

CITY OF SANFORD

Comprehensive



A N N U A L

Financial Report

FOR THE YEAR ENDED SEPTEMBER 30, 1999

CITY OF SANFORD, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

September 30, 1999

Audit Report Delivery Date:

February 14, 2000

Prepared by:

Department of Finance

CITY OF SANFORD, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 1999

MAYOR

Larry A. Dale

COMMISSIONERS

Whitey H. Eckstein

A. A. "Mac" McClanahan

Brady M. Lessard

Velma H. Williams. Ph.D.

CITY MANAGER

Tony VanDerworp

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES

Donna M. Watt, CPA, CGFO

CITY OF SANFORD, FLORIDA
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City of Sanford, Florida

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Office of the Finance Director
Donna M. Watt, CPA

February 14, 2000

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

The Comprehensive Annual Financial Report of the City of Sanford, Florida, for the fiscal year ended September 30, 1999 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Sanford issues annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the City of Sanford. All disclosures necessary to enable the reader to gain an understanding of the City of Sanford's activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City of Sanford's principal elected and appointed officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City of Sanford is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U. S. Office of Management and Budget's Circular A-133. Information related to this single audit, including a schedule of expenditures of federal awards, schedule of federal guaranteed loans, schedule of state grants and aids appropriations, the independent auditors' report on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the compliance section of this report.

The financial reporting entity (City of Sanford) includes all the funds and account groups of the primary government (i.e., the City of Sanford as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the City of Sanford Finance Corporation is presented as a part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and

"The Friendly City"

to differentiate their financial position, results of operations and cash flows from those of the primary government. The Sanford Airport Authority and the Community Redevelopment Agency are reported as discretely presented component units. The City of Sanford provides a full range of services including police and fire protection; sanitation services; street and infrastructure maintenance; recreational activities and cultural events.

Governmental Structure, Local Economic Condition and Outlook

The City of Sanford is located in Central Florida in Seminole County, one of the fastest growing counties in Florida. 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's southern boundaries include Seminole Community College and the City of Lake Mary. Its western boundary is Interstate 4. The City has developed a comprehensive land use plan to direct growth. Most of the growth is expected in the eastern, southern and western areas of the City with relatively little change in the older, central neighborhoods. Light industry is expected to encompass the area west of Sanford to Interstate 4. A regional mall, Seminole Towne Center, opened September 22, 1995. The Orlando-Sanford International Airport opened a new International Terminal Building in 1995, a terminal addition for international departures in 1996, and has plans for expansion of its domestic terminal beginning in the fall of 1999. With a regional airport - Orlando-Sanford International Airport, a sea going port - Port of Sanford, and rail availability including the southern terminus of Amtrak's Auto train, Sanford is in position for unprecedented local growth and will function as a primary distribution point for the rest of the state.

The Sanford Commercial District was proclaimed an 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.

Major Initiatives

For the Year. The City of Sanford's staff, following specific directives from the City Commission and the City Manager, has been involved in a variety of projects throughout the year. These projects reflect the City of Sanford's commitment to ensuring that its citizens are able to live and work in an enviable environment. Several major projects or improvements were completed to meet citizens' demands for services and to safeguard the environment in conformity with applicable federal and state standards.

The Recreation Department hosted the Eleventh Annual Central Florida Soap Box Derby in June 1999 and the 24th Annual Golden Age Games in November 1998. The Sanford Golden Age Games are the oldest senior games in the United States and feature senior athletes from across the nation participating in a weeklong event

with competition in sports, arts and crafts, and entertainment. The Games are a qualifying event for the U.S. Senior Olympics. In September 1999, the Department hosted the 1999 ASA Men's Super Slowpitch National Championship Tournament featuring the nation's top ten men's softball teams competing at Historic Sanford Memorial Stadium. The expansion of Chase Park, located adjacent to Historic Sanford Memorial Stadium, was begun to accommodate the ball fields currently located at Fort Mellon Park, making it a multi-purpose recreational facility. Coastline Park was renovated with the assistance of a Florida Department of Natural Resources grant. As part of the renovation of Toughy Park, 100 historic trees were relocated from Fort Mellon Park to Toughy Park. The historic gazebo at Lakeview Cemetery was renovated as a joint effort of the City Of Sanford and the Historical Society. A joint venture between the City of Sanford, Seminole County and the Seminole County School Board was undertaken to build an olympic-size swimming pool to be opened in the 1st quarter of fiscal year 2000. Community support through the donation of labor and materials supplemented the funding available for completion of the project.

The Engineering and Planning Department experienced increased activity due to several proposed residential and commercial projects within the City. Construction of Phase I of the Plantation Lakes apartment complex was begun, a new Holiday Inn Express was completed, and construction on a Springhill Suites Hotel was begun during the fiscal year. The new I-4 interchange at 46A was near completion at fiscal year end. Approximately 230 acres of land were annexed into the City during the year. Applications for approximately 4,000 new dwelling units and 65 commercial enterprises were processed by the Engineering and Planning Department during the year.

The Community Department, using State grants, weatherized 20 homes, provided weatherization enhancements on 22 housing units, provided Low-Income Emergency Home Repairs (LEHRP) on 21 homes, and provided \$466,697 in assistance to families for electric bills and home energy needs under the Low Income Home Energy Assistance Program (LIHEAP). The Department received grants to complete improvements to the Westside Boys/Girls Club, the Oleander Sidewalk Project, and the 7th Street Sewer Project.

Continued emphasis was given to the community-policing program as a new community policing facility was opened on 13th street in cooperation with the Seminole County Sheriff's department. The project was funded with CDBG grant funds, police impact fees and community contributions of labor and materials.

The Stormwater Department completed construction on the Second Street/Downtown Interceptor Project, designed to alleviate flooding in the downtown area. The project was financed with a 15-year, 4.5%, fixed-rate loan in the amount of \$4,200,000 through First Union National Bank. Approximately \$1,800,000 of the loan proceeds were used for the Second Street Project and the remaining funds will be used to finance the Mill Creek IIIB project.

The City's solid waste collection services were privatized effective January 1, 1999, with Florida Recycling Services, Inc. being awarded the bid. Customer billing functions remain with the City. As a result of this privatization, the Solid Waste Enterprise Fund was closed during the fiscal year and a separate division of the Public Works Department will be created in the General Fund to account for solid waste activities in the future.

During fiscal year 1999, potable water, sewer force, and gravity sewer mains were completed by developers at several subdivisions within the City including Monterey Oaks, Plantation Lakes Phase I, and Placid Woods, and donated to the City. Initial design is underway on a new wastewater treatment plant located near the airport to accommodate growth in the east and south areas of the City, as well as to augment the current sewer system.

For the Future. The City Commission continues its commitment to economic development with the appropriation of \$200,000 for the fiscal year 1999/2000. In addition, unexpended funds from fiscal year 1998/1999 will be reserved to promote business and industry within the City. In the next fiscal year, the projected growth of the City will continue as development occurs on the 230 acres of property annexed into the City during the current year. The 4,000 dwelling units and 65 commercial enterprises approved during the current year will be at varying stages of completion during the next fiscal year. The opening of the new interchange at I-4 and 46A and the groundbreaking for the extension of the Greenway to I-4 will occur during the 1st quarter of the next fiscal year. To promote the health, safety and welfare of its citizens and enhance the quality of life, the City has appropriated funds for the following major projects.

- With funding assistance from Seminole County, the City will replace boat docks at the City marina.
- The Public Works Department will contract with a firm to inventory all streets, streetlights, sidewalks, and curbs and gutters. From this inventory list, a 5-year plan will be established for repair/replacement of the infrastructure. As part of this project, 23 dirt streets will be paved during the next fiscal year.
- The Commission has committed funds for midge eradication around Lake Monroe.
- Seminole County has committed funding of \$40,000 per year for 10 years to assist with completion of the restoration of Historic Sanford Memorial Stadium. The City has committed \$50,000 per year to match those funds. Additionally, the City will seek grant funding and permanent long-term financing to continue renovation in fiscal year 1999/2000.
- The Chase Park multi-purpose recreation facility will be completed in fiscal year 1999/2000. Improvements will be made to various community parks.
- The Fire Department will purchase a new emergency transport vehicle to insure prompt response to emergency situations arising within the City.
- Fire Station #2 will be relocated to provide more efficient operations and accommodate the projected residential growth on the east side of the City.
- The City will move forward with the planning phases of the Hotel/Conference Center to be located on the downtown waterfront.
- Under a public/private partnership arrangement with TBI, current operators of the airport's international terminal (OSI), the airport will expand its domestic terminal. The domestic terminal will be operated by TBI as Orlando Sanford Domestic (OSD). The projected opening date for the additional domestic gates is June 2000. Pan Am will begin service at the existing domestic terminal in October 1999. Infrastructure improvements will continue to support increased domestic and international flights.
- The City will begin land acquisition, permitting, design, and construction of the extension of St. Johns Parkway from Rhinehart road to Airport Blvd. (a.k.a., East-West connector). This project will be funded with 1-cent sales tax funds available through Seminole County. Completion time for the project will be approximately 2 years.
- The City will continue its community policing efforts with the addition of three new community service officers and the second community policing sub-station in the south end of the City.
- To allow for increased concentration on police services and more efficiently deliver 911 services, the City will contract all communication services to the Seminole County Sheriff's Office.
- The City will begin the Mill Creek IIIB Stormwater drainage project.
- Construction of a state-of-the-art wastewater facility will begin near the Orlando Sanford Airport at a projected cost of approximately \$18 million and an anticipated completion date of 2002.
- Water and Sewer relocations and improvements will continue in connection with the widening of 46A, the Greenway extension, and the Randyard Road project.

FINANCIAL INFORMATION

Management of the City of Sanford is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the City of Sanford is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management, auditors from the grantor agencies, and independent auditors of the City.

As a part of the City's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial awards programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended September 30, 1999, provided no instances of material weaknesses in internal controls or significant violations of applicable laws and regulations.

In addition, the City maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, certain Special Revenue Funds, Debt Service Fund, Solid Waste Fund, Stormwater Fund, and the Water and Sewer Utility Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the fund level. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. Appropriations, except an appropriation for a specified major capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule (Schedule 1) presents a summary of revenues for the General Fund, budgeted Special Revenue Funds, and Debt Service Fund for the fiscal year ended September 30, 1999 and the amount and percentage increase or decrease in relation to prior year revenues. In the governmental fund types, only the General Fund, the Local Option Gas Tax Fund, and the Certificates of Participation Debt Service Fund are budgeted. In accordance with Florida Statute, the Law Enforcement Trust Fund is not budgeted. Impact Fee Funds for which the Commission has not approved capital projects are not budgeted.

Schedule 1

BUDGETED GOVERNMENTAL FUNDS – REVENUE				
	FY 1998	FY 1999	\$ Increase (Decrease)	% Increase (Decrease)
Taxes	\$ 12,623,310	\$ 13,522,475	\$ 899,165	7.12%
Licenses and Permits	712,859	850,702	137,843	19.34%
Intergovernmental Revenues	3,387,550	4,512,991	1,125,441	33.22%
Charges for Services	1,005,976	1,053,536	47,560	4.73%
Fines and Forfeitures	149,364	217,476	68,112	45.60%
Contributions	12,051	26,945	14,894	123.59%
Interest	585,752	656,421	70,669	12.06%
Administrative Services	747,497	756,321	8,824	1.18%
Miscellaneous Revenue	155,977	103,425	(52,552)	(33.69)%
Totals	\$ 19,380,336	\$ 21,700,292	\$ 2,319,956	11.97%

Budgeted Governmental Revenues increased 11.97% in fiscal year 1999. Tax revenues, a combination of four sources: property taxes, sales taxes, franchise fees and utility taxes, represent the largest portion of all revenues in Schedule 1. Current year ad valorem tax millage was reduced from 6.8759 mills to 6.87 mills; however, ad valorem tax revenues increased 3.2% over the prior year due to new construction and increases in assessed values. The remaining tax revenues experienced moderate change with telecommunications tax revenue continuing to increase, as it has consistently done since the City repealed the 10% Utility Tax on local recurring service and implemented the 7% Utility Tax on all telecommunication services in September 1995. Local Option Gas Tax revenues increased significantly, up approximately \$260,000 over the prior year, as the City continued to experience an increase in its percentage share of tax revenue from the Interlocal Agreement with Seminole County and other cities within Seminole County.

Licenses and Permits revenue increased \$137,843, or 19.34%, over the prior year. This increase can be attributed mainly to increased development activity within the City. Occupational License revenue was down slightly this fiscal year, but should rebound next year as permitted businesses begin operations. Further, with the City's anticipated growth over the next few years, Licenses and Permits revenue is project to increase likewise. Intergovernmental Revenues increased 33.22% in fiscal year 1999. Half-Cent Sales Tax revenue continued to

increase, up approximately \$344,000 in 1999, while grant revenues also increased due to receipt of various local, state, and federal grants. Charges for Services showed only a slight increase over the prior fiscal year.

Fines and Forfeitures revenue was up 45.60% over fiscal year 1998 due mainly to an increase in citations issued for violations of local ordinances and state laws. Contributions from private sources increased slightly while miscellaneous revenues, due primarily to the receipt of \$101,428 from the sale of property in the prior year, fell 33.69%. Net interest income increased as a result of an approximate 1% increase in interest rates and stronger cash position.

The following schedule (Schedule 2) presents a summary of General Fund, budgeted Special Revenue Funds, and Debt Service Fund expenditures for the fiscal year ended September 30, 1999 and the percentage increase or decrease in relation to prior year amounts.

Schedule 2

BUDGETED GOVERNMENTAL FUNDS – EXPENDITURES				
	FY 1998	FY 1999	\$ Increase (Decrease)	% Increase (Decrease)
General Government	\$3,041,705	\$3,210,815	\$169,110	5.56%
Public Safety	9,230,717	9,461,730	231,013	2.50%
Transportation	2,163,398	3,149,264	985,866	45.57%
Human Services	8,472	17,812	9,340	110.25%
Culture/Recreation	2,806,956	3,514,251	707,295	25.20%
Debt Service:				
Principal Retirement	482,899	290,000	(192,899)	(39.95)%
Interest and Fiscal Charges	126,414	96,645	(29,769)	(23.55)%
Totals	\$17,860,561	\$19,740,517	\$1,879,956	10.53%

Fiscal Year 1999 activity produced an overall increase in budgeted governmental expenditures of 10.53%. General Government expenditures increased 5.56% over the prior year, due mainly to employee merit increases, personnel costs associated with additional authorized positions, and a slight increase in operating expenditures.

Public Safety costs increased slightly due to increased personnel costs for existing employees, expenditures associated with retiring officers, and costs for additional authorized positions added during the year. Transportation costs, including Local Option Gas Tax expenditures, increased significantly due to an aggressive paving and resurfacing program and replacement of heavy equipment.

Culture/Recreation expenditures increased 25.20% as several major recreation facility renovations began including the City of Sanford Community Pool, Toughy Park upgrade, Chase Park Multi-Purpose Recreation

Facility, and Coastline Park Renovation. Debt Service expenditures were for payments on the 1989 Certificates of Participation.

General Fund Balance. The fund balance of the General Fund at September 30, 1999 was \$11,750,907 representing an increase over 1998 of \$4,231,988. This increase is inclusive of a \$1,670,063 residual equity transfer from the Solid Waste Fund, closed during the fiscal year. Of the 1999 fund balance, \$114,430 is reserved for capital projects begun but not yet completed, \$62,400 for inventory, \$28,291 for prepaid expenditures, \$100,000 for the affordable housing program, and \$632,871 for potential landfill closure cost. After deduction of these reservations, an undesignated fund balance of \$10,812,915 remains, representing 59.5% of fiscal year 1999 operating expenditures (before transfers) or approximately 7 months of operating cost.

Effective October 1, 1990, the Florida Department of Environmental Protection required entities owning landfills to estimate future closure and long-term maintenance costs and specify the source of those funds. As of September 30, 1999, the estimated cost of the landfill closure was fully reserved and was reflected as a liability in the General Long term Debt Account Group. The City has begun the permitting process for landfill closure.

Enterprise Operations. As of September 30, 1999, the City's enterprise operations consisted of three separate and distinct activities: the Water and Sewer Utility Fund, the Stormwater Utility Fund and the Airport Authority. The Solid Waste Enterprise Fund was closed during the year, as waste collection operations were privatized effective January 1, 1999. Operating revenues in the Water and Sewer Utility Fund increased 4.7%, consistent with the growth occurring within the City. Operating expenses increased \$185,349 due mainly to increased personnel and operations costs. Capital expenditures and acquisitions increased 27.1% over fiscal year 1998, due primarily to payments on construction projects and contributions of water and sewer lines by developers. Contributions from developers for the current year totaled approximately \$2,800,000.

Total revenues in the Stormwater Utility Fund were basically unchanged from the prior year, up 2.7%. Stormwater service charges are based on a flat rate (\$4 per ERU), while water & sewer charges are based on customer usage. Capital outlay expenditures totaled \$1,201,125 consisting mainly of current year payments for completion of the Second Street Downtown Drainage Project.

Pension Trust Funds. Pension plan assets are recorded at fair value for the Police, Fire, and General Employees Retirement Funds. Annuity payments to retirees increased by \$336,208 due to a full year of annuity payments to the 12 police officers and firefighters who retired intermittently throughout the prior year and additional current year retirements of senior-ranking officers. Refunds of contributions to terminating employees, those with less than ten years service and therefore not vested in the system, increased \$91,930. Net plan assets held in trust increased \$2,529,443, or 8.8%.

Sanford Airport Authority. Operating revenues for the Airport Authority decreased \$69,682, or 2.2%, over the prior fiscal year due to a decrease in industrial aviation and other rents, resulting mainly from the relocation of the Seminole County Sheriff's aircraft storage to their own newly completed hanger. The Authority experienced a current year operating loss before depreciation of \$492,824 due to increases in expenses for personnel costs and professional fees and contract services. Personnel costs increased by \$218,153 due to salary increases for existing staff and the addition of authorized positions. Professional fees and contract services increased due to funds expensed for professional services related to the Industrial Master Plan, the DRI (Development with Regional Impact), and a noise study.

Community Redevelopment Agency. The Community Redevelopment Agency reported revenues from ad valorem taxes of \$486,068 and interest earnings of \$18,466. Expenditures were \$479,126 for debt service and paying agent fees related to the series 1994A bonds. No funds were available for payment on the series 1994B bonds.

Debt Administration. As of September 30, 1999, Sanford continues to have no general obligation bonded debt outstanding. Governmental Funds had a liability for compensated absences of \$876,769 for vested sick and vacation leave benefits, \$83,881 as a current liability and \$792,888 as a long term liability recorded in the General Long Term Debt Account Group.

During the 1990 fiscal year, the City issued \$3,385,000 of Certificates of Participation. Funds were used to purchase necessary capital equipment for use in the General Fund and Solid Waste Fund. This debt was issued for a 15-year term. The City of Sanford Finance Corporation, of which the City Commission is the Board of Directors, was established to issue the debt and lease the equipment to the City. Lease payments made on this debt in 1999 were \$386,645 consisting of principal of \$290,000 and interest of \$96,645.

The Community Redevelopment Agency of the City of Sanford (a discretely presented component unit) issued Revenue Bonds Series 1994A for \$6,000,000 dated August 1, 1994. Series 1994B Bonds totaling \$1,100,000 were issued on October 18, 1994. Of the remaining \$2,900,000 authorized but unissued bonds, \$1,200,000 have been cancelled. A principal payment of \$135,000 and interest payments and fiscal charges of \$344,126 were made on the Series 1994A bonds during the year.

During 1994, the City issued \$25,605,000 in Water and Sewer Refunding Revenue Bonds, Series 1993 with interest rates from 2.75% to 5.25%. These bonds were issued to defease the outstanding Series 1986, Series 1989 and Series 1991 bonds and to pay costs of issuance of the Series 1993 Bonds, including the municipal bond insurance premium. On September 30, 1999, the net Enterprise Fund Revenue Bonds outstanding were \$31,407,886 payable solely from and secured by the net revenue derived from the operations of the System and Water and Sewer System Development Charges. All bonds were fully insured and rated AAA by Standard & Poor's Corporation and Aaa by Moody's Investors Service.

The City has been granted four Department of Environmental Protection State Revolving Fund Loans. These loans consist of SRF 150 for \$1,712,730 in fiscal year 1991; SRF 170 for \$4,929,600 in fiscal year 1992 (increased to \$5,790,256 in fiscal year 1993); SRF 210 for \$1,565,000 in fiscal year 1993; SRF 190 for \$500,166 in fiscal year 1994. SRF 150 was used for construction of a master pumping station. SRF 170 was used toward the Seasonal Discharge System, Wastewater Treatment Plant Expansion and Westerly Interceptor Contract I. SRF 210 was used solely for the Westerly Interceptor Project and SRF 190 was used solely for the Site 10 project. These are low interest loans with rates approximately 3% below the market rate for general obligation bonds as set by the Bond Buyer's 20-year bond Index. Outstanding principal on all SRF loans at September 30, 1999 was \$6,970,636.

During fiscal year 1998, the City authorized the issuance of a Stormwater Revenue Bond, Series 1998, not to exceed \$4,200,000 for a term of 15 years, with a fixed interest rate of 4.45%. Funds totaling \$3,653,500 were drawn against the authorized bond leaving an available balance of \$546,500 for future projects. The draw was used to fund the Second Street Stormwater Drainage Improvement Project and certain phases of the Mill Creek drainage improvement project. A balance of \$3,537,201 was outstanding at September 30, 1999.

Cash Management. Cash, other than that of pension trust funds, temporarily idle during the year was invested in the State Board of Administration of Florida (SBA). Total interest earned from the SBA for all funds for the fiscal year was \$1,628,784 with interest rates ranging from 4.79% to 5.33%, with an average rate of 5.00%. Total SBA investments for the primary government only at September 30, 1999 were \$32,178,496. SBA's portfolio for local governments does not use leverage in its investing practices nor does it own derivatives. Investment instruments typically have a fairly short average maturity, reducing interest rate sensitivity. SBA's pool was comprised of 727 local government participants with total investments of \$9.47 billion at June 30, 1999, the pool's fiscal year end.

