

CITY OF SANFORD, FLORIDA

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2009

(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, 2009

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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



FINANCE DEPARTMENT

March 27, 2009

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, 2009. State law requires that all general-purpose local governments publish within 12 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 unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2009 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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MAILING ADDRESS

CITY OF SANFORD
POST OFFICE BOX 1788
SANFORD, FLORIDA 32772-1788

•

PHYSICAL ADDRESS

CITY HALL
300 NORTH PARK AVENUE
SANFORD, FLORIDA 32771-1244

•

TELEPHONE
407.330.5613

FACSIMILE
407.330.5666

WEBSITE
WWW.CI.SANFORD.FL.US

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CITY COMMISSION

LINDA KUHN
MAYOR

ART WOODRUFF
DISTRICT 1

DR. VELMA H. WILLIAMS
DISTRICT 2, VICE MAYOR

RANDY JONES
DISTRICT 3

JACK T. BRIDGES
DISTRICT 4

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CITY MANAGER
TOM GEORGE

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 six major goals:

1. Every neighborhood in the City is a safe and friendly place to live and City residents have pride in their homes and neighborhoods.
2. The City’s schools and businesses provide our residents with the opportunity to succeed in life.
3. The City’s unique assets are unparalleled and enjoyed by residents and visitors alike.
4. City government, at all levels, has the vision and leadership to be successful.
5. Redevelop U.S. 17-92 to enhance the visual appearance and maintain vibrant businesses.
6. Initiate marketing, image building and public relations campaign to boost the City’s image as a destination and vibrant place of commerce.

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.

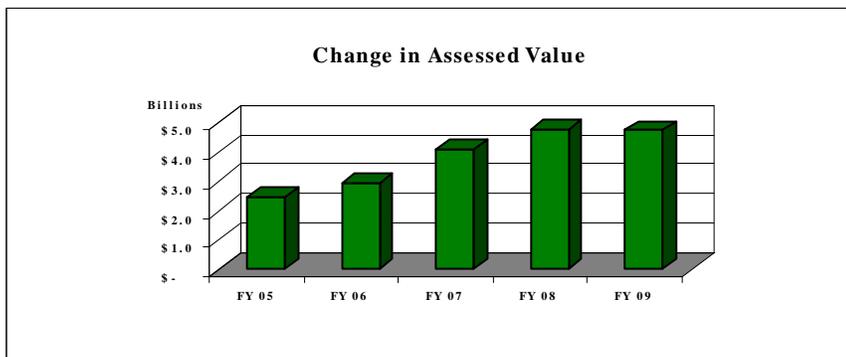
The City provides a full range of services. The City is also financially accountable for two legally separate component units: the Sanford Airport Authority and Community Redevelopment Agency, which are presented as discrete component units of the City. Additional information on these legally separate entities can be found in the notes to the financial statements. The annual budget serves as the foundation for the City of Sanford’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. Over the past five years, the City has averaged double-digit increases in assessed values, jumping from \$2.5 billion in FY 2005 to over \$4.7 billion in FY 2009. However, there was a decline from FY 2008 to FY 2009 of \$28 million resulting in 3.52% loss of property tax revenue from the previous year.



Major ad valorem taxpayers in the City include the Seminole Towne Center Regional Mall and Central Florida Regional Hospital. The City's population has also continued to increase to its current estimate of just over 53,800, making it the largest city in Seminole County as well as the 50th largest in the State of Florida and 24th in order of population change from 2000 to 2009. 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.

Directly related to the economy has been a significant decline in annual state revenue sharing monies which are distributed to each city and county based on population. In fiscal year 2008/2009, the final numbers which include among other things our share of gas and sales tax proceeds went down by 11.75% from FY 2008 and by 6.81% compared to original projections.

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 phase:

- Construction of a new \$18M Public Safety Facility.
- Goldsboro Recreational Trail.
- Continued improvements to roads, sidewalks and drainage.
- Construction of new three lane road along St. Johns Parkway.
- Extend Oleander Avenue south from 18th St.
- City-wide stormwater drainage improvement project.
- Traffic Calming projects.

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.

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, 2008. This was the 20th 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

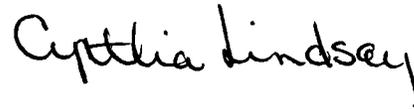
The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services Team. Special thanks are in order for Ms. Cynthia Lindsay, Finance Manager, for her tireless efforts in this regard. We would also like to express our appreciation to our 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,



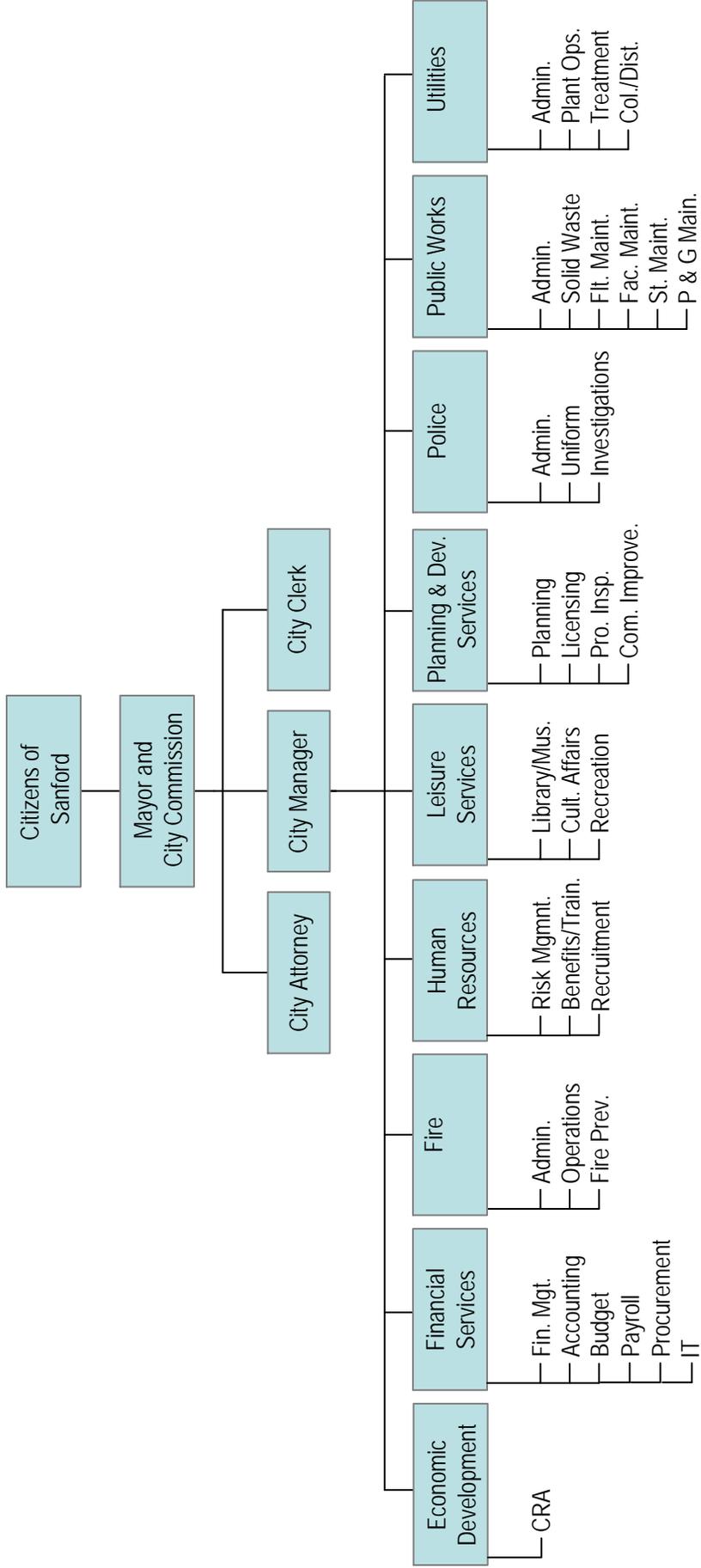
Tom George
Interim City Manager



Cynthia Lindsay
Interim Director of Finance

SANFORD
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City of Sanford Organization Chart



SANFORD
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CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

Year Ended September 30, 2009

MAYOR

Linda Kuhn

COMMISSIONERS

Art Woodruff

Velma H. Williams, Ph.D

Randy Jones

Jack Bridges

STAFF

Thomas J. George, Interim City Manager

Kristi Aday, Deputy City Manager

Cynthia Lindsay, Interim Director of Finance

Janet R. Dougherty, City Clerk

Robert Tunis, 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 Iftaikhari, Interim Director of Public Works

Paul Moore, Director of Utilities

Brian F. Tooley, Police Chief

Gerard T. Ransom, Fire Chief

SANFORD
FLORIDA
—1877—

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

SANFORD
FLORIDA
—1877—

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



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency 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, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sanford Airport Authority (the "Airport"), a discretely presented component unit of the City. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the Airport, is based on the report of other auditors.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, business-type activities, the City of Sanford Community Redevelopment Agency discretely presented component unit, each major fund, and aggregate remaining fund information of the City as of September 30, 2009, 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.

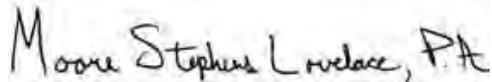
In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(Concluded)

The management's discussion and analysis and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, the other supplementary information section, and the statistical section listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected the other supplementary information section to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken 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 express no opinion on them.

A handwritten signature in black ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive style.

Certified Public Accountants

Orlando, Florida
March 15, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Sanford's ("the City") discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i through v and the City's financial statements beginning on page 14.

Financial Highlights

- At the close of fiscal year 2009, the City's assets exceeded its liabilities by \$245,089,552 (net assets). Of this amount, \$6,044,915 (unrestricted net assets) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2009, the City's total net assets increased by \$2,541,820 (or 1.05%).
- At the close of fiscal year 2009, the City's governmental funds reported combined ending fund balances of \$41,671,293, a decrease of \$8,024,930 in comparison with the prior year. This decrease is attributable to the construction of Fort Mellon Park \$4,296,626, Westside Community Center \$1,466,842, Public Safety Complex \$2,366,143. Approximately 20% or \$8,331,566 of the total amount is unassigned fund balance and is available for spending at the City's discretion. See page 18 for further details.
- The City's total debt decreased by \$4,901,949 during the current fiscal year. The key factors in this decrease were bond principal payments of (\$3,015,043), principal payment on the state revolving loan of (\$1,929,358), short-term notes payable principal payments of (\$2,700,000), and capital lease payment of (\$64,292). These increases were offset with \$2,700,000 issued in short-term notes, a new lease totaling \$35,598, and an increase in the principal of the state revolving loans of \$71,146.

USING THIS ANNUAL REPORT

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 focus is on major funds, rather than fund types.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. The focus of the Statement of Net Assets (the "unrestricted net assets") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net assets 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 assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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, community and economic development, planning and zoning, building permits, highways and streets, and parks and recreation. The business-type activities of the City consist of the water and sewer, solidwaste, and stormwater systems.

The government-wide financial statements include the City of Sanford (known as the primary government) but also a legally separate community redevelopment agency and a legally separate airport authority, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Sanford Finance Corporation, 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 14-17 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, proprietary, and fiduciary. Traditional users of governmental financial statements will find the fund financial statement's presentation more familiar.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial 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 16 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 Projects Fund, and the Public Safety Complex Fund, all of which are considered to be major funds. Data from the other 13 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 and Enterprise Funds, except for the State Pension Contributions Special Revenue Fund and the LIHEAP Special Revenue Fund. Budgetary comparison statements have been provided for these 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 18-21 of this report.

Proprietary funds. The City maintains two proprietary fund types. 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. 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 basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial 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 26-27 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 28-74 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 benefits to its employees. Required Supplementary Information can be found on pages 77-79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets exceeded liabilities by \$245,118,832.

The following table reflects the condensed Statement of Net Assets for the current year, as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 14.

Statement of Net Assets
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current assets	\$ 44,357,276	\$ 40,139,723	\$ 12,910,248	\$ 8,936,825	\$ 57,267,524	\$ 49,076,548
Restricted assets	17,024,433	15,528,550	9,073,096	8,546,827	26,097,529	24,075,377
Deferred charges	94,370	86,229	-	-	94,370	86,229
Capital assets	101,382,864	107,740,329	147,049,401	152,940,007	248,432,265	260,680,336
Total assets	<u>162,858,943</u>	<u>163,494,831</u>	<u>169,032,745</u>	<u>170,423,659</u>	<u>331,891,688</u>	<u>333,918,490</u>
Current liabilities	4,585,782	6,676,359	4,139,871	4,775,401	8,725,653	11,451,760
Long-term liabilities outstanding	25,632,867	25,497,061	54,985,436	51,850,837	80,618,303	77,347,898
Total liabilities	<u>30,218,649</u>	<u>32,173,420</u>	<u>59,125,307</u>	<u>56,626,238</u>	<u>89,343,956</u>	<u>88,799,658</u>
Net assets:						
Invested in capital assets, net of related debt	98,814,290	105,645,908	92,584,371	101,598,575	191,398,661	207,244,483
Restricted for capital improvement	26,429,771	23,058,458	-	-	26,429,771	23,058,458
Restricted for debt service	-	-	2,473,650	6,278,839	2,473,650	6,278,839
Restricted for other purposes	2,034,286	1,061,687	-	1,401,170	2,034,286	2,462,857
Unrestricted	5,361,947	1,555,358	14,849,417	4,489,557	20,211,364	6,044,915
Total net assets	<u>\$ 132,640,294</u>	<u>\$ 131,321,411</u>	<u>\$ 109,907,438</u>	<u>\$ 113,768,141</u>	<u>\$ 242,547,732</u>	<u>\$ 245,089,552</u>

The largest portion of the City's net assets (85%) 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; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$31,800,154 of the City's net assets represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. Unrestricted net assets (\$6,044,915) may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2009, the City is able to report positive balances in all three categories of net assets, 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.

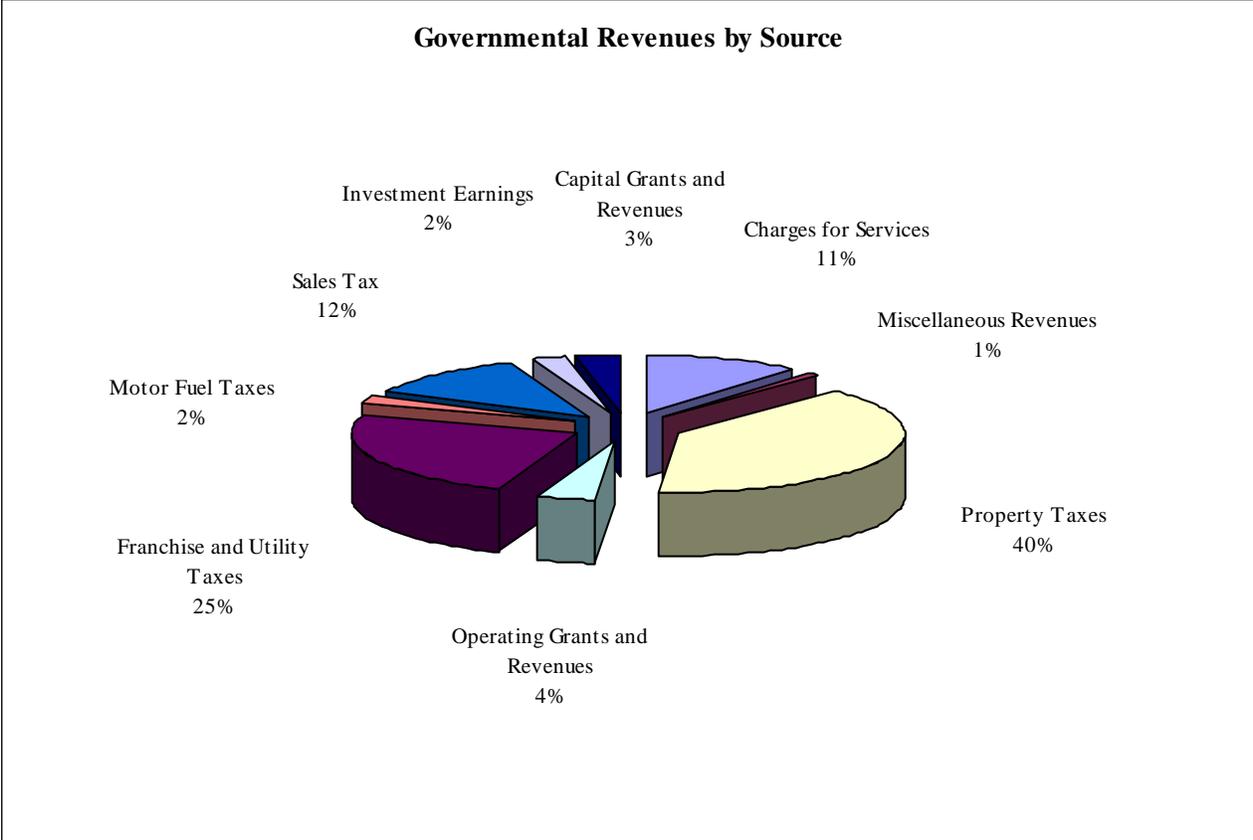
Statement of Activities

The following table reflects the condensed Statement of Activities for the current year, as compared to the prior year. For more detailed information, see the Statement of Activities on page 16.

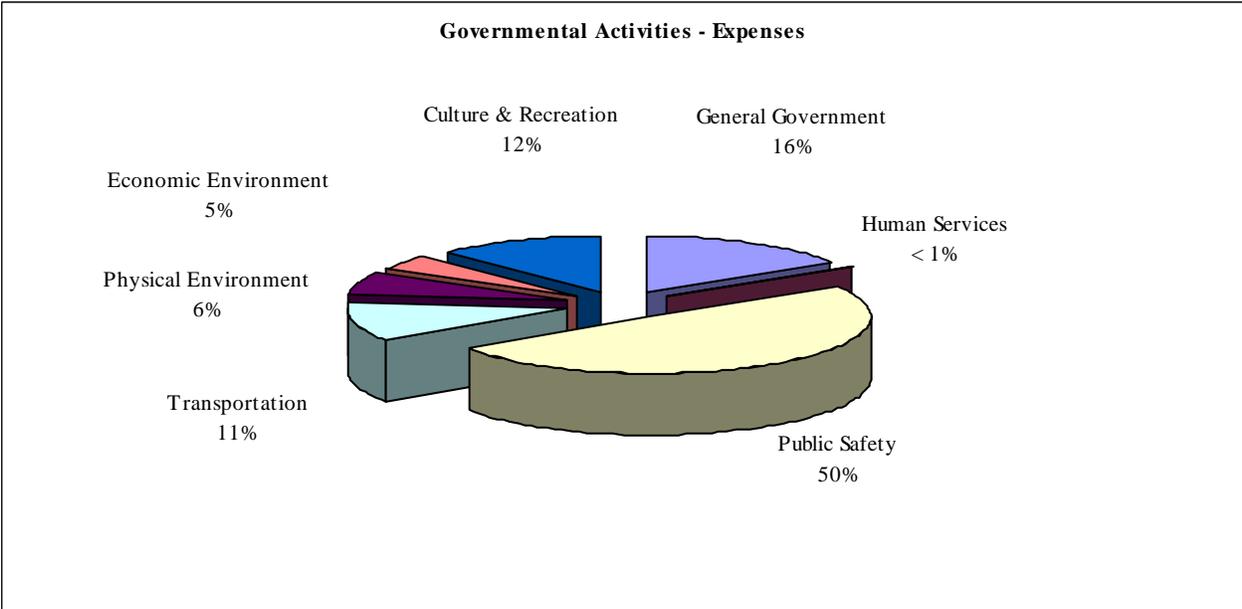
	Changes in Net Assets					
	As of September 30,					
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$ 5,081,431	\$ 5,229,448	\$ 25,156,444	\$ 25,946,885	\$ 30,237,875	\$ 31,176,333
Operating grants and contributions	1,459,759	2,097,352	1,094,982	1,579,598	2,554,741	3,676,950
Capital grants and contributions	1,099,907	1,590,985	2,298,105	1,171,442	3,398,012	2,762,427
General revenues:						
Property taxes	19,324,531	18,643,452	-	-	19,324,531	18,643,452
Other taxes	19,907,541	18,434,801	-	-	19,907,541	18,434,801
Other	1,520,908	1,431,663	667,161	304,544	2,188,069	1,736,207
Total revenues	<u>48,394,077</u>	<u>47,427,701</u>	<u>29,216,692</u>	<u>29,002,469</u>	<u>77,610,769</u>	<u>76,430,170</u>
Expenses:						
General government	6,268,244	7,550,955	-	-	6,268,244	7,550,955
Public safety	22,874,951	23,599,721	-	-	22,874,951	23,599,721
Transportation	5,747,832	5,384,088	-	-	5,747,832	5,384,088
Physical environment	3,087,782	2,983,339	-	-	3,087,782	2,983,339
Economic environment	1,354,312	2,345,516	-	-	1,354,312	2,345,516
Human services	145,369	213,627	-	-	145,369	213,627
Culture/recreation	5,779,359	5,835,469	-	-	5,779,359	5,835,469
Interest & other on long-term debt	358,260	833,869	-	-	358,260	833,869
Water and sewer	-	-	18,645,792	18,074,522	18,645,792	18,074,522
Stormwater	-	-	2,377,525	1,908,945	-	1,908,945
Solid Waste	-	-	5,329,224	5,163,299	5,329,224	5,163,299
Total expenses	<u>45,616,109</u>	<u>48,746,584</u>	<u>26,352,541</u>	<u>25,141,766</u>	<u>69,591,125</u>	<u>73,888,350</u>
Increase in net assets before transfers	2,777,968	(1,318,883)	2,864,151	3,860,703	5,642,119	2,541,820
Increase in net assets	<u>2,777,968</u>	<u>(1,318,883)</u>	<u>2,864,151</u>	<u>3,860,703</u>	<u>5,642,119</u>	<u>2,541,820</u>
Net assets - Beginning of year	129,862,326	132,640,294	107,043,287	109,907,438	236,905,613	242,547,732
Restatement	-	-	-	-	-	-
Net assets - End of year	<u>\$ 132,640,294</u>	<u>\$ 131,321,411</u>	<u>\$ 109,907,438</u>	<u>\$ 113,768,141</u>	<u>\$ 242,547,732</u>	<u>\$ 245,089,552</u>

Governmental activities

Governmental activities decreased the City's net assets by (\$1,318,883).



Property taxes, which comprised 40% of the City’s revenues, decreased by (\$681,079). The decrease in other taxes and charges for services was due primarily to the negative economic conditions facing most of the country.

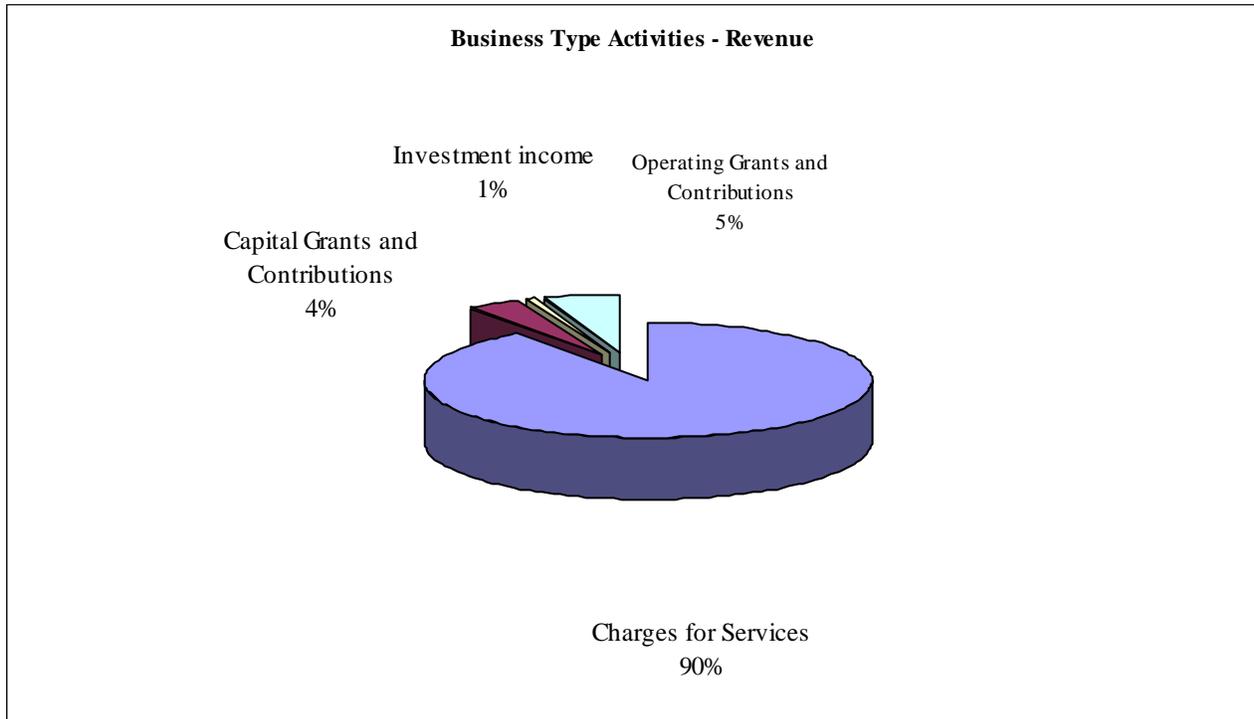


Overall, general government expenses increased slightly this year. Total expenses were \$48,746,584, compared to \$45,616,109 the prior fiscal year. Public safety expenses of \$23,599,721 comprised 50% of the total governmental activities expenses.

