



City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2012

CITY OF SANFORD, FLORIDA

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2012

(With Independent Auditors' Report Thereon)

Prepared by:
Department of Finance

SANFORD
FLORIDA
—1877—

CITY OF SANFORD, FLORIDA
Comprehensive Annual Financial Report
Year Ended September 30, 2012

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INTRODUCTORY SECTION:

This section contains the following subsections:

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



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CITY COMMISSION

JEFF TRIPLETT
MAYOR

MARK MCCARTY
DISTRICT 1

DR. VELMA H. WILLIAMS
DISTRICT 2

RANDY JONES
DISTRICT 3

PATTY MAHANY
DISTRICT 4, VICE MAYOR

CITY MANAGER
NORTON N. BONAPARTE, JR.

March 7, 2013

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

It is with great pleasure that we present the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. State law requires that all general-purpose local governments publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

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

The City's financial statements have been audited by Moore Stephens Lovelace, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the City

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

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

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

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

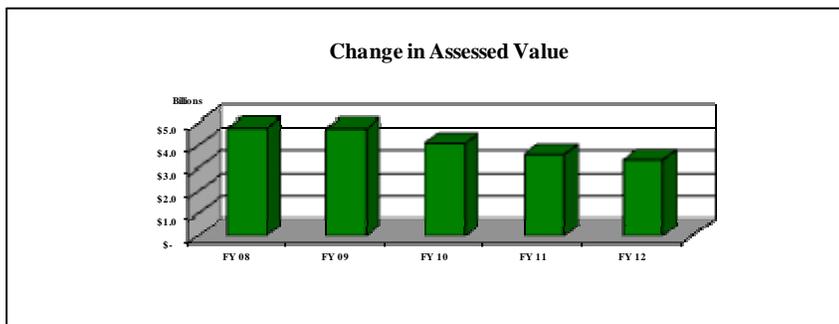
The City provides a full range of services. The City is also accountable for two legally separate component units: the Sanford Airport Authority and Community Redevelopment Agency, which are presented as discrete component units of the City. Additional information on these legally separate entities can be found in the notes to the financial statements. The annual budget serves as the foundation for the City of Sanford’s financial planning and control. The budget is developed by the City Manager who is required by the Charter to present the proposed budget to the City Commission for review on or before July 1. The City

Commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. Interim financial reports include budget-to-actual comparisons, current to prior year comparisons, and are generally issued quarterly. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

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

Local Economy. From FY 2006 to FY 2012, the City's assessed values increased from \$2.9 billion to just over \$3.3 billion. However, there was a decline from FY 2008 to FY 2012 of \$1.393 billion resulting in 29.21% loss of property tax revenue from 2008.



Major ad valorem taxpayers in the City include the Seminole Towne Center Regional Mall and Central Florida Regional Hospital. The City's population has continued to increase to its current estimate of 54,064, making it the largest city in Seminole County as well as the 46th largest city in the State of Florida, 25th in order of population change and 56th largest by percent change in population from 2000 to 2010. Population is a factor used in determining the City's distribution from the State Municipal Revenue Sharing Program.

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

Directly related to the economy has been a significant decline in annual state revenue sharing monies which are distributed to each city and county based on population. Fiscal year 2012 saw the second increase for a total of 6% since our downward decline starting with fiscal year 2007 of 19% loss of revenues from this revenue source.

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

- Lake Jessup & Lake Monroe Basin Management Action Plan.
- Disinfection By-Products Treatment.
- Continued improvements to parks, roads, sidewalks and drainage.
- Sanford Ave Utility Relocations.
- AMR Meter Replacements.
- City-wide stormwater drainage improvement project.
- Traffic Calming projects.

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

Relevant Financial Policies

The City Commission had established a reserve requirement for the General Fund to maintain at a minimum, unassigned fund balance equal to sixteen (16%) of the annual General Fund budget.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2011. This was the 23rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

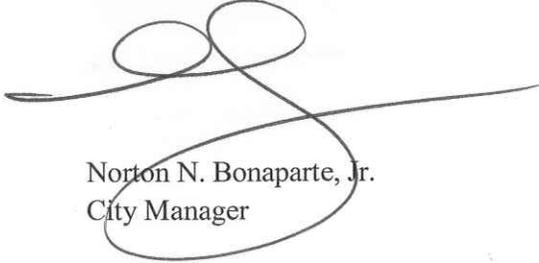
A Certificate of Achievement is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

