686) |
| Total all other governmental funds | <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> | <u>\$ 42,754,129</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 | | | | | | | | | |
|---|---------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|----------------------|-----------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues | | | | | | | | | | |
| Property taxes | \$ 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 | \$ 16,617,933 |
| Other taxes | 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 | 2,374,130 |
| Licenses and permits | 31,971 | 27,758 | 36,586 | 43,949 | 36,601 | 24,753 | 21,292 | 16,468 | 15,294 | 23,353 |
| Intergovernmental | 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 | 3,401,909 |
| Charges for services | 817,473 | 865,228 | 878,995 | 1,020,296 | 1,499,066 | 1,930,285 | 1,099,973 | 1,160,377 | 1,168,832 | 1,194,778 |
| Franchise | 896,715 | 812,026 | 958,116 | 989,043 | 958,713 | 968,157 | 1,189,701 | 1,015,947 | 987,715 | 1,031,374 |
| Fines/miscellaneous/interest | 236,017 | 224,106 | 406,188 | 1,483,311 | 1,030,587 | 1,727,270 | 662,892 | 3,130,139 | 2,888,950 | 1,521,231 |
| Special assessments | - | - | - | - | - | 139,257 | 2,172,305 | 4,585,813 | 3,022,748 | 4,768,256 |
| Grants | | | | | | 1,402,724 | | | | |
| | <u>2,179,158</u> | <u>198,123</u> | <u>151,075</u> | 792,122 | 2,180,989 | | 46,862 | 8,365,321 | 635,732 | 6,402,874 |
| Total revenues | <u>16,228,845</u> | <u>13,885,935</u> | <u>15,637,424</u> | <u>23,109,299</u> | <u>22,892,225</u> | <u>24,083,132</u> | <u>23,732,234</u> | <u>37,326,034</u> | <u>28,104,237</u> | <u>37,335,838</u> |
| Expenditures | | | | | | | | | | |
| General government | 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 | 4,810,177 |
| Public safety | 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 | 10,241,980 |
| Transportation | 507,735 | 609,835 | 629,488 | 679,846 | 623,326 | 623,293 | 666,229 | 615,856 | 617,479 | 626,764 |
| Economic environment | 8,990 | 8,987 | - | - | - | - | - | - | - | - |
| Culture and recreation | 688,400 | 755,428 | 807,203 | 787,632 | 778,052 | 2,571,524 | 991,417 | 993,481 | 931,344 | 982,482 |
| Debt service | | | | | | | | | | |
| Principal retirement | 220,000 | 245,000 | 255,000 | - | 260,000 | 2,877,893 | 2,924,866 | 3,182,388 | 4,055,761 | 4,150,000 |
| Interest | 70,462 | 40,145 | 34,829 | 14,648 | 26,474 | 207,885 | 160,106 | 1,043,812 | 1,531,623 | 2,223,725 |
| Fiscal charges | - | - | - | - | - | - | 177,998 | 391,808 | - | - |
| Capital outlay | 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 | 51,385,963 |
| Total expenditures | <u>16,466,888</u> | <u>16,941,112</u> | <u>17,728,801</u> | <u>19,986,488</u> | <u>32,640,452</u> | <u>31,152,000</u> | <u>23,596,402</u> | <u>27,152,821</u> | <u>31,452,473</u> | <u>74,421,091</u> |
| Excess of revenues over (under) expenditures | (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) | (37,085,253) |
| Other Financing Sources (uses) | | | | | | | | | | |
| Proceeds from the sale of capital assets | - | - | - | - | - | 9,604 | 60,925 | 29,668 | 54,195 | 130,390 |
| Bond proceeds | - | - | - | - | 10,720,908 | - | 5,655,000 | 34,630,000 | - | 18,480,000 |
| Premium on bonds issued | - | - | - | - | - | - | 237,591 | - | - | 2,751,891 |
| Original issue discount | - | - | - | - | - | - | - | (221,829) | - | - |
| Transfers in | 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 | 4,675,956 |
| Transfers out | (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) | (3,346,006) |
| Total other financing sources (uses) | <u>1,264,805</u> | <u>1,262,605</u> | <u>1,383,855</u> | <u>1,383,855</u> | <u>11,976,408</u> | <u>1,360,104</u> | <u>7,287,990</u> | <u>35,735,626</u> | <u>1,384,145</u> | <u>22,692,231</u> |
| Net change in fund balances | <u>\$ 1,026,762</u> | <u>\$ (1,792,572)</u> | <u>\$ (707,522)</u> | <u>\$ 4,506,666</u> | <u>\$ 2,228,181</u> | <u>\$ (5,708,764)</u> | <u>\$ 7,423,822</u> | <u>\$ 45,908,839</u> | <u>\$ (1,964,091)</u> | <u>\$ (14,393,022)</u> |
| Debt service as a percentage of noncapital expenditures | 2% | 2% | 2% | 0% | 2% | 15% | 16% | 20% | 25% | 28% |