Business-type activities

Business-type activities increased the City’s net assets by \$3,860,703, thereby accounting for 100% of the total growth in the City’s net assets.

Charges for services of \$25,946,885 increased over the prior-year total of \$25,156,444, or more than 3.1%. This was due to the continued growth of our population and rate increases.



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, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of September 30, 2009, the City’s governmental funds reported combined ending fund balances of \$41,671,293, a decrease of (\$8,024,930) in comparison with the prior year. Approximately 19% of this total amount, \$8,331,566, constitutes unassigned fund balance, which is available for spending at the City’s discretion. \$9,187,964 is assigned for encumbrances, gasification, special revenue funds, capital project funds, debt service, and appropriations. The remainder of fund balance, \$24,151,763, is nonspendable which indicates that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At September 30, 2009, the unassigned fund balance of the General Fund was \$8,331,566, while the total fund balance was \$12,185,494. 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 24% of total General Fund expenditures, while total fund balance represents 34.5% of that same amount.

The fund balance of the City's General Fund increased by \$430,847 during the current fiscal year, primarily due to a concerted effort to cut operating expenditures.

The Capital Projects Fund has a total fund balance of \$400,408, all of which is assigned for capital projects. The net decrease in fund balance during the current year of (\$5,426,872) is due to expenditures of \$4,296,626 for Fort Mellon Park and \$1,466,842 for Westside Community Center and various other capital projects which were offset by various grants.

The new Public Safety Complex Fund has a total fund balance of \$19,163,809, all of which is nonspendable or assigned for capital projects. This fund was created in 2008 to record and track the issuance of the \$18,000,000 in sales tax revenue bonds issued in 2008 for the public safety complex. The net decrease in fund balance during the current year of (\$1,161,295) was due to costs related to the construction of the public safety complex.

The total fund balance of all the nonmajor governmental funds is \$9,921,582. The net decrease of (\$1,876,610) is primarily due to road related construction projects in the Second Generation Sales Tax Fund and use of Fire and Police Impact fees toward the construction of the public safety complex.

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 assets of the Water and Sewer Utility Fund at September 30, 2009 amounted to \$535,159, the Stormwater Utility Fund amounted to \$3,353,855, and the Solid Waste Fund amounted to \$1,105,952. The total growth in net assets for all three funds was \$2,575,714, \$1,442,400 and \$348,000, respectively. Key elements of these increases were due to developer contributions to the Water and Sewer Utility Fund of \$188,648 and capital contribution grants totaling \$1,171,442.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget (\$946,393 increase in revenues and \$2,809,599 increase in appropriations) can be briefly summarized as follows:

Revenues:

- Increase in grant revenues \$788,339.
- Increase in charges for services \$53,658.
- Increase in contributions \$16,771.
- Increase in tree mitigation revenues \$87,625.

Expenditures:

- Transfers of \$976,970 to the Debt Service Fund, \$3,000 to the Capital Project Fund Fund, \$33,923 to the CRA, and a reduction of (\$96,100) to the Building Inspection Fund, and an increase in departmental operating budgets of \$1,628,998 (mainly due to the FEMA grant revenue increase to repair roads in the City due to Tropical Storm Fay) and an increase in capital outlay of \$262,838.

Of the increases in expenditures, \$946,393 was offset by increased revenues. The remaining increased the use of reserve by \$1,863,206.

Differences between the final amended budget and the actual budget (\$1,219,170 decrease in revenues and \$4,506,073 decrease in expenditures) can be briefly summarized as follows:

Revenues:

- Actual year-end revenues were under budget by 2.9%. The negative variance was attributed primarily to franchise and utility taxes (\$244,823), business taxes (\$16,759), fines and forfeitures (\$140,454), FEMA grant revenue (\$492,846), ½ cent sales tax (\$324,990), and interest (\$912,061).
- The negative variances were offset by an increase in charges for services of \$490,547 from ambulance transport fees (\$125,540), an increase in recreation fees (\$74,455), and an increase in public safety fees of (\$227,142).

Expenditures:

- The most significant portion of the under-spending, \$1,973,042 was attributed to the positive variance in departmental salary accounts. The remainder of the variance, \$2,533,031, was spread throughout all the departments’ operational budgets based on a desire to cut spending due to the downturn in the economy and for the anticipated drop in General Fund property tax revenues due to adverse state legislative action.

Capital Asset and Debt Administration

Capital assets. The City’s total capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$260,680,336 (net of accumulated depreciation). This investment in capital assets included land, buildings, improvements, water and sewer transmission lines and facilities, infrastructure, and vehicles and equipment. The total increase in the City’s total capital assets for the current fiscal year was \$12,248,071 (a 6.27% increase for governmental activities and a 4.01% increase for business-type activities).

The increase in capital assets is mainly attributable to the following major capital projects beginning or continuing during the current fiscal year: North Shore Marina, Public Safety Complex, Fort Mellon Park, Westside Community Center, North White Cedar, stormwater rehabilitation, actiflow, reclaimed water line expansion, State Road 46 line relocation, inflow/infiltration rehabilitation system, sludge treatment, and water line replacements.

Capital Assets
(net of depreciation)
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$ 3,734,254	\$ 4,151,425	\$ 6,576,615	\$ 6,925,684	\$ 10,310,869	\$ 11,077,109
Buildings and improvements	24,497,804	32,723,647	26,899,981	31,553,906	51,397,785	64,277,553
Water/sewer transmission lines and facilities	-	-	85,602,000	93,259,567	85,602,000	93,259,567
Stormwater Mgt System	-	-	10,213,323	9,892,391	10,213,323	9,892,391
Machinery and equipment	7,344,673	6,020,568	5,018,545	4,467,226	12,363,218	10,487,794
Infrastructure	61,976,045	60,285,672	-	-	61,976,045	60,285,672
Irrigation rights	-	-	688,200	599,400	688,200	599,400
Construction in progress	3,830,088	4,559,017	12,050,737	6,241,833	15,880,825	10,800,850
Total	\$ 101,382,864	\$ 107,740,329	\$ 147,049,401	\$ 152,940,007	\$ 248,432,265	\$ 260,680,336

Additional information on the City’s capital assets can be found in Note 6 in the notes to the financial statements.

Long-term debt. At September 30, 2009, the City had \$38,953,034 in bonded debt outstanding. Of this amount, \$17,410,000 related to Revenue Bonds, \$568,034 related to Stormwater Revenue Bonds, and \$20,975,000 related to Utility Revenue Bonds. In addition, the City had \$30,854,659 related to the State Revolving Fund Loan, \$2,627,539 related to the City’s landfill and gas plant, \$2,606,225 related to claims associated with risk management, and \$211,371 related to capital leases on equipment. Total debt issued increased by \$2,806,744 due to an addition to the capital lease of a telephone system \$35,598, issuance of \$2,700,000 in short-term notes, and state revolving loan proceeds of \$71,146.

These increases were offset by a reduction in principal outstanding of \$3,015,043 in annual principal payments for the five outstanding bond issues, \$64,292 in principal payments for the capital lease, principal payments of \$2,700,000 to pay off the short-term note, and principal payments totaling \$1,929,357 on the state revolving loan.

Long-Term Debt
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Special Facilities Revenue Bonds 2000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
Sales Tax Revenue Bonds 2008	18,000,000	17,410,000	-	-	18,000,000	17,410,000
Utility Revenue Bonds 1993	-	-	14,510,000	14,510,000	14,510,000	14,510,000
Utility Revenue Refunding Bonds 2003	-	-	7,530,000	6,465,000	7,530,000	6,465,000
Stormwater Revenue Bonds 1998	-	-	928,077	568,034	928,077	568,034
Claims payable	2,201,364	2,606,225	-	-	2,201,364	2,606,225
Accrued clean-up and long-term care costs	1,724,848	2,627,539	-	-	1,724,848	2,627,539
State Revolving Loans	-	-	32,712,870	30,854,659	32,712,870	30,854,659
Capital Leases	240,065	211,371	-	-	240,065	211,371
Total	\$ 23,166,277	\$ 22,855,135	\$ 55,680,947	\$ 52,397,693	\$ 78,847,224	\$ 75,252,828

Additional information on the City’s long-term liabilities can be found in Notes 7 and 8 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 2010 budget. Included was an estimated 11% decrease in projected revenues from property taxes due to the City Commission’s desire to maintain the millage rate at 6.325 mills. This shortfall is offset by the use of \$1.8 million in reserves. There was also a budgeted increase for franchise fees of \$441,200, charges for services of \$261,400, and a projected decrease of utility taxes of (\$685,800), intergovernmental revenue of (\$753,789), interest of (\$901,600), and miscellaneous revenue of (\$127,975). The City’s budget included a reduction of 19 vacant positions.

As for the enterprise funds, the City implemented a rate increase for its Water and Sewer Fund as of October 1, 2009 in the amount of 15%.

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 Assets

September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Sanford CRA	Airport Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,524,440	\$ 773,816	\$ 5,298,256	\$ 220,819	\$ 1,335,235
Investments	23,764,118	4,628,342	28,392,460	1,006,789	-
Accounts receivable, net	1,217,789	3,168,206	4,385,995	51	254,635
Due from other governments	10,345,844	474,157	10,820,001	-	136,466
Internal balances	108,279	(108,279)	-	-	-
Inventories	136,829	583	137,412	-	-
Prepaid expenses	42,424	-	42,424	6,542	36,767
Total current assets	<u>40,139,723</u>	<u>8,936,825</u>	<u>49,076,548</u>	<u>1,234,201</u>	<u>1,763,103</u>
Noncurrent assets:					
Restricted assets					
Cash and cash equivalents	-	-	-	-	51,667
Investments	15,528,550	8,546,827	24,075,377	-	-
Deferred charges	86,229	-	86,229	-	-
Capital assets:					
Nondepreciable	8,710,442	13,167,517	21,877,959	124,022	25,960,766
Depreciable, net	99,029,887	139,772,490	238,802,377	7,246,773	117,660,985
Total noncurrent assets	<u>123,355,108</u>	<u>161,486,834</u>	<u>284,841,942</u>	<u>7,370,795</u>	<u>143,673,418</u>
Total assets and other debits	<u>\$ 163,494,831</u>	<u>\$ 170,423,659</u>	<u>\$ 333,918,490</u>	<u>\$ 8,604,996</u>	<u>\$ 145,436,521</u>

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

(Continued)

CITY OF SANFORD, FLORIDA
Statement of Net Assets (Continued)
September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Sanford CRA	Airport Authority
Liabilities					
Current liabilities:					
Accounts payable	\$ 3,809,386	\$ 3,026,191	\$ 6,835,577	\$ 110,548	\$ 419,216
Accrued liabilities	1,090,762	443,500	1,534,262	36,456	268,566
Retainage payable	-	231,408	231,408	-	-
Unearned revenue	1,447,525	25,195	1,472,720	-	389,909
Due to other governments	327,086	1,569	328,655	-	-
Liabilities payable from restricted assets	1,600	1,076,818	1,078,418	-	-
Total current liabilities	6,676,359	4,804,681	11,481,040	147,004	1,077,691
Noncurrent liabilities:					
Due within one year:					
Landfill closure liability	13,599	-	13,599	-	-
Gasification liability	1,055,025	-	1,055,025	-	-
Capital leases payable	67,281	-	67,281	-	-
Bonds payable	615,000	1,471,468	2,086,468	740,000	-
Claims payable	797,909	-	797,909	-	-
Loans payable	-	2,039,392	2,039,392	190,000	409,943
Net pension obligation	31,731	-	31,731	-	-
Compensated absences	921,888	155,001	1,076,889	-	-
Due in more than one year:					
Landfill closure liability	544,930	-	544,930	-	-
Gasification liability	1,013,985	-	1,013,985	-	-
Capital leases payable	144,090	-	144,090	-	-
Bonds payable	16,795,000	19,015,305	35,810,305	2,020,000	-
Claims payable	1,808,316	-	1,808,316	-	-
Loans payable	-	28,815,267	28,815,267	1,033,614	5,088,072
Other post employment benefits	159,673	49,795	209,468	-	-
Compensated absences	1,528,634	304,609	1,833,243	-	-
Total noncurrent liabilities	25,497,061	51,850,837	77,347,898	3,983,614	5,498,015
Total liabilities	32,173,420	56,655,518	88,828,938	4,130,618	6,575,706
Net Assets					
Invested in capital assets, net of related debt	105,645,908	101,598,575	207,244,483	3,387,181	138,123,736
Restricted for:					
Capital projects	23,058,458	-	23,058,458	-	-
Debt service	-	6,278,839	6,278,839	-	-
Other purposes	1,061,687	1,401,170	2,462,857	-	51,667
Unrestricted	1,555,358	4,489,557	6,044,915	1,087,197	685,412
Total net assets	131,321,411	113,768,141	245,089,552	4,474,378	138,860,815
Total liabilities and net assets	\$ 163,494,831	\$ 170,423,659	\$ 333,918,490	\$ 8,604,996	\$ 145,436,521

CITY OF SANFORD, FLORIDA
Statement of Activities
For The Year Ended September 30, 2009

	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Functions/Programs</u>				
Governmental Activities:				
General government	\$ 7,550,955	\$ 991,641	\$ 332,126	\$ -
Public safety	23,599,721	3,344,071	691,653	292,867
Transportation	5,384,088	69,749	-	124,650
Physical environment	2,983,339	103,118	-	-
Economic environment	2,345,516	-	1,019,520	-
Human services	213,627	-	-	80,107
Culture/Recreation	5,835,469	720,869	54,053	1,093,361
Interest on long-term debt	833,869	-	-	-
Total governmental activities	<u>48,746,584</u>	<u>5,229,448</u>	<u>2,097,352</u>	<u>1,590,985</u>
Business-type Activities:				
Water and Sewer	18,074,523	17,261,812	1,579,598	1,171,442
Stormwater	1,903,945	3,188,716	-	-
Solid Waste	5,163,300	5,496,357	-	-
Total business-type activities	<u>25,141,768</u>	<u>25,946,885</u>	<u>1,579,598</u>	<u>1,171,442</u>
Total primary government	<u>\$ 73,888,352</u>	<u>\$ 31,176,333</u>	<u>\$ 3,676,950</u>	<u>\$ 2,762,427</u>
Component units:				
Sanford CRA	\$ 968,900	\$ -	\$ -	\$ -
Airport Authority	15,214,694	10,210,928	-	13,924,696
Total component units	<u>\$ 16,183,594</u>	<u>\$ 10,210,928</u>	<u>\$ -</u>	<u>\$ 13,924,696</u>

General Revenues:
Property taxes
Franchise and utility taxes
Motor fuel taxes
Sales tax
Investment earnings
Miscellaneous revenue
Gain on sale of capital assets
Total general revenues
Change in net assets
Net Assets - Beginning
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Sanford CRA	Airport Authority
\$ (6,227,188)	\$ -	\$ (6,227,188)	\$ -	\$ -
(19,271,130)	-	(19,271,130)	-	-
(5,189,689)	-	(5,189,689)	-	-
(2,880,221)	-	(2,880,221)	-	-
(1,325,996)	-	(1,325,996)	-	-
(133,520)	-	(133,520)	-	-
(3,967,186)	-	(3,967,186)	-	-
(833,869)	-	(833,869)	-	-
<u>(39,828,799)</u>	<u>-</u>	<u>(39,828,799)</u>	<u>-</u>	<u>-</u>
-	1,938,329	1,938,329	-	-
-	1,284,771	1,284,771	-	-
-	333,057	333,057	-	-
-	<u>3,556,157</u>	<u>3,556,157</u>	<u>-</u>	<u>-</u>
(39,828,799)	3,556,157	(36,272,642)	-	-
			(968,900)	-
			<u>-</u>	<u>8,920,930</u>
			(968,900)	<u>8,920,930</u>
18,643,452	-	18,643,452	2,077,504	-
11,645,943	-	11,645,943	-	-
986,216	14,767	1,000,983	-	-
5,802,642	-	5,802,642	-	-
996,412	154,816	1,151,228	29,862	41,495
420,948	134,963	555,911	357,123	435,052
14,303	-	14,303	-	-
<u>38,509,916</u>	<u>304,546</u>	<u>38,814,462</u>	<u>2,464,489</u>	<u>476,547</u>
(1,318,883)	3,860,703	2,541,820	1,495,589	9,397,477
132,640,294	109,907,438	242,547,732	2,978,789	129,463,338
\$ 131,321,411	\$ 113,768,141	\$ 245,089,552	\$ 4,474,378	\$ 138,860,815

CITY OF SANFORD, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2009

	General Fund	Capital Projects Fund	Public Safety Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets					
Cash and cash equivalents	\$ 2,446,876	\$ 110,927	\$ 324,839	\$ 536,545	\$ 3,419,187
Investments	11,129,922	505,754	4,012,554	3,076,665	18,724,895
Accounts receivable (net of allowances for uncollectibles)	1,113,036	26	96,915	2,124	1,212,101
Due from other governments	1,140,962	-	-	9,204,882	10,345,844
Due from other funds	1,538,389	-	-	-	1,538,389
Inventories	136,829	-	-	-	136,829
Prepaid items	14,198	-	-	168	14,366
Restricted assets					
Investments	<u>1,600</u>	<u>-</u>	<u>15,526,950</u>	<u>-</u>	<u>15,528,550</u>
 Total assets	<u><u>\$ 17,521,812</u></u>	<u><u>\$ 616,707</u></u>	<u><u>\$ 19,961,258</u></u>	<u><u>\$ 12,820,384</u></u>	<u><u>\$ 50,920,161</u></u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 1,131,709	\$ 216,299	\$ 696,518	\$ 1,764,860	\$ 3,809,386
Accrued liabilities	1,062,612	-	4,016	24,134	1,090,762
Due to other funds	968,000	-	-	967,519	1,935,519
Due to other governments	327,086	-	-	-	327,086
Unearned revenues	1,447,525	-	-	-	1,447,525
Deferred revenues	397,786	-	96,915	142,289	636,990
Liabilities payable from restricted assets	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600</u>
 Total liabilities	<u>5,336,318</u>	<u>216,299</u>	<u>797,449</u>	<u>2,898,802</u>	<u>9,248,868</u>
Fund balances:					
Nonspendable:					
Inventory	136,829	-	-	-	136,829
Prepaid items	14,198	-	-	168	14,366
Restricted	1,600	-	15,526,950	8,472,018	24,000,568
Assigned for:					
Encumbrances	127,292	-	-	-	127,292
Gasification	1,708,742	-	-	-	1,708,742
Special revenue funds	-	-	-	721,461	721,461
Capital project funds	-	400,408	3,636,859	727,414	4,764,681
Debt service	-	-	-	521	521
Appropriations	1,852,162	-	-	-	1,852,162
Other	13,105	-	-	-	13,105
Unassigned	<u>8,331,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,331,566</u>
 Total fund balances	<u>12,185,494</u>	<u>400,408</u>	<u>19,163,809</u>	<u>9,921,582</u>	<u>41,671,293</u>
 Total liabilities and fund balances	<u><u>\$ 17,521,812</u></u>	<u><u>\$ 616,707</u></u>	<u><u>\$ 19,961,258</u></u>	<u><u>\$ 12,820,384</u></u>	<u><u>\$ 50,920,161</u></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 Assets
September 30, 2009

Fund Balances - Total Governmental Funds (page 18)

\$ 41,671,293

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

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

Governmental capital assets	\$ 181,197,189	
Less: Accumulated depreciation	<u>(73,456,860)</u>	107,740,329

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 Assets

4,077,406

Net pension obligations are not recorded in the current period and therefore are not reported in the funds.

(31,731)

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

Governmental bonds payable	(17,410,000)	
Bond issuance costs	86,229	
Accrued clean-up costs	(2,069,010)	
Lease payable	(211,371)	
Landfill closure	(558,529)	
Compensated absences	<u>(2,450,522)</u>	(22,613,203)

Some deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements

636,990

The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet.