The Police Officers', Firefighters' and General Employees' Retirement Fund investments are managed by STI Capital Management. The investment portfolios include mutual funds investing in domestic stocks, corporate bonds, and U.S. Treasury Bonds with a combined market value of \$30,820,431 at September 30, 1999. The total rate of investment return net of investment expenses for the 1999 fiscal year was 10.18% for the Police Officers' Fund, 10.13% for the Firefighters' Fund, and 9.93% for the General Employees' Retirement Fund. A comparable composite index of market indicators (50% S&P 500 Composite Stock Index, 50% Lehman Brothers Government/Corporate Intermediate Bond Index) registered a 13.09% rate of return.

Risk Management. The City is self insured for workers' compensation with a deductible of \$150,000 per incident, but carries catastrophic workers' compensation insurance coverage for claims up to the statutory limit. Employee medical and life insurance is obtained through Prudential Insurance Company. Currently the City is self-insured for all property damage to City vehicles costing less than \$50,000. All general and auto liability and property insurance is obtained through the Florida League of Cities Self-Insurance Pool. General liability and auto liability insurance has a \$25,000 deductible per claim. Other insurance coverage has deductibles varying from \$500 to \$10,000. Self-Insurance is administered through an Internal Service Fund.

OTHER INFORMATION

Independent Audit. State statutes and local ordinances require an annual audit by independent certified public accountants. The accounting firm of Greene, Dycus & Co., P.A. performs the City's audit. In addition to meeting the requirements set forth in state statutes and local ordinances, the audit also was designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the Compliance section.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sanford for its comprehensive annual financial report for the fiscal year ended September 30, 1998. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

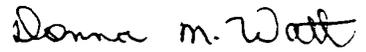
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report as does our accounting firm, Greene, Dycus & Co. P.A. We would also like to acknowledge the Mayor and City Commission for their continued support and adoption of sound fiscal policy for the financial operations of the City.

Respectfully submitted,

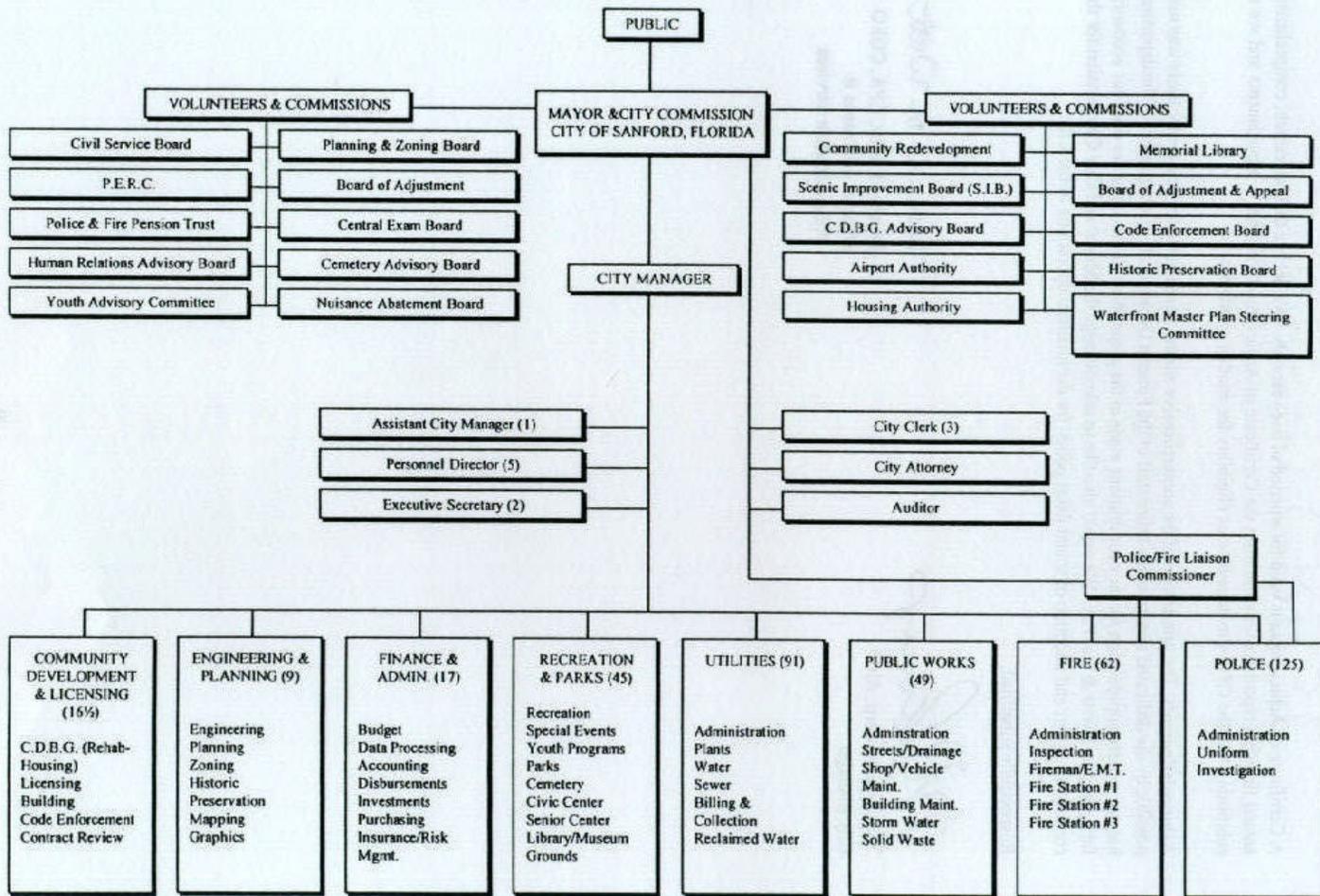


Tony VanDerworp, AICP
City Manager



Donna M. Watt, CPA, CGFO
Director of Finance &
Administrative Services

City of Sanford Organizational Chart



CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

MAYOR

Larry A. Dale

COMMISSION

Whitey H. Eckstein

A.A. "Mac" McClanahan

Brady Lessard

Velma H. Williams, Ph.D

STAFF

Tony A. VanDerworp, City Manager

Donna M. Watt, Director of Finance & Administrative Services

Janet R. Dougherty, City Clerk

Jay Marder, Director of Engineering & Planning

William M. Kirby, Director of Parks & Recreation

Robert G. Herman, Director of Public Works

Paul Moore, Director of Utilities

Charles Rowe, Director of Community Development

Brian F. Tooley, Police Chief

J. Thomas Hickson, Fire Chief

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, 1998

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.



Cary Bruck
President

Jeffrey L. Esler
Executive Director

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commissioners
and City Manager
City of Sanford, Florida

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the City of Sanford, Florida, as of and for the year ended September 30, 1999 as listed in the table of contents. These financial statements are the responsibility of the City of Sanford, Florida's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Sanford Airport Authority which statements represent 100% of the assets and revenues of the Component Unit-Airport Authority column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Sanford Airport Authority, is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Sanford, Florida, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Sanford, Florida, as of September 30, 1999, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 1999 on our consideration of the City of Sanford, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As discussed in Note 18 to the general-purpose financial statements, the City may be liable for a portion of the cost of investigation and clean up of environmental contamination caused by a manufactured gas plant. The ultimate cost to the City resulting from the above action cannot presently be determined. Accordingly, no provision for any liability that may result from this matter has been made in the accompanying financial statements.

The required supplemental information as listed in the table of contents is not a required part of the general-purpose financial statements or the combining and individual fund and account group financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. In addition, we do not provide assurance that the City of Sanford, Florida is or will become year 2000 compliant, that the City of Sanford, Florida's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Sanford, Florida does business are or will become year 2000 compliant.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of the City of Sanford, Florida taken as a whole and on the combining and individual fund and account group financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule of Federal Guaranteed Loans and Schedule of State Grants and Aids Appropriations are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, or Chapter 10.600, Rules of the Auditor General, *State Grants and Aids Appropriations*, and are not a required part of the financial statements of the City of Sanford, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

The information presented in the statistical section is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements or the combining and individual fund and account group financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements or the combining and individual fund and account group financial statements and, accordingly, we express no opinion on it.

Professional Association
Certified Public Accountants
Sanford, Florida
December 15, 1999

GENERAL-PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

These general-purpose financial statements provide an overview of the financial position of all fund types, account groups and discretely presented component units as well as the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that are in the following subsections.

CITY OF SANFORD, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED
COMPONENT UNITS

September 30, 1999

PRIMARY

<u>Assets and Other Debits</u>	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Internal Service</u>
	Cash and cash equivalents	\$ 11,701,585	\$ 2,073,975	\$ 337,621	\$ 8,361,502
Investments	-	-	-	-	-
Accounts receivable - net	484,007	-	-	1,683,087	-
Due from other funds	44,182	29,545	-	-	-
Due from other governments	710,701	189,950	-	-	-
Inventories	62,400	-	-	-	-
Prepaid expenditures/expenses or other assets	28,291	-	-	10,369	12,991
Restricted cash and cash equivalents	-	-	-	9,108,444	-
Property plant and equipment	-	-	-	76,104,495	-
Unamortized bond costs	-	-	-	577,234	-
Irrigation rights, net	-	-	-	1,487,400	-
Note receivable from component unit	1,000,000	-	-	-	-
Amount available in debt service	-	-	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-	-	-
Total Assets and Other Debits	\$ 14,031,166	\$ 2,293,470	\$ 337,621	\$ 97,332,531	\$ 1,255,013

See accompanying notes to financial statements.

GOVERNMENT			COMPONENT UNITS			
Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Governmental Fund Type	Proprietary Fund Type	Totals (Memorandum Only)
	General Fixed Assets	General Long-term Debt	Primary Government	Sanford CRA	Airport Authority	Reporting Entity
Trust						
\$ 817,132	\$ -	\$ -	\$ 24,533,837	\$ 278,529	\$ 3,411,045	\$ 28,223,411
30,820,431	-	-	30,820,431	-	-	30,820,431
-	-	-	2,167,094	-	248,675	2,415,769
11,887	-	-	85,614	-	-	85,614
-	-	-	900,651	189	614,107	1,514,947
-	-	-	62,400	-	1,811	64,211
-	-	-	51,651	-	44,007	95,658
-	-	-	9,108,444	-	264,180	9,372,624
-	27,366,276	-	103,470,771	-	35,571,740	139,042,511
-	-	-	577,234	-	-	577,234
-	-	-	1,487,400	-	-	1,487,400
-	-	-	1,000,000	-	-	1,000,000
-	-	337,621	337,621	67,687	-	405,308
-	-	2,248,138	2,248,138	6,792,313	-	9,040,451
<u>\$ 31,649,450</u>	<u>\$ 27,366,276</u>	<u>\$ 2,585,759</u>	<u>\$ 176,851,286</u>	<u>\$ 7,138,718</u>	<u>\$ 40,155,565</u>	<u>\$ 224,145,569</u>

Continued on next page.

CITY OF SANFORD, FLORIDA

COMBINED BALANCE SHEET - CONTINUED

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED
COMPONENT UNITS

September 30, 1999

Liabilities, Fund Equity and Other Credits	PRIMARY				
	Governmental Fund Types			Proprietary Fund Types	
	General	Special Revenue	Debt Service	Enterprise	Internal Service
Liabilities:					
Accounts payable	\$ 1,071,566	\$ 112,016	\$ -	\$ 361,295	\$ -
Accrued liabilities	529,118	-	-	127,343	-
Accrued interest payable	-	-	-	124,411	-
Due to other funds	41,432	44,182	-	-	-
Due to other governments	-	-	-	1,336	-
Deferred revenues	554,970	17,454	-	28,421	-
Notes and contracts payable - current	-	-	-	414,873	-
Liabilities payable from restricted assets	-	-	-	713,099	-
Accrued compensated absences	83,173	708	-	214,218	-
Notes, loans and contracts payable	-	-	-	6,555,763	-
Certificates of participation	-	-	-	-	-
Bonds payable	-	-	-	34,945,087	-
Accrued closure costs	-	-	-	-	-
Claims payable	-	-	-	-	1,017,115
Total liabilities	<u>2,280,259</u>	<u>174,360</u>	<u>-</u>	<u>43,485,846</u>	<u>1,017,115</u>
Fund Equity and Other Credits:					
Investment in general fixed assets	-	-	-	-	-
Contributions	-	-	-	38,181,436	25,621
Retained Earnings:					
Reserved	-	-	-	692,604	212,277
Unreserved	-	-	-	14,972,645	-
Fund Balances:					
Reserved	937,992	-	337,621	-	-
Unreserved:					
Designated	-	-	-	-	-
Undesignated	10,812,915	2,119,110	-	-	-
Total fund equity and other credits	<u>11,750,907</u>	<u>2,119,110</u>	<u>337,621</u>	<u>53,846,685</u>	<u>237,898</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 14,031,166</u>	<u>\$ 2,293,470</u>	<u>\$ 337,621</u>	<u>\$ 97,332,531</u>	<u>\$ 1,255,013</u>

See accompanying notes to financial statements.

GOVERNMENT			COMPONENT UNITS			
Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Governmental Fund Type	Proprietary Fund Type	Totals (Memorandum Only)
	General Fixed Assets	General Long-term Debt	Primary Government	Sanford CRA	Airport Authority	Reporting Entity
Trust						
\$ 48,980	\$ -	\$ -	\$ 1,593,857	\$ -	\$ 741,025	\$ 2,334,882
-	-	-	656,461	-	-	656,461
-	-	-	124,411	-	-	124,411
-	-	-	85,614	-	-	85,614
-	-	-	1,336	-	-	1,336
-	-	-	600,845	-	567,546	1,168,391
-	-	-	414,873	-	1,233,503	1,648,376
-	-	-	713,099	-	264,180	977,279
-	-	792,888	1,090,987	-	89,784	1,180,771
-	-	-	6,555,763	-	9,567,479	16,123,242
-	-	1,160,000	1,160,000	-	-	1,160,000
-	-	-	34,945,087	6,860,000	-	41,805,087
-	-	632,871	632,871	-	-	632,871
-	-	-	1,017,115	-	-	1,017,115
<u>48,980</u>	<u>-</u>	<u>2,585,759</u>	<u>49,592,319</u>	<u>6,860,000</u>	<u>12,463,517</u>	<u>68,915,836</u>
-	27,366,276	-	27,366,276	-	-	27,366,276
-	-	-	38,207,057	-	23,396,350	61,603,407
-	-	-	904,881	-	-	904,881
-	-	-	14,972,645	-	4,295,698	19,268,343
31,405,369	-	-	32,680,982	67,687	-	32,748,669
195,101	-	-	195,101	-	-	195,101
-	-	-	12,932,025	211,031	-	13,143,056
<u>31,600,470</u>	<u>27,366,276</u>	<u>-</u>	<u>127,258,967</u>	<u>278,718</u>	<u>27,692,048</u>	<u>155,229,733</u>
<u>\$ 31,649,450</u>	<u>\$ 27,366,276</u>	<u>\$ 2,585,759</u>	<u>\$ 176,851,286</u>	<u>\$ 7,138,718</u>	<u>\$ 40,155,565</u>	<u>\$ 224,145,569</u>

CITY OF SANFORD, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND
DISCRETELY PRESENTED COMPONENT UNIT**

Year Ended September 30, 1999

	<u>PRIMARY</u>		
	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:			
Taxes	\$ 12,676,403	\$ 846,072	\$ -
Licenses and permits	850,702	-	-
Intergovernmental revenues	4,512,991	714,832	-
Charges for services	1,053,536	-	-
Fines and forfeitures	217,476	165,901	-
Impact fees	-	315,060	-
Contributions	26,945	-	-
Interest earnings	582,638	112,338	30,102
Administrative services	756,321	-	-
Miscellaneous revenue	103,425	39,408	-
Sale of cemetery plots	-	-	-
Total Revenues	<u>20,780,437</u>	<u>2,193,611</u>	<u>30,102</u>
Expenditures:			
Current:			
General government	3,101,436	-	-
Public safety	8,832,874	16,799	-
Transportation	710,447	1,173,083	-
Economic environment	-	792,757	-
Human services	17,812	-	-
Culture / Recreation	2,513,338	-	-
Capital Outlay	3,004,882	-	-
Debt Service:			
Principal	-	-	290,000
Interest and fiscal charges	-	-	96,645
Total Expenditures	<u>18,180,789</u>	<u>1,982,639</u>	<u>386,645</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,599,648</u>	<u>210,972</u>	<u>(356,543)</u>
Other Financing Sources (Uses):			
Operating transfers in	524,925	66,003	386,645
Operating transfers out	(562,648)	(395,536)	(107,157)
Total Other Financing Sources (Uses):	<u>(37,723)</u>	<u>(329,533)</u>	<u>279,488</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,561,925	(118,561)	(77,055)
Fund Balances, October 1, 1998	7,518,919	2,237,671	414,676
Residual equity transfer	1,670,063	-	-
Fund Balances, September 30, 1999	<u>\$ 11,750,907</u>	<u>\$ 2,119,110</u>	<u>\$ 337,621</u>

See accompanying notes to financial statements.

GOVERNMENT		COMPONENT UNIT	
Fiduciary Fund Type	Totals (Memorandum Only)	Governmental Fund Type	Totals (Memorandum Only)
Expendable Trust	Primary Government	Sanford CRA	Reporting Entity
\$ -	\$ 13,522,475	\$ 486,068	\$ 14,008,543
-	850,702	-	850,702
-	5,227,823	-	5,227,823
-	1,053,536	-	1,053,536
-	383,377	-	383,377
-	315,060	-	315,060
-	26,945	-	26,945
9,592	734,670	18,466	753,136
-	756,321	-	756,321
-	142,833	-	142,833
31,575	31,575	-	31,575
41,167	23,045,317	504,534	23,549,851
-	3,101,436	-	3,101,436
-	8,849,673	-	8,849,673
-	1,883,530	-	1,883,530
-	792,757	-	792,757
-	17,812	-	17,812
-	2,513,338	-	2,513,338
-	3,004,882	-	3,004,882
-	290,000	135,000	425,000
-	96,645	344,126	440,771
-	20,550,073	479,126	21,029,199
41,167	2,495,244	25,408	2,520,652
-	977,573	-	977,573
(50,200)	(1,115,541)	-	(1,115,541)
(50,200)	(137,968)	-	(137,968)
(9,033)	2,357,276	25,408	2,382,684
587,265	10,758,531	253,310	11,011,841
-	1,670,063	-	1,670,063
\$ 578,232	\$ 14,785,870	\$ 278,718	\$ 15,064,588

CITY OF SANFORD, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL**

PRIMARY GOVERNMENT

ALL BUDGETED GOVERNMENTAL FUND TYPES

Year Ended September 30, 1999

	<u>General</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Taxes	\$ 12,404,385	\$ 12,676,403	\$ 272,018
Licenses and permits	674,006	850,702	176,696
Intergovernmental revenues	4,230,823	4,512,991	282,168
Charges for services	834,410	1,053,536	219,126
Fines and forfeitures	137,500	217,476	79,976
Contributions	25,250	26,945	1,695
Interest	421,300	582,638	161,338
Administrative services	564,022	756,321	192,299
Miscellaneous revenue	54,854	103,425	48,571
Total Revenues	<u>19,346,550</u>	<u>20,780,437</u>	<u>1,433,887</u>
Expenditures:			
Current:			
General government	3,801,158	3,210,815	590,343
Public safety	10,493,643	9,461,730	1,031,913
Transportation	2,161,682	1,976,181	185,501
Human services	29,040	17,812	11,228
Culture / Recreation	4,962,987	3,514,251	1,448,736
Total Expenditures	<u>21,448,510</u>	<u>18,180,789</u>	<u>3,267,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,101,960)</u>	<u>2,599,648</u>	<u>4,701,608</u>
Other Financing Sources (Uses):			
Operating transfers in	657,579	524,925	(132,654)
Operating transfers out	(564,057)	(562,648)	1,409
Total Other Financing Sources (Uses):	<u>93,522</u>	<u>(37,723)</u>	<u>(131,245)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,008,438)</u>	<u>2,561,925</u>	<u>4,570,363</u>
Fund Balances, October 1, 1998	2,008,438	7,518,919	5,510,481
Residual equity transfer	<u>-</u>	<u>1,670,063</u>	<u>1,670,063</u>
Fund Balances, September 30, 1999	<u>\$ -</u>	<u>\$ 11,750,907</u>	<u>\$ 11,750,907</u>

See accompanying notes to financial statements.