Respectfully submitted,



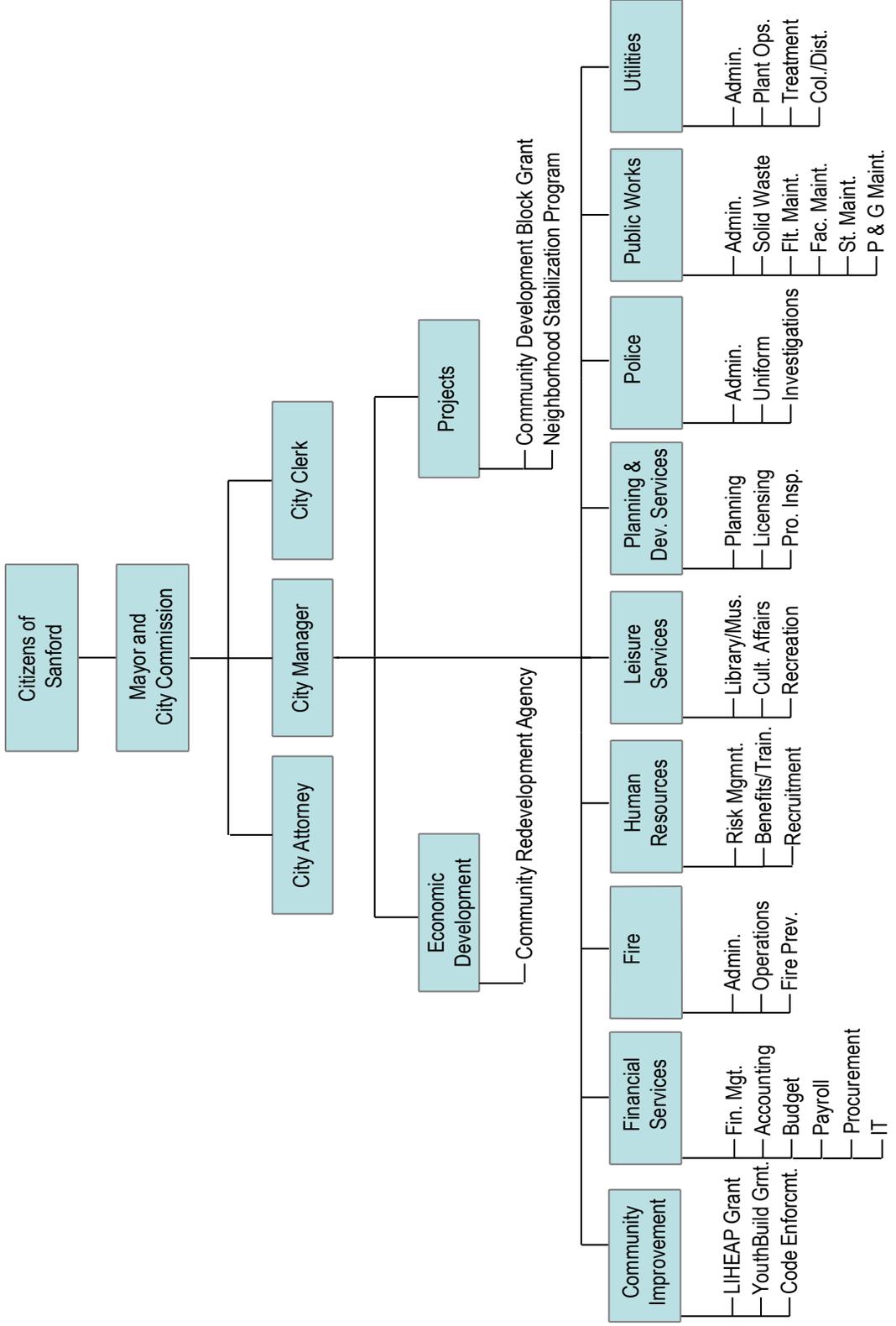
Norton N. Bonaparte, Jr.
City Manager



Cynthia Lindsay
Director of Finance

SANFORD
FLORIDA
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City of Sanford Organization Chart



SANFORD
FLORIDA
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CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

Year Ended September 30, 2012

MAYOR

Jeff Triplett

COMMISSIONERS

Mark McCarty

Velma H. Williams, Ph.D

Randy Jones

Patty Mahany

STAFF

Norton N. Bonaparte, Jr., City Manager

Thomas J. George, Deputy City Manager

Cynthia Lindsay, Director of Finance

Janet R. Dougherty, City Clerk

Darrel Presley, Director of Community Improvement

Nicholas McRay, Director of Economic Development

Russell L. Gibson, Director of Planning & Development Services

Fred Fosson, Director of Human Resources

William M. Kirby, Director of Leisure Services

Bilal Iftikhar, Interim Director of Public Works

Paul Moore, Director of Utilities

Richard Myers, Interim Police Chief

Gerard T. Ransom, Fire Chief

SANFORD
FLORIDA
—1877—

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sanford
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

SANFORD
FLORIDA
—1877—

FINANCIAL SECTION:

This section contains the following subsections:

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



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency (discretely presented component unit), each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sanford Airport Authority (the "Airport"), a discretely presented component unit of the City. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinions, insofar as they relate to the amounts included for the Airport, are based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency (discretely presented component unit), each major fund, and the aggregate remaining fund information of the City as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section, listed in the table of contents, are presented for additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 6, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

- At the close of fiscal year 2012, the City's assets exceeded its liabilities by \$268,236,341 (net assets). Of this amount, \$42,892,322 (unrestricted net assets) may be utilized to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2012, the City's total net assets increased by \$6,985,420 (or 2.67%).
- At the close of fiscal year 2012, the City's governmental funds reported combined ending fund balances of \$29,057,970, an increase of \$603,108 in comparison with the prior year. Approximately 54.81% or \$15,926,806 of the total amount is unassigned fund balance and is available for spending at the City's discretion. See page 18 for further details.
- The City's total debt decreased by \$4,219,265 during the current fiscal year. The key factors in this decrease were bond principal payments of (\$18,195,000), principal payments on the state revolving loan of (\$2,243,013), and capital lease payments of (\$222,708). These decreases were offset with increase in the principal of the state revolving loans of \$1,391,557, new capital lease of \$540,000, and a refunding note issued of \$15,050,000.

USING THIS ANNUAL REPORT

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The focus is on major funds, rather than fund types.

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

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community and economic development, planning and zoning, building permits, highways and streets, and parks and recreation. The business-type activities of the City consist of the water and sewer, solid waste, and stormwater systems.

The government-wide financial statements include the City of Sanford (known as the primary government) but also a legally separate community redevelopment agency and a legally separate airport authority, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-17 of this report.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund which is considered to be a major fund. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplementary information.

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

The basic governmental fund financial statements can be found on pages 18-21 of this report.

