



City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2014

CITY OF SANFORD, FLORIDA

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2014

(With Independent Auditors' Report Thereon)

Prepared by:
Department of Finance

SANFORD
FLORIDA
—1877—

CITY OF SANFORD, FLORIDA
Comprehensive Annual Financial Report
Year Ended September 30, 2014

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INTRODUCTORY SECTION:

This section contains the following subsections:

- LETTER OF TRANSMITTAL
- ORGANIZATION CHART
- PRINCIPAL OFFICIALS
- CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



March 23, 2015

To the Honorable Mayor, City Commission
and the Citizens of the City of Sanford, Florida:

It is with great pleasure that we present the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2014. State law requires that all general-purpose local governments publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

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

The City's financial statements have been audited by Moore Stephens Lovelace, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2014 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and

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CITY COMMISSION

JEFF TRIPLETT
MAYOR

ART WOODRUFF
DISTRICT 1

DR. VELMA H. WILLIAMS
DISTRICT 2

RANDY JONES
DISTRICT 3

PATTY MAHANY
DISTRICT 4, VICE MAYOR

CITY MANAGER
NORTON N. BONAPARTE, JR.

Analysis (“MD&A”). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City

Sanford is located in Central Florida in Seminole County, one of the fastest growing counties in the nation. Nicknamed “Celery City” for its agricultural interest in the early 1900’s, Sanford was incorporated in 1877 under the direction of General Henry Shelton Sanford. When Seminole County split from neighboring Orange County in 1913, the City of Sanford was named as the County Seat. Sanford is bounded in the East by Orlando-Sanford International Airport, in the North by Lake Monroe, in the West by Interstate 4, and in the South by Seminole State College and the City of Lake Mary. The Sanford Commercial District was proclaimed a historic district and placed on the National Register in 1976. The Sanford Residential Historic District, an area of approximately 76 blocks south of the commercial district, was placed on the National Register in 1989. The St. James African Methodist Episcopal Church, erected in 1913, was designated a historic landmark in May, 1990.

A charter city, the legislative branch is composed of four single-district elected Commissioners and a citywide elected Mayor. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the commission-appointed City Manager. To effectively execute these policies, the City Commission has previously adopted a strategic plan, presented by the City Manager. The vision encompassed the following four major goals:

1. Unify downtown and the waterfront.
2. Promote the City’s distinct culture.
3. Update the regulatory framework.
4. Redevelop and revitalize disadvantaged communities.

Additionally, the Commission has adopted a comprehensive plan, along with land development regulations, and various master plans. The City has established departmental work plans geared toward realizing the vision set forth in the strategic plan. The City is working cooperatively with Seminole County, Seminole County School Board and other area agencies in a cooperative effort to maximize the opportunities and minimize negative impacts of regional growth.

The City provides a full range of services, including police, fire and rescue, street construction and maintenance, planning and zoning, building inspections, community and economic development, parks and recreation, cultural events, and general administrative services. In addition, water, sewer and reclaimed water services, stormwater management and solid waste collection are provided under an enterprise fund concept with user charges established by the City Commission to ensure adequate coverage of operating expenses and payments on outstanding debt. The City is also accountable for two legally separate component units: the Sanford Airport Authority and Community Redevelopment Agency, which are presented as component units of the City.

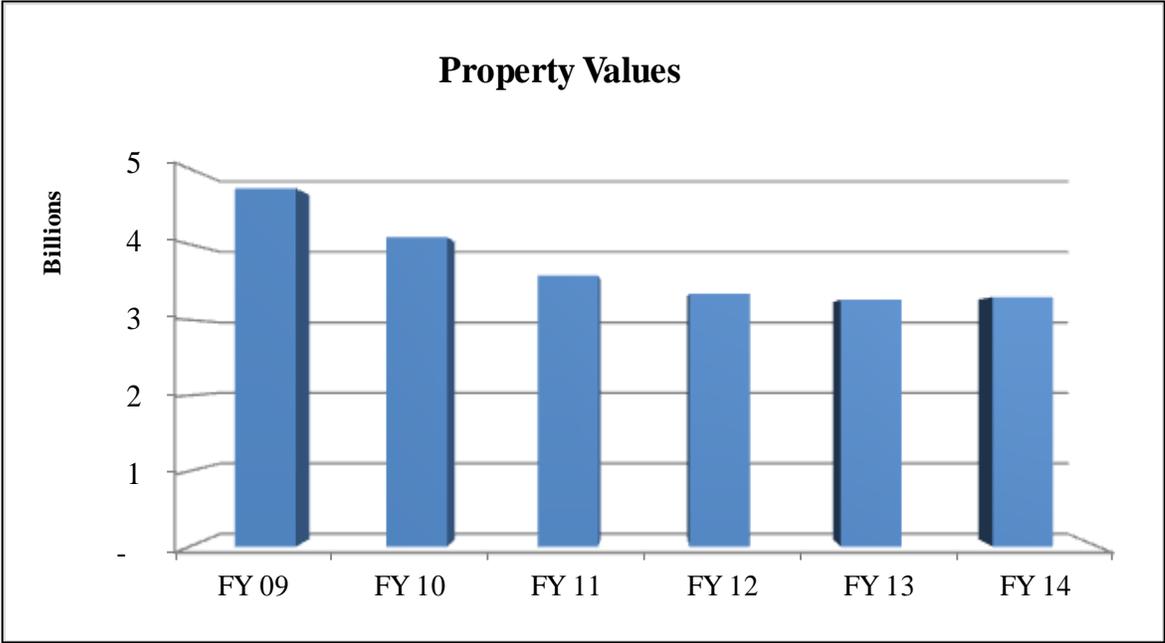
The annual budget serves as the foundation for the City’s financial planning and control. The budget is developed by the City Manager who is required by the Charter to present the proposed budget to the City Commission for review on or before July 1. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City’s fiscal year. Interim financial reports include budget-to-actual comparisons, current to prior year comparisons, and are generally issued quarterly. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

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

Local Economy. According to the U.S. Bureau of Labor Statistics, unemployment in Seminole County averaged 5.4% during the fiscal year ended September 30, 2014, which is an improvement over the same average rate of 6.9% in the prior year.

From FY 2009 to FY 2014, the City’s property values decreased from \$4.74 billion to \$3.30 billion, a loss of \$1.44 billion (30.18%) in property values. However, there are signs that the City’s economy is improving and property values have stopped decreasing and are turning around. The City’s next fiscal year budget (2015) is based on preliminary values of \$3.54 billion, which is a 7.3% increase from the fiscal year ended September 30, 2014.



Major ad valorem taxpayers in the City include the Seminole Towne Center Regional Mall and Central Florida Regional Hospital. The City’s population is currently estimated to be 55,509, making it the largest city in Seminole County as well as the 47th largest city in the State of Florida. Population is a factor used in determining the City’s distribution from the State Municipal Revenue Sharing Program.

The Sanford Waterfront/Downtown Community Redevelopment Area was created in 1995 with the purpose of using tax revenues in the downtown district to revitalize the area. Since that time considerable funds have been expended to upgrade public infrastructure, including the \$12 million for the RiverWalk, the First Street Streetscape and a number of grant programs to encourage local property owners and businesses to rehabilitate downtown buildings. The success of these ventures has been evident in the number of new businesses, especially restaurants opening in the downtown area and the rediscovery of downtown Sanford by the Central Florida public.

Long-term Financial Planning. Through the budget process, the City Commission has continued its commitment to maintaining or improving levels of service while enhancing the quality of life and promoting the health, safety, and welfare of its citizens. Through the budget process, several projects are anticipated, many via non-operating funding sources; additionally, several additional projects are in the planning or construction phase:

- Riverwalk Phase 3
- Fort Mellon Park Phase A & B
- Sanford Marina Northshore Structural Project
- Alleway Improvements
- Cloud Branch Basin Improvements Phase III
- Auxiliary Water Plant Improvements
- Aquifer Storage & Recovery Well Pump Stations
- Water Line Pipe Bursting and Looping
- AMR Meter Replacements
- Lake Jessup & Lake Monroe Basin Management Action Plan
- Continued improvements to parks, roads, sidewalks and drainage
- City-wide stormwater drainage improvement project.

An analysis of future projects and services may be best obtained via review of the City’s comprehensive plan, currently being updated. Upon completion, this plan will outline the goals, objectives and anticipated projects of the City and mechanisms for realization of such.

Relevant Financial Policies

The City Commission has informally established a reserve requirement for the General Fund to maintain at a minimum, unassigned fund balance equal to twenty-five (25%) of the annual General Fund budget.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the 25th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Acknowledgments

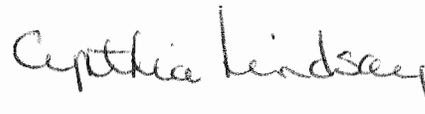
The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services Team. We would also like to express our appreciation to our auditing firm, Moore Stephens Lovelace, P.A.

Finally, we would like to acknowledge the Mayor and City Commission for their unfailing support and steadfast commitment to maintaining the financial integrity of the City. With their continued leadership, the City can look forward to a secure financial future.

Respectfully submitted,

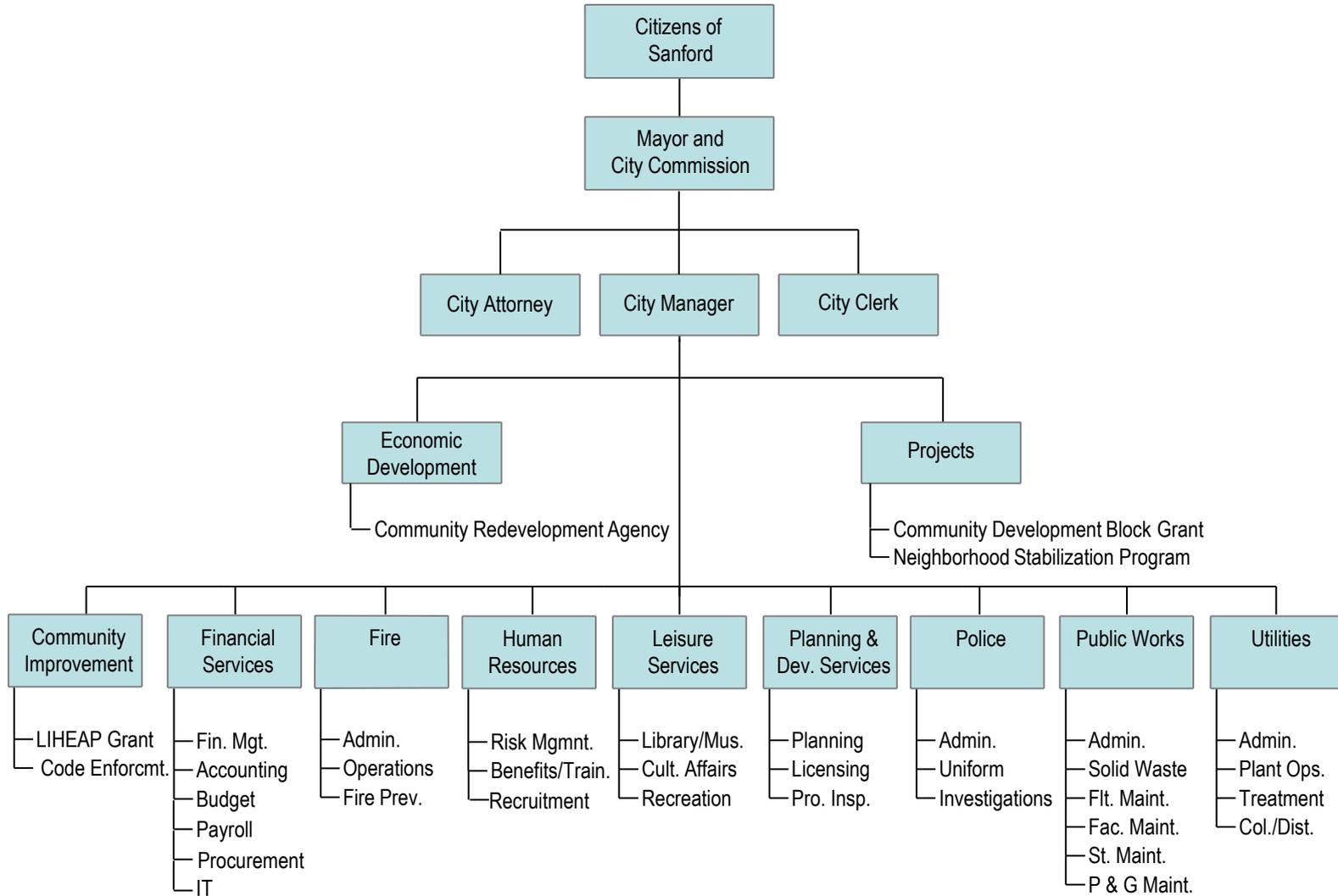
A handwritten signature in black ink, appearing to read "Norton N. Bonaparte, Jr.", with a long horizontal line extending to the right.

Norton N. Bonaparte, Jr.
City Manager

A handwritten signature in black ink, appearing to read "Cynthia Lindsay", written in a cursive style.

Cynthia Lindsay
Director of Finance

City of Sanford Organization Chart



CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

Year Ended September 30, 2014

MAYOR

Jeff Triplett

COMMISSIONERS

Mark McCarty

Velma H. Williams, Ph.D

Randy Jones

Patty Mahany

STAFF

Norton N. Bonaparte, Jr., City Manager

Thomas J. George, Deputy City Manager

Cynthia Lindsay, Director of Finance

Cynthia Porter, City Clerk

Darrel Presley, Director of Community Improvement

Bob Turk, Director of Economic Development

Russell L. Gibson, Director of Planning & Development Services

Fred Fosson, Director of Human Resources

William M. Kirby, Director of Leisure Services

Bilal Iftikhar, Director of Public Works

Paul Moore, Director of Utilities

Cecil E. Smith, Police Chief

Craig Radzak, Fire Chief



Government Finance Officers Association

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

Presented to

**City of Sanford
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

FINANCIAL SECTION:

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT
- MANAGEMENT'S DISCUSSION AND ANALYSIS
- BASIC FINANCIAL STATEMENTS
- REQUIRED SUPPLEMENTARY INFORMATION
- COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City") as of and for the fiscal year ended September 30, 2014, 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 of 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 City'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 City'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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Sanford (herein referred to as "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$297,825,104 (net position). Of this amount, \$58,823,212 (19.75%) represents unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$12,251,605 (or 4.29%). The City's net position in governmental activities increased by \$2,520,467 while the net position in business-type activities increased by \$9,731,138. The increase is primarily attributable to an accumulation of resources for future purchases of capital assets and debt payments related to capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,313,698, a decrease of \$4,687,438 in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General Fund was \$16,513,853, or approximately 51.01% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$4,457,534 during the current fiscal year. The increase is attributable to SRF loans for Enterprise fund activities as well as an offset from scheduled principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference reported as net position. Over time, the increases or decreases 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 expense are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected franchise fees or earned but unused paid time off, etc.).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, economic environment, and culture and recreation services. The business-type activities of the City consist of the water and sewer, solid waste, and stormwater systems as well as the City's golf course.

The government-wide financial statements include the City of Sanford (known as the primary government) but also a legally separate airport authority, for which the City is financially accountable. Financial information for the Airport Authority is reported separately from the financial information presented for the primary government itself. The Sanford Community Redevelopment Agency, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18-19 of this report.

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 of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Project Fund, and the Sanford Community Redevelopment Agency which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplementary information.

The City adopts an annual appropriated budget for its General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds, except for the State Pension Contributions Fund, Youthbuild Grant Fund, and the Golf Course Fund. Budgetary comparison schedules have been provided for the General and Special Revenue funds to demonstrate compliance with the budget and are presented as required supplementary information.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and stormwater systems as well as the City's golf course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, solid waste and stormwater activities, all three of which are considered to be major funds of the City. The remaining fund, the golf course, is not considered a major fund, however is still reported separately as it is the only remaining enterprise fund of the City. The internal service fund for risk management is presented in a separate column in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 24-27 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 reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 30-76 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension and other postemployment benefits to its employees. Required Supplementary Information can be found on pages 78-86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$297,825,104, at the close of the most recent fiscal year.

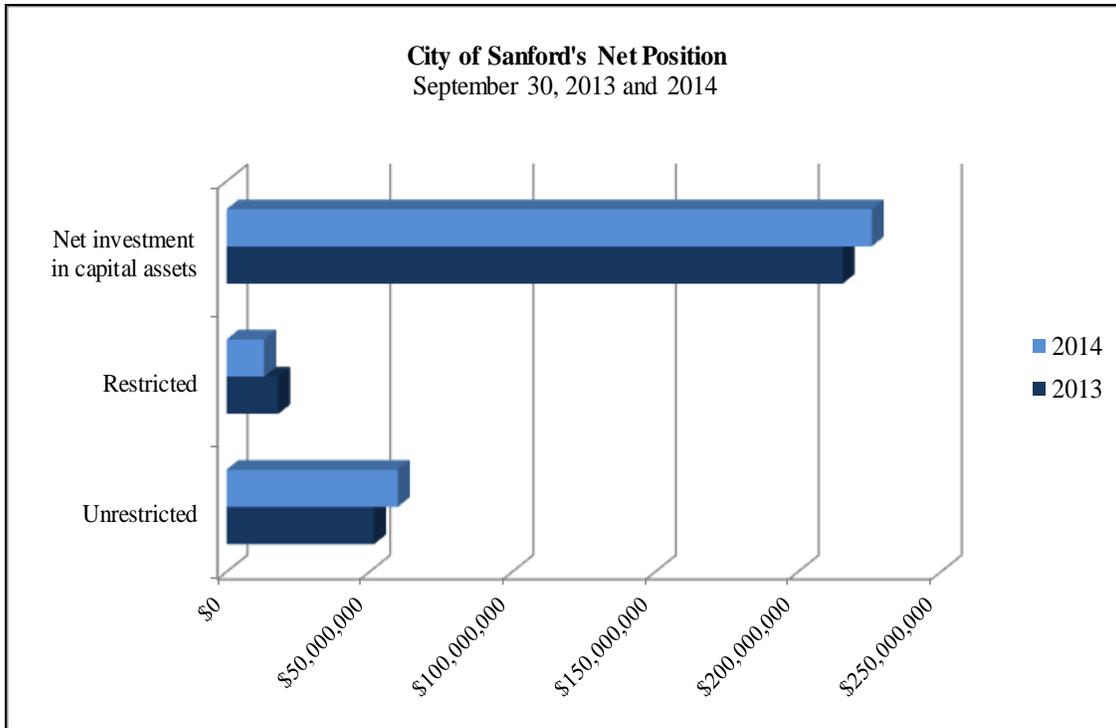
By far, the largest portion of the City's net position, \$225,806,671 (75.53%), are reflected in its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles, and equipment) less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Accordingly, 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, \$13,195,221 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$58,823,212 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

City of Sanford's Net Position
As of September 30, 2013 and 2014

	Governmental Activities		Business-type Activities		Total	
	2013 *	2014	2013 *	2014	2013 *	2014
Current and other assets	\$ 47,195,132	\$ 46,624,163	\$ 38,969,234	\$ 44,488,011	\$ 86,164,366	\$ 91,112,174
Capital assets	120,531,456	125,010,135	159,455,713	169,182,575	279,987,169	294,192,710
Total assets	<u>167,726,588</u>	<u>171,634,298</u>	<u>198,424,947</u>	<u>213,670,586</u>	<u>366,151,535</u>	<u>385,304,884</u>
Current and other liabilities	3,981,921	5,871,838	4,354,173	4,908,467	8,336,094	10,780,305
Long-term liabilities outstanding	21,572,517	21,069,843	50,669,425	55,629,632	72,241,942	76,699,475
Total liabilities	<u>25,554,438</u>	<u>26,941,681</u>	<u>55,023,598</u>	<u>60,538,099</u>	<u>80,578,036</u>	<u>87,479,780</u>
Net position:						
Net investment in capital assets	105,948,864	111,151,923	109,752,452	114,654,748	215,701,316	225,806,671
Restricted	11,289,017	7,575,856	6,886,924	5,619,365	18,175,941	13,195,221
Unrestricted	24,934,269	25,964,838	26,761,973	32,858,374	51,696,242	58,823,212
Total net position	<u>\$ 142,172,150</u>	<u>\$ 144,692,617</u>	<u>\$ 143,401,349</u>	<u>\$ 153,132,487</u>	<u>\$ 285,573,499</u>	<u>\$ 297,825,104</u>

* Reclassified in compliance with GASB 65, see note 17 to the financial statements.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



The City's overall net position increased by \$12,251,605 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

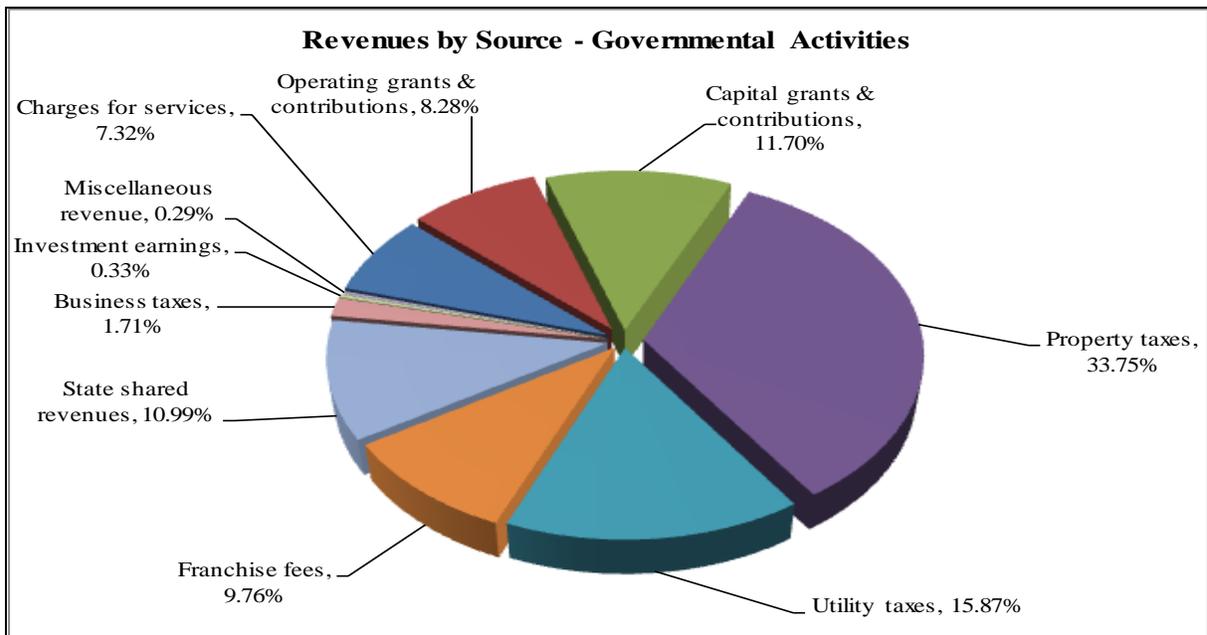
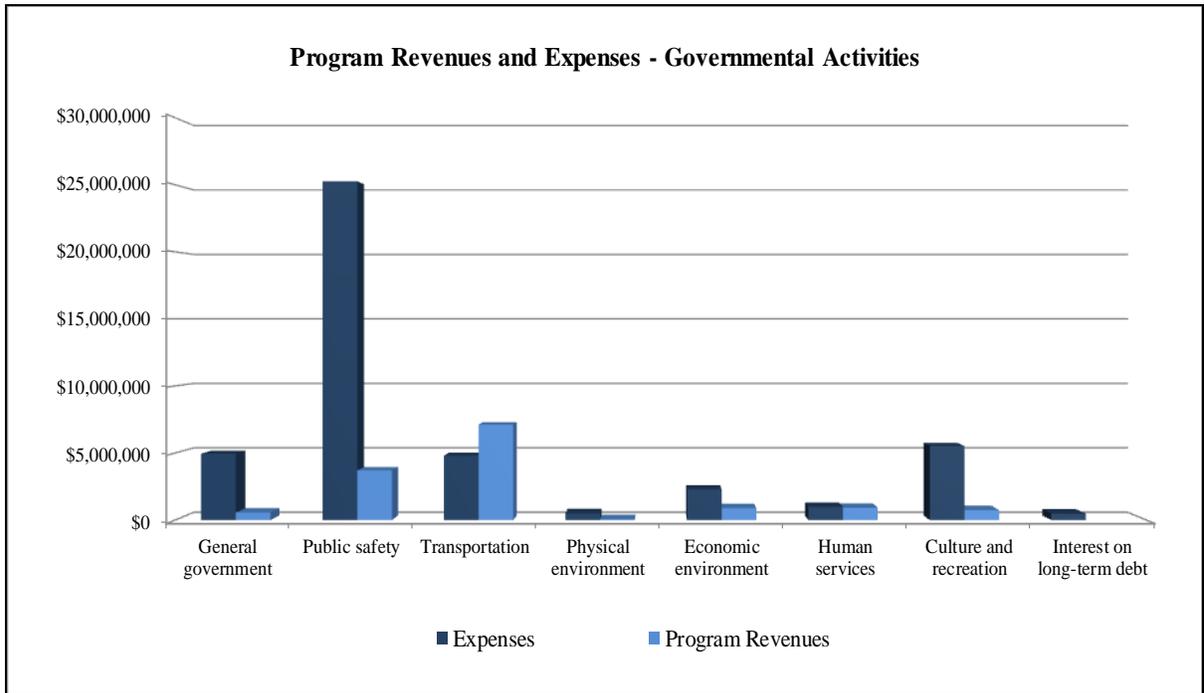
City of Sanford's Change in Net Position

For the years ended September 30, 2013 and 2014

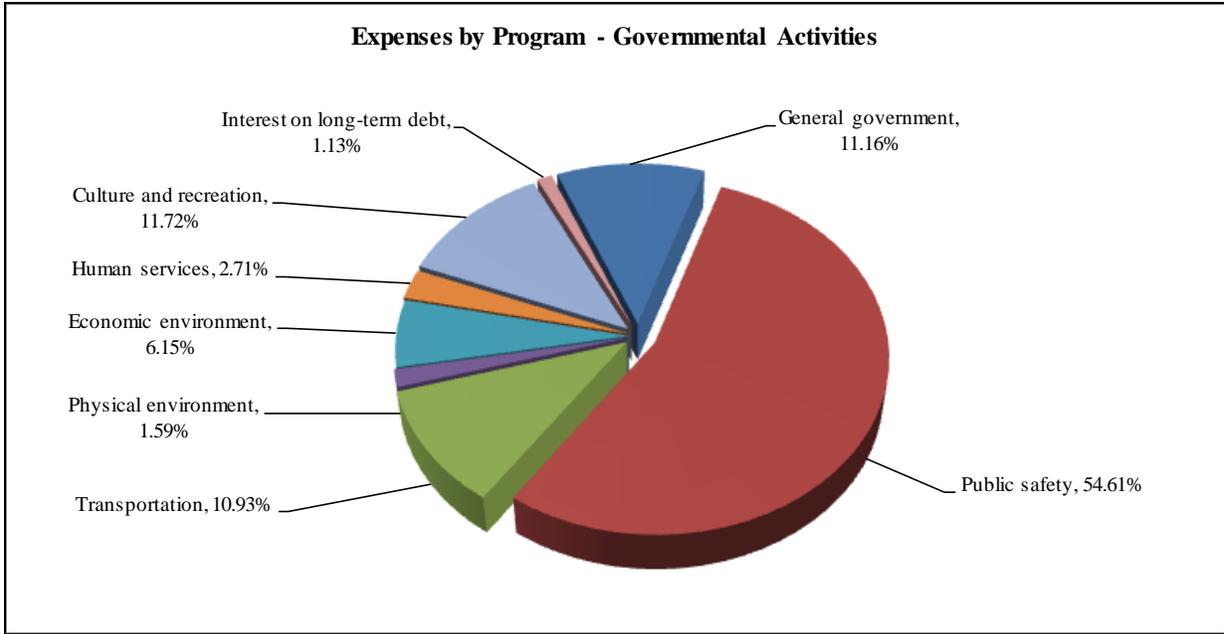
	Governmental Activities		Business-type Activities		Total	
	2013 *	2014	2013 *	2014	2013 *	2013 *
Revenues:						
Program revenues:						
Charges for services	\$ 4,717,292	\$ 3,440,624	\$ 31,670,590	\$ 33,191,760	\$ 36,387,882	\$ 36,632,384
Operating grants & contributions	4,624,201	3,892,890	52,814	25,671	4,677,015	3,918,561
Capital grants & contributions	1,759,238	5,503,157	4,371,773	2,375,328	6,131,011	7,878,485
General revenues:						
Property taxes	15,522,596	15,871,216	-	-	15,522,596	15,871,216
Utility taxes	7,222,351	7,463,676	-	-	7,222,351	7,463,676
Franchise fees	4,285,378	4,588,043	-	-	4,285,378	4,588,043
State shared revenues	4,820,475	5,166,504	15,293	13,579	4,835,768	5,180,083
Other	1,580,089	1,095,516	202,815	361,401	1,782,904	1,456,917
Total revenues	44,531,620	47,021,626	36,313,285	35,967,739	80,844,905	82,989,365
Expenses:						
General government	4,970,149	4,948,415	-	-	4,970,149	4,948,415
Public safety	24,327,218	25,270,680	-	-	24,327,218	25,270,680
Transportation	4,872,500	4,801,819	-	-	4,872,500	4,801,819
Physical environment	706,703	503,120	-	-	706,703	503,120
Economic environment	2,738,017	2,300,050	-	-	2,738,017	2,300,050
Human services	1,208,465	997,878	-	-	1,208,465	997,878
Culture and recreation	5,223,926	5,535,109	-	-	5,223,926	5,535,109
Interest on long-term debt	505,337	479,251	-	-	505,337	479,251
Water and sewer	-	-	16,750,498	16,629,145	16,750,498	16,629,145
Stormwater	-	-	2,476,317	2,454,423	2,476,317	2,454,423
Solid waste	-	-	5,286,848	5,441,021	5,286,848	5,441,021
Golf course	-	-	410,595	1,376,849	410,595	1,376,849
Total Expenses	44,552,315	44,836,322	24,924,258	25,901,438	69,476,573	70,737,760
Change in net position before transfers	(20,695)	2,185,304	11,389,027	10,066,301	11,368,332	12,251,605
Transfers	97,680	335,163	(97,680)	(335,163)	-	-
Change in net position	76,985	2,520,467	11,291,347	9,731,138	11,368,332	12,251,605
Net position, beginning of year *	142,095,165	142,172,150	132,110,002	143,401,349	274,205,167	285,573,499
Net position, end of year *	\$ 142,172,150	\$ 144,692,617	\$ 143,401,349	\$ 153,132,487	\$ 285,573,499	\$ 297,825,104

* Reclassified in compliance with GASB 65, see note 17 to the financial statements.

Governmental activities. During the current fiscal year, net position for governmental activities increased \$2,520,467 from the prior fiscal year for an ending balance of \$144,692,617.