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 |
|----------------|--|---|----------------------------|---|--------------------------------|---|
| 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 | 4,190,191,926 | 1,917,925,940 | 6,108,117,866 | 6,108,117,866 | 2.1740 | 100% |
| 2021 | 4,189,225,765 | 1,917,662,223 | 6,106,887,988 | 6,106,887,988 | 2.1751 | 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 2021 Sarasota County valuation of \$4,189,225,765 represents valuations as of January 1, 2020. Taxes were collected during October 1, 2020 to September 30, 2021.

⁽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 Districts | | | | Manatee | | | Sarasota | | |
| | | | | District A | District B | Gulfside District | Bayside District | County | District A/ Gulfside | District B/ Bayside | County | District A/ Gulfside | District B/ Bayside |
| 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 |
| 2021 | 2.1144 | 0.0607 | 2.1751 | - | - | 0.9458 | 0.2365 | 13.8709 | 14.8167 | 14.1074 | 11.7833 | 12.7291 | 12.0198 |

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, 2021 direct tax rate of 2.1751 applies to valuations as of January 1, 2020.

⁽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. The Erosion Control District A and District B sunseted on June 1, 2020 upon final payment of the Series 2016 Bonds and were replaced with the Gulfside District and the Bayside District for any new bonded debt. For the fiscal year ending September 30, 2021, the adopted millage rate is 0.9458 for the Gulfside District and 0.2365 for the Bayside District.

TOWN OF LONGBOAT KEY, FLORIDA

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

| Taxpayer | 2021 | | | 2012 | | |
|---|----------------------------|------|--|----------------------------|------|--|
| | 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) | \$ 29,518,860 | 1 | 0.48% | \$ 17,139,566 | 1 | 0.37% |
| Avenue of the Flowers,LLC (Retail Supermarket-Publix) | 21,727,800 | 2 | 0.36% | 9,982,300 | 6 | 0.21% |
| LB 500, LLC (Resort - 3000 Harbourside Dr) | 16,250,000 | 3 | 0.27% | 16,412,400 | 2 | 0.35% |
| 845 LBCR Land Trust (Residential-845 Longboat Club Rd.) | 14,356,500 | 4 | 0.24% | 10,179,033 | 5 | 0.22% |
| Pleasant Real Estate LLC (Residential-857 Longboat Club Rd.) | 12,587,400 | 5 | 0.21% | 9,364,600 | 8 | 0.20% |
| Grand Mariner on Dream Island LLC (Condominium) | 12,365,000 | 6 | 0.20% | | | |
| Michels M (TTEE) (Residential-809 Longboat Club Rd.) | 10,928,800 | 7 | 0.18% | | | |
| Peters, L (Residential-6021 Gulf of Mexico Dr) | 10,500,200 | 8 | 0.17% | | | |
| 825 Longboat Club Rd Land Trust (Residential-825 Longboat Club Rd.) | 9,537,200 | 9 | 0.16% | 10,440,900 | 4 | 0.22% |
| Veranda Beach Club (Resort) | 9,090,994 | 10 | 0.15% | 10,550,000 | 3 | 0.23% |
| BBC of Longboat Key LLC | | | | 9,520,300 | 7 | 0.20% |
| LB 500, LLC (361 Longboat Club Rd) | | | | 7,491,800 | 9 | 0.16% |
| Sun N Sea Resort | | | | 6,687,443 | 10 | 0.14% |
| Total | <u>\$ 146,862,754</u> | | <u>2.42%</u> | <u>\$ 107,768,342</u> | | <u>2.30%</u> |

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 |
| 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 | 15,812,387 | 14,876,333 | 94.1% | - | 14,876,333 | 94.1% |
| 2020 | 16,107,406 | 15,496,449 | 96.2% | 1,576 | 15,498,025 | 96.2% |
| 2021 | 17,189,005 | 16,616,357 | 96.7% | - | 16,616,357 | 96.7% |

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, 2021.