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

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 28-75 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension benefits to its employees. Required Supplementary Information can be found on pages 77-79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the current year, the City's assets exceeded liabilities by \$268,236,341.

The following table reflects the condensed Statement of Net Assets for the current year, as compared to the prior year. For more detailed information, see the Statement of Net Assets on pages 14-15.

Statement of Net Assets
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current assets	\$ 42,032,614	\$ 42,782,546	\$ 15,470,984	\$ 20,140,407	\$ 57,503,598	\$ 62,922,953
Restricted assets	2,400	8,555	8,488,277	9,361,615	8,490,677	9,370,170
Deferred charges	70,759	123,420	-	-	70,759	123,420
Net pension asset	29,683	28,699	-	-	29,683	28,699
Investment in Joint Venture	-	267,889	-	-	-	267,889
Capital assets	119,242,505	116,153,278	158,776,783	157,462,643	278,019,288	273,615,921
Total assets	161,377,961	159,364,387	182,736,044	186,964,665	344,114,005	346,329,052
Current liabilities	7,125,918	6,929,766	6,661,909	7,203,664	13,787,827	14,133,430
Long-term liabilities outstanding	18,844,033	17,784,974	49,155,866	46,174,307	67,999,899	63,959,281
Total liabilities	25,969,951	24,714,740	55,817,775	53,377,971	81,787,726	78,092,711
Net assets:						
Invested in capital assets, net of related debt	102,568,745	101,482,226	107,512,124	107,795,107	210,080,869	209,277,333
Restricted for capital improvement	6,546,967	5,671,190	-	-	6,546,967	5,671,190
Restricted for debt service	-	-	5,995,893	6,206,174	5,995,893	6,206,174
Restricted for other purposes	1,377,140	2,797,951	1,337,305	1,931,371	2,714,445	4,729,322
Unrestricted	24,915,158	24,698,280	12,072,947	17,654,042	36,988,105	42,352,322
Total net assets	\$ 135,408,010	\$ 134,649,647	\$ 126,918,269	\$ 133,586,694	\$ 262,326,279	\$ 268,236,341

The largest portion of the City's net assets (78%) are reflected in its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment) less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$16,606,686 of the City's net assets represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. Unrestricted net assets of \$42,352,322 may be used to meet the City's ongoing obligations to citizens and creditors.

At September 30, 2012, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Activities

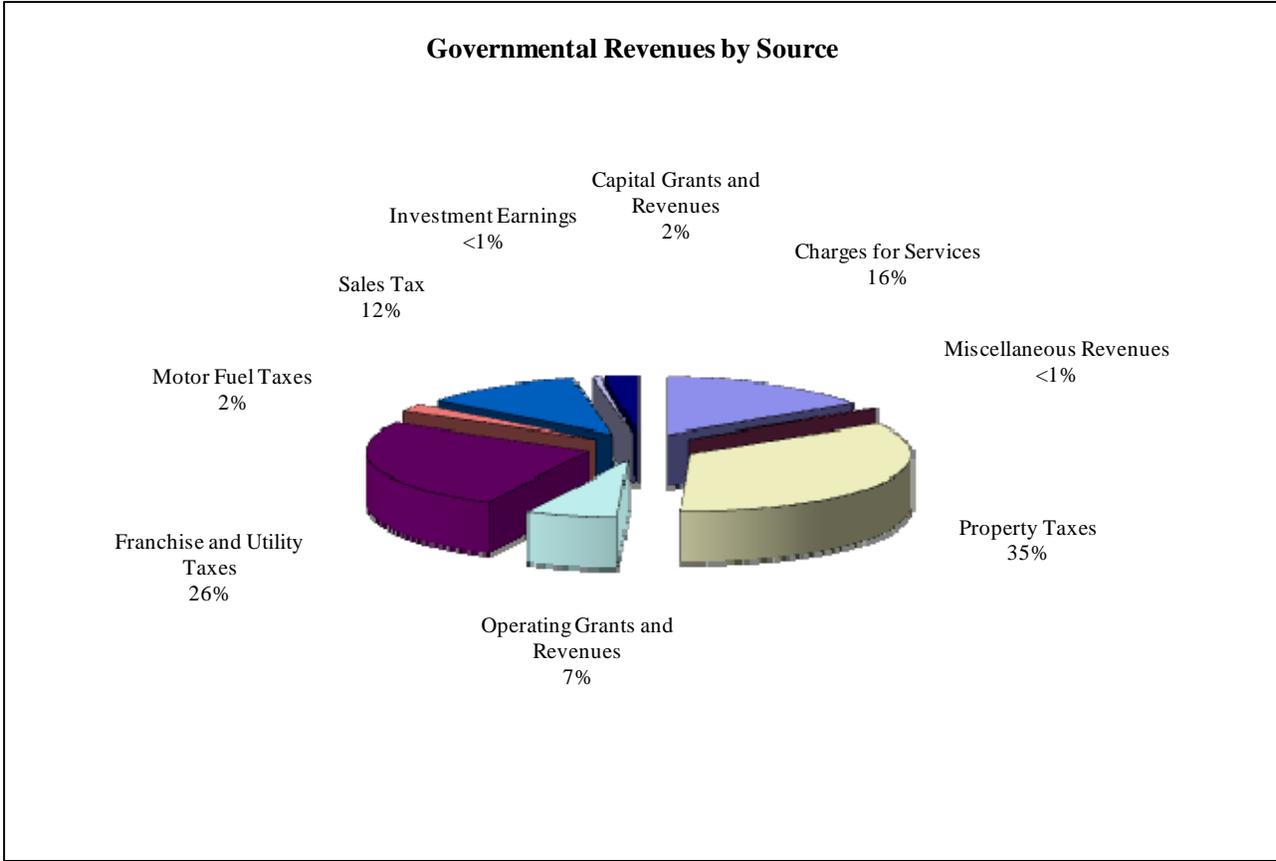
The following table reflects the condensed Statement of Activities for the current year, as compared to the prior year. For more detailed information, see the Statement of Activities on page 16.