(159,673)

Net Assets of Governmental Activities (page 15)

\$ 131,321,411

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

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2009

	General Fund	Capital Projects Fund	Public Safety Complex Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property taxes	\$ 18,643,452	\$ -	\$ -	\$ -	\$ 18,643,452
Utility taxes	7,375,677	-	-	-	7,375,677
Business taxes	619,241	-	-	-	619,241
Permits and fees	4,270,266	-	-	760,644	5,030,910
Intergovernmental	4,887,533	1,013,656	-	4,075,171	9,976,360
Charges for services	2,277,405	-	-	-	2,277,405
Investment income	205,939	20,743	118,704	581,063	926,449
Fines and forfeitures	162,996	-	-	127,559	290,555
Service assessments	-	-	-	376,406	376,406
Miscellaneous	391,827	425,000	-	36,507	853,334
Total revenues	<u>38,834,336</u>	<u>1,459,399</u>	<u>118,704</u>	<u>5,957,350</u>	<u>46,369,789</u>
Expenditures					
Current:					
General government	5,062,989	-	-	1,112,500	6,175,489
Public safety	19,855,207	-	107,042	1,373,170	21,335,419
Transportation	1,266,859	-	-	1,074,758	2,341,617
Physical environment	2,631,395	60,213	-	-	2,691,608
Economic environment	1,417,663	-	-	-	1,417,663
Human services	212,931	-	-	-	212,931
Culture/Recreation	4,527,720	185,192	-	45,480	4,758,392
Debt service:					
Principal	-	-	-	4,354,293	4,354,293
Interest and other fiscal charges	-	-	-	833,869	833,869
Capital outlay	343,172	6,788,489	2,366,143	3,531,382	13,029,186
Total expenditures	<u>35,317,936</u>	<u>7,033,894</u>	<u>2,473,185</u>	<u>12,325,452</u>	<u>57,150,467</u>
Excess (deficiency) of revenues over expenditures	<u>3,516,400</u>	<u>(5,574,495)</u>	<u>(2,354,481)</u>	<u>(6,368,102)</u>	<u>(10,780,678)</u>
Other financing sources (uses)					
Capital leases	-	35,598	-	-	35,598
Transfers in	-	112,025	1,305,211	3,101,540	4,518,776
Transfers out	(3,101,540)	-	(112,025)	(1,305,211)	(4,518,776)
Issuance of debt	-	-	-	2,700,000	2,700,000
Proceeds from sale of property	15,987	-	-	4,163	20,150
Total other financing sources (uses)	<u>(3,085,553)</u>	<u>147,623</u>	<u>1,193,186</u>	<u>4,500,492</u>	<u>2,755,748</u>
Net change in fund balances	430,847	(5,426,872)	(1,161,295)	(1,867,610)	(8,024,930)
Fund balances					
Beginning of year	11,754,647	5,827,280	20,325,104	11,789,192	49,696,223
End of year	<u>\$ 12,185,494</u>	<u>\$ 400,408</u>	<u>\$ 19,163,809</u>	<u>\$ 9,921,582</u>	<u>\$ 41,671,293</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, 2009

Net Change in Fund Balances - Total Governmental Funds (page 20)		\$ (8,024,930)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	\$ 13,029,186	
Less: Current year depreciation	<u>(6,027,219)</u>	7,001,967
<p>In the Statement of Activities, only the "gain" on the sale 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.</p>		
		(677,002)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		260,726
<p>Proceeds from issuance of long-term debt are reported in the governmental funds as revenues. Such proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Assets.</p>		
Capital lease	(35,598)	
Bond and loan proceeds	<u>(2,700,000)</u>	(2,735,598)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
Principal payments		4,354,293
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of these items.</p>		
		(8,141)
<p>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.</p>		
Change in long-term compensated absences	16,068	
Change in long-term gasification/landfill	(902,691)	
Change in net pension obligation	177,192	
Change in post employment benefits obligation	<u>(159,673)</u>	(869,104)
<p>Contributions of capital assets are not reported as revenues in the governmental funds.</p>		
		32,500
<p>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.</p>		
		(653,594)
Change in Net Assets of Governmental Activities (page 17)		<u><u>\$ (1,318,883)</u></u>

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

CITY OF SANFORD, FLORIDA

Statement of Net Assets

Proprietary Funds

September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	<u>Water/Sewer</u>	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Total</u>	
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,450	\$ 635,204	\$ 137,162	\$ 773,816	\$ 1,105,253
Investments	1,106,857	2,896,113	625,372	4,628,342	5,039,223
Accounts receivable, net	2,280,346	150,111	737,749	3,168,206	-
Insurance receivable	-	-	-	-	5,688
Due from other governments	473,787	370	-	474,157	-
Due from other funds	968,000	-	-	968,000	-
Prepays	583	-	-	583	28,058
Total current assets	<u>4,831,023</u>	<u>3,681,798</u>	<u>1,500,283</u>	<u>10,013,104</u>	<u>6,178,222</u>
Noncurrent assets:					
Restricted assets:					
Investments	8,244,203	198,944	103,680	8,546,827	-
Total restricted assets	<u>8,244,203</u>	<u>198,944</u>	<u>103,680</u>	<u>8,546,827</u>	<u>-</u>
Capital assets:					
Nondepreciable	9,754,614	3,412,903	-	13,167,517	-
Depreciable, net	127,942,177	11,812,475	17,838	139,772,490	14,581
Total noncurrent assets	<u>145,940,994</u>	<u>15,424,322</u>	<u>121,518</u>	<u>161,486,834</u>	<u>14,581</u>
Total assets	<u>\$ 150,772,017</u>	<u>\$ 19,106,120</u>	<u>\$ 1,621,801</u>	<u>\$ 171,499,938</u>	<u>\$ 6,192,803</u>
Liabilities and net assets					
Current liabilities:					
Accounts payable	\$ 2,377,892	\$ 259,695	\$ 388,604	\$ 3,026,191	\$ -
Accrued liabilities	390,320	50,280	2,900	443,500	-
Compensated absences	150,607	3,418	976	155,001	-
Retainage payable	231,408	-	-	231,408	-
Unearned revenues	25,195	-	-	25,195	-
Claims payable	-	-	-	-	797,909
Due to other funds	570,870	-	-	570,870	-
Due to other governments	1,569	-	-	1,569	-
Bonds payable	1,094,998	376,470	-	1,471,468	-
Loans payable	1,851,177	188,215	-	2,039,392	-
Payable from restricted assets	973,138	-	103,680	1,076,818	-
Total current liabilities	<u>7,667,174</u>	<u>878,078</u>	<u>496,160</u>	<u>9,041,412</u>	<u>797,909</u>
Noncurrent liabilities:					
Bonds payable	19,880,000	191,565	-	20,071,565	-
Less: unamortized bond discount	(1,053,031)	(3,229)	-	(1,056,260)	-
Other post employment benefits	41,976	6,996	823	49,795	-
Compensated absences	296,027	7,554	1,028	304,609	-
Claims payable	-	-	-	-	1,808,316
Loans payable	24,773,183	4,042,084	-	28,815,267	-
Total noncurrent liabilities	<u>43,938,155</u>	<u>4,244,970</u>	<u>1,851</u>	<u>48,184,976</u>	<u>1,808,316</u>
Total liabilities	<u>51,605,329</u>	<u>5,123,048</u>	<u>498,011</u>	<u>57,226,388</u>	<u>2,606,225</u>
Net assets:					
Invested in capital assets, net of related debt	91,150,464	10,430,273	17,838	101,598,575	14,581
Restricted for debt service	6,079,895	198,944	-	6,278,839	-
Restricted for renewal and replacement	1,401,170	-	-	1,401,170	-
Unrestricted	535,159	3,353,855	1,105,952	4,994,966	3,571,997
Total net assets	<u>\$ 99,166,688</u>	<u>\$ 13,983,072</u>	<u>\$ 1,123,790</u>	<u>114,273,550</u>	<u>\$ 3,586,578</u>

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

	<u>(505,409)</u>
Net assets of business-type activities	<u>\$ 113,768,141</u>

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

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Water/Sewer	Stormwater	Solid Waste	Total	
Operating revenues					
Charges for sales/services	\$ 17,261,812	\$ 3,188,716	\$ 5,496,357	\$ 25,946,885	\$ -
Other revenue	145,355	4,299	75	149,729	3,160,524
Total operating revenues	<u>17,407,167</u>	<u>3,193,015</u>	<u>5,496,432</u>	<u>26,096,614</u>	<u>3,160,524</u>
Operating expenses					
Cost of sales/services	4,132,905	506,061	5,046,436	9,685,402	4,414,927
Administration	7,516,456	746,643	110,976	8,374,075	-
Depreciation and amortization	4,246,718	389,017	4,901	4,640,636	3,737
OPEB obligation	41,976	6,996	823	49,795	-
Total operating expenses	<u>15,938,055</u>	<u>1,648,717</u>	<u>5,163,136</u>	<u>22,749,908</u>	<u>4,418,664</u>
Operating income	<u>1,469,112</u>	<u>1,544,298</u>	<u>333,296</u>	<u>3,346,706</u>	<u>(1,258,140)</u>
Nonoperating revenues (expenses)					
Investment income	83,664	56,286	14,867	154,817	95,400
Interest expense	(1,728,103)	(158,184)	(164)	(1,886,451)	-
Operating grant	1,579,598	-	-	1,579,598	-
Total nonoperating revenues (expenses)	<u>(64,841)</u>	<u>(101,898)</u>	<u>14,703</u>	<u>(152,036)</u>	<u>95,400</u>
Income before contributions	1,404,271	1,442,400	347,999	3,194,670	(1,162,740)
Capital contributions	<u>1,171,442</u>	<u>-</u>	<u>-</u>	<u>1,171,442</u>	<u>-</u>
Change in net assets	2,575,713	1,442,400	347,999	4,366,112	(1,162,740)
Total net assets - beginning	<u>96,590,975</u>	<u>12,540,672</u>	<u>775,791</u>		<u>4,749,318</u>
Total net assets - ending	<u>\$ 99,166,688</u>	<u>\$ 13,983,072</u>	<u>\$ 1,123,790</u>		<u>\$ 3,586,578</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds are reported with business-type activities.

	(505,409)
Change in net assets of business-type activities	\$ 3,860,703

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water/Sewer	Stormwater	Solid Waste	Total	
Cash flows from operating activities:					
Receipts from customers and users	\$ 18,176,745	\$ 3,193,295	\$ 5,477,409	\$ 26,847,449	\$ 3,232,591
Payments to suppliers	(4,493,794)	(131,401)	(4,781,323)	(9,406,518)	(3,765,140)
Payments to employees	(5,594,775)	(744,791)	(102,541)	(6,442,107)	-
Payments for interfund services used	(1,171,050)	(213,000)	(289,000)	(1,673,050)	-
Net cash provided (used) by operating activities	<u>6,917,126</u>	<u>2,104,103</u>	<u>304,545</u>	<u>9,325,774</u>	<u>(532,549)</u>
Cash flows from noncapital financing activities:					
Operating grant receipts	1,579,598	-	-	1,579,598	-
Net cash provided by noncapital financing activities	<u>1,579,598</u>	<u>-</u>	<u>-</u>	<u>1,579,598</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Repayment of notes payable	(1,796,473)	(183,184)	-	(1,979,657)	-
Issuance of capital debt	71,146	-	-	71,146	-
Principal paid on capital debt	(1,065,000)	(360,043)	-	(1,425,043)	-
Interest paid	(1,728,103)	(158,184)	(164)	(1,886,451)	-
Purchase of capital assets	(8,088,267)	(2,047,371)	-	(10,135,638)	-
Capital contributions	982,794	-	-	982,794	-
Proceeds from sales of capital assets	2,999	-	-	2,999	-
Net cash used in capital and related financing activities	<u>(11,620,904)</u>	<u>(2,748,782)</u>	<u>(164)</u>	<u>(14,369,850)</u>	<u>-</u>
Cash flows from investing activities:					
Investment income earned on operating funds	83,664	56,286	14,867	154,817	95,400
Net cash provided by investing activities	<u>83,664</u>	<u>56,286</u>	<u>14,867</u>	<u>154,817</u>	<u>95,400</u>
Net increase (decrease) in cash and cash equivalents	(3,040,516)	(588,393)	319,248	(3,309,661)	(437,149)
Cash and cash equivalents at beginning of year	12,393,026	4,318,654	546,966	17,258,646	6,581,625
Cash and cash equivalents at end of year	<u>\$ 9,352,510</u>	<u>\$ 3,730,261</u>	<u>\$ 866,214</u>	<u>\$ 13,948,985</u>	<u>\$ 6,144,476</u>
Reconciliation to cash and pooled investments per Statement of Net Assets:					
Cash	\$ 1,450	\$ 635,204	\$ 137,162	\$ 773,816	\$ 1,105,253
Investments	1,106,857	2,896,113	625,372	4,628,342	5,039,223
Restricted investments, noncurrent	8,244,203	198,944	103,680	8,546,827	-
	<u>\$ 9,352,510</u>	<u>\$ 3,730,261</u>	<u>\$ 866,214</u>	<u>\$ 13,948,985</u>	<u>\$ 6,144,476</u>

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

(Continued)

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds (Continued)
For The Year Ended September 30, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water/Sewer	Stormwater	Solid Waste	Total	
Reconciliation of operating loss to net cash provided by operating activities:					
Operating income (loss)	\$ 1,469,112	\$ 1,544,298	\$ 333,296	\$ 3,346,706	\$ (1,258,140)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	3,954,866	382,112	4,901	4,341,879	3,737
Amortization	291,852	6,905	-	298,757	-
Changes in assets and liabilities:					
Accounts receivable	(222,529)	(10,867)	(22,347)	(255,743)	72,067
Due from other governments	356,903	11,147	-	368,050	-
Prepays	1,443	-	-	1,443	244,925
Due from other funds	-	-	-	-	-
Customer deposits	39,289	-	3,324	42,613	-
Accounts payable	405,349	192,231	(16,402)	581,178	404,862
Retainage payable	9,973	-	-	9,973	-
Accrued liabilities	(27,158)	(28,719)	950	(54,927)	-
OPEB obligation	41,976	6,996	823	49,795	-
Due to other funds	570,870	-	-	570,870	-
Due to other governments	135	-	-	135	-
Deferred revenue	25,045	-	-	25,045	-
Net cash provided (used) by operating activities	<u>\$ 6,917,126</u>	<u>\$ 2,104,103</u>	<u>\$ 304,545</u>	<u>\$ 9,325,774</u>	<u>\$ (532,549)</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets from developers	\$ 188,648	\$ -	\$ -	\$ 188,648	\$ -
Increase (decrease) in fair value of investments	(2,251)	(2,178)	(477)	(4,906)	(8,913)
Capitalized interest on capital debt	42	-	-	42	-

CITY OF SANFORD, FLORIDA
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2009

	<u>Total Employee Retirement Funds</u>
Assets	
Cash and short-term investments	\$ 2,578,298
Interest receivable	161
Investments, at fair value:	
Short-term investments	24,848,386
Common stocks	<u>9,053,056</u>
Total investments	<u>33,901,442</u>
 Total assets	 <u><u>\$ 36,479,901</u></u>
Liabilities and net assets	
Liabilities	<u>\$ 57,416</u>
Net assets	
Held in trust for pension benefits	<u>36,422,485</u>
 Total liabilities and net assets	 <u><u>\$ 36,479,901</u></u>

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

CITY OF SANFORD, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Year Ended September 30, 2009

	<u>Total Employee Retirement Funds</u>
Additions	
Contributions:	
City	\$ 2,654,182
Employee	618,847
Total contributions	<u>3,273,029</u>
Investment earnings (losses):	
Interest	658,509
Net decrease in fair value of investments	(615,057)
Investment expenses	<u>(189,206)</u>
Net investment losses	<u>(145,754)</u>
Total additions	<u>3,127,275</u>
Deductions	
Benefit payments	2,181,382
Refund of contributions	288,409
Administrative expenses	<u>64,543</u>
Total deductions	<u>2,534,334</u>
Change in net assets	592,941
Net assets - beginning of year	<u>35,829,544</u>
Net assets - end of year	<u>\$ 36,422,485</u>

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies

The City of Sanford, Florida (the “City”), is a political subdivision of the State of Florida located in Seminole County. 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 reporting entity’s financial statements should allow users to distinguish between the primary government (the “City”) and its component units. However, some component units, because of the closeness of their relationships with the City, should be blended as if they were part of the City. Otherwise, most component units should be discretely presented. To accomplish this goal, the City’s financial statements present the fund types of the City, including a component unit that has been blended, and provides an overview of the discretely presented component units in separate columns.

As required by accounting principles generally accepted in the United States of America, the financial reporting entity consists of (1) the primary government, (2) organizations for which the City is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The City is financially accountable if it appoints a voting majority of the organization’s governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may be financially accountable if an organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, City management examined all organizations that were legally separate in order to determine which organizations, if any, should be included in the City's financial statements. Management determined that the City of Sanford Finance Corporation, the Sanford Airport Authority, and the City of Sanford Community Redevelopment Agency are the only organizations that should be included in the City's financial statements as component units. If a separate note reference is not made, the user should assume that information presented is equally applicable to both the primary government and the discretely presented component units.

Based upon a review of these criteria, the following is a brief review of units addressed in defining the City’s reporting entity:

(1) Blended Component Unit

City of Sanford Finance Corporation - The City of Sanford Finance Corporation (the “Corporation”) was established under Resolution No. 1568 of the City Commission as a not-for-profit corporation incorporated in 1989 under the provisions of the not-for-profit corporation law of the State of Florida. The City Commission and Mayor comprise the Board of Directors. The transactions of the Corporation are accounted for within the City’s applicable fund types.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

(2) Discretely Presented Component Units

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. Separate financial statements of the Airport Authority can be obtained from the Airport Authority.

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 Sanford CRA was established to enhance selected areas of the City. The Seminole Towne Center, Lake Monroe Waterfront, and Downtown Sanford Community Redevelopment areas are the currently active projects undertaken by the City. The Sanford CRA District known as Seminole Towne Center was established in 1993 with the City Commission as the agency. In 1996, the Lake Monroe Waterfront and Downtown District was expanded by an interlocal agreement with Seminole County. Currently, the City and Seminole County provide tax increment revenue to the Sanford CRA. Taxes are to be used for payment of infrastructure improvement projects and debt service on loans.

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 Sanford CRA's financial records are presented as a discrete component unit of the City. Financial records are maintained by the City. Separate financial statements are not prepared for the Sanford CRA.

B. Fund Accounting

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Primarily, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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 60 days of when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

The *Capital Projects Fund* is a capital project fund used to account for and report financial resources that are set aside for large capital projects to be completed beyond one year.

The *Public Safety Complex Fund* is a capital project fund used to account for and report financial resources that are related to the Public Safety Complex.

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 enterprise fund, of the stormwater enterprise fund, and of the City's internal service fund 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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the fiscal activities of the City's water and sewer treatment and distribution operations, as well as funding and payment of related debt.

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 funds:

The *Internal Service Fund* is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City has one (1) Internal Service Fund used to account for the City's risk management activities. This fund is accounted for on the accrual basis of accounting.

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*. These funds are accounted for on the accrual basis of accounting.

Component Units - *Sanford CRA* is used to account for financial resources of the Seminole Towne Center Bond Trust Fund and the Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Trust Fund. Capital assets are constructed with the proceeds, and are donated to the primary government. *Airport Authority* is used to account for the related activities of the Sanford Airport Authority. These component units are presented as discrete component units in the accompanying financial statements and are accounted for on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu-of-taxes and other charges between 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.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues*, rather than as program revenues. General revenues include all taxes.

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

D. GASB Statement No. 20 Election

Pursuant to the election option made available by the Governmental Auditing Standards Board (GASB) Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are not applied in the preparation of the financial statements of the City's business-type activities and enterprise funds.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased are considered to be cash equivalents. 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, 2009 was 6.325 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.

(2) Accounts Receivable - The Water and Sewer Fund, Stormwater Fund, and Solid Waste Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the applicable reporting period for meters that have not been read are accrued based on meter readings for the applicable consumption taken at the beginning of the succeeding month. Water and Sewer Fund, Stormwater Fund, and Solid Waste Fund billings are rendered monthly for the month's services.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Inventories

All inventories are stated at cost on the basis of the “first-in, first-out” method of accounting. The effect of this method is to flow costs through operations in the order in which they are purchased and to assign a balance sheet cost that reflects current replacement values. Inventories for the General Fund consist of expendable supplies held for consumption. This cost is recorded as an expenditure at the time inventory items are used (consumption method). Reported inventories are equally offset by a fund balance nonspendable designation that indicates that they do not constitute “available spendable resources,” even though they are a component of net current assets.

H. Prepaids

Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2009.

I. 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. In accordance with GASB Statement No. 34, effective October 1, 2006, the City implemented the retroactive reporting of infrastructure assets associated with governmental activities (roadways, sidewalks, alleys, and curbing) acquired or constructed prior to October 1, 2002. The threshold for capitalization of assets is \$1,000. Costs of maintenance and repairs that do not add to the value of assets or extend their useful lives are not 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	30 - 60
Improvements other than buildings	30 - 60
Water and Sewer System	60
Stormwater Management System	40
Equipment	5 - 20
Airport Authority streets	20 - 40
Infrastructure	30 - 40
Irrigation rights	25

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

J. 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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

K. Unamortized Bond Issuance Costs

Bond issuance costs for the Water and Sewer Revenue Bonds and Stormwater Revenue Bonds are being amortized over the term of the bonds, using a systematic amortization method. For financial reporting, unamortized bond issuance costs are reported as deferred charges in the Statement of Net Assets.

L. Unamortized Bond Discounts

Bond discounts associated with the issuance of Water and Sewer Revenue Bonds are amortized over the term of the bonds, using the straight-line method of amortization. For financial reporting, unamortized bond discount is netted against applicable long-term debt.

M. Deferred and Unearned Revenues

Deferred revenues presented on applicable governmental fund financial statements represent unearned revenues, or revenues which are measurable but not available, primarily related to a lease deposit for which revenue is recognized over the term of the lease. The deferred revenues will be recognized as revenue in the fiscal year they are earned or become available. Unearned revenue presented on the government-wide and proprietary fund financial statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of the lease deposit.

N. 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.

O. Encumbrances

Encumbrance accounting is employed in the general, capital project, and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding, and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides additional guidance on the classification within the Net Assets section of amounts that have been encumbered. Encumbrances of balances within the Special Revenue funds and Capital Project funds are classified as restricted and are included in the “capital project or special revenue funds” categories. These encumbrances are not separately classified in the financial statements and are summarized as follows:

Local Option Gas Tax Fund	\$ 4,058
Building Inspection Fund	6,732
Second Generation Sales Tax Fund	1,044,611
Capital Projects Fund	85,630
Public Safety Complex Fund	14,193,854
Replacement Fund	386,516
	<u>\$ 15,721,401</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

P. Net Assets

The government-wide and business-type activities fund financial statements utilize a net asset presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in capital assets, net or related debt* – This category groups all capital assets including infrastructure into one component of net assets. 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.
- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, or laws and regulations of other governments.
- *Unrestricted net assets* – This category presents the net assets of the City, not restricted for any purpose.

In the fund financial statements, governmental funds report limitations of fund balance for amounts that are nonspendable and are not available for appropriation or are legally restricted by outside parties or creditors for use for a specific purpose. Restricted fund balance are items restricted by external parties such as creditors or imposed by grants, law or legislation. Commitments of fund balance represent limitations placed on spending that are imposed by and may be removed by formal action of the City Commission. Assignments of fund balance reflect tentative plans by management that may be subject to change. Residual net resources are reported as unassigned fund balance and are the excess of nonspendable, restricted, committed, and assigned fund balance.

Q. Minimum Fund Balance Policy

The City Commission has informally set policy to provide for a 16% minimum fund balance policy for the General Fund based on budgeted expenditures; this amount is currently reported as unassigned and totals \$6,443,362.

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, Police Education Fund, Law Enforcement Trust Fund, Local Option Gas Tax Fund, Second Generation Sales Tax Fund, Building Inspection Fund, ARRA Grant Fund, Cemetery Fund, Recreation Facilities Impact Fees Fund, Fire Public Safety Facilities Impact Fees, Police Public Safety Facilities Impact Fees, Debt Service Fund, Water and Sewer Fund, and Stormwater Fund. The City does not prepare a budget for the LIHEAP Grant Fund or the Premium Tax Trust Fund.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 2 - Stewardship, Compliance, and Accountability *(Continued)*

A. Budgets and Budgetary Accounting *(Continued)*

(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 within and/or between 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 departments. The classification detail at which expenditures may not legally exceed appropriations is at the fund level.

(7) Every appropriation and encumbrance, except an appropriation and/or encumbrance for a specified major capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended.

(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 and ARRA Grant Funds had deficit fund balances of \$71,969, and \$62,182 respectively, as of September 30, 2009. These deficits are due to timing issues, and the City will be reimbursed by the appropriate parties in 2010.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments

The carrying amount (which approximates fair value) of the City's deposits and investments as of September 30, 2009 is as follows:

	Carrying Amount
Primary Government	
Pension Funds:	
Cash	\$ 192,989
Money Market Funds	2,385,310
Mutual funds investing in common stocks and mutual funds	26,831,218
Mutual funds investing in corporate and U.S. Treasury bonds	7,070,223
Total pension funds	36,479,740
Governmental and Business-type Activities:	
Local Government Surplus Funds Trust Fund Investments	903,094
Demand Deposits	52,467,837
Total governmental and business-type activities	4,395,162
Total Primary Government	94,245,833
Component Unit - Airport Authority	
Local Government Surplus Funds Trust Fund	53,072
Demand Deposits	1,333,830
Total Component Unit - Airport Authority	1,386,902
Component Unit - Sanford CRA	
Investments	1,006,789
Demand Deposits	220,819
Total Component Unit - Sanford CRA	1,227,608
Classified as:	
Cash and cash equivalents	\$ 9,429,854
Investments	62,193,833
Restricted cash and cash equivalents	54,422
Restricted investments	25,182,234
	\$ 96,860,343

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments (Continued)

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.

Deposits - Demand 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.

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.

Deposits and investments of the Pension Trust Funds are held separately from those of other City funds and are stated at fair value.

Governmental and Business-type Activities Investments

Method Used to Value Investments and Investment Policies - Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. An independent investment manager and custodial bank handles all investments.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments (Continued)

Governmental and Business-type Activities Investments (Continued)

As of September 30, 2009, the City's Governmental and Business-type investment portfolio is composed of the following investments:

Investment Type	Type	Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)	
				Less Than 1	1 - 5
Pooled Interest Bearing Checking Account	Cash	NR*	\$ 4,615,981	\$ 4,615,981	\$ -
State Board of Administration	LGIP	AAAm	903,094	903,094	-
Money Market Funds	Money Market	NR*	12,407,788	12,407,788	-
U.S. Treasury Bonds/Notes	Fixed Income	**	8,542,102	5,529,635	3,012,467
Government Agency Bonds	Fixed Income	AAA	24,278,162	12,833,734	11,444,428
GNMA, FNMA, FHLMC Pools	Fixed Income	NR*	244,484	-	244,484
Government Agency Bonds	Fixed Income	P3	435,603	-	435,603
Corporate Debt	Fixed Income	AAA	2,925,258	999,560	1,925,698
Corporate Debt	Fixed Income	NR*	999,790	999,790	-
Mutual Funds	Fixed Income	AAA	3,492,916	2,470,552	1,022,364
Total Portfolio			<u>\$ 58,845,178</u>	<u>\$ 40,760,134</u>	<u>\$ 18,085,044</u>

* Not Rated

**Obligation of or explicitly guaranteed by the U.S. Government

As of September 30, 2009 the carrying amount of investments includes accrued interest of \$148,523.