⁽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 | | | | |
| 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% | 6,347 | 0.77% |
| 2021 | 23,254,590 | 32,334,516 | 8,007,406 | - | 63,596,512 | 8.90% | 8,458 | 1.04% |

Notes: 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 Funds | Total | Percentage of Actual Taxable Value of Property ⁽¹⁾ | Per Capita ⁽²⁾ |
|--------------------|---|---|--|---------------|--|----------------------------------|
| 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% | 1,527 |
| 2021 | 23,254,590 | 8,007,406 | 245,002 | 31,016,994 | 0.52% | 4,125 |

Notes:

⁽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, 2021
(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 | \$ 55,589,106 | 100.00% | \$ 55,589,106 |
| Overlapping Bonded Debt ⁽²⁾: | | | |
| Sarasota County Schools | 4,170,293 | 6.40% | 266,899 |
| Manatee County Schools | 2,235,000 | 4.60% | 102,810 |
| Sarasota County ⁽³⁾ | 53,720,000 | 6.40% | 3,438,080 |
| Total Overlapping Bonded Debt | <u>60,125,293</u> | | <u>3,807,789</u> |
| Total net direct and net overlapping bonded debt | <u>\$ 115,714,399</u> | | <u>\$ 59,396,895</u> |

Notes:

⁽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 ACFRs

TOWN OF LONGBOAT KEY, FLORIDA

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Table 12)

| Fiscal Year | General Obligation Bonds (Beach and Facilities) | | | |
|----------------|---|--------------|-----------|----------|
| | Pledged Revenues ⁽¹⁾ | Debt Service | | Coverage |
| | | Principal | Interest | |
| 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 |
| 2021 | 4,163,022 | 3,135,000 | 801,398 | 1.1 |

| Fiscal Year | Special Assessment Revenue Bonds (Gulf of Mexico Drive Utility Undergrounding) | | | |
|----------------|---|--------------|----------|----------|
| | Pledged Revenues ⁽⁶⁾ | Debt Service | | Coverage |
| | | Principal | Interest | |
| 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 |
| 2021 | 1,520,281 | 515,000 | 551,813 | 1.4 |

| Fiscal Year | Special Assessment Revenue Bonds (Remaining Neighborhoods Utility Undergrounding) | | | |
|----------------|--|--------------------------|----------|----------|
| | Pledged Revenues ⁽⁶⁾ | Debt Service | | Coverage |
| | | Principal ⁽⁷⁾ | Interest | |
| 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 |
| 2021 | 1,447,480 | 500,000 | 687,684 | 1.2 |

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 | | | |
| 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 | |
| 2021 | 8,683,816 | 5,595,003 | 3,088,813 | 634,095 | 202,460 | 3.7 | |

Notes: 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. Refunding occurred in 2021 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⁾ |
|-------------|----------------------------------|------------------------|--|---|
| 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 | 7,505 | 703,887,366 | 99,167 | 5.2% |
| 2021 | 7,519 | 714,966,672 | 95,088 | 3.7% |

Sources: ⁽¹⁾ 2021 population: Office of Economic and Demographic Research, April 2020
2020 population: U.S. Census
⁽²⁾ United States Census Bureau (in 2019 dollars)
⁽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)**

| Employer | 2021 | | | 2012 | | |
|--|------------------|-------------|---------------------------------------|------------------|-------------|---------------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Resort at Longboat Key Club ⁽¹⁾ | 431 | 1 | 29.10% | 515 | 1 | 26.92% |
| Publix Supermarket | 182 | 2 | 12.29% | 193 | 2 | 10.09% |
| Town of Longboat Key | 115 | 3 | 7.77% | 110 | 3 | 5.75% |
| Zota Beach Resort (formerly Hilton) | 107 | 4 | 7.22% | | | |
| Shore Restaurant | 92 | 5 | 6.21% | | | |
| Dry Dock Restaurant | 88 | 6 | 5.94% | | | |
| Mar Vista Dockside Restaurant | 62 | 7 | 4.19% | 60 | 6 | 3.14% |
| Michael Saunders and Company | 55 | 8 | 3.71% | | | |
| Charthouse Restaurant | 50 | 9 | 3.38% | 55 | 7 | 2.88% |
| Grant's Gardens | 45 | 10 | 3.04% | 40 | 10 | 2.09% |
| Longboat Key Hilton | | | | 75 | 4 | 3.92% |
| Valleycrest Landscape Maintenance | | | | 71 | 6 | 3.71% |
| Euphemia Haye Restaurant | | | | 51 | 8 | 2.67% |
| Moore's Stonecrab Restaurant | | | | 43 | 9 | 2.25% |
| Total | 1,227 | | 82.85% | 1,213 | | 63.41% |