	Changes in Net Assets					
	As of September 30,					
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,220,307	\$ 6,751,328	\$ 29,097,234	\$ 30,226,381	\$ 34,317,541	\$ 36,977,709
Operating grants and contributions	3,172,266	2,772,850	1,592,792	802,728	4,765,058	3,575,578
Capital grants and contributions	1,408,283	1,124,442	1,073,839	1,144,351	2,482,122	2,268,793
General revenues:						
Property taxes	15,502,491	14,955,982	-	-	15,502,491	14,955,982
Other taxes	18,819,646	17,083,170	-	-	18,819,646	17,083,170
Other	456,372	385,065	267,129	287,187	723,501	672,252
Total revenues	<u>44,579,365</u>	<u>43,072,837</u>	<u>32,030,994</u>	<u>32,460,647</u>	<u>76,610,359</u>	<u>75,533,484</u>
Expenses:						
General government	6,125,721	5,440,669	-	-	6,125,721	5,440,669
Public safety	22,854,335	24,434,739	-	-	22,854,335	24,434,739
Transportation	5,004,129	4,543,747	-	-	5,004,129	4,543,747
Physical environment	1,899,400	1,554,248	-	-	1,899,400	1,554,248
Economic environment	827,722	843,646	-	-	827,722	843,646
Human services	89,971	72,681	-	-	89,971	72,681
Culture/recreation	5,188,068	5,420,586	-	-	5,188,068	5,420,586
Interest & other on long-term debt	727,680	600,742	-	-	727,680	600,742
Water and sewer	-	-	16,584,748	17,832,210	16,584,748	17,832,210
Stormwater	-	-	2,573,953	2,703,731	2,573,953	2,703,731
Solid Waste	-	-	5,069,756	5,101,065	5,069,756	5,101,065
Total expenses	<u>42,717,026</u>	<u>42,911,058</u>	<u>24,228,457</u>	<u>25,637,006</u>	<u>66,945,483</u>	<u>68,548,064</u>
Increase (decrease) in net assets						
before transfers	1,862,339	161,779	7,802,537	6,823,641	9,664,876	6,985,420
Transfers	213,938	7,645	(213,938)	(7,645)	-	-
Change in net assets	<u>2,076,277</u>	<u>169,424</u>	<u>7,588,599</u>	<u>6,815,996</u>	<u>9,664,876</u>	<u>6,985,420</u>
Net assets - Beginning of year*	<u>133,331,733</u>	<u>134,480,223</u>	<u>119,329,670</u>	<u>126,770,698</u>	<u>252,661,403</u>	<u>261,250,921</u>
Net assets - End of year	<u>\$ 135,408,010</u>	<u>\$ 134,649,647</u>	<u>\$ 126,918,269</u>	<u>\$ 133,586,694</u>	<u>\$ 262,326,279</u>	<u>\$ 268,236,341</u>

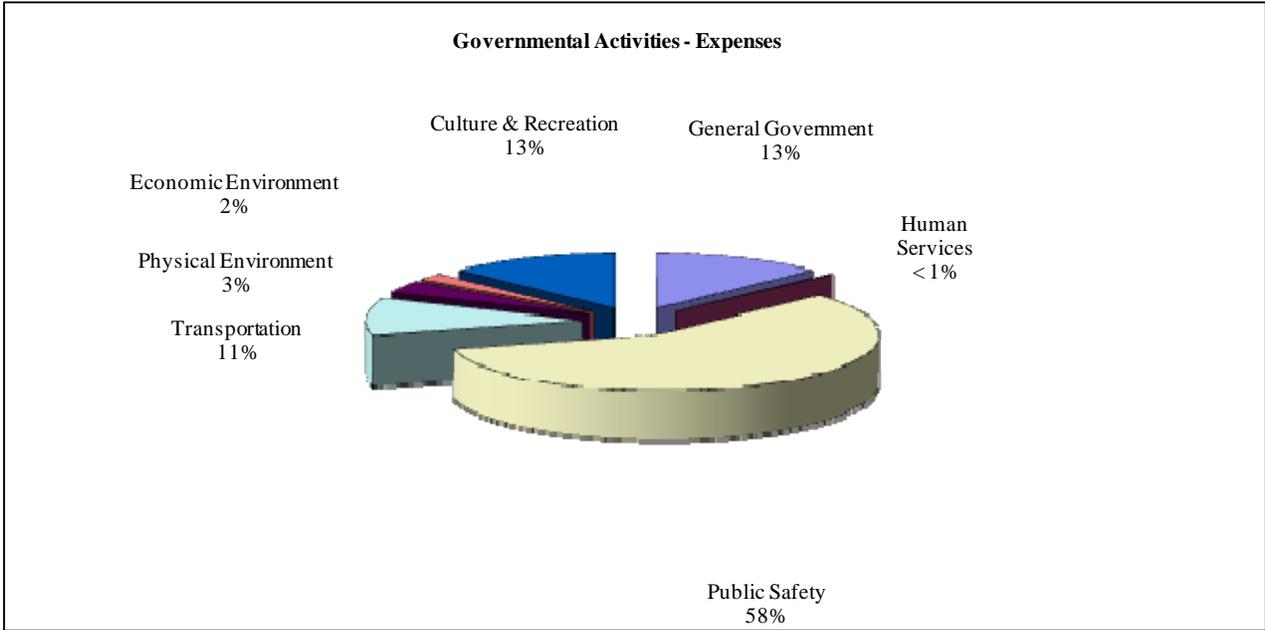
* October 1, 2011 Restated

Governmental activities

For the year ended September 30, 2012, governmental activities increased the City's net assets by \$169,424.