The following schedule reconciles the cash, cash equivalents, and investment balances as shown in the financial statements with the portfolio totals show above:

Cash and Investments - Statement of Net Assets:	
Cash and Cash Equivalents	\$ 5,519,075
Investments	29,399,249
Restricted Assets:	
Investments	24,075,377
Total Cash and Investments	<u>\$ 58,993,701</u>
Portfolio Total show above	<u>\$ 58,993,701</u>
Accrued Interest	(148,523)
Total Cash and Investments	<u>\$ 58,845,178</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments (Continued)

Governmental and Business-type Activities Investments (Continued)

Investment income for the year ended September 30, 2009 consisted of the following:

	General Fund	Capital Projects Fund	Public Safety Complex Fund	Other Governmental Funds	Business- Type Activities
Interest income	\$ 201,459	\$ 20,855	\$ 95,477	\$ 581,544	\$ 264,036
Net increase (decrease) in fair value of investments	4,480	(112)	23,227	(481)	(13,819)
	<u>\$ 205,939</u>	<u>\$ 20,743</u>	<u>\$ 118,704</u>	<u>\$ 581,063</u>	<u>\$ 250,217</u>

Defined-Benefit Pension Plan Investments

Method Used to Value Investments and Investment Policies - Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. An independent investment manager and custodial bank handles all pension investments and check-writing duties. Other administrative duties are handled by the City's Finance Director, under direction of the Board of Trustees and City Commission.

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. 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 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%) of the total assets at cost with a limit to any single corporation of ten percent (10%) 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.

No investments in loan to, or leases with, any parties related to the pension plans have been made.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments (Continued)

Defined-Benefit Pension Plan Investments (Continued)

Defined-Benefit Pension Plan investments were as follows at September 30, 2009:

Investment Type	Type	Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)			
				Less Than 1	1 - 5	6 - 10	More than 10
Police Pension:							
Cash and Receivables	Cash	NR*	\$ 62,633	\$ 62,633	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,891,582	1,891,582	-	-	-
U.S. Treasury Bonds/Notes	Fixed Income	**	1,394,382	-	966,906	427,476	-
Government Agency Bonds	Fixed Income	AAA	1,387,904	-	886,565	341,204	160,135
Discount Govt. Agency Bonds/Notes	Fixed Income	NR*	2,925,294	-	-	253,767	2,671,527
Corporate CMOs and REMICS	Fixed Income	AAA	523,379	-	442,648	72,722	8,009
Corporate CMOs and REMICS	Fixed Income	NR*	128,434	-	54,115	74,319	-
Corporate Debt	Fixed Income	A	284,552	105,700	104,783	74,069	-
Corporate Debt	Fixed Income	A+	158,588	158,588	-	-	-
Corporate Debt	Fixed Income	AA	153,347	-	-	153,347	-
Corporate Debt	Fixed Income	AA+	114,343	-	-	-	114,343
Mutual Funds	Fixed Income	AAA	1,982,832	1,982,832	-	-	-
Common Stocks	Equity	NR*	10,757,514	10,757,514	-	-	-
Total Police Pension			21,764,784	14,958,849	2,455,017	1,396,904	2,954,014
Firefighters' Pension:							
Cash and Receivables	Cash	NR*	130,356	130,356	-	-	-
Money Market Funds	Money Market	NR*	493,728	493,728	-	-	-
Mutual Funds	Equity	NR*	10,857,997	10,857,997	-	-	-
Common Stocks	Equity	NR*	3,232,875	3,232,875	-	-	-
Total Firefighters' Pension			14,714,956	14,714,956	-	-	-
Total Pension Investments			\$ 36,479,740	\$ 29,673,805	\$ 2,455,017	\$ 1,396,904	\$ 2,954,014

* Not Rated

**Obligation of or explicitly guaranteed by the U.S. Government

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 3 - Deposits and Investments (Continued)

Investment Risk

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.

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%

Custodial Credit Risk. 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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 4 - Restricted Cash and Cash Equivalents, and Investments

Certain funds have cash and cash equivalents that are restricted either by bond resolutions, ordinances, or governmental regulations. The following is a summary of restricted cash and cash equivalent accounts at September 30, 2009:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	Airport Authority
	<u> </u>	<u> </u>	<u> </u>
Restricted investments:			
Sinking Fund	\$ -	\$ 6,278,839	\$ -
Customer Deposits	1,600	1,066,818	-
Utility Trust Impact Fees	-	1,201,170	-
Airport Memorial Fund	-	-	51,667
Capital Projects	15,526,950	-	-
	<u>\$ 15,528,550</u>	<u>\$ 8,546,827</u>	<u>\$ 51,667</u>

Note 5 - Receivables

The following is a detailed listing of receivables by type and fund at September 30, 2009:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	Airport Authority
	<u> </u>	<u> </u>	<u> </u>
Receivables:			
Accounts Billed	\$ -	\$ 2,318,314	\$ 458,131
Unbilled Receivables	-	1,818,686	-
Other Miscellaneous	3,850,099	22,740	-
Gross Receivables	<u>3,850,099</u>	<u>4,159,740</u>	<u>458,131</u>
Less: Allowance for			
Uncollectibles	<u>2,632,310</u>	<u>991,534</u>	<u>203,496</u>
	<u>\$ 1,217,789</u>	<u>\$ 3,168,206</u>	<u>\$ 254,635</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 6 - Capital Assets

A. Changes in Capital Assets

During the year ended September 30, 2009, the following changes in capital assets occurred:

	Balance October 1, 2008	Additions	Reductions/ Transfers	Balance September 30, 2009
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,734,254	\$ 417,171	\$ -	\$ 4,151,425
Construction in progress	3,830,087	10,648,710	(9,919,780)	4,559,017
Total capital assets, not being depreciated	<u>7,564,341</u>	<u>11,065,881</u>	<u>(9,919,780)</u>	<u>8,710,442</u>
Capital assets, being depreciated:				
Buildings	40,451,780	48,304	9,919,780	50,419,864
Machinery and equipment	24,549,147	987,570	(305,096)	25,231,621
Infrastructure	96,852,977	959,931	(977,646)	96,835,262
Total capital assets, being depreciated	<u>161,853,904</u>	<u>1,995,805</u>	<u>8,637,038</u>	<u>172,486,747</u>
Less accumulated depreciation for:				
Buildings	15,953,977	1,742,240	-	17,696,217
Machinery and equipment	17,204,474	2,269,927	(263,348)	19,211,053
Infrastructure	34,876,931	2,015,052	(342,393)	36,549,590
Total accumulated depreciation	<u>68,035,382</u>	<u>6,027,219</u>	<u>(605,741)</u>	<u>73,456,860</u>
Total capital assets, being depreciated, net	<u>93,818,522</u>	<u>(4,031,414)</u>	<u>9,242,779</u>	<u>99,029,887</u>
Governmental activities capital assets, net	<u>\$ 101,382,863</u>	<u>\$ 7,034,467</u>	<u>\$ (677,001)</u>	<u>\$ 107,740,329</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,576,615	\$ 349,069	\$ -	\$ 6,925,684
Construction in progress	12,050,737	8,888,108	(14,697,012)	6,241,833
Total capital assets, not being depreciated	<u>18,627,352</u>	<u>9,237,177</u>	<u>(14,697,012)</u>	<u>13,167,517</u>
Capital assets, being depreciated:				
Buildings	29,535,063	4,960	5,435,918	34,975,941
Water and sewer system	109,675,812	549,005	9,261,095	119,485,912
Stormwater management	13,787,390	-	-	13,787,390
Machinery and equipment	11,386,003	533,142	(48,451)	11,870,694
Irrigation rights	2,220,000	-	-	2,220,000
Total capital assets, being depreciated	<u>166,604,268</u>	<u>1,087,107</u>	<u>14,648,562</u>	<u>182,339,937</u>
Less accumulated depreciation for:				
Buildings	2,635,084	786,951	-	3,422,035
Water and sewer system	24,073,812	2,152,533	-	26,226,345
Stormwater management	3,574,067	320,932	-	3,894,999
Machinery and equipment	6,367,456	1,083,391	(47,379)	7,403,468
Irrigation rights	1,531,800	88,800	-	1,620,600
Total accumulated depreciation	<u>38,182,219</u>	<u>4,432,607</u>	<u>(47,379)</u>	<u>42,567,447</u>
Total capital assets, being depreciated, net	<u>128,422,049</u>	<u>(3,345,500)</u>	<u>14,695,941</u>	<u>139,772,490</u>
Business-type activities capital assets, net	<u>\$ 147,049,401</u>	<u>\$ 5,891,677</u>	<u>\$ (1,071)</u>	<u>\$ 152,940,007</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 6 - Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

	Balance October 1, 2008	Additions	Reductions/ Transfers	Balance September 30, 2009
CRA				
Capital assets, not being depreciated:				
Construction in progress	\$ 306,564	\$ 1,972,436	\$ (2,154,978)	\$ 124,022
Total capital assets, not being depreciated	<u>306,564</u>	<u>1,972,436</u>	<u>(2,154,978)</u>	<u>124,022</u>
Capital assets, being depreciated:				
Buildings	3,261,045	2,200	107	3,263,352
Infrastructure	5,397,591	-	2,154,871	7,552,462
Machinery and equipment	19,771	11,325	-	31,096
Total capital assets, being depreciated	<u>8,678,407</u>	<u>13,525</u>	<u>2,154,978</u>	<u>10,846,910</u>
Less accumulated depreciation for:				
Buildings	735,393	238,263	-	973,656
Infrastructure	2,473,896	137,933	-	2,611,829
Machinery and equipment	10,133	4,519	-	14,652
Total accumulated depreciation	<u>3,219,422</u>	<u>380,715</u>	<u>-</u>	<u>3,600,137</u>
Total capital assets, being depreciated, net	<u>5,458,985</u>	<u>(367,190)</u>	<u>2,154,978</u>	<u>7,246,773</u>
Governmental activities capital assets, net	<u>\$ 5,765,549</u>	<u>\$ 1,605,246</u>	<u>\$ -</u>	<u>\$ 7,370,795</u>

B. Depreciation Expense Allocation

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,334,113
Public safety	1,314,243
Physical environment	2,234,349
Transportation	8,447
Economic environment	855,922
Human services	280,145
Total depreciation expense - governmental activities	<u>\$ 6,027,219</u>
Business-type activities:	
Water and sewer	\$ 4,045,594
Stormwater	382,112
Solid waste	4,901
Total depreciation expense - business-type activities	<u>\$ 4,432,607</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 6 - Capital Assets (Continued)

C. Sanford Community Redevelopment Agency - Capital Assets

From fiscal year 2004 through 2009, Sanford CRA, a discretely presented component unit, purchased \$3,263,352 and \$31,096 of buildings and improvements, and equipment, respectively, related to the First Street Streetscape. As of September 30, 2009, the accumulated depreciation related to these assets was \$745,526. As of September 30, 2009, Sanford CRA had \$7,552,462 of infrastructure and related accumulated depreciation of \$2,611,829. At September 30, 2009, Sanford CRA had \$124,022 of construction in progress.

Note 7 - Long-Term Debt

A. Changes in Long-Term Debt

Changes in long-term debt for the year ended September 30, 2009 are summarized as follows:

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Long-term Portion	Due Within One Year
Governmental activities:						
Bonds payable	\$ 19,000,000	\$ -	\$ (1,590,000)	\$ 17,410,000	\$ 16,795,000	\$ 615,000
Notes payable	-	2,700,000	(2,700,000)	-	-	-
Other post employment benefits	-	159,673	-	159,673	159,673	-
Accrued compensated absences	2,466,590	1,455,288	(1,471,356)	2,450,522	1,528,634	921,888
Claims payable	2,201,364	1,087,294	(682,433)	2,606,225	1,808,316	797,909
Capital lease	240,065	35,598	(64,292)	211,371	144,090	67,281
Accrued clean-up and long-term care costs	1,724,848	1,013,985	(111,294)	2,627,539	1,558,915	1,068,624
Governmental activity long-term liabilities	<u>\$ 25,632,867</u>	<u>\$ 6,451,838</u>	<u>\$ (6,619,375)</u>	<u>\$ 25,465,330</u>	<u>\$ 21,994,628</u>	<u>\$ 3,470,702</u>
Business-type activities:						
Utility Revenue Bonds	\$ 22,040,000	\$ -	\$ (1,065,000)	\$ 20,975,000	\$ 19,880,000	\$ 1,095,000
Less: Unamortized discount	(1,211,898)	-	158,866	(1,053,032)	(1,053,032)	-
Stormwater System Revenue Bonds	928,077	-	(360,043)	568,034	191,563	376,471
Less: Unamortized discount	(4,019)	-	790	(3,229)	(3,229)	-
SRF loans	33,466,406	71,146	(1,979,657)	31,557,895	29,518,503	2,039,392
Less: Unamortized discount	(753,536)	-	50,300	(703,236)	(703,236)	-
Other post employment benefits	-	49,795	-	49,795	49,795	-
Compensated absences	520,406	271,170	(331,966)	459,610	304,609	155,001
Business-type activity long-term liabilities	<u>\$ 54,985,436</u>	<u>\$ 392,111</u>	<u>\$ (3,526,710)</u>	<u>\$ 51,850,837</u>	<u>\$ 48,184,973</u>	<u>\$ 3,665,864</u>

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. Also, for the governmental activities, claims and judgments are generally liquidated by the general fund.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 7 - Long-Term Debt (Continued)

B. Governmental Activities - Special Facilities Revenue Bonds

On May 15, 2009, the City issued \$18,000,000 of Sales Tax Revenue Bonds for the construction of a public safety complex to include a fire, police, and Emergency Operations Center (EOC). The bonds bear interest at 4.22%, payable semi annually on April 1 and October 1. Principal payments are due and payable on October 1 of each fiscal year beginning October 1, 2010 through October 1, 2028. The Sales Tax Revenue Bonds will mature as follows:

<u>Bond Year Ending</u>	<u>Sales Tax Revenue Bonds, Series 2008</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2010	\$ 615,000	\$ 734,702	\$ 1,349,702
2011	640,000	708,749	1,348,749
2012	670,000	681,741	1,351,741
2013	695,000	653,467	1,348,467
2014	725,000	624,138	1,349,138
2015-2019	4,120,000	2,634,546	6,754,546
2020-2024	5,065,000	1,688,844	6,753,844
2025-2027	4,880,000	525,390	5,405,390
	<u>\$ 17,410,000</u>	<u>\$ 8,251,577</u>	<u>\$ 25,661,577</u>

C. Defeasance of Debt

The City has a number of bond issues that have been defeased and remain outstanding. The debt is considered extinguished in an in-substance defeasance and, accordingly, is not reflected in the accompanying financial statements. The following schedule is a summary of the remaining balances outstanding for the defeased bonds as of September 30, 2009:

<u>Type</u>	<u>Series</u>	<u>Date Refunded</u>	<u>Outstanding as of Refunding</u>	<u>Outstanding as of September 30, 2009</u>
Water and Sewer Revenue Bonds	1986	November, 1993	\$ 12,635,000	\$ 8,385,000
Revenue Bonds	1989	November, 1993	\$ 4,180,000	\$ 2,375,000
Revenue Bonds	1991	November, 1993	\$ 11,905,000	\$ 11,080,000
Revenue Bonds	1992	September, 2003	\$ 6,845,000	\$ 2,705,000
Revenue Bonds	1993	September, 2003	\$ 8,575,000	\$ 6,290,000

D. Water and Sewer Fund Revenue Bonds

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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 7 - Long-Term Debt (Continued)

D. Water and Sewer Fund Revenue Bonds (Continued)

(1) Pledge of Revenues - The Series 1993 and 2003 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.
- 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 at September 30, 2009:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 7 - Long-Term Debt (Continued)

D. Water and Sewer Fund Revenue Bonds (Continued)

<u>Bond Year Ending</u>	<u>Bonds, Series 1993</u>		<u>Bonds, Series 2003</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2010	\$ -	\$ 672,263	\$ 1,095,000	\$ 234,045	\$ 2,001,308
2011	-	672,263	1,120,000	200,100	1,992,363
2012	-	672,263	1,365,000	159,500	2,196,763
2013	-	672,263	1,415,000	111,725	2,198,988
2014	-	672,263	1,470,000	55,125	2,197,388
2015-2019	9,890,000	2,465,463	-	-	12,355,463
2020-2022	4,620,000	314,100	-	-	4,934,100
	<u>\$ 14,510,000</u>	<u>\$ 6,140,878</u>	<u>\$ 6,465,000</u>	<u>\$ 760,495</u>	<u>\$27,876,373</u>

E. Stormwater System Fund Revenue Bonds

(1) Bonds Issued - During the year ended September 30, 1999, the City authorized the issuance of Stormwater System Revenue Bonds, Series 1998, not to exceed \$4,200,000. The bonds bear interest at 4.45% and mature on March 31, 2011, if the City draws the remaining balance. As of September 30, 2009, the City has received \$3,653,500 and has an outstanding balance of \$1,267,539.

(2) Pledge of Revenues - The Series 1998 Bonds are payable solely from, and collateralized by, the net revenues of the Stormwater System.

(3) Establishment of Various Accounts - The Stormwater System Revenue Bond Resolution provides for the creation and establishment of the following funds and accounts upon completion of construction of the System:

- a. Revenue Account - To deposit all gross revenues of the System.
- b. Operations and Maintenance Account - To receive deposits from the Revenue Account sufficient to pay the operating expenses of the System for the current month.

Sinking Fund Account - To receive deposits from the Revenue Account equal to one-sixth (1/6) of the interest due on the next interest payment date and one-twelfth (1/12) of the principal due on the next principal payment date.

(4) Annual Debt Service Requirements - The following is a schedule of the annual debt service requirements to maturity for the Stormwater System Fund Bonds:

<u>Bond Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 376,471	\$ 21,417	\$ 397,888
2011	191,563	4,310	195,873
	<u>\$ 568,034</u>	<u>\$ 25,727</u>	<u>\$ 593,761</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

F. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2009. 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:

	<u>Purpose of Issue</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>
Governmental Activities			
Special Facilities - Stadium	Renovating of stadium	Facilities Revenues	\$ 1,750,000
Sales Tax, Series 2008	Public safety complex	Sales Tax Revenues	18,000,000
Key Government Finance	City-wide telephone system	N/A	300,000
Total Governmental Activities:			<u>\$ 20,050,000</u>
Business-type Activities:			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Series 1993	Refunding	Net revenue of water and sewer system/water and sewer development charges and electric utility taxes	\$ 14,510,000
Series 2003	Refunding	Net revenue of water and sewer system/water and sewer development charges	12,450,000
State Revolving Funds:			
CS120586150	Master wastewater pumping station	Net revenues of water and sewer system	1,731,397
CS120586170	Sewage treatment plant/reuse expansion	Net revenues of water and sewer system	5,644,086
CS120586190	Reclaimed water reuse facilities at Site 10	Net revenues of water and sewer system	483,413
CS120586210	Westerly interceptor - influent transmission facilities	Net revenues of water and sewer system	1,491,425
CS120586220	Wastewater pollution control facilities	Net revenues of water and sewer system	6,819,043
DW5906010	Drinking water system improvements	Net revenues of water and sewer system	6,422,096
WW586250	Sanford south water resource center, Phase I	Net revenues of water and sewer system	18,790,465
WW590100	Drinking water system improvements	Net revenues of water and sewer system	3,998
Total Water/Sewer Utility Debt			<u>68,345,923</u>
Stormwater Utility Debt:			
Revenue Bonds:			
Series 1998	Improvements to stormwater system	Net revenue of the stormwater system	3,653,500
State Revolving Funds:			
SWG12058624P	Stormwater management	Net revenue of the stormwater system	4,525,534
SW586260	Stormwater management	Net revenue of the stormwater system	67,148
Total Stormwater Utility Debt			<u>8,246,182</u>
Total Business-type Activities:			<u>\$ 76,592,105</u>

*No coverage requirement

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Amount O/S and/or Pledged	Interest Rate	Debt Service as Portion of Revenue Pledged	Total Debt Service Paid	Annual Pledged Revenues
\$ -	5.60%	1474.04%	* \$ 1,051,682	\$ 71,347
17,410,000	4.22%	45.36%	1,349,600	\$ 2,975,011
211,371	4.41%	N/A	75,510	N/A
<u>\$ 17,621,371</u>			<u>\$ 2,476,792</u>	
\$ 14,510,000	2.78%-5.5%	7.70%	\$ 672,263	\$ 10,056,452
6,465,000	2.00%-4.00%	19.77%	1,330,995	\$ 6,732,053
117,923	4.20%	2.11%	122,663	\$ 5,824,176
1,466,860	3.73%	6.72%	391,179	\$ 5,824,176
134,460	2.43%	0.54%	31,613	\$ 5,824,176
383,147	2.89%	1.75%	101,696	\$ 5,824,176
3,221,194	1.67%	5.07%	295,522	\$ 5,824,176
4,619,476	3.55%	7.40%	430,941	\$ 5,824,176
17,235,436	2.42%	19.97%	1,163,059	\$ 5,824,176
3,998	2.65%	0.00%	-	\$ 5,824,176
<u>48,157,494</u>			<u>4,539,931</u>	
568,034	4.45%	13.01%	422,704	\$ 3,249,301
4,308,253	1.45%	8.58%	278,706	\$ 3,249,301
67,148	2.80%	0.00%	-	\$ 3,249,301
<u>4,943,435</u>			<u>701,410</u>	
<u>\$ 53,100,929</u>			<u>\$ 5,241,341</u>	\$ 23,491,176

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 7 - Long-Term Debt (Continued)

G. 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 2001, and has since initiated post-closure maintenance and monitoring functions. The estimated future cost for post-closure maintenance, amounting to \$558,529, is reported as long-term debt on the entity-wide statement of net assets. 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 \$2,069,010 is currently outstanding and is presented as accrued clean-up costs for governmental activities.