Note:

⁽¹⁾ Resort increased staff by 250 due to economic recovery from 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)

| | FISCA YEAR | | | | | | | | | |
|---------------------------------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|--------------|
| | 2012 ⁽²⁾ | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 ⁽³⁾ | 2021 |
| Governmental Activities: | | | | | | | | | | |
| Function | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Town Manager | | | | | | | 5.0 | 2.0 | 2.0 | 2.0 |
| Support Services | | | | | | | - | 4.0 | 4.4 | 4.0 |
| Town Clerk ⁽¹⁾ | | | | | | | 3.0 | 3.0 | 3.2 | 3.2 |
| Finance | | | | | | | 6.0 | 6.0 | 6.0 | 6.0 |
| I.T. | | | | | | | 3.0 | 3.0 | 3.0 | 3.0 |
| Public Works | | | | | | | 4.0 | 5.0 | 5.0 | 5.0 |
| Planning, Zoning, Building | | | | | | | 4.0 | 5.0 | 5.0 | 3.7 |
| Total General Government | <u>25.0</u> | <u>25.0</u> | <u>26.0</u> | <u>26.0</u> | <u>31.0</u> | <u>36.0</u> | <u>25.0</u> | <u>28.0</u> | <u>28.6</u> | <u>26.9</u> |
| Public Safety | | | | | | | | | | |
| Fire/Rescue | | | | | | | 36.5 | 36.5 | 36.5 | 36.5 |
| Police | | | | | | | 23.5 | 22.5 | 22.5 | 22.5 |
| Total Public Safety | <u>67.0</u> | <u>67.0</u> | <u>63.0</u> | <u>60.0</u> | <u>62.0</u> | <u>61.0</u> | <u>60.0</u> | <u>59.0</u> | <u>59.0</u> | <u>59.0</u> |
| Transportation | | | | | | | | | | |
| Streets | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> | <u>6.0</u> |
| Culture and Recreation | | | | | | | | | | |
| Parks | | | | | | | 3.0 | 3.0 | 3.0 | 3.0 |
| Tennis | | | | | | | 2.0 | 2.0 | 3.8 | 4.2 |
| Total Culture and Recreation | <u>5.0</u> | <u>5.0</u> | <u>7.0</u> | <u>7.0</u> | <u>7.0</u> | <u>5.0</u> | <u>5.0</u> | <u>5.0</u> | <u>6.8</u> | <u>7.2</u> |
| Total Governmental Activities | <u>103.0</u> | <u>103.0</u> | <u>102.0</u> | <u>99.0</u> | <u>106.0</u> | <u>108.0</u> | <u>96.0</u> | <u>98.0</u> | <u>100.4</u> | <u>99.1</u> |
| Business-Type Activities | | | | | | | | | | |
| Water and Sewer | 7.0 | 7.0 | 7.0 | 6.0 | 8.0 | 9.0 | 8.0 | 7.0 | 8.0 | 8.0 |
| Building | | | | | | | 8.0 | 7.0 | 7.0 | 8.3 |
| Total Business-Type Activities | <u>7.0</u> | <u>7.0</u> | <u>7.0</u> | <u>6.0</u> | <u>8.0</u> | <u>9.0</u> | <u>16.0</u> | <u>14.0</u> | <u>15.0</u> | <u>16.3</u> |
| Total | <u>110.0</u> | <u>110.0</u> | <u>109.0</u> | <u>105.0</u> | <u>114.0</u> | <u>117.0</u> | <u>112.0</u> | <u>112.0</u> | <u>115.4</u> | <u>115.4</u> |