Property taxes, which comprised 35% of the City’s revenues, decreased by \$546,509; this decrease was due primarily to the drop of taxable value of property in the City.

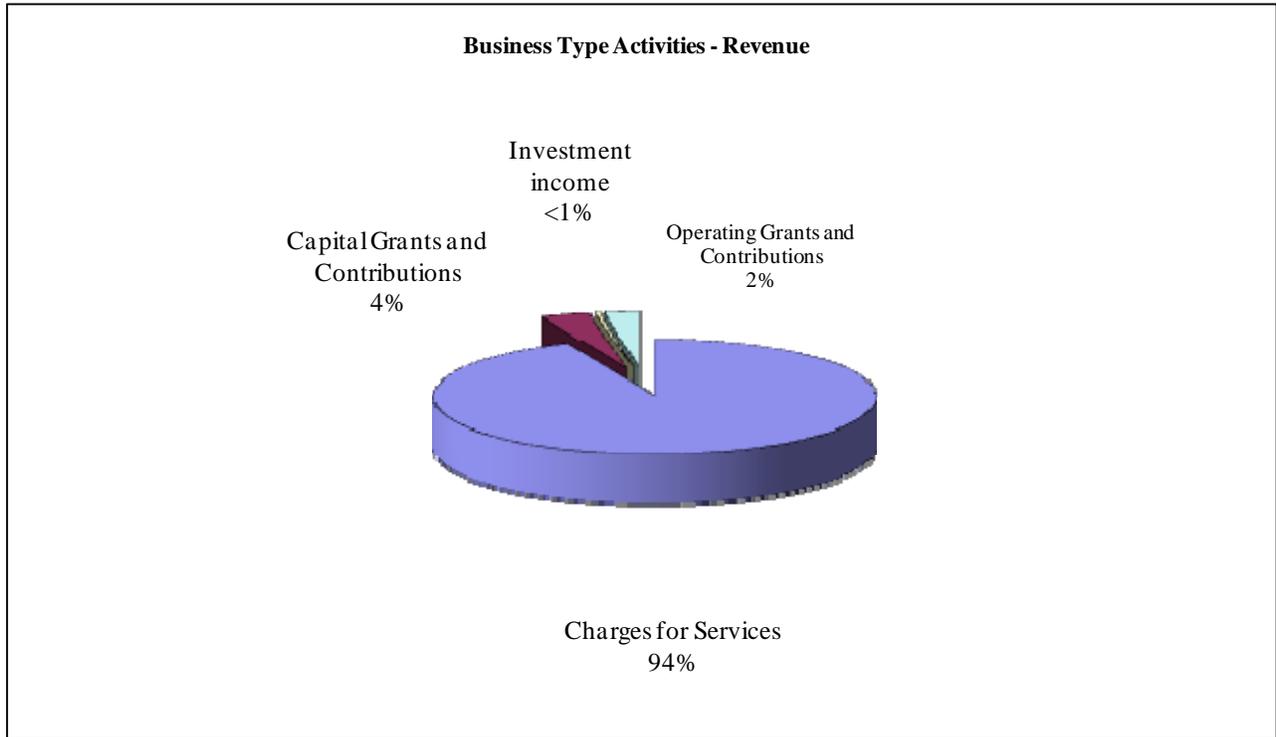


Overall, general government expenses increased this year. Total expenses were \$42,911,058, compared to \$42,717,026 the prior fiscal year; an increase of \$194,032 or .45%. Public safety expenses of \$24,434,739 comprised 58% of the total governmental activities expenses.

Business-type activities

Business-type activities increased the City’s net assets by \$6,815,996, thereby accounting for 98% of the total growth in the City’s net assets.

Charges for services of \$30,226,381 increased over the prior-year total of \$29,097,234 by \$1,129,147, or approximately 3.9%. This was due to rate increases offset by small decreases in consumption.



Financial Analysis of the City’s Funds

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

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

As of September 30, 2012, the City’s governmental funds reported combined ending fund balances of \$29,057,970, an increase of \$603,108 in comparison with the prior year. Approximately 55% of this total amount, \$15,926,806, constitutes unassigned fund balance, which is available for spending at the City’s discretion. \$2,867,173 is assigned for special revenue funds, capital project funds, debt service, and appropriations. The remainder of fund balance, \$10,263,991, is nonspendable, committed or restricted which indicates that it is not available for new spending because it has already been committed or restricted for a certain purpose.

The General Fund is the chief operating fund of the City. At September 30, 2012, the unassigned fund balance of the General Fund was \$16,097,776, while the total fund balance was \$17,859,092. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53.13% of total General Fund expenditures, while total fund balance represents 58.94% of that same amount.

The fund balance of the City's General Fund decreased by \$2,975 during the current fiscal year, primarily due to a concerted effort to cut operating expenditures, and thus eliminated the need to use fund balance to support capital replacements.

The total fund balance of all the nonmajor governmental funds is \$11,198,878. The net increase of \$606,083 is primarily due to the income of \$540,000 from the police vehicle lease not yet expended.