Note 8 - Notes Payable - Enterprise Funds

Enterprise Funds notes payable at September 30, 2009 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SW586260 payable, \$67,148 authorized, \$2,655,987 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. \$ 67,148

State Revolving Fund Loan SWG12058624P payable, \$4,629,198 authorized, \$4,647,413 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 1.45% on \$790,268, 1.405% on \$2,140,000, and 1.26% on \$1,698,930, on July 15 and January 15 of each year. 4,308,253

Primary Government: Water and Sewer:

State Revolving Fund Loan WW586250 payable, \$19,502,660 authorized, \$15,732,111 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. (Payment began August 15, 2007.) 17,235,436

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 8 - Notes Payable - Enterprise Funds (Continued)

State Revolving Fund Loan WW590100 payable, \$3,998 authorized, \$2,644,800 drawn for construction and restoration of underground pipe and to provide manhole rehabilitation, payable in 40 semiannual installments, including interest at 2.65%, on December 15 and June 15 of each year.	\$ 3,998
State Revolving Fund Loan CS120586150 payable, \$1,731,397 authorized, \$1,731,397 drawn for construction of a master pumping station at the wastewater treatment plant, payable in 18 equal annual installments, including interest at 4.02%, on October 1 of each year.	117,923
State Revolving Fund Loan CS120586170 payable, \$5,673,944 authorized, \$5,644,086 drawn for construction of wastewater system facilities, payable in 20 equal annual installments, including interest at 3.73% on \$4,791,000 and 2.89% on \$955,000, on December 31 of each year.	1,466,860
State Revolving Fund Loan CS120586190 payable, \$500,000 authorized, \$483,413 drawn for construction of wastewater pollution control facilities, payable in 40 equal semiannual installments, including interest at 2.43%, on February 1 and August 1 of each year.	134,460
State Revolving Fund Loan CS120586210 payable, \$1,543,439 authorized, \$1,491,245 drawn for construction of the Westerly Interceptor Project, payable in 40 equal semiannual installments, including interest at 2.89%, on February 1 and August 1 of each year.	383,147
State Revolving Fund Loan CS120586220 payable, \$18,170,000 authorized, \$6,230,111 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.	3,221,194
State Revolving Fund Loan DW5906010 payable, \$8,069,030 authorized, \$5,985,716 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.	4,619,476
Total notes payable	<u>\$ 31,557,895</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 8 - Notes Payable - Enterprise Funds (Continued)

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of sinking funds on the statement of net assets. 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 WW590100 and SW586260 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2009):

Fiscal Year Ending	SRF Loan CS120586150		
September 30,	Principal	Interest	Total
2010	\$ 117,923	\$ 4,740	\$ 122,663
	<u>\$ 117,923</u>	<u>\$ 4,740</u>	<u>\$ 122,663</u>
Fiscal Year Ending	SRF Loan CS120586170		
September 30,	Principal	Interest	Total
2010	\$ 347,484	\$ 52,853	\$ 400,337
2011	359,999	40,338	400,337
2012	372,969	27,368	400,337
2013	386,408	13,927	400,335
	<u>\$ 1,466,860</u>	<u>\$ 134,486</u>	<u>\$ 1,601,346</u>
Fiscal Year Ending	SRF Loan CS120586190		
September 30,	Principal	Interest	Total
2010	\$ 28,630	\$ 3,094	\$ 31,724
2011	29,330	2,394	31,724
2012	30,047	1,677	31,724
2013	30,781	943	31,724
2014	15,672	190	15,862
	<u>\$ 134,460</u>	<u>\$ 8,298</u>	<u>\$ 142,758</u>
Fiscal Year Ending	SRF Loan CS120586210		
September 30,	Principal	Interest	Total
2010	\$ 91,705	\$ 10,415	\$ 102,120
2011	94,374	7,746	102,120
2012	97,121	4,999	102,120
2013	99,947	2,173	102,120
	<u>\$ 383,147</u>	<u>\$ 25,333</u>	<u>\$ 408,480</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 8 - Notes Payable - Enterprise Funds (Continued)

Fiscal Year Ending September 30,	SRF Loan CS120586220		
	Principal	Interest	Total
2010	\$ 192,389	\$ 105,995	\$ 298,384
2011	198,869	99,515	298,384
2012	205,566	92,818	298,384
2013	212,489	85,894	298,383
2014	219,646	78,738	298,384
2015-2019	1,214,300	277,618	1,491,918
2020-2023	977,935	66,408	1,044,343
	<u>\$ 3,221,194</u>	<u>\$ 806,986</u>	<u>\$ 4,028,180</u>

Fiscal Year Ending September 30,	SRF Loan DW5906010		
	Principal	Interest	Total
2010	\$ 272,077	\$ 161,598	\$ 433,675
2011	281,821	151,854	433,675
2012	291,915	141,760	433,675
2013	302,370	131,305	433,675
2014	313,199	120,476	433,675
2015-2019	1,742,508	425,866	2,168,374
2020-2023	1,415,586	102,275	1,517,861
	<u>\$ 4,619,476</u>	<u>\$ 1,235,134</u>	<u>\$ 5,854,610</u>

Fiscal Year Ending September 30,	SRF Loan WW586250		
	Principal	Interest	Total
2010	\$ 800,971	\$ 414,029	\$ 1,215,000
2011	820,554	394,446	1,215,000
2012	840,617	374,383	1,215,000
2013	861,170	353,830	1,215,000
2014	882,225	332,775	1,215,000
2015-2019	4,745,428	1,329,573	6,075,001
2020-2024	5,354,636	720,367	6,075,003
2025-2027	2,929,835	107,670	3,037,505
	<u>\$ 17,235,436</u>	<u>\$ 4,027,073</u>	<u>\$ 21,262,509</u>

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
2010	\$ 188,215	\$ 116,362	\$ 304,577
2011	193,386	111,191	304,577
2012	198,698	105,879	304,577
2013	204,158	100,419	304,577
2014	209,768	94,809	304,577
2015 - 2019	1,138,548	384,336	1,522,884
2020 - 2024	1,303,894	218,989	1,522,883
2025 - 2027	871,586	42,144	913,730
	<u>\$ 4,308,253</u>	<u>\$ 1,174,129</u>	<u>\$ 5,482,382</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 9 - Discretely Presented Component Unit - Airport Authority Long-Term Liabilities

Airport Authority notes payable at September 30, 2009 are as follows:

Note payable to bank, due in monthly principal and interest payments at 1.31%, collateralized by pledged revenues, due September 1, 2023.	\$ 2,767,305
Note payable to bank, due in quarterly principal and interest payments at 6.98%, collateralized by pledged revenues, due June 15, 2011.	2,214,220
Note payable to State of Florida Department of Transportation for land acquisition for 9L-27R runway extension, no interest, due December 15, 2011, unsecured.	266,490
Note payable to State of Florida Department of Transportation for land acquisition for 9L-27R runway extension, no interest, due January 15, 2012, unsecured.	250,000
Less current portion	(409,943)
Long-term portion	<u>\$ 5,088,072</u>

Changes in Airport Authority long-term liabilities for the year ended September 30, 2009 are as follows:

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Amounts Due Within One Year	Amounts Due After One Year
Notes Payable:						
Line of Credit	\$ 2,917,000	\$ -	\$ 2,917,000	\$ -	\$ -	\$ -
Revenue Note, Series 2001A	2,462,882	-	248,662	2,214,220	266,479	1,947,741
Revenue Note, Series 2003	2,905,150	-	137,845	2,767,305	143,464	2,623,841
Florida Department of Transportation	3,516,490	-	3,000,000	516,490	-	516,490
Total Long-Term Liabilities	\$11,801,522	\$ -	\$ 6,303,507	\$ 5,498,015	\$ 409,943	\$ 5,088,072

A schedule of debt maturities for notes payable is as follows:

Year Ending September 30,	Principal	Interest
2010	\$ 409,943	\$ 272,750
2011	2,098,056	216,402
2012	673,668	111,263
2013	164,999	103,442
2014	172,879	95,562
2015-2019	996,143	346,062
2020-2023	982,327	91,437
	\$ 5,498,015	\$ 1,680,127

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 10 - Long-Term Liabilities of the Discretely Presented Component Unit - Sanford CRA

A. Changes in Long-Term Liabilities - Sanford CRA

Changes in long-term debt for the Sanford CRA for the year ended September 30, 2009 are summarized as follows:

	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009	Due Within One Year
Revenue bonds payable	\$ 3,455,000	\$ -	\$ (695,000)	\$ 2,760,000	\$ 740,000
CRA bank loan	1,405,883	-	(182,269)	1,223,614	190,000
Long-term liabilities	<u>\$ 4,860,883</u>	<u>\$ -</u>	<u>\$ (877,269)</u>	<u>\$ 3,983,614</u>	<u>\$ 930,000</u>

The Sanford CRA and the City Commission approved resolutions authorizing the issuance of Community Redevelopment Revenue Bonds, Series 1994A and Series 1994B, not exceeding \$10,000,000, by the Community Redevelopment Agency.

B. Revenue Bonds Payable

On August 1, 1994, the Sanford CRA issued \$6,000,000 in Revenue Bonds, Series 1994A. Series 1994B Bonds totaling \$1,100,000 were issued October 18, 1994. Of the remaining \$2,900,000 of authorized but unissued bonds, \$1,200,000 has been canceled. A Redevelopment Trust Fund pursuant to Florida Statute 163.38 was established and the City pledged to pay an amount equal to 47.5% of the ad valorem tax increment in the development project area to the fund. The Sanford CRA was to utilize the sum of the incremental ad valorem taxes to pay the principal and interest on the bonds. The bonds were issued to finance the Redevelopment Plan to improve blighted areas within the City.

The Series 1994A Bonds bear interest at rates ranging from 4.80% to 6.00%, payable semiannually on June 1 and December 1. Principal payments are payable on June 1 of each fiscal year as shown below. The Series 1994B Bonds are comprised of a single-term bond and bear interest at 9% with a maturity date of December 1, 2011, of which such payment is due only to the extent that the City has adequate, legally available pledged revenues available to make the bond principal payment.

Fiscal Year Ending September 30,	Series 1994A		Series 1994B		Total
	Principal	Interest	Principal	Interest	
2010	\$ 740,000	\$ 99,600	\$ -	\$ 99,000	\$ 938,600
2011	920,000	55,200	-	99,000	1,074,200
2012	-	-	1,100,000	8,250	1,108,250
	<u>\$ 1,660,000</u>	<u>\$ 154,800</u>	<u>\$ 1,100,000</u>	<u>\$ 206,250</u>	<u>\$ 3,121,050</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 10 - Long-Term Liabilities of the Discretely Presented Component Unit - Sanford CRA
(Continued)

C. Community Redevelopment Agency Loan

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.

Community Redevelopment Agency Loan:	
Loan principal payable	\$ 1,240,000
Less: Loan issue costs	<u>(16,386)</u>
Net loan payable	<u><u>\$ 1,223,614</u></u>

The CRA Loan will mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2010	\$ 190,000	\$ 43,276	\$ 233,276
2011	195,000	36,645	231,645
2012	205,000	29,839	234,839
2013	210,000	22,685	232,685
2014	215,000	15,356	230,356
2015	<u>225,000</u>	<u>7,853</u>	<u>232,853</u>
	<u><u>\$ 1,240,000</u></u>	<u><u>\$ 155,654</u></u>	<u><u>\$ 1,395,654</u></u>

Note 11 - Line of Credit

City of Sanford - The City has available a line of credit up to \$546,500 with a financial institution in relation to the Stormwater Revenue Bonds, Series 1998. The City has not borrowed anything on this line of credit as of September 30, 2009.

Due to the uncertainty of cash availability in the beginning of 2009 from the investments the City held in The Reserve Government money market fund, the City executed a line of credit, not to exceed \$10,000,000, with Wachovia Bank. A total of \$2,700,000 was borrowed to meet cash needs from October 8 to November 13, 2008 and was repaid in full on November 14, 2008 shortly after receiving the first distribution of funds from The Reserve Government money market fund.

Airport Authority - The Airport Authority entered into a line-of-credit agreement for \$5,000,000 with a financial institution in April 2006. This line of credit is secured by a pledge of the Florida Department of Transportation grants and bears interest at 4.72%. The agreement expires on October 30, 2009. At September 30, 2008, the outstanding balance was \$2,917,000. There were no outstanding borrowings under this line of credit at September 30, 2009. Therefore, the Airport Authority had available \$5,000,000 at September 30, 2009.

The Airport Authority also has available a line of credit up to \$425,000, at prime rate, with Orlando Sanford Domestic, Inc. under the management agreement discussed in Note 18 E. The Airport Authority has not borrowed anything on this line of credit.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 12 – Derivatives and Hedging Activities of the Discretely Presented Component Unit – Airport Authority

Swap Payments and Associated Debt

Revenue Note, Series 2003: Using interest rates as of September 30, 2009, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows. As rates vary, variable rate note interest payments and net swap payments will vary.

Calendar Year	Principal	Interest	Interest Rate Swap, Net	Total
2010	\$ 143,464	\$ 124,977	\$ 86,681	\$ 355,122
2011	150,315	118,126	81,715	350,156
2012	157,178	111,263	76,522	344,963
2013	164,999	103,442	71,072	339,513
2014	172,879	95,562	65,360	333,801
2015-2019	996,143	346,062	231,151	1,573,356
2020-2023	982,327	91,437	56,441	1,130,205
	<u>\$ 2,767,305</u>	<u>\$ 990,869</u>	<u>\$ 668,942</u>	<u>\$ 4,427,116</u>

Revenue Note, Series 2001A: Using interest rates as of September 30, 2009, principal and interest requirements of the debt and net swap payments of the pay-variable, receive-fixed interest rate swap for the term of the swap and the debt are as follows. As rates vary, net swap payments will vary.

Calendar Year	Principal	Interest	Interest Rate Swap, Net	Total
2010	\$ 266,479	\$ 147,773	\$ 108,813	\$ 523,065
2011	1,947,741	98,276	54,406	2,100,423
	<u>\$ 2,214,220</u>	<u>\$ 246,049</u>	<u>\$ 163,219</u>	<u>\$ 2,623,488</u>

Pay Fixed, Receive-Variable Interest Rate Swap

Objective of the swap: The Authority entered into a pay-fixed, receive-variable interest rate swap agreement in order to reduce the impact of fluctuations in interest rates on variable rate debt.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 12 – Derivatives and Hedging Activities of the Discretely Presented Component Unit – Airport Authority (Continued)

Terms, fair value, and risk: The notional amount of the swap matches the principal amount of the associated debt. The Authority's swap agreement contains scheduled reductions to the outstanding notional amount that approximates scheduled or anticipated reductions in the outstanding principal amount from debt repayment. The terms, fair value and credit rating of the outstanding swap as of September 30, 2009 are as follows:

Associated Note Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Sept. 30, 2009 Fair Value	Swap Termination Date	Counterparty Credit Rating
2003	\$2,767,305	9/1/03	4.62%	LIBOR*	\$ (281,178)	Sep. 2023	A+/Aa3

*London Interbank Offered Rate

Fair value: Because interest rates have declined, the pay-fixed, receive-variable swap noted above had a negative fair value as of September 30, 2009. The Fair value was obtained from the swap counterparty as of September 30, 2009.

Credit risk: As of September 30, 2009, the Authority was not exposed to credit risk because the pay-fixed, receive-variable swap had a negative fair value. Should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivatives' fair value.

Termination risk: An early termination would result in a cash settlement, based upon market conditions at the time of termination.

Pay-Variable, Receive-Fixed Interest Rate Swap

Objective of the swap: The Authority entered into a pay-variable, receive-fixed interest rate swap agreement in order to affect interest cost savings.

Terms, fair value, and risk: The terms, fair value and credit rating of the outstanding swap as of September 30, 2009 were as follows:

Associated Note Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Sept. 30, 2009 Fair Value	Swap Termination Date	Counterparty Credit Rating
2001	\$2,767,305	9/1/03	4.62%	LIBOR*	\$ (172,903)	Sep. 2023	A+/Aa3

*London Interbank Offered Rate

Fair value: The fair value of the swap associated with the 2001A Revenue Note is \$(172,903) as of September 30, 2009. This value was derived from the counterparty.

Credit risk: As of September 30, 2009, the Authority was not exposed to credit risk because the pay-variable, receive-fixed swap had a negative fair value. Should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivatives' fair value.

Interest rate risk: The swap increases the Authority's exposure to interest rate risk.

Termination risk: An early termination would result in a cash settlement, based upon market conditions at the time of termination.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 13 - Operating Leases

A. Long-Term Ground 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 2009, the total lease rental income received in the General Fund and the Enterprise Funds was \$171,574 and \$80,266, respectively.

B. Long-Term Airport Lease

In August 1996, the City entered into a lease agreement with the Sanford Airport Authority (lessee) for the control and operations of the Airport. Payments are not required under the terms of the lease. The City grants the lessee the exclusive right and jurisdiction to occupy, operate, control, maintain, and use the airport for a term of thirty-five (35) years.

C. Airport Authority Operating Leases

The Component Unit - The Airport Authority is the lessor on numerous building, office and land leases. The T-hanger and some office facility leases are primarily month-to-month cancelable leases. The building and land leases are generally noncancelable leases with terms ranging from one to thirty (1 - 30) years. The following is a schedule of minimum future rentals to be received on noncancelable operating leases:

Year Ending September 30,	Amount
2010	\$ 4,118,319
2011	3,657,900
2012	3,341,178
2013	2,945,687
2014	2,396,532
Thereafter	36,543,153
Total	\$ 53,002,769

The following is a schedule of property under operating leases at September 30, 2009:

Building and improvements	\$ 67,551,550
Accumulated depreciation	(28,393,215)
Net property	\$ 39,158,335

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 14 - Capital Leases

On October 8, 2007 and further amended on November 8, 2008, the City entered into a lease agreement with a local bank to finance the acquisition of a Voice Over Internet Protocol (VOIP) phone system. The agreement has a 5-year fixed term at 4.4% and calls for monthly payments of \$6,292.52. This lease agreement 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. The aggregate cost and accumulated depreciation of the governmental activities asset required through the capital lease are \$335,598 and \$5,042.67, respectively, as of September 30, 2009.

Year Ending September 30,	Amount
2010	\$ 75,510
2011	75,510
2012	75,511
Total minimum lease payments	226,531
Less: Amount representing interest costs	(15,160)
Present value of minimum lease payments	\$ 211,371

Note 15 - Interfund Accounts and Transfers

Individual fund interfund receivables and payables at September 30, 2009 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General	\$ 1,538,389	\$ 968,000
NonMajor Funds:		
LIHEAP	-	236,864
Second Generation	-	710,965
ARRA	-	19,690
Water and Sewer	968,000	570,870
	\$ 2,506,389	\$ 2,506,389

The interfund receivable and payable of \$968,000 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.

Interfund Transfers:

	Transfers In	Transfers Out
General	\$ -	\$ 3,101,540
Other Governmental	4,518,776	1,417,236
	\$ 4,518,776	\$ 4,518,776

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions

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. The Airport Authority also participates in the FRS. 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.

FRS members are eligible for retirement after vesting, which occurs at six (6) years of creditable service for regular members. Normal retirement age is attained at the earlier of thirty (30) years of creditable service, regardless of age, or retirement at age sixty-two (62) with at least ten (10) years of creditable service. Early retirement may be taken anytime; 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 two (2) classes are applicable to the City's eligible employees. These two (2) classes, with descriptions and contribution rates in effect during the period ended September 30, 2009, 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 (9.85% from 10/01/08 to 9/30/09). Nine (9) employees qualified for DROP - Deferred Retirement Option Program (10.91% from 10/01/08 to 9/30/09).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 13.12%.

The contribution requirements of the City are established and may be amended by FRS. The plan is noncontributory for employees, with all contributions being the obligation of the employer. The City's contributions to FRS for the years ended September 30, 2009, 2008 and 2007 were \$1,354,887, \$1,332,414, and \$1,137,423, respectively, and equal the required contributions for each year. The Airport Authority's contributions to FRS for the years ended September 30, 2009, 2008 and 2007 were \$488,000, \$545,203, and \$400,621, 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.

(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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

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

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.

Airport Authority firefighters, who retire at the earlier of age fifty-five (55) and ten (10) years of credited service or twenty-five (25) years of credited service, regardless of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0% of their average final compensation, defined as the highest five (5) years of salary paid during covered employment, for each year of credited service.

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

(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 \$1,238,949 and \$815,248 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2009. 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. 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-five (25) years for police officers and thirty (30) years for firefighters.

(3) Plan Membership - At September 30, 2009, membership of each plan consisted of the following:

	Police Officers	Firefighters
Retirees and beneficiaries receiving benefits	46	40
Terminated employees entitled to benefits but not yet receiving them	7	1
Active plan members	125	77
Total	178	118

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

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

(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 Obligation
2006	\$ 1,000,384	\$ 842,611	84.23%	\$ -
2007	\$ 921,662	\$ 1,081,424	117.33%	\$ -
2008	\$ 910,820	\$ 756,363	83.04%	\$ 154,457
2009	\$ 1,084,492	\$ 1,238,949	114.24%	\$ -
Firefighters' Plan				
Fiscal Year Ended September 30,	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension Obligation
2006	\$ 483,147	\$ 444,074	91.91%	\$ (31,455)
2007	\$ 527,095	\$ 528,079	100.19%	\$ (32,439)
2008	\$ 612,347	\$ 611,991	99.94%	\$ (32,083)
2009	\$ 729,051	\$ 728,699	99.95%	\$ (31,731)

The Police Officers' net pension obligation at September 30, 2009, was comprised of the following components:

Annual required contributions	\$ 1,260,841
Annual pension cost	1,260,841
Fiscal 2009 employer contributions	1,415,298
Decrease in net pension obligation	154,457
Net pension obligation beginning of year	(154,457)
Net pension obligation end of year	\$ -

The Firefighters' net pension obligation at September 30, 2009, totaled \$31,731. It was comprised of the following components:

Annual required contributions	\$ 728,699
Interest on the net pension obligation	(2,567)
Adjustment to annual contribution	2,919
Annual pension cost	729,051
Fiscal 2009 employer contributions	706,316
Increase in net pension obligation	22,735
Net pension obligation beginning of year	(54,466)
Net pension obligation end of year	\$ (31,731)

The Airport Authority firefighters' plan was excluded from the above analysis, as it was not considered material.

(5) The plans do not issue separate financial statements.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

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

(6) The funded status and funding progress of the plans as of September 30, 2009, were as follows:

Police Officers' Plan:

Actuarial accrued liability (AAL)	\$ 35,352,545
Actuarial value of plan assets	25,844,720
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,507,825</u>
Funded ratio (actuarial value of plan assets/AAL)	73.11%
Covered payroll (active plan members)	<u>\$ 5,911,558</u>
UAAL as a percentage of covered payroll	160.83%

Firefighters' Plan:

Actuarial accrued liability (AAL)	\$ 24,800,865
Actuarial value of plan assets	16,396,113
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,404,752</u>
Funded ratio (actuarial value of plan assets/AAL)	66.11%
Covered payroll (active plan members)	<u>\$ 4,101,210</u>
UAAL as a percentage of covered payroll	204.93%

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

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

	<u>Police Officers</u>	<u>Firefighters</u>
Valuation date	10/01/2009	10/01/2009
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, closed	Level percent, closed
Amortization period	30 years	30 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increase (including both cost of living and merit)	6.00%	6.00%
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

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

Pension Trust Fund Financial Statements

Financial statements for the Police Officers' Retirement System and Firefighters' Retirement System at September 30, 2009 and for the year then ended are as follows:

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Assets			
Investments, at fair value:			
Cash and receivables	\$ 62,633	\$ 130,355	\$ 192,988
Receivables	161	-	161
Money market funds	1,891,582	493,728	2,385,310
Equity securities, individual stocks, and mutual funds	10,757,514	14,090,872	24,848,386
Mutual funds investing in corporate and U.S. Treasury bonds	9,053,056	-	9,053,056
Total investments	21,764,946	14,714,955	36,479,901
Total assets	21,764,946	14,714,955	36,479,901
Liabilities			
Accounts payable	38,363	19,053	57,416
Total liabilities	38,363	19,053	57,416
Net assets			
Held in trust for pension benefits	\$ 21,726,583	\$ 14,695,902	\$ 36,422,485

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

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

Pension Trust Fund Financial Statements (Continued)

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Additions:			
Contributions:			
Employer	\$ 1,556,430	\$ 1,097,752	\$ 2,654,182
Plan members and others	331,041	287,806	618,847
Total contributions	<u>1,887,471</u>	<u>1,385,558</u>	<u>3,273,029</u>
Investment earnings:			
Net increase/(decrease) in fair value of investments	(1,217,964)	602,907	(615,057)
Dividends	233,847	76,954	310,801
Interest	317,925	499	318,424
Total investment earnings	(666,192)	680,360	14,168
Less investment expenses	111,222	77,984	189,206
Net investment earnings	(777,414)	602,376	(175,038)
Miscellaneous income	16,348	12,936	29,284
Total additions	<u>1,126,405</u>	<u>2,000,870</u>	<u>3,127,275</u>
Deductions:			
Benefits	1,182,113	999,269	2,181,382
Refund of contributions	186,565	101,844	288,409
Other services and charges	38,777	25,766	64,543
Total deductions	<u>1,407,455</u>	<u>1,126,879</u>	<u>2,534,334</u>
Change in assets	(281,050)	873,991	592,941
Total net assets - beginning	<u>22,007,633</u>	<u>13,821,911</u>	<u>35,829,544</u>
Total net assets - ending	<u>\$ 21,726,583</u>	<u>\$ 14,695,902</u>	<u>\$ 36,422,485</u>

C. 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, in an amount determined by City management, is borne 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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

C. Post Employment Benefits Other Than Pensions (Continued)

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, 2009, 60 retirees were receiving health insurance and 125 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, 2009 is as follows:

Annual Required contribution	\$ 721,338
Annual OPEB Cost	721,338
Employer Contributions	(511,870)
Increase in Net OPEB Obligation	209,468
Net OPEB Obligation (beginning of year)	-
Net OPEB Obligation (end of year)	\$ 209,468

Summary of Actuarial Methods & Assumptions

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. The schedule of funding progress includes only one year so multi-year comparison is not available for this period.

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 projected unit credit 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.