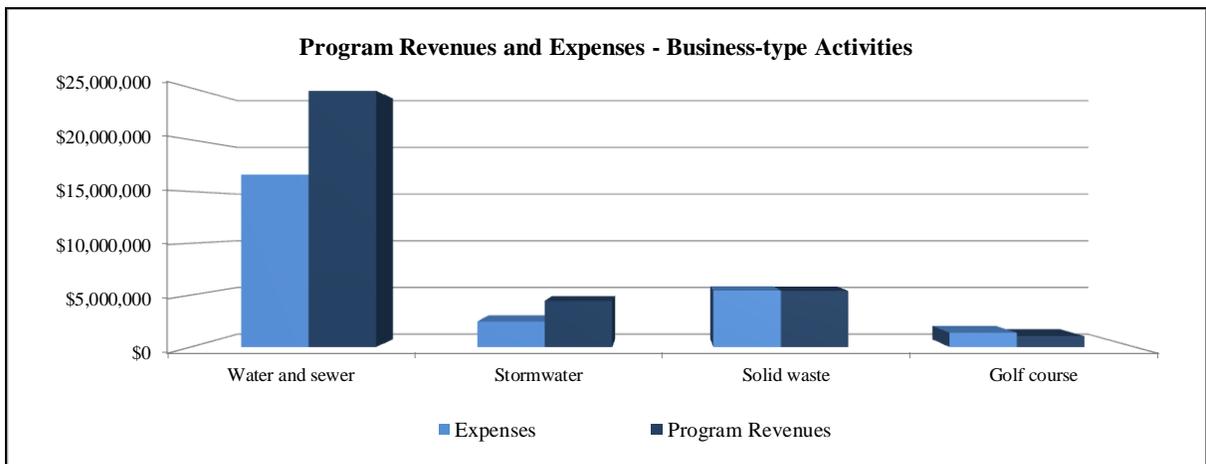


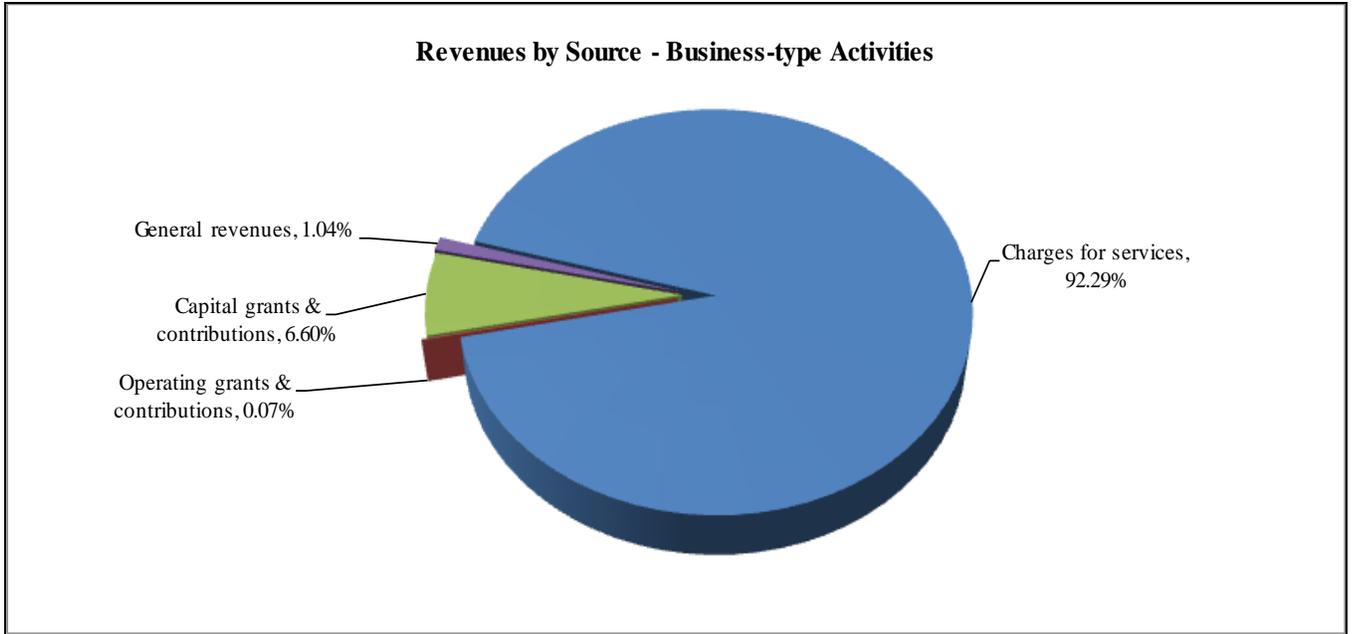
Property taxes, which comprised 32.94% of the City’s governmental activity revenues, increased by \$348,620; this increase was primarily due to the increase in taxable value of property in the City.



Overall, the City's expenses increased this year. Total expenses were \$44,836,322, compared to \$44,568,490 the prior fiscal year; an increase of \$267,832 or .6%. The increase in expenses was almost entirely met with a corresponding increase in grant program revenues to fund the increases. Public safety expenses of \$25,270,680 comprised 56.36% of the total governmental activities expenses.

Business-type activities. Business-type activities increased the City's net position by \$9,731,138, thereby accounting for 72.58% of the total growth in the City's net position. This increase primarily is attributable to an increase in capital assets, as well as accumulation of resources for future purchases of capital assets and debt payments related to capital assets.





Charges for services of \$33,191,760 increased over the prior-year total of \$31,670,890 by \$1,520,870, or approximately 4.6%. This was due to rate increases offset by decreases in consumption.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

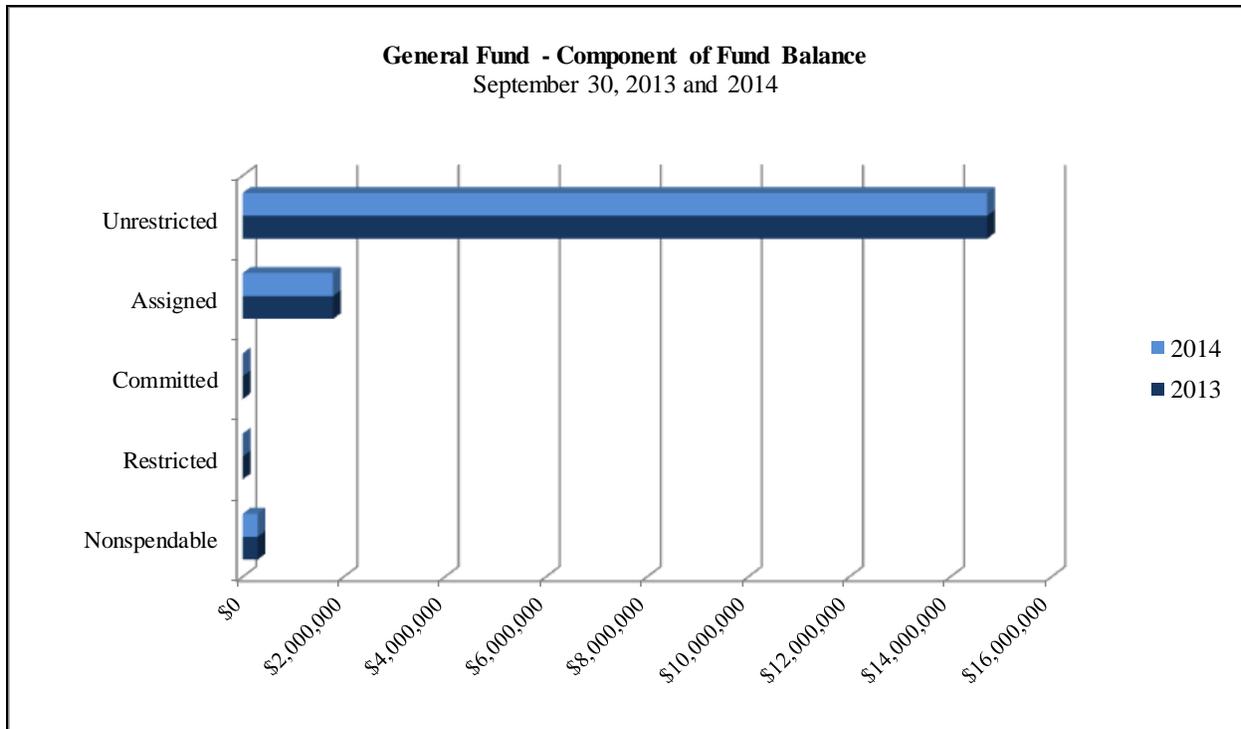
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

As of the fiscal year end, the City's governmental funds reported combined ending fund balances of \$27,313,698, a decrease of \$4,687,438 in comparison with the prior year. Approximately 52.20% of this total amount, \$12,244,905, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$298,253), 2) restricted for particular purposes (\$8,098,091), 3) committed for particular purposes (\$321,841), or 4) assigned for particular purposes (\$6,353,608).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,725,544, while the total fund balance was \$16,808,517. 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. Unassigned fund balance represents 45.49% of total General Fund expenditures, while total fund balance represents 51.92% of that same amount.

The fund balance of the City's General Fund decreased by \$2,545,893 during the current fiscal year. The decrease is primarily attributed to transfers to the capital replacement fund.



The Sanford Community Redevelopment Agency (herein referred to as “Sanford CRA”), is a blended component unit that is presented as a major special revenue fund and reports the financial activities related to the redevelopment of downtown and the Lake Monroe waterfront. At the end of the current fiscal year, the Sanford CRA’s restricted (and total) fund balance was \$133,710. The fund balance of the Sanford CRA decreased by \$1,497,562 during the current fiscal year. The decrease is attributed to the expenditures of resources for the Sanford Avenue Streetscape project. The funds of the Sanford CRA are legally restricted for use in the downtown and Lake Monroe redevelopment areas.

The Capital Project Fund is responsible for capital projects not related to replacements and had a combined total fund balance of (\$2,124,332) at the end of the current fiscal year which represents a decrease of \$2,020,716 over the previous year. This negative fund balance is attributable to timing of grant funds receivable.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Projects Funds have a combined total fund balance of \$12,495,803 at the end of the current fiscal year. The net increase during the current year in nonmajor governmental funds was \$1,376,733 due to interfund transfers from the General revenue fund offset by increased activity in capital project expenditures.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year was \$23,721,941 in the Water and Sewer Fund, \$8,772,214 in the Stormwater Fund, \$669,270 in the Solid Waste Fund, and (\$471,577) in the Golf Course Fund. The total growth of net position for the Water and Sewer Fund and Stormwater Fund was \$8,465,224 and \$2,046,915, respectively. As noted earlier in the discussion of business-type activities the increases are primarily attributable to an increase in capital assets, as well as an accumulation of resources for future purchases of capital assets and debt payments related to capital assets. The Solid Waste Fund and Golf Course Fund had decreases in net position of \$369,355 and \$262,112 respectively which was due to a general transfer of funds to the General Fund of \$335,163 from the Solid Waste Fund and operational losses in the Golf Course Fund mainly due to start up costs to green up the grounds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget (\$267,407 increase in revenues and transfers in and \$4,090,895 increase in appropriations and transfers out) can be briefly summarized as follows:

Revenues

- \$ 15,170 Increase in grant revenues for fire training and justice assistance
- \$ 1,433 Increase in memorial brick revenues

Transfers In:

- \$ 250,804 Budgeted for fund transfer from Health Insurance Fund

Transfers Out:

- \$ 616,509 Provided budget for capital projects
- \$ 2,860,846 Provided budget for capital replacements
- \$ 5,300 Provided budget for purchase of two vehicles from Building Fund

Expenditures:

- \$ 250,804 Increased budget for loyalty incentive program
- \$ 151,204 Budgeted for reappropriation of funds unused in prior fiscal year budget:
 - \$ 92,900 for City's management review contract
 - \$ 16,682 for other small purchase orders outstanding
 - \$ 11,051 for bullet proof grant expenditures
 - \$ 30,571 for fleet contamination site cleanup
- \$ 600 Budgeted for increase in brick print services for veterans memorial park
- \$ 205,632 Provided budget for various expenses incurred in excess of original budget:
 - \$ 21,532 for sick pay payout
 - \$ 2,600 for termination pay payout
 - \$ 181,500 for salaries in excess of budget due to not budgeting 100% fte's

Of the increases in expenditures and transfers out, \$267,407 was offset by increased revenues and transfers in. The remaining increased the use of reserves by \$3,823,488.

Differences between the final amended budget and actual were a \$1,408,690 increase in revenues and \$585,333 decrease in expenditures) can be briefly summarized as follows:

Revenues

- \$ 110,375 Increase in property tax revenue due to collections of delinquent prior year amounts
- \$ 582,341 Increase in utility taxes due to increased electrical costs
- \$ 369,580 Increase in franchise fees due to increased electrical costs
- \$ 346,394 Net variance in other General Fund revenues including increases in business taxes (\$130,615), intergovernmental revenues (\$46,340), charges for services (\$153,427), and fines and forfeitures (\$59,204). The increases were offset by negative variances in permits and fees (\$4,644), investment earnings (\$22,936), and other miscellaneous revenues (\$15,612).

Expenditures:

- \$ 168,119 Savings associated with vacant positions resulting from terminations and retirements
- \$ 417,214 Savings associated with operating expenditures budgeted but not incurred in desire to cut spending due to the downturn in the economy:
 - \$ 127,993 in the economic environment function
 - \$ 225,791 in the general government function
 - \$ 41,939 in the public safety function

- \$ 44,282 in the human services function
- \$ (11,026) in the transportation function
- \$ (11,765) in the remaining functions

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, 2014, amounted to \$294,192,709 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery and equipment, infrastructure, water and sewer system, stormwater management system, irrigation rights, and construction in progress. The total change in the City's capital assets, net of related depreciation, for the current fiscal year was an increase of \$4,478,678 (3.72%) for governmental activities and an increase of \$9,726,862 (6.10%) for business-type activities.

Major capital assets events during the current fiscal year included the following:

Governmental activities:

- Acquisition of \$594,392 in replacement vehicles, primarily consisting of police.
- Acquisition of \$276,237 in fire rescue equipment.
- Acquisition of \$462,039 in land for future downtown development.
- Streets and sidewalks projects continued during the fiscal year, adding \$1,278,460 in new infrastructure.
- Riverwalk Phase II, Marina Day Boat Slips, and Sanford Ave streetscape construction commences adding \$4,448,650, \$260,507, and \$2,198,009 respectively in construction in progress.
- Current year depreciation on capital assets of \$5,487,027 offsets the above additions.

Business-type activities:

- Acquisition of \$216,060 in replacement vehicles and \$489,874 in heavy machinery.
- Private developers contributed \$636,049 in water and sewer system lines.
- Several disinfection by-products projects continued in the current year adding to construction in progress, including pipelining (\$1,244,550), auxiliary water plant improvements (\$6,694,833), water main looping (\$251,170), well improvements (\$551,666), Volusia County interconnect (\$906,500) Sanford Ave drainage and line relocate (\$456,756), Cloud Branch drainage Phase 3 (\$343,289) and automated meters replacement (\$214,237).
- The reclaimed water nutrient reduction project continued, adding \$1,326,171 in construction in progress.
- Several smaller projects continued to be in progress at the end of the year, adding and additional \$624,685 in construction in progress (some of which was complete and capitalized as of the fiscal year end).
- Current year depreciation on capital assets of \$4,052,332 offsets the above additions.

City of Sanford's Capital Assets

(net of accumulated depreciation)

As of September 30, 2013 and 2014

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 5,693,956	\$ 6,155,995	\$ 7,146,169	\$ 7,146,169	\$ 12,840,125	\$ 13,302,164
Buildings	42,531,724	40,779,105	28,207,764	27,550,469	70,739,488	68,329,574
Machinery and equipment	3,840,378	3,874,796	1,694,301	1,863,980	5,534,679	5,738,776
Infrastructure	66,738,069	65,811,740	-	-	66,738,069	65,811,740
Water and sewer system	-	-	99,153,120	99,570,173	99,153,120	99,570,173
Stormwater system	-	-	16,875,272	16,802,489	16,875,272	16,802,489
Irrigation rights	-	-	244,200	155,400	244,200	155,400
Construction in progress	1,727,329	8,388,497	6,134,887	16,093,895	7,862,216	24,482,392
Total	<u>\$ 120,531,456</u>	<u>\$ 125,010,134</u>	<u>\$ 159,455,713</u>	<u>\$ 169,182,575</u>	<u>\$ 279,987,169</u>	<u>\$ 294,192,709</u>

Additional information on the City's capital assets can be found in Note 5 in the notes to the financial statements.

Long-term debt. At the fiscal year end, the City had \$27,905,000 in bonded debt outstanding, all of which is secured solely by specified revenues sources or covenants. The City had no debt outstanding backed by the full faith and credit of the City. In addition, the City had debt outstanding in the amount of \$39,807,828 in State Revolving Fund loans and \$1,192,447 in capital leases. The City also had \$7,794,201 in other long-term debt, including claims payable, accrued clean-up and long-term care costs, other postemployment benefits, and compensated absences.

City of Sanford's Outstanding Long-Term Debt

As of September 30, 2013 and 2014

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013*	2014	2013	2014
Structured payment debt:						
Utility revenue bonds:						
Series 2003	\$ -	\$ -	\$ 1,470,000	\$ -	\$ 1,470,000	\$ -
Notes payable:						
Series 2010	-	-	14,720,000	14,720,000	14,720,000	14,720,000
Series 2012	13,680,000	12,960,000	-	-	13,680,000	12,960,000
Series 2004 (CRA)	440,000	225,000	-	-	440,000	225,000
State revolving loans	-	-	33,513,261	39,807,827	33,513,261	39,807,827
Capital leases	1,185,616	1,192,447	-	-	1,185,616	1,192,447
Total structured payment debt	<u>15,305,616</u>	<u>14,377,447</u>	<u>49,703,261</u>	<u>54,527,827</u>	<u>65,008,877</u>	<u>68,905,274</u>
Other long-term debt:						
Claims payable	1,936,112	2,150,597	-	-	1,936,112	2,150,597
Accrued clean-up and long-term care costs	709,871	641,861	-	-	709,871	641,861
Other postemployment benefits	1,469,580	1,889,291	470,204	604,370	1,939,784	2,493,661
Compensated absences	2,151,338	2,010,647	495,960	497,435	2,647,298	2,508,082
Total other long-term debt	<u>6,266,901</u>	<u>6,692,396</u>	<u>966,164</u>	<u>1,101,805</u>	<u>7,233,065</u>	<u>7,794,201</u>
Total long-term debt	<u>\$ 21,572,517</u>	<u>\$ 21,069,843</u>	<u>\$ 50,669,425</u>	<u>\$ 55,629,632</u>	<u>\$ 72,241,942</u>	<u>\$ 76,699,475</u>

* Reclassified in compliance with GASB 65, see note 17 to the financial statements.

Total structured payment debt outstanding increased by \$3,896,398 due to principal retirements in the current period (\$5,633,830) partially offset by proceeds received from new state revolving fund loans (\$9,010,993) and issuance of new capital lease debt (\$519,235).

Under Florida statutes, no debt limit margin is placed on municipalities. Additional information on the City's long-term liabilities can be found in Notes 6, 7 and 9 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when adopting the fiscal year 2015 budget. The following economic factors currently affect the City and were considered:

- The average unemployment rate for Seminole County during the past fiscal year was 5.4%, which is a moderate decrease from the same figure of 6.9% a year ago. The decrease is attributed to the moderate recovery in the economy. The rate is less than the State's average unemployment rate during the same

time period of 6.3%. While the unemployment rate has decreased, it is still significantly higher than the pre-recession levels of approximately 4.0%.

- The City's taxable value of commercial and residential real property for the next fiscal year, 2015, is estimated to increase by 5.24% (of which new growth represents 1.56% and existing property values increased 3.67%) compared to a 2.2% increase experienced in the latest complete fiscal year, 2014. Despite these changes in valuation, the City has maintained the same property tax rate.
- The City implemented an increase in water and wastewater rates for the next fiscal year to adjust for changes in the consumer price index.

During the current fiscal year, fund balance in the General Fund decreased by \$2,545,893 to a total fund balance of \$16,808,517. The City has appropriated \$1,431,386 of this amount for spending in the 2015 fiscal year budget. This appropriation was taken as a measure to mitigate reduced ongoing capital replacement funding allowed for by present projected revenues and expenses of \$1,000,000 and \$431,386 to allow for a one-time lump sum payment of 2% for employees.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Director of Finance, City of Sanford, P.O. Box 1788, Sanford, Florida 32772-1788.



BASIC FINANCIAL STATEMENTS

CITY OF SANFORD, FLORIDA

Statement of Net Position

September 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Airport Authority
Assets				
Cash and cash equivalents	\$ 10,595,013	\$ 5,668,384	\$ 16,263,397	\$ 4,530,238
Investments	26,737,723	19,854,315	46,592,038	-
Accounts receivable, net	1,787,889	4,910,852	6,698,741	788,599
Due from other governments	7,227,635	12,900,870	20,128,505	1,525,982
Internal balances	(359,122)	359,122	-	-
Inventories	197,493	15,863	213,356	-
Prepaid expenses	81,706	14,362	96,068	285,779
Restricted investments - debt service	-	764,243	764,243	-
Restricted investments - airport authority	-	-	-	32,772
Net pension asset	156,148	-	156,148	-
Equity interest in joint venture	199,678	-	199,678	-
Capital assets:				
Nondepreciable	14,544,492	23,240,063	37,784,555	65,282,870
Depreciable, net	110,465,642	145,942,512	256,408,154	129,271,854
Total assets	<u>171,634,298</u>	<u>213,670,586</u>	<u>385,304,884</u>	<u>201,718,094</u>
Deferred outflows of resources				
Deferred swap outflow	-	-	-	210,441
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,441</u>
Liabilities				
Accounts payable	2,736,271	2,478,928	5,215,199	3,300,216
Accrued liabilities	1,154,152	502,416	1,656,568	211,012
Retainage payable	291,828	497,063	788,891	-
Due to other governments	8,727	7,551	16,278	-
Unearned revenue	1,652,413	35,661	1,688,074	1,152,739
Customer deposits	28,447	1,386,848	1,415,295	-
Noncurrent liabilities:				
Due within one year	4,048,117	5,004,702	9,052,819	1,008,443
Due in more than one year	17,021,726	50,624,930	67,646,656	6,304,677
Total liabilities	<u>26,941,681</u>	<u>60,538,099</u>	<u>87,479,780</u>	<u>11,977,087</u>
Net position				
Net investment in capital assets	111,151,923	114,654,748	225,806,671	184,871,726
Restricted for:				
Debt service	-	764,243	764,243	-
System expansion	1,951,858	4,855,122	6,806,980	-
Transportation	3,790,984	-	3,790,984	-
Downtown redevelopment	133,710	-	133,710	-
Building inspections	1,516,077	-	1,516,077	-
Other purposes	183,227	-	183,227	32,772
Unrestricted	25,964,838	32,858,374	58,823,212	5,046,950
Total net position	<u>\$ 144,692,617</u>	<u>\$ 153,132,487</u>	<u>\$ 297,825,104</u>	<u>\$ 189,951,448</u>

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

CITY OF SANFORD, FLORIDA
Statement of Activities
For the Year Ended September 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Airport Authority
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,948,415	\$ 390,745	\$ 163,807	\$ -	\$ (4,393,863)	\$ -	\$ (4,393,863)	\$ -
Public safety	25,270,680	2,529,638	1,011,451	152,610	(21,576,981)	-	(21,576,981)	-
Transportation	4,801,819	83,340	1,353,747	4,517,765	1,153,033	-	1,153,033	-
Physical environment	503,120	60,200	1,308	-	(441,612)	-	(441,612)	-
Economic environment	2,300,050	-	433,272	463,402	(1,403,376)	-	(1,403,376)	-
Human services	997,878	-	923,687	-	(74,191)	-	(74,191)	-
Culture and recreation	5,535,109	376,701	5,618	369,380	(4,783,410)	-	(4,783,410)	-
Interest on long-term debt	479,251	-	-	-	(479,251)	-	(479,251)	-
Total governmental activities	<u>44,836,322</u>	<u>3,440,624</u>	<u>3,892,890</u>	<u>5,503,157</u>	<u>(31,999,651)</u>	<u>-</u>	<u>(31,999,651)</u>	<u>-</u>
Business-type activities:								
Water and sewer	16,629,145	22,306,106	25,671	2,375,328	-	8,077,960	8,077,960	-
Stormwater	2,454,423	4,435,015	-	-	-	1,980,592	1,980,592	-
Solid waste	5,441,021	5,403,339	-	-	-	(37,682)	(37,682)	-
Golf course	1,376,849	1,047,300	-	-	-	(329,549)	(329,549)	-
Total business-type activities	<u>25,901,438</u>	<u>33,191,760</u>	<u>25,671</u>	<u>2,375,328</u>	<u>-</u>	<u>9,691,321</u>	<u>9,691,321</u>	<u>-</u>
Total primary government	<u>\$ 70,737,760</u>	<u>\$ 36,632,384</u>	<u>\$ 3,918,561</u>	<u>\$ 7,878,485</u>	<u>(31,999,651)</u>	<u>9,691,321</u>	<u>(22,308,330)</u>	<u>-</u>
Component unit:								
Airport authority	<u>\$ 18,323,694</u>	<u>\$ 14,827,416</u>	<u>\$ -</u>	<u>\$ 14,772,577</u>				<u>11,276,299</u>
General Revenues:								
Property taxes					15,871,216	-	15,871,216	-
Utility taxes					7,463,676	-	7,463,676	-
Franchise fees					4,588,043	-	4,588,043	-
State shared revenues not restricted to specific programs					5,166,504	13,579	5,180,083	-
Business taxes					805,019	-	805,019	-
Investment earnings					153,226	128,233	281,459	27,547
Miscellaneous revenue					137,271	233,168	370,439	2,927
Transfers					335,163	(335,163)	-	-
Total general revenues and transfers					<u>34,520,118</u>	<u>39,817</u>	<u>34,559,935</u>	<u>30,474</u>
Change in net position					2,520,467	9,731,138	12,251,605	11,306,773
Net position - beginning (see note 17)					<u>142,172,150</u>	<u>143,401,349</u>	<u>285,573,499</u>	<u>178,644,675</u>
Net position - ending					<u>\$ 144,692,617</u>	<u>\$ 153,132,487</u>	<u>\$ 297,825,104</u>	<u>\$ 189,951,448</u>

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

CITY OF SANFORD, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2014

	General Fund	Sanford CRA	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 473,515	\$ 266,120	\$ -	\$ 6,638,471	\$ 7,378,106
Investments	15,716,671	522,282	-	4,224,535	20,463,488
Accounts receivable, net	1,607,399	1,334	-	6,345	1,615,078
Due from other governments	724,719	4,930	2,692,221	3,805,765	7,227,635
Due from other funds	1,354,951	-	-	-	1,354,951
Inventories	177,543	-	-	19,950	197,493
Prepaid items	54,008	-	-	3,589	57,597
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 20,108,806</u>	<u>\$ 794,666</u>	<u>\$ 2,692,221</u>	<u>\$ 14,698,655</u>	<u>\$ 38,294,348</u>
Liabilities					
Accounts payable	802,869	593,122	340,324	999,956	2,736,271
Accrued liabilities	1,110,951	4,364	-	38,208	1,153,523
Retainage payable	-	63,470	218,854	9,504	291,828
Due to other funds	603,000	-	409,191	535,356	1,547,547
Due to other governments	8,578	-	-	149	8,727
Unearned revenues	496,258	-	1,155,963	192	1,652,413
Customer deposits	28,447	-	-	-	28,447
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,050,103</u>	<u>660,956</u>	<u>2,124,332</u>	<u>1,583,365</u>	<u>7,418,756</u>
Deferred Inflows of Resources					
Unavailable revenue	250,186	-	2,692,221	619,487	3,561,894
Total deferred inflows of resources	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	250,186	-	2,692,221	619,487	3,561,894
Fund balances					
Nonspendable:					
Inventory	\$ 177,543	\$ -	\$ -	\$ -	\$ 177,543
Prepaid items	54,008	-	-	3,589	57,597
Long-term receivable	63,113	-	-	-	63,113
Restricted for:					
Downtown redevelopment	-	133,710	-	-	133,710
Building inspections	-	-	-	1,516,077	1,516,077
Transportation	-	-	-	3,790,984	3,790,984
Law enforcement	-	-	-	183,227	183,227
System expansion	-	-	-	1,951,858	1,951,858
Capital replacements	-	-	-	519,235	519,235
Committed for:					
Cemetery purposes	-	-	-	291,153	291,153
Capital replacements	-	-	-	30,688	30,688
Assigned for:					
Law enforcement	-	-	-	20,159	20,159
Debt service	-	-	-	228,610	228,610
Capital replacements	-	-	-	4,316,530	4,316,530
Gasification	172,377	-	-	-	172,377
Appropriations	1,431,386	-	-	-	1,431,386
Other	184,546	-	-	-	184,546
Unassigned / (deficit)	14,725,544	-	(2,124,332)	(356,307)	12,244,905
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>16,808,517</u>	<u>133,710</u>	<u>(2,124,332)</u>	<u>12,495,803</u>	<u>27,313,698</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,108,806</u>	<u>\$ 794,666</u>	<u>\$ 2,692,221</u>	<u>\$ 14,698,655</u>	<u>\$ 38,294,348</u>

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

CITY OF SANFORD, FLORIDA
Reconciliation of the Balance Sheet to
the Statement of Net Position
September 30, 2014

Fund Balances - Total Governmental Funds (page 20) \$ 27,313,698

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Nondepreciable capital assets	\$ 14,544,492	
Depreciable capital assets	203,413,272	
Less: Accumulated depreciation	<u>(92,947,629)</u>	125,010,135

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 3,561,894

Equity interest in joint venture is not a financial resource and therefore not reported in the funds. 199,678

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Governmental note payable	(13,185,000)	
Capital lease payable	(1,192,447)	
Accrued interest payable	(629)	
Accrued clean-up costs	(172,377)	
Landfill closure	(469,484)	
Compensated absences	<u>(2,010,647)</u>	(17,030,584)

Net pension assets (obligations) are not recorded in the current period and therefore are not reported in the funds. 156,148

The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet. (1,889,291)

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position 7,370,939

Net Position of Governmental Activities (page 18) \$ 144,692,617

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014

	General Fund	Sanford CRA	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 14,753,783	\$ 1,117,433	\$ -	\$ -	\$ 15,871,216
Utility taxes	7,463,676	-	-	-	7,463,676
Franchise fees	4,588,043	-	-	-	4,588,043
Business taxes	763,954	-	-	-	763,954
Permits and fees	86,213	-	-	628,625	714,838
Intergovernmental	5,841,075	-	2,648,493	3,965,489	12,455,057
Charges for services	2,002,582	-	-	60,200	2,062,782
Investment earnings	98,237	8,386	(909)	41,245	146,959
Fines and forfeitures	165,992	-	-	67,398	233,390
Service assessments	-	-	-	209,254	209,254
Miscellaneous	216,702	-	5,000	46,326	268,028
Total revenues	<u>35,980,257</u>	<u>1,125,819</u>	<u>2,652,584</u>	<u>5,018,537</u>	<u>44,777,197</u>
Expenditures					
Current:					
General government	4,434,988	-	-	306,719	4,741,707
Public safety	21,312,177	-	-	2,151,018	23,463,195
Physical environment	402,328	-	-	82,577	484,905
Transportation	929,620	-	145,957	1,056,191	2,131,768
Economic environment	950,033	323,201	-	846,018	2,119,252
Human services	60,869	-	-	923,687	984,556
Culture and recreation	4,272,193	-	43,341	152,438	4,467,972
Debt service:					
Principal	-	215,000	-	1,232,404	1,447,404
Interest	-	15,396	-	464,455	479,851
Capital outlay:					
General government	9,245	-	462,039	124,516	595,800
Public safety	-	-	-	829,240	829,240
Transportation	-	-	4,628,181	1,406,404	6,034,585
Economic environment	-	2,059,784	-	-	2,059,784
Culture and recreation	-	-	277,883	231,787	509,670
Total expenditures	<u>32,371,453</u>	<u>2,613,381</u>	<u>5,557,401</u>	<u>9,807,454</u>	<u>50,349,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,608,804</u>	<u>(1,487,562)</u>	<u>(2,904,817)</u>	<u>(4,788,917)</u>	<u>(5,572,492)</u>
Other financing sources (uses)					
Capital leases	-	-	-	519,235	519,235
Transfers in	161,163	-	884,101	5,968,187	7,013,451
Transfers out	(6,321,447)	(10,000)	-	(346,841)	(6,678,288)
Proceeds from sale of assets	5,587	-	-	25,069	30,656
Total other financing sources (uses)	<u>(6,154,697)</u>	<u>(10,000)</u>	<u>884,101</u>	<u>6,165,650</u>	<u>885,054</u>
Net change in fund balances	<u>(2,545,893)</u>	<u>(1,497,562)</u>	<u>(2,020,716)</u>	<u>1,376,733</u>	<u>(4,687,438)</u>
Fund balances					
Beginning of year	19,354,410	1,631,272	(103,616)	11,119,070	32,001,136
End of year	<u>\$ 16,808,517</u>	<u>\$ 133,710</u>	<u>\$ (2,124,332)</u>	<u>\$ 12,495,803</u>	<u>\$ 27,313,698</u>

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

CITY OF SANFORD, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2014

Net Change in Fund Balances - Total Governmental Funds (page 22) \$ (4,687,438)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 10,034,344	
Less: Current year depreciation	<u>(5,487,027)</u>	4,547,317

In the Statement of Activities, only the loss on the sale/disposal of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. (68,639)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 2,228,868

Debt proceeds are reported as a source of financing in the governmental funds. Debt proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Position.