Special Revenue Local Option Gas Tax			Debt Service Certificates of Participation			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 575,000	\$ 846,072	\$ 271,072	\$ -	\$ -	\$ -	\$ 12,979,385	\$ 13,522,475	\$ 543,090
-	-	-	-	-	-	674,006	850,702	176,696
-	-	-	-	-	-	4,230,823	4,512,991	282,168
-	-	-	-	-	-	834,410	1,053,536	219,126
-	-	-	-	-	-	137,500	217,476	79,976
-	-	-	-	-	-	25,250	26,945	1,695
44,000	43,681	(319)	-	30,102	30,102	465,300	656,421	191,121
-	-	-	-	-	-	564,022	756,321	192,299
-	-	-	-	-	-	54,854	103,425	48,571
<u>619,000</u>	<u>889,753</u>	<u>270,753</u>	<u>-</u>	<u>30,102</u>	<u>30,102</u>	<u>19,965,550</u>	<u>21,700,292</u>	<u>1,734,742</u>
-	-	-	386,645	386,645	-	4,187,803	3,597,460	590,343
-	-	-	-	-	-	10,493,643	9,461,730	1,031,913
1,587,999	1,173,083	414,916	-	-	-	3,749,681	3,149,264	600,417
-	-	-	-	-	-	29,040	17,812	11,228
-	-	-	-	-	-	4,962,987	3,514,251	1,448,736
<u>1,587,999</u>	<u>1,173,083</u>	<u>414,916</u>	<u>386,645</u>	<u>386,645</u>	<u>-</u>	<u>23,423,154</u>	<u>19,740,517</u>	<u>3,682,637</u>
<u>(968,999)</u>	<u>(283,330)</u>	<u>685,669</u>	<u>(386,645)</u>	<u>(356,543)</u>	<u>30,102</u>	<u>(3,457,604)</u>	<u>1,959,775</u>	<u>5,417,379</u>
5,940	5,940	-	386,645	386,645	-	1,050,164	917,510	(132,654)
-	-	-	-	(107,157)	(107,157)	(564,057)	(669,805)	(105,748)
<u>5,940</u>	<u>5,940</u>	<u>-</u>	<u>386,645</u>	<u>279,488</u>	<u>(107,157)</u>	<u>486,107</u>	<u>247,705</u>	<u>(238,402)</u>
(963,059)	(277,390)	685,669	-	(77,055)	(77,055)	(2,971,497)	2,207,480	5,178,977
963,059	950,112	(12,947)	-	414,676	414,676	2,971,497	8,883,707	5,912,210
-	-	-	-	-	-	-	1,670,063	1,670,063
<u>\$ -</u>	<u>\$ 672,722</u>	<u>\$ 672,722</u>	<u>\$ -</u>	<u>\$ 337,621</u>	<u>\$ 337,621</u>	<u>\$ -</u>	<u>\$ 12,761,250</u>	<u>\$ 12,761,250</u>

CITY OF SANFORD, FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS**

**ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT**

Year Ended September 30, 1999

	PRIMARY GOVERNMENT		
	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Operating Revenues:			
Charges for services	\$ 13,863,105	\$ 260,993	\$ 14,124,098
Total Operating Revenues	<u>13,863,105</u>	<u>260,993</u>	<u>14,124,098</u>
Operating Expenses:			
Personal services	4,079,612	-	4,079,612
Materials, supplies and maintenance	2,072,054	-	2,072,054
Other service charges	3,370,493	930,614	4,301,107
Depreciation	1,719,358	-	1,719,358
Amortization	88,800	-	88,800
Total Operating Expenses	<u>11,330,317</u>	<u>930,614</u>	<u>12,260,931</u>
Operating Income (Loss)	<u>2,532,788</u>	<u>(669,621)</u>	<u>1,863,167</u>
Non Operating Revenues (Expenses)			
Interest income	954,863	78,874	1,033,737
Loss on sale of fixed assets	(34,695)	-	(34,695)
Other income	351,245	-	351,245
Federal grants	40,000	-	40,000
Interest expense	(2,113,739)	-	(2,113,739)
Amortization of debt costs	(119,321)	-	(119,321)
Total Non Operating Revenues (Expenses)	<u>(921,647)</u>	<u>78,874</u>	<u>(842,773)</u>
Net Income (Loss) before operating transfers	<u>1,611,141</u>	<u>(590,747)</u>	<u>1,020,394</u>
Operating Transfers			
Transfers from other funds	-	243,891	243,891
Transfers to other funds	(105,923)	-	(105,923)
Total Operating Transfers	<u>(105,923)</u>	<u>243,891</u>	<u>137,968</u>
Net Income (Loss)	<u>1,505,218</u>	<u>(346,856)</u>	<u>1,158,362</u>
Add: Depreciation on fixed assets acquired by contributed capital	-	-	-
Increase (Decrease) in Retained Earnings	1,505,218	(346,856)	1,158,362
Retained Earnings, October 1, 1998	15,042,595	559,131	15,601,726
Close Contributed Capital	200,264	-	200,264
Residual equity transfers			
General Fund	(1,670,063)	-	(1,670,063)
Account Groups	587,235	-	587,235
Retained Earnings, September 30, 1999	<u>\$ 15,665,249</u>	<u>\$ 212,275</u>	<u>\$ 15,877,524</u>

See accompanying notes to financial statements.

<u>COMPONENT UNIT</u>	<u>Totals (Memorandum Only)</u>
<u>Proprietary Fund Type</u>	<u>Reporting Entity</u>
<u>Airport Authority</u>	
\$ 3,033,966	\$ 17,158,064
<u>3,033,966</u>	<u>17,158,064</u>
1,731,800	5,811,412
463,328	2,535,382
1,331,662	5,632,769
1,690,689	3,410,047
-	88,800
<u>5,217,479</u>	<u>17,478,410</u>
<u>(2,183,513)</u>	<u>(320,346)</u>
16,276	1,050,013
(19,778)	(54,473)
267,397	618,642
-	40,000
(182,404)	(2,296,143)
-	(119,321)
<u>81,491</u>	<u>(761,282)</u>
<u>(2,102,022)</u>	<u>440,936</u>
-	243,891
-	(105,923)
-	137,968
<u>(2,102,022)</u>	<u>(943,660)</u>
<u>1,163,618</u>	<u>1,163,618</u>
(938,404)	219,958
5,234,102	20,835,828
-	200,264
-	(1,670,063)
-	587,235
<u>\$ 4,295,698</u>	<u>\$ 20,173,222</u>



CITY OF SANFORD, FLORIDA

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1999

Additions:	
Contributions:	
Employer	\$ 717,663
State	275,605
Plan members and others	290,137
Total contributions	<u>1,283,405</u>
Investment income:	
Net increase in fair value of investments	2,864,728
Interest	3,832
	<u>2,868,560</u>
Less investment expenses:	
Custodian and investment management fees	166,360
Net investment income	<u>2,702,200</u>
Total additions	<u>3,985,605</u>
Deductions:	
Benefits	1,279,878
Refunds of contributions	137,649
Other services and charges	38,635
Total deductions	<u>1,456,162</u>
Net increase	2,529,443
Net Assets Held in Trust for Pension Benefits:	
Beginning of year	<u>28,492,795</u>
End of year	<u>\$ 31,022,238</u>

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT

Year Ended September 30, 1999

	PRIMARY GOVERNMENT		
	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Cash Flows from Operating Activities:			
Cash received from customers	\$ 13,360,050	\$ 264,439	\$ 13,624,489
Cash payments to suppliers for goods and services	(5,363,321)	(819,133)	(6,182,454)
Cash payments to employees for services	(3,997,103)	-	(3,997,103)
Other revenues	482,845	-	482,845
Net cash provided (used) by operating activities	<u>4,482,471</u>	<u>(554,694)</u>	<u>3,927,777</u>
Cash Flows from Noncapital Financing Activities:			
Decrease in due to other funds	(286,340)	-	(286,340)
(Decrease) in due from other funds	211,708	-	211,708
Transfers (to) from other funds	(1,775,136)	243,892	(1,531,244)
Cash received to fund compensated absences	55,494	-	55,494
Increase in due to other governments	405	-	405
Increase in operating grants	-	-	-
(Decrease) in advances from other funds	(830,641)	-	(830,641)
Net cash provided (used) by noncapital financing activities	<u>(2,624,510)</u>	<u>243,892</u>	<u>(2,380,618)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from notes payable	-	-	-
Capital contributed by other governments and developers	2,829,114	-	2,829,114
Acquisition and construction of capital assets	(4,341,405)	-	(4,341,405)
Proceeds from sale of property, plant and equipment	413,619	-	413,619
Bond issuance costs	(11,859)	-	(11,859)
Proceeds from sale of bonds	3,653,500	-	3,653,500
Principal paid on revenue bonds	(871,299)	-	(871,299)
Principal paid on notes and capital lease obligation	(400,852)	-	(400,852)
Interest paid on revenue bonds, notes payable and capital lease obligations	(2,120,498)	-	(2,120,498)
Net cash used in capital and related financing activities	<u>(849,680)</u>	<u>-</u>	<u>(849,680)</u>
Cash Flows from Investing Activities:			
Redemption of investments, net	-	-	-
Amounts due grantor for earnings on restricted assets	-	-	-
Interest income	954,863	78,874	1,033,737
Net cash provided by investing activities	<u>954,863</u>	<u>78,874</u>	<u>1,033,737</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,963,144	(231,928)	1,731,216
Cash and Cash Equivalents at Beginning of Year	<u>15,506,802</u>	<u>1,473,950</u>	<u>16,980,752</u>
Cash and Cash Equivalents at End of Year	<u>\$ 17,469,946</u>	<u>\$ 1,242,022</u>	<u>\$ 18,711,968</u>
Cash and Cash Equivalents Classified as:			
Current assets	\$ 8,361,502	\$ 1,242,022	\$ 9,603,524
Restricted assets	9,108,444	-	9,108,444
	<u>\$ 17,469,946</u>	<u>\$ 1,242,022</u>	<u>\$ 18,711,968</u>

(Continued on next page)

See accompanying notes to financial statements.

<u>COMPONENT UNIT</u>	<u>Totals (Memorandum Only)</u>
<u>Proprietary Fund Type</u>	<u>Reporting Entity</u>
\$ 3,481,377	\$ 17,105,866
(2,464,118)	(8,646,572)
(1,325,350)	(5,322,453)
1,135	483,980
<u>(306,956)</u>	<u>3,620,821</u>
-	(286,340)
-	211,708
-	(1,531,244)
-	55,494
-	405
245,162	245,162
-	(830,641)
<u>245,162</u>	<u>(2,135,456)</u>
5,154,741	5,154,741
3,220,352	6,049,466
(7,295,696)	(11,637,101)
45,029	458,648
-	(11,859)
-	3,653,500
-	(871,299)
(984,676)	(1,385,528)
<u>(182,404)</u>	<u>(2,302,902)</u>
<u>(42,654)</u>	<u>(892,334)</u>
100,000	100,000
181,695	181,695
16,276	1,050,013
<u>297,971</u>	<u>1,331,708</u>
193,523	1,924,739
<u>3,481,702</u>	<u>20,462,454</u>
<u>\$ 3,675,225</u>	<u>\$ 22,387,193</u>
\$ 3,411,045	\$ 13,014,569
264,180	9,372,624
<u>\$ 3,675,225</u>	<u>\$ 22,387,193</u>

CITY OF SANFORD, FLORIDA

COMBINED STATEMENT OF CASH FLOWS - CONTINUED

**ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT**

Year Ended September 30, 1999

	PRIMARY GOVERNMENT		
	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Income			
Operating Income (Loss)	<u>\$ 2,532,788</u>	<u>\$ (669,621)</u>	<u>\$ 1,863,167</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1,719,358	-	1,719,358
Amortization of irrigation rights	88,800	-	88,800
Decrease in provision for uncollectible accounts	(49,090)	-	(49,090)
Other non-operating income	482,845	-	482,845
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(368,357)	-	(368,357)
Decrease in inventories	-	-	-
Decrease in due from other funds	-	3,446	3,446
(Increase) Decrease in prepaid expenses	(10,369)	63,144	52,775
Increase (Decrease) in accounts payable	64,020	-	64,020
Increase in accrued liabilities	23,119	-	23,119
Increase in claims payable	-	48,337	48,337
Increase (Decrease) in deferred revenue	(56,224)	-	(56,224)
Decrease in customer deposits	(3,809)	-	(3,809)
Increase in compensated absences	59,390	-	59,390
Total adjustments	<u>1,949,683</u>	<u>114,927</u>	<u>2,064,610</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,482,471</u>	<u>\$ (554,694)</u>	<u>\$ 3,927,777</u>

See accompanying notes to financial statements.

<u>COMPONENT UNIT</u>	<u>Totals (Memorandum Only)</u>
<u>Proprietary Fund Type</u>	<u>Reporting Entity</u>
<u>Airport Authority</u>	
<u>\$ (2,183,513)</u>	<u>\$ (320,346)</u>
1,690,689	3,410,047
-	88,800
-	(49,090)
1,135	483,980
41,451	(326,906)
376	376
-	3,446
17,579	70,354
(287,923)	(223,903)
-	23,119
-	48,337
405,960	349,736
-	(3,809)
7,290	66,680
<u>1,876,557</u>	<u>3,941,167</u>
<u>\$ (306,956)</u>	<u>\$ 3,620,821</u>



CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies:

The City of Sanford, Florida 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 citywide 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 of Sanford, Florida conform to generally accepted accounting principles 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 and account groups 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 generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the City), (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 Finance Corporation, the Community Redevelopment Agency, and the Sanford Airport Authority (the "Airport Authority") were the only organizations that should be included in the City's financial statements as component units. If no separate note reference is 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 was established under Resolution No. 1568 of the City Commission of the City of Sanford, Florida 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 are the members of 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 - CONTINUED

Year Ended September 30, 1999

1. **Summary of Significant Accounting Policies - Continued:**

A. **Reporting Entity - Continued:**

(2) Discretely Presented Component Units:

Sanford Airport Authority - The Sanford Airport Authority was established under Florida Statutes Chapter 71-924 and Resolution No. 1315 of the City Commission of the City of Sanford, Florida. The City Commission appoints all members of the Board of Directors of the Authority and approves the Authority's annual operating budget as well as any budget adjustments or amendments. Separate financial statements of the Sanford Airport Authority can be obtained from the Authority.

Community Redevelopment Agency - The City of Sanford Community Redevelopment Agency (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 is comprised of a five member board. Three members are nominated and appointed by the City of Sanford Commission and two members are nominated by the Board of County Commissioners of Seminole County and appointed by the City of Sanford Commission. The Sanford CRA district known as Seminole Towne Center was established in 1993 with the City of Sanford Commission as the agency. The Sanford CRA's financial records were presented as a blended component unit of the City, since only the City provided tax increment revenue. In 1996 the Lake Monroe Waterfront and Downtown district was expanded by interlocal agreement with Seminole County. Currently, the City and Seminole County provide tax increment revenue to the Sanford CRA. The composition of the five member board was changed to allow for appointment of two members by Seminole County. The City of Sanford Commission confirms the appointments made by Seminole County. Financial statement presentation was changed to present the Sanford CRA as a discretely presented component unit. Taxes are to be used for payment of infrastructure improvement projects and debt service on loans. Financial records are maintained by the City. No separate financial statements are prepared for the Agency.

(3) Excluded from the reporting entity:

Sanford Housing Authority - The Sanford Housing Authority exists under authorization of the Laws of the State of Florida and under Resolution No. 603 of the City Commission of the City of Sanford, Florida. The City of Sanford provides no funding to the Housing Authority, has no ability to exercise influence over daily operations and does not approve budgets or have rights to Authority surpluses. All five members of the governing body are appointed by the Mayor with the approval of the City Commission.

B. **Fund Accounting:**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the City's various funds and account groups are as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

B. Fund Accounting - Continued:

Governmental Funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has seven Special Revenue Funds: the Local Option Gas Tax Fund, the Law Enforcement Trust Fund, the Community Development Block Grant Fund, the Other Grants Fund, the Recreation Facilities Impact Fees Fund, the Fire Public Safety Facilities Impact Fees Fund, and the Police Public Safety Facilities Impact Fees Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The City has one Debt Service Fund used to account for Certificates of Participation.

Component Unit - Sanford CRA - Component Unit - Sanford CRA is used to account for financial resources of the Seminole Towne Center CRA Bonds Trust Fund and the Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Trust Fund. Fixed assets are constructed with the proceeds and donated to the primary government. This component unit is presented as a discrete component unit in the accompanying financial statements.

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. These funds consist of the Water and Sewer Fund, the Solid Waste Fund and the Stormwater Fund. The Solid Waste Fund was closed during fiscal year ended September 30, 1999. See Note 21.

Internal Service Funds - Internal Service Funds are 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 Internal Service Fund used to account for the City's risk management activities.

Component Unit - Airport Authority - Component Unit - Airport Authority is used to account for the related discretely presented component unit activity.

Fiduciary Funds:

Trust Funds - Trust Funds are used to account for assets held by the City in a trustee capacity. The City has two expendable trust funds; the Cemetery Fund and the Termination Benefit Reserve Fund. Also, it has three pension trust funds; the Police Officers' Retirement System Fund, the Firefighters' Retirement System Fund and the General Employees' Retirement System Fund.

Account Groups:

General Fixed Assets - The general fixed asset account group is used to account for all fixed assets of the City, except fixed assets of the City's proprietary funds.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. **Summary of Significant Accounting Policies - Continued:**

B. **Fund Accounting - Continued:**

Account Groups:

General Long Term Debt - The general long-term debt account group is used to account for all the outstanding principal balances of any general or special obligation debt, notes payable, or compensated absences of the City, except long-term debt of the City's proprietary funds.

C. **Measurement Focus:**

Governmental Fund Types - General, Special Revenue, Debt Service and Capital Projects Funds are accounted for on a "flow of current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on the balance sheets. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary Fund Types - Enterprise and Internal Service Funds are accounted for on a "flow of economic resources" measurement focus. Accordingly, all assets and liabilities are included on their balance sheets, and the reported fund equity (total reported assets, less total reported liabilities) provides an indication of the economic net worth of the fund. Operating statements for Proprietary Fund Types (on a flow of economic resources measurement focus) report increases (revenues) and decreases (expenses) in total economic net worth.

Fiduciary Fund Types - The Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds.

Account Groups - The General Long-Term Debt and General Fixed Assets Account Groups are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations. Long-term debts, which are not intended to be financed through Proprietary or Fiduciary Funds, are accounted for in the General Long-Term Debt Account Group. Fixed assets, which are not used in Proprietary or Fiduciary Fund operations, are accounted for in the General Fixed Assets Account Group.

D. **Basis of Accounting:**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues susceptible to accrual include intergovernmental revenues, charges for services, and investment earnings. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized

when they are earned and their expenses are recognized when they are incurred.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

D. Basis of Accounting - Continued:

All Pension Trust Funds are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Expendable Trust Funds are accounted for on the modified accrual basis of accounting.

E. GASB Statement No. 20 Election:

Pursuant to the election option made available by 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 proprietary fund types.

F. Cash and Cash Equivalents:

The Enterprise Funds, Internal Service Fund and the discretely presented Component Unit-Airport Authority consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. 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 County Property Appraiser and County 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 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 1999 was 6.8700 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 Seminole County Property Appraiser (levy date). Seminole County mails to each property owner on the assessment roll a notice of the taxes due, and the county also collects the taxes for the City. Taxes may be paid upon receipt of such notice from the county, 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 county 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 weeks prior to the tax certificate sale.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

G. Receivables - Continued:

City property tax revenues are recognized when levied to the extent that they result in current receivables. Delinquent taxes receivable that are measurable, but not available as of the end of the fiscal year, are reflected as deferred revenues if material. 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 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. Stormwater Fund billings are rendered monthly for the month's services.

H. 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 reserve that indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Fixed Assets:

- (1) General Fixed Assets - Fixed assets purchased in the Governmental Fund Types are recorded as capital outlay expenditures at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets Account Group, except for certain improvements other than buildings ("infrastructure") such as roads and bridges, streets and sidewalks, and lighting systems. Gifts or contributions of fixed assets are recorded in the general fixed assets at fair market value at the time received. No depreciation has been provided on general fixed assets.
- (2) Proprietary Fund and Component Unit Fixed Assets - The fixed assets purchased in the Proprietary Fund Types are capitalized at cost when purchased. Contributed fixed assets are capitalized at their fair market value at the date received. Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of depreciable assets. The City's depreciation policy begins recognition of the expense in the year of the acquisition of the asset.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

I. Fixed Assets - Continued:

The estimated useful lives of the various classes of depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>	
Buildings	30-60	
Streets (Airport Authority)		20-40
Improvements other than buildings	30-60	
Water and Sewer System	60	
Stormwater Management System	40	
Equipment	5-20	
ILS System (Airport Authority)	30	

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

With the creation of the Stormwater Utility Fund in 1991, the City had a need to establish an asset balance for this enterprise fund. Because these assets are infrastructure in nature and have not been historically booked within the General Fixed Asset Account Group, the City had to establish the initial asset valuation and the related accumulated depreciation. Accordingly, assets were valued at a current replacement value, discounted back to their estimated acquisition date and any accumulated depreciation was then established over a straight-line basis for 40 years. The City believes that this estimated historical cost is an equitable basis for initially establishing the asset base for this enterprise fund.

J. Irrigation Right:

The City entered into an interlocal agreement with another city to facilitate disposal of reclaimed water by spray irrigation. The City paid a proprietary fee of \$2,220,000 for an irrigation right to utilize the other city's irrigation facility. The irrigation right is for a period of twenty-five years, beginning July 1, 1991. The irrigation right is being amortized on a straight-line basis over the life of the right. Accumulated amortization at September 30, 1999 and amortization expense for the fiscal year ended September 30, 1999 are \$732,600 and \$88,800, respectively.

K. Contributions:

Contributions accounted for in the Enterprise Funds, as applicable, represent outside contributions from the City's General Fund, other City funds, the U.S. Government, federal aid programs, and water and sewer

development charges to customers for initial hook-up to the utility system. Depreciation expense on contributions, representing depreciation on donated fixed assets or on fixed asset additions financed by contributions, is reflected in the statement of revenues, expenses and changes in retained earnings. In the Airport Authority, a component unit, depreciation on contributed fixed assets is transferred to the related contribution account (reducing contributions) instead of retained earnings.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

L. Compensated Absences:

It is the City's policy to grant all permanent full-time and part-time employees annual leave based upon the number of years of employment with the City. Employees are encouraged to use annual leave in the year it is earned. Employees accrue annual leave at a rate of 10 days per year for the first 10 years of service and at a rate of 15 days per year after 10 years of service. Upon termination in good standing or retirement, employees are paid for accrued annual leave up to a maximum of 22.5 days. Public Safety employees accrue sick and annual leave on a pro-rata basis, using 2080 annual hours as the base. Sick leave is accumulated at a rate of 1.25 workdays per month. Employees may accrue sick time benefits with no restriction as to maximum amount. Upon termination in good standing, an employee is entitled to a cash benefit of 1/8th of accrued sick leave. Upon retirement, an employee is entitled to a cash benefit of 100% of accrued sick leave. Both cash benefits are subject to the limits of the maximum accumulated sick leave of 30 days for up to 5 years services, 60 days for 5 to 10 years services, or 90 days over 10 years services.

The City records compensated absences in the Governmental Fund Types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The long-term portion of the liability is reported in the General Long-Term Debt Account Group. Proprietary Fund Types and the discretely presented Component Unit-Airport Authority accrue compensated absences in the period they are earned. The City has a Termination Benefit Fund (accounted for as an expendable trust fund) as a reserve to fund those departments with retiring employees. The money is transferred from the terminated benefit fund to the appropriate fund from which it is to be expended.