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

Unrestricted net assets of the Water and Sewer Utility Fund at September 30, 2012, amounted to \$10,871,213, the Stormwater Utility Fund amounted to \$5,290,463, and the Solid Waste Fund amounted to \$1,158,442. The change in net assets for all three funds was \$5,080,932, \$1,542,049 and \$233,113, respectively. Key elements of these changes were due to capital recovery fees to the Water and Sewer Utility Fund of \$1,144,351, and developer contributions totaling \$124,273, operating grants totaling \$802,728, rate increases in both the Water and Sewer Fund and the Stormwater Funds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget (\$38,951 increase in revenues and transfers and \$1,079,155 increase in appropriations and transfers) can be briefly summarized as follows:

Revenues:

- Increase in grant revenues \$9,900.
- Increase in interfund transfers \$9,035.
- Increase in tree mitigation revenues \$15,000.
- Increase in miscellaneous revenues \$5,016.

Expenditures:

- Transfers of \$118,997 to the Debt Service Fund, \$23,337 to the Capital Projects Fund, and \$456,321 to the Capital Replacement Fund and an increase in departmental operating budgets of \$475,256 and an increase in capital outlay of \$5,244.

Of the increases in expenditures, \$38,951 was offset by increased revenues and transfers. The remaining increased the use of reserves by \$1,040,204.

Differences between the final amended budget and actual (\$103,802 decrease in revenues and transfers and \$1,759,635 decrease in expenditures and transfers) can be briefly summarized as follows:

Revenues:

- Actual year-end revenues were under budget by .30%. The negative variance was attributed primarily to franchise fees (\$351,588), utility taxes (\$144,620), and miscellaneous revenues of (\$107,461).
- The negative variances were offset by increases in property taxes \$142,852, business taxes \$20,511, grant revenue \$25,804, charges for services \$205,725, investment income \$4,402, fines and forfeitures \$84,412, and proceeds from sale of property of \$16,161.

Expenditures:

- The most significant portion of the under-spending, \$1,171,573 was attributed to the positive variance in departmental salary accounts. The remainder of the variance, \$588,062, was spread throughout all the departments' operational budgets based on a desire to cut spending due to the downturn in the economy and for the anticipated drop in General Fund property tax revenues due to adverse state legislative action.

Capital Asset and Debt Administration

Capital assets. The City's total capital assets for its governmental and business-type activities as of September 30, 2012, amounted to \$273,615,921 (net of accumulated depreciation). This investment in capital assets included land, buildings, improvements, water and sewer transmission lines and facilities, infrastructure, and vehicles and equipment. The total decrease in the City's total capital assets for the current fiscal year was \$4,403,367 (a 2.59% decrease for governmental activities and a .83% decrease for business-type activities).

The decrease in capital assets was due to a change in capital threshold from \$1,000 to \$5,000 (\$6,632,444) and depreciation totaling (\$5,557,086) for a net impact of (\$1,075,358), depreciation totaling \$9,695,324 and was offset by increases mainly attributable to the following major capital projects beginning or continuing during the current fiscal year: Parks Operational Building, Goldsboro Trail, street rehabilitation, stormwater rehabilitation, reclaimed water line expansion, disinfection by product monitoring system, inflow/infiltration rehabilitation system, AMR Meter replacements, and water line replacements.

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

	Governmental Activities		Business-type Activities		Total	
	2011*	2012	2011*	2012	2011*	2012
Land	\$ 5,573,535	\$ 5,582,650	\$ 6,907,489	\$ 6,907,489	\$ 12,481,024	\$ 12,490,139
Buildings and improvements	44,747,250	42,764,865	29,511,400	28,852,977	74,258,650	71,617,842
Water/sewer transmission lines and facilities	-	-	98,414,766	100,381,974	98,414,766	100,381,974
Stormwater Mgt System	-	-	16,868,033	17,366,284	16,868,033	17,366,284
Machinery and equipment	6,006,550	3,249,827	2,209,013	1,826,919	8,215,563	5,076,746
Infrastructure	60,930,617	63,708,329	-	-	60,930,617	63,708,329
Irrigation rights	-	-	421,800	333,000	421,800	333,000
Construction in progress	1,056,766	847,607	4,296,711	1,794,000	5,353,477	2,641,607
Total	\$ 118,314,718	\$ 116,153,278	\$ 158,629,212	\$ 157,462,643	\$ 276,943,930	\$ 273,615,921

*Restated

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

Long-term debt. At September 30, 2012, the City had \$31,980,000 in bonded debt outstanding. Of this amount, \$14,375,000 related to Sales Tax Revenue Notes and \$17,605,000 related to Utility Revenue Bonds. In addition, the City had \$32,719,107 related to the State Revolving Fund Loan, \$505,349 related to the City's landfill, \$1,892,353 related to claims associated with risk management, and \$836,052 related to capital leases on equipment. Total debt issued increased by \$1,391,456 due to the issuance of state revolving loan proceeds, sales tax revenue bond refunding, and a new capital lease on police vehicles.

These increases were offset by a reduction in principal outstanding of \$3,145,000 in annual principal payments for the outstanding bond issues, \$222,708 in principal payments for the capital lease, and principal payments totaling \$2,243,013 on the state revolving loan.