Capital lease financing (519,235)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,447,404

Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences	140,691	
Change in accrued interest payable	601	
Change in accrued cleanup costs	49,251	
Change in equity in joint venture	(49,487)	
Change in landfill closure liability	18,759	
Change in net pension obligation	56,423	
Change in post employment benefits obligation	<u>(419,711)</u>	(203,473)

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The net revenue of certain activities of internal service funds is reported with governmental activities. (224,338)

Change in Net Position of Governmental Activities (page 19) \$ 2,520,467

CITY OF SANFORD, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,599,081	\$ 2,888,661	\$ 162,219	\$ 18,423	\$ 5,668,384	\$ 3,216,907
Investments	7,060,210	5,669,234	-	-	12,729,444	6,274,235
Accounts receivable, net	3,737,330	241,830	924,288	7,404	4,910,852	15,723
Insurance receivable	-	-	-	-	-	157,088
Due from other governments	12,689,401	178,018	33,451	-	12,900,870	-
Due from other funds	603,000	-	-	-	603,000	-
Inventories	-	-	-	15,863	15,863	-
Prepaid items	14,062	100	200	-	14,362	24,109
Restricted investments:						
Restricted investments for customer deposits	1,268,058	-	118,790	-	1,386,848	-
Restricted investments for debt service	710,207	172,694	-	-	882,901	-
Restricted investments for system expansion	4,855,122	-	-	-	4,855,122	-
Total current assets	33,536,471	9,150,537	1,238,948	41,690	43,967,646	9,688,062
Noncurrent assets:						
Restricted investments for debt service	764,243	-	-	-	764,243	-
Capital assets:						
Nondepreciable	20,781,385	2,356,795	-	101,883	23,240,063	-
Depreciable, net	128,520,033	17,395,999	-	26,480	145,942,512	127,876
Total noncurrent assets	150,065,661	19,752,794	-	128,363	169,946,818	127,876
Total assets	183,602,132	28,903,331	1,238,948	170,053	213,914,464	9,815,938
Liabilities						
Current liabilities:						
Accounts payable	1,811,052	160,273	434,665	72,938	2,478,928	-
Accrued liabilities	387,100	86,851	4,360	24,105	502,416	-
Compensated absences	137,616	8,998	1,039	-	147,653	-
Claims payable	-	-	-	-	-	1,791,747
Retainage payable	481,558	15,505	-	-	497,063	-
Due to other funds	-	-	-	410,404	410,404	-
Due to other governments	1,731	-	-	5,820	7,551	-
Unearned revenues	35,661	-	-	-	35,661	-
Bonds payable - current	1,745,000	-	-	-	1,745,000	-
Loans payable - current	2,058,109	171,039	-	-	2,229,148	-
Liabilities payable from restricted assets:						
Customer deposits	1,268,058	-	118,790	-	1,386,848	-
Loans payable - current	710,207	172,694	-	-	882,901	-
Total current liabilities	8,636,092	615,360	558,854	513,267	10,323,573	1,791,747
Noncurrent liabilities:						
Bonds payable	12,975,000	-	-	-	12,975,000	-
Loans payable	30,903,560	5,792,218	-	-	36,695,778	-
Claims payable	-	-	-	-	-	358,850
Compensated absences	336,278	12,502	1,002	-	349,782	-
Other postemployment benefits	500,354	94,194	9,822	-	604,370	-
Total noncurrent liabilities	44,715,192	5,898,914	10,824	-	50,624,930	358,850
Total liabilities	53,351,284	6,514,274	569,678	513,267	60,948,503	2,150,597
Net position						
Net investment in capital assets	100,909,542	13,616,843	-	128,363	114,654,748	127,876
Restricted for debt service	764,243	-	-	-	764,243	-
Restricted for system expansion	4,855,122	-	-	-	4,855,122	-
Unrestricted / (deficit)	23,721,941	8,772,214	669,270	(471,577)	32,691,848	7,537,465
Total net position	\$ 130,250,848	\$ 22,389,057	\$ 669,270	\$ (343,214)	152,965,961	\$ 7,665,341

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

	166,526
Net position of business-type activities	\$ 153,132,487

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

For the Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Operating revenues						
Charges for sales/services	\$ 22,306,106	\$ 4,435,015	\$ 5,403,339	\$ 1,047,300	\$ 33,191,760	\$ 5,120,984
Miscellaneous	173,295	4,954	25	68,474	246,748	33,386
Total operating revenues	<u>22,479,401</u>	<u>4,439,969</u>	<u>5,403,364</u>	<u>1,115,774</u>	<u>33,438,508</u>	<u>5,154,370</u>
Operating expenses						
Personnel services	5,960,403	915,480	92,180	522,472	7,490,535	106,370
Materials and supplies	4,523,503	418,494	44,451	822,424	5,808,872	110,710
Intragovernmental services	1,277,655	274,834	200,494	-	1,752,983	-
Contractual services	747,471	32,836	5,102,458	31,756	5,914,521	686,404
Claims and insurance	-	-	-	-	-	4,999,177
Depreciation	3,411,571	619,628	-	197	4,031,396	3,713
Total operating expenses	<u>15,920,603</u>	<u>2,261,272</u>	<u>5,439,583</u>	<u>1,376,849</u>	<u>24,998,307</u>	<u>5,906,374</u>
Operating income (loss)	<u>6,558,798</u>	<u>2,178,697</u>	<u>(36,219)</u>	<u>(261,075)</u>	<u>8,440,201</u>	<u>(752,004)</u>
Nonoperating revenues (expenses)						
Investment earnings	91,555	34,868	2,846	(1,037)	128,232	39,882
Interest expense	(1,222,177)	(166,650)	(819)	-	(1,389,646)	-
Operating grants	25,671	-	-	-	25,671	-
Capital recovery fees	536,916	-	-	-	536,916	-
Total nonoperating revenues (expenses)	<u>(568,035)</u>	<u>(131,782)</u>	<u>2,027</u>	<u>(1,037)</u>	<u>(698,827)</u>	<u>39,882</u>
Income (loss) before contributions, grants, extraordinary gain (loss), and transfers	5,990,763	2,046,915	(34,192)	(262,112)	7,741,374	(712,122)
Capital contributions and grants	2,474,461	-	-	-	2,474,461	-
Transfers out	-	-	(335,163)	-	(335,163)	-
Extraordinary gain (loss)	-	-	-	-	-	339,802
Change in net position	8,465,224	2,046,915	(369,355)	(262,112)	9,880,672	(372,320)
Total net position - beginning (see note 17)	<u>121,785,624</u>	<u>20,342,142</u>	<u>1,038,625</u>	<u>(81,102)</u>		<u>8,037,661</u>
Total net position - ending	<u>\$ 130,250,848</u>	<u>\$ 22,389,057</u>	<u>\$ 669,270</u>	<u>\$ (343,214)</u>		<u>\$ 7,665,341</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal services funds are reported with business-type activities.					<u>(149,534)</u>	
Change in net position of business-type activities					<u>\$ 9,731,138</u>	

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

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ 11,822,148	\$ 4,302,084	\$ 5,446,042	\$ 1,505,021	\$ 23,075,295	\$ -
Receipts from interfund charges for risk management	-	-	-	-	-	5,262,179
Payments to suppliers	(4,809,777)	(294,519)	(5,166,424)	(958,111)	(11,228,831)	(5,319,348)
Payments to employees	(5,831,387)	(890,918)	(89,226)	(498,367)	(7,309,898)	(106,370)
Payments for interfund services used	(1,277,655)	(274,834)	(200,494)	-	(1,752,983)	-
Net cash provided by (used for) operating activities	<u>(96,671)</u>	<u>2,841,813</u>	<u>(10,102)</u>	<u>48,543</u>	<u>2,783,583</u>	<u>(163,539)</u>
Cash flows from noncapital financing activities:						
Operating grant receipts	25,671	-	-	-	25,671	-
Transfers to other funds	-	-	(335,163)	-	(335,163)	-
Extraordinary gain (loss)	-	-	-	-	-	339,802
Net cash provided by (used for) noncapital financing activities	<u>25,671</u>	<u>-</u>	<u>(335,163)</u>	<u>-</u>	<u>(309,492)</u>	<u>339,802</u>
Cash flows from capital and related financing activities:						
Repayment of notes payable	(2,381,878)	(334,549)	-	-	(2,716,427)	-
Principal paid on capital debt	(1,470,000)	-	-	-	(1,470,000)	-
Capital debt issuance costs	18,589	-	-	-	18,589	-
Interest paid	(1,222,177)	(166,650)	(819)	-	(1,389,646)	-
Proceeds of note payable	8,814,766	177,638	-	-	8,992,404	-
Purchase of capital assets	(12,010,566)	(1,097,809)	-	(34,771)	(13,143,146)	(5,265)
Developers fees	536,916	-	-	-	536,916	-
Capital contributions and grants	1,838,412	-	-	-	1,838,412	-
Proceeds from sales of capital assets	20,936	-	-	-	20,936	-
Net cash used for capital and related financing activities	<u>(5,855,002)</u>	<u>(1,421,370)</u>	<u>(819)</u>	<u>(34,771)</u>	<u>(7,311,962)</u>	<u>(5,265)</u>
Cash flows from investing activities:						
Investment income earned on operating funds	91,555	34,868	2,846	(1,037)	128,232	39,882
Net cash provided by (used for) investing activities	<u>91,555</u>	<u>34,868</u>	<u>2,846</u>	<u>(1,037)</u>	<u>128,232</u>	<u>39,882</u>
Net increase (decrease) in cash and cash equivalents	(5,834,447)	1,455,311	(343,238)	12,735	(4,709,639)	210,880
Cash and cash equivalents at beginning of year	<u>23,091,368</u>	<u>7,275,278</u>	<u>624,247</u>	<u>5,688</u>	<u>30,996,581</u>	<u>9,280,262</u>
Cash and cash equivalents at end of year	<u>\$ 17,256,921</u>	<u>\$ 8,730,589</u>	<u>\$ 281,009</u>	<u>\$ 18,423</u>	<u>\$ 26,286,942</u>	<u>\$ 9,491,142</u>
Reconciliation to cash and pooled investments per Statement of Net Position:						
Cash	2,599,081	2,888,661	162,219	18,423	5,668,384	3,216,907
Investments	7,060,210	5,669,234	-	-	12,729,444	6,274,235
Restricted investments, current	1,978,265	172,694	118,790	-	2,269,749	-
Restricted investments, noncurrent	5,619,365	-	-	-	5,619,365	-
	<u>\$ 17,256,921</u>	<u>\$ 8,730,589</u>	<u>\$ 281,009</u>	<u>\$ 18,423</u>	<u>\$ 26,286,942</u>	<u>\$ 9,491,142</u>

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

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 6,558,798	\$ 2,178,697	\$ (36,219)	\$ (261,075)	\$ 8,440,201	\$ (752,004)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,411,571	619,628	-	197	4,031,396	3,713
Changes in assets and liabilities:						
Accounts receivable	(127,656)	39,207	41,573	(1,671)	(48,547)	2,499
Insurance receivable	-	-	-	-	-	105,310
Due from other governments	(10,525,026)	(177,092)	(3,811)	125	(10,705,804)	-
Prepays	535	670	(200)	-	1,005	262,458
Inventories	-	-	-	(15,863)	(15,863)	-
Customer deposits	91,032	-	5,273	-	96,305	-
Accounts payable	180,855	140,636	(19,315)	(93,888)	208,288	-
Retainage payable	279,892	15,505	-	-	295,397	-
Claims payable	-	-	-	-	-	214,485
Accrued liabilities	17,256	4,316	794	24,105	46,471	-
OPEB obligation	111,760	20,246	2,160	-	134,166	-
Due to other funds	-	-	-	391,261	391,261	-
Due to other governments	(85)	-	-	5,820	5,735	-
Unearned revenue	(95,603)	-	(357)	(468)	(96,428)	-
Net cash provided by (used for) operating activities	<u>\$ (96,671)</u>	<u>\$ 2,841,813</u>	<u>\$ (10,102)</u>	<u>\$ 48,543</u>	<u>\$ 2,783,583</u>	<u>\$ (163,539)</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 636,049	\$ -	\$ -	\$ -	\$ 636,049	\$ -
Decrease in fair value of investments	(60,431)	(25,309)	(1,701)	843	(86,598)	(27,461)
Capitalized interest on capital debt	51,038	-	-	-	51,038	-

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

CITY OF SANFORD, FLORIDA
Statement of Net Position
Fiduciary Funds
September 30, 2014

	Pension Trust Funds
Assets	
Cash and cash equivalents with trustee	\$ 3,120,616
Investments, at fair value:	
US government obligations	4,818,174
Mortgage & asset backed securities	3,138,023
Corporate debt	2,045,478
Mutual funds	15,734,839
Equity securities	29,016,731
Real estate	7,058,235
Accrued investment income	100,204
Accounts receivable	143
Prepaid items	17,586
	65,050,029
Liabilities	
Accounts payable	77,734
Net position	
Net position restricted for pensions	\$ 64,972,295

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

CITY OF SANFORD, FLORIDA
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended September 30, 2014

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 4,002,660
Plan members	537,923
Total contributions	4,540,583
Investments earnings (losses):	
Interest & dividends	1,456,986
Net increase in fair value of investments	5,325,521
Total investment earnings	6,782,507
Investment expenses	(398,323)
Net investment earnings	6,384,184
Total additions	10,924,767
Deductions	
Benefit payments	3,201,897
Refund of contributions	67,731
Administrative expenses	112,002
Total deductions	3,381,630
Change in net position	7,543,137
Net position restricted for pensions	
Beginning of year	57,429,158
End of year	\$ 64,972,295

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

**NOTES TO THE
FINANCIAL STATEMENTS**

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies

The City of Sanford, Florida (the “City”), is a political subdivision located in Seminole County of the State of Florida, established pursuant to Article VIII, section 2(a) of the Constitution of the State of Florida. The legislative branch of the City is composed of a five-member elected Commission, including a City-wide elected Mayor. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager. The accounting policies of the City conform to accounting principles generally accepted in the United States of America, as applicable to governments, as established by the Governmental Accounting Standards Board. The following is a summary of the more significant policies.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit

The City of Sanford Community Redevelopment Agency - The City of Sanford Community Redevelopment Agency (the “Sanford CRA”) pursuant to Section 163.356, Florida Statutes, was established by City Ordinance No. 3282 and County Ordinance No. 95-R-246. The only currently active project, the Lake Monroe Waterfront and Downtown District, was established in 1996 by an interlocal agreement with Seminole County.

The Sanford CRA is comprised of a five-member board. Three members are nominated and appointed by the City Commission, and two members are nominated by the Board of County Commissioners of Seminole County and appointed by the City Commission. The City and Seminole County provide tax increment revenue to the Sanford CRA to be used for payment of infrastructure improvement projects and debt service on loans.

Due to the appointment of the board in addition to the financial support provided by the City, management has determined the Sanford CRA meets the criteria to be included as a component unit. Financial records for the Sanford CRA are maintained by the City and City staff is responsible for the day-to-day operation of the Sanford CRA. Due to the component unit existing to benefit the primary government the CRA is considered a blended component unit. The Sanford CRA is reported as a major special revenue fund and does not issue separate financial statements.

Discretely Presented Component Unit

The Sanford Airport Authority - The Sanford Airport Authority (the “Airport Authority”) was established under Florida Statutes, Chapter 71-924, and Resolution No. 1315 of the City Commission. The City Commission appoints all members of the Board of Directors of the Airport Authority and approves the Airport Authority’s annual operating budget, as well as any budget adjustments or amendments. The exclusion of the Airport Authority as a component unit is believed to be misleading and therefore management has determined the Airport Authority should be reported as a discretely presented component unit. Separate financial statements are available for the Airport Authority. These reports can be obtained by contacting the Airport Authority at 1200 Red Cleveland Boulevard, Sanford, FL 32773.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

All financial statement notes for the Airport Authority are omitted from this report since separate financial statements are available. The notes to the Airport Authority statements should be used as an integral part to interpreting the financial statements of this component unit.

Joint Venture

The City of Sanford participates in a joint venture known as SanGroup, LLC, formed for the purpose to acquire, hold, lease and maintain the Christian Prison Ministry (CPM) Property until completion of the remediation of contamination on the site from a gasification plant, sell or otherwise dispose of the CPM Property, unless the advisory committee otherwise determines, and to do such other things and engage in any other activities that the members determine to be necessary, convenient, or incidental to any of the foregoing purposes. The members of the joint venture are Atlanta Gas Light Company, Florida Power & Light Company, Florida Power Corporation (subsequently Duke Energy), and the City of Sanford with interests of 23.6032%, 16.3374%, 45.0482%, and 15.0112% respectively. The joint venture's advisory committee is composed of one representative from each member organization and has voting rights equal to their interests. The City of Sanford has an equity interest in equity of the joint venture. This interest has been reported using the equity method of accounting. Separate financial statements for this joint venture are available from SanGroup, LLC at 550 South Tryon Street DEC41A, Charlotte, NC 28202. At September 30, 2014, this joint venture had total assets of \$1,383,079 and total equity of \$ 1,383,079.

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and stormwater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Amounts reported as *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, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) capital grants and contributions, including special assessments, that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *Capital Project Fund* accounts for activities related to the general governments capital projects.

The *Sanford Community Redevelopment Agency Fund* accounts for financial resources related the economic development of the Lake Monroe Waterfront and Downtown Sanford. The fund is a blended component unit of the City. The funds include tax increment revenue which is legally restricted and expended to support the City's redevelopment in the designated community redevelopment area. Expenditures are for capital and non-capital projects.

The City reports the following major enterprise funds:

The *Water and Sewer Fund* accounts for the activities of the City's water plants, sewage treatment plants, water distribution system, sewage pumping stations and collection systems.

The *Stormwater Fund* accounts for the operation of the City's stormwater management utility.

The *Solid Waste Fund* accounts for the operation of the City's solid waste management.

Additionally, the City reports the following fund types:

The *Internal Service Fund* accounts for risk management services (including claims for workers' compensation, general liability, and property damage) provided to departments of the City on a cost-reimbursement basis. The City has (1) internal service fund.

The *Pension Trust Funds* are used to account for assets held by the City in a trustee capacity. The City has two (2) pension trust funds: the *Police Officers' Retirement System Fund* and the *Firefighters' Retirement System Fund*.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Fund Financial Statements (continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 65 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 acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, state shared revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. 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 65 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds and pension benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, stormwater fund, solid waste fund, golf course fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalent are considered to be cash on hand, demand deposits and short-term investment with original maturities of three months or less from the date of acquisition. The City presents all investments at fair value.

F. Receivables

(1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Seminole County Property Appraiser (the "Property Appraiser") and Seminole County Tax Collector (the "Tax Collector"). The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate up to ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2014 was 6.825 mills.

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

Prior to May 1 of each year, immediately following the year of assessment, the Tax Collector advertises a list of delinquent personal property taxpayers. Warrants are issued directing seizure and sale of the personal property of the taxpayer if the delinquent personal property taxes are not paid. On or before June 1 (lien date) of the year following the year in which taxes were assessed, tax certificates are sold on all real estate parcels with outstanding real property taxes. These parcels are advertised once a week for four (4) weeks prior to the tax certificate sale.

City property tax revenues are recognized when levied to the extent that they result in current receivables. If material, delinquent taxes receivable that are measurable, but not available as of the end of the fiscal year, are reflected as deferred revenues. The deferred revenues are recognized as revenue in the fiscal year they become measurable and available as net current assets.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

F. Receivables (continued)

(2) Accounts Receivable – Accounts receivable for water and sewer, stormwater and solid waste services are shown net of an allowance for uncollectible accounts. Accounts receivable in excess of 180 days and 85 percent of accounts receivable in excess of 90 days comprise the allowance for uncollectible accounts. The unbilled portion of water and sewer revenues is accrued at year end based upon a proration of the billing cycle based on read dates of meters. The unbilled portion of solid waste revenue is accrued at year end based upon the period in which collection service is provided.

G. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased (consumption method).

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

H. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Constructed or purchased assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at the estimated fair market value on the date of donation. The threshold for capitalization of assets is \$5,000 for financial reporting purposes. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not capitalized.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year, State Revolving Fund loans were drawn upon to finance water and sewer improvements. Accordingly, all the interest of \$51,038 charged on the specific loans financing the construction projects was capitalized.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Classification</u>	<u>Years</u>
Buildings and improvements	10 - 60
Water and Sewer System	40 - 60
Stormwater Management System	40 - 60
Equipment	3 - 20
Infrastructure	30 - 40
Irrigation rights	25

Gains or losses on disposal of capital assets are included as income in the period of disposal.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off (PTO), with the exception of police union employees who accumulate earned but unused vacation and sick pay benefits. The City records the vested portion of accumulated, unused compensated absences at year-end based on each employee's accumulated unused hours and rate of pay, including the City's share of Social Security and Medicare taxes and retirement benefits. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Unearned Revenues

Unearned revenues presented on governmental fund financial statements represents revenues collected (therefore available) but not applicable to the current reporting period (therefore unearned), primarily related to business tax receipts applicable to the City's next fiscal year. Unearned revenue presented on the proprietary fund financial statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of an advance payment for an expenditure-driven intergovernmental agreement. Unearned revenues on the government-wide financial statement are the same as those reported on the governmental and proprietary statements.

K. Debt Issuance Costs and Bond Discounts and Premiums

In the government-wide financial statements, and proprietary fund types in the fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Post Employment Benefits Other than Pensions

The City pays health and life insurance premiums of retirees if they meet certain eligibility requirements. The City records the cost of this plan on a "pay-as-you-go" basis. This results in current insurance payments being recorded as expenditures or expenses in the financial statements in the period the insurance is paid. It is the City's policy to pay these premiums on a monthly basis in the period the insurance services were provided.

M. Net Position

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, or laws and regulations of other governments.
- *Unrestricted net position* – This category presents the net position of the City, not restricted for any purpose.

N. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision-making authority for the City that can, by adoption of a resolution or an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution or ordinance remains in place until a similar action is taken (the adoption of another resolution or ordinance) to remove or revise the limitation. In the State of Florida, both a resolution and ordinance are equally binding and have equal power in creating laws.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Assignments of fund balance reflect tentative plans by management that may be subject to change and may be removed by informal action of the City Commission. The City Commission is the official governing body authorized to assign fund balance, however, there is not a formal policy. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The nonspendable fund balance includes items that cannot be spent because they are not in spendable form, such as long term portions of receivables, inventories, prepaid items. Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. Residual net resources are reported as unassigned fund balance and are the excess of nonspendable, restricted, committed, and assigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount as all other governmental funds are setup for a specific purpose, however, all other governmental funds may report a negative unassigned fund balance.

O. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City does not currently have any items in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item,

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Encumbrances

Encumbrance accounting is employed in the governmental funds. Under this method, purchase orders, contracts, memoranda of understanding, and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the governmental funds are classified as committed, restricted or assigned and are included in the respective functional categories. These encumbrances are not separately classified in the financial statements and are summarized as follows:

General Fund	\$ 72,736
Sanford Community Redevelopment Agency	100,324
NSP Grant Fund	14,923
Police Impact Fee Fund	23,146
Building Inspection Fund	22,001
Second Generation Sales Tax Fund	492,356
Capital Project Fund	686,074
Capital Replacement Fund	856,740
	<u>\$ 2,268,300</u>

S. Minimum Fund Balance Policy

The City Commission has informally set policy to provide for a 25% minimum fund balance policy for the General Fund based on budgeted expenditures; this amount is currently reported as unassigned and totals \$9,774,220 of the 2015 adopted budget.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 2 - Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

(1) On or before July 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1.

(2) Public hearings are conducted to obtain taxpayer comments.

(3) Prior to October 1, the budget is legally enacted through passage of a resolution.

(4) Formal budgetary integration is employed as a management control device during the year for all funds which have a legally adopted budget, including the General Fund, Sanford Community Redevelopment Agency, Building Inspection Fund, Local Option Gas Tax Fund, Second Generation Sales Tax Fund, Law Enforcement Trust Fund, Police Education Fund, Cemetery Fund, LIHEAP Grant Fund, Police Impact Fee Fund, Fire Impact Fee Fund, Recreation Impact Fee Fund, Youthbuild Grant Fund, ARRA Grant Fund, CDBG Grant Fund, NSP Grant Fund, Debt Service Fund, Capital Projects Fund, Capital Recovery Fee Fund, Capital Replacement Fund, Water and Sewer Fund, Solid Waste Fund, and Stormwater Fund. The City does not prepare a budget for the Premium Tax Trust Fund or Golf Course Fund.

(5) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

(6) The City Manager is authorized by the City Commission to transfer budgeted funds less than \$50,000 within and/or between functions and/or departments. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation among programs within and/or between functions and/or departments. The classification detail at which expenditures may not legally exceed appropriations is at the fund level.

(7) While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

(8) Supplemental appropriations beyond those for which the City Manager is authorized must be approved by the City Commission. There were a number of such supplemental appropriations made during the fiscal year.

B. Deficit Fund Equity

The LIHEAP Grant Fund, CDBG Grant Fund, NSP Grant Fund, Youthbuild Grant Fund and Capital Projects Fund had deficit fund balances of \$7,789, \$134,484, \$206,609, \$7,425, and \$2,124,332 respectively, as of September 30, 2014. These fund deficits are due to timing issues with grants unavailable at the end of the fiscal year, and the City will be reimbursed by the appropriate parties in 2015.

The Golf Course Fund had a deficit net position of \$343,214. This deficit is due to an excess of expenses over revenues collected in golf course operations.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 3 - Deposits and Investments

The carrying amount (which approximates fair value) of the City's deposits and investments as of September 30, 2014 is as follows:

	Carrying Value
Governmental and Business-type Activities:	
Bank Deposits	\$ 7,744,361
Local Government Surplus Funds Trust	1,446,880
Investment Accounts	54,428,436
Total Governmental and Business-type Activities	63,619,677
Pension Trust Funds:	
Cash	883
Money Market Funds	3,119,733
US Government Obligations	4,818,174
Mortgage/Asset Backed Securities	3,138,023
Corporate Debt	2,045,479
Mutual Funds	15,734,839
Equity	29,016,731
Real Estate	7,058,235
Total Pension Trust Funds	64,932,097
Total Primary Government	\$ 128,551,774
Classified as:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 16,263,397
Investments	46,592,038
Restricted investments	764,243
Statement of Fiduciary Net Position:	
Cash and cash equivalents	3,120,616
Investments	61,811,480
	\$ 128,551,774

Governmental and Business-type Activities Deposits & Investments

The City Charter, Florida Statutes, and bond resolutions authorize the City to invest in direct obligations of the United States of America, obligations of federal agencies and instrumentalities of the United States of America, certificates of deposit, money market mutual funds, and the Florida State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund. Such investments are stated at amortized cost, which approximates fair value, and are not rated as to credit quality. Investments other than the Local Government Surplus Funds Trust Fund are stated at fair value. The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7-like fund. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 3 - Deposits and Investments (continued)

Governmental and Business-type Activities Deposits & Investments (continued)

Deposits and investments of the Pension Trust Funds are held separately from those of other City funds and an independent investment manager and custodial bank handles all such investments.

As of September 30, 2014, the City's Governmental and Business-type investment portfolio is composed of the following investments:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)	
				Less Than 1	1 - 5
Bank Deposits	Cash	NR*	\$ 7,744,361	\$ 7,744,361	\$ -
Money Market Savings	Cash	NR*	1,930,509	1,930,509	-
State Board of Administration	LGIP	**	1,446,880	1,446,880	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	22,313,770	2,729,437	19,584,333
Government Agency Bonds	Fixed Income	Aaa	18,203,781	3,933,954	14,269,827
Government Agency Bonds	Fixed Income	P-1	1,224,740	1,224,740	-
Corporate Debt	Fixed Income	A1	227,338	227,338	-
Corporate Debt	Fixed Income	Aaa	2,130,190	673,752	1,456,438
Corporate Debt	Fixed Income	Aa1	779,411	-	779,411
Corporate Debt	Fixed Income	Aa2	739,023	-	739,023
Corporate Debt	Fixed Income	Aa3	6,029,759	2,634,149	3,395,610
Corporate Debt	Fixed Income	P-1	849,915	849,915	-
Total Portfolio			<u>\$ 63,619,677</u>	<u>\$ 23,395,035</u>	<u>\$ 40,224,642</u>

* Not Rated

** Not Rated by Moody's; Standard and Poor's Rating is AAAM

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to no longer than 2.5 years, and at all times 25% of the portfolio shall mature within one year. For purposes of meeting this limitation, variable rate securities shall be measured on the basis of the period elapsed between interest reset dates. No investment shall be made in an instrument with a stated final maturity longer than 5 years.

Credit Risk. It is the city's policy to limit its investments to US Treasury Obligations, Federal Agency Securities, Federal Instrumentality Securities, Repurchase Agreements with Primary Dealers reporting to the Federal Reserve Bank of New York and that have a nationally recognized statistical rating organization (NSRO) rating of A or A-1, commercial paper with a NSRO rating of A-1, P-1 or if the issuer has senior debt a rating of at least A or A2, corporate securities with a NSRO of at least A, A2, intergovernmental investment pools and a NSRO rating of AAAM, Aaa, State of Florida Local Government Surplus Funds Trust, money market funds with a NSRO rating of AA Af, money market funds with a rating of AAAM, Aaam, certificates of deposit, and guaranteed investment contracts. All NSRO ratings can be equivalent to those in the policy.