Decrement:

- Mortality: Sex-distinct mortality rates set forth in the RP-2000 table to annuitants and non-annuitants.
- Disability: None assumed.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

C. Post Employment Benefits Other Than Pensions (Continued)

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

Retirement: Retirement was assumed to occur as follows:

- Firefighters & Police Officers: Age 45 with at least ten years of service, or
Any age with at least 25 years of service
- All others: Age 62 with at least six years of service
Any age with at least 30 years of service

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:

<u>Year / Increase</u>	<u>Year / Increase</u>	<u>Year / Increase</u>
2008 9.50%	2012 7.50%	2016 5.50%
2009 9.00%	2013 7.00%	2017 5.00%
2010 8.50%	2014 6.50%	and later
2011 8.00%	2015 6.00%	

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.

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 \$200 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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 16 - Pension Plans and Post Employment Benefits Other than Pensions (Continued)

C. Post Employment Benefits Other Than Pensions (Continued)

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.

Note 17 - Deferred Compensation Plan

The City and the Airport Authority each have separate deferred compensation plans, created in accordance with Internal Revenue Code, Section 457, in which all employees are eligible to participate. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed limits established by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City and Airport Authority have each placed the assets of the plans in trust with a third-party administrator and, as such, are not recorded in the financial records of either organization.

Note 18 - Risk Management

Primary Government

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 2009. 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 three (3) 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.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 18 - Risk Management (Continued)

The changes in the City's claims liability during the years ended September 30, 2008 and 2009 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2007 - 2008	\$ 2,055,642	\$ 801,455	\$ (655,733)	\$ 2,201,364
2008 - 2009	\$ 2,201,364	\$ 1,087,294	\$ (682,433)	\$ 2,606,225

Airport Authority

The Airport Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Airport Authority carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past four (4) years.

Note 19 - Commitments and Contingencies

Primary Government

- 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 \$24,756,005 at September 30, 2009.

Airport Authority

- D. The Airport Authority is a defendant in two lawsuits. Although the outcome of one of these lawsuits cannot presently be determined, in the opinion of the Airport Authority's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Airport Authority.
- E. During the year ended September 30, 2001, the Domestic Terminal project was completed. In connection with the design and construction of the domestic terminal expansion, the Airport Authority entered into a Memorandum of Understanding with TBI, plc to negotiate a thirty-year (30) management contract for the domestic terminal in exchange for their private sector investment in the project of \$7,500,000. TBI, plc's United States Corporation, known as Orlando Sanford Domestic, Inc. (OSD), will manage all operations involving the domestic terminal. The contractual agreement provides for five (5) fixed annual, lump-sum payments to the Airport Authority, as well as additional minimum operation payments to the Airport Authority for years one through thirty (1 - 30) in exchange for the revenues generated by the operation of the domestic terminal. The Airport Authority will also participate in a percentage of gross revenues generated from the operation of the domestic terminal should those amounts exceed the agreed-upon

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 19 - Commitments and Contingencies (Continued)

revenue thresholds. Additionally, many expenses and liabilities associated with the operation of the domestic terminal will be removed from the Airport Authority and transferred to OSD.

- F. At the end of fiscal year September 30, 2009, the Airport Authority had entered into construction contracts in the amount of \$1,013,000.
- G. The Airport Authority receives a significant amount of other revenue under several federal and state grant programs. These programs are subject to compliance audits, as required by the federal government and the State of Florida. The amount, if any, of expenditures, which may be disallowed, cannot be determined at this time.
- H. The Airport Authority has identified several sites that have environmental issues on airport property. The State of Florida and the United States Navy are responsible for cleaning up the majority of these sites. At this time, the Airport Authority is unable to determine the cost and its responsibility in the clean-up of these sites. The Airport Authority has pursued all possible remedies to mitigate any contamination and, as of September 30, 2009, the Authority has no known sites requiring mitigation. The Authority does have an ongoing obligation to monitor and test each site.

Note 20 – Net Assets, Invested in Capital Assets Net of Related Debt Calculation

The elements of this calculation are as follows:

	Governmental Activities
Capital assets (Net)	
Non depreciable	\$ 8,710,443
Depreciable, net	99,029,886
	107,740,329
Debt related to capital assets	
Lease	211,371
Bonds	17,410,000
	17,621,371
Difference	90,118,958
Amount unspent on 2008 bonds	15,526,950
Invested in capital assets	\$105,645,908

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 21 - Component Unit - Sanford CRA

Condensed financial statement information related to the Sanford CRA as of and for the year ended September 30, 2009 is as follows:

	General	Debt Service	Total	Adjustments	Statement of Net Assets
Condensed Balance Sheet:					
Cash and cash equivalents	\$ 220,819	\$ -	\$ 220,819	\$ -	\$ 220,819
Investments	1,006,789	-	1,006,789	-	1,006,789
Accounts receivable (net)	51	-	51	-	51
Prepaid items and other assets	6,542	-	6,542	-	6,542
Capital assets:					
Nondepreciable	-	-	-	124,022	124,022
Depreciable, net	-	-	-	7,246,773	7,246,773
Total Assets and Other Debits	<u>\$ 1,234,201</u>	<u>\$ -</u>	<u>\$ 1,234,201</u>	<u>\$ 7,370,795</u>	<u>\$ 8,604,996</u>
Accounts payable	\$ 110,548	\$ -	\$ 110,548	\$ -	\$ 110,548
Accrued liabilities	-	-	-	36,456	36,456
Bonds payable	-	-	-	2,760,000	2,760,000
Loans payable	-	-	-	1,223,614	1,223,614
Fund balance/invested in capital assets, net of related debt	-	-	-	3,387,181	3,387,181
Net assets - unrestricted	<u>1,123,653</u>	<u>-</u>	<u>1,123,653</u>	<u>(36,456)</u>	<u>1,087,197</u>
Total Liabilities and Fund Balances	<u>\$ 1,234,201</u>	<u>\$ -</u>	<u>\$ 1,234,201</u>	<u>\$ 7,370,795</u>	<u>\$ 8,604,996</u>
Condensed Revenues, Expenditures and Changes in Fund Balances:					
Revenues:					
Taxes	\$ 2,077,504	\$ -	\$ 2,077,504	\$ -	\$ 2,077,504
Interest	29,862	-	29,862	-	29,862
Contributions	357,123	-	357,123	-	357,123
Total revenues	<u>2,464,489</u>	<u>-</u>	<u>2,464,489</u>	<u>-</u>	<u>2,464,489</u>
Expenditures/Expenses:					
Transportation	-	-	-	380,715	380,715
Economic environment	2,394,753	-	2,394,753	(1,983,230)	411,523
Principal retirement	-	880,000	880,000	(880,000)	-
Interest and other fiscal charges	-	190,999	190,999	(14,337)	176,662
Total expenditures	<u>2,394,753</u>	<u>1,070,999</u>	<u>3,465,752</u>	<u>(2,496,852)</u>	<u>968,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>69,736</u>	<u>(1,070,999)</u>	<u>(1,001,263)</u>	<u>2,496,852</u>	<u>1,495,589</u>
Other financing sources (uses):					
Transfers in	-	1,070,999	1,070,999	-	1,070,999
Transfers (out)	(1,070,999)	-	(1,070,999)	-	(1,070,999)
Total other financing sources (uses)	<u>(1,070,999)</u>	<u>1,070,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,001,263)</u>	<u>-</u>	<u>(1,001,263)</u>	<u>2,496,852</u>	<u>1,495,589</u>
Fund balance					
Beginning of year	2,124,916	-	2,124,916	853,873	2,978,789
End of year	<u>\$ 1,123,653</u>	<u>\$ -</u>	<u>\$ 1,123,653</u>	<u>\$ 3,350,725</u>	<u>\$ 4,474,378</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2009

Note 22 – Subsequent Event

The City is in the process of refunding its Series 1993 Water and Sewer Revenue Bonds and issuing an additional \$1,000,000 in debt to pay for water and sewer construction projects. The amount of the issue is approximately \$14,000,000 and is expected to be issued in April 2010.

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$ 18,248,300	\$ 18,248,300	\$ 18,643,452	\$ 395,152
Utility taxes	7,620,500	7,620,500	7,375,677	(244,823)
Business taxes	636,000	636,000	619,241	(16,759)
Permits and fees	3,922,100	3,922,100	4,270,266	348,166
Intergovernmental	4,794,000	5,582,339	4,887,533	(694,806)
Charges for services	1,733,200	1,786,858	2,277,405	490,547
Investment income	1,118,000	1,118,000	205,939	(912,061)
Fines and forfeits	303,450	303,450	162,996	(140,454)
Miscellaneous	710,550	814,946	391,827	(423,119)
Total revenues	<u>39,086,100</u>	<u>40,032,493</u>	<u>38,834,336</u>	<u>(1,198,157)</u>
Expenditures				
Current:				
General government	6,528,473	6,509,347	5,062,989	1,446,358
Public safety	21,434,450	21,441,276	19,855,207	1,586,069
Transportation	1,191,320	2,017,813	1,266,859	750,954
Physical environment	2,125,750	2,585,057	2,631,395	(46,338)
Economic environment	1,491,900	1,564,902	1,417,663	147,239
Human services	291,350	300,192	212,931	87,261
Culture & Recreation	4,766,200	5,039,854	4,527,720	512,134
Capital outlay	6,630	269,468	343,172	(73,704)
Total expenditures	<u>37,836,073</u>	<u>39,727,909</u>	<u>35,317,936</u>	<u>4,409,973</u>
Excess of revenues over expenditures	<u>1,250,027</u>	<u>304,584</u>	<u>3,516,400</u>	<u>3,211,816</u>
Other financing sources (uses)				
Transfers out	(2,279,877)	(3,197,640)	(3,101,540)	96,100
Proceeds from sale of property	37,000	37,000	15,987	(21,013)
Total other financing uses	<u>(2,242,877)</u>	<u>(3,160,640)</u>	<u>(3,085,553)</u>	<u>75,087</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(992,850)	(2,856,056)	430,847	3,286,903
Fund balance				
Beginning of year	-	-	11,754,647	11,754,647
Prior carryforward	1,337,950	3,162,056	-	(3,162,056)
Future carryforward	(345,100)	(306,000)	-	306,000
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,185,494</u>	<u>\$ 12,185,494</u>

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2009

Schedule of Funding Progress for

Police Officers' Retirement Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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)
10/1/2009	\$ 25,844,720	\$ 35,352,545	\$ 9,507,825	73.11%	\$ 5,911,558	160.83%
10/1/2008	\$ 25,895,602	\$ 34,365,528	\$ 8,469,926	75.35%	\$ 6,164,376	137.40%
10/1/2007	\$ 24,374,453	\$ 30,770,016	\$ 6,395,563	79.21%	\$ 5,437,435	117.62%
10/1/2006	\$ 21,950,941	\$ 28,237,042	\$ 6,286,101	77.74%	\$ 4,587,810	137.02%
10/1/2005	\$ 19,833,502	\$ 26,454,219	\$ 6,620,717	74.97%	\$ 4,468,502	148.16%
10/1/2004	\$ 19,095,103	\$ 24,090,829	\$ 4,995,726	79.26%	\$ 4,470,513	111.75%
10/1/2003	\$ 19,272,243	\$ 22,146,557	\$ 2,874,314	87.02%	\$ 4,167,079	68.98%
10/1/2002	\$ 18,269,767	\$ 20,296,277	\$ 2,026,510	90.02%	\$ 3,853,643	52.59%

Firefighters' Pension Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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)
10/1/2009	\$ 16,396,113	\$ 24,800,865	\$ 8,404,752	66.11%	\$ 4,101,210	204.93%
10/1/2008	\$ 15,686,965	\$ 23,037,305	\$ 7,350,340	68.09%	\$ 3,923,317	187.35%
10/1/2007	\$ 15,034,611	\$ 21,484,547	\$ 6,449,936	69.98%	\$ 3,571,946	180.57%
10/1/2006	\$ 14,007,003	\$ 18,838,018	\$ 4,831,015	74.35%	\$ 3,075,816	157.06%
10/1/2005	\$ 13,209,266	\$ 17,624,713	\$ 4,415,447	74.95%	\$ 2,781,577	158.74%
10/1/2004	\$ 12,805,517	\$ 16,372,831	\$ 3,567,314	78.21%	\$ 2,540,193	140.43%
10/1/2003	\$ 12,727,078	\$ 15,672,231	\$ 2,945,153	81.21%	\$ 2,466,177	119.42%
10/1/2002	\$ 12,610,665	\$ 14,710,733	\$ 2,100,068	85.72%	\$ 2,460,554	85.35%

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	Percentage Contributed	State Contribution
2009	\$ 1,084,492	\$ 1,331,300	122.76%	\$ 176,349 *
2008	\$ 910,820	\$ 664,012	72.90%	\$ 176,349 *
2007	\$ 1,000,384	\$ 1,081,424	108.10%	\$ 176,349 *
2006	\$ 1,000,384	\$ 842,611	84.23%	\$ 176,349 *
2005	\$ 804,865	\$ 823,011	102.25%	\$ 174,728 *
2004	\$ 717,308	\$ 717,309	100.00%	\$ 163,847 *
2003	\$ 627,348	\$ 627,453	100.02%	\$ 163,847 *
2002	\$ 178,735	\$ 223,887	125.26%	\$ 163,847 *

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

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	State Contribution
2009	\$ 728,699	\$ 728,699	100.00%	\$ 169,201 **
2008	\$ 611,991	\$ 611,991	100.00%	\$ 169,201 **
2007	\$ 528,079	\$ 567,150	107.40%	\$ 156,568 **
2006	\$ 483,147	\$ 444,074	91.91%	\$ 156,568 **
2005	\$ 408,449	\$ 440,254	107.79%	\$ 153,653 **
2004	\$ 388,876	\$ 388,876	100.00%	\$ 125,840 **
2003	\$ 419,804	\$ 419,805	100.00%	\$ 125,840 **
2002	\$ 289,051	\$ 289,051	100.00%	\$ 125,840 **

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

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2009

Schedule of Funding Progress for

Retiree Continuation Insurance Plan

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)
10/1/2008	\$ -	\$ 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
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:

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.

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.

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.

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

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

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

LIHEAP Fund – To account for grants received by the City as a sub grantee, grant proceeds are utilized to provide rehabilitation improvements to blighted areas of the City.

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

ARRA Grants Fund – To account for grants received by the City that are related to the Government’s stimulus plan.

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.

Debt Service Fund

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

Capital Projects Fund

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

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



CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

Special Revenue Funds

	Recreation Impact Fees	Fire Impact Fees	Local Option Gas Tax	Law Enforcement	Police Impact Fees	Second Generation Sales Tax Fund	Building Inspection
Assets							
Cash	\$ -	\$ -	\$ -	\$ 92,904	\$ -	\$ -	\$ 19,490
Investments	212,510	119,577	133,902	423,583	164,382	-	88,863
Accounts receivable, net	9	5	6	389	7	-	3
Prepays	-	-	-	-	-	-	-
Due from other governments	-	-	57,688	-	-	8,756,230	-
Total assets	\$ 212,519	\$ 119,582	\$ 191,596	\$ 516,876	\$ 164,389	\$ 8,756,230	\$ 108,356
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 31,966	\$ -	\$ -	\$ 513,757	\$ 3,714
Accrued liabilities	-	-	-	-	-	-	19,361
Due to other funds	-	-	-	-	-	710,965	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	31,966	-	-	1,224,722	23,075
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	212,519	119,582	159,630	310,586	164,389	7,531,508	85,281
Assigned	-	-	-	206,290	-	-	-
Total fund balances	212,519	119,582	159,630	516,876	164,389	7,531,508	85,281
Total liabilities and fund balances	\$ 212,519	\$ 119,582	\$ 191,596	\$ 516,876	\$ 164,389	\$ 8,756,230	\$ 108,356

Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
Cemetery	LIHEAP	Police Education	ARRA Grants	Total	Debt Service	Replacement	
\$ 92,668	\$ -	\$ 3,922	\$ -	\$ 208,984	\$ 174,532	\$ 153,029	\$ 536,545
422,503	-	17,880	-	1,583,200	795,752	697,713	3,076,665
-	726	905	-	2,050	37	37	2,124
-	33	135	-	168	-	-	168
-	328,782	-	62,182	9,204,882	-	-	9,204,882
<u>\$ 515,171</u>	<u>\$ 329,541</u>	<u>\$ 22,842</u>	<u>\$ 62,182</u>	<u>\$ 10,999,284</u>	<u>\$ 970,321</u>	<u>\$ 850,779</u>	<u>\$ 12,820,384</u>
\$ -	\$ 79,766	\$ -	\$ 42,492	\$ 671,695	\$ 969,800	\$ 123,365	\$ 1,764,860
-	4,773	-	-	24,134	-	-	24,134
-	236,864	-	19,690	967,519	-	-	967,519
-	80,107	-	62,182	142,289	-	-	142,289
-	401,510	-	124,364	1,805,637	969,800	123,365	2,898,802
-	33	135	-	168	-	-	168
-	(72,002)	22,707	(62,182)	8,472,018	-	-	8,472,018
515,171	-	-	-	721,461	521	727,414	1,449,396
<u>515,171</u>	<u>(71,969)</u>	<u>22,842</u>	<u>(62,182)</u>	<u>9,193,647</u>	<u>521</u>	<u>727,414</u>	<u>9,921,582</u>
<u>\$ 515,171</u>	<u>\$ 329,541</u>	<u>\$ 22,842</u>	<u>\$ 62,182</u>	<u>\$ 10,999,284</u>	<u>\$ 970,321</u>	<u>\$ 850,779</u>	<u>\$ 12,820,384</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2009

Special Revenue Funds

	Recreation Impact Fees	Fire Impact Fees	Local Option Gas Tax	Law Enforcement	Police Impact Fees	Second Generation Sales Tax Fund	Premium Tax Trust
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ 955,836	\$ 19,103	\$ -	\$ 1,480,727	\$ 599,985
Permits and fees	-	-	-	-	-	-	-
Investment income	9,943	6,226	-	5,636	9,268	531,766	-
Fines and forfeitures	-	-	-	115,097	-	-	-
Service assessments	95,667	113,405	-	-	167,334	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>105,610</u>	<u>119,631</u>	<u>955,836</u>	<u>139,836</u>	<u>176,602</u>	<u>2,012,493</u>	<u>599,985</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	49	-	55,770	192	-	599,985
Transportation	-	-	661,786	-	-	412,972	-
Parks and recreation	210	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-
Capital outlay	-	-	241,102	55,706	12,021	2,770,113	-
Total expenditures	<u>210</u>	<u>49</u>	<u>902,888</u>	<u>111,476</u>	<u>12,213</u>	<u>3,183,085</u>	<u>599,985</u>
Excess (deficiency) of revenues over expenditures	<u>105,400</u>	<u>119,582</u>	<u>52,948</u>	<u>28,360</u>	<u>164,389</u>	<u>(1,170,592)</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(515,138)	-	-	(790,073)	-	-
Debt issued	-	-	-	-	-	-	-
Proceeds from sale of property	-	-	-	4,163	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(515,138)</u>	<u>-</u>	<u>4,163</u>	<u>(790,073)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financial uses	<u>105,400</u>	<u>(395,556)</u>	<u>52,948</u>	<u>32,523</u>	<u>(625,684)</u>	<u>(1,170,592)</u>	<u>-</u>
Fund balances							
Beginning of year	<u>107,119</u>	<u>515,138</u>	<u>106,682</u>	<u>484,353</u>	<u>790,073</u>	<u>8,702,100</u>	<u>-</u>
End of year	<u>\$ 212,519</u>	<u>\$ 119,582</u>	<u>\$ 159,630</u>	<u>\$ 516,876</u>	<u>\$ 164,389</u>	<u>\$ 7,531,508</u>	<u>\$ -</u>

Special Revenue Funds						Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
Building Inspection	Cemetery	LIHEAP	Police Education	ARRA Grant	Total	Debt Service	Replacement	
\$ -	\$ -	\$ 1,019,520	\$ -	\$ -	\$ 4,075,171	\$ -	\$ -	\$ 4,075,171
760,644	-	-	-	-	760,644	-	-	760,644
765	668	-	320	-	564,592	9,547	6,924	581,063
-	-	-	12,462	-	127,559	-	-	127,559
-	-	-	-	-	376,406	-	-	376,406
6,757	29,600	-	150	-	36,507	-	-	36,507
<u>768,166</u>	<u>30,268</u>	<u>1,019,520</u>	<u>12,932</u>	<u>-</u>	<u>5,940,879</u>	<u>9,547</u>	<u>6,924</u>	<u>5,957,350</u>
-	-	1,099,631	12,869	-	1,112,500	-	-	1,112,500
717,174	-	-	-	-	1,373,170	-	-	1,373,170
-	-	-	-	-	1,074,758	-	-	1,074,758
-	45,270	-	-	-	45,480	-	-	45,480
-	-	-	-	-	-	4,354,293	-	4,354,293
-	-	-	-	-	-	833,869	-	833,869
10,608	-	-	-	62,182	3,151,732	-	379,650	3,531,382
<u>727,782</u>	<u>45,270</u>	<u>1,099,631</u>	<u>12,869</u>	<u>62,182</u>	<u>6,757,640</u>	<u>5,188,162</u>	<u>379,650</u>	<u>12,325,452</u>
<u>40,384</u>	<u>(15,002)</u>	<u>(80,111)</u>	<u>63</u>	<u>(62,182)</u>	<u>(816,761)</u>	<u>(5,178,615)</u>	<u>(372,726)</u>	<u>(6,368,102)</u>
-	-	-	-	-	-	2,498,540	603,000	3,101,540
-	-	-	-	-	(1,305,211)	-	-	(1,305,211)
-	-	-	-	-	-	2,700,000	-	2,700,000
-	-	-	-	-	4,163	-	-	4,163
-	-	-	-	-	(1,301,048)	5,198,540	603,000	4,500,492
40,384	(15,002)	(80,111)	63	(62,182)	(2,117,809)	19,925	230,274	(1,867,610)
44,897	530,173	8,142	22,779	-	11,311,456	(19,404)	497,140	11,789,192
<u>\$ 85,281</u>	<u>\$ 515,171</u>	<u>\$ (71,969)</u>	<u>\$ 22,842</u>	<u>\$ (62,182)</u>	<u>\$ 9,193,647</u>	<u>\$ 521</u>	<u>\$ 727,414</u>	<u>\$ 9,921,582</u>

CITY OF SANFORD, FLORIDA
Recreation Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Investment income	\$ 13,500	\$ 13,500	\$ 9,943	\$ (3,557)
Service assessments	140,000	140,000	95,667	(44,333)
Total revenues	<u>153,500</u>	<u>153,500</u>	<u>105,610</u>	<u>(47,890)</u>
Expenditures				
Current				
Parks and recreation	-	-	210	(210)
Total expenditures	<u>-</u>	<u>-</u>	<u>210</u>	<u>(210)</u>
Excess of revenues over expenditures	<u>153,500</u>	<u>153,500</u>	<u>105,400</u>	<u>(48,100)</u>
Other financing uses				
Transfers out	(1,100,000)	-	-	-
Total other financing uses	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(946,500)	153,500	105,400	(48,100)
Fund balance				
Beginning of year	-	-	107,119	107,119
Prior carryforward	946,500	-	-	-
Future carryforward	<u>-</u>	<u>(153,500)</u>	<u>-</u>	<u>153,500</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,519</u>	<u>\$ 212,519</u>

CITY OF SANFORD, FLORIDA
Fire Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 12,200	\$ 12,200	\$ 6,226	\$ (5,974)
Service assessments	229,700	229,700	113,405	(116,295)
Total revenues	<u>241,900</u>	<u>241,900</u>	<u>119,631</u>	<u>(122,269)</u>
Expenditures				
Capital outlay				
Public safety	-	50	49	1
Total expenditures	<u>-</u>	<u>50</u>	<u>49</u>	<u>1</u>
Excess of revenues over expenditures	<u>241,900</u>	<u>241,850</u>	<u>119,582</u>	<u>(122,268)</u>
Other financing uses				
Transfers out	-	-	(515,138)	(515,138)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(515,138)</u>	<u>(515,138)</u>
Net change in fund balance	241,900	241,850	(395,556)	(637,406)
Fund balance				
Beginning of year	-	-	515,138	515,138
Prior carryforward	458,550	273,288	-	(273,288)
Future carryforward	<u>(700,450)</u>	<u>(515,138)</u>	<u>-</u>	<u>515,138</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,582</u>	<u>\$ 119,582</u>