M. Unamortized Bond Issuance Costs:

Bond issuance costs, for the Water and Sewer Revenue Bonds, are being amortized over the life of the bonds using the interest method of amortization.

N. Unamortized Bond Discounts:

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

O. Deferred Revenues:

Deferred revenues reported on applicable Governmental Fund Types represent unearned revenues or revenues which are measurable but not available. The deferred revenues will be recognized as revenue in the fiscal year they are earned or become available. The Proprietary Fund Types reported deferred revenue represents advance collection of funds for services to be provided in future reporting periods.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

P. Budgets and Budgetary Accounting:

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

- (1) Prior to 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, Local Option Gas Tax Fund, Debt Service Fund, Water and Sewer Fund, Solid Waste Fund and Stormwater Fund.
- (5) Revisions made to the original budget for fiscal year ended September 30, 1999 by the City were as follows:

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Revised Budget</u>
Primary Government			
General Fund	\$ 20,042,039	\$ 1,970,528	\$ 22,012,567
Special Revenue Funds:			
Local Option Gas Tax	1,420,401	167,598	1,587,999
Debt Service Fund	386,645	-	386,645
Enterprise Funds:			
Water and Sewer	11,867,203	664,310	12,531,513
Solid Waste	3,243,976	(199,830)	3,044,146
Stormwater	<u>4,178,497</u>	<u>2,092,849</u>	<u>6,271,346</u>
Total Primary Government	<u>\$ 41,138,761</u>	<u>\$ 4,695,455</u>	<u>\$ 45,834,216</u>

- (6) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (7) The City Manager is authorized by the Commission to transfer budgeted funds within and/or between departments, offices, or agencies. 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.
- (8) 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.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

P. Budgets and Budgetary Accounting - Continued:

- (9) The following is a comparison of appropriations by fund to expenditures/expenses for the fiscal year ended September 30, 1999:

	(*) Total Fund <u>Appropriations</u>	(**) Total Expenditures Expenses (Excluding <u>Depreciation</u>)	Variance Favorable (Unfavorable)
Primary Government			
General Fund	\$ 22,012,567	\$ 18,744,177	\$ 3,268,390
Special Revenue Fund:			
Local Option Gas Tax	1,587,999	1,173,083	414,916
Debt Service Fund	386,645	493,802	(107,157)
Enterprise Funds:			
Water and Sewer	8,484,139	7,831,085	653,054
Solid Waste	3,040,996	2,911,150	129,846
Stormwater	<u>1,046,252</u>	<u>893,663</u>	<u>152,589</u>
Total Primary Government	<u>\$ 36,558,598</u>	<u>\$ 32,046,960</u>	<u>\$ 4,511,638</u>

(*) Excludes contingency, capital outlay and debt costs for enterprise funds.

(**) Includes only the operating fund.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

P. Budgets and Budgetary Accounting - Continued:

(10) As discussed in (4) above, not all special revenue funds have a formal budgetary integration. Accordingly, a reconciliation of special revenue funds between the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances follows:

	Special Revenue Funds - Actual For Fiscal Year Ended September 30, 1999		
	Budgeted	Non-Budgeted	Total
Revenues	\$ 889,754	\$ 1,303,858	\$ 2,193,612
Expenditures	1,173,083	809,556	1,982,639
Excess of Revenues Over Expenditures	(283,329)	494,302	210,973
Other Financing Sources (Uses)	5,940	(335,473)	(329,533)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(277,389)	158,829	(118,560)
Fund Balances, September 30, 1998	950,112	1,287,558	2,237,670
Fund Balances, September 30, 1999	\$ 672,723	\$ 1,446,387	\$ 2,119,110

Q. Accrued Closure Costs:

The City is required to provide closure and post-closure maintenance for the Art Lane Landfill. The City is

recognizing in the General Long-term Debt Account Group, a provision for this cost over the estimated remaining life of the landfill based upon the rate of capacity usage.

R. Capitalization of Interest:

In accordance with the Statements of Financial Accounting Standards (SFAS) 34 and 62, issued by the Financial Accounting Standards Board (FASB), the City has adopted the policy of capitalizing net interest costs (interest expense less any interest earned on the investment of bond proceeds) during the period of project construction.

During 1999, no interest was capitalized by the primary government due to the immaterial amount of capitalizable interest costs. The discretely presented Component Unit-Airport Authority capitalized \$16,174 of interest in 1999.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

1. Summary of Significant Accounting Policies - Continued:

S. Post Employment Benefits:

The City pays health and life insurance 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.

T. Total Columns on Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash and Investments:

The City maintains cash and cash equivalent pools that are available for use by all funds except those whose cash and cash equivalents must be segregated due to bond covenants or other legal restrictions and the Pension Trust Funds.

Cash and Cash Equivalents - Cash and cash equivalents are carried at cost. Demand deposits and money market accounts are insured by federal depository insurance up to \$100,000 of the aggregate account balances for each entity. Amounts in excess of \$100,000 are fully insured by U.S. Government securities held in the Public Deposit Security Trust Fund maintained and monitored by the Treasurer of the State of Florida. Demand deposits, cash on deposit and petty cash on hand balances at September 30, 1999 for the primary government, the Component Unit-Airport Authority and Component Unit-Sanford CRA were \$1,242,519, \$204,781 and \$18,436, respectively.

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 funds, and the Florida State Board of Administration's Local Government Surplus Funds Trust Fund. The Local Government Surplus Funds Trust Fund is a 2a-7 like pool and, in accordance with GASB Statement 31, the City's balances are reported at amortized cost which is used for financial reporting. Investments other than the Local Government Surplus Funds Trust Fund are stated at fair value. During the current fiscal year, the City's investments were limited to U.S. Government Obligations, the Local Government Surplus Funds Trust Fund and money market accounts. The Local Government Surplus Funds Trust Fund is similar to a mutual fund in that funds are available on a same day basis. As of September 30, 1999, the Local Government

Surplus Funds Trust Fund had approximately 727 local government participants with total investments of approximately \$9.47 billion. The portfolio's average maturity was 35 days.

Cash and cash equivalents and investments of the Pension Trust Funds are held separately from those of other City funds. In accordance with GASB Statement 25, related to pension reporting, the Pension Trust Fund investments are stated at fair value. The investment portfolios for these funds at September 30, 1999 and for the year then ended include mutual funds investing in obligations of U.S. Treasury and corporate stocks. These investments were held by a bank's trust department in the City's name.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

2. Cash and Investments - Continued:

At year-end, the City's investments are categorized to give an indication of the level of risk assumed by the City. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the City's name. Category 3 includes investments that are uninsured and unregistered for which the securities are held by the counterpart's trust department or agent but not in the City's name. Investments in the Local Government Surplus Funds Trust Fund, mutual funds and money market funds are not required to be categorized since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, at September 30, 1999, all of the City's investments are not required to be categorized.

The Sanford CRA, a component unit, invests solely in the Local Government Surplus Funds Trust Fund. The component unit utilizes the City's investment policies and strategies. Therefore, no classification is required.

The following is a summary of the City's cash and investments.

	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Primary Government</u>		
Pension Funds:		
Mutual funds investing in domestic stocks	\$ 15,018,632	\$ 15,018,632
Mutual fund investing in corporate and U.S. treasury bonds	<u>15,801,799</u>	<u>15,801,799</u>
Total pension funds	30,820,431	30,820,431
Local Government Surplus Funds Trust Fund	<u>32,178,496</u>	<u>32,178,496</u>
Total Primary Government	<u>62,998,927</u>	<u>62,998,927</u>
<u>Component Unit - Airport Authority</u>		
Local Government Surplus Funds Trust Fund	<u>3,470,444</u>	<u>3,470,444</u>
<u>Component Unit - Sanford CRA</u>		
Local Government Surplus Funds Trust Fund	<u>260,093</u>	<u>260,093</u>
Demand Deposits, Cash on Deposit and Petty Cash	<u>1,687,002</u>	<u>1,687,002</u>
	<u>\$ 68,416,466</u>	<u>\$ 68,416,466</u>
Classified as:		
Cash and cash equivalents	\$ 28,223,411	
Investments	30,820,431	
Restricted cash and cash equivalents	<u>9,372,624</u>	
	<u>\$ 68,416,466</u>	

The types of deposits and investments and their level of risk exposure as of September 30, 1999 were typical of these items during the fiscal year then ended.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

3. 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, by fund, of restricted cash and cash equivalent accounts as of September 30, 1999:

	<u>Primary Government Water and Sewer</u>	<u>Component Unit Airport Authority</u>
Sinking Fund	\$ 5,662,852	\$ -
Renewal and Replacement Fund	200,000	-
Operating Reserve Fund	492,604	-
Earnings on Restricted Assets	-	264,180
Customer Deposits	713,099	-
Utility Trust Impact Fees	<u>2,039,889</u>	<u>-</u>
	<u>\$ 9,108,444</u>	<u>\$ 264,180</u>

4. Receivables

The following is a detailed listing of receivables by type and Fund at September 30, 1999:

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>General</u>	<u>Enterprise</u>	<u>Total</u>	<u>Airport Authority</u>
Receivables:				
Accounts Billed	\$ 237,099	\$ 888,773	\$ 1,125,872	\$ 295,475
Unbilled Receivables	255,491	835,674	1,091,165	-
Other Miscellaneous	<u>5,549</u>	<u>96,705</u>	<u>102,254</u>	<u>-</u>
Gross Receivables	498,139	1,821,152	2,319,291	295,475
Less: Allowance for Uncollectibles	<u>14,132</u>	<u>138,065</u>	<u>152,197</u>	<u>46,800</u>
Net Total Receivables	<u>\$ 484,007</u>	<u>\$ 1,683,087</u>	<u>\$ 2,167,094</u>	<u>\$ 248,675</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

5. General Fixed Assets and Property, Plant and Equipment:

A. General Fixed Assets - During the year ended September 30, 1999, the following changes in general fixed assets occurred:

	Balance October 1, 1998	Additions	Transfers/ Deletions	Balance September 30, 1999
Land and Paving	\$ 1,302,219	\$ 16,117	\$ -	\$ 1,318,336
Buildings and Improvements	12,992,050	1,985,804	-	14,977,854
Equipment	<u>10,265,225</u>	<u>1,092,820</u>	<u>287,959</u>	<u>11,070,086</u>
	<u>\$ 24,559,494</u>	<u>\$ 3,094,741</u>	<u>\$ 287,959</u>	<u>\$ 27,366,276</u>

B. Enterprise Fund Fixed Assets:

A summary of Enterprise Fund property, plant and equipment follows:

	<u>Primary Government</u>			Component Unit
	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Total</u>	<u>Airport Authority</u>
Land	\$ 4,567,058	\$ 152,616	\$ 4,719,674	\$ 2,314,381
Buildings and Improvements	264,399	1,161	265,560	38,469,459
Water and Sewer System	71,803,272	-	71,803,272	144,640
Stormwater Management	-	7,411,681	7,411,681	-
Street Construction	-	-	-	4,357,350
Equipment	3,283,755	1,041,181	4,324,936	3,218,216
ILS System	-	-	-	125,897
T Hangers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,034,280</u>
	79,918,484	8,606,639	88,525,123	49,664,223
Less: Accumulated Depreciation	<u>(12,118,793)</u>	<u>(2,833,644)</u>	<u>(14,952,437)</u>	<u>(19,027,310)</u>
	67,799,691	5,772,995	73,572,686	30,636,913
Construction in Progress	<u>2,526,111</u>	<u>5,698</u>	<u>2,531,809</u>	<u>4,934,827</u>
	<u>\$ 70,325,802</u>	<u>\$ 5,778,693</u>	<u>\$ 76,104,495</u>	<u>\$ 35,571,740</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

6. Operating Lease:

A. Long-Term Ground Lease:

The City of Sanford is the lessor on numerous building and land leases. The land leases are generally non-cancelable leases ranging from 10 to 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 lease. The building leases are low rent agreements, usually with non-profit agencies offering public services. In fiscal year 1999, the total lease rental income received in the General Fund and the Enterprise Funds was \$58,730 and \$90,413, 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. No payments are required to be made under the terms of the lease. The City grants the Authority the exclusive right and jurisdiction to occupy, operate, control, maintain and use the Airport for a term of thirty-five years.

C. Airport Authority Operating Leases:

The Airport Authority, a component unit, 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 noncancellable leases with terms ranging from one to twenty years. The following is a schedule of minimum future rentals on noncancellable operating leases:

Year Ending September 30,

2000	\$ 1,587,136
2001	1,380,415
2002	1,318,978
2003	1,066,632
2004	917,311
Thereafter	<u>6,565,245</u>
	<u>\$ 12,835,717</u>

The following is a schedule of approximate cost or carrying value and accumulated depreciation of property under operating leases:

Land	\$ 23,000
Buildings and improvements	<u>14,500,000</u>
	14,523,000
Less Accumulated Depreciation	<u>(9,100,000)</u>
	<u>\$ 5,423,000</u>

Total income on noncancellable leases for the year ended September 30, 1999 was approximately \$1,250,000.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable:

A. Defeasance of Debt:

Refunding provides for an irrevocable deposit with an escrow agent (a third party banking institution) of sufficient funds to pay the principal and interest, when due, on the refunded bonds to the earliest call date. The City has the following bond issues that have been refunded:

<u>Type</u>	<u>Series</u>	<u>Date Refunded</u>	<u>Outstanding as of Refunding</u>	<u>Outstanding as of September 30, 1999</u>
Water and Sewer	1986	June, 1992	\$ 3,310,000	\$ 1,245,000
Revenue Bonds	1986	November, 1993	12,635,000	12,635,000
	1989	November, 1993	4,180,000	3,760,000
	1991	November, 1993	11,905,000	11,715,000

B. Water and Sewer Revenue Bonds:

(1) Pledge of Revenues - The Series 1992 and 1993 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 Service Accounts:
 - Interest Account - to deposit monthly from Revenue Account 1/6 of all interest coming due on the next interest payment date.
 - Principal Account - to deposit monthly from Revenue Account 1/12 of the principal amount which will become due on such annual maturity date.
 - Redemption Account - to deposit monthly from Revenue Account 1/12 of any amortization installment established for the redemption of Term Bonds.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

B. Water and Sewer Revenue Bonds - Continued:

- c. Reserve Account - to maintain a reserve requirement for each bond issue. The series 1992 and 1993 reserve requirement shall be the lesser of (i) maximum bond service requirement, or (ii) 125% of the average annual bond requirement. Any withdrawals from this account shall be subsequently restored from the first monies available in the Revenue Account after meeting costs of operation and maintenance and bond service requirements.
 - d. Operating Reserve Account - to deposit from the Revenue Account 1/12 of the actual cost of operation and maintenance from the immediate preceding fiscal year.
 - e. Subordinate Debt Service Account - to deposit from the Revenue Account any amounts required on subordinate debt.
 - f. Renewal, Replacement and Improvement Account - to deposit monthly from the Revenue Account an amount equal to 1/12 of five percent of the gross revenues received during the immediately preceding fiscal year until the amounts on deposit equals or exceeds \$200,000.
- (3) Investment Restrictions - Monies in any account created in the resolution, except the Reserve Account, may be invested in authorized investments that mature not later than the dates on which the monies will be needed for the purpose of such fund. Monies in the Reserve Account may be invested in Federal Securities maturing not later than the latest maturity of the Series 1991 bond issue.

Authorized investments as specified by the resolution are as follows:

- a. Direct obligations of the U.S. Government
- b. Bonds, debentures or notes backed by the full faith and credit of the U.S. Government.
- c. Certificates of deposits (insured and/or collateralized)
- d. High rated commercial paper
- e. Repurchase agreements for which the underlying securities are U.S. Government obligations
- f. Pre-refunded municipal obligations
- g. Money market funds rated AAA by Standard & Poor's
- h. Investment agreement approved by AMBAC Indemnity Corporation
- I. Local Government Surplus Funds Trust Fund

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

B. Water and Sewer Revenue Bonds - Continued:

- (4) Disbursements from Construction Account: Monies on deposit from time to time in the Construction Account shall be used to pay or reimburse the following project costs:
- a. Costs incurred directly or indirectly for or in conjunction with a project or a proposed or future project including, but not limited to, those for preliminary planning and studies, architectural, legal, financial, engineering and supervisory services, labor, services, materials, equipment, acquisitions, land, rights-of-way, improvements and installation.
 - b. Premiums attributable to all insurance required to be taken out and maintained during the period of construction with respect to a project to be acquired or constructed, the premium on such surety bond, if any, required with respect to work on such facilities and taxes, assessments and other charges that may become payable during the period of construction with respect to such a project.
 - c. Costs incurred directly or indirectly in seeking to enforce any remedy against a contractor or subcontractor in respect of any default under a contract relating to a project or costs incurred directly or indirectly in defending any claim by a contractor or subcontractor with respect to a project.
 - d. Financial, legal, accounting, appraisals, title evidence and printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of such Series of Bonds.
 - e. Interest funded from Bond proceeds for a reasonable period of time, which shall be deposited in the Interest Account within the Bond Service Accounts and shall be used as provided in the Series Resolution authorizing such Series of Bonds.
 - f. Any other incidental and necessary costs including without limitation and expenses, fees and charges relating to the acquisition, construction or installation of a project, and the making of extraordinary repairs, renewals and replacements, decommissioning or retirement of any portion of the System.
 - g. Costs incurred directly or indirectly in placing any project in operation in order that completion of such project may occur.
 - h. Any other costs authorized pursuant to a supplemental resolution of the issuer and permitted under the laws of the State.
 - i. Reimbursements to the issuer for any of the above items theretofore paid by or on behalf of the issuer.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

B. Water and Sewer Revenue Bonds - Continued:

- (5) Rate Covenants - The City has covenanted that it will collect rates and charges in each year which will always provide revenues sufficient to pay all costs of operation and maintenance, exclusive of depreciation and amortization, plus 100% of the bond service requirement. In addition, these revenues together with the System Development Charges are required to be sufficient in each year to pay the aggregate of all costs of operation and maintenance, exclusive of depreciation and amortization, plus 125% of the bond service requirement and 100% of all other deposits to be made under the resolution.

The following reflects the calculation required for the fiscal year ended September 30, 1999 in order to comply with the Water and Sewer Revenue Bond rate covenant:

a. Charges for services		\$ 9,248,466
Service charges		241,036
Interest income		<u>789,358</u>
Total available revenues		10,278,860
Less: Costs of operation and maintenance		
(excluding depreciation, amortization		
and non-recurring costs)		(5,929,803)
Bond service requirements		<u>(2,463,181)</u>
Operating revenues in excess of costs		<u>\$ 1,885,876</u>
b. Charges for services		\$ 9,248,466
Service charges		241,036
Interest income		789,358
Public service taxes		2,318,347
System development charges		<u>1,892,072</u>
Total available revenues		14,489,279
Less: Costs of operation and maintenance		
(excluding depreciation, amortization		
and non-recurring costs)		(5,929,803)
Bond service requirements (x 125%)		(3,078,976)
Operating reserve deposit		<u>(45,730)</u>
Available revenues in excess of costs and		
required deposits		<u>\$ 5,434,770</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

B. Water and Sewer Revenue Bonds - Continued:

(6) Bonds Issued - At September 30, 1999, revenue bonds outstanding consisted of the following:

Description	Rates	Maturity	Original Issue	Outstanding at September 30, 1999
Water and Sewer Refunding Revenue Bonds, Series 1992:				
Serial Bonds	3.0%-6.10%	10/1/92 10/1/04	\$ 5,520,000	\$ 2,800,000
Term Bonds	6.25%	10/1/08 10/1/11	5,630,000	5,630,000
			\$ 11,150,000	8,430,000
Less: Unamortized Discount				(61,802)
				8,368,198
Water and Sewer Refunding Revenue Bonds, Series 1993:				
Serial Bonds	2.75%-5.00%	11/1/94 10/1/08	\$ 4,805,000	3,220,000
Term Bonds	5.50%	10/1/11	1,410,000	1,410,000
Term Bonds	5.25%	10/1/14	4,880,000	4,880,000
Term Bonds	4.75%	10/1/18	7,725,000	7,725,000
Term Bonds	4.50%	10/1/21	6,785,000	6,785,000
			\$ 25,605,000	24,020,000
Less: Unamortized Discount				(980,312)
				23,039,688
Net Bonds Payable				\$ 31,407,886

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

C. Annual Debt Service Requirements:

The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Enterprise Fund's Bonds:

Bond Year Ending	Water and Sewer Revenue Bonds, Series 1992		Water and Sewer Revenue Bonds, Series 1993		Total Debt Service
	Principal	Interest	Principal	Interest	
2000	\$ 500,000	\$ 518,228	\$ 295,000	\$ 1,152,703	\$ 2,465,931
2001	525,000	489,727	315,000	1,140,608	2,470,335
2002	560,000	459,015	325,000	1,127,220	2,471,235
2003	590,000	425,695	345,000	1,113,245	2,473,940
2004	625,000	390,000	355,000	1,098,065	2,468,065
2005-2009	3,775,000	1,316,563	2,030,000	5,226,547	12,348,110
2010-2014	1,855,000	175,625	5,845,000	4,475,077	12,350,702
2015-2019	-	-	9,890,000	2,465,464	12,355,464
2020-2021	-	-	4,620,000	314,100	4,934,100
	<u>\$ 8,430,000</u>	<u>\$ 3,774,853</u>	<u>\$ 24,020,000</u>	<u>\$ 18,113,029</u>	<u>\$ 54,337,882</u>

D. Stormwater System 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 September 30, 2013. As of September 30, 1999, the City has received \$3,653,500 and anticipates receiving the balance of \$546,500 during the year ended September 30, 2000. Outstanding balance at September 30, 1999 was \$3,537,201.
- (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 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;

- (c) Sinking Fund Account - to receive deposits from the revenue account equal to 1/6th of the interest due on the next interest payment date and 1/12th of the principal due on the next principal payment date.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS – CONTINUED