Long-Term Debt
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Sales Tax Revenue Bonds 2008/12	\$ 16,155,000	\$ 14,375,000	\$ -	\$ -	\$ 16,155,000	\$ 14,375,000
Utility Revenue Refunding Bonds 2003	-	-	4,250,000	2,885,000	4,250,000	2,885,000
Utility Revenue Refunding Bonds 2010	-	-	14,720,000	14,720,000	14,720,000	14,720,000
Claims payable	2,126,468	1,892,353	-	-	2,126,468	1,892,353
Accrued clean-up and long-term care costs	520,211	505,349	-	-	520,211	505,349
State Revolving Loans	-	-	34,110,664	32,719,107	34,110,664	32,719,107
Capital Leases	518,760	836,052	-	-	518,760	836,052
Total	\$ 19,320,439	\$ 17,608,754	\$ 53,080,664	\$ 50,324,107	\$ 72,401,103	\$ 67,932,861

Additional information on the City's long-term liabilities can be found in Notes 7, 8 and 14 in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when adopting the fiscal year 2013 budget. Included was an estimated 2.93% decrease in projected revenues from property taxes. This shortfall was offset by a City-wide decrease in departmental expenditures. There was also a budgeted increase for utility taxes of \$210,742, licenses and permits of \$63,855, intergovernmental revenue of \$475,201, service charges of \$37,765, and judgments and fines of \$75,670 and a projected decrease of franchise fees of (\$456,850) and communication services tax (\$122,854).

As for the enterprise funds, the City implemented a rate increase for its Water and Sewer Fund as of October 1, 2012 in the amount of 9.5% for water and 7% for wastewater.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF SANFORD, FLORIDA

Statement of Net Assets

September 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Sanford CRA	Airport Authority
Assets					
Current assets:					
Cash and cash equivalents	\$ 8,219,867	\$ 5,049,785	\$ 13,269,652	\$ 313,411	\$ 3,977,061
Investments	25,961,408	8,871,955	34,833,363	1,000,000	-
Accounts receivable, net	1,982,408	4,825,447	6,807,855	44	412,633
Due from other governments	7,004,080	440,703	7,444,783	3,731	1,277,061
Internal balances	(936,924)	936,924	-	-	-
Inventories	183,040	-	183,040	-	-
Prepaid expenses	368,667	15,593	384,260	-	35,484
Total current assets	<u>42,782,546</u>	<u>20,140,407</u>	<u>62,922,953</u>	<u>1,317,186</u>	<u>5,702,239</u>
Noncurrent assets:					
Restricted assets					
Cash and cash equivalents	-	-	-	-	42,938
Investments	8,555	9,361,615	9,370,170	-	-
Deferred charges	123,420	-	123,420	-	-
Net pension asset	28,699	-	28,699	-	-
Investment in joint venture	267,889	-	267,889	-	-
Capital assets:					
Nondepreciable	6,430,257	8,701,489	15,131,746	342,195	57,332,627
Depreciable, net	109,723,021	148,761,154	258,484,175	6,712,529	115,386,546
Total noncurrent assets	<u>116,581,841</u>	<u>166,824,258</u>	<u>283,406,099</u>	<u>7,054,724</u>	<u>172,762,111</u>
Total assets	<u>159,364,387</u>	<u>186,964,665</u>	<u>346,329,052</u>	<u>8,371,910</u>	<u>178,464,350</u>
Deferred swap outflow	-	-	-	-	370,193
Total assets and other debits	<u>\$ 159,364,387</u>	<u>\$ 186,964,665</u>	<u>\$ 346,329,052</u>	<u>\$ 8,371,910</u>	<u>\$ 178,834,543</u>

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

(Continued)

CITY OF SANFORD, FLORIDA
Statement of Net Assets (Continued)
September 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Sanford CRA	Airport Authority
Liabilities					
Current liabilities:					
Accounts payable	\$ 1,620,813	\$ 1,202,352	\$ 2,823,165	\$ 147,794	\$ 1,527,818
Accrued liabilities	1,060,922	472,338	1,533,260	5,178	218,675
Unearned revenue	1,175,562	37	1,175,599	-	1,062,241
Liabilities payable from restricted assets	8,555	1,224,070	1,232,625	-	-
Landfill closure liability	14,863	-	14,863	-	-
Capital leases payable	249,540	-	249,540	-	-
Bonds payable	-	1,415,000	1,415,000	-	-
Claims payable	1,433,100	-	1,433,100	-	-
Notes payable	695,000	2,764,024	3,459,024	210,000	589,716
Compensated absences	671,411	125,843	797,254	-	-
Other	-	-	-	-	386,672
Total current liabilities	<u>6,929,766</u>	<u>7,203,664</u>	<u>14,133,430</u>	<u>362,972</u>	<u>3,785,122</u>
Noncurrent liabilities:					
Landfill closure liability	490,486	-	490,486	-	-
Capital leases payable	586,512	-	586,512	-	-
Bonds payable	-	15,533,429	15,533,429	-	-
Claims payable	459,253	-	459,253	-	-
Notes payable	13,680,000	29,955,083	43,635,083	431,807	9,612,696
Other post employment benefits	1,074,264	343,657	1,417,921	-	-
Compensated absences	1,494,459	342,138	1,836,597	-	-
Total noncurrent liabilities	<u>17,784,974</u>	<u>46,174,307</u>	<u>63,959,281</u>	<u>431,807</u>	<u>9,612,696</u>
Total liabilities	<u>24,714,740</u>	<u>53,377,971</u>	<u>78,092,711</u>	<u>794,779</u>	<u>13,397,818</u>
Net Assets					
Invested in capital assets, net of related debt	101,482,226	107,795,107	209,277,333	6,412,917	162,516,761
Restricted for:					
Capital projects	5,671,190	-	5,671,190	-	-
Debt service	-	6,206,174	6,206,174	-	-
Other purposes	2,797,951	1,931,371	4,729,322	-	42,938
Unrestricted	24,698,280	17,654,042	42,352,322	1,164,214	2,877,026
Total net assets	<u>134,649,647</u>	<u>133,586,694</u>	<u>268,236,341</u>	<u>7,577,131</u>	<u>165,436,725</u>
Total liabilities and net assets	<u>\$ 159,364,387</u>	<u>\$ 186,964,665</u>	<u>\$ 346,329,052</u>	<u>\$ 8,371,910</u>	<u>\$ 178,834,543</u>