CITY OF SANFORD, FLORIDA
Local Option Gas Tax Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 1,031,900	\$ 967,600	\$ 955,836	\$ (11,764)
Investment income	13,000	13,000	-	(13,000)
Total revenues	<u>1,044,900</u>	<u>980,600</u>	<u>955,836</u>	<u>(24,764)</u>
Expenditures				
Current				
Transportation	824,800	824,800	661,786	163,014
Capital outlay				
Transportation	946,300	258,800	241,102	17,698
Total expenditures	<u>1,771,100</u>	<u>1,083,600</u>	<u>902,888</u>	<u>180,712</u>
Excess of revenues over expenditures	<u>(726,200)</u>	<u>(103,000)</u>	<u>52,948</u>	<u>155,948</u>
Net change in fund balance	(726,200)	(103,000)	52,948	155,948
Fund balance				
Beginning of year	-	-	106,682	106,682
Prior carryforward	<u>726,200</u>	<u>103,000</u>	<u>-</u>	<u>(103,000)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,630</u>	<u>\$ 159,630</u>

CITY OF SANFORD, FLORIDA
State Law Enforcement Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ 9,277	\$ 19,103	\$ 9,826
Investment income	15,000	15,000	5,636	(9,364)
Fines and forfeitures	66,500	66,500	115,097	48,597
Miscellaneous	-	-	4,163	4,163
Total revenues	<u>81,500</u>	<u>90,777</u>	<u>143,999</u>	<u>53,222</u>
Expenditures				
Current				
Law enforcement	2,500	39,900	55,770	(15,870)
Capital outlay				
Law enforcement	39,400	86,490	55,706	30,784
Total expenditures	<u>41,900</u>	<u>126,390</u>	<u>111,476</u>	<u>14,914</u>
Excess of revenues over expenditures	<u>39,600</u>	<u>(35,613)</u>	<u>32,523</u>	<u>68,136</u>
Net change in fund balance	39,600	(35,613)	32,523	68,136
Fund balance				
Beginning of year	-	-	484,353	484,353
Prior carryforward	308,450	383,653	-	(383,653)
Future carryforward	<u>(348,050)</u>	<u>(348,040)</u>	<u>-</u>	<u>348,040</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,876</u>	<u>\$ 516,876</u>

CITY OF SANFORD, FLORIDA
Police Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues				
Investment income	\$ 18,150	\$ 18,150	\$ 9,268	\$ (8,882)
Service assessments	<u>337,500</u>	<u>337,500</u>	<u>167,334</u>	<u>(170,166)</u>
Total revenues	<u>355,650</u>	<u>355,650</u>	<u>176,602</u>	<u>(179,048)</u>
Expenditures				
Current				
Public safety	-	-	192	(192)
Capital outlay				
Public safety	<u>1,214,850</u>	<u>355,650</u>	<u>12,021</u>	<u>343,629</u>
Total expenditures	<u>1,214,850</u>	<u>355,650</u>	<u>12,213</u>	<u>343,437</u>
Excess of revenues over expenditures	<u>(859,200)</u>	<u>-</u>	<u>164,389</u>	<u>164,389</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(790,073)</u>	<u>(790,073)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(790,073)</u>	<u>(790,073)</u>	<u>-</u>
Net change in fund balance	(859,200)	(790,073)	(625,684)	164,389
Fund balance				
Beginning of year	-	-	790,073	790,073
Prior carryforward	<u>859,200</u>	<u>790,073</u>	<u>-</u>	<u>(790,073)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,389</u>	<u>\$ 164,389</u>

CITY OF SANFORD, FLORIDA
Second Generation Sales Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,539,950	\$ 10,715,100	\$ 1,480,727	\$ (9,234,373)
Investment income	2,000	2,000	531,766	529,766
Total revenues	<u>11,541,950</u>	<u>10,717,100</u>	<u>2,012,493</u>	<u>(8,704,607)</u>
Expenditures				
Current				
Transportation	-	245,300	412,972	(167,672)
Capital				
Transportation	11,541,950	10,471,800	2,770,113	7,701,687
Total expenditures	<u>11,541,950</u>	<u>10,717,100</u>	<u>3,183,085</u>	<u>7,534,015</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,170,592)</u>	<u>(1,170,592)</u>
Net change in fund balances	-	-	(1,170,592)	(1,170,592)
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>8,702,100</u>	<u>8,702,100</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,531,508</u>	<u>\$ 7,531,508</u>

CITY OF SANFORD, FLORIDA
Building Inspection Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Permits and fees	\$ 699,800	\$ 963,075	\$ 760,644	\$ (202,431)
Investment income	-	-	765	765
Miscellaneous	-	-	6,757	6,757
Total revenues	<u>699,800</u>	<u>963,075</u>	<u>768,166</u>	<u>(194,909)</u>
Expenditures				
Current				
Public safety	745,900	858,300	717,174	141,126
Capital outlay				
Public safety	50,000	50,000	10,608	39,392
Total expenditures	<u>795,900</u>	<u>908,300</u>	<u>727,782</u>	<u>180,518</u>
Excess of revenues over expenditures	<u>(96,100)</u>	<u>54,775</u>	<u>40,384</u>	<u>(14,391)</u>
Other financing sources				
Transfers in	96,100	-	-	-
Total other financing sources	<u>96,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	54,775	40,384	(14,391)
Fund balance				
Beginning of year	-	-	44,897	44,897
Prior carryforward	3,600	-	-	-
Future carryforward	(3,600)	(54,775)	-	54,775
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,281</u>	<u>\$ 85,281</u>

CITY OF SANFORD, FLORIDA
Cemetery Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 668	\$ 668
Miscellaneous revenue	23,800	23,800	29,600	5,800
Total revenues	<u>23,800</u>	<u>23,800</u>	<u>30,268</u>	<u>6,468</u>
Expenditures				
Current:				
Parks and Recreation	123,800	123,800	45,270	78,530
Total expenditures	<u>123,800</u>	<u>123,800</u>	<u>45,270</u>	<u>78,530</u>
Deficiency of revenues under expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(15,002)</u>	<u>84,998</u>
Net change in fund balance	(100,000)	(100,000)	(15,002)	84,998
Fund balance				
Beginning of year	-	-	530,173	530,173
Prior carryforward	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,171</u>	<u>\$ 515,171</u>

CITY OF SANFORD, FLORIDA
Police Education Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues				
Investment income	\$ 340	\$ 340	\$ 320	\$ (20)
Fines and forfeitures	15,700	15,700	12,462	(3,238)
Miscellaneous revenue	-	-	150	150
Total revenues	<u>16,040</u>	<u>16,040</u>	<u>12,932</u>	<u>(3,108)</u>
Expenditures				
Current				
Governmental	33,400	33,400	12,869	20,531
Total expenditures	<u>33,400</u>	<u>33,400</u>	<u>12,869</u>	<u>20,531</u>
Excess of revenues over expenditures	<u>(17,360)</u>	<u>(17,360)</u>	<u>63</u>	<u>17,423</u>
Net change in fund balances	(17,360)	(17,360)	63	17,423
Fund balance				
Beginning of year	-	-	22,779	22,779
Prior carryforward	<u>17,360</u>	<u>17,360</u>	<u>-</u>	<u>(17,360)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,842</u>	<u>\$ 22,842</u>

CITY OF SANFORD, FLORIDA
ARRA Grant Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ -	\$ 121,610	\$ -	\$ (121,610)
Total revenues	<u>-</u>	<u>121,610</u>	<u>-</u>	<u>(121,610)</u>
Expenditures				
Current:				
Public safety	-	8,000	-	8,000
Capital Outlay:				
Public safety	<u>-</u>	<u>113,610</u>	<u>62,182</u>	<u>51,428</u>
Total expenditures	<u>-</u>	<u>121,610</u>	<u>62,182</u>	<u>59,428</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(62,182)</u>	<u>(62,182)</u>
Net change in fund balance	-	-	(62,182)	(62,182)
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,182)</u>	<u>\$ (62,182)</u>

CITY OF SANFORD, FLORIDA
Debt Service Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ 10,500	\$ 9,547	\$ (953)
Total revenues	<u>-</u>	<u>10,500</u>	<u>9,547</u>	<u>(953)</u>
Expenditures				
Debt service				
Principal	1,521,600	4,355,750	4,354,293	1,457
Interest and other	-	834,290	833,869	421
Total expenditures	<u>1,521,600</u>	<u>5,190,040</u>	<u>5,188,162</u>	<u>1,878</u>
Deficiency of revenues under expenditures	<u>(1,521,600)</u>	<u>(5,179,540)</u>	<u>(5,178,615)</u>	<u>925</u>
Other financing sources				
Transfers in	1,521,600	2,498,540	2,498,540	-
Debt proceeds	-	2,700,000	2,700,000	-
Total other financing sources	<u>1,521,600</u>	<u>5,198,540</u>	<u>5,198,540</u>	<u>-</u>
Net change in fund balance	-	19,000	19,925	925
Fund balance				
Beginning of year	<u>-</u>	<u>(19,000)</u>	<u>(19,404)</u>	<u>(404)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 521</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, 2009**

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.	100-105
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City’s most significant local revenue source – property taxes.	106-109
<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.	110-113
<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.	114-116
<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.	117-121

**Schedule 1
CITY OF SANFORD, FLORIDA**

**NET ASSETS BY COMPONENT
(modified accrual basis of accounting)**

Last Five Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental activities</u>					
Invested in capital assets, net of related debt	\$ 36,293,287	\$ 38,473,897	\$100,681,175	\$ 98,814,290	\$105,645,908
Restricted	2,507,199	3,110,023	10,549,515	28,464,057	24,120,145
Unrestricted	<u>14,924,212</u>	<u>17,872,420</u>	<u>18,631,636</u>	<u>5,361,947</u>	<u>1,555,358</u>
Total governmental activities net assets	<u>\$ 53,724,698</u>	<u>\$ 59,456,340</u>	<u>\$129,862,326</u>	<u>\$132,640,294</u>	<u>\$131,321,411</u>
<u>Business-type activities</u>					
Invested in capital assets, net of related debt	\$ 75,632,685	\$ 85,888,293	\$ 86,901,903	\$ 92,584,371	\$101,598,575
Restricted	10,088,357	10,753,432	11,811,488	2,473,650	7,680,009
Unrestricted	<u>5,337,171</u>	<u>4,044,563</u>	<u>8,329,896</u>	<u>14,849,417</u>	<u>4,489,557</u>
Total business-type activities net assets	<u>\$ 91,058,213</u>	<u>\$100,686,288</u>	<u>\$107,043,287</u>	<u>\$109,907,438</u>	<u>\$113,768,141</u>
<u>Primary government</u>					
Invested in capital assets, net of related debt	\$111,925,972	\$124,362,190	\$187,583,078	\$191,398,661	\$207,244,483
Restricted	12,595,556	13,863,455	22,361,003	30,937,707	31,800,154
Unrestricted	<u>20,261,383</u>	<u>21,916,983</u>	<u>26,961,532</u>	<u>20,211,364</u>	<u>6,044,915</u>
Total primary government net assets	<u>\$144,782,911</u>	<u>\$160,142,628</u>	<u>\$236,905,613</u>	<u>\$242,547,732</u>	<u>\$245,089,552</u>

Note: Information not available prior to implementation of GASB 34.

**Schedule 2
CITY OF SANFORD, FLORIDA**

**CHANGES IN NET ASSETS
(modified accrual basis of accounting)**

Last Five Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Expenses</u>					
Governmental activities:					
General government	\$ 5,494	\$ 5,826	\$ 5,720	\$ 6,268	\$ 7,551
Public safety	16,279	17,961	22,909	22,875	23,600
Transportation	3,597	3,739	7,998	5,748	5,384
Physical environment	3,976	3,554	862	3,088	2,983
Economic environment	622	601	789	1,354	2,345
Human services	128	431	259	146	214
Culture/Recreation	3,914	4,625	7,757	5,779	5,835
Interest on long-term debt	76	72	65	358	834
Total governmental activities expenses	<u>34,086</u>	<u>36,809</u>	<u>46,359</u>	<u>45,616</u>	<u>48,746</u>
Business-type activities:					
Water and sewer	12,960	15,631	16,563	18,646	18,075
Stormwater	1,671	1,420	1,899	5,329	1,904
Solid waste	-	-	4,519	2,377	5,163
Total business-type activities expenses	<u>14,631</u>	<u>17,051</u>	<u>22,981</u>	<u>26,352</u>	<u>25,142</u>
Total primary government net assets	<u>48,717</u>	<u>53,860</u>	<u>69,340</u>	<u>71,968</u>	<u>73,888</u>
<u>Program revenues</u>					
Governmental activities:					
Charges for services:					
General government	2,105	2,210	2,708	1,110	992
Public safety	2,267	2,347	2,049	3,312	3,344
Transportation	55	57	59	61	69
Physical environment	3,927	4,232	199	119	103
Culture/Recreation	253	279	281	480	721
Operating grants and contributions	902	1,312	1,458	1,460	2,097
Capital grants and contributions	2,433	704	1,217	1,100	1,591
Total governmental activities program revenues	<u>11,942</u>	<u>11,141</u>	<u>7,971</u>	<u>7,642</u>	<u>8,917</u>
Business-type activities:					
Charges for services	15,136	17,467	23,087	25,156	25,947
Operating grants and contributions	-	50	274	-	1,580
Capital grants and contributions	4,871	8,122	4,151	3,393	1,171
Total business-type activities program revenues	<u>20,007</u>	<u>25,639</u>	<u>27,512</u>	<u>28,549</u>	<u>28,698</u>
Total primary government program revenues	<u>31,949</u>	<u>36,780</u>	<u>35,483</u>	<u>36,191</u>	<u>37,615</u>
<u>Net (expense) / revenue</u>					
Governmental activities	(22,144)	(25,668)	(38,388)	(37,974)	(39,829)
Business-type activities	<u>5,376</u>	<u>8,588</u>	<u>4,531</u>	<u>2,197</u>	<u>3,556</u>
Total primary government net expense	<u>(16,768)</u>	<u>(17,080)</u>	<u>(33,857)</u>	<u>(35,777)</u>	<u>(36,273)</u>

Note: Information not available prior to implementation of GASB 34

* Data not available

(Continued)

**Schedule 2
CITY OF SANFORD, FLORIDA**

**CHANGES IN NET ASSETS (continued)
(modified accrual basis of accounting)**

Last Five Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>General revenues and other changes in net assets</u>					
Governmental activities:					
Property tax	\$ 10,265	\$ 12,101	\$ 16,557	\$ 19,325	\$ 18,644
Other taxes	14,835	16,923	20,570	19,907	18,435
Unrestricted investment earnings	574	1,201	1,656	1,105	996
Gain on sale of capital assets	3	-	69	86	14
Miscellaneous	713	795	(750)	329	421
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>	<u>38,510</u>
Business-type activities:					
Unrestricted investment earnings	580	785	980	481	155
Gain on sale of capital assets	8	6	14	-	-
Miscellaneous	37	74	130	186	150
Transfers in (out)	338	175	702	-	-
Total business-type activities	<u>963</u>	<u>1,040</u>	<u>1,826</u>	<u>667</u>	<u>305</u>
Total primary government	<u>27,015</u>	<u>31,885</u>	<u>39,330</u>	<u>41,419</u>	<u>38,815</u>
<u>Change in net assets</u>					
Governmental activities	3,908	5,177	(884)	2,778	(1,319)
Business-type activities	6,339	9,628	6,357	2,864	3,861
Total government	<u>\$ 10,247</u>	<u>\$ 14,805</u>	<u>\$ 5,473</u>	<u>\$ 5,642</u>	<u>\$ 2,542</u>

Note: Information not available prior to implementation of GASB 34

Schedule 3
CITY OF SANFORD, FLORIDA

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

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009*
General fund										
Reserved	\$ 3,091	\$ 3,614	\$ 3,155	\$ 105	\$ 134	\$ 177	\$ 175	\$ 109	\$ 1,533	\$ -
Unreserved	10,879	10,727	11,159	13,154	9,990	16,051	19,622	18,525	10,222	-
Total general fund	\$ 13,970	\$ 14,341	\$ 14,314	\$ 13,259	\$ 10,124	\$ 16,228	\$ 19,797	\$ 18,634	\$ 11,755	\$ -
All other governmental funds										
Reserved	\$ 337	\$ -	\$ -	\$ 208	\$ 52	\$ 52	\$ -	\$ -	\$ 33,971	\$ -
Unreserved, reported in:										
Special revenue funds	2,785	4,386	1,997	2,118	2,334	3,019	3,670	3,869	2,586	-
Debt service funds	-	-	(77,331)	-	-	-	-	-	-	-
Capital projects funds	1,732	(82,263)	-	(1,516)	9	131	189	585	1,384	-
Various	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 4,854	\$ (77,877)	\$ (75,334)	\$ 810	\$ 2,395	\$ 3,202	\$ 3,859	\$ 4,454	\$ 37,941	\$ -
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,027
Restricted	-	-	-	-	-	-	-	-	-	1,600
Assigned	-	-	-	-	-	-	-	-	-	3,701,301
Unassigned	-	-	-	-	-	-	-	-	-	8,331,566
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,185,494
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168
Restricted	-	-	-	-	-	-	-	-	-	23,998,968
Assigned	-	-	-	-	-	-	-	-	-	5,486,663
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,485,799

*Note: Fiscal years 2000 through 2008 have not been restated for implementation of GASB 54.

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)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Revenues</u>						
Taxes	\$ 14,401	\$ 15,772	\$ 16,271	\$ 21,034	\$ 21,287	\$ 20,158
Licenses and permits	1,080	1,177	827	1,006	1,490	1,564
Intergovernmental revenues	4,230	4,520	4,908	8,615	7,953	12,358
Charges for services	4,067	4,380	4,516	4,524	4,979	5,537
Fines and forfeitures	285	1,166	331	323	362	289
Impact fees	607	717	171	286	747	386
Interest earnings	1,172	1,204	415	265	241	574
Administrative services	765	833	906	906	906	1,060
Miscellaneous revenues	313	280	357	775	866	697
Total revenues	<u>26,920</u>	<u>30,049</u>	<u>28,702</u>	<u>37,734</u>	<u>38,831</u>	<u>42,623</u>
<u>Expenditures</u>						
General government	3,610	3,571	3,906	4,412	4,284	5,481
Public safety	9,348	11,422	12,435	13,415	14,247	15,268
Transportation	2,398	3,304	2,403	2,520	2,538	3,138
Physical environment	2,627	3,265	3,035	2,930	2,975	2,948
Economic environment	417	423	658	534	383	609
Human services	73	98	223	252	260	147
Culture/Recreation	2,678	5,058	3,214	3,217	3,198	3,339
Capital outlay	2,527	1,909	5,028	12,359	7,056	4,301
Principal	205	1,035	80	85	90	95
Interest and fiscal charges	100	128	92	87	82	77
Total expenditures	<u>23,983</u>	<u>30,213</u>	<u>31,074</u>	<u>39,811</u>	<u>35,113</u>	<u>35,403</u>
Excess of revenues over (under) expenditures	<u>2,937</u>	<u>(164)</u>	<u>(2,372)</u>	<u>(2,077)</u>	<u>3,718</u>	<u>7,220</u>
<u>Other financing sources (uses)</u>						
Operating transfer to component unit	-	(136)	(239)	-	-	-
Transfers in	671	1,424	1,960	1,340	172	551
Transfers (out)	(699)	(1,484)	(1,978)	(1,891)	(183)	(888)
Capital Leases	-	-	-	-	-	-
Bond proceeds	1,750	-	-	-	-	-
Total other financing sources (uses)	<u>1,722</u>	<u>(196)</u>	<u>(257)</u>	<u>(551)</u>	<u>(11)</u>	<u>(337)</u>
<u>Extraordinary item</u>						
Hurricane expenditures	-	-	-	-	(5,281)	-
Proceeds from sale of property	20	18	29	12	24	29
Lease termination	-	-	-	-	-	-
Total extraordinary items	<u>20</u>	<u>18</u>	<u>29</u>	<u>12</u>	<u>(5,257)</u>	<u>29</u>
Net change in fund balances	<u>\$ 4,679</u>	<u>\$ (342)</u>	<u>\$ (2,600)</u>	<u>\$ (2,616)</u>	<u>\$ (1,550)</u>	<u>\$ 6,912</u>
Debt service as a percentage of non-capital expenditures	<u>1.42%</u>	<u>4.11%</u>	<u>0.66%</u>	<u>0.63%</u>	<u>0.61%</u>	<u>0.55%</u>

2006	2007	2008	2009
\$ 23,638	\$ 29,917	\$ 27,272	\$ 26,639
1,721	1,265	4,408	5,031
6,737	7,156	11,090	9,976
5,835	1,960	2,229	2,277
428	422	400	291
502	648	679	376
1,201	1,656	973	926
1,095	1,557	-	-
1,112	944	630	853
<u>42,269</u>	<u>45,525</u>	<u>47,681</u>	<u>46,369</u>
5,352	6,910	6,131	6,175
16,327	18,782	21,224	21,335
3,002	5,414	2,455	2,342
3,567	818	2,972	2,692
560	731	1,885	1,418
450	251	167	213
3,795	4,955	5,108	4,758
5,241	5,861	6,114	13,029
100	110	168	4,354
72	65	456	834
<u>38,466</u>	<u>43,897</u>	<u>46,680</u>	<u>57,150</u>
<u>3,803</u>	<u>1,628</u>	<u>1,001</u>	<u>(10,781)</u>
-	-	-	-
172	4,658	12,603	4,519
(347)	(5,257)	(12,603)	(4,519)
-	-	-	36
-	-	18,300	2,700
<u>(175)</u>	<u>(599)</u>	<u>18,300</u>	<u>2,736</u>
-	-	-	-
44	20	125	20
-	(1,618)	-	-
<u>44</u>	<u>(1,598)</u>	<u>125</u>	<u>20</u>
<u>\$ 3,672</u>	<u>\$ (569)</u>	<u>\$ 19,426</u>	<u>\$ (8,025)</u>
<u>0.52%</u>	<u>0.46%</u>	<u>1.54%</u>	<u>11.76%</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					
2000*	\$ 1,301,370	\$ 232,039	\$ 1,533,409	\$ (405,212)	\$ 1,128,197	6.790	\$ 1,137,295	99.20%
2001*	1,371,440	245,683	1,617,123	(426,646)	1,190,477	6.750	1,217,257	97.80%
2002*	1,560,363	267,606	1,827,969	(497,723)	1,330,246	6.625	1,361,562	97.70%
2003*	1,832,640	267,432	2,100,072	(600,923)	1,499,149	6.500	1,511,239	99.20%
2004*	1,966,176	288,833	2,255,009	(652,922)	1,602,087	6.475	1,639,802	97.70%
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%

* 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		
2000	6.790	5.116	9.541	0.482	21.929
2001	6.750	5.107	9.345	0.472	21.674
2002	6.625	5.220	9.162	0.462	21.469
2003	6.500	5.208	9.000	0.462	21.170
2004	6.475	5.190	8.736	0.462	20.863
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

*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	Business Name	Fiscal Year 2009			Fiscal Year 2000		
		Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Seminole Towne Center LP	Seminole Towne Center Mall *	\$ 85,258,560	2.75%	1			
Central Florida Regional Hospital	Central Florida Regional Hospi*	44,253,792	1.43%	2			
Florida Power & Light Co	Florida Power & Light Co *	36,179,083	1.17%	3			
WRI Semionle II LLC	Weingarten Realty Inv *	35,826,925	1.16%	4			
Colonial Realty LP	Colonial Village *	30,792,374	0.99%	5			
BellSouth Communications	BellSouth Communications *	29,461,831	0.95%	6			
Plantation Lakes II Ltd	Plantation Lakes II Ltd *	27,749,214	0.90%	7			
Wal-Mart Stores East	Wal-Mart Stores, Inc. *	25,961,951	0.84%	8			
Westlake Arbour LLC	Westlake Arbour LLC *	23,685,511	0.77%	9			
MSKP Gateway LLC	MSKP Gateway LLC *	21,734,215	0.70%	10			
Seminole Towne Center LP	Seminole Towne Center Mall				\$ 99,487,451	9.33%	1
Southern Bell	Southern Bell				27,736,995	2.60%	2
Florida Power & Light Co	Florida Power & Light Co				18,401,295	1.73%	3
ZOM Gateway Plaza	Gateway Plaza				15,023,770	1.41%	4
TWC Ninety-Five, Ltd.	Windchase Apartments				14,720,380	1.38%	5
Kimco of Merritt Island, Inc.	Seminole Center				14,162,782	1.33%	6
Central Florida Regional Hospital	Central Florida Regional Hospital				12,115,064	1.14%	7
Columbia Medical Center	Columbia Medical Center				10,468,300	0.98%	8
Dillard Department Stores, Inc	Dillards				9,147,470	0.86%	9
Placid Lake Association	Placid Lake Association				8,999,090	0.84%	10
	Total	<u>\$ 360,903,456</u>	<u>11.66%</u>		<u>\$ 230,262,597</u>	<u>21.60%</u>	

*Subject to change pending Final Value Adjustment Board meeting

Source: Seminole County Property Appraiser - 2009 Top Ten Taxpayer for Sanford
City of Sanford FY 1999 CAFR

**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
2000	\$ 7,188,198	\$ 6,831,026	95.0%	\$ 84,672	\$ 6,915,698	96.2%
2001	7,569,251	7,208,953	95.2%	46,767	7,255,720	95.9%
2002	8,321,052	7,863,714	94.5%	60,457	7,924,171	95.2%
2003	9,207,029	8,808,277	95.7%	46,371	8,854,648	96.2%
2004	9,822,331	9,415,246	95.9%	67,644	9,482,890	96.5%
2005	10,728,465	10,094,787	94.1%	170,532	10,265,319	95.7%
2006	12,782,036	12,063,863	94.4%	37,191	12,101,054	94.7%
2007	17,441,759	16,522,411 *	94.7%	34,973 *	16,557,384	94.9%
2008	20,524,602	19,272,717	93.9%	51,814	19,324,531	94.2%
2009	19,577,301	18,570,633	94.9%	72,819	18,643,452	95.2%

Source: (1) Total assessed value times millage rate
(2) Includes general fund 001-0000-311.10-00
(3) Includes general fund 001-0000-311.20-00
*correction from previous years' CAFRs

Schedule 9
CITY OF SANFORD, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental-type Activities		Business-type Activities			Total Primary Government	Sanford Personal Income	Percentage of Personal Income	Per Capita
	Special Facilities Revenue Bonds	Public Safety Complex Revenue Bonds	Utility System Revenue Notes	State Revolving Loans	Stormwater System Revenue Bonds				
2000	\$ 1,750,000	\$ -	\$ 30,683,652	\$ 9,066,509	\$ 3,296,725	\$ 44,796,886	\$1,205,231,976	3.7%	1,149
2001	1,675,000	-	29,913,301	11,953,195	3,044,695	46,586,191	1,295,941,750	3.6%	1,152
2002	1,595,000	-	29,930,000	10,725,255	2,781,195	45,031,450	1,416,470,250	3.2%	1,041
2003	1,510,000	-	24,974,690	16,172,724	2,497,680	45,155,094	1,499,964,830	3.0%	1,014
2004	1,420,000	-	24,192,633	15,207,361	2,210,670	43,030,664	1,645,721,848	2.6%	934
2005	1,325,000	-	23,381,500	14,668,181	1,910,228	41,284,909	1,817,300,296	2.3%	838
2006	1,225,000	-	22,550,368	24,658,809	1,596,079	50,030,256	1,897,089,491	2.6%	977
2007	1,115,000	-	21,699,236	31,505,217	1,267,539	55,586,992	2,123,853,802	2.6%	1,047
2008	1,000,000	18,000,000	20,828,102	32,712,870	924,058	73,465,030	2,065,257,180	3.6%	1,353
2009	-	17,410,000	19,921,968	30,854,659	564,805	68,751,432	2,076,807,874	3.3%	1,278

Sources: Population data from the Office of Economic and Demographic Research, "The Florida Legislature". Personal income data from the U.S. Department of Commerce, Bureau of Economic Analysis and the Metro Orlando Economic Development Commission.