Year Ended September 30, 1999

7. Enterprise Fund Bonds Payable - Continued:

D. Stormwater System Revenue Bonds - Continued:

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

Bond Year Ending	Principal	Interest	Total
2000	\$ 187,482	\$ 156,975	\$ 344,457
2001	195,825	149,063	344,888
2002	204,539	140,349	344,888
2003	213,641	131,247	344,888
2004	223,148	121,740	344,888
2005-2009	1,273,828	450,612	1,724,440
2010-2013	<u>1,238,738</u>	<u>140,802</u>	<u>1,379,540</u>
	<u>\$ 3,537,201</u>	<u>\$ 1,290,788</u>	<u>\$ 4,827,989</u>

8. Notes and Contracts Payable - Enterprise Funds and Component Unit - Airport Authority:

A. Enterprise Funds Notes and Contracts Payable:

Enterprise Funds notes payable at September 30, 1999 are as follows:

Primary Government: Water & Sewer:

State Revolving Fund loan CS120586150 payable, \$1,906,668 authorized, \$1,712,730 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. (The payment due October 1, 1999 was made prior to October 1, 1999.) \$ 1,073,431

State Revolving Fund loan CS120586170 payable, \$5,790,256 authorized to be drawn for construction of wastewater system facilities, payable in twenty equal annual installments including interest at 3.75% on \$4,835,256 and 2.89% on \$955,000 on December 31 of each year. 4,342,483

State Revolving Fund loan CS120586190 payable, \$500,166 authorized to be drawn for construction of wastewater pollution control facilities, payable in forty equal semi-annual installments including interest at 2.43% on February 1 and August 1 of each year. 385,747

State Revolving Fund loan CS120586210 payable, \$1,565,000 authorized to be drawn for construction of the Westerly Interceptor Project, payable in forty equal semi-annual installments including interest at 2.89% on February 1 and August 1 of each year. 1,168,975

Less current portion 6,970,636
(414,873)

\$ 6,555,763

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

8. Notes and Contracts Payable - Enterprise Funds and Component Unit - Airport Authority - Continued:

A. Enterprise Funds Contracts Payable - Continued:

State Revolving Fund 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. At September 30, 1999, all loans had been drawn down in full. Maturity schedules for the loans are as follows:

Fiscal Year Ending September 30	State Revolving Fund Loan CS120586150		
	Principal	Interest	Total
2000	\$ 79,511	\$ 43,152	\$ 122,663
2001	82,708	39,955	122,663
2002	86,033	36,631	122,664
2003	89,491	33,172	122,663
2004	93,088	29,575	122,663
Thereafter	<u>642,600</u>	<u>93,411</u>	<u>736,011</u>
	<u>\$ 1,073,431</u>	<u>\$ 275,896</u>	<u>\$ 1,349,327</u>

Fiscal Year Ending September 30	State Revolving Fund Loan CS120586170		
	Principal	Interest	Total
2000	\$ 244,045	\$ 156,291	\$ 400,336
2001	252,813	147,524	400,337
2002	261,898	138,438	400,336
2003	271,312	129,024	400,336
2004	281,067	119,269	400,336
Thereafter	<u>3,031,348</u>	<u>571,682</u>	<u>3,603,030</u>
	<u>\$ 4,342,483</u>	<u>\$ 1,262,228</u>	<u>\$ 5,604,711</u>

Fiscal Year Ending September 30	State Revolving Fund Loan CS120586190		
	Principal	Interest	Total
2000	\$ 22,486	\$ 9,238	\$ 31,724
2001	23,036	8,688	31,724
2002	23,599	8,125	31,724
2003	24,176	7,548	31,784
2004	24,767	6,957	31,784
Thereafter	<u>267,683</u>	<u>33,700</u>	<u>301,383</u>
	<u>\$ 385,747</u>	<u>\$ 74,256</u>	<u>\$ 460,123</u>

Fiscal Year Ending September 30	State Revolving Fund Loan CS120586210		
	Principal	Interest	Total
2000	\$ 68,830	\$ 33,290	\$ 102,120
2001	70,834	31,286	102,120
2002	72,895	29,224	102,119
2003	75,017	27,102	102,119
2004	77,201	24,918	102,119
Thereafter	<u>804,198</u>	<u>111,881</u>	<u>916,079</u>
	<u>\$ 1,168,975</u>	<u>\$ 257,701</u>	<u>\$ 1,426,676</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

8. Notes and Contracts Payable - Enterprise Funds and Component Unit - Airport Authority - Continued:

B. Discretely Presented Component Unit - Airport Authority Notes and Contracts Payable:

Note payable to bank, due \$15,000 annually plus variable interest monthly, currently 4.125%, collateralized by any cash balances on deposit with same bank.	\$ 71,651
Note payable to bank, due \$1,405 monthly including interest at prime less .75%, currently 7.75%, to May 5, 2004 when balance is due in full, collateralized by assignment of leases.	175,000
Note payable to bank, due \$1,030 monthly including interest at 6.814%, collateralized by concession fees.	35,924
Note payable to City of Sanford, Florida, variable interest payable monthly, currently 5.51%, due June 2, 2003, non-collateralized.	1,000,000
Note payable to State of Florida, Department of Transportation, no interest, due August 18, 2002, non-collateralized.	1,500,000
Note payable to State of Florida, Department of Transportation, no interest, due March 4, 2008, non-collateralized.	3,000,000
Note payable to State of Florida, Department of Transportation, no interest, due September 30, 2008, non-collateralized.	2,500,000
Note payable to bank, due \$15,736 monthly to September 30, 2000 including interest at prime plus .25%, currently 8.5%, \$16,208 monthly to May 7, 2001 when balance is due in full, collateralized by pledged revenues.	382,236
Note payable to bank, due \$4,011 monthly including variable interest, currently 7.78%, due in full December 31, 2000, collateralized by assignment of leases.	492,377
Note payable to bank, due \$2,708 monthly plus variable interest, currently 7.38%, due in full December 1, 2003, collateralized by assignment of leases.	<u>644,583</u>
	9,801,771
Less long-term portion	<u>(9,567,479)</u>
Short term portion - notes and contracts payable	234,292
Short term line of credit	<u>999,211</u>
	<u><u>\$ 1,233,503</u></u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

8. Notes and Contracts Payable - Enterprise Funds and Component Unit - Airport Authority - Continued:

B. Discretely Presented Component Unit - Airport Authority Notes and Contracts Payable - Continued:

The majority of the Airport Authority's long-term debt has variable interest rates; therefore, it is not practical to compute the future annual debt service requirements on these notes and contracts. The following is a summary of the future principal debt service requirements on these notes and contracts:

<u>Fiscal Year Ending September 30.</u>	<u>Airport Authority Fund</u>
2000	\$ 234,292
2001	764,413
2002	1,563,659
2003	1,213,172
2004	526,235
Thereafter	<u>5,500,000</u>
	<u>\$ 9,801,771</u>

9. General Long-Term Debt:

A. Certificates of Participation:

On December 6, 1989, the City of Sanford Finance Corporation issued \$3,385,000 Certificates of Participation (1989 City of Sanford Project). The certificates evidence undivided fractional interests in rent payments to be made under a lease agreement, with an option to purchase, between the City of Sanford, Florida and the City of Sanford Finance Corporation. The proceeds of the certificates were used by the City for the acquisition and construction of a fire station, purchases of equipment for municipal purposes and payment of costs incurred in issuing the certificates.

The outstanding certificates bear interest at rates from 6.00-6.80%, payable semi-annually on April 1 and October 1. Principal payments are due and payable on October 1 of each fiscal year through October 1, 2004.

The Indenture provides for the establishment and maintenance of a Reserve Fund. The City has deposited \$337,622, as outlined in the agreement, which shall be used only for the purpose of making up deficiencies in the Rent Payment Fund for principal and interest payments.

The Certificates of Participation will mature as follows:

<u>Fiscal Year Ending September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 205,000	\$ 77,795	\$ 282,795
2001	215,000	64,265	279,265
2002	230,000	49,968	279,968
2003	245,000	34,557	279,557
2004	<u>265,000</u>	<u>18,020</u>	<u>283,020</u>
	<u>\$ 1,160,000</u>	<u>\$ 244,605</u>	<u>\$ 1,404,605</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

9. General Long-Term Debt - Continued:

B. Compensated Absences:

Vested sick and vacation leave benefits for Governmental Fund Types accrued at September 30, 1999 in accordance with the City's policy as set forth in Note 1.L., amounted to \$792,888 in the Long-term Debt Account Group, \$708 in the Special Revenue Funds and \$83,173 in the General Fund as accrued expenses.

C. Changes in General Long-Term Debt:

Changes in general long-term debt transactions for the year ended September 30, 1999 are summarized as follows:

	Balance October 1, <u>1998</u>	<u>Increase</u>	<u>Decrease</u>	Balance September 30, <u>1999</u>
Certificates of participation payable	\$ 1,450,000	\$ -	\$ 290,000	\$ 1,160,000
Accrued closure costs	-	632,871	-	632,871
Compensated absences	<u>740,148</u>	<u>52,740</u>	<u>-</u>	<u>792,888</u>
	<u>\$ 2,190,148</u>	<u>\$ 685,611</u>	<u>\$ 290,000</u>	<u>\$ 2,585,759</u>

10. Revenue Bonds Payable of the Discretely Presented Component Unit - Sanford CRA:

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

On August 1, 1994, the Community Redevelopment Agency (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 have 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 semi-annually on June 1 and December 1. Principal payments are payable on June 1 of each fiscal year as shown below. The 1994B bonds are comprised of a single term bond, 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 to make such payment. For purposes of the five-year disclosure, the table assumes that there will be pledged revenues available to make the bond principal payment.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

10. Revenue Bonds Payable of the Discretely Presented Component Unit - Sanford CRA - Continued:

Fiscal Year Ending September 30,	Series 1994 -A		Series 1994-B		Total
	Principal	Interest	Principal	Interest	
2000	\$ 165,000	\$ 335,075	\$ -	\$ 99,000	\$ 599,075
2001	200,000	326,660	-	99,000	625,660
2002	300,000	316,260	-	99,000	715,260
2003	315,000	300,360	-	99,000	714,360
2004	330,000	283,350	-	99,000	712,350
2005-2009	2,790,000	1,038,300	-	495,000	4,323,300
2010-2012	<u>1,660,000</u>	<u>154,800</u>	<u>1,100,000</u>	<u>214,500</u>	<u>3,129,300</u>
	<u>\$ 5,760,000</u>	<u>\$ 2,754,805</u>	<u>\$ 1,100,000</u>	<u>\$ 1,204,500</u>	<u>\$ 10,819,305</u>

Activity related to the Community Redevelopment Agency Revenue Bonds for the year was as follows:

	Balance October 1, 1998	Issued	Retired	Balance September 30, 1999
CRA Bonds	<u>\$ 6,995,000</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 6,860,000</u>

11. Interfund Accounts:

Individual fund interfund receivables and payables at September 30, 1999 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 44,182	\$ 41,432
Special Revenue Funds:		
Community Development Block Grant	5,303	-
Other Grants	24,242	44,182
Trust and Agency Funds:		
Fire Pension Trust Fund	<u>11,887</u>	<u>-</u>
	<u>\$ 85,614</u>	<u>\$ 85,614</u>

The City has a note receivable from the Airport Authority, a component unit of the City, with a balance at September 30, 1999 of \$1,000,000.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

12. Fund Equity:

- A. The City has established certain reserves for restricted assets of the Water and Sewer Enterprise Fund. These

assets are restricted by various covenants within the revenue bond issue, as described in Note 6, and certain City ordinances and resolutions. Reserved retained earnings at September 30, 1999 consist of the following:

Renewal and replacement fund	\$ 200,000
Operating reserve fund	<u>492,604</u>
	<u>\$ 692,604</u>

- B. The City has established certain reserves within the fund equity section of the Governmental Fund Types. Reserved fund balance at September 30, 1999 consists of the following:

General Fund:	
Reserved for capital projects	\$ 114,430
Reserved for inventories	62,400
Reserved for prepaid expenditures	28,291
Reserved for landfill closure costs	632,871
Reserved for affordable housing	<u>100,000</u>
	<u>\$ 937,992</u>
Debt Service Fund:	
Reserved for debt service for certificates of participation	<u>\$ 337,621</u>

- C. The City established an internal service fund to account for its risk management activities. As such, the amount of residual retained earnings of \$212,277 is reserved for future payments of insurance.

- D. The City has established certain reserves and designations within the fund equity section of the Fiduciary Fund Types. Reserved and designated fund balance at September 30, 1999 consist of the following:

	<u>Reserves</u>	<u>Designations</u>
Expendable Trust Funds:		
Reserved for cemetery perpetual care	\$ 383,131	\$ -
Designated for payment of termination benefits	-	195,101
Pension Trust Funds:		
Reserved for employees' pension benefits	<u>31,022,238</u>	<u>-</u>
Total	<u>\$ 31,405,369</u>	<u>\$ 195,101</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

12. Fund Equity - Continued:

- E.** The Component Unit-Sanford CRA established reserves within the fund equity section for debt service for Community Redevelopment Agency bonds.
- F.** The following is a summary of changes in Enterprise Funds, Internal Service Fund and Component Unit contributions:

	Water and Sewer <u>Fund</u>	Solid Waste <u>Fund</u>	Stormwater <u>Fund</u>	Risk Management <u>Fund</u>	Primary Government <u>Total</u>	Airport Authority <u>Fund</u>
Contributions at October 1, 1998	\$ 33,178,129	\$ 200,264	\$ 2,174,194	\$ 25,621	\$ 35,578,208	\$ 21,564,555
Increase (Decrease) in Contributions	2,829,113	(200,264)	-	-	2,628,849	2,995,413
Depreciation on contributed assets	-	-	-	-	-	(1,163,618)
Contributions at September 30, 1999	<u>\$ 36,007,242</u>	<u>\$ -</u>	<u>\$ 2,174,194</u>	<u>\$ 25,621</u>	<u>\$ 38,207,057</u>	<u>\$ 23,396,350</u>

13. Provision for Closure Costs:

State and federal laws and regulations require the City of Sanford to place a final cover on Art Lane Landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City will initiate closure of the landfill in fiscal year end September 30, 2000. As of September 30, 1999, the landfill closure costs have been fully reserved. The accrued costs as of September 30, 1999 were \$632,871.

All amounts recognized are based on the City's best estimate of what it would cost to perform all closure and postclosure care. Actual costs may be different due to inflation, changes in technology, or changes in laws and regulations. The City has become aware that the remaining life of the landfill may actually be longer than previously estimated. However, the current estimate was the most accurate available at the financial statement release date. The City is required by state and federal laws and regulations to establish financial assurance for closure and postclosure cost of the landfill. The City is in compliance with these requirements by meeting an annual financial test.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

14. Pension Plans and Postemployment Benefits Other than Pensions:

A. Florida Retirement System:

The City of Sanford 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, hired prior to January 1, 1996. 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 latest report is dated July 1, 1999. That report may be obtained by writing to Florida Retirement System, State of Florida, Tallahassee, Florida, 32399-1560.

FRS members are eligible for retirement after vesting, which occurs at 10 years of creditable service for regular members. Normal retirement age is attained at the earlier of 30 years of creditable service regardless of age or retirement at age 62 with at least 10 years of creditable service. Early retirement may be taken anytime; however, there is a five percent 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 six classes of membership. Only three classes are applicable to the City's eligible employees. These three classes, with descriptions and contribution rates in effect during the period ended September 30, 1999, are as follows (contribution rates are in agreement with the actuarially determined rates, each including an additional .94% health insurance subsidy contribution):

Regular Class - Members not qualifying for other classes, (17.43% from 10/1/96 to 6/30/98, 16.45% from 7/1/98 to 6/30/99, and 10.15% from 7/1/99 to 9/30/99).

Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers and meeting the criteria to qualify for this, (27.10% from 10/1/96 to 6/30/98, 25.32% from 7/1/98 to 6/30/99, and 21.16% from 7/1/99 to 9/30/99).

Senior Management Service Class - Members of senior management who do not elect the optional annuity retirement program (22.24% from 10/1/96 to 6/30/98, 24.04% from 7/1/98 to 6/30/99, and 12.13% from 7/1/99 to 9/30/99).

The contribution requirements of the City of Sanford are established and may be amended by FRS. The plan is non-contributory for employees with all contributions being the obligation of the employer. The City's contributions to FRS for the years ended September 30, 1999, 1998 and 1997 were \$906,082, \$1,212,259 and \$1,133,823, respectively, and equal the required contributions for each year. The Airport Authority's contributions to FRS for the years ended September 30, 1999, 1998 and 1997 were \$99,360, \$129,736 and \$122,950, respectively, and equal the required contributions for each year.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

14. Pension Plans and Postemployment Benefits Other than Pensions - Continued:

B. Police Officers, Firefighters and General Employees:

The City participates in three single-employer defined benefit pension plans consisting of the Police Officers' Retirement System, the Firefighters' Retirement System and the General Employees' Retirement System which are maintained as pension trust funds.

(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 55 for police officers and 60 for firefighters, and the completion of 10 years of credited service or the completion of 25 years of credited service. A member may retire on his normal retirement date or on the first day of any month thereafter, and each member shall become 100% invested in his 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 2.97% of average final compensation, defined as the highest 5 years of salary paid during the last 10 years of covered employment, for each year of credited service for police officers and firefighters respectively.

As of January 1, 1996, the City elected to discontinue participation in FRS for any new general employees, except police officers and firefighters who are covered by the above plans. The City established a new defined benefit pension plan that covers all City general employees, elected officials and Sanford Airport Authority general employees and firefighters hired or elected on or after January 1, 1996. Benefits vest after 10 years of service. General employees and elected officials who retire at the earlier of age 62 or 30 years of contributing service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.6% of their average final compensation, defined as the average of the highest 5 years of salary paid during covered employment, for each year of credited service. Sanford Airport Authority firefighters who retire at the earlier of age 55 and 10 years of credited service or 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 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 30 years, created due to increases in plan benefits. Employer contribution rates are determined using the frozen entry age actuarial cost method.

The police officers are required to contribute 5.1 percent of their gross compensation (an additional 5 percent is paid by the City), and the firefighters are required to contribute 7 percent of their base pay compensation (an additional 5 percent is paid by the City). 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 27 years.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

14. Pension Plans and Postemployment Benefits Other than Pensions - Continued:

B. Police Officers, Firefighters and General Employees- Continued:

(2) Contributions - Continued:

The General Employees' Pension Plan is non-contributory for all employees with all contributions being the obligation of the employer. The City's contributions to the plan for the year ended September 30, 1999 were \$155,093, equal to the required contributions for the year, 11.3% of covered payroll. The Airport Authority's contributions to the Plan for the year ended September 30, 1999 were \$86,069, equal to the required contribution for the year, 11.3% of covered payroll.

(3) Method Used to Value Investments and Investment Policies:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates 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. Investment guidelines limit cash and 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 50% of the fund's assets overall for the police officers/firefighters and general employees plans, respectively, and to 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 of 50% of the total assets at cost with a limit to any single corporation of 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 5% or more of plan net assets.

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

(4) Plan Membership:

At September 30, 1999, membership of each plan consisted of the following:

	<u>Police Officers</u>	<u>Firefighters</u>	<u>General Employees</u>
Retirees and beneficiaries receiving benefits	29	33	-
Active plan members	<u>96</u>	<u>60</u>	<u>85</u>
Total	<u><u>125</u></u>	<u><u>93</u></u>	<u><u>85</u></u>

The General Employees' Retirement System plan includes 23 members of the discretely presented Airport Authority.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

14. Pension Plans and Postemployment Benefits Other than Pensions - Continued:

B. Police Officers, Firefighters and General Employees - Continued:

(5) Annual Pension Costs were as follows:

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Police Officers' plan	\$ 132,602	\$ 142,877	\$ 142,234
Firefighters' plan	84,444	95,443	96,663
General Employees' plan	65,895	146,926	218,160

The percentage contribution for the police officers', firefighters', and general employees' retirement plans for each of the past three years was 100% of the Annual Pension Costs. Therefore, the retirement plans have had no net pension obligation at any of the September 30 year ends.

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

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

(7) Refer to page 64 for actuarial information.

C. Postemployment Benefits Other than Pension Benefits:

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, up to age 65, health insurance benefits for employees retiring after October 1, 1991, with 25 or more years of service. The City pays for life, the health benefits of employees retired prior to October 1, 1991. The City pays the life insurance benefits for retired employees, with the level of the benefit being delineated as \$3,000 term life. Expenditures for these insurance premiums, which are recognized when paid, were recorded in the General, Water and Sewer, and Solid Waste Funds in the amount of \$140,035, \$10,715 and \$7,930, respectively for the year ended September 30, 1999 for 96 retirees in the aggregate. Two current employees are eligible for postemployment benefits at September 30, 1999. For the year ended September 30, 1999, the City paid 100% of the insurance costs.

The nature of the plan is such that no formal trust fund exists. The plan pays premiums to an insurance company who maintains no assets or liabilities in the name of the City or on the City's behalf. Thus, the City utilizes GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers".

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

15. 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.

