



CITY OF AUBURNDALE, FLORIDA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Fiscal year ended September 30, 2021

City of Auburndale, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2021



Prepared by:

Department of Finance

City of Auburndale, Florida

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Principal City Officials

Mayor

Dorothea Taylor Bogert
Term Expiration: December 2025

Commissioner

William E. Sterling
Term Expiration: December 2025

Commissioner

Keith A. Cowie
Term Expiration: December 2025

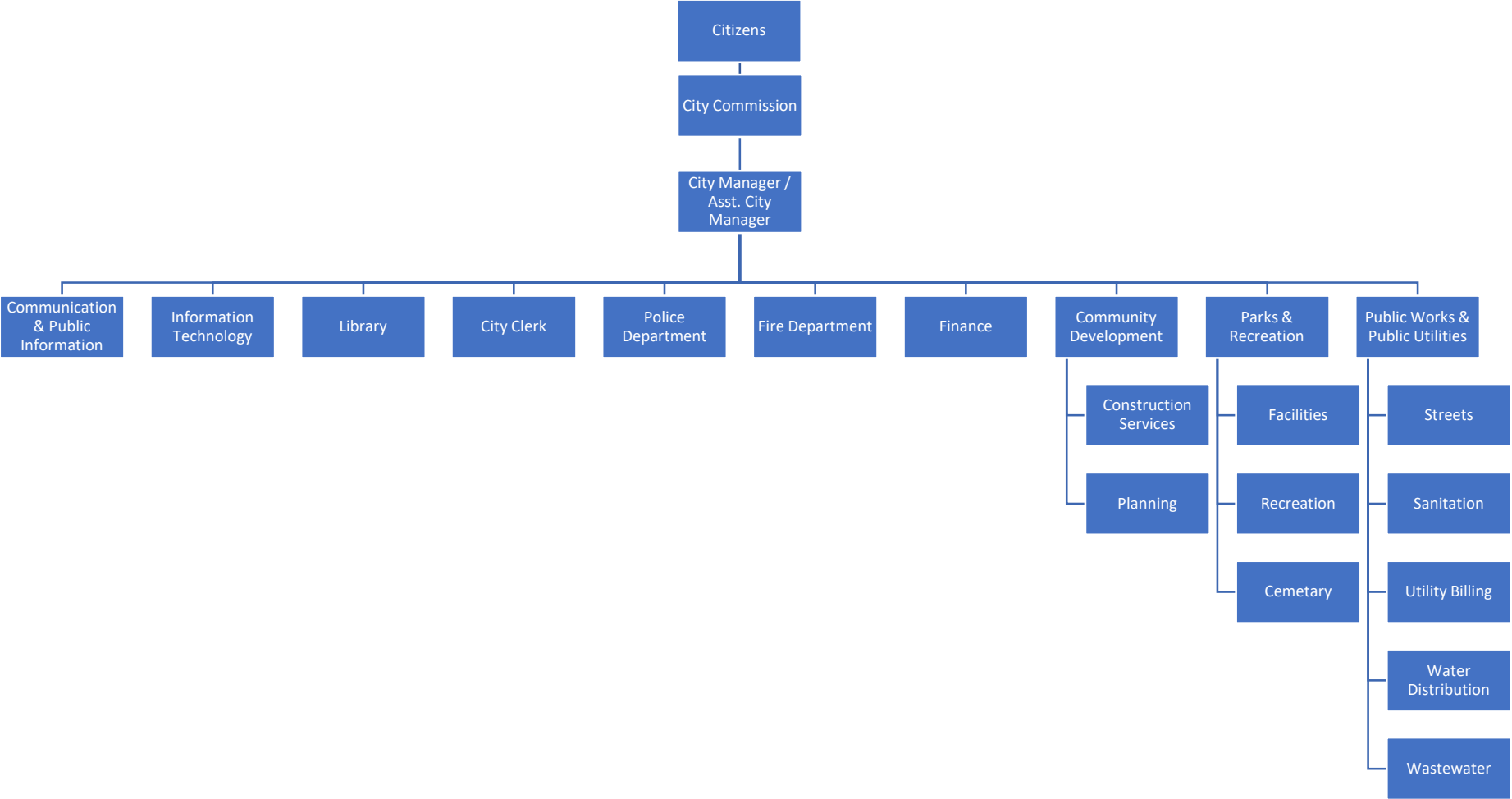
Commissioner

Richard O. Hamann
Term Expiration: December 2023

Commissioner

Jack R. Myers
Term Expiration: December 2023

City of Auburndale, Florida Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Auburndale
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



City of Auburndale
Auburndale, Florida 33823

Finance Department

P. O. Box 186
Phone (863) 968-5133

February 21, 2022

To the Honorable Mayor, Members of the City Commission and Citizens of the CITY OF AUBURNDALE:

We are pleased to present the fourth Annual Comprehensive Financial Report (ACFR) of the City of Auburndale, Florida. State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Internal accounting controls for the City have been designed to provide reasonable assurance regarding the safeguarding of the City's assets against loss. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City has contracted with Brynjulfson CPA, P.A., to conduct the audit. The independent auditor concluded there was reasonable basis for rendering an unmodified or "clean" opinion on the City of Auburndale's financial statements for the year ended September 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis or MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Government Profile

The City of Auburndale was incorporated in 1911 through a Special Act of the Legislature. The City is located in Polk County and encompasses approximately 22 square miles. The University of Florida Bureau of Economic and Business Research estimates the 2021 population at 16,539. The City shares common boundaries with Lakeland, Lake Alfred, Polk City, and Winter Haven.

The City of Auburndale is empowered to levy a property tax on real property located within its boundaries. It also is empowered by State Statute to extend its corporate limits by annexation, which it has done when deemed appropriate by the City Commission.

The Charter of the City of Auburndale provides for a “commission-manager” form of government. The City Commission is a legislative body, with the power to enact ordinances and adopt resolutions. The City Commission consists of five Commissioners, who are elected on a non-partisan basis, at large by the voters for four-year staggered terms in November in the odd numbered years. A Mayor and Vice Mayor are elected by the Commission at the first meeting in December for the year. The Mayor and Commissioners hire the City Manager and City Attorney. The City Manager is the chief executive officer and head of the administrative branch of the City. The City Manager oversees the day-to-day operations of the City and hiring of the department heads for the various City departments.

The City of Auburndale provides a full range of services, including police and fire protection; refuse collection; street maintenance; parks and recreation; construction services; library services; financial services; administrative services; and water and sewer services. The City also has an active Community Redevelopment Agency, which was created in 1992. The City currently has 182 full-time employees.

Since 2005, the City of Auburndale has operated with a two-year budget process. As part of the process, two separate twelve-month budgets are prepared and approved by the City Commission. The level of budgetary control is set at the fund level. On or before October 1 of each year, after conducting public hearings on the two-year budget proposals submitted by the City Manager, the City Commission adopts a final budget for the succeeding fiscal years. Under State law, appropriation for each fiscal year cannot exceed the amount to be received from revenues and appropriated fund balances. The biennial budgets serve as the foundation for the City of Auburndale’s financial planning and control. The budgets are prepared and balanced for the five Funds: General Fund, General Fund Impact Fees Fund, Community Development Fund, Water and Sewer Impact Fees Fund, and Water and Sewer Fund. The budget details the departments (example: police) and functions (example: personnel) for all the Funds.

Factors Affecting Financial Conditions

The information presented in the financials statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City of Auburndale is a desirable location to Live, Work & Play. The City is located 50 miles northeast of Tampa and 50 miles southwest of Orlando. The leading indicators of growth, such as requests for building permits, site plan approvals for new developments and redevelopment, and requests for land use and zoning changes, have remained strong. Major industries located within the government’s boundaries or in close proximity include the Coca-Cola Corporation, Amazon, Medline, Saddle Creek Corporation, Duke Energy, and SunTrax.

SunTrax is a large-scale cutting-edge facility being developed by the Florida Department of Transportation and Florida’s Turnpike Enterprise, dedicated to the research, development and testing of emerging transportation technologies in safe and controlled environments. Phase 1 of construction was completed in 2019 with the \$42 million research facility built on a portion of the total project’s 475 acres along the Polk Parkway, in the City limits. Its centerpiece is a multi-lane 2.25-mile oval track that will be used for high-speed autonomous vehicle (AV) testing. Phase 2 of the project is the 200-acre infield that, when fully constructed, will be used to test emerging transportation technologies, including autonomous vehicles and unmanned systems. The infield of SunTrax is estimated at \$100 million and is currently under construction with an expected opening for research and testing in Summer 2022.

The Polk County school district and Florida Polytechnic University provide a significant economic presence, employing many teachers, professionals, and support staff. Florida Polytechnic University is the only public university dedicated to science, technology, engineering and mathematics (STEM). There are four schools located within the City limits and four schools just outside the City with an Auburndale address.

The COVID-19 pandemic caused a state-wide shutdown of non-essential businesses and the Governor of Florida issued a “Safer at Home” order for the month of April 2020. For Polk County and the area cities including Auburndale, the unemployment rate rose to a high of 18.4% in May 2020, before declining to 4.9% in September 2021. The national unemployment rate as of September 2021 was 4.7%, slightly lower than Polk County. Based on the economic forecasts for years 2021 to 2031 the unemployment rate is anticipated to move to a high of 4.5% in years 2030 and 2031.

Over the past ten plus years, the City has experienced a period of significant economic growth and investment, as shown in our continued growth of utility billing customers and Building Permits issued. The City works hard in the area of planning and growth management through our Community Development Department. We have approximately 3,000 single-family residential lots in some stage of development, from zoning approval to under construction. The Utility Billing revenues for calendar year 2021 are \$6,054,097 for water charges and \$7,384,248 for sewer charges. Compared to the prior year, the revenue for water charges increased by 9% and the revenue for sewer charges increased by 10%.

The City of Auburndale’s tax base has been strong and increased by 4.9% in 2020 and 17.9% in 2021 due to growth in property values. Auburndale has historically levied a low property tax and is one of the lowest in Polk County. For FY 2022, the millage tax remained at 4.2515. The proposed tax levy will generate \$6,470,000, an increase of \$980,000 over the prior year budget. The significant increase in ad valorem proceeds is a direct result of the inclusion of the Amazon Fulfillment Center taxable values and the continued growth experienced in residential construction. Due to their facility size and infrastructure, the Coca Cola Corporation and Duke Energy account for 21.9% of the City’s property taxes for the current year. The property taxes received from Coca Cola are remitted to the City’s Community Redevelopment Agency Fund to help provide for redevelopment with the Community Redevelopment Agency district.

The Amazon Fulfillment Center is now the third highest valued property in the City of Auburndale including both the real estate and tangible property values. Bel Lakeland LLC owns the land and facility and Amazon owns the tangible property on the parcel.

2021 TOP TEN COMBINED: TAXPAYERS	JUST VALUE	ASSESSED
COCA COLA	182,851,722	182,851,722
DUKE ENERGY	170,693,071	170,693,071
BEL LAKE LAND LLC	89,479,118	89,479,118
MEDLINE INDUSTRIES INC	58,509,536	58,509,536
SADDLE CREEK CORPORATION	48,000,556	48,000,556
AMAZON	45,810,504	45,810,504
TAMPA ELECTRIC	26,864,410	26,642,603
WALMART	11,650,019	11,650,019
SPECTRUM SUNSHINE STATE	11,575,452	11,575,452
FLORIDA BREWERY INC	11,325,448	11,325,448

Charges for services related to governmental funds have remained relatively constant over the past few years with collections around \$4 million. The charges for service fees include facility rentals, field rentals,

library services, sanitation charges, stormwater fees, and cemetery fees. The charges for service are adjusted based upon review of the collections for the City and charges from area cities.

Long-term Financial Planning and Major Initiatives

The Five-Year Capital Improvement Plan or CIP is used to provide for future community needs and determine how resources will be used to meet those needs. The CIP serves as the City's planning document to ensure that the facilities, equipment and infrastructure are well maintained and operating in peak condition. The CIP gives the City of Auburndale the ability to plan for its capital needs and allocate short-term and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. All projects in the first two years of the CIP are incorporated into the proposed Biennial Budget. Projects planned over the next five-year period within the Police, Fire, Public Works, Public Utilities, and Parks and Recreation Departments are projected to cost \$51,095,500. In our Biennial Budget preparation, we integrate the Five-Year Capital Improvement Plan and adopt this as part of the Ordinance for the budget.

The Water and Sewer Fund provides operating income of \$5,233,276 that results in a primary Net Revenue Bond Coverage of 3.27. The City is required to maintain net revenues to cover 1.05 times the bond service requirement per City Resolution No. 95-10. In December 2020, the City Commission approved Raftelis to provide a comprehensive review of water and wastewater revenues compared to the City's two-year budget, five-year capital improvement plan, operational expenses, transfers, debt service requirements and estimated inflation. The study includes the impact of utilizing alternative water supply sources as a member of the Polk Regional Water Cooperative. In addition to the utility rate study, the City Commission approved a review of the City's Utility Impact Fees to recognize savings given overlap in data collection and analysis. From the July 2021 rate study, a rate adjustment for water of 4% and sewer of 0.5% in FY 2022 and in each of the following four years was approved by the City Commission with Ordinance No. 1669.

The City of Auburndale receives Community Development Block Grant funds annually through a Cooperative Agreement with Polk County for a share of the federal funds they receive from the Department of Housing and Urban Development. For FY 2021, the City Commission authorized an agreement with the Town of Dundee to utilize the City of Auburndale's CDBG funding allocation (\$83,488.90) to complete several large projects. The City of Auburndale has authorized a similar agreement two other times – FY 2010 and FY 2014. The Town of Dundee will reimburse the City of Auburndale each year with their full allocation (\$22,285.22 in FY 2020) until the funds are repaid. The City plans to continue property acquisition of vacant lots within the CDBG Target Areas for donation to Habitat for Humanity. The Budget provided \$110,000 for FY 2021.

The Polk Regional Water Cooperative was formed in 2016 to address the individual and regional future water needs of the 17 municipalities in Polk County. The current Budget allocates Auburndale's committed cost share for conservation programs, administrative cost, and Phases 1 & 2 costs for engineering and testing of wells. Auburndale is one of seven participating members that elected to utilize the State Revolving Loan Fund to fund their cost share of Phase 1. The Biennial Budget provides for \$166,000 in FY 2021 and \$166,000 in FY 2022 for Phase I costs and for \$700,000 in FY 2022 for Phase II costs.

Relevant Financial Policies

The City of Auburndale amended the Fund Balance Policy regarding the General Fund Unassigned Fund Balance to 25%, with Resolution No. 2019-10, on November 18, 2019. The previous Resolution No. 2016-01 required an unassigned fund balance minimum of 17% of the subsequent year's budgeted operating expenditures (total expenditures less capital outlay and certain debt service expenditures that are secured by reimbursements from Polk County). In accordance with the City's Fund Balance Policy and Auditor's recommendation, City Staff will allocate the necessary contributions to the Emergency Reserve Restricted Account. The targeted minimum reserve balance represents 25% of the City's General Fund budgeted amount and can only be expended with the City Commission approval, as an emergency expenditure. This change to 25% has been a priority of City Staff to raise the emergency reserve target. The past several adopted budgets and current FY 2021 annual Budget gave priority to maintaining this goal.

The unassigned fund balance in General Fund is \$8,091,839, which is 41% of total general fund expenditures, excluding capital outlay and debt service. The prior year unassigned fund balance was 35%.

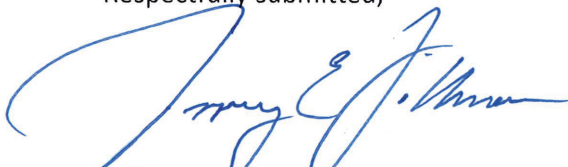
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Auburndale for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2020. This was our third year to receive this prestigious award. In order to receive the award, a governmental agency must provide an easily readable and efficiently organized ACFR, which satisfies both generally accepted accounting principles and the legal requirements.

With the completion of this document for FY 2021, the City of Auburndale will again apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting.

The preparation of this report would not have been possible without efficient and dedicated staff of the Finance Department. We wish to thank all City Departments for their assistance in providing the data necessary to prepare the statistical portion of the report and for their budgetary oversight for their various departments. We would also like to thank the Mayor and the Commission for their support for maintaining the highest standards of professionalism in the management of the City of Auburndale finances. Our appreciation must also be expressed for the City Auditors, Mike Brynjulfson and Jordan Ortiz of Brynjulfson CPA, P.A., whose attention to detail and accounting professionalism enhances the quality of the City's ACFR product.

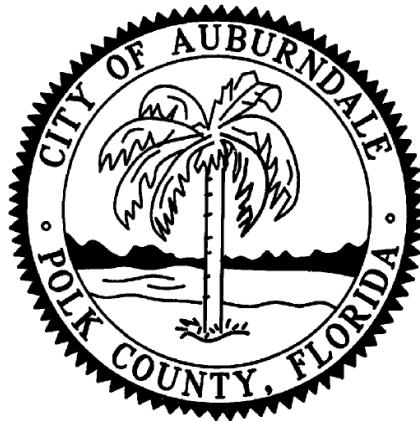
Respectfully submitted,



Jeffrey E. Tillman, City Manager



Christopher S. Reeder, Finance Director



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburndale, Florida (the City) as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as provided in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and the combining financial statements reported as other supplementary information, as provided in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

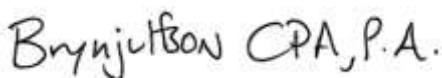
The introductory section and statistical section, as provided in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City'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 City's internal control over financial reporting and compliance.

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

In accordance with *Chapter 10.550, Rules of the Auditor General*, we have also issued our report dated February 21, 2022, on our examination of compliance with requirements of Section 218.415, *Florida Statutes*. The purpose of that report is to describe the scope of our examination and the issuance of an opinion on the City of Auburndale, Florida's compliance with requirements of Section 218.415, *Florida Statutes*.



Brynjulfson CPA, P.A.
Auburndale, Florida
February 21, 2022

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

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources on September 30, 2021 by \$88,229,445 (net position) compared to \$69,761,363 at the end of the prior year. Of this amount reported on September 30, 2021, -\$6,299,111 is reported as unrestricted net position *deficit* mainly due to the effect of the unfunded other postemployment benefit (OPEB) liability and the City's net pension liabilities.
- The City's total net position increased by \$18,468,082 as a result of operations compared to an increase of \$17,023,164 in the prior year. The results of operations increased the governmental activities' net position by 15% and increased the business-type activities by 39%.
- As of September 30, 2021, the City of Auburndale's governmental funds reported combined ending fund balances of \$16,173,124 an increase of \$3,652,639 in comparison with the prior year ending balance of \$12,520,485.
- As of September 30, 2021, the City's general fund reported unassigned fund balance of \$8,091,839 or 39% of general fund expenses for the year ended September 30, 2021, excluding capital outlay expenditures. As of the end of the prior year, the City's general fund reported unassigned fund balance of \$6,837,878 or 35% of general fund expenses for the year ended September 30, 2021, excluding capital outlay expenditures.
- The City of Auburndale's total net long-term debt decreased by \$3,019,620 or 5% during the fiscal year.

UNDERSTANDING THE BASIC FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to the financial statements.

The basic financial statements present two different views of the City through the presentation of governmental-wide financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Auburndale.

Government-wide Financial Statements

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

The governmental activities of the City include general government, police and fire departments, streets, sanitation, library, building and zoning, community redevelopment and parks and recreation.

The business-type activities of the City consist of the public utilities system.

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

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the residual measure reported as net position. The focus of the statement of net position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

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

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

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

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

The City maintains three separate governmental funds – the general fund, the community redevelopment agency special revenue fund and the impact fee special revenue fund. Information is presented separately for each fund in the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and change in fund balances.

In September, following two public hearings the City adopts an annual appropriated budget each year. Budgetary comparison schedules have been provided to demonstrate compliance with the budget and can be located by referencing the table of contents of this report.

The basic governmental funds financial statements can be located by referencing the table of contents of this report. The governmental fund presentation is a sources and uses of liquid resources basis (current financial resources measurement focus and modified accrual basis of accounting). This is the manner in which the budget is typically developed. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance for each fund.

Proprietary Funds - The City maintains only one of the two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses an enterprise fund to account for its public utilities system. Internal Service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City does not utilize internal service funds. The basic proprietary fund financial statements can be located by referencing the table of contents of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be located by referencing the table of contents of this report. The City has three defined benefit pension plans established for the exclusive benefit of its employees and beneficiaries as well as one custodial fund to account for certain fees collected on behalf of other governments.

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

Other Information – This report also presents certain required supplementary information related to the City's employee pension plans and other postemployment benefits (OPEB) obligations as well as budgetary comparison schedules for the general fund, community redevelopment agency special revenue fund and the impact fee special revenue fund. Required supplementary information can be located by referencing the table of contents of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 18,241,585	\$ 16,905,566	\$ 25,294,947	\$ 15,858,670	\$ 43,536,532	\$ 32,764,236
Capital assets	62,818,709	62,409,450	65,245,504	60,215,316	128,064,213	122,624,766
Total assets	81,060,294	79,315,016	90,540,451	76,073,986	171,600,745	155,389,002
Deferred outflows	6,006,667	4,747,598	1,954,219	1,970,706	7,960,886	6,718,304
Current liabilities	2,211,348	3,970,614	8,382,345	4,997,757	10,593,693	8,968,371
Non-current liabilities	40,266,832	40,380,622	36,722,579	38,601,422	76,989,411	78,982,044
Total liabilities	42,478,180	44,351,236	45,104,924	43,599,179	87,583,104	87,950,415
Deferred inflows	3,207,668	3,610,057	541,414	785,471	3,749,082	4,395,528
Net position:						
Net investment in capital assets	44,468,109	40,671,611	32,448,635	24,273,491	76,916,744	64,945,102
Restricted	8,017,705	5,604,560	9,594,107	4,181,913	17,611,812	9,786,473
Unrestricted	(11,104,701)	(10,174,850)	4,805,590	5,204,638	(6,299,111)	(4,970,212)
Total net position	\$ 41,381,113	\$ 36,101,321	\$ 46,848,332	\$ 33,660,042	\$ 88,229,445	\$ 69,761,363

By far the largest portion of the City's net position, \$76,916,744 reflect its investment in capital assets (land, buildings, improvements, infrastructure, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