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

Debt limitation: There are no legal debt limits for Florida municipalities.

**Schedule 10
CITY OF SANFORD, FLORIDA**

**Computation of Direct and Overlapping Debt
General Obligation Bonds
September 30, 2009**

<u>Jurisdiction</u>	<u>Total Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Sanford</u>	<u>Amount Applicable to City of Sanford</u>
Overlapping: Seminole County Government	\$ 16,270,000	10.3%	<u>\$ 1,674,912</u>
Total Overlapping Debt			<u><u>\$ 1,674,912</u></u>

Based on City's total taxable assessed value as a percentage of Seminole County's total assessed value.

Source: Seminole County Finance Department

**Schedule 11
CITY OF SANFORD, FLORIDA**

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

General Government

Sales Tax Revenue Bonds

Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4)		Coverage
		Principal	Interest	
2000	\$ -	\$ -	\$ -	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	3,371,680	-	286,960	11.75
2009	2,975,011	590,000	759,600	2.20

Proprietary Funds

Water and Sewer Revenue Bonds

Fiscal Year	Gross Revenues (1), (5)	Water System Development Charges (7)	Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (3)		Coverage
					Principal	Interest	
2000	\$ 10,531,532	\$ 1,117,559	\$ 5,992,626	\$ 5,656,465	\$ 795,000	\$ 1,670,930	2.29
2001	10,927,894	1,119,556	6,314,436	5,733,014	840,000	1,630,335	2.32
2002	11,195,215	461,818	6,927,173	4,729,860	560,000	459,015	4.64
2003	12,330,291	1,121,190	7,197,024	6,254,457	935,000	1,538,940	2.53
2004	13,242,221	895,419	7,928,953	6,208,687	920,000	1,055,770	3.14
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

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	
2000	\$ 10,531,532	\$ 5,992,626	\$ 4,538,906	\$ 423,641	\$ 233,203	6.91
2001	10,927,894	6,314,436	4,613,458	438,476	218,368	7.02
2002	11,195,215	6,927,173	4,268,042	453,840	203,004	6.50
2003	12,330,291	7,197,024	5,133,267	1,189,621	354,057	3.33
2004	13,242,221	7,928,953	5,313,268	2,078,323	527,783	2.04
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

- (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 15.02% 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.

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

Source: City of Sanford Finance Department.

General Government			
Special Facilities Revenue Bonds			
Facilities Revenues	Debt Service Requirements (4)		Coverage (6)
	Principal	Interest	
\$ -	\$ -	\$ -	-
46,096	75,000	95,900	NA
68,398	80,000	91,560	NA
58,962	85,000	86,940	NA
62,298	90,000	79,040	NA
67,929	95,000	73,860	NA
54,948	100,000	71,400	NA
48,551	110,000	65,710	NA
67,256	115,000	59,064	NA
71,347	1,000,000	51,682	NA

Proprietary Funds			
Stormwater Revenue Bonds			
Stormwater Revenues	Debt Service Requirements (4)		Coverage
	Principal	Interest	
\$ 1,506,571	\$ 187,482	\$ 156,975	4.37
1,601,407	253,978	143,910	4.02
1,627,406	265,406	132,482	4.09
1,864,213	277,348	120,540	4.69
2,224,518	289,827	108,061	5.59
2,308,855	302,768	95,120	5.80
3,198,778	316,391	81,947	8.03
2,959,982	330,627	68,557	7.42
3,035,556	344,270	53,618	7.63
3,249,301	360,043	62,662	7.69

Stormwater State Revolving Loans			
Stormwater Revenues	Debt Service Requirements (4)		Coverage
	Principal	Interest	
\$ -	\$ -	\$ -	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,035,556	132,120	122,937	11.90
3,249,301	183,184	121,393	10.67

**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)
2000	38,291 *	\$ 30,924	\$ 1,184,110,884	10,771	3.3%
2001	40,435	32,050	1,295,941,750	10,782	3.6%
2002	43,251	32,750	1,416,470,250	11,957	5.9%
2003	44,549	33,670	1,499,964,830	12,450	5.1%
2004	46,078	35,716	1,645,721,848	13,326	3.8%
2005	49,252	36,898	1,817,300,296	14,060	3.6%
2006	51,227	37,033	1,897,089,491	13,693	3.3%
2007	53,099	39,998	2,123,853,802	12,966	3.1%
2008	54,306	38,030	2,065,257,180	11,080	4.7%
2009	53,816	38,591	2,076,807,874	12,969	9.0%

- Source:**
- (1) Office of Economic and Demographic Research
"The Florida Legislature"
Florida Population Estimates for Counties and Municipalities - April 1, 2000-2009
* correction from previous years' CAFRs
 - (2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System
The actual per capita personal income is for Seminole County. The per capita figures are multiplied by the population to determine the total personal income. The 2005 figures were estimated by using an average growth of \$1,182 annually from 1997. The 2006 and 2007 per capita personal income figures use the median household income for the city of Sanford provided by the Metro Orlando Economic Development Commission. The 2008 and 2009 per capita personal income figures use the Florida per capita personal income, history and forecast provided by the Office of Economic and Demographic Research.
 - (3) Seminole County School Board - school year ending June of fiscal year
 - (4) Florida Research and Economic Database
Labor Force Data
Fiscal Year 2007-2008 average unemployment rate (October - September) - Seminole County
Fiscal Year 2009 - U.S. Bureau of Labor Statistics Local Area Unemployment Statistics Information and Analysis
Fiscal Year 2009 average unemployment rate (October - September) - Seminole County

**Schedule 13
CITY OF SANFORD, FLORIDA**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Fiscal Year 2008 / 2009			Fiscal Year 1999 / 2000		
	Employees	Percent of Total City Employment	Rank	Employees	Percent of Total City Employment	Rank
Seminole County Public Schools**	1,533	7.86%	1	*	*	*
Seminole State College	1,382	7.09%	2	*	*	*
Seminole County Government	1,295	6.64%	3	*	*	*
Central Florida Regional Hospital	950	4.87%	4	*	*	*
Wal-Mart Stores	671	3.44%	5	*	*	*
Orlando Sanford International Airport***	591	3.03%	6			
City of Sanford	491	2.52%	7	*	*	*
Florida Extruders	341	1.75%	8	*	*	*
Wharton-Smith	120	0.62%	9	*	*	*
CPH Engineers, Inc.	111	0.57%	10	*	*	*
Total	7,485			-		

* Data not available

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

*** Sanford Airport Authority (full and part-time), TBI, Alpha Retail, Hudson, SSP, Swissport, Quickflight, Preflight, MSA, ASIG, Coach Companies, vending companies and various rental car companies

Note: The city of Sanford has an estimated 2009 workplace employee (FTE) population of 19,492 with approximately 1,295 workplace establishments.

Source: Seminole County School Board
Seminole County Economic Development
Seminole Community College (www.seminolestate.edu)
Wal-Mart Stores, Inc.
City of Sanford Financial Services Department
Sanford Airport Authority, Orlando Sanford International, Inc.
Metro Orlando Economic Development Commission



**Schedule 14
CITY OF SANFORD, FLORIDA**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government:										
City Manager	4	*	5	5	3	3	6	8.5	9	7
Code Enforcement	17.5	*	-	-	5	5	9	8	6	8
City Clerk	3	*	3	2	2	2	3	3.5	3	3
Human Resources	4	*	4	3	2	2	4	5	5	4
Civil Service	1	*	1	1	-	-	-	-	-	-
Finance	17.5	*	17	16	16	16	17	16	14	20
Planning/Development	10	*	21	25	15	15	22	22.5	13	11
Public Safety:										
Police	128	*	135	135	140	140	147	155	153	145
Fire	63	*	70	67.5	67.5	67.5	69	78.2	94	90
Public Works	49	*	56	52	52	52	86	95	90	86
Utilities	91	*	95	94	91	91	97	102	100	99
Recreation	48	*	45	41	42	42	31.1	34.1	18	18
Total	436	*	452	441.5	435.5	435.5	491.1	527.8	505	491

* Data not available

Source: City of Sanford Budgets 1999-2008
City of Sanford Financial Services Department

**Schedule 15
CITY OF SANFORD, FLORIDA**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2000	2001	2002	2003
<u>Building Inspections</u>				
Building permits issued	4,310	3,403	2,723	7,233
Number of BEMP building inspections completed	*	*	*	*
Number of BEMP re-inspections	*	*	*	*
Number of total building construction plans reviewed	*	*	*	*
Number of BEMP building permits issued (residential and commercial)	*	*	*	*
<u>Law Enforcement</u>				
Physical arrests	*	*	*	*
DUI arrests	*	*	*	*
Traffic violations	*	*	*	*
Traffic crashes	*	*	*	*
Total calls received by agency	*	*	*	*
Dispatched calls requiring police service (based on calendar year figures)	72,516	79,569	73,840	70,094
<u>Fire</u>				
Emergency responses	*	*	8,670	8,091
Number of actual fires suppressed	*	*	270	262
Number of commercial building inspections	890	1,498	*	*
Number of school inspections	*	*	*	*
Number of investigations	38	47	*	*
<u>Planning & Engineering</u>				
Paved streets (miles)	148	148	149	154.38
Unpaved streets (miles)	*	*	*	*
<u>Public Works</u>				
Street resurfacing (miles)	*	*	*	*
Other street repairs (# of potholes, etc.)	72	78	78	70

* Data not available

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

Source: Various City Departments

2004	2005	2006	2007	2008	2009
5,901	6,879	5,542	4,123	3,419	3,530
*	*	5,168	13,784	10,480	9,243
*	*	8,014	2,190	1,793	1,301
*	*	5,211	3,420	1,747	990
*	*	150	2,009	3,419	3530
*	*	3,285	6,751	3,258	3,516
333	193	167	234	127	102
*	8,127	7,808	7,387	6,419	5,306
1,894	1,862	1,686	1,837	1,595	1,352
*	*	111,089	121,411	100,235	127,471
79,322	89,083	96,198	95,598	89,339	96,712
8,681	8,813	8,690	8,952	8,929	8,632
214	180	268	234	241	265
*	1,420	1,153	1,630	1,022	2,178
*	*	17	17	17	19
*	34	42	37	47	31
157.33	163.13	156.12	156.12	156.12	156.35
*	*	2.10	2.10	2.10	2.10
*	*	1.85	2.85	3.95	3.25
87	101	115	133	162	150

**Schedule 16
CITY OF SANFORD, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2000	2001	2002	2003	2004
<u>Transportation</u>					
Miles of streets	175.71	165	149	149	157
<u>Public Safety</u>					
Number of Fire Stations	3	3	3	3	3
Number of Firefighters and Officers	61	61	67	69.5	69.5
Number of Police Stations	2	2	4	5	5
Number of Sworn Officers	97	108	111	108	116
<u>Municipal Water System</u>					
Number of Customers	12,086	12,276	12,445	13,574	13,867
Average Daily Consumption	6.2 MGD	6.8 MGD	6.8 MGD	6.1 MGD	6.6 MGD
Plant Capacity - All Plants	16.5 MGD	16.5 MGD	16.5 MGD	17.5 MGD	17.5 MGD
Deep Wells	16	16	18	20	20
Number of Fire Hydrants	911	942	907	1,008	1,008
<u>Municipal Sewer System</u>					
Number of Customers	11,169	11,370	11,952	12,641	12,461
Treatment Facility Capacity	7.3 MGD				
Annual Average Flow	4.346 MGD	4.346 MGD	5.47 MGD	6.5 MGD	6.5 MGD
<u>Municipal Stormwater System</u>					
Number of Customers	11,069	11,279	11,412	11,927	12,482
<u>Building Permits Issued</u>					
	4,310	3,403	2,723	7,233	5,901
<u>Recreation & Culture</u>					
Number of Regional Parks	1	1	1	1	1
Number of Neighborhood Parks	36	36	36	36	36
Park Area - #of acres	342	342	342	342	342
Number of Museums	1	1	1	1	1
Number of Books	3,556	3,556	3,556	3,556	3,556

Source: Various City Departments

2005	2006	2007	2008	2009
163	158.22	158.22	158.22	158.45
3	3	3	3	3
72	73	78	80	76
5	4	4	4	4
114	126	125	137	125
16,256	16,861	17,684	16,781	15,443
6.6 MGD	7.31 MGD	7.498 MGD	7.180 MGD	7.31 MGD
17.5 MGD	17.5 MGD	14.688 MGD	14.688 MGD	14.688 MGD
20	20	19	19	19
1,008	1,200	1,207	1,207	1,271
14,856	12,850	13,882	14,093	12,843
7.3 MGD	7.3 MGD	9.3 MGD	9.3 MGD	9.3 MGD
7.6 MGD	5.7 MGD	6.12 MGD	7.57 MGD	6.438 MGD
12,482	13,530	13,688	13,842	13,260
6,879	5,542	4,123	3,419	3,530
1	1	1	1	1
37	37	37	38	36
348	348	348	350	350
1	1	1	1	1
3,621	3,621	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 WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE DEPARTMENT OF FINANCIAL SERVICES STATE PROJECTS COMPLIANCE SUPPLEMENT
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS
- SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
- NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
- INDEPENDENT AUDITORS' MANAGEMENT LETTER



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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 the financial statements of governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency 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, 2009, and have issued our report thereon dated March 15, 2010. 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.

Internal Control Over Financial Reporting

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

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.

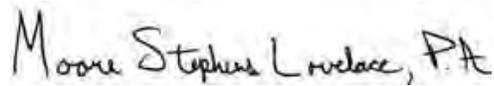
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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. In connection with our audit, we noted no other instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, City Commission, management, the State of Florida Auditor General, and federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive style.

Certified Public Accountants

Orlando, Florida
March 15, 2010



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE DEPARTMENT OF FINANCIAL SERVICES
STATE PROJECTS COMPLIANCE SUPPLEMENT**

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

Compliance

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 the requirements described in the Department of Financial Services State Projects Compliance Supplement, that are applicable to each of its major federal programs and major state projects for the year ended September 30, 2009. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs and major state projects is the responsibility of the City’s management. 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, a component unit of the City, which received \$12,728,856 in federal awards and \$733,232 in state financial assistance, which is not included in the schedule for the year ended September 30, 2009. Our audit, described below, did not include the operations of the Sanford Airport Authority, because the financial statement and compliance audit was performed by other auditors who have issued their own report.

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*; Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, Chapter 69I-5, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project 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. Our audit does not provide a legal determination on the City’s compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and major state projects for the year ended September 30, 2009.

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

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. 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 a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined below.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program, such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control.

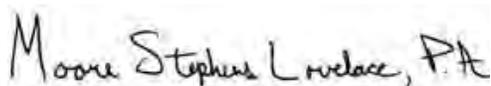
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City as of and for the year ended September 30, 2009, and have issued our report thereon dated March 15, 2010. Our audit was performed for the purpose of forming our 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 purposes of additional analysis, as required by OMB Circular A-133, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, Rules of the Auditor General, and is not a required part of the financial statements. Such information has been subjected to auditing procedures, as considered necessary, and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, City Commission, management, and specific legislative or regulatory bodies and is not intended to be, and should not be, used by anyone other than these specified parties.



Certified Public Accountants

Orlando, Florida
March 15, 2010

CITY OF SANFORD, FLORIDA
Schedule of Findings and Questioned Costs
For The Year Ended September 30, 2009

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unqualified Opinion

• Internal control over financial reporting:

• Material weakness(es) identified? Yes No

• Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported

• Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified? Yes No

• Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported

Type of report issued on compliance for major federal program:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of Major Federal Programs and State Projects:

CFDA Number

Name of Federal Programs

16.804	ARRA – FY 2009 Recovery Act JAG Program
66.458	ARRA – State Revolving Fund Loan
97.036	Tropical Storm Fay
97.039	Hazard Mitigation Grant Program

CSFA Numbers

Name of State Projects

37.017	FDEP/FRDAP Fort Mellon Park
37.022	Mill Creek Reclaimed Water Storage Pond Project

Dollar threshold used to distinguish between

Type A and Type B programs: Federal \$300,000

State \$300,000

Auditee qualified as low-risk auditee? Yes No

CITY OF SANFORD, FLORIDA
Schedule of Findings and Questioned Costs (*Continued*)
For The Year Ended September 30, 2009

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs Section

None Reported.

Section IV - Prior-Year Audit Findings

Compliance and Reporting:

Finding 08-01: Resolved to our satisfaction.

For The Year Ended September 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number / Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed through Florida Department of Education:			
Summer Food Service Program	10.559	04-0720	\$ 4,376
Total Department of Agriculture			4,376
U.S. Department of Housing & Urban Development			
Passed through Seminole County/CDBG Subrecipient Agreement:			
Westside Community Recreation Center	14.218	B-08-MC-12-0010	319,006
Youthbuild Program	14.243	Y05IMFL0016	39,904
Total Department of Housing & Urban Development			358,910
U.S. Department of the Interior			
Passed through Florida Department of Environmental Protection:			
Land and Water Conservation Fund – Ft. Mellon Park	15.916	LW551	170,000
Total Department of the Interior			170,000
U.S. Department of Justice			
DEA Officer Reimbursement	16.580		16,329
Bulletproof Vest Grant – FY2008	16.607		6,378
Passed through Florida Department of Law Enforcement:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-JAGC-SEMI-6-T7-097	9,277
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-JAGD-SEMI-2-T8-080	9,826
ARRA – FY 2009 Recovery Act JAG Program	16.804	2009-SB-B9-0716	62,182
Total Department of Justice			103,992
U.S. Department of Labor			
Youthbuild Program	17.274	YB-19111-09-60-A-12	38,887
Total Department of Labor			38,887
U.S. Department of Environmental Protection Agency			
Passed through Florida Department of Environmental Protection:			
ARRA – State Revolving Fund Loan	66.458	SW586260	67,105
ARRA – State Revolving Fund Loan	66.458	WW590100	3,998
Total Department of Environmental Protection Agency			71,103
U.S. Department of Health and Human Services			
Passed through Florida Department of Community Affairs:			
LIHEAP Low Income Home Energy Assistance Program	93.568	08EA-7B-06-69-02-028	135,107
LIHEAP Low Income Home Energy Assistance Program	93.568	09EA-7K-06-69-02-028	964,519
Total Department of Health and Human Services			1,099,626
U.S. Department of Homeland Security			
Passed through Florida Division of Emergency Management:			
Tropical Storm Fay	97.036	08-FA-B9-06-69-00-561	514,290
Hazard Mitigation Grant Program	97.039	08HM-3G-06-69-02-014	716
Hazard Mitigation Grant Program	97.039	09HM-06-06-69-02-007	96,915
Hazard Mitigation Grant Program	97.039	07HM-4@-04-06-69-02-064	25,196
Total Department of Homeland Security			637,116
Total Expenditure of Federal Awards			\$2,484,009

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

For The Year Ended September 30, 2009

State Grantor/Pass-Through Grantor Program Title	State CSFA Number	Grant Number / Pass Through Grantor's Number	Expenditures
Florida Department of Environmental Protection			
FDEP/FRDAP Fort Mellon Park	37.017	F4055	\$ 170,000
FDEP/FRDAP Fort Mellon Park	37.017	F7074	170,000
Passed through St. Johns River Water Management District:			
Millcreek Reclaimed Water Storage Pond Project	37.022	SI370AA	466,782
FDEP Lake Monroe Water Quality Improvements	37.039	LP6778	204,467
FDEP Sanford Reclaimed Water Line Location	37.039	LP6859	170,635
Passed through St. Johns River Water Management District:			
Water Protection and Sustainability Program - Sanford North WRF/Augmentation/Reclaimed Wtr System Improvements	37.066	SJ38512	147,953
Total Department of Environmental Protection			<u>1,329,837</u>
	Total Expenditure of State Awards		<u><u>\$ 1,329,837</u></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, 2009

Note 1 – Reporting Entity

For reporting entity purposes, the Schedule of Federal Awards and State Financial Assistance Projects includes only the activities of the City of Sanford’s primary government and not its discretely presented component units.

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

The City had the following loan balances outstanding at September 30, 2009. The loan balance is also included in the Federal expenditures presented in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	66.458	SW586260	\$ 67,105
State Revolving Fund	66.458	WW590100	\$ 3,998





INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

We have audited the financial statements of the City of Sanford, Florida (the "City"), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated March 15, 2010.

We conducted our audit in accordance with United States generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control Over Financial Reporting. Disclosures in that report, which is dated March 15, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

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. The prior year finding as reported in the Schedule of Findings and Questioned Cost has been resolved to our satisfaction.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statement, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grants agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

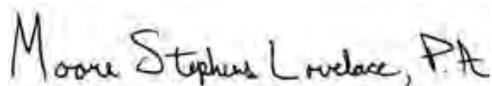
Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity 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.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2009, 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, 2009. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission, management, and the State of Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.



Certified Public Accountants

Orlando, Florida
March 15, 2010