Notes:

⁽¹⁾ Excludes poll workers

⁽²⁾ Building FTE's are included in general government for years 2012 through 2017

⁽³⁾ 2020 Restated

Source: Town of Longboat Key Finance Department

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

| Function/Program | FISCAL YEAR | | | | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Fire | | | | | | | | | | |
| Fire calls | 412 | 401 | 444 | 403 | 466 | 485 | 695 | 754 | 819 | 826 |
| Rescue calls | 1,003 | 1,093 | 1,050 | 1,035 | 1,138 | 1,058 | 1,068 | 1,164 | 1,082 | 1,075 |
| Inspections | 805 | 559 | 1,119 | 317 | 622 | 352 | 349 | 332 | 271 | 268 |
| Police | | | | | | | | | | |
| Law violations ⁽¹⁾ | 200 | 683 | 436 | 545 | 623 | 1,079 | 650 | 1,003 | 1,403 | 2,166 |
| Law arrests | 46 | 65 | 61 | 48 | 48 | 66 | 81 | 102 | 65 | 50 |
| Water system | | | | | | | | | | |
| Number of users or consumers | 16,802 | 16,802 | 18,680 | 17,991 | 18,108 | 19,778 | 19,910 | 18,778 | 19,000 | 17,453 |
| Daily average finished flow in gallons | 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 | 1,911,605 |
| Sewer system | | | | | | | | | | |
| Daily average treatment in gallons | 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 | 1,734,666 |

Note:

⁽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 | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 6 | 5 | 6 | 6 | 6 | 8 | 7 | 7 | 7 | 7 |
| Marine units | 1 | 2 | 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 |
| Fire trucks | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Ambulances | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Marine units | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Beach rescue units | | | | | | | | | | |
| 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 | 144 | 144 | 144 | 146 | 146 | 146 | 146 | 146 |
| Parks | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Town center | - | - | - | - | - | - | - | - | - | 1 |
| 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 | 1 | 1 |
| Pickelball courts | - | - | - | - | - | 1 | 1 | 1 | 3 | 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 | 212 | 212 | 212 | 212 | 212 | 400 | 405 | 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, 2021, 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 11, 2022.

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 11, 2022

Mauldin & Jenkins, LLC



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major State Project

We have audited the Town of Longboat Key, Florida's (the "Town") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Town's major state projects for the year ended September 30, 2021. The Town's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its awards applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on the Major State Project

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Town, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
March 11, 2022

Mauldin & Jenkins, LLC

TOWN OF LONGBOAT KEY, FLORIDA

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2021

| State Agency, Pass-through Grantor/Program Title/State Project | CSFA Number | Contract Grant Number | Expenditures | Passed Through to Subrecipients |
|---|----------------|--------------------------|---------------------|---------------------------------------|
| State Financial Assistance | | | | |
| Florida Department of Environmental Protection | | | | |
| Public Assistance Program | | | | |
| Beach Management Funding Assistance Program | 37.003 | 21ME2 | \$ 8,702,876 | \$ - |
| Beach Management Funding Assistance Program | 37.003 | 17ME4 | 59,791 | |
| Beach Management Funding Assistance Program | 37.003 | 22ME1 | <u>980,228</u> | <u>-</u> |
| Total expenditures of State Financial Assistance | | | <u>\$ 9,742,895</u> | <u>\$ -</u> |

Notes:

This schedule includes the State grant activity of the Town of Longboat Key, Florida, for the fiscal year ended September 30, 2021, and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of the basic financial statements.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards and State Financial Assistance Projects

A federal single audit was not required as the Town did not expend in excess of \$750,000 of federal awards.

Internal Control over major state projects:
 Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550? yes no

Identification of major state financial assistance projects:

| | |
|-------------|---|
| CSFA Number | Name of State Program or Cluster |
| 37.003 | Beach Management Funding Assistance Program |

Dollar threshold used to distinguish between State Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None noted.

SECTION III
FEDERAL/STATE AWARDS FINDINGS AND QUESTIONED COSTS

None noted.

TOWN OF LONGBOAT KEY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

None noted.

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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, 2021, and have issued our report thereon dated March 11, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 11, 2022, 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 11, 2022

Mauldin & Jenkins, LLC



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, 2021. 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, 2021.

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 11, 2022

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

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