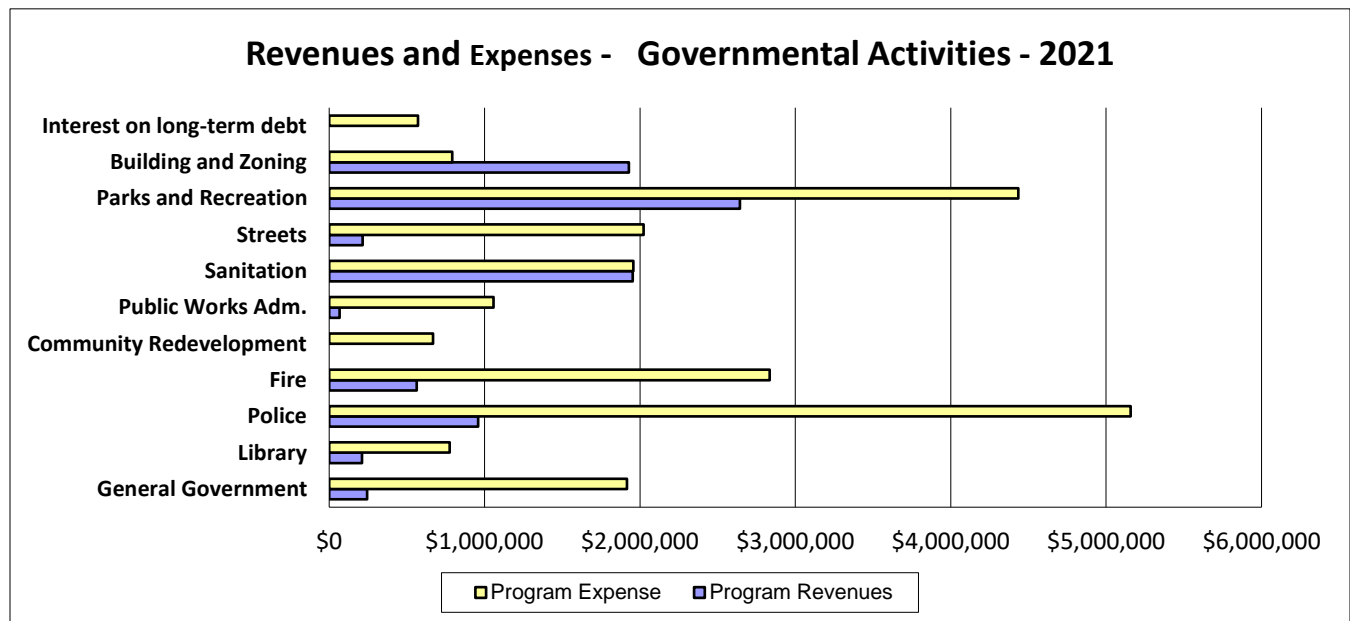
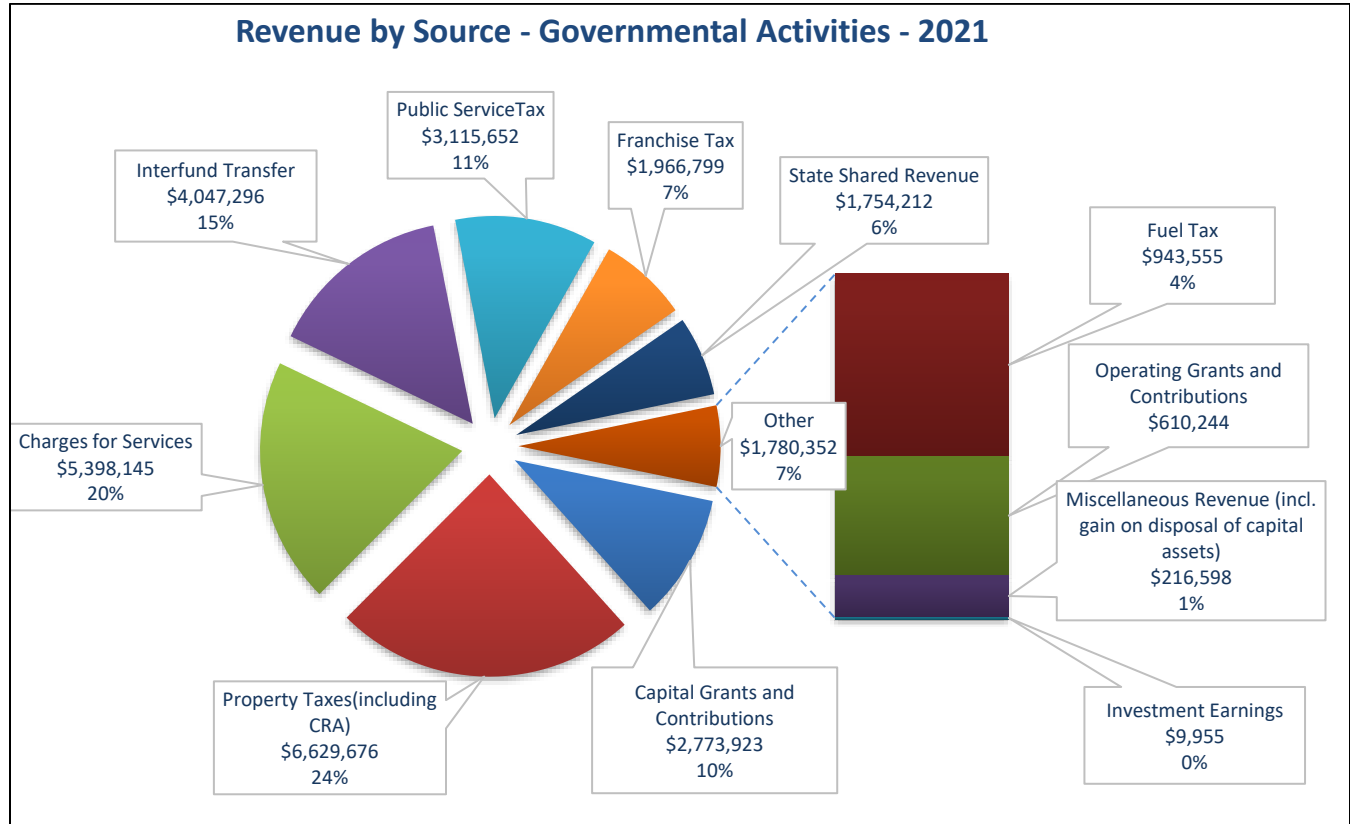
An additional portion of the City's net position, \$17,611,812, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City reported a total negative unrestricted net position of \$6,299,111 which is comprised of a negative unrestricted net position of \$11,104,701 for the governmental activities and a positive \$4,805,590 for the business-type activities.

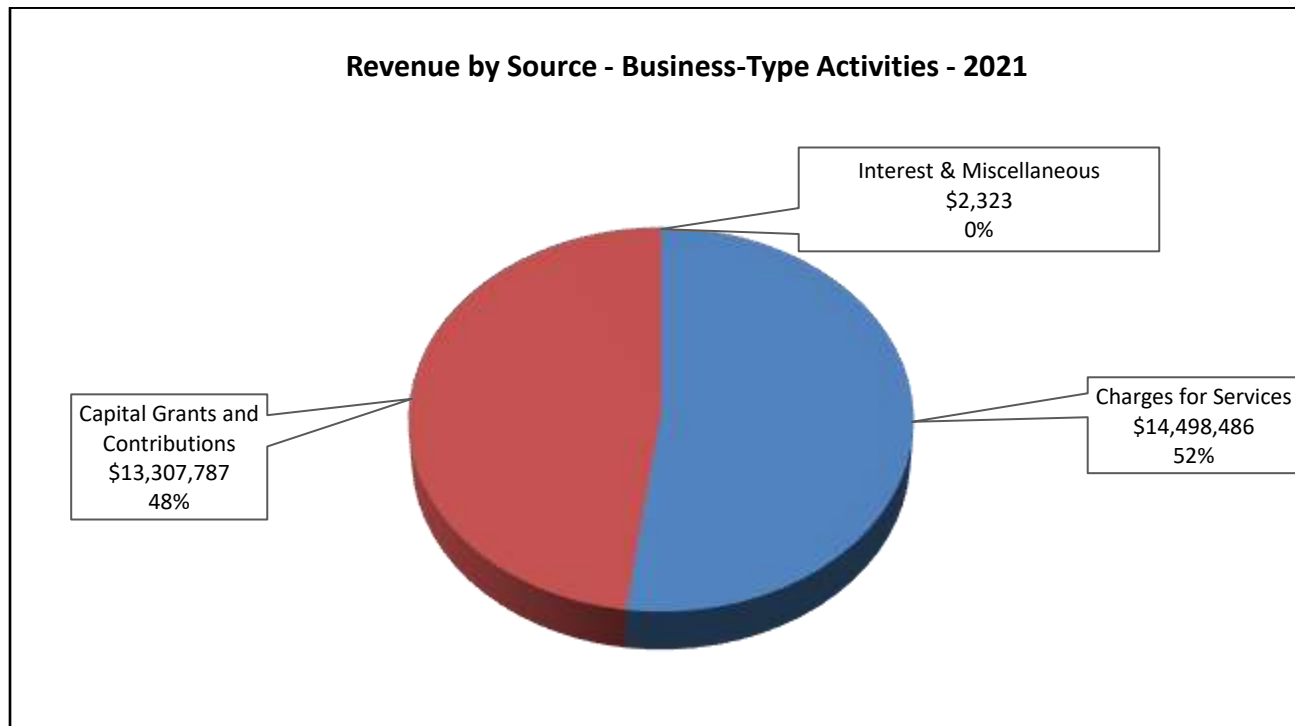
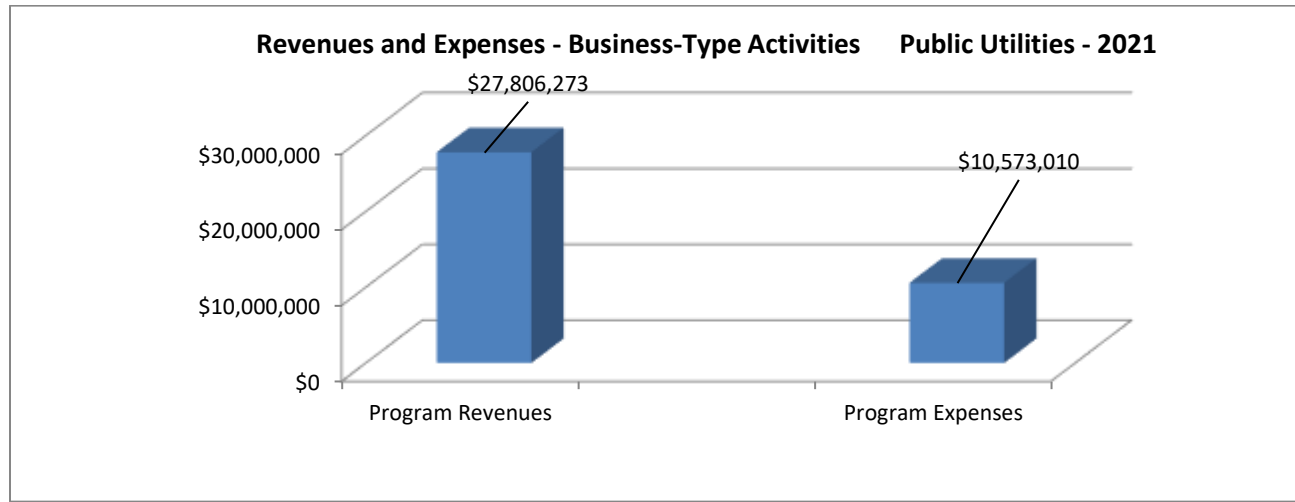
Statement of Activities – While net position of the City represents the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources, the statement of activities reports the changes in net position during the fiscal year using the economic resources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

Statement of Activities (Summary)						
For the year ended September 30,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 5,398,145	\$ 4,652,836	\$ 14,498,486	\$ 13,419,401	\$ 19,896,631	\$ 18,072,237
Operating grants/contrib.	610,244	634,448	-	-	610,244	634,448
Capital grants/contrib.	2,773,923	7,505,233	13,307,787	9,952,744	16,081,710	17,457,977
<i>General revenues:</i>						
Property taxes	6,629,676	6,280,184	-	-	6,629,676	6,280,184
Other taxes	6,026,006	5,577,052	-	-	6,026,006	5,577,052
State shared revenue	1,754,212	1,491,780	-	-	1,754,212	1,491,780
Other	226,553	330,100	2,323	40,820	228,876	370,920
Total revenues	23,418,759	26,471,633	27,808,596	23,412,965	51,227,355	49,884,598
Expenses:						
<i>Governmental activities:</i>						
General government	1,915,917	1,722,641	-	-	1,915,917	1,722,641
Library	775,900	674,303	-	-	775,900	674,303
Police	5,156,607	5,053,525	-	-	5,156,607	5,053,525
Fire	2,834,841	2,686,868	-	-	2,834,841	2,686,868
Building and zoning	791,222	680,128	-	-	791,222	680,128
Public works administration	1,057,132	1,157,110	-	-	1,057,132	1,157,110
Sanitation	1,956,652	1,791,265	-	-	1,956,652	1,791,265
Streets	2,024,185	2,400,421	-	-	2,024,185	2,400,421
Parks and recreation	4,434,192	3,821,183	-	-	4,434,192	3,821,183
Community redevelopment	667,522	601,281	-	-	667,522	601,281
Interest on long-term debt	572,093	807,169	-	-	572,093	807,169
<i>Business-type activities:</i>						
Public utilities	-	-	10,573,010	11,465,540	10,573,010	11,465,540
Total expenses	22,186,263	21,395,894	10,573,010	11,465,540	32,759,273	32,861,434
Increase (decrease) in						
net position before transfers	1,232,496	5,075,739	17,235,586	11,947,425	18,468,082	17,023,164
Transfers in (out)	4,047,296	3,534,823	(4,047,296)	(3,534,823)	-	-
Change in Net Position	5,279,792	8,610,562	13,188,290	8,412,602	18,468,082	17,023,164
Net position - Beginning	36,101,321	27,490,759	33,660,042	25,247,440	69,761,363	52,738,199
Net position - Ending	<u>\$ 41,381,113</u>	<u>\$ 36,101,321</u>	<u>\$ 46,848,332</u>	<u>\$ 33,660,042</u>	<u>\$ 88,229,445</u>	<u>\$ 69,761,363</u>

Governmental Activities - Governmental activities' operations increased the City's net position by \$5,279,792 for the current year. Approximately 68% or \$14,636,447 of the governmental activities' operations are funded by general revenue sources and transfers that are not attributable to any one particular activity. The City is dependent upon property taxes and taxes on utilities, both through franchise and through direct taxation of those utilities.



Business-type activities - Business-type activities' operations increased the City's net position by \$13,188,290.



The governmental activities change in net position was \$5,279,792 for 2021 compared to \$8,610,562 for the prior year, mainly due to:

- Total revenue decreased by \$3,052,874 or 12% mainly due to:
 - Increased property taxes of \$349,492 or 6% due to increased property values within the City.
 - Decreased capital grants and contributions of \$4,731,310 or 63% due to:
 - In the prior year, the City recorded the donation of certain roadways, received from Polk County, Florida, including former State Road 559, at estimated acquisition value of \$4,731,085.
 - Increased charges for services of \$745,309 or 16% mainly due to increased construction within the City as building permits increased by approximately \$293,074 (30%), fines and forfeitures increased by approximately \$108,000 (52%) and sanitation and recycling revenue increased by approximately \$165,598 (9%). Parks and recreation charges for services also increased by \$268,577 (41%) due to continued recovery from the effects of the COVID-19 pandemic.
 - General revenues, other than property taxes, combined with operating grants and contributions declined by \$583,635 or 7% mainly due to increased economic activity that generated increased tax, shared revenue and franchise fee revenue.
- Total expenses increased by \$790,369 or 4% mainly due to:
 - General function-wide cost increases due to a variety of factors and degrees with the most significant change being that parks and recreation expenses increased by \$613,009 (16%) mainly due to increased personnel related costs.
 - The expenses of the streets function decreased by approximately \$376,236 or 16% due to nonrecurring noncapital expenses incurred in the previous year related to Denton Road improvements.
 - Interest expense decreased by \$235,076 or 29% due to the issuance of the Florida Municipal Loan Council Bonds, Series 2019 in the prior year which required closing costs of \$240,267 which were reported as a component of interest expense. These expenses did not recur in 2021 causing the decrease.

The business-type activities change in net position was \$13,188,290 compared to an increase of \$8,412,602 in the prior year, mainly due to:

- Total revenue increased by approximately \$4,395,631 or 19%, due mainly to:
 - The business-type activities received donated infrastructure in the amount of approximately \$5,652,610 in 2021 compared to approximately \$2,090,180 in 2019, a \$3,562,430 increase, or 170%.
 - The business-type activities reported decreased grant revenue of \$3,952,250 or 87% due to decreased grant-funded project activity.
 - Water and sewer impact fee revenue increased by approximately \$3,744,865 (117%) due to increased construction within the City.
 - Charges for services increased by \$1,079,085 or 8%.

- Total expenses increased by \$892,530 or 8% due to general price decreases driven mainly by decreased operating expenses of approximately \$694,450 (7%) due to lower personnel and pension costs

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$16,173,124. Of this total, the unassigned fund balance amount is \$8,091,839 and is the amount available for spending at the City's discretion. The remainder of fund balance, \$8,081,285, is restricted or nonspendable as indicated and not available for general spending because of restrictions placed on the use of fund balance or fund balances that have already been spent. The combined total fund balance in fiscal year 2020 was \$12,520,485.

The general fund is the chief operating fund of the City. The general fund's unassigned fund balance has increased \$1,253,961 or 18% in fiscal year 2021. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. During the current fiscal year, the assigned and unassigned fund balance of the City's general fund was 40% of current year expenditures, excluding capital outlay, compared to 35% in the prior year. Capital outlay was removed from the calculation because the amount was significant (14% of total expenditures in 2021 and 26% in 2020).

The Community Redevelopment Agency (CRA) was created with Ordinance No. 772, in June of 1992. The CRA Board was restructured to include the City Commission and two City residents, with Ordinance No. 1117, in July of 2003. An amendment to the redevelopment plan extended the time certain for completing all redevelopment financed by increment revenue for 30 years from the date of Resolution No. 2005-11 (adopted May 2, 2005). In November of each year, the CRA entertains public comment on new projects to be included in the Board's adopted capital improvements program. The CRA receives property tax increment funds from the County and City, which combined were \$1,580,939. Total fund balance at year end equals \$2,351,924 an increase of \$692,787 during the current fiscal year.

The major CRA capital project this year was street resurfacing in the CRA district totaling \$468,831. The CRA also reimbursed the City \$123,047 for labor costs, made \$200,000 in redevelopment incentive grants and paid general municipal impact fees for new construction in the CRA district of \$4,443. The CRA reported total expenditures of \$895,807 during the current year.

Enterprise Fund - The City's enterprise fund provided operating income of \$5,233,276 that resulted in a primary net revenue bond coverage of 3.30. Last year the operating income was \$3,459,741 with net revenue bond coverage of 2.54. City Resolution Number 95-10 requires the City to maintain net revenues sufficient to cover 1.05 times the bond service requirement. The principal and interest amounts paid during the year, as used in the debt service coverage calculation, totaled \$2,548,513.

In July 2021, Raftelis Financial Consultants, Inc. completed the utility rate and impact fee study for the City's water and sewer utility systems. The opinion letter to the City was based upon the Forecast Statement of Debt Service Coverage for Water and Sewer and the Summary of Significant Forecast Assumptions. The forecast reflected expected financial conditions during each of the five fiscal years September 30, 2022 through September 30, 2026.

The Raftelis report provides a thorough review of projected water and wastewater revenues compared to the City's Two-Year Budget, Five-Year Capital Improvement Plan, operational expenses, transfers, estimated inflation of 2.2%, and debt service requirements. A water rate adjustment of 4% and a wastewater rate adjustment of 0.5% in FY 2022 and for the following four years was suggested to meet the balance of proposed expenses and revenues required.

The City provides water and sewer service to the residents within the City limits and also serves residents in surrounding communities within Polk County. During FY 2021, the City served an average of 12,850 (up from 12,296 in 2020) water customers and 9,253 (up from 8,583 in 2020) sewer customers and has experienced continued customer growth. The Water and Sewer System includes seven deep production wells, three water production/treatment facilities, two wastewater treatment facilities, and a network of piping ranging in size from 2 inches to 18 inches in diameter.

The City has a potable water consumptive use permit (Permit Number 7119 issued August 1, 2014 and expires April 3, 2034) with the Southwest Florida Water Management District to withdraw up to 7,036,300 gallons per day (average daily use) and an average annual withdrawal of approximately 5,229,000 gallons per day. The City also participates in the Polk Regional Water Cooperative pursuant to an Interlocal Agreement established in 2016. The City may participate in future water supplies and related projects with the Polk County Water Cooperative in the future.

The City's two water reclamation facilities are permitted by the Florida Department of Environmental and Protection ("FDEP"). The two facilities are:

- Allred Wastewater Treatment Plant (Facility ID: FL0021466)
- Regional Wastewater Treatment Facility (Facility ID: FLA016559)
- The Allred and Regional facilities have a permitted capacity of 1.400 and 1.600 MGD, respectively.

For fiscal year 2020/2021, major capital improvements for the enterprise fund were as follows:

- UV Disinfection System: This project began in 2019 and was placed in service during 2021. Capitalized project costs in 2021 totaled \$649,323
- Regional Sprayfield Relocation: This project began in 2018 and was placed in service during 2021. Project costs incurred totaled \$81,135 in 2021 and the total capitalized project cost in 2021 was \$4,027,877.
- The Florida Polytechnic University Reuse Line and Water Interchange with Lakeland: This project began in 2017. The Water Interchange with Lakeland was completed during 2021 and placed in service with a capitalized cost of \$1,205,032. The Florida Polytechnic University Reuse Line is still in process at the end of the year. Project costs incurred totaled \$285,363 in 2021 and the project had a balance of \$1,449,480 reported in construction in progress on September 30, 2021.
- Donated Infrastructure: Donated infrastructure for the water and wastewater system totaling \$5,281,778 were accepted and capitalized in 2021.
- Equipment totaling approximately \$845,730 were purchased and capitalized in 2021.

Fiduciary Funds - The General Employee Pension Fund funding requirement was \$1,347,267 for the current year. This represents a \$86,273 decrease over prior year funding of \$1,433,540. The General Employee Pension Board hired an independent actuary to prepare the valuations beginning in 2008 and hired a pension attorney in 2009. Pension Plan assets are managed by the General Employee Pension Board of Trustees with the assistance of an investment advisor. The Defined Benefit Plan has a blended multiplier of 2.75% for all years prior to October 1, 2003 and 2.5% for all years after October 1, 2003. Employees under the Defined Benefit Plan contribute 2% of salary. The participant data as of September 30, 2021 shows 124 total members, 90 inactive plan members or beneficiaries currently receiving benefits, 8 inactive plan members entitled to but not yet receiving benefits, and 26 active plan members.

Effective October 1, 2006, the City implemented a Defined Contribution Plan for all new hires and froze the current enrollment into the General Employee Defined Benefit Plan. The City now has a 401A Plan administered through Mission Square Retirement (previously named the International City/County Management Association (ICMA)) and contributes 8% to the employee's account. The employees contribute 2% of salary and have a five-year vesting period for the Plan. For fiscal year 2020-21, the total cost of the 401A Plan, net of participant forfeitures of \$60,562, was \$244,452.

The Fire Pension Fund is funded by State contributions, employee contributions, return on investments, and a City contribution to make the funds actuarially sound. The City and State contributed \$527,811 for the current fiscal year and \$503,983 for the prior fiscal year. Plan members contribute 9.1% of salary and the plan provides for eligible retirement with 25 years of service regardless of age, provides an additional supplemental benefit for every year of service for future retirees, and a benefit multiplier of 3.75%.

The supplemental benefit is subject to adjustment based upon the actual state funding received. Normal retirement is age 55 with 10 years of service. The Plan is administered by the Firefighter Pension Board. Per the Firefighter Pension Actuarial Report as of October 2020, the participant data is: 47 participants, 19 inactive plan members or beneficiaries currently receiving benefits, 8 inactive plan members entitled to but not yet receiving benefits, and 20 active plan members.

The Police Pension Fund is funded by State contributions, employee contributions, return on investments, and a City contribution to make the funds actuarially sound. The City and State contributed \$657,909 for the current fiscal year and \$656,186 for the prior year. Ordinance No. 1421 increased the employee contribution to 5.6% of salary and Ordinance No. 1256 modified the Plan benefits, which provides for eligible retirement with 20 years of service regardless of age and provides an additional supplemental benefit for every year of service for future retirees. The supplemental benefit is subject to adjustment based upon the actual state funding received. Normal retirement is age 55 with 10 years of service. The Plan is administered by the Police Pension Board and the current pension multiplier for the Police Pension is 3.50%. Per the Police Officer Actuarial Report as of October 2020, the participant data is: 86 participants, 27 inactive plan members or beneficiaries currently receiving benefits, 24 inactive plan members entitled to but not yet receiving benefits, and 35 active plan members.

Note 7 of the notes to the financial statements will provide more information regarding the City's three pension trust funds.

ANALYSIS OF SIGNIFICANT BUDGET VARIANCES

Budgetary comparison schedules for all major governmental funds can be found in the required supplementary information section of these financial statements and can be found by referencing the tables of contents of this report. This discussion is limited to the budgetary variances of only the general fund. For the general fund, actual resources were \$350,067 more than the final budgeted amounts and actual charges to appropriations were less than the final budgeted amounts by \$15,329 for an overall favorable budget variance of \$365,396. Each year the City Commission approves a budget amendment for line-items that have a deviation of \$25,000 between the budget and actual resources or charges to appropriations.

During the year, the general fund's budget was amended to increase budgeted resources and charges to appropriations (outflows) by \$2,214,000 or a 10% increase. This increase was mainly due to the following:

The significant increases/decreases in budgeted resources (inflows) was mainly due to the following items:

- Tax resources – increased \$635,000.
- Licenses and permits resources – increased by \$728,000.
- Intergovernmental resources – increased by \$765,000.
- Charges for services – increased by \$605,000.
- Fines and forfeitures – increased by \$75,000.
- Loan proceeds – decreased by \$580,000.
- Other budgetary resources – increased by \$61,000.

The significant increases/decreases in budgeted charges to appropriations (outflows) was mainly due to the following items:

- General government outflows – increased by \$318,000.
- Public safety outflows – decreased by \$152,000.
- Physical environment outflows – increased by \$179,000.
- Culture/recreation outflows – increased by \$212,000.
- Capital outlay outflows – increased by \$728,000

ANALYSIS OF SIGNIFICANT BUDGET VARIANCES (concluded)

General Fund Final Budget to Actual Comparison:

Significant differences between actual resources and the final budgeted amounts:

- Intergovernmental sources totaled \$4,448,751 which was \$193,213 (5%) more than the final budgeted amount of \$4,255,538.