Custodial Credit Risk - Bank Deposits. Bank deposits are insured by the FDIC up to \$250,000. Amounts in excess of \$250,000 are secured by the Public Deposits Trust Fund maintained by the Treasurer of the State of Florida. The Trust Fund is a multiple financial institution pool with the ability to assess its members' financial institutions for collateral shortfalls if a member fails. For this reason, deposits are considered substantially insured.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 3 - Deposits and Investments (continued)

Governmental and Business-type Activities Deposits & Investments (continued)

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments. To mitigate this risk, the City's investment policy requires that the Finance Director utilize one or more banks in providing third-party safekeeping and custodial services for the City, and that a City-approved Safekeeping Agreement be executed with each custodian. The purchase and sale of securities and repurchase agreement transactions must be settled on a delivery versus payment basis. Ownership of all securities is required to be perfected in the name of the City, and sufficient evidence to title must be consistent with modern investment, banking, and commercial practices.

Concentration of Credit Risk. The investment portfolio policy of the City has the objective of structuring investments so as to not allow the following caps to be exceeded:

Allowed Securities With Credit Exposure as a Percentage of Total Investments	
Type of Investment	Percentage of Total
U.S. Treasury Obligations	100%
Federal Agency Securities	100%
Federal Instrumentality Securities	100%
Repurchase Agreements	100%
Commercial Paper (limited to 5% in one issuer)	20%
Corporate Securities (limited to 5% in one issuer)	20%
Intergovernmental Investment Pools	30%
State of Florida Local Government Surplus Funds Trust Fund	30%
Money Market Mutual Funds	100%
Time Certificates of Deposit (limited to 5% in one issuer)	20%
Guaranteed Investment Contract	100%

Pension Trust Fund Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent investment manager and custodial bank handles all pension investments and check-writing duties. No investments in loan to, or leases with, any parties related to the pension plans have been made. The city commission establishes and amends the investment policy. The following was the the adopted asset allocation policy for both the police and fire pension plans as of September 30, 2014:

Asset Class	Target Allocation
Large cap equity	30%
Mid cap equity	10%
Small cap equity	10%
International equity	15%
Real estate	10%
Fixed income	25%
Total	100%

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 3 - Deposits and Investments (continued)

Pension Trust Fund Investments (continued)

Credit Risk and Concentration of Credit Risk. Investment guidelines limit cash and cash equivalents to U.S. Government obligations, certificates of deposit, and repurchase agreements with major money center banks, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's. Equity securities are limited to issues of U.S. corporations with a rating by a major rating service in one of the three highest classifications, limited to fifty percent (50%) of the fund's assets overall for the police officers and fifty-five percent (55%) for the firefighters, and limited to five percent (5%) of the equity portfolio value invested in any single corporation.

In addition, the police officers' and firefighters' plans require fixed income securities to comprise a minimum fifty percent (50%) for police and fifty-five percent (55%) for fire of the total assets at cost with a limit to any single corporation of five percent (5%) of the total bond portfolio. The fixed income portfolio is limited to U.S. Government and U.S. Government Agency bonds, and/or bonds issued by U.S. corporations. No investment in any one organization exceeds five percent (5%) or more of plan net assets.

Interest Rate Risk. The City manages its interest rate risk exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten years.

Money-Weighted Rate of Return. For the year ended September 30, 2014 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the police officers' and firefighters' plans were 11.54% and 9.92% respectively.

Defined-Benefit Pension Plan investments were as follows at September 30, 2014:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)			
				Less Than 1	1 - 5	6 - 10	More than 10
Police Pension:							
Money Market Funds	Money Market	NR*	1,876,350	1,876,350	-	-	-
US Government Obligations	Fixed Income	Aaa	1,772,364	-	741,157	412,738	618,469
US Government Obligations	Fixed Income	NR*	177,672	-	177,672	-	-
Mortgage/Asset Backed	Fixed Income	NR*	1,451,047	-	-	612,411	838,636
Corporate Debt	Fixed Income	A1	82,611	-	-	82,611	-
Corporate Debt	Fixed Income	A3	454,619	-	-	454,619	-
Corporate Debt	Fixed Income	Baa1	55,430	-	-	55,430	-
Corporate Debt	Fixed Income	Baa2	114,145	-	-	114,145	-
Corporate Debt	Fixed Income	Baa3	111,411	-	-	111,411	-
Corporate Debt	Fixed Income	AA1	65,646	-	-	65,646	-
Total Police Pension			<u>6,161,295</u>	<u>1,876,350</u>	<u>918,829</u>	<u>1,731,954</u>	<u>1,457,105</u>
Firefighters' Pension:							
Cash	Cash	NR*	883	883	-	-	-
Money Market Funds	Money Market	NR*	1,243,383	1,243,383	-	-	-
US Government Obligations	Fixed Income	Aaa	902,403	-	902,403	-	-
US Government Obligations	Fixed Income	A2	1,965,735	-	482,318	631,304	852,113
Mortgage/Asset Backed	Fixed Income	NR*	1,686,976	-	-	567,167	1,119,809
Corporate Debt	Fixed Income	A1	66,088	-	-	66,088	-
Corporate Debt	Fixed Income	A3	576,181	-	-	576,181	-
Corporate Debt	Fixed Income	Baa1	66,516	-	-	66,516	-
Corporate Debt	Fixed Income	Baa2	199,884	-	-	199,884	-
Corporate Debt	Fixed Income	Baa3	162,053	-	-	162,053	-
Corporate Debt	Fixed Income	AA1	90,895	-	-	90,895	-
Total Firefighters' Pension			<u>6,960,997</u>	<u>1,244,266</u>	<u>1,384,721</u>	<u>2,360,088</u>	<u>1,971,922</u>
Total Pension Investments			<u>\$ 13,122,292</u>	<u>\$ 3,120,616</u>	<u>\$ 2,303,550</u>	<u>\$ 4,092,042</u>	<u>\$ 3,429,027</u>

* Not Rated

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 3 - Deposits and Investments (continued)

Pension Trust Fund Investments (continued)

Investment Income

The City maintains cash and investment pools that are available for use by all funds, except those whose cash and investments must be segregated due to bond covenants or other legal restrictions, and the Pension Trust Funds. Investment earnings from this internal pooling are allocated to the respective funds based on the sources of funds invested.

Investment income for the year ended September 30, 2014 consisted of the following:

	General Fund	Sanford CRA Fund	Capital Project Fund	Nonmajor Govern- mental Funds	Proprietary Funds
Interest income	\$ 170,219	\$ 13,489	\$ (2,566)	\$ 56,504	\$ 282,173
Dividend income	-	-	-	-	-
Net increase (decrease) in fair value of investments	(71,982)	(5,103)	1,657	(15,259)	(114,059)
Investment earnings	<u>\$ 98,237</u>	<u>\$ 8,386</u>	<u>\$ (909)</u>	<u>\$ 41,245</u>	<u>\$ 168,114</u>

Note 4 - Receivables

The following is a detailed listing of receivables by type and fund at September 30, 2014:

	Primary Government	
	Governmental Activities	Business-type Activities
Receivables:		
Accounts Billed	\$ 42,910	\$ 2,450,100
Unbilled Receivables	-	2,887,135
Investment Income	48,762	44,434
Code Enforcement	23,539,800	-
Other Miscellaneous	3,261,269	378,516
Gross Receivables	<u>26,892,741</u>	<u>5,760,185</u>
Less: Allowance for Uncollectables	<u>25,104,852</u>	<u>849,333</u>
	<u>\$ 1,787,889</u>	<u>\$ 4,910,852</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 5 - Capital Assets

During the year ended September 30, 2014, the following changes in governmental activities capital assets occurred:

	Balance October 1, 2013	Additions	Reductions/ Transfers	Balance September 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,693,956	\$ 462,039	\$ -	\$ 6,155,995
Construction in progress	1,727,329	8,369,971	(1,708,802)	8,388,497
Total capital assets, not being depreciated	<u>7,421,285</u>	<u>8,832,010</u>	<u>(1,708,802)</u>	<u>14,544,492</u>
Capital assets, being depreciated:				
Buildings	67,587,773	-	(0)	67,587,773
Machinery and equipment	17,886,639	1,202,335	(309,994)	18,778,980
Infrastructure	115,964,804	-	1,081,715	117,046,519
Total capital assets, being depreciated	<u>201,439,216</u>	<u>1,202,335</u>	<u>771,721</u>	<u>203,413,271</u>
Less accumulated depreciation for:				
Buildings	25,056,049	1,752,618	-	26,808,667
Machinery and equipment	14,046,261	1,158,025	(300,103)	14,904,184
Infrastructure	49,226,735	2,576,383	(568,340)	51,234,779
Total accumulated depreciation	<u>88,329,045</u>	<u>5,487,027</u>	<u>(868,442)</u>	<u>92,947,629</u>
Total capital assets, being depreciated, net	<u>113,110,171</u>	<u>(4,284,692)</u>	<u>1,640,163</u>	<u>110,465,642</u>
Governmental activities capital assets, net	<u>\$ 120,531,456</u>	<u>\$ 4,547,317</u>	<u>\$ (68,639)</u>	<u>\$ 125,010,134</u>

Governmental activities depreciation expense was charged to functions/programs as follows:

General government	\$ 238,592
Public safety	1,500,472
Physical environment	28,891
Transportation	2,581,233
Economic environment	175,740
Human services	8,434
Culture and recreation	953,665
	<u>\$ 5,487,027</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 5 - Capital Assets (continued)

During the year ended September 30, 2014, the following changes in business-type activities capital assets occurred:

	Balance October 1, 2013	Additions	Reductions/ Transfers	Balance September 30, 2014
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,146,169	\$ -	\$ -	\$ 7,146,169
Construction in progress	6,134,887	12,423,154	(2,464,147)	16,093,894
Total capital assets, not being depreciated	<u>13,281,056</u>	<u>12,423,154</u>	<u>(2,464,147)</u>	<u>23,240,063</u>
Capital assets, being depreciated:				
Buildings	36,772,368	25,812	-	36,798,180
Water and sewer system	133,428,487	206,645	2,464,147	136,099,279
Stormwater management	22,744,209	417,648	-	23,161,857
Machinery and equipment	9,253,429	705,934	(119,614)	9,839,749
Irrigation rights	2,220,000	-	-	2,220,000
Total capital assets, being depreciated	<u>204,418,493</u>	<u>1,356,039</u>	<u>2,344,533</u>	<u>208,119,065</u>
Less accumulated depreciation for:				
Buildings	8,564,604	683,107	-	9,247,711
Water and sewer system	34,275,367	2,253,738	-	36,529,105
Stormwater management	5,868,937	490,431	-	6,359,368
Machinery and equipment	7,559,128	536,255	(119,614)	7,975,769
Irrigation rights	1,975,800	88,800	-	2,064,600
Total accumulated depreciation	<u>58,243,836</u>	<u>4,052,331</u>	<u>(119,614)</u>	<u>62,176,553</u>
Total capital assets, being depreciated, net	<u>146,174,657</u>	<u>(2,696,292)</u>	<u>2,464,147</u>	<u>145,942,512</u>
Business-type activities capital assets, net	<u>\$ 159,455,713</u>	<u>\$ 9,726,862</u>	<u>\$ -</u>	<u>\$ 169,182,575</u>

Business-type activities depreciation expense was charged to functions/programs as follows:

Water and sewer	\$ 3,432,506
Stormwater	619,628
Solid waste	-
Golf course	197
	<u>\$ 4,052,331</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt

A. Changes in Long-Term Debt

Changes in long-term debt for the year ended September 30, 2014 are summarized as follows:

	Balance October 1, 2013*	Additions	Reductions	Balance September 30, 2014	Long-term Portion	Due Within One Year
Governmental activities:						
Notes payable	\$ 14,120,000	\$ -	\$ (935,000)	\$ 13,185,000	\$ 12,215,000	\$ 970,000
Other post employment benefits	1,469,580	419,711	-	1,889,291	1,889,291	-
Compensated absences	2,151,339	2,136,706	(2,277,398)	2,010,647	1,312,789	697,858
Claims payable	1,936,112	5,797,609	(5,583,124)	2,150,597	358,850	1,791,747
Capital leases	1,185,616	519,235	(512,404)	1,192,447	671,945	520,502
Accrued clean-up and long-term care costs	709,871	-	(68,010)	641,861	573,851	68,010
Governmental activity long-term liabilities	<u>\$ 21,572,517</u>	<u>\$ 8,873,261</u>	<u>\$ (9,375,936)</u>	<u>\$ 21,069,843</u>	<u>\$ 17,021,726</u>	<u>\$ 4,048,117</u>
Business-type activities:						
Utility revenue bond and notes	\$ 16,190,000	\$ -	\$ (1,470,000)	\$ 14,720,000	\$ 12,975,000	\$ 1,745,000
SRF loans	33,513,260	9,010,993	(2,716,426)	39,807,827	36,695,778	3,112,049
Other post employment	470,203	134,167	-	604,370	604,370	-
Compensated absences	495,960	642,178	(640,703)	497,435	349,782	147,653
Business-type activity long-term liabilities	<u>\$ 50,669,423</u>	<u>\$ 9,787,338</u>	<u>\$ (4,827,129)</u>	<u>\$ 55,629,632</u>	<u>\$ 50,624,930</u>	<u>\$ 5,004,702</u>

* See note 17

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

Compensated absences have been liquidated using the City's General Fund, LIHEAP Grant Fund, Building Inspection Fund, CRA Fund, Water and Sewer Fund, Stormwater Fund and Solid Waste Fund. The entire claims liability is reported in the risk management internal service fund and will be liquidated by that fund. Accrued clean-up and long-term care costs are liquidated by the General Fund. Net pension obligations are liquidated by the General Fund. Other postemployment benefits are liquidated by the General Fund and Water and Sewer Fund.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

B. Governmental Activities - Special Facilities Revenue Note

On April 2, 2012, the City issued \$15,050,000 of Sales Tax Refunding Revenue Note, Series 2012 for the purpose of refunding all of the City's outstanding Sales Tax Revenue Note, Series 2008, which were issued for the construction of a public safety complex to include a fire, police, and Emergency Operations Center (EOC). The note bears interest at 3.25%, payable semiannually on April 1 and October 1. Principal payments are due and payable on October 1 of each fiscal year beginning October 1, 2012 through October 1, 2028. The refunding was undertaken to reduce the total debt service payments over the remaining life of the 2008 note (15 years at the time of refunding) by \$1,870,189 and resulted in an economic gain of \$1,212,878. The Sales Tax Refunding Revenue Note will mature as follows:

Fiscal Year Ending September 30,	Sales Tax Revenue Note, Series 2012		Total Debt Service
	Principal	Interest	
2015	\$ 745,000	\$ 421,200	\$ 1,166,200
2016	770,000	396,988	1,166,988
2017	795,000	371,963	1,166,963
2018	820,000	346,125	1,166,125
2019	850,000	319,475	1,169,475
2020-2024	4,670,000	1,165,449	5,835,449
2025-2028	4,310,000	355,874	4,665,874
	<u>\$ 12,960,000</u>	<u>\$ 3,377,074</u>	<u>\$ 16,337,074</u>

C. Governmental Activities – Sanford CRA Revenue Note

On September 28, 2004, the City and the Sanford CRA entered into a \$2,100,000 loan agreement with SunTrust Bank for the purpose of funding improvements related to the First Street Streetscape. The note bears interest at 3.49%, payable semiannually on March 1 and September 1. Principal payments are due and payable on September 1 of each fiscal year until September 1, 2015. The Sanford CRA Loan will mature as follows:

Fiscal Year Ending September 30,	Sanford CRA Revenue Note, Series 2004		Total Debt Service
	Principal	Interest	
2015	\$ 225,000	\$ 7,853	\$ 232,853
	<u>\$ 225,000</u>	<u>\$ 7,853</u>	<u>\$ 232,853</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

D. Water and Sewer Fund Revenue Bonds and Notes

On April 28, 2010, the City issued a Water and Sewer Revenue Note, Series 2010, in the amount of \$14,720,000 for the purpose of refunding all of the City's outstanding Water and Sewer Revenue Bonds, Series 1993, to finance \$1,000,000 in capital improvements to the system, and to pay for financing costs of the issuance of the Series 2010 Note. The note bears interest at 3.87%, payable semiannually on April 1 and October 1. Principal payments are due and payable on October 1 of each fiscal year beginning October 1, 2015 through October 1, 2022.

On September 25, 2003, the City issued Water and Sewer Refunding Revenue Bonds, Series 2003, in the amount of \$12,450,000 for the purpose of refunding all of the City's outstanding Water and Sewer Revenue Bonds, Series 1992, and a portion of the City's outstanding Water and Sewer Revenue Bonds, Series 1993, and financing costs of issuance of the Series 2003 Bonds. The bonds bear interest of 2.00-4.00%, payable semiannually on April 1 and October 1. The final principal payment is payable on October 1, 2014.

(1) Pledge of Revenues - The Series 2003 and 2010 Bonds are payable solely from and collateralized by, the net revenues derived from the:

- a. Operations of the System.
- b. Water and Sewer System Development Charges - The growth fees and charges levied upon, and collected from, property owners when they first connect to the Water and Sewer System and until released, as provided for in the bond resolution.

(2) Establishment of Various Accounts - The Water and Sewer Bond Resolution provides for the creation and establishment of the following funds and accounts:

- a. Revenue Account - To deposit all gross revenues and provide for payment of costs of operation and maintenance of the System.
- b. Bond Sinking Fund:
 - Interest Account - To deposit monthly from the Revenue Account one-sixth (1/6) of all interest coming due on the next interest payment date.
 - Principal Account - To deposit monthly from the Revenue Account one-twelfth (1/12) of the principal amount, which will become due on such annual maturity date.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

D. Water and Sewer Fund Revenue Bonds and Notes (continued)

(2) Establishment of Various Accounts (continued)

- c. Renewal, Replacement and Improvement Account - To deposit monthly from the Revenue Account an amount equal to one-twelfth (1/12) of five percent (5%) of the gross revenues received during the immediately preceding fiscal year until the amount on deposit equals or exceeds \$200,000.

(3) Rate Covenants - The City has covenanted that it will collect rates and charges sufficient to cover either of two debt service coverage options. One debt service coverage option is for revenues, including all earnings and connection fees, to cover the costs of operation and maintenance, exclusive of depreciation, plus 110% of the bond service requirement. The second option is to achieve 105% of the bond debt service requirement, under the prior calculation, plus have sufficient revenues and water and sewer development charges to achieve 120% of the bond debt service requirement.

(4) Water and Sewer Fund Bonds Issued and Annual Debt Service Requirements - The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Fund Bonds and Notes at September 30, 2014:

Fiscal Year Ending September 30,	Note, Series 2010		Total Debt Service
	Principal	Interest	
2015	\$ 1,745,000	\$ 569,664	\$ 2,314,664
2016	1,810,000	502,133	2,312,133
2017	1,885,000	432,086	2,317,086
2018	1,955,000	359,136	2,314,136
2019	2,030,000	283,478	2,313,478
2020-2023	5,295,000	367,262	5,662,262
	<u>\$ 14,720,000</u>	<u>\$ 2,513,759</u>	<u>\$ 17,233,759</u>

E. Bonds, Notes & Loans Payable

The City has revenue bonds and notes outstanding at September 30, 2014. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

E. Bonds, Notes & Loans Payable (continued)

	<u>Purpose of Issue</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>
Governmental Activities			
Revenue Notes:			
Sales Tax Note, Series 2012	Public safety complex	Sales tax revenues	\$ 15,050,000
CRA Note, Series 2004	First Ave streetscape	CRA ad valorem tax revenues	2,100,000
Capital Leases:			
TD Equipment Finance, Inc.	Fire truck	N/A	582,482
TD Equipment Finance, Inc.	Police vehicles	N/A	540,000
U.S. Bancorp Government	Fire truck	N/A	203,781
Mears Motor Leasing	Police vehicles	N/A	451,810
U.S. Bancorp Government	Police vehicles	N/A	519,235
Total Governmental Activities:			<u>\$ 19,447,308</u>
Business-type Activities			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Series 2003	Refunding	Net revenue of water and sewer system/ water and sewer development charges	12,450,000
Revenue Note:			
Series 2010	Refunding	Net revenue of water and sewer system/ water and sewer development charges	14,720,000
State Revolving Fund Loans:			
CS120586190	Reclaimed water reuse facilities at Site 10	Net revenues of water and sewer system	500,166
CS120586220	Wastewater pollution control facilities	Net revenues of water and sewer system	7,403,173
WW586250	Sanford south water resource center, Phase I	Net revenues of water and sewer system	19,367,124
DW5906010	Drinking water system improvements	Net revenues of water and sewer system	6,599,510
WW590100	Sewer Restoration of underground pipe and	Net revenues of water and sewer system	2,622,385
WW590101	Sewer Restoration of underground pipe and	Net revenues of water and sewer system	205,020
DW590110	Drinking water system improvements	Net revenues of water and sewer system	455,247
DW590120	AMR Water Replacement and pre-chlorinated	Net revenues of water and sewer system	12,107,211
WW590130	Water Treatment facility rehabilitation	Net revenues of water and sewer system	666,300
WW590131	Biological nutrient removal improvements	Net revenues of water and sewer system	940,889
Total Water/Sewer Utility Debt			<u>78,037,025</u>
Stormwater Utility Debt:			
State Revolving Fund Loans:			
SWG12058624P	Stormwater management	Net revenue of the stormwater system	4,623,557
SW586260	Stormwater management	Net revenue of the stormwater system	2,612,309
SW586261	Stormwater management	Net revenue of the stormwater system	452,818
SW590140	Stormwater management	Net revenue of the stormwater system	177,638
Total Stormwater Utility Debt			<u>7,866,322</u>
Total Business-type Activities:			<u>\$ 85,903,347</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

E. Bonds, Notes & Loans Payable (continued)

	<u>Amount O/S and/or Pledged</u>	<u>Interest Rate</u>	<u>Debt Service as Portion of Revenue Pledged</u>	<u>Total Debt Service Paid</u>	<u>Annual Pledged Revenues</u>
Governmental Activities					
Revenue Notes:					
Sales Tax Note, Series 2012	\$ 12,960,000	3.25%	34.25%	\$ 1,164,600	\$ 3,400,139
CRA Note, Series 2004	225,000	3.49%	20.62%	230,397	1,117,433
Capital Leases:					
TD Equipment Finance, Inc.	92,626	2.68%	N/A	127,690	N/A
TD Equipment Finance, Inc.	239,234	1.45%	N/A	143,276	N/A
U.S. Bancorp Government	153,872	1.365%	N/A	52,730	N/A
Mears Motor Leasing	284,218	1.295%	N/A	143,997	N/A
U.S. Bancorp Government	422,497	1.2%	N/A	66,373	N/A
Total Governmental Activities:	<u>\$ 14,377,447</u>			<u>\$ 1,929,063</u>	
Business-type Activities					
Water/Sewer Utility Debt:					
Revenue Bonds:					
Series 2003	-	2.00%-4.00%	14.39%	1,525,125	10,598,840
Revenue Note:					
Series 2010	14,720,000	3.87%	5.37%	569,664	10,598,840
State Revolving Fund Loans:					
CS120586190	-	2.43%	0.16%	15,862	10,061,924
CS120586220	2,192,236	3.34% - 3.55%	2.97%	298,384	10,061,924
WW586250	13,029,900	2.42%- 2.48%	12.08%	1,215,000	10,061,924
DW5906010	3,158,094	3.55%	4.31%	433,675	10,061,924
WW590100	2,252,467	2.65%	1.68%	169,415	10,061,924
WW590101	175,247	2.28%	0.13%	12,804	10,061,924
DW590110	388,494	2.71%	0.28%	27,849	10,061,924
DW590120	10,868,249	1.98% - 2.66%	8.12%	816,716	10,061,924
WW590130	666,300	2.63% - 2.87%	0.00%	-	10,061,924
WW590131	940,889	2.16%	0.00%	-	10,061,924
Total Water/Sewer Utility Debt	<u>48,391,876</u>			<u>5,084,494</u>	
Stormwater Utility Debt:					
State Revolving Fund Loans:					
SWG12058624P	3,314,030	2.52%-2.90%	10.75%	304,577	2,833,193
SW586260	2,249,550	2.80%	6.04%	171,182	2,833,193
SW586261	394,733	2.28%	0.99%	28,140	2,833,193
SW590140	177,638	2.63%	0.00%	-	2,833,193
Total Stormwater Utility Debt	<u>6,135,951</u>			<u>503,899</u>	
Total Business-type Activities:	<u>\$ 54,527,827</u>			<u>\$ 5,588,393</u>	

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 6 - Long-Term Debt (continued)

F. Accrued Clean-up and Long-Term Care Costs

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the Art Lane Landfill site for thirty (30) years after closure. The City placed a final cover on the landfill during fiscal year 2001, and has since initiated post-closure maintenance and monitoring functions. The estimated future cost for post-closure maintenance, amounting to \$469,484, is reported as long-term debt on the governmental entity-wide statement of net position. These costs are recognized in the General Fund as expenditures as they became obligations to be liquidated with available financial resources. Amounts reported as long-term debt are based on estimates provided by consulting engineers. All amounts are based on what it would cost to perform post-closure functions in current dollars. Actual costs may differ due to inflation, changes in technology, or changes in laws and regulations.

The City is obligated to provide a share of clean-up costs in connection with the alleged release of hazardous substances and/or pollutants, as a result of the former operation of a manufactured gas plant during the 1880's until the year 1952. This obligation was formalized during 1992, when the City and five utility companies entered into a Cost Sharing Agreement providing for all parties to equally share in the funding of contamination assessment activities in an effort to evaluate potential soil and groundwater impacts, all in accordance with, and approved by, the U.S. Environmental Protection Agency. Terms of the agreement call for the City to be responsible for 13.7612% of the cost of cleaning up soil and groundwater at the site. There will also be an evaluation of surface water sediments at the site that could potentially result in additional costs, and actual costs may differ due to inflation, changes in technology, changes in laws and regulations, or determinations made by the Florida Department of Environmental Protection. Each of the parties must approve specific actions taken under the agreement. All amounts are based on what it would cost in current dollars.

The cost of clean-up activities has been estimated by an engineer to be \$20 million, of which \$172,377 is currently presented as accrued clean-up costs for governmental activities.

Note 7 - Loans Payable - Enterprise Funds

Enterprise Funds loans payable at September 30, 2014 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$4,623,557 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 2.9% on \$899,354, 2.81% on \$2,199,972, and 2.52% on \$1,524,231, on July 15 and January 15 of each year. \$ 3,314,030

State Revolving Fund Loan SW586260 payable, \$2,612,309 authorized, \$2,612,309 drawn for planning and design for downtown drainage, payable in 40 equal semiannual installments, including interest at 2.8%, on October 15 and April 15 of each year. 2,249,550

State Revolving Fund Loan SW586261 payable, \$452,818 authorized, \$452,818 drawn for planning and design for downtown drainage, payable in 40 equal semiannual installments, including interest at 2.28%, on June 15 and December 15 of each year. 394,733

State Revolving Fund Loan SW590140 payable, \$2,617,490 authorized, \$177,638 drawn for planning and design for drainage, payable in 40 equal semiannual

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 7 - Loans Payable - Enterprise Funds (continued)

installments, including interest at 2.63%, on February 15 and August 15 of each year.	177,638
Subtotal Primary Government : Stormwater	\$ 6,135,951
 Primary Government: Water and Sewer:	
State Revolving Fund Loan CS120586220 payable, \$7,403,173 authorized, \$7,403,173 drawn for collection, transmission and treatment facilities, payable in 40 equal semiannual installments, including interest at 1.67%, on October 15 and April 15 of each year.	2,192,236
State Revolving Fund Loan WW586250 payable, \$19,367,124 authorized, \$19,367,124 drawn for construction of wastewater pollution control facilities of South Water Resource Center, payable in 40 semiannual installments, including interest at 2.42% on \$18,520,336 and 2.48% on \$982,324, on February 15 and August 15 of each year.	13,029,900
State Revolving Fund Loan DW5906010 payable, \$6,599,510 authorized, \$6,599,510 drawn for drinking water extension, payable in 40 equal semiannual installments, including interest at 3.55%, on December 15 and June 15 of each year.	3,158,094
State Revolving Fund Loan WW590100 payable, \$2,622,385 authorized, \$2,622,385 drawn for sewer restoration of underground pipe and manhole rehabilitation payable in 40 semiannual installments, including interest at 2.65% on December 15 and June 15 of each year.	2,252,467
State Revolving Fund Loan WW590101 payable, \$205,020 authorized, \$205,020 drawn for restoration of underground pipe and manhole rehabilitation, payable in 40 equal semiannual installments, including interest at 2.28%, on June 15 and December 15 of each year.	175,247
State Revolving Fund Loan DW590110 payable, \$456,700 authorized, \$455,247 drawn for pre-chlorinated water pipe bursting, payable in 40 equal semiannual installments, including interest at 2.71%, on March 15 and September 15 of each year.	388,494
State Revolving Fund Loan DW590120 payable, \$23,574,107 authorized, \$12,107,211 drawn for meter replacements and pre-chlorinated water pipe bursting auxiliary plant looping, payable in 40 equal semiannual installments, including interest at 1.98% to 2.66%, on February 15 and August 15 of each year.	10,868,249
State Revolving Fund Loan WW590130 payable, \$929,690 authorized, \$666,300 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 40 equal semiannual installments, including interest at 2.63% to 2.87%, on April 15 and October 15 of each year.	666,300
State Revolving Fund Loan WW590131 payable, \$12,074,443 authorized, \$940,889 drawn for construction of biological nutrient removal improvements, payable in 40 equal semiannual installments, including interest at 2.28%, on April 15 and October 15 of each year.	940,889
Subtotal Primary Government : Water and Sewer:	33,671,876
Total loans payable	\$ 39,807,827

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 7 - Loans Payable - Enterprise Funds (continued)

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of restricted assets for debt service on the statement of net position. SRF Loan payments for the first years are based upon the full loan amount available, not the monies actually drawn to date. After completion of the project, a final loan dollar amount is established and a final loan payment/amortization schedule is established. Maturity schedules for those loans which have final loan payment/amortization schedules are as follows (loans SW590140, DW590120, DW590130 and DW590131 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2014):

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
2015	\$ 215,532	\$ 89,045	\$ 304,577
2016	221,455	83,122	304,577
2017	227,542	77,035	304,577
2018	233,796	70,781	304,577
2019	240,223	64,354	304,577
2020-2024	1,303,894	218,989	1,522,883
2025-2028	871,588	42,142	913,730
	<u>\$ 3,314,030</u>	<u>\$ 645,467</u>	<u>\$ 3,959,497</u>

Fiscal Year Ended September 30,	SRF Loan SW586260		
	Principal	Interest	Total
2015	\$ 108,952	\$ 62,230	\$ 171,182
2016	112,024	59,158	171,182
2017	115,183	55,999	171,182
2018	118,430	52,752	171,182
2019	121,770	49,412	171,182
2020-2023	522,394	162,334	684,728
2024-2028	740,246	115,664	855,910
2029-2031	410,551	17,403	427,955
	<u>\$ 2,249,550</u>	<u>\$ 574,953</u>	<u>\$ 2,824,503</u>

Fiscal Year Ended September 30,	SRF Loan SW586261		
	Principal	Interest	Total
2015	\$ 19,249	\$ 8,891	\$ 28,140
2016	19,691	8,449	28,140
2017	20,142	7,998	28,140
2018	20,604	7,536	28,140
2019	21,076	7,064	28,140
2020-2024	112,856	27,843	140,700
2025-2028	99,963	12,597	112,560
2029-2031	81,152	3,269	84,420
	<u>\$ 394,733</u>	<u>\$ 83,647</u>	<u>\$ 478,380</u>

Fiscal Year Ending September 30,	SRF Loan CS120586220		
	Principal	Interest	Total
2015	\$ 227,043	\$ 71,341	\$ 298,384
2016	234,690	63,694	298,384
2017	242,594	55,790	298,384
2018	250,764	47,620	298,384
2019	259,210	39,174	298,384
2020-2023	977,935	66,408	1,044,343
	<u>\$ 2,192,236</u>	<u>\$ 344,027</u>	<u>\$ 2,536,263</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 7 - Loans Payable - Enterprise Funds (continued)

Fiscal Year Ending September 30,	SRF Loan WW586250		
	Principal	Interest	Total
2015	\$ 903,796	\$ 311,205	\$ 1,215,000
2016	925,894	289,107	1,215,000
2017	948,532	266,468	1,215,000
2018	971,724	243,277	1,215,000
2019	995,483	219,518	1,215,000
2020-2024	5,354,636	720,367	6,075,002
2025-2028	2,929,835	107,665	3,037,501
	<u>\$ 13,029,900</u>	<u>\$ 2,157,605</u>	<u>\$ 15,187,506</u>

Fiscal Year Ending September 30,	SRF Loan DW590601		
	Principal	Interest	Total
2015	\$ 324,416	\$ 109,258	\$ 433,675
2016	336,035	97,640	433,675
2017	348,070	85,604	433,675
2018	360,537	73,138	433,675
2019	373,449	60,226	433,675
2020-2023	1,415,586	102,275	1,517,861
	<u>\$ 3,158,094</u>	<u>\$ 528,142</u>	<u>\$ 3,686,236</u>

Fiscal Year Ended September 30,	SRF Loan WW590100		
	Principal	Interest	Total
2015	\$ 110,451	\$ 58,963	\$ 169,415
2016	113,398	56,017	169,415
2017	116,423	52,992	169,415
2018	119,528	49,887	169,415
2019	122,717	46,698	169,415
2020-2024	664,468	182,605	847,073
2025-2028	598,275	79,384	677,659
2029-2033	407,207	16,329	423,537
	<u>\$ 2,252,467</u>	<u>\$ 542,875</u>	<u>\$ 2,795,342</u>

Fiscal Year Ended September 30,	SRF Loan WW590101		
	Principal	Interest	Total
2015	\$ 8,858	\$ 3,945	\$ 12,804
2016	9,061	3,742	12,804
2017	9,269	3,535	12,804
2018	9,482	3,322	12,804
2019	9,699	3,105	12,804
2020-2024	41,071	10,143	51,214
2025-2028	56,864	7,153	64,018
2029-2033	30,943	1,066	32,009
	<u>\$ 175,247</u>	<u>\$ 36,011</u>	<u>\$ 211,258</u>

Fiscal Year Ended September 30,	SRF Loan DW590110		
	Principal	Interest	Total
2015	\$ 18,978	\$ 10,401	\$ 29,379
2016	19,496	9,883	29,379
2017	20,028	9,351	29,379
2018	20,574	8,805	29,379
2019	21,136	8,243	29,379
2020-2024	114,648	32,245	146,893
2025-2028	131,166	15,727	146,893
2029-2031	42,468	1,600	44,068
	<u>\$ 388,494</u>	<u>\$ 96,255</u>	<u>\$ 484,749</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 8 - Operating Leases

The City is the lessor on numerous building and land leases. The land leases are generally noncancelable leases ranging from ten to seventy-five (10 - 75) years. The land lease rental income, which comprises the largest amount of rental income for the City, is based on gross revenue of the leases. The building leases are low-rent agreements, usually with nonprofit agencies offering public services. In fiscal year 2014, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$60,789 and \$96,494, respectively.