16. Segment Information for Enterprise Funds and Component Unit - Airport Authority:

The City maintains three enterprise funds that provide water, sewer, solid waste, and stormwater services. In addition, the discretely presented Component Unit-Airport Authority provides airport services. Segment information for these funds for the fiscal year ended September 30, 1999 follows:

	Primary Government				Component Unit
	Water and Sewer	Solid Waste	Stormwater	Total	Airport Authority
Operating revenues	\$ 9,248,466	\$ 3,172,418	\$ 1,442,221	\$ 13,863,105	\$ 3,033,966
Depreciation	1,425,057	42,582	251,719	1,719,358	1,690,689
Amortization	88,800	-	-	88,800	-
Operating income (loss)	1,867,623	219,294	445,871	2,532,788	(2,183,513)
Operating transfers in	-	-	-	-	-
Operating transfers out	(26,000)	(77,423)	(2,500)	(105,923)	-
Net income (loss)	916,736	168,982	419,500	1,505,218	(2,102,022)
Residual equity transfers					
General Fund	-	(1,670,063)	-	(1,670,063)	-
Account Groups	-	787,499	-	787,499	-
Fixed assets:					
Additions	3,140,280	-	1,201,125	4,341,405	7,295,696
Deletions	120,822	2,176,076	83,295	2,380,193	656,734
Total assets	89,122,872	-	8,209,659	97,332,531	40,155,565
Current capital contributions	2,829,113	(200,264)	-	2,628,849	2,995,413
Long-term liabilities:					
Notes payable	6,555,763	-	-	6,555,763	9,567,479
Bonds	31,407,886	-	3,537,201	34,945,087	-
Net working capital	6,577,794	-	2,395,523	8,973,317	1,687,787

NOTE: The City closed the Solid Waste Fund during the fiscal year ended September 30, 1999. Therefore, all balance sheet accounts for that fund are zero at year end.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

17. 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 and general liability claims. The City has made the decision to retain up to \$150,000 per incident relating to workers' compensation, and property damage to City vehicles with a purchase cost of less than \$50,000. Excess coverage up to \$10,000,000 per incident for workers' compensation has been purchased from an outside carrier. All other liability and property damage insurance is obtained through the Florida League of Cities with a \$25,000 deductible for general liability claims per incident and an aggregate stop loss of \$115,920 for fiscal year 1999 claims. 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 fiscal years. At September 30, 1999, a reserve of \$733,606 and \$283,509 was recorded for the settlement of pending workers compensation and general liability claims, respectively, including a provision for incurred but not reported claims. This liability is the City's best estimate based on available information.

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. In addition, an experience study is performed by an outside consultant to determine the extent, if any, of the claims incurred but not reported.

The changes in the City's claims liability during the years ended September 30, 1998 and 1999 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
1997-1998	\$1,125,854	\$470,476	\$627,552	\$968,778
1998-1999	\$968,778	\$978,951	\$930,614	\$1,017,115

Airport Authority

The 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 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 three years.

18. Commitments and Contingencies:

Primary Government

- A. Various suits and claims arising in the ordinary course of the City's operations are pending against the City of Sanford. 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.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

18. Commitments and Contingencies - Continued:

- C. The City has various construction contracts outstanding at September 30, 1999. In the Enterprise Funds, various water and sewer projects are under construction. A summary of these projects at September 30, 1999 is as follows:

	<u>Primary Government</u>	
	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Total contract price	\$ 793,914	\$ 979,400
Total paid as of September 30, 1999	<u>345,014</u>	<u>569,769</u>
Remaining commitment at September 30, 1999	<u>\$ 448,900</u>	<u>\$ 409,631</u>

- D. The City was named as a defendant in an action filed by a company against the City and three corporations. The action was filed under the Comprehensive Environmental Response, Compensation and Liability Act, and the Florida Statutes, for the alleged release of hazardous substances and/or pollutants as a result of the former operation of a manufactured gas plant during the 1880s until the year 1952. The action alleges that the City owned the plant from 1924 until 1932 and operated the plant from 1924 until 1928. All parties to the Complaint have signed a Joint Stipulation for Stay of Action, filed with the Court on May 14, 1992. In 1992, the Plaintiff and all Defendants in this cause of action 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 Florida Department of Environmental Protection (FDEP). In early 1995, the lawsuit was dismissed. The City is currently negotiating a contract to perform a study of the environmental damage caused by the plant. If a contract is agreed upon, the City's portion of the cost is estimated at 12.5%. Cost of the clean up is not known at this time.

Airport Authority

- E. At the end of fiscal year September 30, 1999, the Authority was completing negotiations to design and construct a new domestic terminal. The project is a 126,000 square feet two story addition to the existing domestic terminal including seven new airline gates with apron drive passenger loading bridges, ticketing areas, baggage claims, storage and an emergency operations center. The anticipated total project costs are approximately \$25,875,000 with the first airline gate scheduled for completion on June 1, 2000 and final project completion date scheduled for February 2001. Funding for the project is anticipated to be through \$11,500,000 in Florida Department of Transportation loans, a \$6,500,000 Florida Department of Transportation grant, \$7,500,000 in private sector investments from TBI, plc (TBI) and \$375,000 in Authority funding. The authority received \$5,500,000 of the Florida Department of Transportation loans prior to September 30, 1999.

In concert with the design and construction of the domestic terminal expansion, the Authority entered into a Memorandum of Understanding with TBI to negotiate a thirty year management contract for the domestic terminal in exchange for their private sector investment into the project. TBI's United States corporation, known as Orlando Sanford Domestic (OSD), will manage all operations involving the domestic terminal. The contractual agreement provides for five fixed annual lump sum payments to the Authority as well as additional minimum operation payments to the Authority for years one through thirty in exchange for the revenues generated by the operation of the domestic terminal. The Authority will also participate in a percentage of gross revenues generated from the operation of the domestic terminal should those amounts exceed the minimum operation payments referred to above. Additionally, many expenses and liabilities associated with the operation of the domestic terminal will be removed from the Authority and transferred to OSD.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

18. Commitments and Contingencies - Continued:

- F.** The Authority was in the process of various stages of multiple construction projects and engineering studies as of September 30, 1999. Amounts totaling approximately \$4,850,000 are due under these contracts as construction is completed.
- G.** Subsequent to year-end an airport tenant, Jett Aire Group, Inc., filed a breach of contract claim against the Authority. The Authority feels that although the claim amount is significant, the likelihood of adverse financial consequences is minimal and an estimate of the possible loss can not be made.
- H.** Threatened litigation also exists involving a contract dispute with a contractor over construction of the instrument landing system. The amount in controversy, which is currently not reimbursable from grant funds, is potentially significant. The Authority has the potential for indemnity from its consultant on the project if the contractor prevails in its claim. An estimate of the range of possible loss is from \$0 to \$400,000.

19. Conduit Debt Obligations:

From time to time, the Airport Authority has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for construction of aviation related facilities on the airport's premises. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, Seminole County, the City of Sanford or the State of Florida, and accordingly, have not been reported in the accompanying financial statements.

As of September 30, 1999, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$36,150,000.

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

20. Component Unit - Sanford CRA

Condensed financial statement information related to the Sanford CRA as of and for the year ended September 30, 1999 is as follows:

	Special Revenue	Debt Service	General Long-Term Debt	Total Combined CRA
Condensed Balance Sheet:				
Cash and cash equivalents	\$ 210,842	\$ 67,687	\$ -	\$ 278,529
Due from other governments	189	-	-	189
Amount available in debt service fund	-	-	67,687	67,687
Amount to be provided for retirement of general long-term debt	-	-	6,792,313	6,792,313
Total Assets and Other Debits	<u>\$ 211,031</u>	<u>\$ 67,687</u>	<u>\$ 6,860,000</u>	<u>\$ 7,138,718</u>
Bonds payable	\$ -	\$ -	\$ 6,860,000	\$ 6,860,000
Fund Balance:				
Reserved	-	67,687	-	67,687
Unreserved-Undesignated	211,031	-	-	211,031
Total Liabilities and Fund Balances	<u>\$ 211,031</u>	<u>\$ 67,687</u>	<u>\$ 6,860,000</u>	<u>\$ 7,138,718</u>
Condensed Revenues, Expenditures and Changes in Fund Balances:				
Revenues:				
Taxes	\$ 486,068	\$ -	\$ -	\$ 486,068
Interest	8,415	10,051	-	18,466
Total revenues	<u>494,483</u>	<u>10,051</u>	<u>-</u>	<u>504,534</u>
Expenditures:				
Principal retirement	-	135,000	-	135,000
Interest and fiscal charges	-	344,126	-	344,126
Total expenditures	<u>-</u>	<u>479,126</u>	<u>-</u>	<u>479,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>494,483</u>	<u>(469,075)</u>	<u>-</u>	<u>25,408</u>
Other Financing Sources (Uses)				
Operating transfers in	-	390,507	-	390,507
Operating transfers out	(390,507)	-	-	(390,507)
Total Other Financing Sources (Uses)	<u>(390,507)</u>	<u>390,507</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>103,976</u>	<u>(78,568)</u>	<u>-</u>	<u>25,408</u>
Fund Balances, October 1, 1998	<u>107,055</u>	<u>146,255</u>	<u>-</u>	<u>253,310</u>
Fund Balances, September 30, 1999	<u>\$ 211,031</u>	<u>\$ 67,687</u>	<u>\$ -</u>	<u>\$ 278,718</u>

CITY OF SANFORD, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended September 30, 1999

21. Closure of the Solid Waste Fund

On January 1, 1999, the City privatized its solid waste operation (an enterprise fund). Solid waste property and equipment were sold to private companies or transferred to the General Fixed Assets Account Group. The Landfill closure liability was transferred to the General Long-Term Debt Account Group. The Compensated absences liability for employees retained by the City was transferred to the Water and Sewer Fund and the General Long-Term Debt Account Group as applicable. All other assets and liabilities of the Solid Waste Fund were transferred to the General Fund as a residual equity transfer.

The following schedule shows the amounts and individual funds or account groups to which the account balances of the Solid Waste Fund were transferred in closing the fund:

	Solid Waste Fund Pre-closing Balance	Transferred to			General Fixed Asset Account Group
		General Fund	Water and Sewer Fund	General Long- Term Debt Account Group	
Cash and Investments	\$ 1,537,610	\$ 1,481,482	\$ 56,128	\$ -	\$ -
Accounts Receivable, net	477,275	477,275	-	-	-
Property, Plant and Equipment, net	91,335	-	-	-	91,335
Payables	(288,694)	(288,694)	-	-	-
Compensated Absences	(101,827)	-	(56,128)	(45,699)	-
Accrued Closure Costs	<u>(632,871)</u>	<u>-</u>	<u>-</u>	<u>(632,871)</u>	<u>-</u>
	<u>\$ 1,082,828</u>	<u>\$ 1,670,063</u>	<u>\$ -</u>	<u>\$ (678,570)</u>	<u>\$ 91,335</u>

22. Subsequent Events

On December 30, 1999 the City transferred \$950,000 to an escrow account to be used for the purchase of land for the City's stormwater system.

Required Supplemental Information

CITY OF SANFORD, FLORIDA

SCHEDULE OF FUNDING PROGRESS

<u>Actual Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (AAL) Entry Age</u>	<u>Actuarial Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll</u>
Police Officers' Retirement System						
10/1/94	\$ 10,035,804	\$ 10,986,794	\$ 950,990	91.34%	\$ 2,406,859	39.51%
10/1/95	11,088,093	12,168,821	1,080,728	91.12%	2,584,031	41.82%
10/1/96	12,241,737	13,342,054	1,100,317	91.75%	2,693,765	40.85%
10/1/97	13,679,367	15,509,410	1,830,043	88.20%	2,492,585	73.42%
10/1/98	15,725,789	17,576,478	1,850,689	89.47%	2,836,950	65.24%
10/1/99	17,591,379	19,541,704	1,950,325	90.02%	2,849,125	68.45%
Firefighters' Retirement System						
10/1/94	\$ 6,601,497	\$ 8,187,116	\$ 1,585,619	80.63%	\$ 1,668,555	95.03%
10/1/95	7,304,388	8,981,686	1,677,298	81.33%	1,712,939	97.92%
10/1/96	8,019,626	9,694,455	1,674,829	82.72%	1,695,444	98.78%
10/1/97	8,957,875	10,863,990	1,906,115	82.45%	1,659,287	114.88%
10/1/98	10,203,906	12,476,469	2,272,563	81.79%	1,825,725	124.47%
10/1/99	11,251,058	13,515,882	2,264,824	83.24%	1,821,056	124.37%
General Employees' Retirement System						
10/1/96	\$ 13,942	\$ 13,942	\$ -	100.00%	\$ 423,291	0.00%
10/1/97	85,982	85,982	-	100.00%	927,589	0.00%
10/1/98	237,492	237,492	-	100.00%	1,452,790	0.00%
10/1/99	471,368	471,368	-	100.00%	1,936,822	0.00%

CITY OF SANFORD, FLORIDA

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Police Officers' Retirement System

<u>Year Ended Sept. 30.</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Percentage Contribution</u>
1993	\$ 270,330	\$ 237,718	\$ 104,600	126.63%
1994	360,952	352,200	110,229	128.11%
1995	423,211	303,262	119,949	100.00%
1996	469,663	335,548	134,115	100.00%
1997	411,519	265,008	146,512	100.00%
1998	304,886	285,753	155,028	144.57%
1999	387,251	284,467	155,028	113.49%

Firefighters' Retirement System

<u>Year Ended Sept. 30.</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Percentage Contribution</u>
1993	\$ 220,351	\$ 165,480	\$ 69,215	106.51%
1994	235,110	170,406	72,976	103.52%
1995	246,708	172,788	84,416	104.25%
1996	268,590	172,928	100,843	101.93%
1997	229,754	168,889	100,529	117.26%
1998	265,522	190,886	115,162	115.26%
1999	304,019	193,325	115,677	101.64%

General Employees' Retirement System

<u>Year Ended Sept. 30.</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Percentage Contribution</u>
1996	\$ 13,702	\$ 13,702	\$ -	100.00%
1997	44,670	65,895	-	147.52%
1998	104,933	146,926	-	140.02%
1999	164,768	218,160	-	132.40%

CITY OF SANFORD, FLORIDA

NOTES TO SCHEDULE OF FUNDING PROGRESS

Year Ended September 30, 1999

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. As discussed more fully in Note 14.B. (5) to the financial statements, the preceding data was acquired from the most recent actuarial valuation available at the time of the financial statement issuance. Additional information as of the latest actuarial valuation follows:

	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>General Employees'</u>
Valuation date	10/1/98	10/1/98	10/1/98
Actuarial cost method	Frozen Entry Age	Frozen Entry Age	Aggregate
Amortization method	Level percent closed	Level percent closed	Aggregate Cost
Remaining amortization period	27 years	27 years	N/A
Asset valuation method	4-year smoothed market	4-year smoothed market	Market Value
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increase (including both cost of living and merit)	6.50%	6.50%	6.00%
Inflation rate	3.00%	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%	3.00%

CITY OF SANFORD, FLORIDA

YEAR 2000 ISSUES

Year Ended September 30, 1999

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the City's operations as early as fiscal year 1999.

The City recognizes the need to ensure its operations will not be adversely impacted by year 2000 software failures. Hardware/software failures due to processing errors potentially arising from computers using the year 2000 date are a known risk. The City has addressed this risk as follows:

- A. Awareness - The City has been working since 1997 to upgrade or replace all hardware/software with units, operating systems and applications that are year 2000 compliant. Software upgrades, where applicable, were supplied by the vendors during the fiscal year ended September 30, 1999; no cost is associated with these upgrades. For the awareness phase, the City budgeted \$79,378 for computer hardware replacement and \$59,775 for software and upgrades for fiscal year ended September 30, 1999.
- B. Assessment - The City has identified and inventoried all mission-critical systems and equipment for year 2000 compliance.
- C. Remediation - The City had all the hardware and software in place by November 10, 1999. As of September 30, 1999, the City had expended \$153,490 for the replacement and upgrade of hardware and software on which vendors and service providers have given assurance of year 2000 compliance.
- D. Testing/Validation - The City continually tests its hardware and software and all year 2000 testing was completed by November 10, 1999. Compliance Certification from vendors will be required for any subsequently purchased hardware and software.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City of Sanford is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.



COMBINING STATEMENTS - BY FUND TYPE

Combining Financial statements provide a more detailed view of the "General-Purpose Financial Statements" presented in the preceding subsection.



CITY OF SANFORD, FLORIDA

GENERAL FUND

To account for resources associated with the general government operations that are not required to be accounted for in another fund.

**CITY OF SANFORD, FLORIDA
GENERAL FUND**

BALANCE SHEET

September 30, 1999

Assets

Cash and cash equivalents	\$ 11,701,585
Accounts receivable	498,139
Allowance for estimated uncollectibles	(14,132)
Due from other funds	44,182
Due from other governments	710,701
Inventories	62,400
Prepaid expenditures	28,291
Note receivable from component unit	<u>1,000,000</u>
 Total Assets	 <u><u>\$ 14,031,166</u></u>

Liabilities and Fund Equity

Liabilities:

Accounts payable	\$ 1,071,566
Accrued liabilities	529,118
Due to other funds	41,432
Deferred revenues	554,970
Accrued compensated absences	83,173
Total liabilities	<u>2,280,259</u>

Fund Equity:

Fund Balances:

Reserved for capital projects	114,430
Reserved for inventories	62,400
Reserved for prepaid expenditures	28,291
Reserved for landfill closure costs	632,871
Reserve for affordable housing	100,000
Unreserved/Undesignated	<u>10,812,915</u>
Total fund equity	<u>11,750,907</u>

Total Liabilities and Fund Equity	<u><u>\$ 14,031,166</u></u>
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See accompanying notes to financial statements.

**CITY OF SANFORD, FLORIDA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 12,404,385	\$ 12,676,403	\$ 272,018
Licenses and permits	674,006	850,702	176,696
Intergovernmental revenues	4,230,823	4,512,991	282,168
Charges for services	834,410	1,053,536	219,126
Fines and forfeitures	137,500	217,476	79,976
Contributions	25,250	26,945	1,695
Interest	421,300	582,638	161,338
Administrative services	564,022	756,321	192,299
Miscellaneous revenue	54,854	103,425	48,571
Total Revenues	<u>19,346,550</u>	<u>20,780,437</u>	<u>1,433,887</u>
Expenditures:			
General government:			
City Commission	603,812	394,236	209,576
City Manager	235,856	183,894	51,962
Legal	134,140	179,104	(44,964)
City Clerk	227,812	169,435	58,377
Finance	706,287	599,870	106,417
Personnel / EEO	469,634	415,744	53,890
Civil service	51,917	50,214	1,703
Licensing	123,104	79,983	43,121
Public employee relations	21,690	23,661	(1,971)
Engineering and planning	599,422	573,438	25,984
Data processing	283,706	221,721	61,985
Code Enforcement Board	206,586	180,708	25,878
Special programs	137,192	138,807	(1,615)
Public Safety:			
Police	6,372,942	5,806,531	566,411
Fire	3,528,849	3,426,348	102,501
Buildings, codes and zoning	266,852	228,851	38,001
Transportation:			
Public works	2,161,682	1,976,181	185,501
Human services:			
Public health	29,040	17,812	11,228
Culture / Recreation:			
Culture, recreation and parks	4,962,987	3,514,251	1,448,736
Contingencies	325,000	-	325,000
Total expenditures	<u>21,448,510</u>	<u>18,180,789</u>	<u>3,267,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,101,960)</u>	<u>2,599,648</u>	<u>4,701,608</u>
Other Financing Sources (Uses):			
Operating transfers in	657,579	524,925	(132,654)
Operating transfers out	(564,057)	(562,648)	1,409
Total Other Financing Sources (Uses):	<u>93,522</u>	<u>(37,723)</u>	<u>(131,245)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,008,438)</u>	<u>2,561,925</u>	<u>4,570,363</u>
Fund Balances, October 1, 1998	2,008,438	7,518,919	5,510,481
Residual equity transfer	-	1,670,063	1,670,063
Fund Balances, September 30, 1999	<u>\$ -</u>	<u>\$ 11,750,907</u>	<u>\$ 11,750,907</u>

See accompanying notes to financial statements.



CITY OF SANFORD, FLORIDA

SPECIAL REVENUE FUNDS

Special Revenue Funds account for 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:

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 roads.

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 crime fighting purposes.

Community Development Block Grant Fund:

Used to account for grants received by the City as subgrantee under the Small Cities Community Development Block Grant Program, which is administered by the State of Florida Department of Community Affairs. Grant proceeds are utilized to provide rehabilitation improvements to blighted areas of the City.

Other Grants Fund:

Used to account for grants received by the City as a subgrantee. Grant proceeds are utilized to provide rehabilitation improvements to blighted areas of the City.

Recreation Facilities Impact Fees Fund, Fire Public Safety Facilities Impact Fees Fund and Police Public Safety Facilities Impact Fees Fund:

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.

CITY OF SANFORD, FLORIDA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS

September 30, 1999

Assets	<u>Local Option Gas Tax</u>	<u>Law Enforcement Trust</u>	<u>Community Development Block Grant</u>
Cash and cash equivalents	\$ 615,559	\$ 297,501	\$ -
Due from other funds	-	-	19,929
Due from other governments	<u>88,274</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 703,833</u>	<u>\$ 297,501</u>	<u>\$ 19,929</u>
 Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 31,111	\$ 30,760	\$ 2,475
Due to other funds	-	-	-
Deferred revenues	-	-	17,454
Accrued compensated absences	-	-	-
Total liabilities	<u>31,111</u>	<u>30,760</u>	<u>19,929</u>
 Fund Equity:			
Fund Balances:			
Unreserved/Undesignated	<u>672,722</u>	<u>266,741</u>	<u>-</u>
Total fund equity	<u>672,722</u>	<u>266,741</u>	<u>-</u>
 Total Liabilities and Fund Equity	 <u>\$ 703,833</u>	 <u>\$ 297,501</u>	 <u>\$ 19,929</u>

See accompanying notes to financial statements.