Significant differences between actual charges to appropriations and the final budgeted amounts:

- There were no significant differences between actual charges to appropriations and the final budgeted amounts. All functional charges to appropriations were within 3% of the final amended budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to \$128,064,000 (net of accumulated depreciation). The capital assets increased from \$122,625,000 in 2020. This investment in capital assets includes land, buildings, improvements, infrastructure, vehicles, and equipment, as shown in more detail at Note 5 of the notes to financial statements.

Capital Assets Activity

(net of accumulated depreciation)

as of September 30,

	Governmental Activities (*)		Business-type Activities (*)		Total Primary Government (*)	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 6,850	\$ 6,698	\$ 11,284	\$ 11,283	\$ 18,134	\$ 17,982
Buildings and improvements	33,231	25,943	-	-	33,231	25,943
Equipment	5,993	6,001	1,278	706	7,271	6,707
Infrastructure	16,462	15,899	-	-	16,462	15,899
Utility plant	-	-	50,210	41,040	50,210	41,040
Construction in progress	283	7,868	2,474	7,185	2,757	15,054
Total	<u>\$ 62,819</u>	<u>\$ 62,409</u>	<u>\$ 65,246</u>	<u>\$ 60,215</u>	<u>\$ 128,064</u>	<u>\$ 122,625</u>

(*) in thousands of dollars

Long-term Debt - At the end of the current fiscal year, the governmental activities had total bonds and notes payable outstanding of \$17,969,000 compared to \$19,652,000 in the prior year, a net 9% decrease of \$1,682,850. At the end of the current fiscal year, the business-type activities had total bonds and notes payable outstanding of \$34,129,000 compared to \$35,466,000 in the prior year, a 4% decrease of \$1,336,770.

Outstanding Debt

as of September 30,

	<u>Governmental Activities (*)</u>		<u>Business-type Activities (*)</u>		<u>Total Primary Government (*)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bonds and notes payable	\$ 17,969	\$ 19,652	\$ 34,129	\$ 35,466	\$ 52,098	\$ 55,118
Total	\$ 17,969	\$ 19,652	\$ 34,129	\$ 35,466	\$ 52,098	\$ 55,118

(*) in thousands of dollars

The governmental and business-type activities' long-term debt balances as well as additional information about the City's long-term debt can be found in Note 6 of the notes to financial statement section of this report.

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CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The City of Auburndale, Florida is located in Polk County. It encompasses approximately 22.63 square miles or 14,480.68 acres. The City was incorporated in 1911 and has a 2021 estimated population of 16,539 according to the Bureau of Economic and Business Research University of Florida. Through planned growth, Auburndale has attracted many major enterprises. Principal industries within the Utility Service area include: container manufacturers, plastic pipe manufacturing, distilleries, food and consumer goods distribution centers, farm machinery, and many other industries and businesses.

The City is governed by a Mayor and a four-member City Commission who are elected at large to serve staggered four-year terms. The Mayor is elected by the members of the City Commission and serves a one-year term at which time a new Mayor is elected.

Administration of the operations of the City is carried out by a City Manager who is an employee of the City and appointed by the Commissioners. The present City Manager is Jeffrey E. Tillman, appointed City Manager in April 2021. Mr. Tillman joined the City of Auburndale in October 2016 as Assistant City Manager. For Fiscal Year 2021, there were 182 budgeted full-time employees.

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases and continued throughout 2021. The City of Auburndale recognized the need to continue providing services to the citizens while also maintaining a safe and healthy environment for staff. Services continued with minimal impact to citizens.

In addition to maintaining staff health and citizen services, the City experienced improved activity within Parks & Recreation facility rental and cultural activities. The effect of the re-openings was an increase of 58.8% facility rental compared to 2020, but a reduction of 43.0% from 2019 activities. The City's rental activities continue to lag when compared to pre-pandemic activities.

The City of Auburndale has maintained its partnership with Central Florida Health Care, Inc. and Polk County Health Department to assist with monitoring and recovery efforts from COVID-19. Central Florida Health Care, Inc. and Polk County Health Department has used Lake Myrtle Sports Complex, Lake Ariana Park and the Old Chamber Building as COVID-19 testing and vaccination sites to aid in stopping the spread.

The City is a desirable location to Live, Work and Play. The "leading indicators" of growth, such as requests for building permits, site plan approvals for new developments and redevelopment, and requests for land use and zoning changes, have all been very strong, indicating the outlook for continued growth is favorable. The City issued 1,968 permits and conducted 9,878 building inspections in FY 2021. These figures represented an increase of 23% and 46%, respectively, when compared to FY 2020. The City's Community Development Department has received many compliments from the business community for their business-friendly working relationship with contractors.

The City is focused on managing the tremendous growth happening in and around the City. For several years, the City recognized a decline in the citrus agricultural land in North Auburndale. Beginning in 2019, the City conducted several town hall meetings with stakeholders to gain input and hear concerns on how to develop the northern part of Auburndale. Through the cooperation of landowners and input from residents, the City Commission endorsed the creation of "The Lakes District" Vision and Strategies. The Lakes District Vision is a master planned community that incorporates greenway and trail corridors, mixed-use centers, walkability enhancements and protection of environmental resources and agricultural character. The Vision will be accomplished by developing mixed-use village centers to create community focal points, implementing plans to encourage alternative transportation through pedestrian and bicycle safety and creating incentives to protect natural resources and the rural heritage Auburndale has been known for.

In the conduct of municipal government, various lawsuits, commitments, and contingencies will arise. However, the City has no known current lawsuits that are considered to pose any significant loss to the City.

The City continues to annex property to improve the tax base. As a policy, the City does not provide utility service without the property owner signing an annexation agreement. The annexation agreement provides that the property will be annexed whenever the property does become contiguous with the City limits. For the current fiscal year, the City annexed 73.95 acres.

The City has a vibrant Parks and Recreation Department with over 25 different facilities. Our Parks and Recreation facilities are suited to the citizen's interests including premier athletic fields and courts, parks and picnic areas, historic museums and landmarks, lakefront areas, and children-friendly playgrounds. The partnership at the Lake Myrtle Sports Complex with Polk County Tourism and Sports Marketing, Florida Youth Soccer, Publix and Coca-Cola Corporation has worked well over the years. The Lake Myrtle Sports Complex continues to play host to RussMatt Collegiate Tournament in February and March of each year.

The City completed an \$7.24 million Youth Baseball Facility with Series 2019 General Fund Bond money at Lake Myrtle Sports Complex. The new Youth Baseball Facility created five new fields including three youth-sized baseball fields, one senior-league field, and a turf-covered field for T-ball and special needs programs. At the Cindy Hummel Tennis Center, the City constructed two new Racquetball Courts to compliment the clay court tennis facility.

Additional improvements at Lake Myrtle Sports Complex include an estimated \$4 million Soccer Stadium and \$3 million Water Ski Event Lake to be funded through an Interlocal Agreement with Polk County Board of County Commissioners. Construction on the Soccer Stadium began October 2021. The Water Ski Event Lake construction began February 2022 and both projects are expected to be completed by Summer 2022.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Auburndale's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City of Auburndale, Finance Department, P. O. Box 186, Auburndale, FL 33823, call 863-968-5133, or email creeder@auburndalefl.com.

CITY OF AUBURNDALE, FLORIDA
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in cash and investments	\$ 7,869,966	\$ 10,981,805	\$ 18,851,771
Receivables, current:			
Customer accounts, net	228,921	1,515,216	1,744,137
Franchise and utility service taxes	517,486	-	517,486
Intergovernmental	667,081	912,333	1,579,414
Other	-	155,064	155,064
Inventory	17,440	-	17,440
Prepaid expenses	282,810	76,761	359,571
Restricted assets:			
Equity in cash and investments	8,657,881	11,653,768	20,311,649
Capital assets:			
Non-depreciable	7,133,179	13,757,508	20,890,687
Depreciable, net	55,685,530	51,487,996	107,173,526
TOTAL ASSETS	81,060,294	90,540,451	171,600,745
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,813,347	336,935	3,150,282
Deferred outflows related to OPEB	3,171,777	640,288	3,812,065
Deferred outflows - loss on refunding	21,543	976,996	998,539
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,006,667	1,954,219	7,960,886
LIABILITIES			
Accounts payable	764,265	415,352	1,179,617
Construction costs payable	403,190	231,853	635,043
Accrued payroll	324,081	59,991	384,072
Due to other governments	16,909	-	16,909
Unearned revenue	500,000	4,169,606	4,669,606
Accrued interest payable	197,970	391,142	589,112
Deposits	4,933	1,668,519	1,673,452
Long-term obligations:			
Due within one year	1,991,260	1,445,882	3,437,142
Due in more than one year	38,275,572	36,722,579	74,998,151
TOTAL LIABILITIES	42,478,180	45,104,924	87,583,104
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	755,322	46,358	801,680
Deferred inflows related to OPEB	2,452,346	495,056	2,947,402
TOTAL DEFERRED INFLOWS OF RESOURCES	3,207,668	541,414	3,749,082
NET POSITION			
Net investment in capital assets	44,468,109	32,448,635	76,916,744
Restricted for:			
Debt retirement	1,216,668	1,437,500	2,654,168
Community redevelopment	2,351,924	-	2,351,924
Recreation improvements	1,084,858	-	1,084,858
Fire rescue and safety improvements	1,326,496	-	1,326,496
Law enforcement	681,358	-	681,358
Stormwater improvements	288,826	-	288,826
Building code enforcement	1,067,575	-	1,067,575
Water and sewer improvements	-	8,156,607	8,156,607
Unrestricted	(11,104,701)	4,805,590	(6,299,111)
TOTAL NET POSITION	\$ 41,381,113	\$ 46,848,332	\$ 88,229,445

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, 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 Grant and Contributions	Capital Grant and Contributions	Changes in Net Position			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 1,915,917	\$ 117,051	\$ 21,465	\$ 105,041	\$ (1,672,360)	\$ -	\$ (1,672,360)	
Library	775,900	26,113	186,044	-	(563,743)	-	(563,743)	
Police	5,156,607	318,025	282,865	356,950	(4,198,767)	-	(4,198,767)	
Fire	2,834,841	-	119,870	442,386	(2,272,585)	-	(2,272,585)	
Building and zoning	791,222	1,928,172	-	-	1,136,950	-	1,136,950	
Public works administration	1,057,132	67,836	-	-	(989,296)	-	(989,296)	
Sanitation	1,956,652	1,952,364	-	-	(4,288)	-	(4,288)	
Streets	2,024,185	62,495	-	151,795	(1,809,895)	-	(1,809,895)	
Parks and recreation	4,434,192	926,089	-	1,717,751	(1,790,352)	-	(1,790,352)	
Community redevelopment	667,522	-	-	-	(667,522)	-	(667,522)	
Interest on long-term debt	572,093	-	-	-	(572,093)	-	(572,093)	
Total governmental activities	22,186,263	5,398,145	610,244	2,773,923	(13,403,951)	-	(13,403,951)	
Business-type activities								
Water and wastewater utility	10,573,010	14,498,486	-	13,307,787	-	17,233,263	17,233,263	
Total business-type activities	10,573,010	14,498,486	-	13,307,787	-	17,233,263	17,233,263	
TOTAL PRIMARY GOVERNMENT	\$ 32,759,273	\$ 19,896,631	\$ 610,244	\$ 16,081,710	(13,403,951)	17,233,263	3,829,312	
GENERAL REVENUES								
Taxes:								
Property taxes, levied for general purposes					5,048,737	-	5,048,737	
Property taxes, levied for community redevelopment					1,580,939	-	1,580,939	
Franchise taxes					1,966,799	-	1,966,799	
Public service taxes					3,115,652	-	3,115,652	
Fuel taxes levied for transportation purposes					943,555	-	943,555	
State shared revenue					1,754,212	-	1,754,212	
Investment earnings					9,955	2,323	12,278	
Miscellaneous					216,598	-	216,598	
TRANSFERS					4,047,296	(4,047,296)	-	
Total general revenues and transfers					18,683,743	(4,044,973)	14,638,770	
CHANGE IN NET POSITION					5,279,792	13,188,290	18,468,082	
NET POSITION, beginning of year					36,101,321	33,660,042	69,761,363	
NET POSITION, end of year					\$ 41,381,113	\$ 46,848,332	\$ 88,229,445	

The accompanying notes are an integral part of these financial statements

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

	General Fund	Community Redevelopment Agency	Impact Fee Special Revenue Fund	Total
ASSETS				
Equity in cash and investments	\$ 7,869,966	\$ 2,445,960	\$ 3,008,596	\$ 13,324,522
Receivables, current:				
Customer accounts, net	226,258	2,663	-	228,921
Franchise and utility service taxes	517,486	-	-	517,486
Intergovernmental	667,081	-	-	667,081
Inventory	17,440	-	-	17,440
Prepaid expenditures	227,727	-	-	227,727
Restricted assets:				
Equity in cash and investments	3,203,325	-	-	3,203,325
Total assets	<u>\$ 12,729,283</u>	<u>\$ 2,448,623</u>	<u>\$ 3,008,596</u>	<u>\$ 18,186,502</u>
LIABILITIES				
Accounts payable	758,315	5,950	-	764,265
Construction costs payable	312,441	90,749	-	403,190
Accrued wages	324,081	-	-	324,081
Due to other governments	16,909	-	-	16,909
Deposits	4,933	-	-	4,933
Unearned revenue	500,000	-	-	500,000
Total liabilities	<u>1,916,679</u>	<u>96,699</u>	<u>-</u>	<u>2,013,378</u>
FUND BALANCE				
Nonspendable:				
Inventory	17,440	-	-	17,440
Restricted for:				
Bond retirement	1,262,808	-	-	1,262,808
Recreation improvements	-	-	1,084,858	1,084,858
Fire rescue and safety improvements	-	-	1,326,496	1,326,496
Law enforcement	84,116	-	597,242	681,358
Stormwater improvements	288,826	-	-	288,826
Community redevelopment	-	2,351,924	-	2,351,924
Building code enforcement	1,067,575	-	-	1,067,575
Unassigned	8,091,839	-	-	8,091,839
Total fund balances	<u>10,812,604</u>	<u>2,351,924</u>	<u>3,008,596</u>	<u>16,173,124</u>
Total liabilities, deferred inflows of				
Total liabilities and fund balances	<u>\$ 12,729,283</u>	<u>\$ 2,448,623</u>	<u>\$ 3,008,596</u>	<u>\$ 18,186,502</u>

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

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

September 30, 2021

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

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 16,173,124
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	62,818,709
Prepaid bond insurance is a long-term assets that is not available to pay for current period expenditures and, therefore, is not reported in the funds.	55,083
Deferred outflows of resources represent an decrease in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	6,006,667
Deferred inflows of resources represent an increase in net position or fund balance that applies to a future period(s) and, therefore, are not reported in the governmental funds.	(3,207,668)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in governmental funds.	(197,970)
Long-term liabilities, including bonds and notes payable, compensated absences and net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(40,266,832)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 41,381,113</u>

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

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

For the year ended September 30, 2021

	General Fund	Community Redevelopment Agency	Impact Fee Special Revenue Fund	Total
REVENUES:				
Taxes	\$ 10,959,345	\$ 1,580,939	\$ -	\$ 12,540,284
Licenses and permits	1,495,238	-	1,245,320	2,740,558
Intergovernmental revenue	4,448,751	-	-	4,448,751
Charges for services	3,618,582	-	-	3,618,582
Fines and forfeitures	179,049	-	-	179,049
Investment income	9,664	155	136	9,955
Other	262,608	7,500	-	270,108
Total revenues	20,973,237	1,588,594	1,245,456	23,807,287
EXPENDITURES:				
Current:				
General government	2,025,493	-	-	2,025,493
Public safety	7,962,724	-	-	7,962,724
Physical environment	3,018,036	-	-	3,018,036
Economic environment	-	386,946	-	386,946
Transportation	797,793	-	-	797,793
Culture/recreation	3,964,534	-	-	3,964,534
Capital outlay	3,356,781	508,861	-	3,865,642
Debt service	2,473,355	-	-	2,473,355
Total expenditures	23,598,716	895,807	-	24,494,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,625,479)	692,787	1,245,456	(687,236)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,047,296	-	-	4,047,296
Issuance of debt	208,055	-	-	208,055
Insurance recoveries	84,524	-	-	84,524
TOTAL OTHER FINANCING SOURCES (USES)	4,339,875	-	-	4,339,875
NET CHANGE IN FUND BALANCE	1,714,396	692,787	1,245,456	3,652,639
FUND BALANCE, beginning of year	9,098,208	1,659,137	1,763,140	12,520,485
FUND BALANCE, end of year	\$ 10,812,604	\$ 2,351,924	\$ 3,008,596	\$ 16,173,124

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Reconciliation of The Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental
Funds to the Statement of Activities
For the year ended September 30, 2021

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,652,639
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense.	
This is the amount of capital assets recorded in the current period.	3,555,495
This is the amount of depreciation recorded in the current period.	(3,090,571)
This is the book value of dispositions recorded in the current period.	(23,851)
This is the book value of capital assets transferred to the business-type activities.	(31,814)
Revenue not received within the "availability" period are not reported as revenues at the fund level and are recognized as revenue in the statement of activities.	
This represents the change caused by the "availability" criterion.	(573,570)
Long-term obligations including bonds and notes payable and compensated absences are reported as liabilities in the government-wide statement of net position but are not reported as liabilities in the governmental funds because they do not require the use of current financial resources:	
This is the repayment of bond principal reported as expenditures in governmental funds.	1,866,060
This is the amount of new long-term debt obligations in the current year.	(208,054)
This is the change in accrued interest payable on long-term obligations.	19,488
This amount represents amortization of bond discounts and premiums.	24,847
This is the change in accrued compensated absences during the year.	138,430
This is the change in the deferred outflows related to a loss on refunding.	(5,861)
Governmental funds report the effect of prepaid bond insurance when the debt is first issued, whereas these amounts are reported as a prepaid asset on the statement of net position and amortized in the statement of activities:	
This is the bond insurance costs amortized in the statements of activities in the current year.	(3,272)
Other postemployment benefit (OPEB) expense is reported in the statement of activities which differs from OPEB expenditures as reported in the governmental funds:	
This amount represents the change in deferred inflows related to OPEB.	596,461
This amount represents the change in deferred outflows related to OPEB.	1,685,598
This amount represents the change in the total OPEB liability.	(3,070,020)
Pension expense is reported in the statement of activities which differs from pension expenditures as reported in the governmental funds:	
This amount represents the change in deferred inflows related to pensions.	(194,072)
This amount represents the change in deferred outflows related to pensions.	(420,668)
This amount represents the change in the net pension liability.	1,362,527
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 5,279,792

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Net Position – Proprietary Fund

September 30, 2021

	Enterprise Fund
ASSETS	
Current assets:	
Equity in cash and investments	\$ 10,981,805
Receivables:	
Customers, net	1,515,216
Intergovernmental	912,333
Other	155,064
Unamortized bond insurance	76,761
Total current assets	<u>13,641,179</u>
Noncurrent assets:	
Restricted assets:	
Equity in cash and investments	11,653,768
Capital assets:	
Non-depreciable	13,757,508
Depreciable, net	51,487,996
Total noncurrent assets	<u>76,899,272</u>
Total assets	<u>90,540,451</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	336,935
Deferred outflows of resources related to OPEB	640,288
Deferred outflows - refunding loss	976,996
Total deferred outflows of resources	<u>1,954,219</u>

Continued...

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Net Position – Proprietary Fund (Concluded)

September 30, 2021

	Enterprise Fund
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 415,352
Construction costs payable	231,853
Accrued wages	59,991
Unearned revenue	4,169,606
Compensated absences, current portion	20,882
Bonds and notes payable, current	1,425,000
Total current liabilities	<u>6,322,684</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Customer deposits	1,668,519
Interest payable	391,142
Compensated absences, noncurrent portion	187,939
Post employment obligation payable	2,674,559
Net pension liability	1,155,686
Bonds and notes payable, noncurrent portion	32,704,395
Total noncurrent liabilities	<u>38,782,240</u>
Total liabilities	<u>45,104,924</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	46,358
Deferred inflows related to OPEB	495,056
Total deferred inflows of resources	<u>541,414</u>
NET POSITION	
Net investment in capital assets	30,884,256
Restricted for:	
Debt retirement	1,437,500
Sewer improvements	6,063,650
Water improvements	2,092,957
Unrestricted	6,369,969
Total net position	<u><u>\$ 46,848,332</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDAStatement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund
For the year ended September 30, 2021

	Enterprise Fund
OPERATING REVENUES:	
Charges for services	\$ 14,498,486
Total operating revenues	<u>14,498,486</u>
OPERATING EXPENSES:	
Personnel services	1,127,629
Operating expenses	4,970,810
Depreciation	<u>3,166,771</u>
Total operating expenses	<u>9,265,210</u>
OPERATING INCOME	<u>5,233,276</u>
NONOPERATING REVENUE (EXPENSE)	
Investment revenue	2,323
Interest expense	(1,227,159)
Other nonoperating expense	<u>(80,641)</u>
Total nonoperating revenues (expense)	<u>(1,305,477)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>3,927,799</u>
CAPITAL CONTRIBUTIONS	
Capital grants and contributions	6,345,762
Impact fees	<u>6,962,025</u>
Total capital contributions	<u>13,307,787</u>
TRANSFERS OUT	<u>(4,047,296)</u>
CHANGE IN NET POSITION	13,188,290
NET POSITION, beginning of year	<u>33,660,042</u>
NET POSITION, end of year	<u><u>\$ 46,848,332</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Cash Flows – Proprietary Fund

For the year ended September 30, 2021

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 14,831,537
Payments to suppliers	(5,019,842)
Payments for salaries and benefits	(1,910,991)
Net cash flows from operating activities	<u>\$ 7,900,704</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers to other funds	(4,047,296)
Deposits received from other governments, net of uses	(826,858)
Net cash flows from noncapital financing activities	<u>(4,874,154)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets, net of related payables	(2,788,916)
Proceeds from sale of capital assets	1,093
Principal paid on long-term debt	(1,417,743)
Interest paid on borrowings	(1,151,489)
Impact fees received	6,962,025
Capital grants received, net of change in related receivable	2,342,434
Net cash flows from capital and related financing activities	<u>3,947,404</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on invested funds	4,195,535
Net cash flows from investing activities	<u>4,195,535</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,169,489
CASH AND CASH EQUIVALENTS, beginning of year	<u>11,466,084</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 22,635,573</u></u>
As shown in the Accompanying Financial Statements	
Equity in cash and investments	\$ 10,981,805
Restricted equity in cash and investments	<u>11,653,768</u>
Total cash and cash equivalents	<u><u>\$ 22,635,573</u></u>
Noncash financing and investing activities:	
Joint venture loan guarantee	<u>\$ 80,977</u>
Donated water and sewer infrastructure	<u><u>\$ 5,652,611</u></u>

Continued...

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Cash Flows – Proprietary Fund (Concluded)

For the year ended September 30, 2021

	Enterprise Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 5,233,276
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	3,166,771
(Increase) decrease in accounts receivable	208,405
(Increase) decrease in amounts due from others	(155,064)
Increase (decrease) in customer deposits	124,646
Increase (decrease) in accounts payable	106,032
Increase (decrease) in accrued wages and compensated absences	18,794
Increase (decrease) in deferred outflows related to pensions	185,024
(Increase) decrease in deferred inflows related to pensions	(537,875)
(Increase) decrease in net pension liability	46,358
Increase (decrease) in deferred outflows related to OPEB	(257,400)
(Increase) decrease in deferred inflows related to OPEB	52,152
(Increase) decrease in total OPEB liability	(290,415)
Net cash flows from operating activities	<u>\$ 7,900,704</u>

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2021

	Pension Trust Funds	Custodial Fund
ASSETS		
Cash and cash equivalent	\$ -	\$ 357,457
Receivables:		
Accrued income	18,315	-
Total receivables	18,315	-
Investments, at fair value:		
Short-term money market funds	1,583,497	-
U.S. Government obligations	2,017,667	-
Mortgage/asset backed securities	1,196,641	-
Fixed income mutual funds	6,916,549	-
Corporate and foreign bonds	1,793,696	-
Equity securities	4,760,582	-
Equity mutual funds	30,589,289	-
Real estate investment fund	4,492,840	-
Total investments	53,350,761	-
Total assets	53,369,076	357,457
LIABILITIES		
Accounts payable	21,372	-
Benefits payable	9,331	-
Due to other governments	-	357,457
Total Liabilities	30,703	357,457
NET POSITION		
Restricted for pension benefits	\$ 53,338,373	\$ -

The accompanying notes are an integral part of these financial statements

CITY OF AUBURNDALE, FLORIDA

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2021

	Pension Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
City	\$ 2,247,149	\$ -
Plan members	263,002	-
State of Florida	290,470	-
Fees collected on behalf of other governments	-	5,446,785
Total contributions	2,800,621	5,446,785
Investment income	9,173,742	-
Less investment expenses:		
Performance evaluation	67,000	-
Custodial fees	25,387	-
Investment management fees	63,683	-
Total investment expenses	156,070	-
Net investment income	9,017,672	-
Total additions	11,818,293	5,446,785
DEDUCTIONS		
Administrative expenses:		
Legal	40,461	-
Administrator fee	39,599	-
Actuarial	70,000	-
Insurance, supplies and other	14,602	-
Audit	14,828	-
Total administrative expenses	179,490	-
Remittance of fees to other governments	-	5,446,785
Payments to retirees and participants	3,099,206	-
Total deductions	3,278,696	5,446,785
CHANGE IN NET POSITION	8,539,597	-
NET POSITION, beginning of year	44,798,776	-
NET POSITION, end of year	\$ 53,338,373	\$ -

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The City of Auburndale, Florida (the "City") is a municipal corporation governed by a board of five elected commissioners and was established in 1911 by a special act of the Florida legislature, laws of the State of Florida Chapter 8324. The City was subsequently reincorporated by a special act in 1925, Chapter 10301. The City operates under a Commission-Manager form of government and provides services as authorized by its Charter: public safety (law enforcement, fire control, protective inspections and code enforcement), transportation (streets maintenance), culture/recreation (library services, special events, special facilities and parks & recreation), community development, community redevelopment, stormwater management, sanitation, public improvements, planning and zoning and general administrative services. The City also provides water and sewer utility services.