Note 9 - Capital Leases

The City has entered into several leases detailed below that qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

On June 1, 2010, the City entered into a lease agreement with a local finance company to finance the acquisition of an aerial fire pumper. The agreement has a 5-year fixed term at 2.68% and calls for quarterly payments of \$31,291. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$630,979 and \$252,391, respectively, as of September 30, 2014.

On July 17, 2012, the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.45% and calls for quarterly payments of \$34,674. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment assets acquired through the capital lease are \$540,031 and \$112,107, respectively, as of September 30, 2014.

On June 24, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.295% and calls for quarterly payments of \$28,928. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment assets acquired through the capital lease are \$451,810, and \$97,440, respectively, as of September 30, 2014.

On August 15, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of a fire pumper truck. The agreement has a 4-year fixed term at 1.365% and calls for quarterly payments of \$13,109. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$435,850 and \$54,481, respectively, as of September 30, 2014.

On March 17, 2014 the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.2% and calls for quarterly payments of \$33,186. As of the close of fiscal year 2014, the City had not yet acquired any of the police vehicles associated with this lease.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 9 - Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

Year Ending September 30,	Governmental Activities
2015	\$ 533,459
2016	404,913
2017	243,037
2018	33,211
Total minimum lease payments	1,214,620
Less: Amount representing interest costs	(22,173)
Present value of minimum lease payments	\$ 1,192,447

Note 10 - Interfund Accounts and Transfers

Individual fund interfund receivables and payables at September 30, 2014 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,354,951	\$ 603,000
Capital Project Fund	-	409,191
Nonmajor Governmental Funds:		
NSP Grant Fund	-	191,852
CDBG Grant Fund	-	113,964
LIHEAP Grant Fund	-	154,794
Second Generation Sales Tax Fund	-	67,083
Youthbuild Grant Fund	-	7,425
ARRA Grant Fund	-	238
Water / Sewer Utility Fund	603,000	-
Nonmajor Golf Course Fund	-	410,404
	\$ 1,957,951	\$ 1,957,951

The interfund receivable and payable of \$603,000 represents a loan from the Water and Sewer Fund to the General Fund to finance the purchase of land. The purchase and the advance were approved by the City Commission on December 12, 2005. The remainder of the amounts represent short-term loans for cash deficiencies.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 10 - Interfund Accounts and Transfers (continued)

Interfund transfers for the fiscal year ended September 30, 2014 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 161,163	\$ 6,321,447
Nonmajor Governmental Funds:		
Recreation Impact Fee Fund	-	3,592
Fire Impact Fee Fund	-	81,677
Police Impact Fee Fund	-	261,572
Sanford CRA	-	10,000
Debt Service Fund	1,768,786	-
Capital Project Fund	884,101	-
Capital Replacement Fund	4,199,401	-
Solid Waste Utility Fund	-	335,163
	\$ 7,013,451	\$ 7,013,451

Transfers between the funds are used to fund various activities of the City, such as capital replacement and capital projects, through the use of cash collected in the General Fund and to pay debt service on the Public Safety Complex and capital leases.

Note 11 - Pension Plans

A. Florida Retirement System

The City contributes to the Florida Retirement System (FRS); a multiple-employer, cost-sharing, defined-benefit pension plan administered by the State of Florida, for the City’s authorized permanent, full-time and part-time employees, except police and fire. State Statutes authorize the State to establish and amend all plan provisions. The State of Florida issues a publicly available report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000.

The FRS offers a choice between a defined-benefit plan and a defined-contribution plan (“Investment Plan”). The Investment Plan provides for vesting after one year of creditable service. Under this plan, the employer makes contributions to a participant’s account, and the participant directs where the contributions are invested among the plan’s investment funds. Upon termination, vested participants receive amounts accumulated in their investment accounts. The defined-benefit plan members are eligible for retirement after vesting, which occurs at six (6) years of creditable service for regular members enrolled prior to July 1, 2011 and eight (8) years of creditable service if enrolled on or after July 1, 2011. Normal retirement age is attained at the earlier of thirty (30) or (33) years of creditable service, regardless of age, or retirement at age sixty-two (62) or (65) with at least ten (6) or (8) years of creditable service if enrolled prior to July 1, 2011 or on or after July 1, 2011 respectively. Early retirement may be taken any time after vesting; however, there is a five percent (5%) benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are computed on the basis of age, average final compensation, and service credit.

Funding Policy

The FRS has nine (9) classes of membership. Only three (3) classes are applicable to the City’s eligible employees. These three (3) classes, with descriptions and weighted average contribution rates in effect during

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

the period ended September 30, 2014, are as follows (contribution rates are in agreement with the actuarially determined rates, each including an additional 1.11% health insurance subsidy contribution):

Regular Class - Members not qualifying for other classes (7.022% from 10/01/13 to 9/30/14). Twenty-seven (27) employees qualified for DROP - Deferred Retirement Option Program (12.986% from 10/01/13 to 9/30/14).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 18.524% from 10/1/13 to 9/30/14.

Special Risk – Members eligible for this class includes the City’s Crime Scene Technicians, and the Evidence Technician. The rate is 19.283% from 10/1/13 to 9/30/14.

The contribution requirements of the City are established and may be amended by the State. The plan became contributory for employees as of July 1, 2011, with passage of SB2100 during the 2011 legislation with a contribution of 3%. The City’s contributions to FRS for the years ended September 30, 2012, 2013 and 2014 were, \$640,962, \$788,599, and \$1,104,627 respectively, and equal the required contributions for each year.

B. Police Officers’ and Firefighters’ Retirement Systems

The City participates in the Police Officers’ and Firefighters’ Retirement Systems. Each plan is a single-employer, defined-benefit pension plan for the sole benefit of the Police Officers' and Firefighters' of the City. The Police Officers’ and Firefighters’ boards both consist of five trustees, of which two are legal residents of the City of Sanford and appointed by the city commission and two of whom shall be members of the system, who shall be elected by a majority of the members of the two systems. The fifth trustee shall be chosen by a majority of the previous four trustees. The board of trustees may make benefit and contribution change recommendations to the city commission for consideration.

(1) Plan Description - All full-time police officers and firefighters are eligible from date of employment to participate in the police officers’ and firefighters’ plans. A member’s normal retirement date shall be the first day of the month coincident with, or the next following attainment of age fifty-five (55) for police officers and firefighters, and the completion of ten (10) years of credited service or the completion of twenty-five (25) years of credited service.

A member may retire on their normal retirement date or on the first day of any month thereafter, and each member shall become 100% vested in their accrued benefit on the member’s normal retirement date.

Normal retirement under the system is retirement from employment with the City on or after the normal retirement date. The monthly retirement benefit shall equal 3.50% and 3.08% of average final compensation, defined as the highest five (5) years of salary paid during the last ten (10) years of covered employment, for each year of credited service for police officers and firefighters, respectively.

Members are eligible to participate in the deferred retirement option program (DROP) on the earlier of age 55 with 10 years of credited service or 25 years of credited service for the police officers and firefighter plans respectively. Participation in this program for both plans may not exceed 60 months and the rate of return is the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter. The DROP balance as of September 30, 2014 is \$997,415 and \$968,048 in the police officers and firefighter plans.

In addition, all of the City’s pension plans provide death and disability benefits. These benefits and other requirements are established and amended by State Statute and City ordinance.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

B. Police Officers' and Firefighters' Retirement Systems (continued)

(2) Contributions - The City's funding policy provides for actuarially determined periodic contributions to the plans. The required contributions include normal costs (after deducting expected employee contributions, if applicable) and the amount of the additional unfunded obligations, amortized over thirty (30) years, created due to increases in plan benefits. Employer contribution rates are determined using the entry age normal actuarial cost method. The City contributed \$2,176,438 and \$1,228,369 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2014. The police officers are required to contribute 5.1% of their gross compensation and the firefighters are required to contribute seven 7% of their base pay compensation (an additional five percent (5%) is paid by the City) for the fire and police employees, and if the employee terminates prior to vesting, this amount is returned to the employee for firefighters hired before July 1, 1999 and all police officer (regardless of date of hire). Both of the plans also receive contributions from the state for insurance premium refunds. The state contributions are not based on covered payroll. The City is required to contribute the remaining amount necessary to pay the annual normal cost plus an amount sufficient to fund any unfunded accrued liability over twenty-one (21) years for police officers and twenty-three (23) years for firefighters. Funding policy was established and may be amended by City Ordinances.

(3) Plan Membership - At September 30, 2014, membership of each plan consisted of the following:

	Police Officers	Firefighters
Retirees and beneficiaries receiving benefits	52	42
Terminated employees entitled to benefits but not yet receiving them	21	2
DROP members	7	10
Active plan members	114	69
Total	194	123

(4) Annual Pension Costs - Annual Pension Costs were as follows:

Police Officers' Plan

Fiscal Year Ended September 30,	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension (Asset) / Obligation
2014	\$ 2,309,446	\$ 2,352,787	101.88%	\$ (78,858)
2013	2,037,163	2,072,680	101.74%	(35,517)
2012	1,666,150	1,666,150	100.00%	-
2011	1,570,408	1,570,408	100.00%	-
2010	1,510,760	1,510,760	100.00%	-
2009	1,260,841	1,260,841	100.00%	-

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 – Pension Plans (continued)

B. Police Officers’ and Firefighters’ Retirement Systems (continued)

Firefighters' Plan

Fiscal Year Ended September 30,	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension (Asset) / Obligation
2014	\$ 1,383,973	\$ 1,397,055	100.95%	\$ (77,290)
2013	1,367,807	1,403,316	102.60%	(64,208)
2012	1,225,290	1,224,306	99.92%	(28,699)
2011	1,212,363	1,211,342	99.92%	(29,683)
2010	1,099,811	1,098,784	99.91%	(30,704)
2009	898,252	897,900	99.96%	(31,731)

The Police Officers’ Plan Net Pension Obligation (Asset) (NPO) at September 30, 2014 was comprised of the following components:

Actuarially determined contribution	\$ 2,307,921
Interest on NPO	(2,753)
Adjustment to actuarially determined contribution	4,278
Annual pension cost	2,309,446
Contributions made	2,352,787
Change in net pension asset /obligation	(43,341)
NPO (asset), beginning of year	(35,517)
NPO (asset), end of year	<u>\$ (78,858)</u>

The Firefighters’ Net Pension Obligation (Asset) (NPO) at September 30, 2014 was comprised of the following components:

Actuarially determined contribution	\$ 1,381,621
Interest on NPO	(5,137)
Adjustment to actuarially determined contribution	7,489
Annual pension cost	1,383,973
Contributions made	1,397,055
Change in net pension asset /obligation	(13,082)
NPO (asset), beginning of year	(64,208)
NPO (asset), end of year	<u>\$ (77,290)</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

B. Police Officers' and Firefighters' Retirement Systems (continued)

(5) Net Pension Liability of the City

The components of the net pension liability of the City at September 30, 2014 were as follows:

Police Officers' Plan:

Total pension liability	\$ 41,987,943
Plan fiduciary net position	(38,957,099)
City's net pension liability	<u>\$ 3,030,844</u>
Plan fiduciary net position as a percentage of the total pension liability	92.78%

Firefighters' Plan:

Total pension liability	\$ 29,964,479
Plan fiduciary net position	(26,015,196)
City's net pension liability	<u>\$ 3,949,283</u>
Plan fiduciary net position as a percentage of the total pension liability	86.82%

(6) Costs of administering the police officers' and firefighters' pension plans are financed through investment earnings.

(7) The following is a summary of actuarial methods and significant actuarial assumptions used in the latest actuarial valuations:

	Police Officers	Firefighters
Valuation date	10/01/2014	10/01/2014
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, closed	Level percent, closed
Amortization period	10 years	10 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	7.75%	8.00%
Projected salary increase (including both cost of living and merit)	5.00%	6.00%
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

Mortality assumptions for both the police officers' and firefighters' pension plans used the RP-2000 table with no projections and was based on a study of over 650 public safety funds; this table reflects a 10% margin for future mortality improvements. Disabled lives were set forward 5 years.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the police officers' pension plan for the period 1987-2012 and for the firefighters' pension plan 1987-2003.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

B. Police Officers' and Firefighters' Retirement Systems (continued)

(8) 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 both the police officers' and firefighters' pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Large cap equity	8.1%
Mid cap equity	10.0%
Small cap equity	7.5%
International equity	4.1%
Real estate	6.7%
Fixed income	3.2%

(9) The discount rate used to measure the total pension liability was for the police officers' plan was 7.75% and 8% for the firefighters' plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City:

Police Officers' Plan:	Current Discount		
	1% Decrease	Rate	1% Increase
Sponsor's Net Pension Liability	\$7,707,637	\$ 3,030,844	\$ (953,862)
Sponsor's Net Pension Liability	\$7,707,637	\$ 3,030,844	\$ (953,862)

Firefighters' Plan:	Current Discount		
	1% Decrease	Rate	1% Increase
Sponsor's Net Pension Liability	\$7,175,635	\$ 3,949,283	\$1,230,871
Sponsor's Net Pension Liability	\$7,175,635	\$ 3,949,283	\$1,230,871

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

B. Police Officers' and Firefighters' Retirement Systems (continued)

Pension Trust Fund Financial Statements

The plans do not issue separate financial statements. Financial statements for the Police Officers' Retirement System and Firefighters' Retirement System at September 30, 2014 and for the year then ended are as follows:

Combining Statement of Net Position
Fiduciary Funds
September 30, 2014

	<u>Police Officers' Retirement System</u>	<u>Firefighters' Retirement System</u>	<u>Total</u>
Assets			
Cash and cash equivalents with trustee	\$ 1,876,350	\$ 1,244,266	\$ 3,120,616
Investments, at fair value:			
US government obligations	1,950,036	2,868,138	4,818,174
Mortgage & asset backed securities	1,451,047	1,686,976	3,138,023
Corporate debt	883,861	1,161,617	2,045,478
Mutual funds	10,796,544	4,938,295	15,734,839
Equity securities	18,195,381	10,821,350	29,016,731
Real estate	3,776,171	3,282,064	7,058,235
Accrued investment income	53,796	46,408	100,204
Accounts receivable	143	-	143
Prepaid items	8,744	8,842	17,586
Total assets	<u>38,992,073</u>	<u>26,057,956</u>	<u>65,050,029</u>
Liabilities			
Accounts payable	<u>34,974</u>	<u>42,760</u>	<u>77,734</u>
Net position			
Net position restricted for pensions	<u>\$ 38,957,099</u>	<u>\$ 26,015,196</u>	<u>\$ 64,972,295</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 11 - Pension Plans (continued)

B. Police Officers' and Firefighters' Retirement Systems (continued)

Pension Trust Fund Financial Statements (continued)

Combining Statement of Changes in Net Position

Fiduciary Funds

For the Year Ended September 30, 2014

	<u>Police Officers' Retirement System</u>	<u>Firefighters' Retirement System</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 2,495,329	\$ 1,507,331	\$ 4,002,660
Plan members	293,697	244,226	537,923
Total contributions	<u>2,789,026</u>	<u>1,751,557</u>	<u>4,540,583</u>
Investments earnings (losses):			
Interest & dividends	694,570	762,416	1,456,986
Net increase in fair value of investments	3,553,549	1,771,972	5,325,521
Total investment earnings	4,248,119	2,534,388	6,782,507
Investment expenses	(233,120)	(165,203)	(398,323)
Net investment earnings	4,014,999	2,369,185	6,384,184
Total additions	<u>6,804,025</u>	<u>4,120,742</u>	<u>10,924,767</u>
Deductions			
Benefit payments	2,065,674	1,136,223	3,201,897
Refund of contributions	24,725	43,006	67,731
Administrative expenses	64,160	47,842	112,002
Total deductions	<u>2,154,559</u>	<u>1,227,071</u>	<u>3,381,630</u>
Change in net position	4,649,466	2,893,671	7,543,137
Net position restricted for pensions			
Beginning of year	34,307,633	23,121,525	57,429,158
End of year	<u>\$ 38,957,099</u>	<u>\$ 26,015,196</u>	<u>\$ 64,972,295</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 12 - Post Employment Benefits Other than Pensions

The City's resolutions and ordinances allow employees who have retired to continue their life and health insurance benefits, and a portion of the cost as determined by City management, is paid by the City. The City pays the health insurance benefits for employees hired after October 1, 1991 but before October 1, 2002, retiring, with twenty-five (25) or more years of service up to age sixty-five (65) at the same level of funding as current employees. The City pays the health benefits of employees who retired prior to October 1, 1991, for the remainder of their lives. The City pays the life insurance benefits for retired employees who retired after October 1, 1991, with the level of the benefit being delineated as \$3,000 term life.

The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. For the year ended September 30, 2014, 48 retirees were receiving health insurance and 118 were receiving life insurance benefits. The nature of the plan is such that no formal trust fund exists. The self-insurance plan pays premiums to an insurance company that maintains no assets or liabilities in the name of the City or on the City's behalf. This plan does not issue stand-alone financial statements.

The first actuarial report for the City's Retiree Continuation insurance plan was prepared as of October 1, 2008. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$14,297,942. The covered payroll was \$21,342,868 and the ratio of UAAL to covered payroll was 67 percent.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2014 is as follows:

Actuarially determined contribution	\$ 1,218,756
Interest on net OPEB obligation	77,591
Adjustment to actuarially determined contribution	<u>(71,263)</u>
Annual OPEB cost	1,225,084
Contributions made	<u>671,207</u>
Change in net OPEB obligation	553,877
Net OPEB obligation, beginning of year	<u>1,939,784</u>
Net OPEB obligation, end of year	<u><u>\$ 2,493,661</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last five fiscal years are shown below.

Fiscal Year Ended September 30,	Annual Required Contribution	Employer Contributions	Percent Contributed	Net OPEB Obligation
2014	\$ 1,218,756	\$ 671,207	55.07%	\$ 2,493,661
2013	1,147,493	625,998	54.55%	1,939,784
2012	1,205,113	491,172	40.76%	1,417,921
2011	1,179,335	739,782	62.73%	701,691
2010	751,456	677,899	90.21%	261,286
2009	721,338	511,870	70.96%	209,468

The Required Supplementary Information immediately following the notes to the financial statements presents the Schedule of Funding Progress for the plan. This information is helpful in determining whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 12 - Post Employment Benefits Other than Pensions (continued)

As of October 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 17,869,865
Actuarial value of plan assets	N/A
Unfunded actuarial accrued liability (UAAL)	<u>\$ 17,869,865</u>
Funded ratio (actuarial value of plan assets/AAL)	N/A
Covered payroll (active plan members)	\$ 22,067,474
UAAL as a percentage of covered payroll	80.98%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, normally presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Summary of Actuarial Methods & Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method:

The entry age normal % of salary cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over their working lifetime based on elapsed time from their date of hire until retirement.

Amortization Method:

Level % of pay over thirty years based on an open group.

Decrements:

Mortality: Sex-distinct mortality rates set forth in the RP-2000 table to annuitants and non-annuitants.

Disability: None assumed.

Permanent Withdrawal from Active Status: Age-distinct withdrawal rates set forth in the 2003 SOA Pension Turnover Study.

Investment Return (Discount Rate):

4.0% per annum (includes inflation at 2.0% per annum)

Health Care Cost Trend Rates:

The cost of covered medical services has been assumed to increase in accordance with the following rates, compounded annually:

Year	/	Increase	Year	/	Increase	Year	/	Increase
2014	/	9.50%	2018	/	7.50%	2022	/	5.50%
2015	/	9.00%	2019	/	7.00%	2023	/	5.00%
2016	/	8.50%	2020	/	6.50%	and		
2017	/	8.00%	2021	/	6.00%	later		

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 12 - Post Employment Benefits Other than Pensions (continued)

Summary of Actuarial Methods & Assumptions (continued)

Retiree Contributions:

Retirees hired after October 1, 2002 and electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to active employees plus the amount paid by the City for active employees. Retirees hired prior to October 1, 2002 and retiring after September 30, 1991 with at least 25 years of City service are assumed to pay the same amount that current employees pay. Retirees retiring before October 1, 1991 with at least 25 years of service do not contribute to the cost of their health insurance. Contribution rates are set by the City during the yearly budget process.

Payroll Growth:

3.0% per annum (used for amortization purposes only)

Cost of Living Increases:

Retiree contributions have been assumed to increase in accordance with the healthcare cost trend assumption.

Future Participation Rates:

100% of employees eligible for a City contribution are assumed to elect medical and prescription coverage in the City-sponsored healthcare plan at retirement. 55% of employees currently electing health insurance coverage who are not eligible for a City contribution are assumed to elect medical and prescription drug coverage in the City-sponsored healthcare plan at retirement. 33% of employees assumed to elect coverage in the City-sponsored healthcare plan at retirement are assumed to elect coverage for a spouse and are assumed to have no covered children. Retirees currently receiving the \$100 waiver are assumed to continue to receive the waiver for the duration of their retirement. 0% future eligible retirees are assumed to elect the waiver.

COBRA Assumption:

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, we assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

Summary of Benefits:

Other Post-Employment Benefits (OPEBs)

The City of Sanford provides optional post-employment healthcare and life insurance coverage to eligible individuals.

Eligible Individuals:

Employees of the City who are eligible for retirement or disability retirement under the Florida Retirement System (FRS), the City of Sanford Police Officer's Retirement System (SPRS), or the City of Sanford Firefighter's Retirement System (SFRS) may elect to participate in the City-sponsored health insurance plan (medical and prescription drug). All eligible employees receive \$3,000 of life insurance coverage.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 13 - Deferred Compensation Plan

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The City's main plan is offered to all employees. The second plan was opened as an additional plan that is only offered to Firefighters. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency.

It is the opinion of management that the City has no liability for losses under the plans, but does have the duty of due care that would be required of an ordinary prudent investor in overall program oversight. Since the City has no control over these assets, other than periodically testing the market to retain or replace the 457 third-party administrator, these assets are not reflected in the City's financial statements.

Note 14 - Risk Management

The City accounts for its risk management activities in an internal service fund that includes self-insurance programs for workers' compensation, general liability, property, auto, and employee healthcare. The City has made the decision to retain up to \$200,000 per incident relating to workers' compensation. Coverage in excess of \$200,000 per incident for workers' compensation has been purchased from an outside carrier. All other liability and property damage insurance is obtained through insurance carriers with a \$25,000 deductible for general liability claims per occurrence and an aggregate stop loss that varies by line-of-coverage for all types of claims for fiscal year 2014. Employee healthcare exposure is subject to aggregate maximum limitations. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance coverage for each of the past five (5) fiscal years.

The City utilizes the expertise of the plan administrator in determining the liability for claims incurred and other related costs on a claim-by-claim basis. The determination includes consideration of nonincremental claims adjustment expenditures. The changes in the City's claims liability during the years ended September 30, 2013 and 2014 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2012 - 2013	\$ 1,892,353	\$ 5,153,374	\$ (5,109,615)	\$ 1,936,112
2013 - 2014	1,936,112	6,447,672	(6,233,187)	2,150,597

Note 15 - Commitments and Contingencies

- A. Various lawsuits and claims arising in the ordinary course of the City's operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.
- B. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, any such adjustments would not be significant.
- C. The City has various construction contracts outstanding in the Governmental Funds and Enterprise Funds, commitments of which amount to \$7,502,383 at September 30, 2014.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 16 – Net Investment in Capital Assets Calculation

The elements of this calculation are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets:		
Non depreciable	\$ 14,544,492	\$ 23,240,063
Depreciable, net	110,465,642	145,942,512
	<u>125,010,135</u>	<u>169,182,575</u>
Debt related to capital assets:		
Bonds	-	14,720,000
Loans	13,185,000	39,807,827
Capital leases	1,192,447	-
	<u>14,377,447</u>	<u>54,527,827</u>
Difference	110,632,688	114,654,748
Unspent debt proceeds	519,235	
Invested in capital assets	<u>\$ 111,151,923</u>	<u>\$ 114,654,748</u>

Note 17 – Effect of Implementation of GASB Statement 65

The implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, resulted in a decrease of \$115,438 in governmental activities net position and a decrease of \$1,283,511 in enterprise activities net position on the statement of activities as well as a decrease in the enterprise activities statement of revenues, expenditures, and changes in fund net position.

The following schedules reconcile previously reported items with the GASB 65 implementation:

Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>Total Business-Type Funds</u>
Fund balances, beginning of year before implementation	\$ 144,368,800
Change for GASB 65 implementation	(1,283,511)
Fund balances, beginning of year after implementation	<u>\$ 143,085,289</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 17 – Effect of Implementation of GASB Statement 65 (continued)

Statement of Activities	Total Governmental Activities
Net position, beginning of year before implementation	\$ 142,287,588
Change for GASB 65 implementation	(115,438)
Fund balances, beginning of year after implementation	<u>\$ 142,172,150</u>

Functions/Programs	Total Business-Type Activities
Net position, beginning of year before implementation	\$ 144,684,860
Change for GASB 65 implementation	(1,283,511)
Fund balances, beginning of year after implementation	<u>\$ 143,401,349</u>

Changes in Long-term Debt	Previously Reported October 1, 2013	GASB 65 Implementation	October 1, 2013 with GASB 65 Implementation
Governmental activities:			
Notes payable	\$ 14,120,000	\$ -	\$ 14,120,000
Other post employment benefits	1,469,580	-	1,469,580
Compensated absences	2,151,338	-	2,151,338
Claims payable	1,936,112	-	1,936,112
Capital leases	1,185,616	-	1,185,616
Accrued clean-up and long-term care costs	709,871	-	709,871
Governmental activity long-term liabilities	<u>\$ 21,572,517</u>	<u>\$ -</u>	<u>\$ 21,572,517</u>
Business-type activities:			
Utility revenue bond and notes	\$ 16,190,000	\$ -	\$ 16,190,000
Less: Issuance Costs	(401,534)	401,534	-
SRF loans	33,513,261	-	33,513,261
Other post employment benefits	470,204	-	470,204
Compensated absences	495,960	-	495,960
Business-type activity long-term liabilities	<u>\$ 50,267,891</u>	<u>\$ 401,534</u>	<u>\$ 50,669,425</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 17 – Effect of Implementation of GASB Statement 65 (continued)

City of Sanford's Change in Net Position

	Governmental Activities		
	2013 Previously Reported	GASB 65 Implementation	2013 After GASB 65 Implementation
Revenues:			
Program revenues:			
Charges for services	\$ 4,717,292	\$ -	\$ 4,717,292
Operating grants & contributions	4,624,201	-	4,624,201
Capital grants & contributions	1,759,238	-	1,759,238
General revenues:			
Property taxes	15,522,596	-	15,522,596
Utility taxes	7,222,351	-	7,222,351
Franchise fees	4,285,378	-	4,285,378
State shared revenues	4,820,475	-	4,820,475
Other	1,580,089	-	1,580,089
Total revenues	<u>44,531,620</u>	<u>-</u>	<u>44,531,620</u>
Expenses:			
General government	4,970,149	-	4,970,149
Public safety	24,340,662	(13,444)	24,327,218
Transportation	4,872,500	-	4,872,500
Physical environment	706,703	-	706,703
Economic environment	2,740,748	(2,731)	2,738,017
Human services	1,208,465	-	1,208,465
Culture and recreation	5,223,926	-	5,223,926
Interest on long-term debt	505,337	-	505,337
Water and sewer	-	-	-
Stormwater	-	-	-
Solid waste	-	-	-
Golf course	-	-	-
Total Expenses	<u>44,568,490</u>	<u>(16,175)</u>	<u>44,552,315</u>
Change in net position before transfers	(36,870)	16,175	(20,695)
Transfers	<u>97,680</u>	<u>-</u>	<u>97,680</u>
Change in net position	60,810	16,175	76,985
Net position, beginning of year *	142,226,778	(131,613)	142,095,165
Net position, end of year *	<u>\$ 142,287,588</u>	<u>\$ (115,438)</u>	<u>\$ 142,172,150</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

Note 17 – Effect of Implementation of GASB Statement 65 (continued)

City of Sanford's Change in Net Position			
Business-type Activities			
	2013 Previously Reported	GASB 65 Implementation	2013 After GASB 65 Implementation
Revenues:			
Program revenues:			
Charges for services	\$ 31,670,590	\$ -	\$ 31,670,590
Operating grants & contributions	52,814	-	52,814
Capital grants & contributions	4,371,773	-	4,371,773
General revenues:			
Property taxes	-	-	-
Utility taxes	-	-	-
Franchise fees	-	-	-
State shared revenues	15,293	-	15,293
Other	202,815	-	202,815
Total revenues	36,313,285	-	36,313,285
Expenses:			
General government	-	-	-
Public safety	-	-	-
Transportation	-	-	-
Physical environment	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Interest on long-term debt	-	-	-
Water and sewer	16,938,957	(188,459)	16,750,498
Stormwater	2,481,039	(4,722)	2,476,317
Solid waste	5,286,848	-	5,286,848
Golf course	410,595	-	410,595
Total Expenses	25,117,439	(193,181)	24,924,258
Change in net position before transfers	11,195,846	193,181	11,389,027
Transfers	(97,680)	-	(97,680)
Change in net position	11,098,166	193,181	11,291,347
Net position, beginning of year *	133,586,694	(1,476,692)	132,110,002
Net position, end of year *	\$ 144,684,860	\$ (1,283,511)	\$ 143,401,349

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2014

18 – Extraordinary Item

On July 3, 2014, the City of Sanford's historic Little Red School House was destroyed by fire due to arson. The property had a zero asset basis and the City received \$339,802 in insurance proceeds for this event.