<u>Other Grants</u>	<u>Recreation Facilities Impact Fees</u>	<u>Fire Public Safety Facilities Impact Fees</u>	<u>Police Public Safety Facilities Impact Fees</u>	<u>Total</u>
\$ -	\$ 408,683	\$ 129,339	\$ 622,893	\$ 2,073,975
9,616	-	-	-	29,545
101,676	-	-	-	189,950
<u>\$ 111,292</u>	<u>\$ 408,683</u>	<u>\$ 129,339</u>	<u>\$ 622,893</u>	<u>\$ 2,293,470</u>
\$ 47,239	\$ 280	\$ 59	\$ 92	\$ 112,016
44,182	-	-	-	44,182
-	-	-	-	17,454
708	-	-	-	708
<u>92,129</u>	<u>280</u>	<u>59</u>	<u>92</u>	<u>174,360</u>
19,163	408,403	129,280	622,801	2,119,110
<u>19,163</u>	<u>408,403</u>	<u>129,280</u>	<u>622,801</u>	<u>2,119,110</u>
<u>\$ 111,292</u>	<u>\$ 408,683</u>	<u>\$ 129,339</u>	<u>\$ 622,893</u>	<u>\$ 2,293,470</u>

CITY OF SANFORD, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES**

ALL SPECIAL REVENUE FUNDS

Year Ended September 30, 1999

	Local Option Gas Tax	Law Enforcement Trust	Community Development Block Grant
Revenues:			
Taxes	\$ 846,072	\$ -	\$ -
Intergovernmental revenues	-	2,383	47,436
Fines and forfeitures	-	165,901	-
Interest	43,681	11,687	-
Reimbursements	-	-	39,408
Impact Fees	-	-	-
Total Revenues	<u>889,753</u>	<u>179,971</u>	<u>86,844</u>
Expenditures:			
Public Safety	-	16,799	-
Transportation	1,173,083	-	-
Economic Environment	-	-	86,844
Total Expenditures	<u>1,173,083</u>	<u>16,799</u>	<u>86,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(283,330)</u>	<u>163,172</u>	<u>-</u>
Other Financing Sources (Uses):			
Operating transfers in	5,940	-	-
Operating transfers out	-	(128,100)	-
Total Other Financing Sources (Uses):	<u>5,940</u>	<u>(128,100)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(277,390)</u>	<u>35,072</u>	<u>-</u>
Fund Balances, October 1, 1998	<u>950,112</u>	<u>231,669</u>	<u>-</u>
Fund Balances, September 30, 1999	<u>\$ 672,722</u>	<u>\$ 266,741</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Other Grants	Recreation Facilities Impact Fees	Fire Public Safety Facilities Impact Fees	Police Public Safety Facilities Impact Fees	Total
\$ -	\$ -	\$ -	\$ -	\$ 846,072
665,013	-	-	-	714,832
-	-	-	-	165,901
-	19,954	5,671	31,345	112,338
-	-	-	-	39,408
-	157,007	43,494	114,559	315,060
<u>665,013</u>	<u>176,961</u>	<u>49,165</u>	<u>145,904</u>	<u>2,193,611</u>
-	-	-	-	16,799
-	-	-	-	1,173,083
705,913	-	-	-	792,757
<u>705,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,982,639</u>
<u>(40,900)</u>	<u>176,961</u>	<u>49,165</u>	<u>145,904</u>	<u>210,972</u>
60,063	-	-	-	66,003
-	(100,000)	(20,000)	(147,436)	(395,536)
<u>60,063</u>	<u>(100,000)</u>	<u>(20,000)</u>	<u>(147,436)</u>	<u>(329,533)</u>
19,163	76,961	29,165	(1,532)	(118,561)
-	331,442	100,115	624,333	2,237,671
<u>\$ 19,163</u>	<u>\$ 408,403</u>	<u>\$ 129,280</u>	<u>\$ 622,801</u>	<u>\$ 2,119,110</u>



CITY OF SANFORD, FLORIDA

ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has the following Enterprise Funds:

Water and Sewer Fund:

To account for the fiscal activities of the City's water and sewer treatment and distribution operations, as well as the funding and payment of related debt.

Solid Waste Fund:

To account for the revenues and expenses associated with the City's solid waste collection, recycling and disposal operations. The City closed the Solid Waste Fund during the fiscal year ended September 30, 1999.

Stormwater Fund:

To account for the operations of the City's Stormwater management utility.

CITY OF SANFORD, FLORIDA

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

September 30, 1999

Assets	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Totals</u>
Current Assets:			
Cash and cash equivalents	\$ 6,053,602	\$ 2,307,900	\$ 8,361,502
Accounts receivable, net	1,704,089	117,063	1,821,152
Allowance for estimated uncollectibles	(132,933)	(5,132)	(138,065)
Prepaid expenditures and other assets	10,369	-	10,369
Total current assets	<u>7,635,127</u>	<u>2,419,831</u>	<u>10,054,958</u>
Restricted Assets:			
Restricted cash and cash equivalents:			
Sinking Fund	5,662,852	-	5,662,852
Renewal and Replacement Fund	200,000	-	200,000
Operating Reserve Fund	492,604	-	492,604
Customer Deposits	713,099	-	713,099
Utility Trust Impact Fees	2,039,889	-	2,039,889
Total restricted assets	<u>9,108,444</u>	<u>-</u>	<u>9,108,444</u>
Property, Plant and Equipment:			
Land	4,567,058	152,616	4,719,674
Buildings and improvements	264,399	1,161	265,560
Water and sewer system	71,803,272	-	71,803,272
Stormwater management system	-	7,411,681	7,411,681
Equipment	3,283,755	1,041,181	4,324,936
	<u>79,918,484</u>	<u>8,606,639</u>	<u>88,525,123</u>
Less accumulated depreciation	(12,118,793)	(2,833,644)	(14,952,437)
	<u>67,799,691</u>	<u>5,772,995</u>	<u>73,572,686</u>
Construction in progress	2,526,111	5,698	2,531,809
Total property, plant and equipment	<u>70,325,802</u>	<u>5,778,693</u>	<u>76,104,495</u>
Other Assets:			
Unamortized bond costs	566,099	11,135	577,234
Irrigation rights	1,487,400	-	1,487,400
Total other assets	<u>2,053,499</u>	<u>11,135</u>	<u>2,064,634</u>
Total Assets	<u>\$ 89,122,872</u>	<u>\$ 8,209,659</u>	<u>\$ 97,332,531</u>

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINING BALANCE SHEET

ALL ENTERPRISE FUNDS

September 30, 1999

Liabilities and Fund Equity	Water and Sewer	Stormwater	Totals
Current Liabilities (payable from current assets):			
Accounts payable	\$ 353,757	\$ 7,538	\$ 361,295
Accrued liabilities	112,785	14,558	127,343
Accrued sick and vacation pay	21,750	2,212	23,962
Accrued interest payable	124,411	-	124,411
Deferred revenue	28,421	-	28,421
Due to other governments	1,336	-	1,336
Notes, loan and contracts payable, current	414,873	-	414,873
	<u>1,057,333</u>	<u>24,308</u>	<u>1,081,641</u>
Current Liabilities (payable from restricted assets):			
Customer deposits	713,099	-	713,099
	<u>713,099</u>	<u>-</u>	<u>713,099</u>
Other Liabilities:			
Accrued compensated absences	171,849	18,407	190,256
Notes, loan and contracts payable	6,555,763	-	6,555,763
Bonds payable	31,407,886	3,537,201	34,945,087
	<u>38,135,498</u>	<u>3,555,608</u>	<u>41,691,106</u>
Total liabilities	<u>39,905,930</u>	<u>3,579,916</u>	<u>43,485,846</u>
Fund Equity:			
Contributions	36,007,242	2,174,194	38,181,436
Retained Earnings:			
Reserve for renewal and replacement	200,000	-	200,000
Operating reserve	492,604	-	492,604
Unreserved	12,517,096	2,455,549	14,972,645
	<u>13,209,700</u>	<u>2,455,549</u>	<u>15,665,249</u>
Total fund equity	<u>49,216,942</u>	<u>4,629,743</u>	<u>53,846,685</u>
Total Liabilities and Fund Equity	<u>\$ 89,122,872</u>	<u>\$ 8,209,659</u>	<u>\$ 97,332,531</u>

CITY OF SANFORD, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS**

ALL ENTERPRISE FUNDS

Year Ended September 30, 1999

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 9,248,466	\$ 3,172,418	\$ 1,442,221	\$ 13,863,105
Operating Expenses:				
Personal services	3,258,861	403,814	416,937	4,079,612
Materials	1,847,451	83,000	141,603	2,072,054
Other services	760,674	2,423,728	186,091	3,370,493
Depreciation	1,425,057	42,582	251,719	1,719,358
Amortization	88,800	-	-	88,800
Total Operating Expenses	<u>7,380,843</u>	<u>2,953,124</u>	<u>996,350</u>	<u>11,330,317</u>
Operating Income	<u>1,867,623</u>	<u>219,294</u>	<u>445,871</u>	<u>2,532,788</u>
Non Operating Revenues (Expenses)				
Interest income	789,358	53,294	112,211	954,863
Gain (Loss) on sale of fixed assets	(9,120)	(25,575)	-	(34,695)
Other income	337,570	-	13,675	351,245
State grants	40,000	-	-	40,000
Interest expense	(1,964,099)	(608)	(149,032)	(2,113,739)
Amortization of debt costs	(118,596)	-	(725)	(119,321)
Total Non Operating Revenues (Expenses)	<u>(924,887)</u>	<u>27,111</u>	<u>(23,871)</u>	<u>(921,647)</u>
Income before operating transfers	<u>942,736</u>	<u>246,405</u>	<u>422,000</u>	<u>1,611,141</u>
Operating transfers				
Transfers to other funds	<u>(26,000)</u>	<u>(77,423)</u>	<u>(2,500)</u>	<u>(105,923)</u>
Net Income	916,736	168,982	419,500	1,505,218
Retained Earnings, October 1, 1998	12,292,964	713,582	2,036,049	15,042,595
Close Contributed Capital	-	200,264	-	200,264
Residual equity transfers:				
General Fund	-	(1,670,063)	-	(1,670,063)
Account Groups	-	587,235	-	587,235
Retained Earnings, September 30, 1999	<u>\$ 13,209,700</u>	<u>\$ -</u>	<u>\$ 2,455,549</u>	<u>\$ 15,665,249</u>

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINING STATEMENT OF CASH FLOWS

ALL ENTERPRISE FUNDS

Year Ended September 30, 1999

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 8,922,845	\$ 3,032,384	\$ 1,404,821	\$ 13,360,050
Cash payments to suppliers for goods and services	(2,508,106)	(2,227,985)	(627,230)	(5,363,321)
Cash payments to employees for services	(3,233,291)	(352,502)	(411,310)	(3,997,103)
Other revenues	469,170	-	13,675	482,845
Net cash provided by operating activities	<u>3,650,618</u>	<u>451,897</u>	<u>379,956</u>	<u>4,482,471</u>
Cash Flows from Noncapital Financing Activities:				
Decrease in due to other funds	(224,067)	(39,968)	(22,305)	(286,340)
Decrease in due from other funds	208,640	2,347	721	211,708
Transfers to other funds	(157,603)	(1,615,033)	(2,500)	(1,775,136)
Cash received to fund compensated absences	55,494	-	-	55,494
Increase in due to other governments	405	-	-	405
Decrease in advances from other funds	-	-	(830,641)	(830,641)
Net cash used by noncapital financing activities	<u>(117,131)</u>	<u>(1,652,654)</u>	<u>(854,725)</u>	<u>(2,624,510)</u>
Cash Flows from Capital and Related Financing Activities:				
Capital contributed by other governments and developers	2,829,114	-	-	2,829,114
Acquisition and construction of capital assets	(3,140,280)	-	(1,201,125)	(4,341,405)
Proceeds from sale of property, plant and equipment	(9,120)	422,739	-	413,619
Bond issuance costs	-	-	(11,859)	(11,859)
Proceeds from sale of bonds	-	-	3,653,500	3,653,500
Principal paid on revenue bonds	(755,000)	-	(116,299)	(871,299)
Principal paid on notes and capital lease obligation	(400,852)	-	-	(400,852)
Interest paid on revenue bonds, notes payable and capital lease obligations	<u>(1,970,858)</u>	<u>(608)</u>	<u>(149,032)</u>	<u>(2,120,498)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,446,996)</u>	<u>422,131</u>	<u>2,175,185</u>	<u>(849,680)</u>
Cash Flows from Investing Activities:				
Interest income	<u>789,358</u>	<u>53,294</u>	<u>112,211</u>	<u>954,863</u>
Net cash provided by investing activities	<u>789,358</u>	<u>53,294</u>	<u>112,211</u>	<u>954,863</u>
Net Increase (Decrease) in Cash and Cash Equivalents	875,849	(725,332)	1,812,627	1,963,144
Cash and Cash Equivalents at Beginning of Year	<u>14,286,197</u>	<u>725,332</u>	<u>495,273</u>	<u>15,506,802</u>
Cash and Cash Equivalents at End of Year	<u>\$ 15,162,046</u>	<u>\$ -</u>	<u>\$ 2,307,900</u>	<u>\$ 17,469,946</u>
Cash and Cash Equivalents Classified as:				
Current assets	\$ 6,053,602	\$ -	\$ 2,307,900	\$ 8,361,502
Restricted assets	<u>9,108,444</u>	<u>-</u>	<u>-</u>	<u>9,108,444</u>
	<u>\$ 15,162,046</u>	<u>\$ -</u>	<u>\$ 2,307,900</u>	<u>\$ 17,469,946</u>

(Continued on next page)

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINING STATEMENT OF CASH FLOWS-CONTINUED

ALL ENTERPRISE FUNDS

Year Ended September 30, 1999

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Income				
Operating Income	\$ 1,867,623	\$ 219,294	\$ 445,871	\$ 2,532,788
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,425,057	42,582	251,719	1,719,358
Amortization of irrigation rights	88,800	-	-	88,800
Decrease in provision for uncollectible accounts	(24,796)	(19,934)	(4,360)	(49,090)
Other non-operating income	469,170	-	13,675	482,845
Changes in assets and liabilities:				
Increase in accounts receivable	(297,936)	(37,381)	(33,040)	(368,357)
Increase in prepaid expenses	(10,369)	-	-	(10,369)
Increase (Decrease) in accounts payable	110,388	253,168	(299,536)	64,020
Increase in accrued liabilities	20,708	-	2,411	23,119
Decrease in deferred revenue	(56,224)	-	-	(56,224)
Increase (Decrease) in customer deposits	53,335	(57,144)	-	(3,809)
Increase in compensated absences	4,862	51,312	3,216	59,390
Total adjustments	1,782,995	232,603	(65,915)	1,949,683
Net Cash Provided by Operating Activities	\$ 3,650,618	\$ 451,897	\$ 379,956	\$ 4,482,471

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, or outside agencies. The City has the following Fiduciary Funds:

Cemetery Expendable Trust Fund:

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

Termination Benefit Reserve Expendable Trust Fund:

Funds set aside for the payment of retirement benefits to long-time employees.

Pension Trust Funds:

To account for the contributions, investments and payments for the Police Officers', Firefighters', and General Employees' Retirement Systems.

CITY OF SANFORD, FLORIDA
COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 September 30, 1999

Assets	Expendable Trust Funds		Pension Trust Funds			Total
	Cemetery	Termination Benefit Reserve	Police Officers' Retirement System	Firefighters' Retirement System	General Employees' Retirement System	
Cash and cash equivalents	\$ 383,131	\$ 195,101	\$ 114,439	\$ 89,750	\$ 34,711	\$ 817,132
Investments	-	-	18,498,297	11,845,878	476,256	30,820,431
Due from other funds	-	-	-	11,887	-	11,887
Total Assets	\$ 383,131	\$ 195,101	\$ 18,612,736	\$ 11,947,515	\$ 510,967	\$ 31,649,450
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 20,839	\$ 27,142	\$ 999	\$ 48,980
Total liabilities	-	-	20,839	27,142	999	48,980
Fund Equity:						
Net assets held in trust for pension benefits	-	-	18,591,897	11,920,373	509,968	31,022,238
Fund Balances:						
Reserved for cemetery perpetual care	383,131	-	-	-	-	383,131
Unreserved:						
Designated for payment of termination benefits	-	195,101	-	-	-	195,101
Total fund equity	383,131	195,101	18,591,897	11,920,373	509,968	31,600,470
Total Liabilities, Fund Equity and Other Credits	\$ 383,131	\$ 195,101	\$ 18,612,736	\$ 11,947,515	\$ 510,967	\$ 31,649,450

See accompanying notes to financial statements.
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CITY OF SANFORD, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES**

EXPENDABLE TRUST FUNDS

Year Ended September 30, 1999

	Cemetery	Termination Benefit Reserve	Total
Revenues:			
Interest income	\$ -	\$ 9,592	\$ 9,592
Sale of cemetery plots	31,575	-	31,575
Total revenues	31,575	9,592	41,167
Transfers (to)			
General fund	(50,200)	-	(50,200)
Total:	(50,200)	-	(50,200)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,625)	9,592	(9,033)
Fund Balances, October 1, 1998	401,756	185,509	587,265
Fund Balances, September 30, 1999	\$ 383,131	\$ 195,101	\$ 578,232

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINING STATEMENT OF PLAN NET ASSETS

PENSION TRUST FUNDS

September 30, 1999

	<u>Police Officers' Retirement System</u>	<u>Firefighters' Retirement System</u>	<u>General Employees' Retirement System</u>	<u>Total</u>
Assets:				
Cash and short-term investments	\$ 114,439	\$ 89,750	\$ 34,711	\$ 238,900
Investments, at fair value:				
Mutual funds investing in domestic stocks	9,010,727	5,766,242	241,663	15,018,632
Mutual funds investing in corporate and U.S. Treasury bonds	<u>9,487,570</u>	<u>6,079,636</u>	<u>234,593</u>	<u>15,801,799</u>
Total investments	<u>18,498,297</u>	<u>11,845,878</u>	<u>476,256</u>	<u>30,820,431</u>
Due from other funds	<u>-</u>	<u>11,887</u>	<u>-</u>	<u>11,887</u>
Total assets	<u>18,612,736</u>	<u>11,947,515</u>	<u>510,967</u>	<u>31,059,331</u>
Liabilities:				
Accounts payable	<u>20,839</u>	<u>27,142</u>	<u>999</u>	<u>48,980</u>
Total liabilities	<u>20,839</u>	<u>27,142</u>	<u>999</u>	<u>48,980</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 18,591,897</u>	<u>\$ 11,920,373</u>	<u>\$ 509,968</u>	<u>\$ 31,022,238</u>

See accompanying notes to financial statements.

CITY OF SANFORD, FLORIDA

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

PENSION TRUST FUNDS

Year Ended September 30, 1999

	Police Officers' Retirement System	Firefighters' Retirement System	General Employees' Retirement System	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Additions:				
Contributions:				
Employer	\$ 284,467	\$ 193,325	\$ 239,871	\$ 717,663
State	158,380	117,225	-	275,605
Plan members and others	163,134	127,003	-	290,137
Total contributions	<u>605,981</u>	<u>437,553</u>	<u>239,871</u>	<u>1,283,405</u>
Investment income:				
Net increase in fair value of investments	1,728,597	1,114,215	21,916	2,864,728
Interest	1,700	1,669	463	3,832
	<u>1,730,297</u>	<u>1,115,884</u>	<u>22,379</u>	<u>2,868,560</u>
Less investment expenses:				
Custodian fees and investment management fees	99,972	64,390	1,998	166,360
Net investment income	<u>1,630,325</u>	<u>1,051,494</u>	<u>20,381</u>	<u>2,702,200</u>
Total additions	<u>2,236,306</u>	<u>1,489,047</u>	<u>260,252</u>	<u>3,985,605</u>
Deductions:				
Benefits	640,683	639,195	-	1,279,878
Refunds of contributions	100,926	36,723	-	137,649
Other services and charges	21,404	13,706	3,525	38,635
Total deductions	<u>763,013</u>	<u>689,624</u>	<u>3,525</u>	<u>1,456,162</u>
Net increase	1,473,293	799,423	256,727	2,529,443
Net Assets Held in Trust for Pension Benefits:				
Beginning of year	<u>17,118,604</u>	<u>11,120,950</u>	<u>253,241</u>	<u>28,492,795</u>
End of year	<u>\$ 18,591,897</u>	<u>\$ 11,920,373</u>	<u>\$ 509,968</u>	<u>\$ 31,022,238</u>

See accompanying notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in proprietary fund types.

CITY OF SANFORD

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

September 30, 1999

General Fixed Assets:	
Land and paving	\$ 1,318,336
Building and improvements	14,977,854
Equipment	<u>11,070,086</u>
 Total General Fixed Assets	 <u>\$ 27,366,276</u>
Investment in General Fixed Assets From:	
General Fund	\$ 20,866,361
Special Revenue Funds	2,087,039
Capital Project Funds	4,411,576
Contributions/Donations	<u>1,300</u>
 Total Investment in General Fixed Assets	 <u>\$ 27,366,276</u>

CITY OF SANFORD, FLORIDA

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

September 30, 1999

<u>Function and Activity</u>	<u>Land</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
General Government:				
Legislative	\$ 470,000	\$ 100,053	\$ -	\$ 570,053
Executive	-	2,036,378	4,974	2,041,352
Finance and Administration	-	249,108	911,312	1,160,420
Economic Environment	2,580	66,033	15,844	84,457
Other	459,769	1,928	1,839,198	2,300,895
Public Safety:				
Police	16,117	1,302,009	4,095,344	5,413,470
Fire	100,104	666,447	1,709,811	2,476,362
Inspections	-	-	18,141	18,141
Public Works:				
Public Works	50,221	5,772,212	1,282,338	7,104,771
Parks/Recreation:				
Parks/Recreation	216,625	4,241,516	1,173,890	5,632,031
Libraries/Museum	<u>2,920</u>	<u>542,170</u>	<u>19,234</u>	<u>564,324</u>
	<u>\$ 1,318,336</u>	<u>\$ 14,977,854</u>	<u>\$ 11,070,086</u>	<u>\$ 27,366,276</u>

CITY OF SANFORD, FLORIDA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY

For the Year Ended September 30, 1999

<u>Function and Activity</u>	<u>General Fixed Assets September 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1999</u>
General Government:				
Legislative	\$ 570,053	\$ -	\$ -	\$ 570,053
Executive	2,041,352	-	-	2,041,352
Finance and Administration	1,151,576	30,349	21,505	1,160,420
Economic Environment	44,312	41,447	1,302	84,457
Other	2,295,590	37,584	32,279	2,300,895
Public Safety:				
Police	5,110,705	407,150	104,385	5,413,470
Fire	2,262,059	215,963	1,660	2,476,362
Inspections	12,399	5,742	-	18,141
Public Works:				
Public Works	5,820,785	1,353,932	69,946	7,104,771
Parks/Recreation:				
Parks/Recreation	4,714,325	974,588	56,882	5,632,031
Libraries/Museum	<u>536,338</u>	<u>27,986</u>	<u>-</u>	<u>564,324</u>
	<u>\$ 24,559,494</u>	<u>\$ 3,094,741</u>	<u>\$ 287,959</u>	<u>\$ 27,366,276</u>

CITY OF SANFORD, FLORIDA

STATISTICAL SECTION

Year Ended September 30, 1999

This section consists of tables and charts, which comprise the Statistical Section. It is designed to provide the reader with insights into the financial position of the City not readily apparent from the Financial Statements.