The accompanying financial statements present the City's primary government and component units based on the financial benefit/burden criteria in GASB Cod. Sec. 1200. Certain component units, although legally separate, are presented in the financial statements as "blended" components. Blending refers to the fact that the component unit's funds and account groups are combined with those of the primary government for financial reporting purposes. The City has one blended component unit, the Auburndale Community Redevelopment Agency (the "CRA") which was created by City Ordinance No. 772 pursuant to Florida Statutes chapter 163. The CRA is presented in the financial statements of the City as a special revenue fund.

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

- Auburndale Municipal Firefighters' Pension Trust Fund established pursuant to Florida Statute chapter 175 and Ordinance No. 799 and most recently restated by Ordinance No. 1654.
- Auburndale Municipal Police Officers' Pension Trust Fund established pursuant to Florida Statute chapter 185 and Ordinance No. 823 and most recently restated by Ordinance No. 1653.
- Restated Defined Benefit Retirement Income Plan for Employees of the City of Auburndale, Florida, restated by Ordinance No. 1640.

B. BASIS OF PRESENTATION

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

Government-wide Financial Statements - The required government-wide financial statements are the Statement of Net Position and the Statement of Activities, which report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements with the exception of interfund services provided and used which are not eliminated in the process of consolidation because elimination of these charges would distort the direct costs reported for the various functions concerned.

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

The City's fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to fund activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including depreciation. The City does not allocate the interest expense of governmental fund debt or indirect costs such as finance, personnel, legal, etc. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues and expenditures/expenses. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Cod. Sec 2200 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column. The City's fiduciary funds are presented in the fund financial statements by type (pension trust funds and a custodial fund) but as noted above are not included in the government-wide statements.

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

The City reports the following major governmental funds:

- **General Fund** – The General Revenue Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Most of the essential governmental services such as public safety, public works, sanitation, street construction and maintenance, culture and recreation, and general administration are provided by the general fund.
- **Auburndale Community Redevelopment Agency (the "CRA")** The CRA was created by City Ordinance No. 772 pursuant to Florida Statutes chapter 163. Due to its profile in the community and to comply with the audit requirements of Section 163.387(8), Florida Statutes, the City electively added the CRA as a major fund. The CRA has the power to levy taxes or appropriate funds to preserve and enhance the designated CRA district which includes the downtown Auburndale area. The CRA receives the incremental ad valorem taxes generated in future years by the increase in property values in the redevelopment area. The CRA's property taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. The CRA's Board members consist of the City Commission and two appointed citizens.
- **Impact Fee Special Revenue Fund** – In response to the requirements of Section 163.31801, Florida Statutes, this fund was created in 2020 to account for the financial transactions of the City impact fees other than water and sewer impact fees, which are accounted for in the enterprise fund. This fund does not meet the major fund criteria set forth in GASB Cod. Sec 2200 but management has elected to report the impact fee special revenue fund as a major fund to improve transparency and to demonstrate compliance with Section 163.31801, Florida Statutes.

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

The City reports the following major proprietary fund:

- **Enterprise Fund** – The Enterprise Fund accounts for the activities associated with providing potable water and sewer collection, treatment and disposal services to area residents and businesses.

In addition, the City reports the fiduciary funds:

- **Pension Trust Funds** - The City's employee benefit plans are comprised of three Pension Trust Funds which accumulate resources to provide retirement benefits to City employees. The three pension trust funds are the Auburndale Police Officers' Pension Trust Fund, Auburndale Firefighters' Pension Trust Fund, and the Restated Defined Benefit Retirement Income Plan for Employees of the City of Auburndale, Florida hereafter referred to as the General Employees' Pension Trust Fund.
- **Custodial Fund** – The custodial fund is to account for impact fees collected on behalf of Polk County, Florida (the "County"). These funds are collected on behalf of the County as new construction takes place within the City and remitted to the County monthly.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Property taxes, franchise and public service taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Imposed nonexchange resources (property taxes, fines) are reported as deferred inflows if received before the tax is levied or before the date when use is first permitted. Government mandated nonexchange transactions and voluntary nonexchange transactions are reported as liabilities until the eligibility requirements (excluding time requirements) are met and as deferred inflows if received before time requirements are met and all other eligibility requirements have been satisfied.

Proprietary fund operating revenues generally result from producing or providing potable water and wastewater collection, treatment and disposal services to area residents. Operating expenses for these operations include all costs related to providing the service or product. These costs include billing and collection, personnel and purchased services, repairs and maintenance, depreciation, materials and supplies, and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

CASH AND INVESTMENTS – Cash and investments and related accrued investment earnings are reported in the financial statements as “Equity in cash and investments” under the City’s “pooling” concept (See Note 4). The City’s governmental funds and the proprietary fund deposits monies into the equity in cash and investment pool. Investment earnings are distributed in accordance with the participating funds relative percentage of investments. The proprietary fund uses this pool as a demand deposit account, and accordingly, all amounts in the pool are considered cash and cash equivalents for purposes of the statement of cash flows.

- **Equity in Cash and Investments** – The City maintains an accounting system which centralizes the investment function of all funds. Each fund’s “share” of these pooled cash and investments are included in equity in cash and investments on the accompanying balance sheets/statements of net position.
- **Restricted Equity in Cash and Investments** – Represents equity in pooled cash and investments and separately identified investments that are legally restricted to specific uses by external parties or enabling legislation. The City generally uses restricted resources first when an expenditure/expense is incurred for which both restricted and unrestricted resources are available.

RECEIVABLES – In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants, and sales, utility and franchise taxes. Receivables for business-type activities represent grants and unpaid bills for utility services. Allowances for uncollectible accounts receivable are based upon historical trends. Receivables are reported net of allowances for uncollectible accounts receivable where applicable. At year end this allowance amounted to \$4,000 in the business-type activities.

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

INTERFUND BALANCES – Transactions between funds that result in amounts owed are referred to as either “due from/to other funds” for current interfund loans or “advances from/to other funds” for noncurrent interfund loans. Amounts receivable from, or payable to, other funds are reflected in the account of the fund until liquidated. Any remaining balance are reported in the government-wide statements as “internal balances”.

INVENTORY – Inventories of expendable supplies are recorded at year-end, if material. These inventories are reported at cost on a first-in, first-out basis. They are recorded as expenditures at the time individual inventory items are used.

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

CAPITAL ASSETS - In the government-wide financial statements capital assets include land, buildings, improvements, utility plant, infrastructure and furniture and equipment. Capital assets are defined by City ordinance as tangible property with an individual cost of \$1,000 or improvements having an initial cost of \$10,000 and an estimated useful life more than one year. Such assets are recorded at historical cost, if purchased, and at acquisition value at date of gift, if donated. Major additions (over \$10,000) are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

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

Depreciation expense is recorded as an expense of each applicable governmental function in the statement of activities, with accumulated depreciation netted with capital assets in the statement of net position. Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

<u>Asset Type</u>	<u>Years</u>
Buildings and improvements	10-40
Utility system	15-35
Machinery and equipment	3-20
Infrastructure:	
Streets	80
Road resurfacing	10-15
Sidewalks	40
Drainage	50

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until that time.

The City has three items that qualifies for reporting as deferred outflows of resources as follows:

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

Deferred outflows related to Other Postemployment Benefits (OPEB) – The deferred outflows Cod. Sec. P52 and will be recognized in OPEB expense in future reporting years.

Deferred outflows – loss of refunding - This item is a deferred charge on refunding that results from the difference in the carrying value of a refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

The City has two items that qualify for reporting as deferred inflows of resources as follows:

Deferred inflows related to pensions - The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Cod. Sec. P20 and will be recognized as a reduction to pension expense in future reporting years.

Deferred inflows related to OPEB – The deferred inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Cod. Sec. P52 and will be recognized as a reduction to OPEB expense in future reporting years.

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

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Debt issuance costs are reported as an expense in the period incurred. Bond premiums and discounts are reported, net of amortization, in the related debt balances shown in the financial statements. For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is the shorter. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements; rather the debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

COMPENSATED ABSENCES – The City personnel policy provides for the payment of accrued vacation and sick pay upon separation of its employees. The liability for these compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations, terminations or retirements.

INTERFUND TRANSFERS – Permanent reallocation of resources between the funds of the City are classified as interfund transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statement presentation.

CONNECTION FEES AND CAPACITY FEES – Water connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities and are recorded as operating revenue when received. Capacity fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as capital contributions when received. Prepaid impact fees received, which reserve capacity in the City's future water facilities, are reported as capital contributions when the requirements of the Developer agreements are met by the City.

ON-BEHALF PAYMENTS FOR FRINGE BENEFITS - The City receives on-behalf payments from the State of Florida to be used for Municipal Police Officers' Pension Plan and Municipal Firefighters' Pension Plan contributions which totaled \$176,628 and \$113,842 respectively, for the fiscal year ended September 30, 2021. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and general fund financial statements but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

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

EQUITY CLASSIFICATIONS -

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

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

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 62,818,709	\$ 65,245,504
Deferred outflows - loss on refunding	21,543	976,996
Less:		
Construction costs payable	(403,190)	(231,853)
Long-term debt related to capital assets	(17,968,953)	(33,542,012)
Net investments in capital assets	<u>\$ 44,468,109</u>	<u>\$ 32,448,635</u>

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

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

When both restricted and unrestricted net position is available for use, it is the City's policy to use restricted net position first, and then unrestricted net position as they are needed.

Fund Statements - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. Spendable resources are to be shown as restricted, committed, assigned and unassigned as considered appropriate in the City's circumstances. The following classifications describe the relative strength of the spending constraints:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form (such as inventory) or because they are legally or contractually required to be maintained intact.

Restricted — 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.

Committed — amounts constrained to specific purposes by formal action (ordinance) of the City using its highest level of decision-making authority (the City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City Commission takes the same highest-level action (ordinance) to remove or change the constraint.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Assigned — amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Commission or through the City Commission delegating this responsibility to the City Manager through the budgetary process. The City Commission has not established a formal policy regarding authorization to assign fund balance amounts for a specific purpose.

Unassigned — This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the general fund that are not restricted, committed or assigned.

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

The City Commission has established the targeted minimum reserve balance in the City's general fund unassigned fund balance equal to 25% of the general fund's subsequent fiscal year budgeted operating expenditures. For purposes of this calculation, the subsequent fiscal year budgeted operating expenditures do not include capital outlay expenditures, funding of reserves nor the debt service expenditures for the Capital Improvement Series 2015 note and the Public Improvements, Series 2011 bonds because the debt service for these debt issues are reimbursed through an agreement with Polk County, Florida.

If, at the end of any fiscal year, the actual amount of "unassigned fund balance" falls below the targeted levels set forth herein, a plan shall be established to achieve the target by adding a designated amount to the budget to cover the deficiency over a period not to exceed five (5) fiscal years. In the event that the "unassigned fund balance" exceeds the amounts set forth herein, the excess may be utilized for any lawful purpose. Appropriation of the minimum reserve balances, once met, shall require the approval of the City Commission by inclusion in the approved annual budget. Compliance with the provisions of the minimum fund balance policy shall be reviewed as a part of the annual budget adoption process and the amounts of non-spendable, restricted, committed, assigned and unassigned fund balance shall be determined during this process. Any changes to the targeted amounts established herein must be approved by the City Commission.

USE OF ESTIMATES – The preparation of the basic financial statements in conformity with generally accepted accounting principles, as applicable to government entities, requires management to make use of estimates that affect the reported amounts in the basic financial statements. Actual results could differ from estimates.

NOTE 2 - PROPERTY TAX CALENDAR

Under Florida Law, the assessment of all properties and the collection of all county, municipal, special districts and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The tax levy of the City is established by the City Council prior to October 1 of each year and the Polk County Property Appraiser incorporates the millages into the total tax levy, which includes the municipalities, the County, independent districts and the Polk County School Board tax requirements. State statutes permit cities to levy property taxes at a rate of up to 10 mills. The City's millage rate in effect for the fiscal year ended September 30, 2021 was 4.2515.

All taxes are due and payable on November 1 of each year and unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment as follows: 4% in of November, 3% in December, 2% in January, 1% in February. The taxes paid in March are without discount. Delinquent taxes on real and personal property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTE 3 - BUDGETARY LAW AND PRACTICE

The budget is adopted by Ordinance on a City-wide basis for all City funds on or before October 1 of each year as required by State Statute. City Ordinance establishes the legal level of budgetary control at the individual fund level. Expenditures may not exceed appropriations at this level. Budgets for all funds are adopted on the modified accrual basis which differs from the basis used for financial reporting purposes in the enterprise fund. The budgetary comparison schedule for the General Fund, the CRA and the Impact Fee Special Revenue Fund, all major governmental funds, are reported as required supplementary information and can be found by referencing the table of contents of this report.

NOTE 4 – CASH AND INVESTMENTS

A common cash and investment pool is maintained for use by all governmental and proprietary funds. The “Equity in cash and investments” on the city-wide financial statements consists of each funds’ claim on the pooled cash and investments and defined as resources that can be liquidated without a significant delay or penalty. Cash and investments segregated as required by bond covenants or enabling legislation are classified as “restricted assets”. Investment earnings are allocated to the individual funds monthly based on the funds’ weighted average monthly cash and investment balance. The City does not have a formal investment policy and are therefore required to adhere to Section 218.415 (17), Florida Statutes which allows the City to invest surplus funds in the following investments: Local Government Surplus Funds Trust Fund, money market funds with the highest credit quality rating, time deposits or savings accounts in qualified public depositories, direct obligations of the U.S. Treasury or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.

The City’s defined benefit pension trust funds are authorized by City Ordinances to invest in a variety of deposits and investments subject to certain limitations.

Deposits and investments as of September 30, 2021 (excluding deposits and investments held in the City’s fiduciary funds):

City-wide Cash and Investments	
Cash on hand	\$ 3,130
Cash deposits in financial institutions:	
Insured or fully collateralized bank deposits	15,089,210
Certificates of deposit	493,436
FL SAFE Stable NAV Fund	23,577,644
Total cash and investments	<u>\$ 39,163,420</u>

Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s cash deposits may not be returned to the City.

The City’s deposits (cash and certificates of deposit) are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. All deposits are held in *qualified public* depositories. These depositories participate in a shared risk collateral pool overseen by the State of Florida and established by Florida Statute. The State of Florida collateral pool is a multiple financial institution pool which provides for additional amounts to be assessed to the members of the pool if the value of the pool’s collateral is inadequate to cover a loss. The amounts covered by the pool are considered *insured* for financial reporting disclosure requirements. Because of this arrangement, management believes the City’s deposits are not exposed to custodial credit risk.

NOTE 4 – CASH AND INVESTMENTS (cont...)

Custodial credit risk – Investments

Custodial credit risk for investments is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no formal policy regarding custodial credit risk. The City's investments in the FL SAFE Stable NAV fund are investments in external investment pools and are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate and credit risk

Interest rate risk exists when there is a possibility that change in interest rates could adversely affect an investment's fair value. Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfil its obligations. Information related to interest rate and credit risk for the City's fixed income investments on September 30, 2021 is summarized below:

Investment Type	S&P Rating	Fair Value	Weighted Average Duration (WAD) / Weighted Average Maturity (WAM)
Primary government			
FL SAFE Stable NAV Fund	AAAm	\$ 23,577,644	WAM 76 days
General Employees Pension Trust Fund:			
Short-term money market	AAAm	982,918	WAD 0.00
U.S. Government obligations	AA+	2,017,667	WAD 3.47
Mortgage/asset backed securities	Not Rated	1,196,641	WAD 2.05
Corporate and foreign bonds	BBB to A	1,793,696	WAD 4.25
		<u>\$ 5,990,922</u>	
Police Officers' Pension Trust Fund:			
Short-term money market	AAAm	225,842	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	2,207,726	WAD 6.71
Dodge & Cox Income Fund	Not Rated	2,290,656	WAD 5.10
		<u>4,498,382</u>	
		<u>\$ 4,724,224</u>	
Firefighters' Pension Trust Fund:			
Short-term money market	AAAm	374,737	WAD 0.00
Fixed income mutual funds:			
Baird Aggregate Bond Fund	Not Rated	1,238,415	WAD 6.71
Dodge & Cox Income Fund	Not Rated	1,179,752	WAD 5.10
		<u>2,418,167</u>	
		<u>\$ 2,792,904</u>	

NOTE 4 – CASH AND INVESTMENTS (cont...)

Investments – Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At the end of the fiscal year, neither the City nor the pension trust funds had investments classified as Level 3 assets in its portfolio.

The City (excluding pension trust fund investments) had the following recurring fair value measurements as of September 30, 2021:

- FL SAFE Stable NAV fund investments of \$23,577,644 are valued using amortized cost.

The City's Pension Trust Funds have the following recurring fair value measurements as of September 30, 2021:

General Employees' Pension Trust Fund:

	September 30, 2021	Level 1	Level 2	Level 3
Investments at fair value				
U.S. Government obligations	\$ 2,017,667	\$ 1,121,797	\$ 895,870	\$ -
Mortgage/asset backed securities	1,196,641	170,355	1,026,286	-
Corporate and foreign bonds	1,793,696	-	1,793,696	-
Equity mutual funds	17,946,737	17,946,737	-	-
Total investments by fair value level	22,954,741	\$ 19,238,889	\$ 3,715,852	\$ -
Investments measured at amortized cost				
Short-term money market	982,918			
Investments measured at net asset value (NAV)				
Real estate investment fund	2,123,379			
Total investments	<u>\$ 26,061,038</u>			

The General Employees' Pension Trust Fund owns shares in a real estate investment fund which is a pooled investment fund that is a broadly diversified core real estate fund that reports its value at net asset value (NAV) per share. Redemption requests of units in the real estate investment fund may be made at any time and are effective at the end of the calendar quarter in which the request is received by the investment fund. The units that are subject to a redemption notice may be redeemed in installments as funds become available for such purpose and the redemption price will be the value per unit at such time the payment is made. The real estate investment fund is not required to liquidate or encumber assets or defer investments in order to make redemptions.

All investments of the real estate investment fund are appraised by independent third-party property appraisers who hold the MAI designation, each quarter, commencing the quarter after the investment is made. The MAI designation has long been recognized as a mark of excellence in the field of real estate valuation services and is awarded by the Appraisal Institute which is a global professional association of real estate appraisers.

NOTE 4 – CASH AND INVESTMENTS (cont...)

Police Officers' Pension Trust Fund:

	September 30, 2021	Level 1	Level 2	Level 3
Investments at fair value				
Fixed income mutual funds	\$ 4,498,382	\$ 4,498,382	\$ -	\$ -
Equity securities	3,028,981	3,028,981	-	-
Equity mutual funds	8,025,805	8,025,805	-	-
Total investments at fair value	15,553,168	\$ 15,553,168	\$ -	\$ -
Investments measured at amortized cost				
Short-term money market	225,842			
Investments measured at net asset value (NAV)				
Real estate investment fund	1,495,209			
Total investments	<u>\$ 17,274,219</u>			

Firefighters' Pension Trust Fund:

	September 30, 2021	Level 1	Level 2	Level 3
Investments at fair value				
Fixed income mutual funds	\$ 2,418,167	\$ 2,418,167	\$ -	\$ -
Equity securities	1,731,601	1,731,601	-	-
Equity mutual funds	4,616,747	4,616,747	-	-
Total investments at fair value	8,766,515	\$ 8,766,515	\$ -	\$ -
Investments measured at amortized cost				
Short-term money market	374,737			
Investments measured at net asset value (NAV)				
Real estate investment fund	874,252			
Total investments	<u>\$ 10,015,504</u>			

Debt and equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt 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.

NOTE 4 – CASH AND INVESTMENTS (concluded)

The Police Officers' and Firefighters' Pension Trust Fund owns shares in a pooled real estate investment fund that reports its value at net asset value (NAV) per share and is invested in a diversified real estate investment portfolio consisting primarily of high quality, well leased real estate properties in multifamily, industrial, office, retail, and hotel sectors. Redemption requests of units in the real estate investment fund may be made at any time and are effective the next business day. The fund manager maintains a contractual ability to limit withdrawals.

All investments of the real estate investment fund are appraised by independent third-party property appraisers who hold the MAI designation, each quarter, commencing the quarter after the investment is made.

Concentration of Credit Risk

Concentration of credit risk is defined as when five percent or more of the total investments are invested with one issuer. Investments issued or explicitly guaranteed by the United States government and investments in mutual funds or pools are excluded. There were no concentrations to disclose for the year ended September 30, 2021.