19 - New Accounting Pronouncements

The GASB has issued Statement of Governmental Accounting Standards No. 65, *Items Previously Reported as Assets and Liabilities*. This statement addressed classification of certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflow of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*. As required by the standard, the City of Sanford, Florida implemented this standard for fiscal year ended September 30, 2014.

The GASB has issued Statement of Governmental Accounting Standards No. 67, *Financial Reporting for Pension Plans*. This statements objective is to improve financial reporting for pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements. As required by the standard, the City of Sanford, Florida implemented this standard for fiscal year ended September 30, 2014.



**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF SANFORD, FLORIDA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 14,643,408	\$ 14,643,408	\$ 14,753,783	\$ 110,375
Utility taxes	6,881,335	6,881,335	7,463,676	582,341
Franchise fees	4,218,463	4,218,463	4,588,043	369,580
Business taxes	633,339	633,339	763,954	130,615
Permits and fees	90,857	90,857	86,213	(4,644)
Intergovernmental	5,779,565	5,794,735	5,841,075	46,340
Charges for services	1,849,155	1,849,155	2,002,582	153,427
Investment earnings	121,173	121,173	98,237	(22,936)
Fines and forfeitures	106,788	106,788	165,992	59,204
Miscellaneous	230,881	232,314	216,702	(15,612)
Total revenues	<u>34,554,964</u>	<u>34,571,567</u>	<u>35,980,257</u>	<u>1,408,690</u>
Expenditures				
Current:				
General government	4,662,078	4,853,942	4,434,988	418,954
Public safety	21,055,248	21,345,021	21,312,177	32,844
Physical environment	457,587	461,413	402,328	59,085
Transportation	916,050	924,581	929,620	(5,039)
Economic environment	1,053,642	1,057,072	950,033	107,039
Human services	108,977	108,977	60,869	48,108
Culture and recreation	4,094,964	4,205,780	4,272,193	(66,413)
Capital outlay:				
General government	-	-	9,245	(9,245)
Total expenditures	<u>32,348,546</u>	<u>32,956,786</u>	<u>32,371,453</u>	<u>585,333</u>
Excess of revenues over expenditures	<u>2,206,418</u>	<u>1,614,781</u>	<u>3,608,804</u>	<u>1,994,023</u>
Other financing sources (uses)				
Transfers in	151,163	401,967	161,163	(240,804)
Transfers out	(2,844,092)	(6,326,747)	(6,321,447)	5,300
Proceeds from sale of assets	31,161	31,161	5,587	(25,574)
Total other financing uses	<u>(2,661,768)</u>	<u>(5,893,619)</u>	<u>(6,154,697)</u>	<u>(261,078)</u>
Net change in fund balances	<u>(455,350)</u>	<u>(4,278,838)</u>	<u>(2,545,893)</u>	<u>1,732,945</u>
Fund balances				
Beginning of year	-	-	19,354,410	19,354,410
Prior carryforward	1,050,000	4,779,174	-	(4,779,174)
Future carryforward	(594,650)	(500,336)	-	500,336
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,808,517</u>	<u>\$ 16,808,517</u>

Note: This schedule is prepared on the basis of Generally Accepted Accounting Principles.

CITY OF SANFORD, FLORIDA
Sanford Community Redevelopment Agency
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,076,423	\$ 1,076,423	\$ 1,117,433	\$ 41,010
Investment earnings	6,500	6,500	8,386	1,886
Total revenues	<u>1,082,923</u>	<u>1,082,923</u>	<u>1,125,819</u>	<u>42,896</u>
Expenditures				
Current:				
Economic environment	290,607	401,662	323,201	78,461
Debt service:				
Principal	215,000	215,000	215,000	-
Interest	15,356	15,356	15,396	(40)
Capital outlay:				
Economic environment	549,105	2,074,784	2,059,784	15,000
Total expenditures	<u>1,070,068</u>	<u>2,706,802</u>	<u>2,613,381</u>	<u>93,421</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,855</u>	<u>(1,623,879)</u>	<u>(1,487,562)</u>	<u>136,317</u>
Other financing uses				
Transfers out	-	-	(10,000)	(10,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net change in fund balances	<u>12,855</u>	<u>(1,623,879)</u>	<u>(1,497,562)</u>	<u>126,317</u>
Fund balances				
Beginning of year	-	-	1,631,272	1,631,272
Prior carryforward	-	1,636,734	-	(1,636,734)
Future carryforward	(12,855)	(12,855)	-	12,855
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,710</u>	<u>\$ 133,710</u>

Note: This schedule is prepared on the basis of Generally Accepted Accounting Principles.

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Funding Progress for

Police Officers' Retirement Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 35,933,863	\$ 41,980,182	6,046,319	85.60%	\$ 5,500,078	109.93%
10/1/2013	31,714,133	40,315,743	8,601,610	78.66%	5,662,391	151.91%
10/1/2012	28,097,531	40,387,955	12,290,424	69.57%	5,283,683	232.61%
10/1/2011	26,199,271	37,487,673	11,288,402	69.89%	5,438,870	207.55%
10/1/2010	26,746,567	36,637,341	9,890,774	73.00%	5,529,328	178.88%
10/1/2009	25,844,720	35,352,545	9,507,825	73.11%	5,911,558	160.83%

Firefighters' Pension Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2014	\$ 24,561,522	\$ 30,047,289	5,485,767	81.74%	\$ 3,683,636	148.92%
10/1/2013	21,841,746	28,387,529	6,545,783	76.94%	3,751,556	174.48%
10/1/2012	19,700,161	28,282,168	8,582,007	69.66%	3,729,721	230.10%
10/1/2011	17,588,218	26,714,715	9,126,497	65.84%	3,936,215	231.86%
10/1/2010	17,235,155	25,575,611	8,340,456	67.39%	4,039,032	206.50%
10/1/2009	16,396,113	24,972,871	8,576,758	65.66%	4,101,210	209.13%

Schedule of Contributions From the Employer and Other Contributing Entities for Police Officers' Retirement Trust Fund

Year Ended September 30,	Annual Required Contribution	City Contribution	State *	Percentage Contributed
2014	\$ 2,307,921	\$ 2,176,438	\$ 176,349	101.94%
2013	2,037,163	1,896,331	176,349	101.74%
2012	1,666,150	1,489,801	176,349	100.00%
2011	1,570,408	1,394,059	176,349	100.00%
2010	1,510,760	1,334,411	176,349	100.00%
2009	1,260,841	1,084,492	176,349	

Schedule of Contributions From the Employer and Other Contributing Entities for Firefighters' Pension Trust Fund

Year Ended September 30,	Annual Required Contribution	City Contribution	State **	Percentage Contributed
2014	\$ 1,381,621	\$ 1,228,369	168,686	101.12%
2013	1,366,856	1,234,630	168,686	102.67%
2012	1,224,307	1,055,620	168,686	100.00%
2011	1,211,342	1,042,656	168,686	100.00%
2010	1,098,783	929,583	169,201	100.00%
2009	897,900	728,699	169,201	100.00%

*Frozen per Chapter 185, Florida Statutes, as amended.

**Frozen per Chapter 175, Florida Statutes, as amended.

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Changes in Net Pension Liability and Related Ratios

Police Officers' Retirement Trust Fund

	9/30/2014	9/30/2013
Total Pension Liability		
Service cost	\$ 1,188,045	\$ 1,102,594
Interest	3,003,659	2,842,942
Change in excess state money	142,542	-
Benefit payments, including refunds of employee contributions	(2,090,399)	(1,824,041)
Net change in total pension liability	2,243,847	2,121,495
Total pension liability- beginning	39,744,096	37,622,601
Total pension liability - ending (a)	<u>\$ 41,987,943</u>	<u>\$ 39,744,096</u>
Plan Fiduciary Net Position		
Contributions - employer	2,176,438	1,270,246
Contributions-state	318,891	298,468
Contributions-employee	293,697	293,324
Net investment income	4,014,999	4,510,159
Benefit payments, including refunds of employee contributions	(2,090,399)	(1,824,041)
Administrative expense	(64,160)	(49,756)
Net change in plan fiduciary net position	4,649,466	4,498,400
Plan fiduciary net position - beginning	34,307,633	29,209,233
Plan fiduciary net position - ending (b)	<u>\$ 38,957,099</u>	<u>\$ 33,707,633</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,030,844</u>	<u>\$ 6,036,463</u>
Plan fiduciary net position as a percentage of the total pension liability	92.78%	84.81%
Covered employee payroll	\$ 5,379,770	\$ 5,236,924
Net pension liability as a percentage of covered employee payroll	56.34%	115.27%

Firefighters' Pension Trust Fund

	9/30/2014	9/30/2013
Total Pension Liability		
Service cost	\$ 724,668	\$ 670,989
Interest	2,193,825	2,077,326
Change in excess state money	110,275	-
Benefit payments, including refunds of employee contributions	(1,180,194)	(1,511,322)
Net change in total pension liability	1,848,574	1,236,993
Total pension liability- beginning	28,115,905	26,878,912
Total pension liability - ending (a)	<u>\$ 29,964,479</u>	<u>\$ 28,115,905</u>
Plan Fiduciary Net Position		
Contributions - employer	1,228,369	1,217,048
Contributions-state	278,961	283,949
Contributions-employee	244,226	261,421
Net investment income	2,369,185	2,449,939
Benefit payments, including refunds of employee contributions	(1,179,229)	(1,512,287)
Administrative expense	(47,842)	(41,529)
Net change in plan fiduciary net position	2,893,671	2,658,541
Plan fiduciary net position - beginning	23,121,525	20,462,984
Plan fiduciary net position - ending (b)	<u>\$ 26,015,196</u>	<u>\$ 23,121,525</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,949,283</u>	<u>\$ 4,994,380</u>
Plan fiduciary net position as a percentage of the total pension liability	86.82%	82.24%
Covered employee payroll	\$ 3,488,942	\$ 3,734,581
Net pension liability as a percentage of covered employee payroll	113.19%	133.73%

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Contributions

Police Officers' Retirement Trust Fund

	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 2,307,921	\$ 2,037,163
Contributions in relation to the actuarially determined contributions	2,352,787	2,072,679
Contribution deficiency (excess)	\$ (44,866)	\$ (35,516)
Covered employee payroll	\$ 5,379,770	\$ 5,236,924
Contributions as a percentage of covered employee payroll	43.73%	39.58%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method
Amortization method	Level percentage of pay, closed
Remaining amortization period	21 years
Actuarial asset method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets
Inflation	3% per year
Salary increases	5% per year until the assumed retirement age
Investment rate of return	7.75% per year, compounded annually, net of investment related expenses
Payroll increases	5% per year limited to 3.21%
Retirement age	Earlier of 1) age 56 and 11 years of service or 2) the completion of 26 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later
Early retirement	Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2.5% per year
Termination rates	See table below
Disability rates	See table below
Mortality	RP-2000 table with no projection - based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Termination and disability rate table:

Age	% terminating during the year	% terminating during the year
20	9.9%	0.26%
30	8.4%	0.29%
40	4.6%	0.61%
50	1.2%	2.01%

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Contributions

Firefighters' Retirement Trust Fund

	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 1,381,622	\$ 1,366,856
Contributions in relation to the actuarially determined contributions	1,397,055	1,403,316
Contribution deficiency (excess)	\$ (15,433)	\$ (36,460)
Covered employee payroll	\$ 3,488,942	\$ 3,734,581
Contributions as a percentage of covered employee payroll	40.04%	37.58%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method
Amortization method	Level percentage of pay, closed
Remaining amortization period	21 years
	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets.
Inflation	3% per year
Salary increases	6% per year until the assumed retirement age
Investment rate of return	8% per year, compounded annually, net of investment related expenses
Payroll increases	Up to 5% per year, 4.25% used
Retirement age	Earlier of 1) age 55 and 10 years of service or 2) the completion of 25 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later
Early retirement	Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year
Termination rates	See table below
Disability rates	See table below
Mortality	RP-2000 table with no projection - based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

Termination and disability rate table:

Age	% terminating during the year	% terminating during the year
20	12.0%	0.15%
30	5.2%	0.20%
40	2.8%	0.35%
50	0.9%	0.90%

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Investment Returns

Police Officers' Retirement Trust Fund

	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual money-weighted rate of return net of investment expense	11.54%	15.52%

Firefighters' Retirement Trust Fund

	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual money-weighted rate of return net of investment expense	9.92%	11.82%

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2014

Schedule of Funding Progress for

Retiree Continuation Insurance Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2012	\$ -	\$ 17,869,865	\$ 17,869,865	0.00%	\$ 22,067,474	80.98%
10/1/2010	\$ -	\$ 18,188,528	\$ 18,188,528	0.00%	\$ 21,674,307	83.92%
10/1/2008	-	14,297,942	14,297,942	0.00%	21,342,868	66.99%

Schedule of Contributions From the Employer and Other Contributing Entities

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	Net Obligation
2014	\$ 1,218,756	\$ 671,207	55.07%	\$ 2,493,661
2013	1,147,493	625,998	54.55%	1,939,784
2012	1,205,113	491,172	40.76%	1,417,921
2011	1,179,335	739,782	62.73%	701,691
2010	751,456	677,899	90.21%	261,286
2009	721,338	511,870	70.96%	209,468

CITY OF SANFORD, FLORIDA Combining Nonmajor Governmental Funds

Special Revenue Funds are used to account for and report revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government. The City has the following Special Revenue Funds:

Building Inspection Fund – To account for the activities related to administering and enforcing building regulations in the City.

Local Option Gas Tax Fund – To account for the City’s allocation of the 6-cent local option gas tax collected in Seminole County and the expenditures used for the additions to or maintenance of the City’s transportation system.

Second Generation Sales Tax Fund – To account for the City’s share of distributions related to the local government infrastructure surtax. Monies are used to fund transportation projects.

Law Enforcement Trust Fund – To account for proceeds obtained through forfeiture of confiscated and unclaimed property through court judgment. The proceeds are to be used solely for law enforcement purposes, with emphasis given to community policing activities, training & law enforcement operations.

Police Education Fund – To account for the portion of fines on certain violations, per statute, to fund continuing education for police officers.

Cemetery Fund – To account for certain funds set aside to be used for capital improvements and perpetual care of a local cemetery.

Insurance Premium Tax Trust Fund – To account for intergovernmental revenue from the State that is transferred to the Police and Fire Pension funds.

LIHEAP Fund – To account for grants received by the City as a sub grantee; grant proceeds are utilized to provide home energy assistance to qualifying Seminole County residents.

Recreation Facilities Impact Fees Fund, Fire Public Safety Facilities Impact Fees Fund, and Police Public Safety Facilities Impact Fees Funds – To account for impact fees collected by the City to be used solely for the expansion or acquisition of capital facilities or equipment made necessary by the new construction from which the fees were collected or for principal payments (including sinking fund payments) on bonds to expand or acquire such facilities or equipment.

ARRA Grants Fund – To account for grants received by the City that are related to the American Recovery and Reinvestment Act of 2009.

CDBG Grant Fund - To account for grants received by the City that are related to the Community Development Block Grant.

NSP Grant Fund – To account for grants received by the City that are related to the Neighborhood Stabilization Program Grant.

Youthbuild Grant Fund – To account for grants received by the City that are related to the U.S. Department of Housing & Urban Development Youthbuild program.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and for payment of principal, interest and related costs on Special Facilities Revenue Bonds and capital leases.

Capital Projects Fund

The Capital Projects Funds are used to account for and report financial resources earmarked for the replacement of capital equipment, acquisition or construction of major capital facilities, and other project-oriented activities (other than those financed by proprietary funds):

Capital Recovery Fee Fund – To account for funds collected as a surcharge on recreation fees for the maintenance and improvement of recreation facilities.

Capital Replacement Fund – To account for funds set aside for replacement of equipment and vehicles.



CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

Special Revenue Funds

	Building Inspection Fund	Local Option Gas Tax Fund	Second Generation Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	LIHEAP Grant Fund
Assets							
Cash and cash equivalents	\$ 585,060	\$ 417,752	\$ -	\$ 181,954	\$ 22,853	\$ -	\$ -
Investments	1,123,619	819,871	-	-	-	295,316	-
Accounts receivable, net	2,870	2,094	-	1,006	1	9	-
Due from other governments	-	83,485	3,034,061	-	1,643	-	246,130
Inventories	-	-	-	-	-	-	-
Prepaid items	223	2,136	-	1,230	-	-	-
Total assets	<u>\$ 1,711,772</u>	<u>\$ 1,325,338</u>	<u>\$ 3,034,061</u>	<u>\$ 184,190</u>	<u>\$ 24,497</u>	<u>\$ 295,325</u>	<u>\$ 246,130</u>
Liabilities							
Accounts payable	\$ 165,345	\$ 32,271	\$ 295,034	\$ 4,071	\$ -	\$ 4,172	\$ 76,785
Accrued liabilities	30,127	-	-	-	-	-	6,312
Retainage payable	-	-	8,879	-	-	-	-
Due to other funds	-	-	67,083	-	-	-	154,794
Due to other governments	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>195,472</u>	<u>32,271</u>	<u>370,996</u>	<u>4,071</u>	<u>-</u>	<u>4,172</u>	<u>237,891</u>
Deferred Inflows of Resources							
Unavailable revenue	-	-	163,012	-	-	-	16,028
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>163,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,028</u>
Fund balances							
Nonspendable:							
Prepaid items	223	2,136	-	1,230	-	-	-
Restricted for:							
Building inspections	1,516,077	-	-	-	-	-	-
Transportation	-	1,290,931	2,500,053	-	-	-	-
Law enforcement	-	-	-	158,730	24,497	-	-
System expansion	-	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-	-
Committed for:							
Cemetery purposes	-	-	-	-	-	291,153	-
Capital replacements	-	-	-	-	-	-	-
Assigned for:							
Law enforcement	-	-	-	20,159	-	-	-
Debt service	-	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-	-
Unassigned / (deficit)	-	-	-	-	-	-	(7,789)
Total fund balances	<u>1,516,300</u>	<u>1,293,067</u>	<u>2,500,053</u>	<u>180,119</u>	<u>24,497</u>	<u>291,153</u>	<u>(7,789)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,711,772</u>	<u>\$ 1,325,338</u>	<u>\$ 3,034,061</u>	<u>\$ 184,190</u>	<u>\$ 24,497</u>	<u>\$ 295,325</u>	<u>\$ 246,130</u>

CITY OF SANFORD, FLORIDA
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
September 30, 2014

Special Revenue Funds

Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	ARRA Grant Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,207,619
137,680	553,224	1,294,825	-	-	-	-	4,224,535
4	17	41	238	-	-	-	6,280
-	-	-	-	134,842	256,562	7,425	3,764,148
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,589
<u>\$ 137,684</u>	<u>\$ 553,241</u>	<u>\$ 1,294,866</u>	<u>\$ 238</u>	<u>\$ 134,842</u>	<u>\$ 256,562</u>	<u>\$ 7,425</u>	<u>\$ 9,206,171</u>
\$ -	\$ -	\$ 33,308	\$ -	\$ 19,016	\$ 14,342	\$ -	\$ 644,344
-	-	-	-	1,354	415	-	38,208
-	-	625	-	-	-	-	9,504
-	-	-	238	113,964	191,852	7,425	535,356
-	-	-	-	149	-	-	149
-	-	-	-	-	-	-	-
-	-	33,933	238	134,483	206,609	7,425	1,227,561
-	-	-	-	134,843	256,562	7,425	577,870
-	-	-	-	134,843	256,562	7,425	577,870
-	-	-	-	-	-	-	3,589
-	-	-	-	-	-	-	1,516,077
-	-	-	-	-	-	-	3,790,984
-	-	-	-	-	-	-	183,227
137,684	553,241	1,260,933	-	-	-	-	1,951,858
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	291,153
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,159
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(134,484)	(206,609)	(7,425)	(356,307)
137,684	553,241	1,260,933	-	(134,484)	(206,609)	(7,425)	7,400,740
<u>\$ 137,684</u>	<u>\$ 553,241</u>	<u>\$ 1,294,866</u>	<u>\$ 238</u>	<u>\$ 134,842</u>	<u>\$ 256,562</u>	<u>\$ 7,425</u>	<u>\$ 9,206,171</u>

CITY OF SANFORD, FLORIDA
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
September 30, 2014

	Debt Service Fund			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Recovery Fee Fund	Capital Replacement Fund		
Assets					
Cash and cash equivalents	\$ 228,603	\$ 30,893	\$ 5,171,356	\$ 5,202,249	\$ 6,638,471
Investments	-	-	-	-	4,224,535
Accounts receivable, net	7	1	57	58	6,345
Due from other governments	-	-	41,617	41,617	3,805,765
Inventories	-	-	19,950	19,950	19,950
Prepaid items	-	-	-	-	3,589
Total assets	\$ 228,610	\$ 30,894	\$ 5,232,980	\$ 5,263,874	\$ 14,698,655
Liabilities					
Accounts payable	\$ -	\$ 14	\$ 355,598	\$ 355,612	\$ 999,956
Accrued liabilities	-	-	-	-	38,208
Retainage payable	-	-	-	-	9,504
Due to other funds	-	-	-	-	535,356
Due to other governments	-	-	-	-	149
Unearned revenues	-	192	-	192	192
Total liabilities	-	206	355,598	355,804	1,583,365
Deferred Inflows of Resources					
Unavailable revenue	-	-	41,617	41,617	619,487
Total deferred inflows of resources	-	-	41,617	41,617	619,487
Fund balances					
Nonspendable:					
Prepaid items	-	-	-	-	3,589
Restricted for:					
Building inspections	-	-	-	-	1,516,077
Transportation	-	-	-	-	3,790,984
Law enforcement	-	-	-	-	183,227
System expansion	-	-	-	-	1,951,858
Capital replacements	-	-	519,235	519,235	519,235
Committed for:					
Cemetery purposes	-	-	-	-	291,153
Capital replacements	-	30,688	-	30,688	30,688
Assigned for:					
Law enforcement	-	-	-	-	20,159
Debt service	228,610	-	-	-	228,610
Capital replacements	-	-	4,316,530	4,316,530	4,316,530
Unassigned / (deficit)	-	-	-	-	(356,307)
Total fund balances	228,610	30,688	4,835,765	4,866,453	12,495,803
Total liabilities, deferred inflows of resources, and fund balances	\$ 228,610	\$ 30,894	\$ 5,232,980	\$ 5,263,874	\$ 14,698,655



CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

Special Revenue Funds

	Building Inspection Fund	Local Option Gas Tax Fund	Second Generation Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	Insurance Premium Tax Fund
Revenues							
Permits and fees	\$ 628,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,082,037	14,429	-	-	-	597,852
Charges for services	-	-	-	-	-	60,200	-
Investment earnings	7,699	4,739	8,754	1,047	66	1,308	-
Fines and forfeitures	-	-	-	52,503	14,895	-	-
Service assessments	-	-	-	-	-	-	-
Miscellaneous	29,499	-	125	15,985	-	-	-
Total revenues	<u>665,823</u>	<u>1,086,776</u>	<u>23,308</u>	<u>69,535</u>	<u>14,961</u>	<u>61,508</u>	<u>597,852</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	865,043	-	-	137,252	2,694	-	597,852
Physical environment	-	-	-	-	-	82,577	-
Transportation	-	565,454	488,579	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	40,394	-	-	26,893	-	-	-
Transportation	-	213,271	1,161,650	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>905,437</u>	<u>778,725</u>	<u>1,650,229</u>	<u>164,145</u>	<u>2,694</u>	<u>82,577</u>	<u>597,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(239,614)</u>	<u>308,051</u>	<u>(1,626,921)</u>	<u>(94,610)</u>	<u>12,267</u>	<u>(21,069)</u>	<u>-</u>
Other financing sources (uses)							
Capital leases	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	4,679	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,679</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(239,614)</u>	<u>308,051</u>	<u>(1,626,921)</u>	<u>(89,931)</u>	<u>12,267</u>	<u>(21,069)</u>	<u>-</u>
Fund balances							
Beginning of year	1,755,914	985,016	4,126,974	270,050	12,230	312,222	-
End of year	<u>\$ 1,516,300</u>	<u>\$ 1,293,067</u>	<u>\$ 2,500,053</u>	<u>\$ 180,119</u>	<u>\$ 24,497</u>	<u>\$ 291,153</u>	<u>\$ -</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

Special Revenue Funds

LIHEAP Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	ARRA Grant Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628,625
907,659	1,652	-	-	21,049	490,395	840,416	-	3,955,489
-	-	-	-	-	-	-	-	60,200
-	1,919	2,583	5,499	-	-	-	-	33,614
-	-	-	-	-	-	-	-	67,398
-	86,396	61,712	52,752	-	-	-	-	200,860
-	-	-	-	-	702	-	-	46,311
<u>907,659</u>	<u>89,967</u>	<u>64,295</u>	<u>58,251</u>	<u>21,049</u>	<u>491,097</u>	<u>840,416</u>	<u>-</u>	<u>4,992,497</u>
-	-	-	-	-	-	-	-	-
-	310,076	30,387	-	21,049	-	-	-	1,964,353
-	-	-	-	-	-	-	-	82,577
-	-	-	-	-	-	-	-	1,054,033
-	-	-	-	-	507,847	338,171	-	846,018
923,687	-	-	-	-	-	-	-	923,687
-	-	-	1,687	-	-	-	-	1,687
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	39,555	33,613	-	-	-	-	-	140,455
-	-	-	-	-	-	-	-	1,374,921
-	-	-	42,601	-	-	-	-	42,601
<u>923,687</u>	<u>349,631</u>	<u>64,000</u>	<u>44,288</u>	<u>21,049</u>	<u>507,847</u>	<u>338,171</u>	<u>-</u>	<u>6,430,332</u>
<u>(16,028)</u>	<u>(259,664)</u>	<u>295</u>	<u>13,963</u>	<u>-</u>	<u>(16,750)</u>	<u>502,245</u>	<u>-</u>	<u>(1,437,835)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(261,572)	(81,677)	(3,592)	-	-	-	-	(346,841)
-	-	-	-	-	-	-	-	4,679
-	<u>(261,572)</u>	<u>(81,677)</u>	<u>(3,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(342,162)</u>
<u>(16,028)</u>	<u>(521,236)</u>	<u>(81,382)</u>	<u>10,371</u>	<u>-</u>	<u>(16,750)</u>	<u>502,245</u>	<u>-</u>	<u>(1,779,997)</u>
8,239	658,920	634,623	1,250,562	-	(117,734)	(708,854)	(7,425)	9,180,737
<u>\$ (7,789)</u>	<u>\$ 137,684</u>	<u>\$ 553,241</u>	<u>\$ 1,260,933</u>	<u>\$ -</u>	<u>\$ (134,484)</u>	<u>\$ (206,609)</u>	<u>\$ (7,425)</u>	<u>\$ 7,400,740</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	Debt Service Fund			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Recovery Fee Fund	Capital Replacement Fund		
Revenues					
Permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 628,625
Intergovernmental	-	-	10,000	10,000	3,965,489
Charges for services	-	-	-	-	60,200
Investment earnings	1,732	111	5,788	5,899	41,245
Fines and forfeitures	-	-	-	-	67,398
Service assessments	-	8,394	-	8,394	209,254
Miscellaneous	-	-	15	15	46,326
Total revenues	<u>1,732</u>	<u>8,505</u>	<u>15,803</u>	<u>24,308</u>	<u>5,018,537</u>
Expenditures					
Current:					
General government	-	35	306,684	306,719	306,719
Public safety	-	-	186,665	186,665	2,151,018
Physical environment	-	-	-	-	82,577
Transportation	-	-	2,158	2,158	1,056,191
Economic environment	-	-	-	-	846,018
Human services	-	-	-	-	923,687
Culture and recreation	-	-	150,751	150,751	152,438
Debt service:					
Principal	1,232,404	-	-	-	1,232,404
Interest	464,455	-	-	-	464,455
Capital outlay:					
General government	-	-	124,516	124,516	124,516
Public safety	-	-	688,785	688,785	829,240
Transportation	-	-	31,483	31,483	1,406,404
Culture and recreation	-	-	189,186	189,186	231,787
Total expenditures	<u>1,696,859</u>	<u>35</u>	<u>1,680,228</u>	<u>1,680,263</u>	<u>9,807,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,695,127)</u>	<u>8,470</u>	<u>(1,664,425)</u>	<u>(1,655,955)</u>	<u>(4,788,917)</u>
Other financing sources (uses)					
Capital leases	-	-	519,235	519,235	519,235
Transfers in	1,768,786	-	4,199,401	4,199,401	5,968,187
Transfers out	-	-	-	-	(346,841)
Proceeds from sale of assets	-	-	20,390	20,390	25,069
Total other financing sources (uses)	<u>1,768,786</u>	<u>-</u>	<u>4,739,026</u>	<u>4,739,026</u>	<u>6,165,650</u>
Net change in fund balances	<u>73,659</u>	<u>8,470</u>	<u>3,074,601</u>	<u>3,083,071</u>	<u>1,376,733</u>
Fund balances					
Beginning of year	154,951	22,218	1,761,164	1,783,382	11,119,070
End of year	<u>\$ 228,610</u>	<u>\$ 30,688</u>	<u>\$ 4,835,765</u>	<u>\$ 4,866,453</u>	<u>\$ 12,495,803</u>