The following statistical tables recommended for inclusion by the Government Accounting Standards Board are not included for the reasons stated:

- A. Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years.

During the past ten years the City of Sanford had no general bonded indebtedness.

- B. Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years.

During the past ten years the City of Sanford had no general bonded indebtedness.

- C. Computation of Legal Debt Margin.

Neither the Constitution of the State of Florida, the Florida Statutes, nor the Charter of the City of Sanford sets a legal debt margin.

- D. Special Assessments Billing and Collections - Last Ten Fiscal Years.

During the past ten years the City of Sanford had no Special Assessment Debt.

The following statistical tables include the primary government only.

TABLE I

CITY OF SANFORD, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Transportation</u>	<u>Physical Environment</u>	<u>Economic Environment</u>	<u>Human Services</u>	<u>Culture/Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1990	\$ 1,632	\$ 6,647	\$ 2,544	\$ -	\$ 919	\$ 24	\$ 1,718	\$ 2,613	\$ 326	\$ 16,423
1991	1,584	6,885	2,819	-	481	41	1,488	386	440	14,124
1992	1,698	7,017	1,443	-	985	32	1,865	186	438	13,664
1993	2,693	7,106	2,719	52	448	17	2,184	435	649	16,303
1994	2,681	7,693	1,711	134	568	10	2,101	256	565	15,719
1995	2,281	7,650	1,622	48	471	13	2,070	6,936	940	22,031
1996	2,397	7,850	1,801	-	645	2	2,193	1,741	971	17,600
1997	2,426	7,971	1,906	-	950	9	2,264	1,280	971	17,777
1998	2,903	9,008	1,928	-	1,349	8	2,519	1,065	609	19,389
1999	3,101	8,850	1,884	-	793	18	2,513	3,005	387	20,551

(1) Includes General, Special Revenue and Debt Service Funds

CITY OF SANFORD, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous</u>	<u>Total</u>
1990	\$ 8,302	\$ 271	\$ 2,958	\$ 135	\$ 324	\$ 1,643	\$ 13,633
1991	8,531	330	2,591	157	282	1,318	13,209
1992	9,119	246	3,083	206	253	1,541	14,448
1993	9,265	346	3,236	407	852	1,387	15,493
1994	9,365	505	3,253	454	332	1,413	15,322
1995	9,794	697	3,322	611	330	1,700	16,454
1996	10,881	661	3,796	601	314	1,502	17,755
1997	12,143	752	4,059	661	253	1,598	19,466
1998	12,623	713	4,695	1,006	270	1,762	21,069
1999	13,522	851	5,228	1,053	383	1,967	23,004

(1) Includes General, Special Revenue and Debt Service Funds.

TABLE IIA

CITY OF SANFORD, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year	Property Taxes (1)	Local Option Gas and Use Taxes	Franchise Fees	Utility Services	Other Taxes	Total
1990	\$ 3,899	\$ 653	\$ 1,535	\$ 2,212	\$ 2	\$ 8,302
1991	4,119	660	1,516	2,230	6	8,531
1992	4,671	577	1,536	2,334	1	9,119
1993	4,745	535	1,513	2,467	6	9,265
1994	4,820	485	1,555	2,500	6	9,365
1995	5,213	451	1,552	2,567	11	9,794
1996	5,281	482	1,849	3,258	11	10,881
1997	6,243	570	1,901	3,414	15	12,143
1998	6,337	589	1,986	3,693	18	12,623
1999	6,492	846	2,315	3,858	11	13,522

(1) Includes General, Special Revenue and Debt Service Funds

Source: "Annual Financial Report of Units of Local Government"

CITY OF SANFORD, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Collections As % of Current Levy</u>
1989	1990	\$ 4,038,457	\$ 3,877,504	96.01%	\$ 21,902	\$ 3,899,406	96.56%
1990	1991	4,278,391	4,076,266	95.28%	42,541	4,118,807	96.27%
1991	1992	4,884,578	4,648,748	95.17%	21,985	4,670,733	95.62%
1992	1993	5,025,643	4,713,523	93.79%	31,021	4,744,544	94.41%
1993	1994	5,042,337	4,787,604	94.95%	31,905	4,819,509	95.58%
1994	1995	5,261,244	4,959,567	94.27%	199,265	5,158,832	98.05%
1995	1996	5,376,712	5,132,662	95.46%	61,807	5,194,469	96.61%
1996	1997	6,011,094	5,786,291	96.26%	46,104	5,832,395	97.03%
1997	1998	6,514,637	6,274,222	96.31%	62,933	6,337,155	97.28%
1998	1999	6,781,938	6,472,094	95.43%	19,775	6,491,869	95.72%

(1) Total assessed value times millage rate.

(2) Includes General Fund.

Source: "Annual Financial Report of Units of Local Government"

TABLE IV

CITY OF SANFORD, FLORIDA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Tax Year	Fiscal Year	Real Property		Personal Property		Centrally Assessed Property (2)		Total		Ratio of Total Assessed to Total Estimated Actual Value
		Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1989	1990	\$ 488,097	\$ 508,965	\$ 98,358	\$ 102,563	\$ 880	\$ 918	\$ 587,335	\$ 612,446	95.90%
1990	1991	515,916	531,872	105,410	108,670	904	932	622,230	641,474	97.00%
1991	1992	597,060	597,060	112,426	112,426	905	905	710,391	710,391	100.00%
1992	1993	614,453	614,453	115,532	115,532	922	922	730,907	730,907	100.00%
1993	1994	616,887	616,887	115,502	115,502	946	946	733,335	733,335	100.00%
1994	1995	649,068	649,068	122,366	122,366	1,160	1,160	772,594	772,594	100.00%
1995	1996	664,468	686,434	131,296	135,636	1,161	1,199	796,925	823,269	96.80%
1996	1997	771,712	797,223	159,142	164,403	1,002	1,035	931,856	962,661	96.80%
1997	1998	810,040	810,040	179,625	179,625	1,671	1,671	991,336	991,336	100.00%
1998	1999	860,728	877,399	193,660	197,411	1,357	1,383	1,055,745	1,076,193	98.10%

(1) Source "Certification of Taxable Value" as filed with the Seminole County Property Appraiser's Office.

(2) Centrally assessed property consists of railroad and telegraph systems assessed by the State of Florida.

CITY OF SANFORD, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1) (2)

LAST TEN FISCAL YEARS

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>City of Sanford</u>	<u>Seminole County</u>	<u>Seminole County School Board</u>	<u>Other</u>	<u>Total</u>
1989	1990	6.8759	4.5445	7.990	0.346	19.7564
1990	1991	6.8759	5.5343	10.169	0.358	22.9372
1991	1992	6.8759	5.6970	10.089	0.358	23.0199
1992	1993	6.8759	5.4197	10.071	0.358	22.7246
1993	1994	6.8759	5.3841	10.043	0.470	22.7730
1994	1995	6.8759	5.3622	10.093	0.482	22.8131
1995	1996	6.8759	5.3772	10.337	0.482	23.0721
1996	1997	6.8759	5.3889	10.3080	0.482	23.0548
1997	1998	6.8759	5.3625	10.0360	0.482	22.7564
1998	1999	6.8700	5.2813	9.9180	0.482	22.5513

(1) Source : Seminole County Tax Collector's Office
and City of Sanford Finance Department

(2) Rates are stated as an amount per \$1,000 of assessment value

TABLE VI

CITY OF SANFORD, FLORIDA

PRINCIPAL TAXPAYERS (1)

September 30, 1999

<u>Taxpayer Name</u>	<u>Business Name</u>	<u>Type of Business</u>	<u>1998 Assessed Value</u>	<u>1999 Assessed City Taxes</u>	<u>Percent of Total Assessed Taxes</u>
Seminole Towne Center, LP	Seminole Towne Center Mall	Shopping Center	\$ 99,487,451	\$ 676,515	9.33%
Southern Bell	Southern Bell	Telecommunications	27,736,995	188,612	2.60%
Fl Power & Light	Fl Power & Light	Utilities	18,401,295	125,129	1.73%
ZOM Gateway Plaza	Gateway Plaza	Shopping Center	15,023,770	102,223	1.41%
TWC Ninety-Five, Ltd.	Windchase Apartments	Apartments	14,720,380	100,099	1.38%
Kimco of Merritt Island, Inc.	Seminole Center	Shopping Center	14,162,782	96,307	1.33%
Central Florida Regional Hospital	Central Florida Regional Hospital	Hospital	12,115,064	82,382	1.14%
Columbia Medical Center	Columbia Medical Center	Medical Center	10,468,300	71,184	0.98%
Dillard Department Stores, Inc.	Dillards	Dept Store	9,147,470	62,203	0.86%
Placid Lake Association	Placid Lake Association	Land Development	8,999,090	61,194	0.84%

(1) Sources : Research conducted by the City of Sanford Finance Department from data supplied by the Seminole County Property Appraiser's Office. Does not necessarily reflect all highest or principal taxpayers.

CITY OF SANFORD, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

GENERAL OBLIGATION BONDS

September 30, 1999

<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 School District (1)	\$ 52,155,000	7.98%	\$ 4,161,969
Seminole County Government (2)	16,600,000	7.98%	<u>1,324,680</u>
Total Debt Overlapping			<u>\$ 5,486,649</u>

Sources:

(1) Seminole County School Board

(2) Seminole County Finance Department

TABLE VIII

CITY OF SANFORD, FLORIDA

REVENUE BOND COVERAGE

WATER AND SEWER BONDS

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues (1) (4)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Basic Covenant Coverage
				Principal	Interest	Total	
1990	\$ 6,463,976	\$ 4,069,526	\$ 2,394,450	\$ 250,000	\$ 1,481,070	\$ 1,731,070	1.383
1991	6,488,162	4,567,894	1,920,268	290,000	1,529,627	1,819,627	1.055
1992	7,050,036	4,789,387	2,260,649	245,000	1,999,423	2,244,423	1.007
1993	7,496,604	4,871,714	2,624,890	165,000	2,063,790	2,228,790	1.178
1994	8,337,961	5,077,452	3,260,509	620,000	1,843,918	2,463,918	1.323
1995	8,808,567	5,275,785	3,532,782	635,000	1,828,918	2,463,918	1.434
1996	9,362,738	5,539,924	3,822,817	665,000	1,803,131	2,468,131	1.549
1997	9,851,873	5,362,477	4,489,396	695,000	1,774,301	2,469,301	1.818
1998	9,874,955	5,911,245	3,963,710	725,000	1,742,480	2,467,480	1.606
1999	10,250,591	5,866,986	4,383,605	755,000	1,708,180	2,463,180	1.779

- (1) Gross revenues from water and sewer charges for services, plus interest income and service charges
- (2) Total operating expenses exclusive of depreciation and amortization of intangibles.
- (3) Includes principal and interest of revenue bonds only. Does not include debt defeasance transactions.
- (4) Does not include system development charges or pledged public service taxes which are allowable revenues to meet extended covenant requirements.

CITY OF SANFORD, FLORIDA

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population	School Enrollment (2)	Unemployment Rate (3)
1990	30,387 (1)	8,616	5.0%
1991	32,127 (4)	9,092	6.5%
1992	34,156 (1)	8,774	7.1%
1993	34,096 (1)	9,060	5.1%
1994	34,542 (1)	9,152	5.4%
1995	35,311 (1)	9,367	4.1%
1996	35,279 (1)	9,345	3.3%
1997	35,529 (1)	9,388	3.1%
1998	36,274 (1)	9,533	2.6%
1999	37,327 (1)	9,523	2.8%

- Sources :
- (1) University of Florida research, City of Sanford Engineering Department.
 - (2) Public schools are under the jurisdiction of the Seminole County School Board. This table reflects the enrollment for public schools within the Sanford city limits.
 - (3) Florida Department of Labor and Employment Security, Division of Employment Security, Bureau of Labor Market Information. Figures are for Seminole County.
 - (4) 1990 U.S. Census

TABLE X

CITY OF SANFORD, FLORIDA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year	Estimated Actual Value of Total Property (amount in thousands) (1)	Value of Construction Permits Issued (2)	Financial Institutions Deposits (amount in thousands) (3)
1990	\$ 612,446	\$ 20,672,738	\$ 2,405,258
1991	641,474	22,598,827	2,389,303
1992	710,391	16,657,067	2,328,137
1993	730,907	16,322,862	2,339,756
1994	733,335	41,776,621	2,403,008
1995	772,594	73,241,292	2,452,081
1996	823,269	49,669,055	2,058,040
1997	962,661	52,847,795	2,563,169
1998	991,336	60,347,667	2,638,247
1999	1,055,745	73,369,019	2,883,016

- Sources :
- (1) Seminole County Property Appraiser's Office.
 - (2) City of Sanford Building Department.
 - (3) Florida League of Financial Institutions & Florida Bankers Association

CITY OF SANFORD, FLORIDA

MISCELLANEOUS STATISTICS

September 30, 1999

Date of Incorporation	September 29, 1877
Form of Government	Commission - City Manager
Area	19.01 square miles
Miles of Streets	176.02 miles
Fire Protection :	
Number of Fire Stations	3
Number of Firefighters and Officers	60
Police Protection :	
Number of Stations	2
Number of Sworn Officers	96
Municipal Water System :	
Number of Customers	11,783
Average Daily Consumption	5.33 MGD
Plant Capacity - All Plants	16.5 MGD
Deep Wells	16
Number of Fire Hydrants	820
Municipal Sewer System :	
Number of Customers	10,870
Treatment Facility Capacity	7.3 MGD
Annual Average Flow	4.346 MGD
Municipal Stormwater System :	
Number of Customers	10,783
Building Permits Issued - FY 1998	3,679
Recreation and Culture :	
Number of Regional Parks	1
Number of Neighborhood Parks	35
Park Area - # of acres	353 acres
Number of Libraries / Museums	1
Number of Books	4,016
City Employees	416



CITY OF SANFORD, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 1999

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number/ Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of HUD:			
Passed through:			
Seminole County – Community Development Block Program:			
Community Development Block Grant	14.219	RFP233-95	\$ 3,163
SHIP, HOME Emergency Repair	14.219	RFP174-94	570
SHIP, HOME Emergency Repair	14.219	RFP204-94/95	25,240
Community Development Block Grant	14.219		41,446
Community Development Block Grant *	14.219		389,654
Community Development Block Grant	14.219		43,492
Community Development Block Grant	14.219		14,000
Community Development Block Grant	14.219		40,000
Community Development Block Grant	14.219		<u>41,920</u>
			<u>599,485</u>
State Department of Community Affairs:			
LIHEAP/Weatherization Enhancement	81.042	99LH-9A-06-69-02-032	55,549
LEHRP (LEHRP4)	81.042	98LE-62-06-69-02-03	45,137
Weatherization Assistance	81.042	99WX-9R-06-69-02-03	21,230
Low Income Home Energy Assist. Prog. *	81.042	98EA-9A-06-69-02-026	402,522
Low Income Home Energy Assist. Program	81.042	99EA-9A-06-69-02-026	<u>99,209</u>
			<u>623,647</u>
Total Department of HUD			<u>1,223,132</u>
U.S. Department of Agriculture:			
Passed through:			
State Department of Education:			
Summer Food Service Program	10.559		<u>3,770</u>
U.S. Department of Justice:			
Local Law Enforcement Block Grant	16.580	98-LB-VX-2200	80,183
Local Law Enforcement Block Grant	16.580	97-LB-VX-2200	74,596
Local Law Enforcement Block Grant	16.580	98-UM-WX-1989	87,187
Local Law Enforcement Block Grant	16.580		<u>14,701</u>
Total Department of Justice			<u>256,667</u>
Total Federal Assistance			<u>\$1,483,569</u>

* Indicates major program

NOTE: This schedule of expenditures of federal awards includes the federal grant activity of the City of Sanford, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

CITY OF SANFORD, FLORIDA

SCHEDULE OF FEDERAL GUARANTEED LOANS

Year Ended September 30, 1999

	<u>CFDA</u> <u>Number</u>	<u>Pass-through</u> <u>Grantor's Number</u>	<u>Balance</u> <u>September 30, 1999</u>
U.S. Environmental Protection Agency:			
Passed through:			
State Department of Environmental			
Protection:			
State Revolving Fund Loan	66.458	CS120-586150	\$1,073,431
State Revolving Fund Loan	66.458	CS120-586170	4,342,483
State Revolving Fund Loan	66.458	CS120-586190	385,747
State Revolving Fund Loan	66.458	CS120-586210	<u>1,168,975</u>
			<u>\$6,970,636</u>

CITY OF SANFORD, FLORIDA

SCHEDULE OF STATE GRANTS and AIDS APPROPRIATIONS

Year Ended September 30, 1999

<u>State Agency and Program Title</u>	<u>State Contract/ Grant Number</u>	<u>State Receipts</u>
Department of Community Affairs Grant State Planning Grant	99DRIG066902006	<u>\$10,000</u>



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIALS TATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, City Commissioners
and City Manager
City of Sanford, Florida

We have audited the financial statements of the City of Sanford, Florida (other than the Sanford Airport Authority) as of and for the year ended September 30, 1999, and have issued our report thereon dated December 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Sanford, Florida's (other than the Sanford Airport Authority) internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the City Commission, the Auditor General of the State of Florida and the respective Federal and State program officials and is not intended to be and should not be used by anyone other than these specified parties.

Professional Association
Certified Public Accountants
Sanford, Florida
December 15, 1999



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Honorable Mayor, City Commissioners
and City Manager
City of Sanford, Florida

Compliance

We have audited the compliance of the City of Sanford, Florida (other than the Sanford Airport Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1999. The City of Sanford, Florida's major federal programs are identified in the summary of auditors' findings section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Sanford, Florida's management. Our responsibility is to express an opinion on the City of Sanford, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 occurred. An audit includes examining, on a test basis, evidence about the City of Sanford, Florida'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 of Sanford, Florida's compliance with those requirements.

In our opinion, the City of Sanford, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1999.

Internal Control Over Compliance

The management of the City of Sanford, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Sanford, Florida's internal control (other than the Sanford Airport Authority) over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all of the matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, the City Commission, the Auditor General of the State of Florida and the respective Federal and State program officials and is not intended to be and should not be used by anyone other than these specified parties.

Professional Association
Certified Public Accountants
Sanford, Florida
December 15, 1999

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I Summary of Auditors' Findings

Financial Statements

1. We have audited the financial statements of the City of Sanford, Florida as of and for the year ended September 30, 1999 and issued an unqualified opinion dated December 15, 1999.
2. A. Material weaknesses identified? – No
B. Reportable conditions identified not considered to be material weaknesses? – None reported
3. The results of our audit tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Federal Awards

4. A. Material weaknesses identified? – No
B. Reportable conditions identified not considered to be material weaknesses? – None reported
5. Our report issued on compliance for major programs was unqualified.
6. Our audit did not disclose any audit findings which are required to be reported under Office of Management and Budget (OMB) circular A-133, Section .510(a).
7. Major programs identified on the Schedule of Expenditures of Federal Awards are as follows:

	<u>CFDA Number</u>
U.S. Department of HUD	
Community Development Block Grant	14.219
Low Income Home Energy Assistance Program	81.042

8. The threshold used to distinguish between Type A and Type B programs is \$300,000.
9. The City of Sanford, Florida qualified as a low-risk audit under provisions of OMB Circular A-133, Section .530.

**II Findings Related to The Financial Statements
Required to Be Reported Under
GOVERNMENT AUDITING STANDARDS**

NONE

III Findings and Questioned Costs for Federal Awards

NONE



MANAGEMENT COMMENTS

Honorable Mayor, City Commissioners
and City Manager
City of Sanford, Florida

We have audited the general-purpose financial statements and the combining and individual fund and account group financial statements (other than the financial statements of the Sanford Airport Authority) of City of Sanford, Florida as of and for the fiscal year ended September 30, 1999, and have issued our report thereon dated December 15, 1999.

We have issued our report on compliance and internal control dated December 15, 1999. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 government entity audits performed in the State of Florida and require that certain items be addressed in this letter.

As required by the rules of the Auditor General (Section 10.554(1)(e)(3), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency". In connection with our audit, nothing came to our attention that would indicate the City of Sanford, Florida is in a state of financial emergency as a consequence of the conditions described by Section 218.503(1), Florida Statutes.

This report is intended solely for the information and use of the management, the City Commission, the Auditor General of the State of Florida and the respective Federal and State program officials and is not intended to be and should not be used by anyone other than these specified parties.

Professional Association
Certified Public Accountants
Sanford, Florida
December 15, 1999

1. **STATUS OF PRIOR YEAR COMMENTS**

There were no prior year comments.

2. **ANNUAL REPORT UNDER FLORIDA STATUE 218.32**

We reviewed the City's financial report, as of September 30, 1999, required to be filed with the Department of Banking and Finance pursuant to Section 218.32(1)(b) of the Florida Statutes. This report was compared with the City's financial statements for the same period. No exceptions were noted during our review.

3. **COMPLIANCE WITH STATE REVOLVING LOAN FUND AGREEMENTS**

In connection with our audit, nothing came to our attention that caused us to believe that the City of Sanford, Florida was not in compliance with the terms, covenants, provisions or conditions of the following loan agreements insofar as they relate to accounting matters. Additionally, nothing came to our attention that would indicate that the City of Sanford, Florida would be unable to repay the loans. However, our audit was not directed primarily toward obtaining knowledge of such matters.

State Revolving Loan Fund CS 1205 86150
State Revolving Loan Fund CS 1205 86170
State Revolving Loan Fund CS 1205 86190
State Revolving Loan Fund CS 1205 86210

4. **LEGAL AUTHORITY**

The City of Sanford, Florida was incorporated in 1877 and is subject to Chapter 165, Florida Statutes.