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NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 was as follows:

	Balance October 1, 2020	Transfers	Increases	Decreases	Balance September 30, 2021
<u>Governmental Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 5,390,999	\$ -	\$ 151,795	\$ -	\$ 5,542,794
Infrastructure - land	1,307,379	-	-	-	1,307,379
Construction in process	7,868,301	(8,270,038)	684,743	-	283,006
Total capital assets, not being depreciated	14,566,679	(8,270,038)	836,538	-	7,133,179
Capital assets, being depreciated:					
Buildings and improvements	39,465,813	8,270,038	87,040	-	47,822,891
Equipment	14,106,455	(87,432)	1,087,597	(608,722)	14,497,898
Infrastructure:					
Road network	21,708,380	90,749	1,219,580	-	23,018,709
Sidewalks	351,724	(90,749)	324,740	-	585,715
Stormwater drainage	1,119,147	-	-	-	1,119,147
Total capital assets, being depreciated	76,751,519	8,182,606	2,718,957	(608,722)	87,044,360
Less accumulated depreciation for:					
Buildings and improvements	(13,522,539)	-	(1,069,192)	-	(14,591,731)
Equipment	(8,105,954)	55,618	(1,039,642)	584,871	(8,505,107)
Infrastructure:					
Road network	(6,916,802)	(5,200)	(946,003)	-	(7,868,005)
Sidewalks	(138,736)	5,200	(8,511)	-	(142,047)
Stormwater drainage	(224,717)	-	(27,223)	-	(251,940)
Total accumulated depreciation	(28,908,748)	55,618	(3,090,571)	584,871	(31,358,830)
Total capital assets being depreciated, net	47,842,771	8,238,224	(371,614)	(23,851)	55,685,530
Governmental activities capital assets, net	\$ 62,409,450	\$ (31,814)	\$ 464,924	\$ (23,851)	\$ 62,818,709
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 11,283,481	\$ -	\$ 100	\$ -	\$ 11,283,581
Construction-in-progress	7,185,225	(6,222,449)	1,511,151	-	2,473,927
Total capital assets, not being depreciated	18,468,706	(6,222,449)	1,511,251	-	13,757,508
Capital assets, being depreciated:					
Utility plant	86,543,930	6,222,449	5,896,354	-	98,662,733
Equipment	2,428,889	87,432	758,297	(41,307)	3,233,311
Total capital assets, being depreciated	88,972,819	6,309,881	6,654,651	(41,307)	101,896,044
Less accumulated depreciation for:					
Utility plant	(45,503,712)	-	(2,948,864)	-	(48,452,576)
Equipment	(1,722,497)	(55,618)	(217,907)	40,550	(1,955,472)
Total accumulated depreciation	(47,226,209)	(55,618)	(3,166,771)	40,550	(50,408,048)
Total capital assets being depreciated, net	41,746,610	6,254,263	3,487,880	(757)	51,487,996
Business-type activities capital assets, net	\$ 60,215,316	\$ 31,814	\$ 4,999,131	\$ (757)	\$ 65,245,504

NOTE 5 - CAPITAL ASSETS (concluded)

Depreciation expense was charged to the following programs and functions:

Governmental Activities:

General government	\$	13,722
Library		19,973
Police		344,190
Fire		291,627
Building and zoning		11,917
Public works		16,720
Sanitation		134,849
Streets		1,146,950
Parks and recreation		1,110,623
Total depreciation expense - governmental activities	\$	<u>3,090,571</u>

Business-type Activities:

Water and wastewater system	\$	<u>3,166,771</u>
Total depreciation expense - business-type activities	\$	<u>3,166,771</u>

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NOTE 6 - LONG-TERM OBLIGATIONS

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021	Amounts Due within One Year
<u>Governmental Activities:</u>					
Long-term liabilities:					
<i>Long-term debt:</i>					
Bonds and notes payable:					
Direct borrowings or placements:					
Capital improvement, Series 2015	\$ 3,820,000	\$ -	\$ (185,000)	\$ 3,635,000	\$ 190,000
FMLC Revenue Bonds, Series 2019B	8,600,000	-	(140,000)	8,460,000	145,000
Fleet purchase loan - 2021	-	208,054	(21,269)	186,785	34,289
Fleet purchase loan - 2020	208,271	-	(33,783)	174,488	36,877
Fleet purchase loan - 2019	153,842	-	(31,433)	122,409	33,990
Premiums (discounts), net	794,954	-	(44,575)	750,379	-
Subtotal	13,577,067	208,054	(456,060)	13,329,061	440,156
Other bonds and notes payable:					
Public improvements, Series 2011	1,790,000	-	(875,000)	915,000	915,000
Public improvements, Series 2016	4,180,000	-	(535,000)	3,645,000	545,000
Premiums (discounts), net	104,739	-	(24,847)	79,892	-
Subtotal	6,074,739	-	(1,434,847)	4,639,892	1,460,000
Total bonds and notes payable	19,651,806	208,054	(1,890,907)	17,968,953	1,900,156
<i>Other liabilities:</i>					
Other postemployment benefits	10,178,870	3,070,020	-	13,248,890	-
Net pension liability	9,500,476	-	(1,362,527)	8,137,949	-
Compensated absences	1,049,470	-	(138,430)	911,040	91,104
Total other liabilities	20,728,816	3,070,020	(1,500,957)	22,297,879	91,104
Total long-term liabilities	\$ 40,380,622	\$ 3,278,074	\$ (3,391,864)	40,266,832	\$ 1,991,260
Less amounts due in one year				(1,991,260)	
Net long-term liabilities in excess of one year				\$ 38,275,572	
<u>Business-type Activities:</u>					
Long-term liabilities:					
<i>Long-term debt:</i>					
Bonds and notes payable:					
Water and sewer, Series 2006	\$ 5,940,000	\$ -	\$ (870,000)	\$ 5,070,000	\$ 915,000
Water and sewer, Series 2016	28,265,000	-	(495,000)	27,770,000	510,000
Premiums (discounts), net	754,755	-	(52,743)	702,012	-
Subtotal	34,959,755	-	(1,417,743)	33,542,012	1,425,000
Other long-term debt:					
Joint venture loan guarantee	506,406	80,977	-	587,383	-
Total long-term debt	35,466,161	80,977	(1,417,743)	34,129,395	1,425,000
<i>Other liabilities:</i>					
Other postemployment benefits	2,622,407	52,152	-	2,674,559	-
Net pension liability	1,693,561	-	(537,875)	1,155,686	-
Compensated absences	204,770	4,051	-	208,821	20,882
Total other liabilities	4,520,738	56,203	(537,875)	4,039,066	20,882
Total long-term liabilities	\$ 39,986,899	\$ 137,180	\$ (1,955,618)	38,168,461	\$ 1,445,882
Less amounts due in one year				(1,445,882)	
Net long-term liabilities in excess of one year				\$ 36,722,579	

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

Notes to Long-Term Obligations Table

Long term liabilities, including accumulated compensated absences are typically liquidated by the individual fund to which the liability is directly associated.

Interest Included as Direct Expense:

None of the interest on governmental activities long-term debt has been included in the direct expenses of any of the various programs.

Governmental Activities:

Public Improvement Refunding Bonds Series 2011 - These bonds were issued June 9, 2011 in the amount of \$8,730,000 to refund the 2008 and 2007 Series Public Improvement Bonds, the proceeds of which were used to finance the cost of construction of the Lake Myrtle Sports Complex. The notes mature serially on December 1 of each year through December 1, 2021 with interest ranging from 2% to 4% and require the maintenance of a debt service sinking account. The County will pay the City annually such amounts of its tourist tax receipts to pay the principal and interest on these bonds as they become due. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

Capital Improvement Revenue Note, Series 2015 - These notes were issued August 25, 2015 in the amount of \$4,500,000 to fund new baseball fields at Lake Myrtle Sports Complex and are repayable from non-ad valorem revenues and mature serially on December 1 of each year through December 2035 with interest at 3.345% payable semiannually on June 1 and December 1. The County will pay the City annually such amounts of its tourist tax receipts to pay the principal and interest on these bonds as they become due. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may declare the entire principal and interest due and payable together with all accrued and unpaid interest. If any amount due is not paid by the 10th day following a scheduled payment date, the City is obligated to pay a 5% late fee of the past due amount and the interest rate on the amounts then due will increase to 18%.

Public Improvements Revenue Bonds, Series 2016 - These bonds were issued October 13, 2016 in the amount of \$5,720,000 to refund the Public Improvements Series 2006 and 2009B bonds. The Series 2006 bonds were originally issued to refund the Series 1999 bonds which were used to fund the construction of new police and fire facilities. The Series 2009B bonds were used to fund the Lake Myrtle Sports Complex expansion. The new bonds mature serially on December 1 of each year through December 1, 2029 with interest payable semi-annually on June 1 and December 1 at rates ranging from 1.07% to 2.57%. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

FMLC Revenue Bonds, Series 2019B - These bonds were issued on October 7, 2019 with a face amount of \$8,600,000 plus an issuance premium of \$840,267. The proceeds were used to finance the acquisition, construction and/or equipping of capital improvements of the governmental activities. The bonds mature serially on December 1 of each year through December 1, 2049 with interest payable semi-annually on June 1 and December 1 at rates ranging from 3.00% to 5.00%. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

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

Fleet Purchase Loan – 2019 – The City financed the purchase of eight vehicles with Enterprise FM Trust (lender) in the original amount of \$187,536. The terms of the note require monthly payments of principal and interest in the amount of \$3,535 and matures on August 1, 2023. The note bears interest at 7.86%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may forcibly repossess the vehicles securing the note.

Fleet Purchase Loan – 2020 – The City financed the purchase of eight vehicles with Enterprise FM Trust (lender) in the original amount of \$218,890. The terms of the note require monthly payments of principal and interest in the amount of \$4,183 and matures on May 1, 2025. The loan bears an average interest rate of 8.53%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may forcibly repossess the vehicles securing the note.

Fleet Purchase Loan – 2021 – The City financed the purchase of eight vehicles with Enterprise FM Trust (lender) in the original amount of \$208,054. The terms of the note require monthly payments of principal and interest in the amount of \$3,725 and matures on March 1, 2026. The loan bears an average interest rate of 6.27%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due and may forcibly repossess the vehicles securing the note.

Business-Type Activities:

None of the long-term debt of the business-type activities arose through direct borrowings or placements.

Water and Sewer Revenue Bonds - The water and sewer revenue certificates series 2006 and 2016 are secured by the net revenues of the water and sewer system and require the maintenance of a debt service sinking account, the 2006 Series requires a renewal and replacement reserve of \$250,000.

Water and Sewer Revenue Bonds Series 2006 - These bonds were issued December 1, 2006 in the amount of \$13,725,000 to refund the 1995 Series bonds, the proceeds of which were used to fund water and sewer system improvements. The 2006 bonds mature serially on December 1 of each year through December 2025, with interest ranging from 5.25% to 5.375% payable semiannually on June 1 and December 1 of each year. In the event of default, the lender has the right to take whatever legal actions necessary, including the appointment of a receiver, to collect the amounts due.

Water and Sewer Revenue Bonds Series 2016 - These bonds were issued September 29, 2016 in the amount of \$29,695,000 to advance refund the Water and Sewer Series 2007 and 2009 bonds and the existing revolving line of credit and to provide additional funds for improvements to the water and sewer systems. The debt refunded with the 2016 bonds were originally used for the construction of additions, extensions and improvements of the water and sewer system. The bonds mature serially on December 1 of each year through December 1, 2046 with interest payable semi-annually on June 1 and December 1 at rates ranging from 2% to 4%. In the event of default, the lender has the right to take whatever legal actions necessary to collect the amounts due.

Joint Venture Loan Guarantee – The City has entered into an agreement with the Florida Department of Environmental Protection to guarantee to pay the principal and interest of their proportional share of the State Revolving Fund (SRF) loan funds borrowed by the Polk Regional Water Cooperative to fund the projects of the combined projects implementation agreement. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on December 15, 2024 for a ten-year term to maturity on December 15, 2033. As of September 30, 2021, \$7,155,729 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled \$587,383 as of September 30, 2021 and has been recorded as a City liability in the business-type/enterprise fund. See Note 13 for more information on the Polk Regional Water Cooperative.

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

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

Fiscal Year Ending	Governmental Activities					
	Direct borrowings and direct placements		Other bonds and notes payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 440,156	\$ 481,868	\$ 1,460,000	\$ 111,944	\$ 1,900,156	\$ 593,812
2023	463,515	461,072	570,000	76,919	1,033,515	537,991
2024	499,463	438,021	580,000	59,669	1,079,463	497,690
2025	474,769	413,600	595,000	45,019	1,069,769	458,619
2026	430,779	392,842	255,000	36,519	685,779	429,361
2027-2031	2,225,000	1,699,810	1,100,000	79,322	3,325,000	1,779,132
2032-2036	2,715,000	1,211,373	-	-	2,715,000	1,211,373
2037-2041	1,590,000	801,000	-	-	1,590,000	801,000
2042-2046	1,940,000	451,300	-	-	1,940,000	451,300
2047-2051	1,800,000	109,950	-	-	1,800,000	109,950
Unamortized bond premium (discount)	750,379	-	79,892	-	830,271	-
Total	\$ 13,329,061	\$ 6,460,836	\$ 4,639,892	\$ 409,392	\$ 17,968,953	\$ 6,870,228

Fiscal Year Ending	Business-type Activities					
	Bonds and notes payable		Joint venture loan guarantee		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,425,000	\$ 1,141,756	\$ -	\$ -	\$ 1,425,000	\$ 1,141,756
2023	1,490,000	1,076,938	-	-	1,490,000	1,076,938
2024	1,555,000	1,009,100	-	-	1,555,000	1,009,100
2025	1,620,000	940,906	-	-	1,620,000	940,906
2026	1,515,000	874,050	58,055	6,202	1,573,055	880,252
2027-2031	8,325,000	3,630,469	282,936	38,349	8,607,936	3,668,818
2032-2036	10,015,000	1,903,588	246,392	10,635	10,261,392	1,914,223
2037-2041	5,205,000	475,513	-	-	5,205,000	475,513
2042-2046	1,385,000	158,353	-	-	1,385,000	158,353
2047-2051	305,000	4,766	-	-	305,000	4,766
Unamortized bond premium (discount)	702,012	-	-	-	702,012	-
Total	\$ 33,542,012	\$ 11,215,439	\$ 587,383	\$ 55,186	\$ 34,129,395	\$ 11,270,625

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

Pledged Revenues:

The City has pledged certain future revenues, net of operation and maintenance expenses, for payment of debt. The following table provides a summary of the pledged revenues for the City's outstanding debt issues for which specific revenues have been pledged:

<u>Pledged Revenue</u>	<u>Revenue Pledged Through</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Net Revenue</u>	<u>Percentage of Net Revenues to Principal and Interest Paid</u>
Water and sewer revenue	12/1/2046	\$ 44,055,439	\$ 2,568,688	\$ 8,402,370	327%

NOTE 7 – PENSION TRUST FUNDS

Plan Descriptions - The City of Auburndale contributes to three single-employer defined benefit pension plans: the General Employees' Pension Trust Fund, the Municipal Police Officers' Pension Trust Fund, and the Municipal Firefighters' Pension Trust Fund. Each plan provides retirement and disability benefits to plan members and beneficiaries. The plans are established by City Ordinance and the benefits and contribution requirements can be amended by the City Commission through ordinance. All three plans are administered by separate boards of trustees who are either appointed by the City Commission or elected by the plan members. It is the City's policy to annually fund the annual required contribution amount for each plan. Contributions are also provided to the Firefighters' and Police Officers' plans by the State of Florida from a tax collected on insurance premiums. Each plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for that plan. Those reports may be obtained by contacting the City of Auburndale Finance Department, P.O. Box 186, Auburndale, FL 33823. It is the policy of the City to fund pension costs for defined benefit plans on an actuarial basis, which includes amortization of prior service costs, and to fund defined contribution plans as pension costs accrue.

In the government-wide and proprietary statement of net position, liabilities are recognized for the City's share of each defined benefit pension plan's net pension liability. 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 City's sponsored single employer plans and additions to/deductions from the City's sponsored single employer plans have been determined on the same basis as they are reported by the City's sponsored single employer plans. For this purpose, defined benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided - The City's pension plans provide retirement and disability benefits. Benefits for all members vest after 10 years of service. Retirement benefits for general employee members are calculated at a blended rate of 2.5% for service after October 1, 2003 and 2.75% for service prior to October 1, 2003 of average compensation multiplied by years of creditable service. Normal retirement is the earlier of age 55 with 10 years of service or age 52 with 25 years of service. The Plan is closed for employees hired on or after October 1, 2006. Benefits for police officers are 3.5% and firefighters are 3.75% of average final compensation multiplied by years of creditable service. Normal retirement is the earlier of age 55 with 10 years of service or attainment of 20 years of service for police officers or 25 years of service for firefighters.

NOTE 7 – PENSION TRUST FUNDS (cont...)

Contributions - It is the City's policy to annually fund the actuarially determined required contributions representing the difference between the actuarially determined amount and the contributions of plan members.

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Contribution rates:			
City	72.9%	30.9%	45.3%
Plan members	2.0%	5.6%	9.1%
Actuarially determined contribution	\$ 1,347,267	\$ 657,909	\$ 527,811
Contributions made	\$ 1,347,267	\$ 662,541	\$ 527,811

Plan Membership - Participant data for the City pension plans as of the October 1, 2020 actuarial valuation date was as follows:

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire- Fighters' Pension Trust Fund
Inactive plan members or beneficiaries currently receiving benefits	90	27	19
Inactive plan members entitled to but not yet receiving benefits	8	24	8
Active plan members	26	35	20
Total	124	86	47

NOTE 7 – PENSION TRUST FUNDS (cont...)

Net Pension Liability – The City’s net pension liability was measured as of September 30, 2020 for all three pension trust funds. The net pension liability as measured on September 30, 2020 is used for the City’s reporting period ending September 30, 2021. The components of the changes in the net pension liability for all three plans is shown below.

General Employees’ Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2020	\$ 27,435,539	\$ 20,565,924	\$ 6,869,615
Changes for the year:			
Service cost	166,571	-	166,571
Interest	2,001,989	-	2,001,989
Difference between actual and expected experience	(43,999)	-	(43,999)
Change in assumptions	(395,826)	-	(395,826)
Contributions - City	-	1,433,540	(1,433,540)
Contributions - employee	-	40,894	(40,894)
Net investment income	-	1,724,037	(1,724,037)
Benefit payments, including refunds of employee contributions	(1,817,840)	(1,817,840)	-
Administrative expense	-	(81,541)	81,541
Net changes	(89,105)	1,299,090	(1,388,195)
Reporting period ending 9/30/2021	\$ 27,346,434	\$ 21,865,014	\$ 5,481,420

Police Officers’ Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2020	\$ 15,220,486	\$ 13,153,880	\$ 2,066,606
Changes for the year:			
Service cost	451,284	-	451,284
Interest	1,151,997	-	1,151,997
Difference between actual and expected experience	53,125	-	53,125
Changes of assumptions	(11,347)	-	(11,347)
Contributions - City	-	483,764	(483,764)
Contributions - State	-	172,422	(172,422)
Contributions - employee	-	117,777	(117,777)
Net investment income	-	1,293,918	(1,293,918)
Benefit payments, including refunds of employee contributions	(623,615)	(629,869)	6,254
Administrative expense	-	(42,181)	42,181
Net changes	1,021,444	1,395,831	(374,387)
Reporting period ending 9/30/2021	\$ 16,241,930	\$ 14,549,711	\$ 1,692,219

NOTE 7 – PENSION TRUST FUNDS (cont...)

Firefighters' Pension Trust Fund:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Reporting period ending 9/30/2020	\$ 10,184,497	\$ 7,926,681	\$ 2,257,816
Changes for the year:			
Service cost	216,727	-	216,727
Interest	750,855	-	750,855
Difference between actual and expected experience	323,366	-	323,366
Changes of assumptions	(154,022)	-	(154,022)
Change in benefit terms	37,737	-	37,737
Contributions - City	-	396,388	(396,388)
Contributions - State	-	107,595	(107,595)
Contributions - employee	-	101,917	(101,917)
Net investment income	-	750,447	(750,447)
Benefit payments, including refunds of employee contributions	(855,113)	(853,824)	(1,289)
Administrative expense	-	(45,153)	45,153
Net changes	319,550	457,370	(137,820)
Reporting period ending 9/30/2021	\$ 10,504,047	\$ 8,384,051	\$ 2,119,996

Actuarial Assumptions - The actuarial valuation date and significant actuarial assumptions used to measure the total pension liability were as follows:

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Actuarial valuation date	October 1, 2019 updated to September 30, 2020	October 1, 2019 updated to September 30, 2020	October 1, 2019 updated to September 30, 2020
Inflation	2.50%	2.50%	2.50%
Projected salary increases	3.5% to 5.0%	Service based	Service based
Investment rate of return	7.25%	7.50%	7.50%
Discount rate	7.25%	7.50%	7.50%
Date of actuarial experience study	August 20, 2014	August 7, 2017	August 3, 2017

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

NOTE 7 – PENSION TRUST FUNDS (cont...)

Long-term Expected Rate of Return on Pension Plan Investments - 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:

Asset Class	Long-term Expected Real Rates of Return		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Domestic Equity	7.50%	7.50%	7.50%
International Equity	8.50%	8.50%	8.50%
Broad Market Fixed Income	2.50%	2.50%	2.50%
Non-core Fixed Income	2.50%	na	na
Real estate	4.50%	4.50%	4.50%
Asset Class	Target Asset Allocations		
	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Fire-Fighters' Pension Trust Fund
Domestic Equity	45.00%	45.00%	45.00%
International Equity	15.00%	15.00%	15.00%
Broad Market Fixed Income	25.00%	30.00%	30.00%
Non-core Fixed Income	5.00%	na	na
Real estate	10.00%	10.00%	10.00%

Discount Rate – The discount used to measure the total pension liability as of the measurement date was a rate of 7.5% for all three pension plans. The total pension liability as of the City's reporting date of September 30, 2021 was measured as of September 30, 2020, which is the measurement date for financial reporting purposes. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability as of the financial reporting date of September 30, 2021 was 7.5% for all three plans.

NOTE 7 – PENSION TRUST FUNDS (cont...)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pension - For the year ended September 30, 2021, the City recognized total pension expense of \$1,483,339 comprised of \$697,850 for the General Employees' Pension, \$375,603 for the Police Officers' Pension and \$409,886 for the Firefighters' Pension. On September 30, 2021, deferred outflows of resources and deferred inflows of resources related to pensions, combined and individually for all three plans, was as follows:

Combined All Pension Trust Funds:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 358,421	\$ 336,694
Change in assumptions	79,195	321,942
Net difference between projected and actual earnings on Plan investments	175,047	143,044
City contributions subsequent to the measurement date	2,537,619	-
Total	<u>\$ 3,150,282</u>	<u>\$ 801,680</u>

General Employees' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,052	\$ 22,000
Change in assumptions	-	197,913
Difference between projected and actual earnings on Plan investments	175,047	-
City contributions subsequent to the measurement date	1,347,267	-
Total	<u>\$ 1,598,366</u>	<u>\$ 219,913</u>

Police Officers' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,843	\$ 255,162
Change in assumptions	-	8,511
Net difference between projected and actual earnings on Plan investments	-	112,320
City contributions subsequent to the measurement date	662,541	-
Total	<u>\$ 702,384</u>	<u>\$ 375,993</u>

NOTE 7 – PENSION TRUST FUNDS (cont...)

Firefighters' Pension Trust Fund:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 242,526	\$ 59,532
Change in assumptions	79,195	115,518
Net difference between projected and actual earnings on Plan investments	-	30,724
City contributions subsequent to the measurement date	527,811	-
Total	<u>\$ 849,532</u>	<u>\$ 205,774</u>

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

Year ended September 30,	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
2022	\$ (167,961)	\$ (241,090)	\$ 47,299	\$ (361,752)
2023	114,295	(71,509)	38,044	80,830
2024	124,346	37,258	63,968	225,572
2025	(39,494)	(60,809)	(33,364)	(133,667)
	<u>\$ 31,186</u>	<u>\$ (336,150)</u>	<u>\$ 115,947</u>	<u>\$ (189,017)</u>

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

	Current Discount Rate	Net Pension Liability at Measurement Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.50%	\$ 8,343,708	\$ 5,481,420	\$ 3,063,448
Police Officers'	7.50%	\$ 3,687,956	\$ 1,692,219	\$ 49,711
Firefighters'	7.50%	\$ 3,431,966	\$ 2,119,996	\$ 1,029,425
City's Net Pension Liability		<u>\$ 15,463,630</u>	<u>\$ 9,293,635</u>	<u>\$ 4,142,584</u>

NOTE 7 – PENSION TRUST FUNDS (concluded)

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

	Current Discount Rate	Net Pension Liability at Financial Reporting Date		
		1% Decrease	Current Discount	1% Increase
General Employees'	7.25%	\$ 4,980,632	\$ 2,062,786	\$ (403,787)
Police Officers'	7.50%	\$ 1,934,005	\$ (165,426)	\$ (1,904,271)
Firefighters'	7.50%	\$ 1,976,736	\$ 666,679	\$ (423,986)
City's Net Pension Liability		<u>\$ 8,891,373</u>	<u>\$ 2,564,039</u>	<u>\$ (2,732,044)</u>
Change in City's net pension liability between measurement date and reporting date		<u>\$ (6,572,257)</u>	<u>\$ (6,729,596)</u>	<u>\$ (6,874,628)</u>

The City's net pension liability decreased by \$6,729,596 between the City's measurement date of September 30, 2020 and the financial reporting date of September 30, 2021 due to greater than expected returns on plan investments during the year ended September 30, 2021.

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NOTE 8 - OTHER POST EMPLOYMENT BENEFITS PLAN

The City follows GASB Cod. Sec. P52 for certain other postemployment benefits (OPEB) provided by the City.

Plan Description – The City of Auburndale’s Retiree Health Care Plan (OPEB Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The OPEB Plan, which is administered by the City, allows employees who retire and meet retirement eligibility required under one of the City’s retirement plans to continue medical and life insurance coverage as a participant in the City’s insurance plans. For purposes of applying GASB Cod. Sec. P52.101, the Plan does not meet the requirements for an other postemployment benefits plan administered through a trust.

Benefits Provided – The City contributes 100% of the active premiums up to age 65 then 100% of the Medicare Advantage premium and health reimbursement account fee for retirees participating in the City’s group insurance plans who were hired prior to October 1, 1996 and for retirees hired after October 1, 1996 who retire with at least 20 years of service. Retirees may elect to opt out of the City’s group health insurance plan if there is no health network available to them or they have alternative health insurance. These retirees who opt out receive a cash reimbursement of \$200 per month instead.

Employees retiring with less than 20 years of service at retirement can continue their coverage and their spouses’ coverage under the City’s group policy at the active employee rates but must pay 100% of the cost of the insurance. A City-provided implicit subsidy for the health plan will still exist for these participants.

Funding Policy – The City has not advance-funded or established a funding methodology for the annual OPEB costs or the OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

Participant data as of the most recent actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	-
Active employees	157
Total	<u>221</u>

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont...)

Total OPEB liability – The City’s total OPEB liability was measured as of September 30, 2020 and is applicable to the City’s fiscal year ending September 30, 2021.