CITY OF SANFORD, FLORIDA
Building Inspection Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits and fees	\$ 1,358,850	\$ 1,358,850	\$ 628,625	\$ (730,225)
Investment earnings	4,622	4,622	7,699	3,077
Miscellaneous	15,033	15,033	29,499	14,466
Total revenues	<u>1,378,505</u>	<u>1,378,505</u>	<u>665,823</u>	<u>(712,682)</u>
Expenditures				
Current:				
Public safety	922,688	952,729	865,043	87,686
Capital outlay:				
Public safety	56,200	71,195	40,394	30,801
Total expenditures	<u>978,888</u>	<u>1,023,924</u>	<u>905,437</u>	<u>118,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>399,617</u>	<u>354,581</u>	<u>(239,614)</u>	<u>(594,195)</u>
Other financing sources				
Transfers in	-	10,413	-	(10,413)
Total other financing sources	<u>-</u>	<u>10,413</u>	<u>-</u>	<u>(10,413)</u>
Net change in fund balances	<u>399,617</u>	<u>364,994</u>	<u>(239,614)</u>	<u>(604,608)</u>
Fund balances				
Beginning of year	-	-	1,755,914	1,755,914
Future carryforward	(399,617)	(364,994)	-	364,994
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,516,300</u>	<u>\$ 1,516,300</u>

CITY OF SANFORD, FLORIDA
Local Option Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,045,597	\$ 1,045,597	\$ 1,082,037	\$ 36,440
Investment earnings	3,113	3,113	4,739	1,626
Total revenues	<u>1,048,710</u>	<u>1,048,710</u>	<u>1,086,776</u>	<u>38,066</u>
Expenditures				
Current:				
Transportation	609,628	609,628	565,454	44,174
Capital outlay:				
Transportation	<u>240,372</u>	<u>340,372</u>	<u>213,271</u>	<u>127,101</u>
Total expenditures	<u>850,000</u>	<u>950,000</u>	<u>778,725</u>	<u>171,275</u>
Excess of revenues over expenditures	<u>198,710</u>	<u>98,710</u>	<u>308,051</u>	<u>209,341</u>
Net change in fund balances	<u>198,710</u>	<u>98,710</u>	<u>308,051</u>	<u>209,341</u>
Fund balances				
Beginning of year	-	-	985,016	985,016
Prior carryforward	-	-	-	-
Future carryforward	<u>(198,710)</u>	<u>(98,710)</u>	<u>-</u>	<u>98,710</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,293,067</u>	<u>\$ 1,293,067</u>

CITY OF SANFORD, FLORIDA
Second Generation Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 473,785	\$ 14,429	\$ (459,356)
Investment earnings	-	-	8,754	8,754
Miscellaneous	-	-	125	125
Total revenues	<u>-</u>	<u>473,785</u>	<u>23,308</u>	<u>(450,477)</u>
Expenditures				
Current:				
Transportation	-	78,562	488,579	(410,017)
Capital outlay:				
Transportation	-	3,592,783	1,161,650	2,431,133
Total expenditures	<u>-</u>	<u>3,671,345</u>	<u>1,650,229</u>	<u>2,021,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,197,560)</u>	<u>(1,626,921)</u>	<u>1,570,639</u>
Net change in fund balances	<u>-</u>	<u>(3,197,560)</u>	<u>(1,626,921)</u>	<u>1,570,639</u>
Fund balances				
Beginning of year	-	-	4,126,974	4,126,974
Prior carryforward	-	4,126,974	-	(4,126,974)
Future carryforward	-	(929,414)	-	929,414
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500,053</u>	<u>\$ 2,500,053</u>

CITY OF SANFORD, FLORIDA
Law Enforcement Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	846	846	1,048	202
Fines and forfeitures	63,000	63,000	52,503	(10,497)
Miscellaneous	1,530	1,530	15,985	14,455
Total revenues	<u>65,376</u>	<u>65,376</u>	<u>69,536</u>	<u>4,160</u>
Expenditures				
Current:				
Public safety	89,845	116,850	137,252	(20,402)
Capital outlay:				
Public safety	-	88,550	26,893	61,657
Total expenditures	<u>89,845</u>	<u>205,400</u>	<u>164,145</u>	<u>41,255</u>
Deficiency of revenues under expenditures	<u>(24,469)</u>	<u>(140,024)</u>	<u>(94,609)</u>	<u>45,415</u>
Other financing sources				
Proceeds from sale of assets	-	-	4,679	4,679
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,679</u>	<u>4,679</u>
Net change in fund balances	<u>(24,469)</u>	<u>(140,024)</u>	<u>(89,930)</u>	<u>50,094</u>
Fund balances				
Beginning of year	-	-	270,050	270,050
Prior carryforward	24,469	140,024	-	(140,024)
Future carryforward	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,120</u>	<u>\$ 180,120</u>

CITY OF SANFORD, FLORIDA
Police Education Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 35	\$ 35	\$ 66	\$ 31
Fines and forfeitures	8,166	8,166	14,895	6,729
Total revenues	<u>8,201</u>	<u>8,201</u>	<u>14,961</u>	<u>6,760</u>
Expenditures				
Current:				
Public safety	8,400	8,400	2,694	5,706
Total expenditures	<u>8,400</u>	<u>8,400</u>	<u>2,694</u>	<u>5,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(199)</u>	<u>(199)</u>	<u>12,267</u>	<u>12,466</u>
Net change in fund balances	<u>(199)</u>	<u>(199)</u>	<u>12,267</u>	<u>12,466</u>
Fund balances				
Beginning of year	-	-	12,230	12,230
Prior carryforward	199	199	-	(199)
Future carryforward	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,497</u>	<u>\$ 24,497</u>

CITY OF SANFORD, FLORIDA
Cemetery Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 51,400	\$ 51,400	\$ 60,200	\$ 8,800
Investment earnings	1,393	1,393	1,308	(85)
Total revenues	<u>52,793</u>	<u>52,793</u>	<u>61,508</u>	<u>8,715</u>
Expenditures				
Current:				
Physical environment	124,388	124,388	82,577	41,811
Total expenditures	<u>124,388</u>	<u>124,388</u>	<u>82,577</u>	<u>41,811</u>
Deficiency of revenues under expenditures	<u>(71,595)</u>	<u>(71,595)</u>	<u>(21,069)</u>	<u>50,526</u>
Net change in fund balances	<u>(71,595)</u>	<u>(71,595)</u>	<u>(21,069)</u>	<u>50,526</u>
Fund balances				
Beginning of year	-	-	312,222	312,222
Prior carryforward	71,595	71,595	-	(71,595)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,153</u>	<u>\$ 291,153</u>

CITY OF SANFORD, FLORIDA
LIHEAP Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,079,063	\$ 1,079,063	\$ 907,659	\$ (171,404)
Total revenues	<u>1,079,063</u>	<u>1,079,063</u>	<u>907,659</u>	<u>(171,404)</u>
Expenditures				
Current:				
Human services	1,079,063	1,079,063	923,687	155,376
Total expenditures	<u>1,079,063</u>	<u>1,079,063</u>	<u>923,687</u>	<u>155,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(16,028)</u>	<u>(16,028)</u>
Other financing uses				
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(16,028)</u>	<u>(16,028)</u>
Fund balances				
Beginning of year	-	-	8,239	8,239
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,789)</u>	<u>\$ (7,789)</u>

CITY OF SANFORD, FLORIDA
Police Impact Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,652	\$ 1,652
Investment earnings	2,810	2,810	1,919	(891)
Service assessments	258,762	258,762	86,396	(172,366)
Total revenues	<u>261,572</u>	<u>261,572</u>	<u>89,967</u>	<u>(171,605)</u>
Expenditures				
Current:				
Public safety	-	206,645	310,076	(103,431)
Capital outlay:				
Public safety	113,125	198,125	39,555	158,570
Total expenditures	<u>113,125</u>	<u>404,770</u>	<u>349,631</u>	<u>55,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>148,447</u>	<u>(143,198)</u>	<u>(259,664)</u>	<u>(116,466)</u>
Other financing uses				
Transfers out	(261,572)	(261,572)	(261,572)	-
Total other financing uses	<u>(261,572)</u>	<u>(261,572)</u>	<u>(261,572)</u>	<u>-</u>
Net change in fund balances	<u>(113,125)</u>	<u>(404,770)</u>	<u>(521,236)</u>	<u>(116,466)</u>
Fund balances				
Beginning of year	-	-	658,920	658,920
Prior carryforward	113,125	404,770	-	(404,770)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,684</u>	<u>\$ 137,684</u>

CITY OF SANFORD, FLORIDA
Fire Impact Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 2,088	\$ 2,088	\$ 2,583	\$ 495
Service assessments	221,208	221,208	61,712	(159,496)
Total revenues	<u>223,296</u>	<u>223,296</u>	<u>64,295</u>	<u>(159,001)</u>
Expenditures				
Current:				
Public safety	-	8,010	30,387	(22,377)
Capital outlay:				
Public safety	81,300	73,290	33,613	39,677
Total expenditures	<u>81,300</u>	<u>81,300</u>	<u>64,000</u>	<u>17,300</u>
Excess of revenues over expenditures	<u>141,996</u>	<u>141,996</u>	<u>295</u>	<u>(141,701)</u>
Other financing uses				
Transfers out	(81,677)	(81,677)	(81,677)	-
Total other financing uses	<u>(81,677)</u>	<u>(81,677)</u>	<u>(81,677)</u>	<u>-</u>
Net change in fund balances	<u>60,319</u>	<u>60,319</u>	<u>(81,382)</u>	<u>(141,701)</u>
Fund balances				
Beginning of year	-	-	634,623	634,623
Future carryforward	(60,319)	(60,319)	-	60,319
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,241</u>	<u>\$ 553,241</u>

CITY OF SANFORD, FLORIDA
Recreation Impact Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 3,920	\$ 3,920	\$ 5,499	\$ 1,579
Service assessments	279,446	279,446	52,752	(226,694)
Total revenues	<u>283,366</u>	<u>283,366</u>	<u>58,251</u>	<u>(225,115)</u>
Expenditures				
Current:				
Culture and recreation	-	-	1,687	(1,687)
Capital outlay:				
Culture and recreation	-	43,933	42,601	1,332
Total expenditures	<u>-</u>	<u>43,933</u>	<u>44,288</u>	<u>(355)</u>
Excess of revenues over expenditures	<u>283,366</u>	<u>239,433</u>	<u>13,963</u>	<u>(225,470)</u>
Other financing uses				
Transfers out	-	(6,948)	(3,592)	3,356
Total other financing sources (uses)	<u>-</u>	<u>(6,948)</u>	<u>(3,592)</u>	<u>3,356</u>
Net change in fund balances	<u>283,366</u>	<u>232,485</u>	<u>10,371</u>	<u>(222,114)</u>
Fund balances				
Beginning of year	-	-	1,250,562	1,250,562
Future carryforward	(283,366)	(232,485)	-	232,485
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260,933</u>	<u>\$ 1,260,933</u>

CITY OF SANFORD, FLORIDA
ARRA Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 213,501	\$ 213,501	\$ 21,049	\$ (192,452)
Total revenues	<u>213,501</u>	<u>213,501</u>	<u>21,049</u>	<u>(192,452)</u>
Expenditures				
Current:				
Public safety	213,501	213,501	21,049	192,452
Total expenditures	<u>213,501</u>	<u>213,501</u>	<u>21,049</u>	<u>192,452</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANFORD, FLORIDA
CDBG Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 428,791	\$ 886,535	\$ 490,395	\$ (396,140)
Miscellaneous	-	-	702	702
Total revenues	<u>428,791</u>	<u>886,535</u>	<u>491,097</u>	<u>(395,438)</u>
Expenditures				
Current:				
Economic environment	428,791	839,865	507,847	332,018
Total expenditures	<u>428,791</u>	<u>839,865</u>	<u>507,847</u>	<u>332,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>46,670</u>	<u>(16,750)</u>	<u>(63,420)</u>
Net change in fund balances	<u>-</u>	<u>46,670</u>	<u>(16,750)</u>	<u>(63,420)</u>
Fund balances				
Beginning of year	-	-	(117,734)	(117,734)
Future carryforward	-	(46,670)	-	46,670
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (134,484)</u>	<u>\$ (134,484)</u>

CITY OF SANFORD, FLORIDA
NSP Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 15,500	\$ 344,343	\$ 840,416	\$ 496,073
Total revenues	<u>15,500</u>	<u>344,343</u>	<u>840,416</u>	<u>496,073</u>
Expenditures				
Economic environment	15,500	328,843	338,171	(9,328)
Total expenditures	<u>15,500</u>	<u>328,843</u>	<u>338,171</u>	<u>(9,328)</u>
Excess of revenues over expenditures	<u>-</u>	<u>15,500</u>	<u>502,245</u>	<u>486,745</u>
Net change in fund balances	<u>-</u>	<u>15,500</u>	<u>502,245</u>	<u>486,745</u>
Fund balances				
Beginning of year	-	-	(708,854)	(708,854)
Future carryforward	-	(15,500)	-	15,500
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206,609)</u>	<u>\$ (206,609)</u>

STATISTICAL SECTION (UNAUDITED):

Statistical schedules differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. These schedules reflect social data, economic data, and financial trends of the City of Sanford, Florida.

**CITY OF SANFORD, FLORIDA
STATISTICAL SECTION CONTENTS
For The Year Ended September 30, 2013**

The Statistical Section of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City’s overall financial health. Below is a summary of the components and purpose for the tables provided herein.

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the City’s financial performance and financial position have changed over time.	111-120
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City’s most significant local revenue source – property taxes.	121-124
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt, the ability to issue additional debt in the future, and related historical trend data.	125-129
<u>Demographic and Economic Information</u>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	130-132
<u>Operating Information</u>	
These schedules contain service levels and capital asset data to help the reader understand how the information in the City’s financial report relate to the services the City provides to its citizens and visitors.	133-136

Schedule 1
CITY OF SANFORD, FLORIDA

NET POSITION BY COMPONENT
(accrual basis of accounting)

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Governmental activities</u>				
Net investment in capital assets	\$ 36,293,287	\$ 38,473,897	\$ 100,681,175	\$ 98,814,290
Restricted	2,507,199	3,110,023	10,549,515	28,464,057
Unrestricted	<u>14,924,212</u>	<u>17,872,420</u>	<u>18,631,636</u>	<u>5,361,947</u>
Total governmental activities net position	<u>\$ 53,724,698</u>	<u>\$ 59,456,340</u>	<u>\$ 129,862,326</u>	<u>\$ 132,640,294</u>
<u>Business-type activities</u>				
Net investment in capital assets	\$ 75,632,685	\$ 85,888,293	\$ 86,901,903	\$ 92,584,371
Restricted	10,088,357	10,753,432	11,811,488	2,473,650
Unrestricted	<u>5,337,171</u>	<u>4,044,563</u>	<u>8,329,896</u>	<u>14,849,417</u>
Total business-type activities net position	<u>\$ 91,058,213</u>	<u>\$ 100,686,288</u>	<u>\$ 107,043,287</u>	<u>\$ 109,907,438</u>
<u>Primary government</u>				
Net investment in capital assets	\$ 111,925,972	\$ 124,362,190	\$ 187,583,078	\$ 191,398,661
Restricted	12,595,556	13,863,455	22,361,003	30,937,707
Unrestricted	<u>20,261,383</u>	<u>21,916,983</u>	<u>26,961,532</u>	<u>20,211,364</u>
Total primary government net position	<u>\$ 144,782,911</u>	<u>\$ 160,142,628</u>	<u>\$ 236,905,613</u>	<u>\$ 242,547,732</u>

Note: Fiscal years prior to 2013 have not been restated to include the Sanford CRA as a blended component unit.
Fiscal years prior to 2014 have not been restated due to GASB 65.

2009	2010	2011	2012	2013	2014
\$ 105,645,908	\$ 104,250,077	\$ 102,568,745	\$ 101,482,226	\$ 105,948,864	\$ 111,151,923
24,120,145	9,680,361	7,924,107	8,469,141	11,289,017	7,575,856
1,555,358	19,401,295	24,915,158	24,698,280	25,049,707	25,964,838
<u>\$ 131,321,411</u>	<u>\$ 133,331,733</u>	<u>\$ 135,408,010</u>	<u>\$ 134,649,647</u>	<u>\$ 142,287,588</u>	<u>\$ 144,692,617</u>
\$ 101,598,575	\$ 105,427,868	\$ 107,512,124	\$ 107,795,107	\$ 110,153,986	\$ 114,654,748
7,680,009	7,401,643	7,333,198	8,137,545	6,886,924	5,619,365
4,489,557	6,500,159	12,072,947	17,654,042	27,643,950	32,858,374
<u>\$ 113,768,141</u>	<u>\$ 119,329,670</u>	<u>\$ 126,918,269</u>	<u>\$ 133,586,694</u>	<u>\$ 144,684,860</u>	<u>\$ 153,132,487</u>
\$ 207,244,483	\$ 209,677,945	\$ 210,080,869	\$ 209,277,333	\$ 216,102,850	\$ 225,806,671
31,800,154	17,082,004	15,257,305	16,606,686	18,175,941	13,195,221
6,044,915	25,901,454	36,988,105	42,352,322	52,693,657	58,823,212
<u>\$ 245,089,552</u>	<u>\$ 252,661,403</u>	<u>\$ 262,326,279</u>	<u>\$ 268,236,341</u>	<u>\$ 286,972,448</u>	<u>\$ 297,825,104</u>

Schedule 2
CITY OF SANFORD, FLORIDA

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Expenses</u>				
Governmental activities:				
General government	\$ 5,494	\$ 5,826	\$ 5,720	\$ 6,268
Public safety	16,279	17,961	22,909	22,875
Transportation	3,597	3,739	7,998	5,748
Physical environment	3,976	3,554	862	3,088
Economic environment	622	601	789	1,354
Human services	128	431	259	146
Culture and recreation	3,914	4,625	7,757	5,779
Interest on long-term debt	76	72	65	358
Total governmental activities expenses	<u>34,086</u>	<u>36,809</u>	<u>46,359</u>	<u>45,616</u>
Business-type activities:				
Water and sewer	12,960	15,631	16,563	18,646
Stormwater	1,671	1,420	1,899	5,329
Solid waste	-	-	4,519	2,377
Golf Course	-	-	-	-
Total business-type activities expenses	<u>14,631</u>	<u>17,051</u>	<u>22,981</u>	<u>26,352</u>
Total primary government expenses	<u>48,717</u>	<u>53,860</u>	<u>69,340</u>	<u>71,968</u>
<u>Program revenues</u>				
Governmental activities:				
Charges for services:				
General government	2,105	2,210	2,708	1,110
Public safety	2,267	2,347	2,049	3,312
Transportation	55	57	59	61
Physical environment	3,927	4,232	199	119
Economic environment	-	-	-	-
Culture and recreation	253	279	281	480
Operating grants and contributions	902	1,312	1,458	1,460
Capital grants and contributions	2,433	704	1,217	1,100
Total governmental activities program revenues	<u>11,942</u>	<u>11,141</u>	<u>7,971</u>	<u>7,642</u>
Business-type activities:				
Charges for services	15,136	17,467	23,087	25,156
Operating grants and contributions	-	50	274	-
Capital grants and contributions	4,871	8,122	4,151	3,393
Total business-type activities program revenues	<u>20,007</u>	<u>25,639</u>	<u>27,512</u>	<u>28,549</u>
Total primary government program revenues	<u>31,949</u>	<u>36,780</u>	<u>35,483</u>	<u>36,191</u>
<u>Net (expense) / revenue</u>				
Governmental activities	(22,144)	(25,668)	(38,388)	(37,974)
Business-type activities	5,376	8,588	4,531	2,197
Total primary government net expense	<u>(16,768)</u>	<u>(17,080)</u>	<u>(33,857)</u>	<u>(35,777)</u>

(Continueud)

	2009	2010	2011	2012	2013	2014
\$	7,551	\$ 5,839	\$ 6,126	\$ 5,438	\$ 4,970	\$ 4,948
	23,600	22,506	22,854	24,434	24,341	25,271
	5,384	4,968	5,004	4,544	4,872	4,802
	2,983	2,325	1,899	1,554	707	503
	2,345	1,116	828	844	2,741	2,300
	214	122	90	73	1,209	998
	5,835	5,311	5,188	5,420	5,224	5,535
	834	749	728	601	505	480
	<u>48,746</u>	<u>42,936</u>	<u>42,717</u>	<u>42,908</u>	<u>44,569</u>	<u>44,837</u>
	18,075	17,600	16,585	17,832	16,939	16,629
	1,904	2,022	2,574	2,704	2,481	2,454
	5,163	5,190	5,069	5,101	5,287	5,441
	-	-	-	-	411	1,377
	<u>25,142</u>	<u>24,812</u>	<u>24,228</u>	<u>25,637</u>	<u>25,118</u>	<u>25,901</u>
	<u>73,888</u>	<u>67,748</u>	<u>66,945</u>	<u>68,545</u>	<u>69,687</u>	<u>70,738</u>
	992	892	1,120	1,248	537	391
	3,344	3,175	3,318	4,390	3,572	2,530
	69	66	68	70	76	83
	103	247	67	13	49	60
	-	-	-	-	11	-
	721	674	647	1,031	473	377
	2,097	2,478	3,172	2,773	4,624	3,893
	1,591	972	1,408	1,124	1,759	5,503
	<u>8,917</u>	<u>8,504</u>	<u>9,800</u>	<u>10,649</u>	<u>11,101</u>	<u>12,837</u>
	25,947	28,113	29,097	30,226	31,671	33,192
	1,580	1,873	1,593	803	53	25
	1,171	722	1,074	1,144	4,372	2,375
	<u>28,698</u>	<u>30,708</u>	<u>31,764</u>	<u>32,173</u>	<u>36,096</u>	<u>35,592</u>
	<u>37,615</u>	<u>39,212</u>	<u>41,564</u>	<u>42,822</u>	<u>47,197</u>	<u>48,429</u>
	(39,829)	(34,432)	(32,917)	(32,259)	(33,468)	(32,000)
	3,556	5,896	7,536	6,536	10,978	9,691
	<u>(36,273)</u>	<u>(28,536)</u>	<u>(25,381)</u>	<u>(25,723)</u>	<u>(22,490)</u>	<u>(22,309)</u>

Schedule 2
CITY OF SANFORD, FLORIDA

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>General revenues and other changes in net position</u>				
Governmental activities:				
Property tax	\$ 10,265	\$ 12,101	\$ 16,557	\$ 19,325
Other taxes	14,835	16,923	20,570	19,907
Unrestricted investment earnings	574	1,201	1,656	1,105
Gain on sale of capital assets	3	-	69	86
Miscellaneous	713	795	(750)	329
Transfers in (out)	(338)	(175)	(598)	-
Total governmental activities	<u>26,052</u>	<u>30,845</u>	<u>37,504</u>	<u>40,752</u>
Business-type activities:				
Unrestricted investment earnings	580	785	980	481
Gain on sale of capital assets	8	6	14	-
Miscellaneous	37	74	130	186
Transfers in (out)	338	175	702	-
Total business-type activities	<u>963</u>	<u>1,040</u>	<u>1,826</u>	<u>667</u>
Total primary government	<u>27,015</u>	<u>31,885</u>	<u>39,330</u>	<u>41,419</u>
<u>Change in net position</u>				
Governmental activities	3,908	5,177	(884)	2,778
Business-type activities	<u>6,339</u>	<u>9,628</u>	<u>6,357</u>	<u>2,864</u>
Total government	<u>\$ 10,247</u>	<u>\$ 14,805</u>	<u>\$ 5,473</u>	<u>\$ 5,642</u>

* Data not available

Note: Fiscal years prior to 2013 have not been restated to include the Sanford CRA as a blended component unit.

Fiscal years prior to 2014 have not been restated due to GASB 65.

	2009	2010	2011	2012	2013	2014
\$	18,644	\$ 16,387	\$ 15,502	\$ 14,956	\$ 15,523	\$ 15,871
	18,435	18,706	18,820	17,082	17,045	18,024
	996	401	254	236	106	153
	14	11	33	(3)	-	-
	421	294	169	149	757	137
	-	643	214	8	98	335
	<u>38,510</u>	<u>36,442</u>	<u>34,992</u>	<u>32,428</u>	<u>33,529</u>	<u>34,520</u>
	155	157	122	123	73	128
	-	-	-	-	-	-
	150	152	146	165	145	247
	-	(643)	(214)	(8)	(98)	(335)
	<u>305</u>	<u>(334)</u>	<u>54</u>	<u>280</u>	<u>120</u>	<u>40</u>
	<u>38,815</u>	<u>36,108</u>	<u>35,046</u>	<u>32,708</u>	<u>33,649</u>	<u>34,560</u>
	(1,319)	2,010	2,075	169	61	2,520
	<u>3,861</u>	<u>5,562</u>	<u>7,590</u>	<u>6,816</u>	<u>11,098</u>	<u>9,731</u>
\$	<u>2,542</u>	<u>\$ 7,572</u>	<u>\$ 9,665</u>	<u>\$ 6,985</u>	<u>\$ 11,159</u>	<u>\$ 12,251</u>

**Schedule 3
CITY OF SANFORD, FLORIDA**

**FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)**

**Last Ten Fiscal Years
(dollar amounts expressed in thousands)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>General fund</u>				
Reserved	\$ 177	\$ 175	\$ 109	\$ 1,533
Unreserved	16,051	19,622	18,525	10,222
Total general fund	<u>\$ 16,228</u>	<u>\$ 19,797</u>	<u>\$ 18,634</u>	<u>\$ 11,755</u>
<u>All other governmental funds</u>				
Reserved	\$ 52	\$ -	\$ -	\$ 33,971
Unreserved, reported in:				
Special revenue funds	3,019	3,670	3,869	2,586
Debt service funds	-	-	-	-
Capital projects funds	131	189	585	1,384
Various	-	-	-	-
	<u>\$ 3,202</u>	<u>\$ 3,859</u>	<u>\$ 4,454</u>	<u>\$ 37,941</u>
<u>General fund</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>All other governmental funds</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes: Fiscal years prior to 2009 have not been restated for implementation of GASB 54.

Fiscal years prior to 2013 have not been restated to include the Sanford CRA as a blended component unit

2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151	173	258	315	334	295
2	4	2	-	-	-
3,701	1,277	1,369	1,446	1,376	1,788
8,331	11,847	16,233	16,098	17,644	14,726
\$ 12,185	\$ 13,301	\$ 17,862	\$ 17,859	\$ 19,354	\$ 16,809
-	-	7	1	4	4
23,999	9,666	8,203	9,586	12,012	8,095
-	-	5	362	334	322
5,487	4,878	2,378	1,421	1,234	4,565
-	-	-	(171)	(937)	(2,481)
\$ 29,486	\$ 14,544	\$ 10,593	\$ 11,199	\$ 12,647	\$ 10,505

Schedule 4
CITY OF SANFORD, FLORIDA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010
Revenues						
Taxes	\$ 20,158	\$ 23,638	\$ 29,917	\$ 27,272	\$ 26,639	\$ 24,339
Licenses and permits	1,564	1,721	1,265	4,408	5,031	5,249
Intergovernmental revenues	12,358	6,737	7,156	11,090	9,976	9,380
Charges for services	5,537	5,835	1,960	2,229	2,277	2,357
Fines and forfeitures	289	428	422	400	291	246
Impact fees	386	502	648	679	376	262
Interest earnings	574	1,201	1,656	973	926	313
Administrative services	1,060	1,095	1,557	-	-	-
Miscellaneous revenues	697	1,112	944	630	853	562
Total revenues	<u>42,623</u>	<u>42,269</u>	<u>45,525</u>	<u>47,681</u>	<u>46,369</u>	<u>42,708</u>
Expenditures						
Current:						
General government	5,481	5,352	6,910	6,131	6,175	4,839
Public safety	15,268	16,327	18,782	21,224	21,335	21,806
Transportation	3,138	3,002	5,414	2,455	2,342	2,162
Physical environment	2,948	3,567	818	2,972	2,692	3,842
Economic environment	609	560	731	1,885	1,418	1,119
Human services	147	450	251	167	213	109
Culture and recreation	3,339	3,795	4,955	5,108	4,758	4,357
Debt Service:						
Principal	95	100	110	168	4,354	708
Interest and fiscal charges	77	72	65	456	834	749
Capital Outlay	4,301	5,241	5,861	6,114	13,029	18,079
Total expenditures	<u>35,403</u>	<u>38,466</u>	<u>43,897</u>	<u>46,680</u>	<u>57,150</u>	<u>57,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,220</u>	<u>3,803</u>	<u>1,628</u>	<u>1,001</u>	<u>(10,781)</u>	<u>(15,062)</u>
Other financing sources (uses)						
Capital Leases	-	-	-	-	-	-
Transfers in	551	172	4,658	12,603	4,519	2,846
Transfers (out)	(888)	(347)	(5,257)	(12,603)	(4,519)	(2,203)
Proceeds from sale of property	29	44	20	125	20	12
Issuance of debt	-	-	-	18,300	2,736	582
Issuance of refunding debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>(308)</u>	<u>(131)</u>	<u>(579)</u>	<u>18,425</u>	<u>2,756</u>	<u>1,237</u>
Extraordinary item						
Hurricane expenditures	-	-	-	-	-	-
Lease termination	-	-	(1,618)	-	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>(1,618)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,912</u>	<u>\$ 3,672</u>	<u>\$ (569)</u>	<u>\$ 19,426</u>	<u>\$ (8,025)</u>	<u>\$ (13,825)</u>
Debt service as a percentage of non-capital expenditures	<u>0.55%</u>	<u>0.52%</u>	<u>0.46%</u>	<u>1.54%</u>	<u>11.76%</u>	<u>3.67%</u>

Note: Fiscal years prior to 2013 have not been restated to include the Sanford CRA as a blended component unit.

2011	2012	2013	2014
\$ 23,242	\$ 22,490	\$ 27,706	\$ 28,687
5,829	5,693	1,679	715
12,076	10,011	9,655	12,455
1,963	2,290	2,208	2,063
158	226	267	233
423	1,022	1,008	209
204	185	100	147
-	-	-	-
377	338	957	268
<u>44,272</u>	<u>42,255</u>	<u>43,580</u>	<u>44,777</u>
5,280	4,873	4,651	4,742
21,564	22,455	22,825	23,463
1,961	2,065	2,270	2,132
2,149	1,757	457	485
825	843	2,234	2,119
77	61	1,196	984
4,093	4,305	4,221	4,468
822	2,003	1,211	1,447
728	601	519	480
6,523	3,272	3,118	10,029
<u>44,022</u>	<u>42,235</u>	<u>42,702</u>	<u>50,349</u>
<u>250</u>	<u>20</u>	<u>878</u>	<u>(5,572)</u>
-	540	656	519
5,315	5,068	3,536	7,013
(5,101)	(5,060)	(3,389)	(6,678)
145	35	96	31
-	-	-	-
-	15,050	-	-
-	(15,050)	-	-
<u>359</u>	<u>583</u>	<u>899</u>	<u>885</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 609</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ (4,687)</u>
<u>4.13%</u>	<u>6.68%</u>	<u>4.37%</u>	<u>4.78%</u>

**Schedule 5
CITY OF SANFORD, FLORIDA**

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(dollar amounts are expressed in thousands)

Fiscal Year	Assessed Values			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total					
2005*	\$ 2,186,595	\$ 296,821	\$ 2,483,416	\$ (708,255)	\$ 1,775,161	6.350	\$ 1,794,905	98.90%
2006	2,622,524	314,837	2,937,361	(821,501)	2,115,860	6.325	2,176,811	97.20%
2007	3,777,524	347,830	4,125,354	(1,220,061)	2,905,293	6.325	2,885,097	100.70%
2008	4,388,732	379,778	4,768,510	(1,363,021)	3,405,489	6.325	3,532,665	96.40%
2009	4,340,613	399,744	4,740,357	(1,483,654)	3,256,703	6.325	3,353,968	97.10%
2010	3,695,403	395,393	4,090,796	(1,213,705)	2,877,091	6.325	2,920,904	98.50%
2011	3,216,500	367,284	3,583,784	(1,077,847)	2,505,937	6.825	2,618,554	95.70%
2012	2,905,133	370,398	3,275,531	(975,751)	2,299,780	6.825	2,309,016	99.60%
2013	2,896,666	370,000	3,266,666	(977,066)	2,289,600	6.825	2,310,393	99.10%
2014	2,927,584	373,378	3,300,962	(969,961)	2,331,001	6.825	2,398,149	97.20%

* Changes made with available information. The estimated actual taxable value is calculated using the level of assessment percentage. Changes were made to previous fiscal years to be consistent with the implementation of GASB 44 in 2006. With this implementation, the City began to reflect the just value as assessed values to more accurately reflect the tax-exempt property.