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of September 30, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation Rate	2.50%
Salary Increase Rate	Varies by Age/ Years of Service
Discount Rate	2.14%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	55

Mortality Rates – Active Lives: For female lives, 100% of the Combined Health White-Collar table was used. For male (non-special risk) lives, a 50% Combined Healthy-White Collar table, 50% Combined Healthy Blue-Collar table blend was used. For male special risk lives. A 10% Combined Health White-Collar table, 90% Combined Healthy Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Mortality Rates – Inactive Healthy Lives: For female lives, 100% of the Annuitant White-Collar table was used. For male (non-special risk) lives, a 50% Annuitant White Collar table, 50% Annuitant Blue-Collar table blend was used. For male special risk lives. A 10% Annuitant White-Collar table, 90% Annuitant Blue-Collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Mortality Rates – Disabled Lives: For female (non-special risk) lives, 100% of the Disabled Female table was used, set forward two years. For female special risk lives, a 60% Disabled Female table, 40% Annuitant White Collar table with no setback blend was used. For male (non-special risk) lives, 100% of the Disabled Male table was used, set back four years. For Male special risk lives, a 60% Disabled Male table, 40% Annuitant White Collar table with no setback blend was used. Disabled mortality has not been adjusted for mortality improvements.

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman’s July 1, 2018 Florida Retirement System (FRS) valuation report.

Discount Rate – Given the City’s decision not to fund the OPEB Plan, 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 measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be 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.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS PLAN (cont...)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Reporting period ending September 30, 2020	\$ 12,801,277
Changes for the year:	
Service cost	607,145
Interest	470,132
Changes of assumptions	2,602,338
Benefit payments	(557,443)
Net changes	3,122,172
Reporting period ending September 30, 2021	\$ 15,923,449

Sensitivity of the Total OPEB Liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total other postemployment benefits liability	\$ 18,210,861	\$ 15,923,449	\$ 14,043,149

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

	1% Decrease (3.00% to 6.50%)	Discount Rate (4.00% to 7.50%)	1% Increase (5.00% to 8.50%)
Total other postemployment benefits liability	\$ 14,324,641	\$ 15,923,449	\$ 17,822,592

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS PLAN (concluded)

OPEB expense and deferred outflows and inflows of resources related to OPEB – For the year ended September 30, 2021, the City recognized OPEB expense of \$894,449. On September 30, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,986,925
Change in assumptions	3,209,915	960,477
City contributions subsequent to the measurement date	602,150	-
Total	<u>\$ 3,812,065</u>	<u>\$ 2,947,402</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	Amount
2022	\$ (192,828)
2023	(192,825)
2024	17,124
2025	197,319
2026	433,723
	<u>\$ 262,513</u>

NOTE 9 – OTHER EMPLOYEE BENEFIT PLANS

Effective October 1, 2006, the City closed its defined benefit general employee pension plan for employees not already participating in that plan and instituted a defined contribution 401(a) money purchase plan for employees hired on or after October 1, 2006, whereby the City contributes 8% of gross pay with the employee contributing 2%. The total cost of this plan to the City, net of participant forfeitures of \$60,562, was \$244,452 for the year ended September 30, 2021.

The City offers its employees a deferred compensation plan created pursuant to Internal Revenue Code Section 457. The Plan is available to all employees and permits them to defer a portion of their salary until future years. The assets are held in trust for each participant who is free to direct their investments to a variety of mutual fund offerings. Participation in the plan is optional.

The City has a cafeteria and flexpay plan whereby employees can elect to receive a cash subsidy or use it to pay for dependent health, dental and life insurance premiums with before tax dollars. The City's subsidy is fixed at \$97.60 per month per employee and the total cost for the year was \$211,717.

NOTE 10 - MAJOR CUSTOMERS

In the City's enterprise fund (business-type activities), approximately 15% of the City's water and sewer charges for services revenue, is represented by sales to one industrial customer. With respect to the ad-valorem (property taxes) taxes the City's largest taxpayer represents 13% of its ad-valorem taxes and the second largest represents 12%.

NOTE 11 - RISK MANAGEMENT AND LITIGATION

During the ordinary course of its operations, the City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage in amounts management feels is adequate to protect and safeguard the assets of the City. In the opinion of the City's management and legal counsel, legal claims and litigation are not anticipated to have material impact on the financial position of the City. The City's workers compensation coverage is provided through a non-assessable program; in the event the insurance company were declared insolvent, the City would only be responsible for its own claims and not the claims of other insured entities under the program.

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

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The City participates in several programs that are fully or partially funded by grants received from Federal, state, or county agency sources. Expenditures financed by grants are subject to audit by the appropriate grantor government/agency. If expenditures are disallowed due to non-compliance with grant program regulations, the City may be required to reimburse the grantor government/agency. As of September 30, 2021, the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

NOTE 13 – JOINT VENTURE

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

NOTE 13 – JOINT VENTURE (concluded)

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

Membership fees - The terms of the interlocal agreement require each Member Government to contribute their proportionate share of the PRWC's annual working capital needs which are established annually by a resolution of the PRWC's Board of Directors. For the year ended September 30, 2021, the total annual working capital needs of the PRWC was \$198,000 of which the City's proportionate share was \$14,471.

Combined projects background - The Member Governments, except for the City of Frostproof, entered into a combined projects implementation agreement on March 16, 2017. This agreement established three combined projects to be pursued by the PRWC with a total estimated cost of \$23,000,000. The Southwest Florida Water Management District (SWFWMD) is funding 50% of the total estimated cost and the remainder is funded by the Member Governments based upon their average water use in comparison to the total average water use by all Member Governments.

Combined projects funding - The PRWC has entered into a state revolving fund (SRF) loan agreement with the State of Florida Department of Environmental Protection (FDEP) to borrow up to \$9,914,390 to assist Member Governments in meeting their local share of the total estimated combined project costs. Member Governments can elect to fund their local share of the project costs from their existing funds or participate in the SRF loan agreement. The City has elected to participate in the SRF loan agreement to fund their estimated local share (\$813,830) of the project costs and as a result have entered into an agreement with FDEP to guarantee the City's payment of their share of the SRF loan debt service requirements. The SRF loan bears interest at 1.89% and principal and interest are due semiannually beginning on December 15, 2024 for a ten-year term to maturity on December 15, 2033.

As of September 30, 2021, \$7,155,729 of SRF funds have been drawn by the PRWC. The City's proportionate share of this liability totaled \$587,384 as of September 30, 2021 and has been recorded as a City liability in the business-type/enterprise fund.

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

NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLES

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

Required Supplementary Information

CITY OF AUBURNDALE, FLORIDA
Budgetary Comparison Schedule – General Fund
For the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (budgetary basis)	
RESOURCES:				
Taxes	\$ 10,253,050	\$ 10,888,050	\$ 10,959,345	71,295
Licenses and permits	704,500	1,432,500	1,495,238	62,738
Intergovernmental	3,490,538	4,255,538	4,448,751	193,213
Charges for services	3,071,596	3,676,596	3,618,582	(58,014)
Fines and forfeitures	104,500	179,500	179,049	(451)
Investment income	10,300	10,300	9,664	(636)
Other	162,265	223,265	262,608	39,343
Other sources - transfers in	4,047,296	4,047,296	4,047,296	-
Other sources - insurance recoveries	60,000	60,000	84,524	24,524
Other sources - loan proceeds	770,000	190,000	208,055	18,055
Prior year surplus appropriated	90,000	15,000	15,000	-
Total resources	<u>22,764,045</u>	<u>24,978,045</u>	<u>25,328,112</u>	<u>350,067</u>
CHARGES TO APPROPRIATIONS:				
General government	4,722,431	5,040,431	4,965,616	74,815
Public safety	6,860,124	6,708,124	6,722,439	(14,315)
Physical environment	2,061,600	2,240,600	2,300,669	(60,069)
Transportation	704,636	666,636	668,189	(1,553)
Culture/recreation	2,863,912	3,075,912	3,111,667	(35,755)
Capital outlay	2,670,200	3,398,200	3,356,781	41,419
Debt service	2,451,142	2,484,142	2,473,355	10,787
Budgeted carryover reserve	430,000	1,364,000	1,364,000	-
Total charges to appropriations	<u>22,764,045</u>	<u>24,978,045</u>	<u>24,962,716</u>	<u>15,329</u>
EXCESS (DEFICIENCY) OF RESOURCES OVER				
(UNDER) CHARGES TO APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,396</u>	<u>\$ 365,396</u>

Explanation of differences between budgetary and GAAP basis revenues and expenditures
Sources/inflows of resources

Total revenue from the budgetary comparison schedule	\$ 25,328,112
Differences - budget to GAAP:	
Prior year surplus appropriated as a budgetary resource	(15,000)
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 25,313,112</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the	
Total expenditures from the budgetary comparison schedule	\$ 24,962,716
Differences - budget to GAAP:	
Year-end surplus of revenues over charges to appropriations are budgetary outflows but are not reported as expenditures for financial reporting purposes.	(1,364,000)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 23,598,716</u>

CITY OF AUBURNDALE, FLORIDA**Budgetary Comparison Schedule – Community Redevelopment Agency**

For the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary basis)	
				Final Budget
RESOURCES:				
Taxes	\$ 1,505,850	\$ 1,580,850	\$ 1,580,939	\$ 89
Other	2,000	8,000	7,655	(345)
Prior year surplus appropriated	1,786,116	707,116	707,116	-
Total resources	3,293,966	2,295,966	2,295,710	(256)
CHARGES TO APPROPRIATIONS:				
Economic environment	627,966	387,966	386,946	1,020
Capital outlay	1,116,000	508,000	508,861	(861)
Budgeted carryover reserve	1,550,000	1,400,000	1,400,000	-
Total charges to appropriations	3,293,966	2,295,966	2,295,807	159
EXCESS (DEFICIENCY) OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ -	\$ -	\$ (97)	\$ (97)

Explanation of differences between budgetary and GAAP basis revenues and expenditures**Sources/inflows of resources**

Total revenue from the budgetary comparison schedule	\$ 2,295,710
Differences - budget to GAAP:	
Prior year surplus reappropriated as a budgetary resource	(707,116)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,588,594</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the Total expenditures from the budgetary comparison schedule	\$ 2,295,807
Differences - budget to GAAP:	
Year-end surplus of revenues over charges to appropriations are budgetary outflows but are not reported as expenditures for financial reporting purposes.	(1,400,000)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 895,807</u>

CITY OF AUBURNDALE, FLORIDA**Budgetary Comparison Schedule – Impact Fee Special Revenue Fund**

For the year ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts (budgetary basis)	
RESOURCES:				
Licenses and permits	\$ 370,000	\$ 1,245,000	\$ 1,245,320	\$ 320
Investment income	500	500	136	(364)
Total resources	370,500	1,245,500	1,245,456	(44)
CHARGES TO APPROPRIATIONS:				
Budgeted carryover reserve	370,500	1,245,500	1,245,500	-
Total charges to appropriations	370,500	1,245,500	1,245,500	-
EXCESS (DEFICIENCY) OF RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ -	\$ -	\$ (44)	\$ (44)

CITY OF AUBURNDALE, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Trust Fund

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 141,402	\$ 166,571	\$ 177,557	\$ 185,667
Interest	1,998,938	2,001,989	1,944,432	1,892,510
Change in assumptions	649,657	(395,826)	-	-
Difference between expected and actual experience	(344,594)	(43,999)	436,845	304,208
Benefit payments, including refunds of employee contributions	(1,670,665)	(1,817,840)	(1,742,995)	(1,620,974)
Employee buy-back	-	-	-	-
Net change in total pension liability	774,738	(89,105)	815,839	761,411
Total pension liability, beginning	27,346,434	27,435,539	26,619,700	25,858,289
Total pension liability, ending (a)	<u>\$ 28,121,172</u>	<u>\$ 27,346,434</u>	<u>\$ 27,435,539</u>	<u>\$ 26,619,700</u>
Plan fiduciary net position				
Contributions - City	\$ 1,347,267	\$ 1,433,540	\$ 1,681,890	\$ 1,505,874
Contributions - Employee	36,963	40,894	43,981	45,600
Net investment income (loss)	4,560,418	1,724,037	674,844	1,442,390
Benefit payments, including refunds Of employee contributions	(1,670,666)	(1,817,840)	(1,742,995)	(1,620,974)
Administrative expenses	(80,610)	(81,541)	(42,122)	(38,278)
Net change in plan fiduciary net position	4,193,372	1,299,090	615,598	1,334,612
Plan fiduciary net position, beginning	21,865,014	20,565,924	19,950,326	18,615,714
Plan fiduciary net position, ending (b)	<u>\$ 26,058,386</u>	<u>\$ 21,865,014</u>	<u>\$ 20,565,924</u>	<u>\$ 19,950,326</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,062,786</u>	<u>\$ 5,481,420</u>	<u>\$ 6,869,615</u>	<u>\$ 6,669,374</u>
Plan fiduciary net position as a percentage of total pension liability	92.66%	79.96%	74.96%	74.95%
Covered payroll	1,848,125	2,044,692	2,204,313	2,274,734
Net pension liability as a percentage of covered payroll	112%	268%	312%	293%

Continued...

CITY OF AUBURNDALE, FLORIDA
**Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Trust Fund
(concluded)**

City reporting period date	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability				
Service cost	\$ 210,799	\$ 238,594	\$ 264,889	\$ 246,408
Interest	1,858,551	1,608,169	1,581,148	1,544,414
Change in assumptions	-	2,541,856	-	-
Difference between expected and actual experience	15,756	508,735	-	-
Benefit payments, including refunds of employee contributions	(1,613,902)	(1,448,376)	(1,505,997)	(1,133,034)
Employee buy-back	10,258	-	17,731	-
Net change in total pension liability	481,462	3,448,978	357,771	657,788
Total pension liability, beginning	25,376,827	21,927,849	21,570,078	20,912,290
Total pension liability, ending (a)	<u>\$ 25,858,289</u>	<u>\$ 25,376,827</u>	<u>\$ 21,927,849</u>	<u>\$ 21,570,078</u>
Plan fiduciary net position				
Contributions - City	\$ 1,272,484	1,226,212	1,211,447	1,179,108
Contributions - Employee	57,581	51,856	72,890	57,658
Net investment income (loss)	1,954,145	1,375,125	(163,438)	1,292,623
Benefit payments, including refunds of employee contributions	(1,613,901)	(1,448,376)	(1,505,997)	(1,133,034)
Administrative expenses	(50,958)	(31,618)	(35,303)	(31,563)
Net change in plan fiduciary net position	1,619,351	1,173,199	(420,401)	1,364,792
Plan fiduciary net position, beginning	16,996,363	15,823,164	16,243,565	14,878,773
Plan fiduciary net position, ending (b)	<u>\$ 18,615,714</u>	<u>\$ 16,996,363</u>	<u>\$ 15,823,164</u>	<u>\$ 16,243,565</u>
Net pension liability (asset) (a)-(b)	<u>\$ 7,242,575</u>	<u>\$ 8,380,464</u>	<u>\$ 6,104,685</u>	<u>\$ 5,326,513</u>
Plan fiduciary net position as a percentage of total pension liability	71.99%	66.98%	72.16%	75.31%
Covered payroll	2,366,172	2,592,799	2,781,826	2,882,921
Net pension liability as a percentage of covered payroll	306%	323%	219%	185%

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

CITY OF AUBURNDALE, FLORIDA

Notes to The Schedule of Changes in Net Pension Liability and Related Ratios - General Employees' Pension Trust Fund

Changes of Assumptions:

For measurement date September 30, 2021:

- The assumed investment rate of return was lowered from 7.50% to 7.25%.

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The assumed end age for benefit payments paid to Members while employed was increased from age 55 to 59.
- All existing unfunded actuarial accrued liability bases were eliminated, and a new "fresh start" base was established. This will be amortized over 11 years
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF AUBURNDALE, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' Pension Trust Fund

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 473,059	\$ 451,284	\$ 435,939	\$ 448,817
Interest	1,222,003	1,151,997	1,122,282	1,089,209
Change in excess State money	-	-	-	-
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	10,579	53,125	(386,108)	(248,431)
Change of assumptions	-	(11,347)	-	-
Benefit payments, including refunds of employee contributions	(843,225)	(623,615)	(958,896)	(712,580)
Net change in total pension liability	862,416	1,021,444	213,217	577,015
Total pension liability, beginning	16,241,930	15,220,486	15,007,269	14,430,254
Total pension liability, ending (a)	\$ 17,104,346	\$ 16,241,930	\$ 15,220,486	\$ 15,007,269
Plan fiduciary net position				
Contributions - City	\$ 485,913	\$ 483,764	\$ 466,685	\$ 497,552
Contributions - State of Florida	176,628	172,422	163,299	141,490
Contributions - Employee	120,010	117,777	108,533	99,931
Net investment income (loss)	2,835,405	1,293,918	519,046	957,563
Benefit payments, including refunds of employee contributions	(847,634)	(629,869)	(954,845)	(705,967)
Administrative expenses	(50,261)	(42,181)	(53,400)	(47,583)
Net change in plan fiduciary net position	2,720,061	1,395,831	249,318	942,986
Plan fiduciary net position, beginning	14,549,711	13,153,880	12,904,562	11,961,576
Plan fiduciary net position, ending (b)	\$ 17,269,772	\$ 14,549,711	\$ 13,153,880	\$ 12,904,562
Net pension liability (asset) (a)-(b)	\$ (165,426)	\$ 1,692,219	\$ 2,066,606	\$ 2,102,707
Plan fiduciary net position as a percentage of total pension liability	100.97%	89.58%	86.42%	85.99%
Covered payroll	\$ 2,143,026	\$ 2,103,159	\$ 1,938,094	\$ 1,785,032
Net pension liability (asset) as a percentage of covered payroll	-7.72%	80.46%	106.63%	117.80%

Continued...

CITY OF AUBURNDALE, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' Pension Trust Fund (Concluded)

City reporting period date	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability				
Service cost	\$ 409,945	\$ 373,191	\$ 351,180	\$ 364,059
Interest	1,036,613	957,531	907,055	849,820
Change in excess State money	-	(74,166)	4,550	-
Change in benefit terms	-	-	16,945	-
Difference between expected and actual experience	106,873	118,563	82,678	-
Change of assumptions	154,118	184,472	-	-
Benefit payments, including refunds of employee contributions	(485,995)	(814,201)	(609,037)	(349,828)
Net change in total pension liability	1,221,554	745,390	753,371	864,051
Total pension liability, beginning	13,208,700	12,463,310	11,709,939	10,845,888
Total pension liability, ending (a)	<u>\$ 14,430,254</u>	<u>\$ 13,208,700</u>	<u>\$ 12,463,310</u>	<u>\$ 11,709,939</u>
Plan fiduciary net position				
Contributions - City	\$ 458,328	\$ 392,854	\$ 438,270	\$ 459,488
Contributions - State of Florida	130,498	189,955	117,600	110,916
Contributions - Employee	97,557	93,249	91,074	79,023
Net investment income (loss)	1,353,753	707,436	(37,482)	986,394
Benefit payments, including refunds of employee contributions	(485,995)	(814,201)	(609,037)	(349,828)
Administrative expenses	(52,823)	(44,593)	(41,681)	(35,838)
Net change in plan fiduciary net position	1,501,318	524,700	(41,256)	1,250,155
Plan fiduciary net position, beginning	10,460,258	9,935,558	9,976,814	8,726,659
Plan fiduciary net position, ending (b)	<u>\$ 11,961,576</u>	<u>\$ 10,460,258</u>	<u>\$ 9,935,558</u>	<u>\$ 9,976,814</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,468,678</u>	<u>\$ 2,748,442</u>	<u>\$ 2,527,752</u>	<u>\$ 1,733,125</u>
Plan fiduciary net position as a percentage of total pension liability	82.89%	79.19%	79.72%	85.20%
Covered payroll	\$ 1,742,088	\$ 1,665,166	\$ 1,626,310	\$ 1,517,015
Net pension liability as a percentage of covered payroll	141.71%	165.06%	155.43%	114.25%

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

CITY OF AUBURNDALE, FLORIDA**Notes to The Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' Pension Trust Fund**

Changes of benefit terms:

For measurement date September 30, 2016:

- The City and members have mutually consented to allow the City to utilize all of the excess state monies to help pay down the unfunded actuarial liability and to use all future state money to offset their funding requirements.
- Eliminate "imputing" of service for vesting and early retirement for newly hired Police Officers.
- Added provisions for a Partial Lump Sum Optional benefit at retirement.

For measurement date September 30, 2015:

- The supplemental benefit was increased beginning October 1, 2015 from \$19.35 to \$20.00 per month for each year of credited service.

Changes of Assumptions:

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2017:

- The assumed rates of morality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report.
- Reduce the investment return assumption from 7.75% to 7.5% per year, net of investment related expenses.
- Change the assumed rate of individual salary increases from a flat 5.75% per year to an assumption of 8.0% during the first year of employment and 4.75% per year after that.
- Change the expected rates of retirement as outlined in the "Actuarial Assumptions and Methods" section of the 10/1/2017 valuation report.
- Change the expected rates of non-retirement terminations from an age-based table to an assumption of 8.5% per year during the first 7 years and 0.0% for years 8 and 9 and 4% beginning at 10 years of employment.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF AUBURNDALE, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Pension Trust Fund

City reporting period date	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total pension liability				
Service cost	\$ 225,636	\$ 216,727	\$ 203,030	\$ 208,114
Interest	782,967	750,855	730,035	716,994
Change in excess State money	-	-	-	-
Change in benefit terms	334	37,737	(33,320)	(11,615)
Difference between expected and actual experience	(255,184)	323,366	(18,732)	(98,515)
Change of assumptions	-	(154,022)	-	-
Contributions - buyback of service	-	-	-	33,645
Benefit payments, including refunds of employee contributions	(580,906)	(855,113)	(521,211)	(774,695)
Net change in total pension liability	172,847	319,550	359,802	73,928
Total pension liability, beginning	10,504,047	10,184,497	9,824,695	9,750,767
Total pension liability, ending (a)	<u>\$ 10,676,894</u>	<u>\$ 10,504,047</u>	<u>\$ 10,184,497</u>	<u>\$ 9,824,695</u>
Plan fiduciary net position				
Contributions - City	\$ 413,970	\$ 396,388	\$ 381,560	\$ 357,700
Contributions - State of Florida	113,842	107,595	100,845	105,668
Contributions - Employee	106,028	101,917	99,543	125,130
Net investment income (loss)	1,621,849	750,447	297,238	547,766
Benefit payments, including refunds of employee contributions	(580,906)	(853,824)	(526,992)	(770,203)
Administrative expenses	(48,619)	(45,153)	(56,279)	(57,678)
Net change in plan fiduciary net position	1,626,164	457,370	295,915	308,383
Plan fiduciary net position, beginning	8,384,051	7,926,681	7,630,766	7,322,383
Plan fiduciary net position, ending (b)	<u>\$ 10,010,215</u>	<u>\$ 8,384,051</u>	<u>\$ 7,926,681</u>	<u>\$ 7,630,766</u>
Net pension liability (asset) (a)-(b)	<u>\$ 666,679</u>	<u>\$ 2,119,996</u>	<u>\$ 2,257,816</u>	<u>\$ 2,193,929</u>
Plan fiduciary net position as a percentage of total pension liability	93.76%	79.82%	77.83%	77.67%
Covered payroll	\$ 1,165,145	\$ 1,119,962	\$ 1,093,883	\$ 1,005,135
Net pension liability as a percentage of covered payroll	57.22%	189.29%	206.40%	218.27%

Continued...

CITY OF AUBURNDALE, FLORIDA
Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Pension Trust Fund (Concluded)

City reporting period date	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability				
Service cost	\$ 191,780	\$ 183,379	\$ 186,947	\$ 148,322
Interest	691,907	660,928	625,808	608,158
Change in excess State money	-	(43,172)	5,219	-
Change in benefit terms	-	93,665	194,426	-
Difference between expected and actual experience	(53,800)	(263,873)	81,662	-
Change of assumptions	395,976	213,476	-	-
Contributions - buyback of service	-	-	-	-
Benefit payments, including refunds of employee contributions	(422,298)	(382,852)	(679,857)	(843,719)
Net change in total pension liability	803,565	461,551	414,205	(87,239)
Total pension liability, beginning	8,947,202	8,485,651	8,071,446	8,158,685
Total pension liability, ending (a)	<u>\$ 9,750,767</u>	<u>\$ 8,947,202</u>	<u>\$ 8,485,651</u>	<u>\$ 8,071,446</u>
Plan fiduciary net position				
Contributions - City	\$ 272,798	\$ 230,377	\$ 287,970	\$ 246,963
Contributions - State of Florida	127,367	127,608	112,882	106,823
Contributions - Employee	85,805	70,654	54,857	79,065
Net investment income (loss)	800,753	426,495	(23,205)	650,566
Benefit payments, including refunds of employee contributions	(422,298)	(382,852)	(679,857)	(843,719)
Administrative expenses	(48,837)	(56,548)	(45,619)	(34,752)
Net change in plan fiduciary net position	815,588	415,734	(292,972)	204,946
Plan fiduciary net position, beginning	6,506,795	6,091,061	6,384,033	6,179,087
Plan fiduciary net position, ending (b)	<u>\$ 7,322,383</u>	<u>\$ 6,506,795</u>	<u>\$ 6,091,061</u>	<u>\$ 6,384,033</u>
Net pension liability (asset) (a)-(b)	<u>\$ 2,428,384</u>	<u>\$ 2,440,407</u>	<u>\$ 2,394,590</u>	<u>\$ 1,687,413</u>
Plan fiduciary net position as a percentage of total pension liability	75.10%	72.72%	71.78%	79.09%
Covered payroll	\$ 943,064	\$ 834,158	\$ 951,460	\$ 769,099
Net pension liability as a percentage of covered payroll	257.50%	292.56%	251.68%	219.40%

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

CITY OF AUBURNDALE, FLORIDA**Notes to the Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Pension Trust Fund*****Changes of benefit terms:***

For measurement date September 30, 2019

- As required by Chapter 2019-21, Laws of Florida, granting certain disability benefits to firefighters participating in an employer-sponsored retirement plan. Effective July 1, 2019, the retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer.

For measurement date September 30, 2016:

- The City and members have mutually consented to allow the City to utilize all of the excess state monies to help pay down the unfunded actuarial liability and to use all future state money to offset their funding requirements.
- Eliminate "imputing" of service for vesting and early retirement for newly hired firefighters.

For measurement date September 30, 2015:

- The total pension liability was calculated using an assumed increase in the benefit accrual rate to 3.75% of average final compensation for all years of service and an increase in the member contribution rate to 9.1% of salary.

Change in supplemental benefit:

Effective date: October 1,	Supplemental Benefit per Month for Each year of Credited Service	
	From	To
2021	\$21.96	\$22.00
2020	\$17.89	\$21.96
2019	\$20.80	\$17.89
2018	\$22.00	\$20.80
2016	\$21.49	\$22.00
2015	\$16.73	\$21.49

Changes of Assumptions:

For measurement date September 30, 2020:

- The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation report for non-special risk employees, with appropriate adjustments made based on plan demographics.

For measurement date September 30, 2017:

- The assumed rates of morality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report.
- Reduce the investment return assumption from 7.75% to 7.5% per year, net of investment related expenses.
- Change the assumed rate of individual salary increases from a flat 5.75% per year to an assumption of 12.0% during the first year of employment and 5.0% per year after that.
- Change the expected rates of retirement as outlined in the "Actuarial Assumptions and Methods" section of the 10/1/2017 valuation report.
- Change the expected rates of non-retirement terminations from an age-based table to an assumption of 15.0% per year during the first 7 years and 0.0% for years 8 and 9, 15% in year 10, and 1.0% beginning at 11 years of employment.

For measurement date September 30, 2016:

- The assumed rates of mortality were changed from the RP-2000 Combined Healthy Tables to the mortality tables for special risk employees used by the Florida Retirement System.
- The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

CITY OF AUBURNDALE, FLORIDA
Schedule of Contributions - General Employees' Pension Trust Fund

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2021	\$ 1,347,267	\$ 1,347,267	\$ -	\$ 1,848,125	72.90%
September 30, 2020	1,433,540	1,433,540	-	2,044,692	70.11%
September 30, 2019	1,681,890	1,681,890	-	2,204,313	76.30%
September 30, 2018	1,505,874	1,505,874	-	2,274,734	66.20%
September 30, 2017	1,280,099	1,272,484	(7,615)	2,366,172	53.78%
September 30, 2016	1,218,615	1,226,212	7,597	2,592,799	47.29%
September 30, 2015	1,211,447	1,211,447	-	2,781,826	43.55%
September 30, 2014	1,179,108	1,179,108	-	2,882,921	40.90%
September 30, 2013	1,124,500	1,124,500	-	2,998,667	37.50%
September 30, 2012	799,848	799,848	-	3,112,198	25.70%

Notes to the Schedule of Contributions:

Valuation date October 1, 2019

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

Methods and assumptions used to determine contribution amounts:

Actuarial cost method: Entry age normal actuarial cost method

Amortization method Percentage of compensation

Interest rate 7.50% per year compounded annually, net of investment related expenses.

Salary increases: Below age 35: 5.0% per year; age 35 to 44: 4.0% per year; age 45 and up: 3.5% per year.

Mortality basis: RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on scale BB.

Retirement age: Later of age 59 and current age for regular plan benefit. Earlier of 1) age 55 with 10 years of service or 2) age 52 with 25 years of service for initial benefit.

Early retirement None assumed

Disability: 1987 Commissioner's Group Disability Table, 6-month elimination period. All disabilities are assumed service incurred.

Payroll growth: None

Changes: No significant changes since the previous valuation date.

Termination rate table

Age:	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>
% terminating during the year	16.77%	10.70%	6.49%	3.86%

CITY OF AUBURNDALE, FLORIDA
Schedule of Contributions - Police Officers' Pension Trust Fund

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2021	\$ 657,909	\$ 662,541	\$ 4,632	\$ 2,143,026	30.92%
September 30, 2020	656,186	656,186	-	2,103,159	31.20%
September 30, 2019	629,881	629,984	103	1,938,094	32.51%
September 30, 2018	639,042	639,042	-	1,785,032	35.80%
September 30, 2017	588,826	588,826	-	1,742,088	33.80%
September 30, 2016	582,809	582,809	-	1,665,166	35.00%
September 30, 2015	551,319	551,319	-	1,626,310	33.90%
September 30, 2014	570,398	570,398	-	1,517,015	37.60%
September 30, 2013	513,224	513,224	-	1,483,306	34.60%
September 30, 2012	442,163	442,163	-	1,546,023	28.60%

Notes to the Schedule of Contributions:

Valuation date October 1, 2019

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

Methods and assumptions used to determine contribution amounts:

Actuarial cost method:	Entry age actuarial cost method
Amortization method	Level percentage of pay, closed
Interest rate	7.50% per year compounded annually, net of investment related expenses.
Salary increases:	8.0% for less than one year of service and 4.75% for greater than one year of service. Also the projected salary at retirement is increased based on individual accruals to account for final non-regular compensation.
Mortality basis:	RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on scale BB.
Normal retirement:	Retirement probability at age 55+ with 10 years of service is assumed at 100%, with 20 years of service the assumed probability is 50%, with 21 to 22 years of service the assumed probability is 75% and with 23 or more years of service, the assumed probability is 100%.
Early retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability and Termination:	See table below. It is assumed that 75% of disability retirements are service related.
Payroll growth:	2.19% per year
Changes:	No significant changes since the previous valuation date.

Disability rate table

Age:	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>
% becoming disabled during the year	0.03%	0.04%	0.07%	0.18%

Termination rate table

Years of service:	<u><8</u>	<u>8 or 9</u>	<u>>9</u>
% terminating during the year	8.50%	0.00%	4.00%

CITY OF AUBURNDALE, FLORIDA
Schedule of Contributions - Firefighters' Pension Trust Fund

Fiscal year end	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a % of Covered Payroll
September 30, 2021	\$ 527,811	\$ 527,811	\$ -	\$ 1,165,145	45.30%
September 30, 2020	503,983	503,983	-	1,119,962	45.00%
September 30, 2019	482,402	482,405	3	1,093,883	44.10%
September 30, 2018	463,368	463,368	-	1,005,135	46.10%
September 30, 2017	403,633	400,165	(3,468)	943,067	42.43%
September 30, 2016	354,517	357,985	3,468	834,158	42.92%
September 30, 2015	395,634	395,634	-	951,460	41.58%
September 30, 2014	353,786	353,786	-	769,099	46.00%
September 30, 2013	326,546	326,546	-	720,852	45.30%
September 30, 2012	257,238	257,238	-	730,788	35.20%

Notes to Schedule of Contributions:

Valuation date October 1, 2019

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

Methods and assumptions used to determine contribution amounts:

Actuarial cost method:	Entry age actuarial cost method
Amortization method	Level percentage of pay, closed
Interest rate	7.50% per year compounded annually, net of investment related expenses.
Salary increases:	Less than one year of service is 12% and greater than one year of service is 5%.
Mortality basis:	RP-2000 mortality tables for active, inactive and disabled males or females, as appropriate, with adjustments for mortality improvements based on scale BB.
Retirement age:	Earlier of age 55 with 10 years of credited service or the completion of 25 years of credited service. Also, any Member who has reached Normal Retirement is assumed to continue employment for on additional year.
Early retirement	Commencing with the earliest Early Retirement Age (50 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Disability and Termination:	See table below. It is assumed that 75% of disability retirements are service related.
Payroll growth:	1.65% per year
Changes:	No significant changes since the previous valuation date.

Disability rate table

Age:	<u>20</u>	<u>30</u>	<u>40</u>	<u>50</u>
% becoming disabled during the year	0.03%	0.04%	0.07%	0.18%

Termination rate table

Years of service:	<u>≤ 8</u>	<u>8-9</u>	<u>10</u>	<u>≥10</u>
% terminating during the year	15.00%	0.00%	15.00%	1.00%

CITY OF AUBURNDALE, FLORIDA**Schedule of Changes in The Total OPEB Liability and Related Ratios**

Measurement date	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Reporting period ending	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service cost	\$ 607,145	\$ 607,798	\$ 663,734	\$ 729,920
Interest	470,132	579,749	519,072	453,027
Change in assumptions	2,602,338	1,561,950	(1,081,142)	(1,259,721)
Differences between expected and actual experience	-	(2,980,389)	-	-
Contributions	-	-	-	-
Benefit payments	(557,443)	(454,594)	(418,981)	(385,270)
Net change in total pension liability	3,122,172	(685,486)	(317,317)	(462,044)
Total OPEB liability, beginning	12,801,277	13,486,763	13,804,080	14,266,124
Total OPEB liability, ending	<u>\$ 15,923,449</u>	<u>\$ 12,801,277</u>	<u>\$ 13,486,763</u>	<u>\$ 13,804,080</u>
Covered payroll	\$ 8,012,764	\$ 7,671,387	\$ 7,910,302	\$ 7,267,326
Total OPEB liability as a percentage of covered-employee payroll	198.73%	166.87%	170.50%	189.95%

Notes to Schedule:

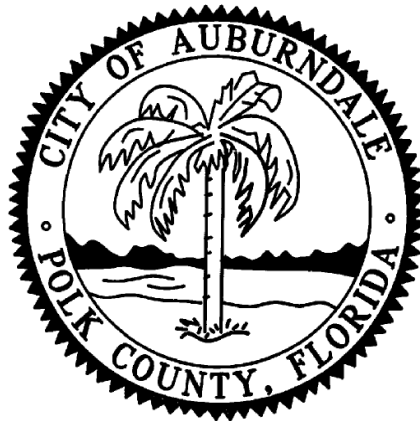
No assets are being accumulated in a trust to pay for plan benefits.

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

Changes of Assumptions:

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

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



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Other Supplementary Information

CITY OF AUBURNDALE, FLORIDA

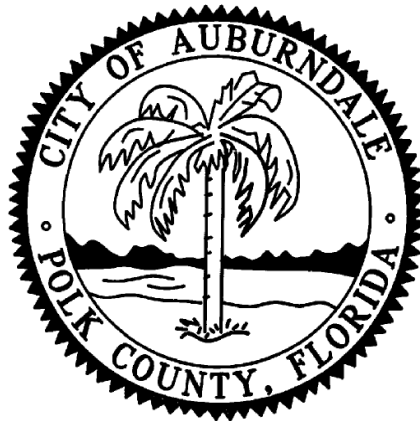
Combining Statement of Fiduciary Net Position – Fiduciary Funds

September 30, 2021

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS				
Receivables:				
Accrued income	\$ 15,351	\$ 1,903	\$ 1,061	\$ 18,315
Total receivables	15,351	1,903	1,061	18,315
Investments, at fair value:				
Short-term money market funds	982,918	225,842	374,737	1,583,497
U.S. Government obligations	2,017,667	-	-	2,017,667
Mortgage/asset backed securities	1,196,641	-	-	1,196,641
Fixed income mutual funds	-	4,498,382	2,418,167	6,916,549
Corporate and foreign bonds	1,793,696	-	-	1,793,696
Equity securities	-	3,028,981	1,731,601	4,760,582
Equity mutual funds	17,946,737	8,025,805	4,616,747	30,589,289
Real estate investment fund	2,123,379	1,495,209	874,252	4,492,840
Total investments	26,061,038	17,274,219	10,015,504	53,350,761
Total assets	26,076,389	17,276,122	10,016,565	53,369,076
LIABILITIES				
Accounts payable	8,672	6,350	6,350	21,372
Benefits payable	9,331	-	-	9,331
Total Liabilities	18,003	6,350	6,350	30,703
NET POSITION				
Restricted for pension benefits	<u>\$ 26,058,386</u>	<u>\$ 17,269,772</u>	<u>\$ 10,010,215</u>	<u>\$ 53,338,373</u>

CITY OF AUBURNDALE, FLORIDACombining Statement of Changes in Fiduciary Net Position – Fiduciary Funds
for the year ended September 30, 2021

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS				
Contributions:				
City	\$ 1,347,267	\$ 485,913	\$ 413,969	\$ 2,247,149
Plan members	36,963	120,010	106,029	263,002
State of Florida	-	176,628	113,842	290,470
Total contributions	1,384,230	782,551	633,840	2,800,621
Investment income	4,635,444	2,879,701	1,658,597	9,173,742
Less investment expenses:				
Performance evaluation	25,000	21,000	21,000	67,000
Custodial fees	14,387	5,500	5,500	25,387
Investment management fees	35,639	17,796	10,248	63,683
Total investment expenses	75,026	44,296	36,748	156,070
Net investment income	4,560,418	2,835,405	1,621,849	9,017,672
Total additions	5,944,648	3,617,956	2,255,689	11,818,293
DEDUCTIONS				
Administrative expenses:				
Legal	27,399	6,508	6,554	40,461
Administrator fee	13,200	13,199	13,200	39,599
Actuarial	29,751	20,402	19,847	70,000
Insurance, supplies and other	5,112	5,312	4,178	14,602
Audit	5,148	4,840	4,840	14,828
Total administrative expenses	80,610	50,261	48,619	179,490
Payments to retirees and participants	1,670,666	847,634	580,906	3,099,206
Total deductions	1,751,276	897,895	629,525	3,278,696
CHANGE IN NET POSITION	4,193,372	2,720,061	1,626,164	8,539,597
NET POSITION, beginning of year	21,865,014	14,549,711	8,384,051	44,798,776
NET POSITION, end of year	\$ 26,058,386	\$ 17,269,772	\$ 10,010,215	\$ 53,338,373



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Statistical Section

Financial Trends

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

Net Position by Component	84
Changes in Net Position	85-86
Fund Balances of Governmental Funds	87
Changes in Fund Balances of Governmental Funds	88

Revenue Capacity

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

Assessed and Estimated Actual Value of Taxable Property	89
Property Tax Rates – Direct and Overlapping Governments	90
Principal Property Taxpayers	91
Property Tax Levies and Collections	92

Debt Capacity

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

Ratios of Outstanding Debt by Type	93
Ratios of General Bonded Debt Outstanding	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin Information	96
Pledged-Revenues Coverage	97-98

Demographic and Economic Information

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

Demographic and Economic Statistics	99
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Operating Information

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

Principal Employers	100
Full-time Equivalent City Government Employees by Function	101
Operating Indicators by Function/Program	102
Capital Asset Statistics by Function	103

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Governmental Activities</u>										
Net investment										
in capital assets	\$ 24,765,637	\$ 24,629,972	\$ 24,782,239	\$ 24,941,977	\$ 28,374,983	\$ 31,706,373	\$ 35,287,042	\$ 38,855,834	\$ 40,671,611	\$ 44,468,109
Restricted	3,158,471	3,167,404	2,921,290	3,599,607	3,968,021	3,695,923	3,057,221	3,433,402	5,604,560	8,017,708
Unrestricted	(3,073,363)	(3,439,652)	(4,086,624)	(7,378,645)	(7,791,912)	(8,563,251)	(13,560,015)	(14,798,477)	(10,174,850)	(11,104,704)
Total governmental activities net position	\$ 24,850,745	\$ 24,357,724	\$ 23,616,905	\$ 21,162,939	\$ 24,551,092	\$ 26,839,045	\$ 24,784,248	\$ 27,490,759	\$ 36,101,321	\$ 41,381,113
<u>Business-type activities</u>										
Net investment										
in capital assets	\$ 22,401,887	\$ 21,178,789	\$ 20,271,127	\$ 19,380,925	\$ 18,750,657	\$ 17,339,470	\$ 19,438,815	\$ 19,988,434	\$ 24,273,491	\$ 32,448,635
Restricted	1,662,352	1,827,884	2,162,730	2,336,695	2,206,195	2,276,178	1,542,587	2,415,948	4,181,913	9,594,107
Unrestricted	2,514,528	1,847,111	1,418,422	600,164	1,766,663	3,075,381	2,757,963	2,843,058	5,204,638	4,805,590
Total Business-type activities net position	\$ 26,578,767	\$ 24,853,784	\$ 23,852,279	\$ 22,317,784	\$ 22,723,515	\$ 22,691,029	\$ 23,739,365	\$ 25,247,440	\$ 33,660,042	\$ 46,848,332
<u>Primary Government</u>										
Net investment										
in capital assets	\$ 47,167,524	\$ 45,808,761	\$ 45,053,366	\$ 44,322,902	\$ 47,125,640	\$ 49,045,843	\$ 54,725,857	\$ 58,844,268	\$ 64,945,102	\$ 76,916,744
Restricted	4,820,823	4,995,288	5,084,020	5,936,302	6,174,216	5,972,101	4,599,808	5,849,350	9,786,473	17,611,815
Unrestricted	(558,835)	(1,592,541)	(2,668,202)	(6,778,481)	(6,025,249)	(5,487,870)	(10,802,052)	(11,955,419)	(4,970,212)	(6,299,114)
Total primary government net position	\$ 51,429,512	\$ 49,211,508	\$ 47,469,184	\$ 43,480,723	\$ 47,274,607	\$ 49,530,074	\$ 48,523,613	\$ 52,738,199	\$ 69,761,363	\$ 88,229,445

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Expenses</u>										
Governmental Activities:										
General Government	\$ 1,302,682	\$ 1,375,997	\$ 1,576,519	\$ 1,583,934	\$ 1,541,300	\$ 1,654,061	\$ 1,920,291	\$ 2,060,531	\$ 1,722,641	\$ 1,915,917
Library	597,142	595,763	598,258	599,672	608,175	758,115	681,785	710,612	674,303	775,900
Police	4,105,340	4,209,378	4,419,877	4,302,386	4,686,378	4,884,559	5,035,164	5,043,772	5,053,525	5,156,607
Fire	1,972,346	2,084,542	2,196,887	2,068,450	2,510,840	2,617,604	2,493,336	2,455,695	2,686,868	2,834,841
Building and zoning	491,772	535,800	491,147	729,585	527,735	614,791	956,803	618,708	680,128	791,222
Public works administration	417,990	469,880	437,803	186,997	688,754	1,178,929	1,192,807	1,302,273	1,157,110	1,057,132
Sanitation	1,165,688	1,285,481	1,359,176	1,303,631	1,442,658	1,656,039	1,657,888	1,703,171	1,791,265	1,956,652
Streets	996,305	978,416	1,128,495	1,139,286	1,067,386	1,149,651	1,264,885	1,691,530	2,400,421	2,024,185
Parks and recreation	3,813,675	4,178,742	3,963,721	3,894,033	4,173,904	3,799,682	3,698,819	4,102,919	3,821,183	4,434,192
Community redevelopment	55,484	444,651	395,689	72,708	85,082	414,115	659,176	488,813	601,281	667,522
Interest on long term debt	664,516	650,514	545,394	502,661	671,365	523,390	390,393	357,066	807,169	572,093
Total governmental activities expenses	15,582,940	16,809,164	17,112,966	16,383,343	18,003,577	19,250,936	19,951,347	20,535,090	21,395,894	22,186,263
Business-type activities:										
Water and wastewater utility	8,899,499	8,993,425	8,866,420	8,959,217	9,322,481	9,814,254	9,645,386	10,420,623	11,465,540	10,573,010
Total business-type activities expenses	8,899,499	8,993,425	8,866,420	8,959,217	9,322,481	9,814,254	9,645,386	10,420,623	11,465,540	10,573,010
Total primary government expenses	\$ 24,482,439	\$ 25,802,589	\$ 25,979,386	\$ 25,342,560	\$ 27,326,058	\$ 29,065,190	\$ 29,596,733	\$ 30,955,713	\$ 32,861,434	\$ 32,759,273
<u>Program revenues</u>										
Governmental activities:										
Charges for services	\$ 2,992,294	\$ 3,117,147	\$ 3,333,672	\$ 3,381,546	\$ 3,369,298	\$ 3,450,658	\$ 3,257,831	\$ 3,736,769	\$ 4,652,836	\$ 5,398,145
Operating grants and contributions	483,838	478,719	470,334	542,434	592,507	550,731	604,693	518,456	634,448	610,244
Capital grants and contributions	1,158,251	1,412,308	1,141,925	2,161,175	2,603,035	2,825,462	3,172,001	2,344,127	7,505,233	2,773,923
Total governmental activities program rev.	4,634,383	5,008,174	4,945,931	6,085,155	6,564,840	6,826,851	7,034,525	6,599,352	12,792,517	8,782,312
Business-type activities:										
Charges for services	8,939,536	8,897,084	9,700,481	10,499,197	11,652,583	12,105,580	12,145,328	12,914,602	13,419,401	14,498,486
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	494,864	861,499	843,061	2,287,466	1,711,098	895,699	3,272,941	2,485,137	9,952,744	13,307,787
Total business-type program revenues	9,434,400	9,758,583	10,543,542	12,786,663	13,363,681	13,001,279	15,418,269	15,399,739	23,372,145	27,806,273
Total primary government program revenues	\$ 14,068,783	\$ 14,766,757	\$ 15,489,473	\$ 18,871,818	\$ 19,928,521	\$ 19,828,130	\$ 22,452,794	\$ 21,999,091	\$ 36,164,662	\$ 36,588,585
<u>Net(expenses)/revenue</u>										
Governmental activities	(10,948,557)	(11,800,990)	(12,167,035)	(10,298,188)	(11,438,737)	(12,424,085)	(12,916,822)	(13,935,738)	(8,603,377)	(13,403,951)
Business-type activities	534,901	765,158	1,677,122	3,827,446	4,041,200	3,187,025	5,772,883	4,979,116	11,906,605	17,233,263
Total primary government net expenses	\$ (10,413,656)	\$ (11,035,832)	\$ (10,489,913)	\$ (6,470,742)	\$ (7,397,537)	\$ (9,237,060)	\$ (7,143,939)	\$ (8,956,622)	\$ 3,303,228	\$ 3,829,312

Continued...