Source: Seminole County Property Appraiser

Note: Property is reassessed each year by the Seminole County Property Appraiser. Tax rates are per \$1,000 of assessed valuation.

**Schedule 6
CITY OF SANFORD, FLORIDA**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years
(Per \$1,000 of Assessed Taxable Value)

Fiscal Year		City of Sanford, Florida	Seminole County		St. Johns River Water Mgmt. Dist.	Total
			Government	School Board		
2005	*	6.350	5.171	8.512	0.462	20.495
2006	*	6.325	5.203	7.965	0.462	19.955
2007		6.325	5.144	7.753	0.462	19.684
2008		6.325	4.358	7.413	0.416	18.512
2009		6.325	4.660	7.543	0.416	18.944
2010		6.325	5.045	7.723	0.416	19.509
2011		6.825	5.045	7.801	0.416	20.087
2012		6.825	5.045	7.722	0.331	19.923
2013		6.825	5.045	7.553	0.331	19.754
2014		6.825	4.875	8.361	0.328	20.389

* Changes were made to fiscal years 2005 and 2006 to reflect the correct millage rates for Seminole County Government and School Board according to the tax rolls of Seminole County.

Source: Seminole County Property Appraiser

**Schedule 7
CITY OF SANFORD, FLORIDA**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer Name	Fiscal Year 2014			Fiscal Year 2005		
	Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Seminole Towne Center LP	\$ 73,491,372	3.14%	1	\$ 96,720,761	4.55%	1
Florida Power & Light Co	41,872,924	1.79%	2	26,816,682	1.26%	4
Central Florida Regional Hospital	36,084,552	1.54%	3	33,455,462	1.57%	2
CRLP Twin Lakes LLC	33,729,090	1.44%	4			
Wal-Mart Stores East LP	32,117,787	1.37%	5	28,620,896	1.35%	3
Lakes Edge Apartments LLC	31,271,434	1.34%	6			
Westlake Apartments Ltd	27,333,783	1.17%	7	19,189,279	0.90%	8
WRI Seminole II LLC	25,117,250	1.07%	8			
Bellsouth Telecommunications	17,737,179	0.76%	9	23,976,044	1.13%	5
Stonebrook Orlando Apts LLC	16,592,682	0.71%	10			
Plantation Lakes				22,506,715	1.06%	6
Arbor Lakes Ltd				20,759,019	0.98%	7
Unicell Paper Mills Inc.				18,964,107	0.89%	9
Colonial Realty LP				17,316,276	0.82%	10
	<u>\$ 335,348,053</u>	<u>14.33%</u>		<u>\$ 308,325,241</u>	<u>14.51%</u>	

Source: Seminole County Property Appraiser - 2013 Top Ten Taxpayer for Sanford and

**Schedule 8
CITY OF SANFORD, FLORIDA**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Collections as a Percent of Current Levy
2005	\$ 10,651,667	\$ 10,094,787	94.8%	\$ 170,532	\$ 10,265,319	96.4%
2006	12,542,351	12,063,863	96.2%	37,191	12,101,054	96.5%
2007	17,129,714	16,522,411	96.5%	34,973	16,557,384	96.7%
2008	20,197,247	19,272,717	95.4%	51,814	19,324,531	95.7%
2009	19,225,971	18,570,633	96.6%	72,819	18,643,452	97.0%
2010	17,010,594	16,162,695	95.0%	224,474	16,387,169	96.3%
2011	16,035,942	15,305,619	95.4%	196,872	15,502,491	96.7%
2012	15,500,000	14,864,192	95.9%	91,790	14,955,982	96.5%
2013	15,067,289	14,468,825	96.0%	27,872	14,496,697	96.2%
2014	15,339,972	14,709,466	95.9%	44,317	14,753,783	96.2%

Source: (1) Total assessed value times millage rate; tax levies prior to 2013 have been corrected from previous years
(2) Includes general fund 001-0000-311.10-00
(3) Includes general fund 001-0000-311.20-00

**Schedule 9
CITY OF SANFORD, FLORIDA**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental-type Activities				Business-type Activities		
	Special Facilities Revenue Bonds	Public Safety Complex Revenue Bonds	CRA Bank Loan	Capital Leases	Utility System Revenue Notes	State Revolving Fund Loans	Stormwater System Revenue Bonds
2005	\$ 1,325,000	-	\$1,935,000	-	\$23,381,500	\$14,668,181	\$ 1,910,228
2006	1,225,000	-	1,770,000	-	22,550,368	24,658,809	1,596,079
2007	1,115,000	-	1,600,000	-	21,699,236	31,505,217	1,267,539
2008	1,000,000	18,000,000	1,425,000	240,065	20,828,102	32,712,870	924,058
2009	-	17,410,000	1,240,000	211,371	19,921,968	30,854,659	564,805
2010	-	16,795,000	1,050,000	700,502	19,107,056	33,717,701	189,126
2011	-	16,155,000	855,000	518,760	18,153,995	34,110,664	-
2012	-	14,375,000	650,000	836,051	16,948,428	32,719,107	-
2013	-	13,680,000	440,000	1,185,616	15,788,466	33,513,261	-
2014	-	12,960,000	225,000	1,192,447	14,720,000	39,807,828	-

Sources: Population data from the Office of Economic and Demographic Research, Florida Population Estimates of Cc Business Research (BEBR) @ the University of Florida. Personal income data the U.S. Department of Comm
*Note, personal income prior to 2013 have been corrected from previous years.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
CRA bank loan and capital leases added retroactively for years 2012 and prior.

	Total Primary Government	Sanford * Personal Income	Percentage of Personal Income	Per Capita
\$	43,219,909	\$ 1,868,719,384	2.3%	878
	51,800,256	2,058,915,584	2.5%	1,011
	57,186,992	2,260,796,123	2.5%	1,077
	75,130,095	2,397,121,146	3.1%	1,383
	70,202,803	2,336,529,272	3.0%	1,304
	71,559,385	2,140,111,536	3.3%	1,340
	69,793,419	2,140,245,586	3.3%	1,306
	65,528,586	2,207,000,608	3.0%	1,212
	64,607,343	2,272,702,597	2.8%	1,199
	68,905,275	2,386,109,874	2.9%	1,241

Counties and Municipalities, Bureau of Economic
 Research Bureau of Economic Analysis.

Schedule 10
CITY OF SANFORD, FLORIDA

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Proprietary Funds								
Water and Sewer Revenue Bonds								
Fiscal Year	Gross Revenues (1), (5)	Water System Development Charges (7)	Operating Expenses (2)	Net Available		Debt Service Requirements (3)		Coverage
				For Debt Service		Principal	Interest	
2005	\$ 14,283,596	\$ 906,890	\$ 8,346,553	\$ 6,843,933	\$ 970,000	\$ 1,031,082	3.42	
2006	15,876,810	907,163	11,385,610	5,398,363	990,000	1,011,683	2.70	
2007	16,874,390	907,253	11,573,187	6,208,456	1,010,000	991,883	3.10	
2008	17,105,148	906,018	13,170,977	4,840,189	1,030,000	969,158	2.42	
2009	17,490,831	907,877	11,691,337	6,707,371	1,065,000	938,258	3.35	
2010	19,244,661	721,961	12,093,933	7,872,689	1,095,000	924,297	3.90	
2011	20,294,405	837,165	11,915,644	9,215,926	1,120,000	769,764	4.88	
2012	21,108,818	927,715	12,667,718	9,368,815	1,365,000	729,164	4.47	
2013	22,027,671	928,700	12,416,929	10,539,442	1,415,000	681,389	5.03	
2014	22,570,956	536,916	12,509,032	10,598,840	1,470,000	624,789	5.06	

Water and Sewer State Revolving Loans							
Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage	
				Principal	Interest		
2005	\$ 14,283,596	\$ 8,346,553	\$ 5,937,043	\$ 2,114,409	\$ 491,697	2.28	
2006	15,876,810	11,385,610	4,491,200	1,544,670	452,834	2.25	
2007	16,874,390	11,573,187	5,301,203	1,455,791	572,969	2.61	
2008	17,105,148	13,170,977	3,934,171	1,844,249	792,010	1.49	
2009	17,490,831	11,691,337	5,799,494	1,796,473	789,846	2.24	
2010	19,244,661	12,093,933	7,150,728	1,851,177	716,019	2.79	
2011	20,294,405	11,915,644	8,378,761	1,854,547	757,727	3.21	
2012	21,108,818	12,667,718	8,441,100	1,967,848	705,047	3.16	
2013	22,027,671	12,416,929	9,610,742	2,439,435	649,489	3.11	
2014	22,570,956	12,509,032	10,061,924	2,381,877	597,388	3.38	

General Government				
Sales Tax Note				
Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4),		Coverage
		Principal	Interest	
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	\$ 3,371,680	\$ -	\$ 286,960	11.75
2009	2,975,011	590,000	759,600	2.20
2010	2,915,832	615,000	734,702	2.16
2011	2,939,839	640,000	708,749	2.18
2012	3,098,395	670,000	585,968	2.47
2013	3,213,921	695,000	467,188	2.77
2014	3,400,139	720,000	444,600	2.92

Special Facilities Revenue Bonds				
Fiscal Year	Facilities Revenue	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2005	\$ 67,929	\$ 95,000	\$ 73,860	NA
2006	54,948	100,000	71,400	NA
2007	48,551	110,000	65,710	NA
2008	67,256	115,000	59,064	NA
2009	71,347	1,000,000	51,682	NA
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-

Proprietary Funds

Stormwater Revenue Bonds						
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage	
			Principal	Interest		
\$ 2,308,855	\$ 1,310,723	\$ 998,132	\$ 302,768	\$ 95,120	5.80	
3,198,778	1,060,592	2,138,186	316,391	81,947	8.03	
2,959,982	1,444,894	1,515,088	330,627	68,557	7.42	
3,035,556	1,863,121	1,172,435	344,270	53,618	7.63	
3,249,301	1,259,700	1,989,601	360,043	62,662	7.69	
3,800,074	1,574,814	2,225,260	376,471	8,468	9.87	
3,731,188	1,895,947	1,835,241	191,564	4,239	19.06	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	

Stormwater State Revolving Loans						
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage (9)	
			Principal	Interest		
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 3,035,556	\$ 1,863,121	\$ 1,172,435	\$ 132,120	\$ 122,937	4.60	
3,249,301	1,259,700	1,989,601	183,184	121,393	6.53	
3,800,074	1,574,814	2,225,260	188,215	116,361	7.31	
3,731,188	1,895,947	1,835,241	245,250	191,783	4.20	
4,066,178	1,915,200	2,150,978	321,442	183,107	4.26	
4,269,917	1,686,945	2,582,972	325,628	175,662	5.15	
4,474,837	1,641,644	2,833,193	334,549	166,650	5.65	

General Government

CRA Note

Fiscal Year	CRA Ad Valorem Taxes	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2005	\$ 441,559	\$ 165,000	\$ 67,793	1.90
2006	751,617	165,000	67,592	3.23
2007	1,307,165	170,000	61,773	5.64
2008	1,378,763	175,000	55,840	5.97
2009	1,587,494	185,000	49,733	6.76
2010	1,342,653	190,000	43,276	5.76
2011	1,097,603	195,000	36,645	4.74
2012	1,014,246	205,000	29,840	4.32
2013	1,025,900	210,000	22,685	4.41
2014	1,117,433	215,000	15,397	4.85

- (1) Gross revenues from water and sewer charges for services, plus interest income and service charges.
- (2) Total operating expenses exclusive of depreciation, amortization of intangibles and non-recurring costs.
- (3) Includes principal and interest of revenue bonds only. Does not include debt defeasance transactions.
- (4) Includes principal and interest only.
- (5) Does not include pledged public service taxes which are allowable revenues to meet extended covenant requirements.
- (6) There is no provision in bonds for covenant coverage.
- (7) No more than 14.00% of debt service can be paid from Water System Development Charges and no more than 30.30% of debt service can be paid from Sewer System Development Charges.
- (8) FY2012 does not include current refunding.
- (9) Changes made to correct calculation of coverage ratio for FY2008-FY2011.

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

Source: City of Sanford Finance Department.

**Schedule 11
CITY OF SANFORD, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2014**

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Sanford</u>	<u>Amount Applicable to City of Sanford</u>
Governmental unit			
General obligation debt			
Seminole County Government	\$ -	10.3%	\$ -
Seminole County School Board	-	10.3%	-
Other debt			
Seminole County Government			
Revenue bonds	104,956,000	10.3%	10,812,161
Capital leases	1,986,000	10.3%	204,590
Seminole County School Board			
State education bonds	12,483,340	10.3%	1,285,137
Certificates of participation	179,168,004	10.3%	<u>18,445,012</u>
Subtotal, overlapping debt			30,746,900
City direct debt			<u>14,377,447</u>
Total direct and overlapping debt			<u>\$ 45,124,347</u>

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Sanford, Florida. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident – and therefore responsible for repaying the debt – of each overlapping government.

Percentage applicable for overlapping debt is based on City's total taxable value as a percentage of Seminole County's total assessed value.

Sources Seminole County Finance Department - the information provided based on the 09/30/13 CAFR. FY 2014 information was not available prior to CAFR publication.

**Schedule 12
CITY OF SANFORD, FLORIDA**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
2005	49,252	\$ 37,942	\$ 1,868,719,384	14,060	3.5%
2006	51,227	40,192	2,058,915,584	13,693	2.9%
2007	53,099	42,577	2,260,796,123	12,966	3.2%
2008	54,306	44,141	2,397,121,146	11,080	4.9%
2009	53,816	43,417	2,336,529,272	12,969	8.8%
2010	53,392	40,083	2,140,111,536	13,139	10.6%
2011	53,422	40,063	2,140,245,586	13,597	9.9%
2012	54,064	40,822	2,207,000,608	13,164	8.2%
2013	53,867	42,191	2,272,702,597	13,605	6.6%
2014	55,509	42,986	2,386,109,874	13,788	5.4%

- Source:**
- (1) Office of Economic and Demographic Research
Florida Population Estimates for Counties and Municipalities - April 1, 2014
Bureau of Economic and Business Research (BEBR) @ the University of Florida
 - (2) U.S. Department of Commerce, Bureau of Economic Analysis
Per Capita Personal Income prior to 2013 have been corrected from previous years CAFRs.
 - (3) Seminole County School Board
Fiscal Year 2014 includes prekindergarten thru 12th grade enrollments.
 - (4) United States Department of Labor, Bureau of Labor Statistics
Local Area Unemployment Statistics Map - Seminole County

**Schedule 13
CITY OF SANFORD, FLORIDA**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

<u>Employer</u>	<u>Fiscal Year 2013 / 2014</u>		<u>Fiscal Year 2004 / 2005</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Seminole State College	1,808		*	*
Seminole County Public Schools**	1,341		*	*
Seminole County Sheriff	1,334		*	*
Seminole County Government***	1,293		*	*
Central Florida Regional Hospital	1,128		*	*
Wal-Mart Stores	671		*	*
City of Sanford	513		*	*
Orlando Sanford International Airport****	504		*	*
Benada Aluminum Products	166		*	*
Wayne Densch	128		*	*
Total	<u>8,886</u>		<u>*</u>	

* Data not available

** SCPS Sanford Elementary, Middle, High Schools and the Education Support Center

***Seminole County Government - FY 2013 CAFR FTEs

**** Sanford Airport Authority (full and part-time), TBI, MSA, Alpha, Hudson, SSP, Avis/Budget, Dollar/Thrifty, Alamo/Enterprise, Hertz/Advantage, Canteen Vending, Smart Carte, Advantage

Source: Informal survey and research conducted by City of Sanford Finance Department

Schedule 14
CITY OF SANFORD, FLORIDA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 *</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government:										
City Manager	3.00	6.00	8.50	9.00	7.00	12.00	11.68	7.33	9.33	10.33
Community Improvement	5.00	9.00	8.00	6.00	8.00	10.00	10.24	12.24	9.24	9.14
City Clerk	2.00	3.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	2.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Civil Service	-	-	-	-	-	-	-	-	-	-
Finance/IT	16.00	17.00	16.00	14.00	20.00	20.00	13.73	16.23	16.23	17.33
Planning/Development	15.00	22.00	22.50	13.00	11.00	11.00	8.50	8.00	8.00	8.00
Public Safety:										
Police	140.00	147.00	155.00	153.00	145.00	153.00	143.00	143.00	150.00	149.95
Fire	67.50	69.00	78.20	94.00	90.00	90.20	89.20	89.50	89.50	91.64
Public Works	52.00	86.00	95.00	90.00	86.00	93.20	88.05	88.05	83.05	83.25
Utilities	91.00	97.00	102.00	100.00	99.00	100.50	101.00	101.00	102.50	103.50
Recreation	42.00	31.10	34.10	18.00	18.00	34.60		33.80	32.80	32.80
Total	<u>435.50</u>	<u>491.10</u>	<u>527.80</u>	<u>505.00</u>	<u>491.00</u>	<u>531.50</u>	<u>505.20</u>	<u>506.15</u>	<u>507.65</u>	<u>512.94</u>

Source: City of Sanford Budgets 2001-2008, 2010-2014
City of Sanford Financial Services Department

**Schedule 15
CITY OF SANFORD, FLORIDA**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Building Inspections</u>					
All permits issued**	6,853	5,490	4,185	3,383	3,004
Building permits issued**	3,277	2,395	2,087	1,696	1,687
Inspections completed**	26,466	21,597	12,297	10,293	9,035
Re-inspections completed**	*	*	*	1,270	1,301
<u>Law Enforcement</u>					
Physical arrests	*	3,285	6,751	3,258	3,516
DUI arrests	193	167	234	127	102
Traffic violations	8,127	7,808	7,387	6,419	5,306
Traffic crashes	1,862	1,686	1,837	1,595	1,352
Total calls received by agency	*	111,089	121,411	100,235	127,471
Dispatched calls requiring police service (based on calendar year figures)	89,083	96,198	95,598	89,339	96,712
<u>Fire</u>					
Emergency responses	8,813	8,690	8,952	8,929	8,632
Number of actual fires suppressed	180	268	234	241	265
Number of commercial building inspections	1,420	1,153	1,630	1,022	2,178
Number of school inspections	*	17	17	17	19
Number of investigations	34	42	37	47	31
<u>Planning & Engineering</u>					
Paved streets (miles)	163.13	156.12	156.12	156.12	156.35
Unpaved streets (miles)	*	2.10	2.10	2.10	2.10
<u>Public Works</u>					
Street resurfacing (miles)	*	1.85	2.85	3.95	3.25
Other street repairs (# of potholes, etc.)	101	115	133	162	150

* Data not available

** Data corrected for previous years.

Note: Indicators are not available for the general government function.

Source: Various City Departments

2010	2011	2012	2013	2014
2,564	3,026	3,225	3,383	2,749
1,291	1,408	1,433	1,450	1,464
8,011	8,972	10,396	12,013	7,165
931	1,087	997	1,454	946
3,040	2,422	2,394	2,670	3,094
107	63	94	43	40
4,428	5,123	6,922	4,560	
1,261	1,346	1,581	1,564	2,019
72,482	121,149 **	119,018	108,935	137,298
85,281	90,388 **	84,691	85,270	102,516
8,480	8,794	8,977	9,311	9,571
58	63	56	37	94
1,363	2,220	2,100	2,403	1,942
14	24	24	15	14
23	29	33	31	30
156.61	160.64 **	160.64	160.64	160.64
2.10	0.38 **	0.38	0.38	0.38
			-	
4.30	4.36	3.53	3.16	7.80
119	206	231	236	200

**Schedule 16
CITY OF SANFORD, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Transportation</u>					
Miles of streets	163.13**	158.22	158.22	158.22	158.45
<u>Public Safety</u>					
Number of Fire Stations	3	3	3	3	3
Number of Firefighters and Officers	72	73	78	80	76
Number of Police Stations*	5	4	4	4	4
Number of Sworn Officers	114	126	125	137	125
<u>Municipal Water System</u>					
Number of Customers	16,256	16,861	17,684	16,781	15,443
Average Daily Consumption	6.6 MGD	7.31 MGD	7.498 MGD	7.180 MGD	7.31 MGD
Plant Capacity - All Plants	17.5 MGD	17.5 MGD	14.688 MGD	14.688 MGD	14.688 MGD
Deep Wells	20	20	19	19	19
Number of Fire Hydrants	1,008	1,200	1,207	1,207	1,271
<u>Municipal Sewer System</u>					
Number of Customers	14,856	12,850	13,882	14,093	12,843
Treatment Facility Capacity	7.3 MGD	7.3 MGD	9.3 MGD	9.3 MGD	9.3 MGD
Annual Average Flow	7.6 MGD	5.7 MGD	6.12 MGD	7.57 MGD	6.438 MGD
<u>Municipal Stormwater System</u>					
Number of Customers	12,482	13,530	13,688	13,842	13,260
<u>Building Permits Issued**</u>					
	3,277	2,395	2,087	1,696	1,687
<u>Recreation & Culture</u>					
Number of Regional Parks	1	1	1	1	1
Number of Neighborhood Parks	37	37	37	38	36
Park Area - #of acres	348	348	348	350	350
Number of Museums	1	1	1	1	1
Number of Books	3,621	3,621	3,630	3,630	3,630

* # of police stations include: (1) Public Safety Complex, previous remote location offices

** Data corrected for previous years.

Source: Various City Departments

2010	2011	2012	2013	2014
158.71	161.02**	161.02**	161.02	161.02
3	3	3	3	3
75	77	79	75	79
3	2	1	1	1
125	123	124	130	129
15,625	15,127	15,207	15,532	15,654
6.971 MGD	6.513 MGD	6.154 MGD	5.798 MGD	6.193 MGD
14.688 MGD				
19	19	19	18	16
1,352	1,281	1,281	1,393	
12,574	14,114	14,182	14,453	14,634
9.3 MGD				
6.334 MGD	6.05 MGD	6.396 MGD	6.691 MGD	6.788 MGD
12,982	13,861	13,909	14,176	14,354
1,291	1,408	1,433	1,450	2,749
1	1	1	1	1
36	36	36	36	36
350	350	350	350	350
1	1	1	1	1
3,630	3,630	3,630	3,630	3,630



COMPLIANCE SECTION:

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
- INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
- NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
- INDEPENDENT ACCOUNTANT'S REPORT
- INDEPENDENT AUDITOR'S MANAGEMENT LETTER
- SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**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***

The Honorable Mayor and
Members of the City Commission
City of Sanford, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2015.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements, and contracts, 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*.

We noted certain matters that we reported to management of the City in a separate letter dated March 16, 2015.

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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 16, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY
OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Sanford, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement* and Department of Financial Services *State Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and major state project for the year ended September 30, 2014. The City's major federal programs and major state project are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. The City's basic financial statements include the operations of the Sanford Airport Authority (the "Airport"), a discretely presented component unit of the City, which expended \$12,725,529 in federal awards during the year ended September 30, 2014. These expenditures are not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the Airport because the results of the Airport's financial statement and compliance audits were reported in separate financial statements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Opinion on Each Major Federal Program and Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state project for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on each major federal program or major state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purposes of additional analysis, as required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance
Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General (Cont.)**

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 16, 2015

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2014

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

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

Federal Awards and State Financial Assistance

Internal control over major federal programs and major state projects:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Type of report issued on compliance for major federal programs and major state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 or Chapter 10.557, Rules of the Auditor General?

___ Yes X No

Identification of Major Federal Programs and Major State Projects:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.710	COPS Hiring Recovery Program
16.710 ARRA	COPS Hiring Recovery Program
20.205	Highway Planning and Construction

<u>CFDA Number</u>	<u>Name of State Project</u>
37.077	Wastewater Treatment Facility Construction

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

Federal	<u>\$444,857</u>
State	<u>\$300,000</u>

Auditee qualified as low-risk auditee? X Yes ___ No

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION

None Reported.

City of Sanford Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2014

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Reimbursable Expenditures
U.S. Department of Agriculture			
Passed through Florida Department of Education Summer Food Service Program	10.559	04-0720	\$ 5,618
Total Department of Agriculture			<u>5,618</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-10-MC-12-0057	49,550
Community Development Block Grant	14.218	B-11-MC-12-0057	168,774
Community Development Block Grant	14.218	B-12-MC-12-0057	131,583
Community Development Block Grant	14.218	B-13-MC-12-0057	157,940
Neighborhood Stabilization Program	14.218	B-11-MN-12-0035	338,744
Total Department of Housing and Urban Development			<u>846,591</u>
U.S. Department of the Interior			
Passed through Florida Department of Environmental Protection Land and Water Conservation Fund Grants	15.916	12-00596	125,153
Save America's Treasures	15.929	12-10-AP-5036	4,685
Total Department of the Interior			<u>129,838</u>
U.S. Department of Justice			
DEA Officer Reimbursement	16.580	DEA Orlando	17,202
Bulletproof Vest Grant - FY 2012	16.607	2012BUBX12060982	5,525
Bulletproof Vest Grant - FY 2013	16.607	2013BUBX13070241	1,102
ARRA - COPS Hiring Recovery Program	16.710	2009RKWX0251	21,049
COPS Hiring Recovery Program	16.710	2011UMWX0044	323,250
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2767	-
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0700	23,930
Passed through Florida Department of Law Enforcement BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAGC-SEMI-7-E5-248	17,688
Total Department of Justice			<u>409,746</u>
U.S. Department of Transportation			
Passed through Florida Department of Transportation Highway Planning & Construction	20.205	AQX68	3,688,075
Highway Planning & Construction	20.205	ARC13	73,827
Total Department of Transportation			<u>3,761,902</u>
U.S. Environmental Protection Agency			
Passed through Florida Department of Environmental Protection State Revolving Fund Loan	66.468	DW590120	8,751,199
Total Environmental Protection Agency			<u>8,751,199</u>
U.S. Department of Health and Human Services			
Passed through Florida Department of Community Affairs LIHEAP Low Income Home Energy Assistance Program	93.568	13EA-0F-06-69-02-028	489,844
LIHEAP Low Income Home Energy Assistance Program	93.568	14EA-0F-06-69-02-028	433,844
Total Department of Health and Human Services			<u>923,688</u>
		Total Expenditure of Federal Awards	<u><u>\$ 14,828,582</u></u>

(continued)

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

City of Sanford Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
Year Ended September 30, 2014

State Grantor/Pass-Through Grantor Program Title	CSFA Number	Grant Number / Pass Through Grantor's Number	Reimbursable Expenditures
St. Johns River Water Management District			
Reclaimed Water Interconnect Project	37.039	27652	\$ 180,850
			<u>180,850</u>
Florida Department of Environmental Protection			
State Revolving Fund Loan	37.077	WW590130	18,589
State Revolving Fund Loan	37.077	WW590131	938,688
State Revolving Fund Loan	37.077	SW590140	177,638
Total Department of Environmental Protection			<u>1,134,915</u>
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program	77.006	12243	126,326
Total Fish and Wildlife Commission			<u>126,326</u>
			<u>\$ 1,442,091</u>
			<u>\$ 16,270,673</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

City of Sanford, Florida
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2014

Note 1 – Reporting Entity

For reporting entity purposes, the Schedule of Expenditures of Federal Awards and State Financial Assistance include only the activities of the City of Sanford’s primary government and not the Airport Authority which is presented as a discretely presented component unit.

Note 2 – Summary of Significant Accounting Policies

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance are in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations.

Note 3 – State Revolving Fund Loans

For State Revolving Fund loans listed on the Schedule of Expenditures of Federal Awards and State Financial Assistance, the City had the following loan balances outstanding at September 30, 2014.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	66.468	DW590120	\$ 10,868,249
State Revolving Fund	37.077	WW590130	\$ 666,300
State Revolving Fund	37.077	WW590131	\$ 940,889
State Revolving Fund	37.077	SW590140	\$ 177,638



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

We have examined the City of Sanford, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 16, 2015



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Sanford, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 16, 2015.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 16, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

The Honorable Mayor and
Members of the City Commission
City of Sanford, Florida

Financial Condition (Cont.)

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had two current-year recommendations which we have included in the attached "Schedule of Observations and Recommendations.

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

Purpose of this Letter

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



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 16, 2015

CITY OF SANFORD, FLORIDA

SCHEDULE OF OBSERVATIONS AND RECOMMENDATIONS

For the Year Ended September 30, 2014

MLO 2014-001 PERSONNEL MANUAL AND ETHICS TRAINING

Observation

During our audit, we noted that employees sign an Employee Acknowledgement form when they are hired to acknowledge that they have received a copy of the Personnel Rules and Regulations and will be held accountable for non-adherence to same. However, we noted that there is no requirement that employees sign a similar acknowledgement for any subsequent revisions to the City's Personnel Rules and Regulations. In addition, we noted that ethics training is not mandatory for City employees.

Criteria

An appropriate understanding of personnel rules and regulations and ethical business practices could help reduce the risk of non-adherence to City policies by employees.

Recommendation

We recommend that management consider implementing a requirement that employees acknowledge their understanding of the City's current personnel rules and regulations on an annual basis. In addition, we recommend that the City consider implementing a requirement for all City employees to participate in annual or biannual ethics training.

Management Response

The City implemented an e-mail alert system to notify employees of changes and additions to personnel rules and regulations. This alert will be sent to all employees at the time the change is effective. The City recently implemented an ethics requirement for certain positions in the City and will actively pursue a plan to obtain ethics training for all employees.

MLO 2014-002 NOTIFICATION OF TERMINATED EMPLOYEES

Observation

During our audit, we noted that the Human Resource department is not involved in the process of notifying the Information Technology department when an employee is terminated or resigns. Currently, the individual City departments where the terminated employee worked notify Information Technology, but not always on a timely basis.

Criteria

Proper controls over the City's IT system should include timely communication of employee termination to reduce the risk of unauthorized access by an individual who is no longer employed by the City.

Recommendation

We recommend that management consider implementing a process by which Human Resources can provide information on terminated employees to Information Technology in a timely manner.

Management Response

The City's Human Resources Department will be notifying Information Technology through their helpdesk software of all employee terminations.