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

City of Auburndale, Florida
Schedule of
Changes in Net Position (concluded)
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 3,736,627	\$ 3,746,582	\$ 4,029,013	\$ 4,472,859	\$ 4,522,527	\$ 4,596,725	\$ 4,877,421	\$ 5,450,729	\$ 6,280,184	\$ 6,629,676
Franchise Taxes	907,284	880,789	958,540	1,601,373	1,843,023	1,762,003	1,803,030	1,823,489	1,696,413	1,966,799
Public Service Taxes	2,534,505	2,351,208	2,617,818	2,598,006	2,690,549	2,786,025	2,924,035	2,953,465	3,013,081	3,115,652
Fuel Taxes	695,006	671,112	705,841	744,992	784,968	819,426	883,025	917,080	867,558	943,555
State shared revenue	945,268	1,006,607	1,080,415	1,157,383	1,237,066	1,321,164	1,426,765	1,533,011	1,491,780	1,754,212
Investment earnings	28,514	7,323	6,936	6,013	10,591	57,377	119,989	174,235	156,343	9,955
Miscellaneous	297,717	149,712	49,195	140,608	92,172	107,311	409,822	286,538	196,076	216,598
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	6,590	(22,319)	-
Interfund transfer	1,945,882	2,494,636	2,313,573	4,149,127	3,645,994	3,262,007	3,616,194	3,497,112	3,534,823	4,047,296
Total governmental activities	11,090,803	11,307,969	11,761,331	14,870,361	14,826,890	14,712,038	16,060,281	16,642,249	17,213,939	18,683,743
Business-type Activities:										
Investment earnings	33,532	4,495	3,942	3,358	2,420	42,496	59,964	36,461	35,582	2,323
Miscellaneous	9,264	-	-	8,976	8,105	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-	-	21,654	(10,390)	5,238	-
Interfund transfer	(1,945,882)	(2,494,636)	(2,313,573)	(4,149,127)	(3,645,994)	(3,262,007)	(3,616,194)	(3,497,112)	(3,534,823)	(4,047,296)
Total business-type activities	(1,903,086)	(2,490,141)	(2,309,631)	(4,136,793)	(3,635,469)	(3,219,511)	(3,534,576)	(3,471,041)	(3,494,003)	(4,044,973)
Total primary government	\$ 9,187,717	\$ 8,817,828	\$ 9,451,700	\$ 10,733,568	\$ 11,191,421	\$ 11,492,527	\$ 12,525,705	\$ 13,171,208	\$ 13,719,936	\$ 14,638,770
Change in Net Position										
Governmental activities	\$ 142,246	\$ (493,021)	\$ (405,704)	\$ 4,572,173	\$ 3,388,153	\$ 2,287,953	\$ 3,143,459	\$ 2,706,511	\$ 8,610,562	\$ 5,279,792
Business-type activities	(1,368,185)	(1,724,983)	(632,509)	(309,347)	405,731	(32,486)	2,238,307	1,508,075	8,412,602	13,188,290
Total Primary Government	\$ (1,225,939)	\$ (2,218,004)	\$ (1,038,213)	\$ 4,262,826	\$ 3,793,884	\$ 2,255,467	\$ 5,381,766	\$ 4,214,586	\$ 17,023,164	\$ 18,468,082

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 33,079	\$ 27,071	\$ 12,521	\$ 13,931	\$ 16,360	\$ 13,922	\$ 17,526	\$ 13,398	\$ 16,349	\$ 17,440
Restricted	2,569,546	2,567,126	2,263,394	6,028,478	2,747,676	2,456,641	2,639,062	2,985,729	2,243,981	2,703,325
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	722,480	489,534	742,292	4,063,269	4,206,045	4,740,103	5,886,736	5,220,703	6,837,878	8,091,839
Total General Fund	<u>\$ 3,325,105</u>	<u>\$ 3,083,731</u>	<u>\$ 3,018,207</u>	<u>\$ 10,105,678</u>	<u>\$ 6,970,081</u>	<u>\$ 7,210,666</u>	<u>\$ 8,543,324</u>	<u>\$ 8,219,830</u>	<u>\$ 9,098,208</u>	<u>\$ 10,812,604</u>
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	789,632	783,931	824,110	1,257,158	1,413,419	1,382,119	549,417	565,971	3,422,277	5,360,520
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 789,632</u>	<u>\$ 783,931</u>	<u>\$ 824,110</u>	<u>\$ 1,257,158</u>	<u>\$ 1,413,419</u>	<u>\$ 1,382,119</u>	<u>\$ 549,417</u>	<u>\$ 565,971</u>	<u>\$ 3,422,277</u>	<u>\$ 5,360,520</u>

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 7,815,388	\$ 7,627,975	\$ 8,286,888	\$ 9,387,117	\$ 9,724,536	\$ 9,873,759	\$ 10,379,883	\$ 11,040,174	\$ 11,761,223	\$ 12,540,284
Licenses and Permits	253,038	293,410	355,816	355,889	514,573	744,888	611,234	823,050	1,859,640	2,740,558
Intergovernmental	2,591,733	2,860,296	2,616,703	3,759,560	3,065,077	4,045,926	4,893,781	4,195,407	3,689,360	4,448,751
Charges for services	2,799,456	2,778,792	2,935,587	2,972,307	2,796,434	2,713,368	2,761,786	3,055,113	3,271,171	3,618,582
Fines and forfeitures	32,397	41,456	35,073	38,195	36,088	40,337	42,761	79,798	119,258	179,049
Other	326,769	258,412	251,383	374,349	446,935	209,951	500,706	494,716	504,762	280,063
Total revenues	\$ 13,818,781	\$ 13,860,341	\$ 14,481,450	\$ 16,887,417	\$ 16,583,643	\$ 17,628,229	\$ 19,190,151	\$ 19,688,258	\$ 21,205,414	\$ 23,807,287
Expenditures										
Current:										
General Government	\$ 1,128,535	\$ 1,233,092	\$ 1,422,496	\$ 1,480,641	\$ 1,402,263	\$ 1,407,077	\$ 1,711,181	\$ 1,925,685	\$ 1,783,812	\$ 2,025,493
Public Safety	5,828,183	6,071,599	6,420,226	6,955,843	6,766,450	7,051,203	7,463,716	7,582,252	7,788,688	7,962,724
Physical environment	1,722,370	1,843,376	1,957,976	1,845,669	2,195,151	2,403,018	2,609,696	2,795,480	2,910,151	3,018,036
Economic environment	60,545	86,673	130,207	120,575	153,417	156,149	283,216	211,940	223,144	386,946
Transportation	675,768	657,193	741,234	765,888	698,266	756,442	805,145	804,448	831,680	797,793
Culture & Recreation	3,177,826	3,154,247	3,168,825	3,222,819	3,388,715	3,426,196	3,184,294	3,582,230	3,532,577	3,964,534
Debt Service:										
Principal retirement	1,367,939	1,458,083	1,416,984	1,146,310	1,185,407	1,003,301	1,493,231	1,538,524	1,594,686	1,890,907
Interest and other fiscal charges	653,878	612,498	562,834	514,750	632,416	438,685	393,953	362,714	830,090	582,448
Capital Outlay	1,682,394	1,485,291	999,586	1,963,530	6,786,888	3,395,800	4,623,909	4,940,279	11,204,213	3,865,642
Total expenditures	\$ 16,297,438	\$ 16,602,052	\$ 16,820,368	\$ 18,016,025	\$ 23,208,973	\$ 20,037,871	\$ 22,568,341	\$ 23,743,552	\$ 30,699,041	\$ 24,494,523
Excess(deficiency) of revenues over(under) expenditures	\$ (2,478,657)	\$ (2,741,711)	\$ (2,338,918)	\$ (1,128,608)	\$ (6,625,330)	\$ (2,409,642)	\$ (3,378,190)	\$ (4,055,294)	\$ (9,493,627)	\$ (687,236)
Other financing sources(uses)										
Transfers in	1,945,882	2,494,636	2,313,573	4,149,127	3,645,994	3,262,007	3,616,194	3,497,112	3,534,823	4,047,296
Insurance proceeds	-	-	-	-	-	-	261,952	63,706	34,331	84,524
Proceeds from Borrowing	-	-	-	4,500,000	-	5,959,846	-	187,536	9,659,157	208,055
Payment to refunding bond escrow agent	-	-	-	-	-	(6,602,926)	-	-	-	-
Total other financing sources (uses)	\$ 1,945,882	\$ 2,494,636	\$ 2,313,573	\$ 8,649,127	\$ 3,645,994	\$ 2,618,927	\$ 3,878,146	\$ 3,748,354	\$ 13,228,311	\$ 4,339,875
Net change in fund balance	\$ (532,775)	\$ (247,075)	\$ (25,345)	\$ 7,520,519	\$ (2,979,336)	\$ 209,285	\$ 499,956	\$ (306,940)	\$ 3,734,684	\$ 3,652,639
Debt service as percentage of non-capital expenditures	13.7%	13.0%	12.2%	10.3%	11.7%	9.0%	10.2%	9.9%	15.3%	11.8%

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

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

Fiscal Year	Real Property	Assessed Value of Personal Property	Centrally Assessed Property	Taxable Assessed Valuation	Total Direct MillageTax Rate
2012	411,840,082	409,217,119	1,294,154	822,351,355	4.2657
2013	437,594,532	437,937,072	1,499,218	877,030,822	4.2657
2014	480,635,597	480,604,615	1,532,551	962,772,763	4.2657
2015	528,236,438	437,270,607	1,519,692	967,026,737	4.2657
2016	579,081,646	380,065,184	1,722,144	960,868,974	4.2657
2017	684,755,661	357,657,670	1,686,747	1,044,100,078	4.2657
2018	791,277,435	409,583,576	1,774,659	1,202,635,670	4.2515
2019	862,689,225	430,206,041	1,733,048	1,294,628,314	4.2515
2020	957,201,379	398,919,640	1,953,976	1,358,074,995	4.2515
2021	1,129,516,283	420,362,445	2,247,665	1,552,126,393	4.2515

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

Source: Polk County Property Appraiser

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

City of Auburndale, Florida
Schedule of
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Auburndale	Polk County (BOCC)	Polk County School Board	Lakes Region Lake Management	Southwest Florida Water Management District	Total
2012	4.2657	6.8665	7.4920	0.0000	0.3928	19.0170
2012	4.2657	6.8665	7.4920	0.4996	0.3928	19.5166 **
2013	4.2657	6.8665	7.5470	0.0000	0.3818	19.0610
2013	4.2657	6.8665	7.5470	0.4924	0.3818	19.5534 **
2014	4.2657	6.8665	7.2080	0.0000	0.3658	18.7060
2014	4.2657	6.8665	7.2080	0.4924	0.3658	19.1984 **
2015	4.2657	6.7815	7.1490	0.0000	0.3488	18.5450
2015	4.2657	6.7815	7.1490	0.4715	0.3488	19.0165 **
2016	4.2657	6.7815	6.7970	0.0000	0.3317	18.1759
2016	4.2657	6.7815	6.7970	0.4512	0.3317	18.6271 **
2017	4.2657	6.7815	6.5140	0.0000	0.3131	17.8743
2017	4.2657	6.7815	6.5140	0.4214	0.3131	18.2957 **
2018	4.2515	7.1565	6.2510	0.0000	0.2955	17.9545
2018	4.2515	7.1565	6.2510	0.4214	0.2955	18.3759 **
2019	4.2515	7.1565	6.0860	0.0000	0.2801	17.7741
2019	4.2515	7.1565	6.0860	0.4214	0.2801	18.1955 **
2020	4.2515	6.899	5.9350	0.0000	0.2669	17.3524
2020	4.2515	6.899	5.9350	0.4100	0.2669	17.7624 **
2021	4.2515	6.899	5.8290	0.0000	0.2535	17.2330
2021	4.2515	6.899	5.8290	0.4100	0.2535	17.6430 **

** Rate includes property within the Lake Region Lake Management District

Source: www.polkpa.org - Final Millage Rates

City of Auburndale, Floirda
Schedule of
Principal Property Tax Payers
September 30, 2021 for the Current Year and Ten Years Prior

Taxpayer	2021		2011	
	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Value
Coca Cola	\$ 182,823,997	11.33%	*	*
Duke Energy	170,689,315	10.58%	*	*
Bel Lakeland LLC	89,479,118	5.54%	*	*
Medline Industries Inc.	56,601,655	3.51%	*	*
Saddle Creek Corporation	47,975,556	2.97%	*	*
Amazon	45,784,831	2.84%	*	*
Tampa Electric	26,642,013	1.65%	*	*
Walmart	11,625,019	0.72%	*	*
Spectrum Sunshine State	11,549,734	0.72%	*	*
Florida Brewery Inc	11,300,448	0.70%	*	*
Total of Top Ten Taxpayers	<u>\$ 654,471,686</u>	<u>40.55%</u>		

* Data not available

Source: Polk County Tax Collector

City of Auburndale, Florida
Schedule of Property Tax Levies and Collections
Last Ten Years

Fiscal Year	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collection	Ratio of Levy to Collections
2021	\$ 5,868,998	\$ 5,649,453	96.26%	\$ 4,083	\$ 5,653,536	96.33%
2020	\$ 5,563,874	\$ 5,357,357	96.29%	\$ 3,312	\$ 5,360,669	96.35%
2019	\$ 5,129,641	\$ 4,898,261	95.49%	\$ 2,370	\$ 4,900,631	95.54%
2018	\$ 4,461,241	\$ 4,268,792	95.69%	\$ 11,831	\$ 4,280,623	95.95%
2017	\$ 4,105,962	\$ 3,959,432	96.43%	\$ 13,330	\$ 3,972,762	96.76%
2016	\$ 4,115,978	\$ 3,953,435	96.05%	\$ 10,565	\$ 3,964,000	96.31%
2015	\$ 4,109,529	\$ 3,952,277	96.17%	\$ 8,797	\$ 3,961,074	96.39%
2014	\$ 3,755,739	\$ 3,612,832	96.19%	\$ 5,114	\$ 3,617,947	96.33%
2013	\$ 3,487,264	\$ 3,342,290	95.84%	\$ 8,964	\$ 3,351,254	96.10%
2012	\$ 3,447,547	\$ 3,308,705	95.97%	\$ 4,196	\$ 3,312,901	96.09%

Source: Polk County Property Appraiser

City of Auburndale, Florida
Schedule of
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business - Type Activities		Total Primary Government	City of Auburndale Personal Income (1)	Percentage of Income	Per Capita (2)
	Bonds and Notes Payable		Bonds and Notes Payable	Other Long-Term Debt				
2012	\$ 16,670,765		\$ 36,784,959	\$ -	\$ 53,455,724	\$ 437,882,208	12.21%	3,876
2013	15,212,682		35,534,683	-	50,747,365	441,101,383	11.50%	3,622
2014	13,795,698		34,495,788	-	48,291,486	465,568,728	10.37%	3,386
2015	17,149,388		34,416,206	-	51,565,594	497,391,120	10.37%	3,477
2016	15,963,981		39,720,079	-	55,684,060	518,548,350	10.74%	3,604
2017	14,501,876		38,917,766	-	53,419,642	547,373,787	9.76%	3,339
2018	13,008,645		37,647,714	-	50,656,359	576,131,898	8.79%	3,118
2019	11,657,657		36,325,020	285,790	48,268,467	605,954,566	7.97%	2,919
2020	19,651,806		34,959,755	506,406	55,117,967	680,691,200	8.10%	3,220
2021	17,968,953		33,542,012	587,383	52,098,348	*	*	3,150

Source:

- (1) Federal Reserve Bank of St. Louis - Economic Research - Polk County
- (2) Population base from University of Florida BEBR
- * Information not available

City of Auburndale, Florida
Schedule of
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

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

Source: City of Auburndale Finance Department

City of Auburndale, Florida
Schedule of
Direct and Overlapping Governmental Activities Debt
September 30, 2021

Jurisdiction	Debt Outstanding	Percentage Applicable to Auburndale	Amount Applicable to Auburndale
District School Board of Polk County	\$ 369,522,680	3.03% (1)	\$ 11,204,087
Polk County Board of County Commissioners	179,979,649	3.03% (2)	5,457,061
Total Overlapping Debt			16,661,148
Total Direct Debt			17,968,953
Total Direct and Overlapping Debt			\$ 34,630,101

(1) The percentage of overlapping debt applicable is calculated as a ratio of taxable assessed property values in the City of Auburndale to total taxable valuation of property in Polk County, Florida.

Sources:

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

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

**City of Auburndale, Florida
Schedule of
Legal Debt Margin Information
Last Ten Fiscal Years**

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

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue (1)	Less: Water and Sewer Operating Expenses (2)	Net Revenues (3)	Debt Service (4)	Coverage (5)
2012	\$ 8,982,332	\$ (4,635,400)	\$ 4,346,932	\$ 2,954,549	1.47
2013	8,901,579	(4,770,810)	4,130,769	2,962,718	1.39
2014	9,704,423	(4,715,688)	4,988,735	2,943,729	1.69
2015	10,511,531	(4,849,937)	5,661,594	2,692,681	2.10
2016	11,664,917	(4,933,565)	6,731,352	2,659,025	2.53
2017	12,148,076	(5,754,710)	6,393,366	1,839,057	3.48
2018	12,205,292	(5,583,717)	6,621,575	2,571,981	2.57
2019	12,951,063	(5,969,758)	6,981,305	2,577,369	2.71
2020	13,454,983	(6,920,926)	6,534,057	2,570,456	2.54
2021	14,500,809	(6,098,439)	8,402,370	2,548,513	3.30

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

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

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

(4) Principal and interest paid on long-term debt secured by water and sewer revenue.

(5) Net revenues divided by Debt Service

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Pledged-Revenue Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Pledged Revenue (1)</u>	<u>Debt Service (2)</u>	<u>Coverage (3)</u>
2012	\$ 1,232,417	\$ 370,651	3.33
2013	1,274,216	366,418	3.48
2014	1,353,502	366,850	3.69
2015	1,392,795	366,838	3.80
2016	1,453,496	366,380	3.97
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-

(1) Residential and commercial garbage and refuse collection and removal fees.

(2) Principal and interest paid on long-term debt secured by the pledged revenues.

(3) Total Revenues divided by Debt Service.

Source: City of Auburndale, Florida finance department

City of Auburndale, Florida
Schedule of
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	School Enrollment (3)	Unemployment Rate for Polk County (2)
2021	16,539	*	*	3,845	4.90
2020	17,120	39,760	680,691,200	3,883	7.80
2019	16,534	36,649	605,954,566	3,801	3.50
2018	16,246	35,463	576,131,898	3,778	3.70
2017	15,999	34,213	547,373,787	3,630	4.10
2016	15,450	33,563	518,548,350	3,639	5.90
2015	14,832	33,535	497,391,120	3,593	6.20
2014	14,262	32,644	465,568,728	3,565	7.30
2013	14,009	31,487	441,101,383	3,482	8.00
2012	13,792	31,749	437,882,208	3,415	9.70

* Information not available

(1) University of Florida BEBR

(2) Federal Reserve Bank of St. Louis - Economic Research - Polk County

(3) Polk County School Board

**City of Auburndale, Florida
Schedule of
Principal Employers
Current Year**

		2021		
	Type of Business	Employees	Rank	Percentage of Total City Employment
Employer ⁽²⁾				
Coca-Cola Refreshments	Beverage Manufacturing	750	1	11%
Amazon	Online Fullfillment Center	500	2	7%
Good Shepard Hospice of Mid-Florida, Inc.	Nursing Care Facility	500	3	7%
Florida Caribbean Distillers	Beverage Manufacturing	500	4	7%
Walmart Supercenter	Retail	500	5	7%
Bynum Transport	Transportation	300	6	4%
Spectrum	Telecommunications	300	7	4%
City of Auburndale	Municipal Government	190	8	3%
Publix Super Market	Grocery Store	170	9	2%
KIK Custom Products	Cleaning Products Manuf.	150	10	2%
		3,860		
Estimated Total City Employment ⁽³⁾		6,842		

(1) Principal employers for nine years ago is not available.

(2) Source: Data-Axle Employer Database 2021 ed.2

Florida Department of Economic Opportunity (DEO), Bureau of Workforce Statistics &
Economic ResearchCity of Auburndale Community Development Department

(3) Source: <https://datausa.io/profile/geo/auburndale-fl/>

City of Auburndale, Florida
Full Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
City Commission	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
City Administration	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Finance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0
Library	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fire	21.0	21.0	21.0	22.0	21.0	24.0	22.0	22.0	22.0	21.0
Police	43.0	43.0	43.0	43.0	43.0	43.0	44.0	45.0	47.0	48.0
Community Development	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.5
Public Works Adm.	1.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	4.0	3.5
Sanitation	11.0	11.0	11.0	10.5	10.5	10.5	10.5	10.5	11.0	10.5
Street	9.5	9.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Parks & Recreation	11.0	10.0	8.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Cemetery	5.0	5.0	5.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
Civic Center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tennis	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Municipal Beach	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Softball Complex	3.0	3.0	4.0	3.0	3.0	3.0	0.0	0.0	0.0	0.0
Lake Myrtle Sports Complex	3.0	3.0	3.0	4.0	6.0	6.0	9.0	9.0	9.0	11.0
Community Gym	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total General Fund	135.5	135.5	134.0	134.5	135.5	138.5	136.5	138.5	144.5	147.0
ENTERPRISE FUND										
Public Utilities Admin	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Utility Billing	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5
Water Distribution	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Water Plant	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Allred Wastewater	10.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Regional Wastewater	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total Enterprise Fund	38.0	37.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.5
TOTAL STAFF	173.5	172.5	169.0	169.5	170.5	173.5	171.5	173.5	179.5	182.5

(1) Source: City of Auburndale payroll

City of Auburndale, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Calls for Service	21,155	21,517	20,873	24,220	26,895	27,400	27,050	29,262	25,859	27,577
Traffic Crashes	623	687	714	747	800	897	856	892	660	871
Traffic Violations	1,254	2,036	1,171	939	1,247	1,358	1,896	3,662	4,807	4,523
Code Enforcement Compliance (cases)	161	135	209	234	179	102	166	178	137	234
Fire & Rescue										
Number of Calls	1,801	1,804	1,992	2,472	3,223	3,521	3,625	3,765	3,740	4,335
Building Department										
Permits Issued	659	713	810	832	1,116	989	1,387	1,276	1,599	1,968
Inspections	2,200	1,862	2,612	3,104	3,530	2,731	3,505	4,436	6,777	9,878
Business Tax Receipts Issued	740	752	758	780	699	745	661	551	571	529
Parks and Recreation										
Summer Attendees	185	187	198	195	157	127	150	145	-	101
Library Visitations	173,448	160,006	152,357	143,775	132,514	113,864	112,238	112,371	103,055	170,146
Circulation	160,101	139,056	124,025	115,469	120,860	113,402	116,924	123,001	119,720	105,944
Facility Rentals	907	882	822	779	717	577	622	507	182	289
Athletic Facility Rentals	75	75	75	73	69	64	65	68	52	66
Cemetery plots sold	*	*	*	157	148	149	146	155	224	279
Solid Waste										
Refuse collected (Tons)	4,274	4,684	5,291	4,966	4,832	5,575	5,579	6,674	7,562	7,165
Brush collected (Tons)	4,437	3,509	3,151	4,008	4,418	5,099	5,028	3,023	3,527	3,016
Commercial Customers	162	181	204	220	214	221	229	257	256	256
Residential Customers	3,573	3,977	4,526	4,867	5,162	5,395	5,551	6,191	6,532	6,795
Public Works										
Street Resurfacing (Miles)	*	*	*	*	*	17.20	8.16	20.64	5.70	13.80
Water										
New Connections	125	121	177	199	233	113	131	351	623	620
Number of Customers	10,440	10,540	10,725	11,005	11,573	11,730	12,565	12,150	12,615	13,041
Wastewater										
New Connections	71	84	135	158	206	72	93	313	520	555
Number of Customers	7,180	7,260	7,395	7,647	8,035	8,235	8,336	8,512	9,091	9,484
Avg Daily Sewage Treatment (MGD)	1.8	1.9	1.9	2.1	2.0	1.8	2.0	2.0	2.3	2.2

* : Information not available

Source - City Departments

Auburndale, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Station	1	1	1	1	1	1	1	1	1	1
Patrol Cars	43	43	43	44	47	48	49	50	53	50
Trailers	4	5	5	5	5	5	5	5	5	5
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Boat	1	1	1	1	1	1	1	1	1	1
Fire Trucks	11	11	11	12	12	11	11	11	10	10
Fire Vehicles, Other	5	5	5	5	5	5	5	7	7	7
Sanitation										
Collection Trucks	2	2	2	2	3	3	3	5	5	5
Streets										
Street Miles	116.75	116.75	116.75	116.75	116.75	116.75	118.51	118.51	126.71	126.71
Traffic Signals	2	2	2	2	2	2	2	2	2	2
Parks and Recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Parks Acreage	35	35	35	35	35	35	35	35	35	35
Rental Facilities	8	8	8	8	8	8	8	8	8	8
Playgrounds	6	6	6	6	6	6	6	6	6	6
Boat Ramps	1	1	1	1	1	1	1	1	1	1
Museums	2	2	2	2	2	2	2	2	2	2
Library	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Racquestball Courts	4	4	4	4	4	4	4	4	2	2
Baseball Fields	13	13	13	13	13	13	13	13	18	18
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Softball Fields	7	7	7	7	7	7	7	7	7	7
Soccer Fields	11	11	11	11	11	11	11	11	11	11
Athletic Facility Acreage	143	143	143	182	182	182	182	182	217	217
Cemeteries	3	3	3	3	3	3	3	3	3	3
Cemetery Acreage	39	39	39	39	39	39	39	39	39	39
General Government										
Number of Buildings	4	4	4	4	4	4	4	4	4	4
Water										
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Fire Hydrants	430	430	430	433	437	442	445	448	508	565
Water Main Miles	140	140	143	149	153	159	165	167	170	180
Wastewater										
Waste Treatment Plants	2	2	2	2	2	2	2	2	2	2
Lift Stations	72	72	72	72	73	74	78	79	73	87
Sanitary Sewer Miles	50	50	50	54	57	62	68	70	73	83

Source - City Departments

Other Reports

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Auburndale, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 21, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
February 21, 2022

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

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

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

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

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

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
February 21, 2022

MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission
City of Auburndale, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Auburndale, Florida as of and for the year ended September 30, 2021, and have issued our report thereon dated February 21, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance with the requirements of Section 218.415, Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. For the legal authority of the City of Auburndale, Florida and each component unit of the reporting entity, see footnote A of the summary of significant accounting policies in the notes to financial statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Auburndale, Florida. It is management's responsibility to monitor the City of Auburndale, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Other Matters

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

Specific Information

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

Purpose of this Letter

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

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
February 21, 2022