CITY OF SANFORD, FLORIDA
Statement of Activities
For The Year Ended September 30, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental activities:				
General government	\$ 5,440,669	\$ 1,247,731	\$ 82,438	\$ -
Public safety	24,434,739	4,389,541	1,054,440	130,624
Transportation	4,543,747	70,470	8,970	42,815
Physical environment	1,554,248	13,136	-	-
Economic environment	843,646	-	1,211,322	-
Human services	72,681	-	415,680	-
Culture and recreation	5,420,586	1,030,450	-	951,003
Interest on long-term debt	600,742	-	-	-
Total governmental activities	<u>42,911,058</u>	<u>6,751,328</u>	<u>2,772,850</u>	<u>1,124,442</u>
Business-type activities:				
Water and sewer	17,832,210	20,859,273	633,106	1,144,351
Stormwater	2,703,731	4,032,900	169,622	-
Solid waste	5,101,065	5,334,208	-	-
Total business-type activities	<u>25,637,006</u>	<u>30,226,381</u>	<u>802,728</u>	<u>1,144,351</u>
Total primary government	<u>\$ 68,548,064</u>	<u>\$ 36,977,709</u>	<u>\$ 3,575,578</u>	<u>\$ 2,268,793</u>
Component units:				
Sanford CRA	\$ 875,219	\$ -	\$ -	\$ -
Airport Authority	15,497,551	12,319,322	-	24,918,476
Total component units	<u>\$ 16,372,770</u>	<u>\$ 12,319,322</u>	<u>\$ -</u>	<u>\$ 24,918,476</u>

General Revenues:
Property taxes
Franchise and utility taxes
Motor fuel taxes
Sales tax/state shared revenues
Investment earnings
Miscellaneous revenue
Special Item - extinguish debt
Transfers
Total general revenues and transfers
Change in net assets
Net Assets - Beginning (Restated)
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Sanford CRA	Airport Authority
\$ (4,110,500)	\$ -	\$ (4,110,500)	\$ -	\$ -
(18,860,134)	-	(18,860,134)	-	-
(4,421,492)	-	(4,421,492)	-	-
(1,541,112)	-	(1,541,112)	-	-
367,676	-	367,676	-	-
342,999	-	342,999	-	-
(3,439,133)	-	(3,439,133)	-	-
(600,742)	-	(600,742)	-	-
<u>(32,262,438)</u>	<u>-</u>	<u>(32,262,438)</u>	<u>-</u>	<u>-</u>
-	4,804,520	4,804,520	-	-
-	1,498,791	1,498,791	-	-
-	233,143	233,143	-	-
-	6,536,454	6,536,454	-	-
(32,262,438)	6,536,454	(25,725,984)	-	-
			(875,219)	-
			-	21,740,247
			<u>(875,219)</u>	<u>21,740,247</u>
14,955,982	-	14,955,982	1,014,246	-
11,127,445	-	11,127,445	-	-
947,652	12,697	960,349	-	-
5,008,073	-	5,008,073	-	-
235,905	122,415	358,320	8,637	3,766
149,160	152,075	301,235	-	8,129
-	-	-	1,100,000	23,742
7,645	(7,645)	-	-	-
<u>32,431,862</u>	<u>279,542</u>	<u>32,711,404</u>	<u>2,122,883</u>	<u>35,637</u>
169,424	6,815,996	6,985,420	1,247,664	21,775,884
134,480,223	126,770,698	261,250,921	6,329,467	143,660,841
\$ 134,649,647	\$ 133,586,694	\$ 268,236,341	\$ 7,577,131	\$ 165,436,725

CITY OF SANFORD, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 2,566,870	\$ 2,811,494	\$ 5,378,364
Investments	15,825,389	3,780,398	19,605,787
Accounts receivable, net	1,689,197	1,931	1,691,128
Due from other governments	692,808	6,311,272	7,004,080
Due from other funds	579,836	-	579,836
Inventories	183,040	-	183,040
Prepaid items	91,450	638	92,088
Restricted assets			
Investments	8,555	-	8,555
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 21,637,145</u>	<u>\$ 12,905,733</u>	<u>\$ 34,542,878</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 906,746	\$ 714,067	\$ 1,620,813
Accrued liabilities	1,013,206	47,716	1,060,922
Due to other funds	603,000	579,836	1,182,836
Unearned revenues	1,175,252	310	1,175,562
Deferred revenues	71,294	364,926	436,220
Liabilities payable from restricted assets	8,555	-	8,555
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,778,053</u>	<u>1,706,855</u>	<u>5,484,908</u>
Fund balances:			
Non spendable:			
Inventory	183,040	-	183,040
Prepaid items	91,450	638	92,088
Other	40,777	-	40,777
Restricted for:			
Debt covenants	-	540,000	540,000
Special revenue funds	-	9,046,438	9,046,438
Committed	-	361,648	361,648
Assigned for:			
Special revenue funds	-	52,204	52,204
Capital project funds	-	1,366,850	1,366,850
Debt service	-	2,070	2,070
Appropriations	1,066,000	-	1,066,000
Other	380,049	-	380,049
Unassigned	16,097,776	(170,970)	15,926,806
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>17,859,092</u>	<u>11,198,878</u>	<u>29,057,970</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 21,637,145</u>	<u>\$ 12,905,733</u>	<u>\$ 34,542,878</u>

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

CITY OF SANFORD, FLORIDA
Reconciliation of the Balance Sheet to
the Statement of Net Assets
September 30, 2012

Fund Balances - Total Governmental Funds (page 18)		\$ 29,057,970
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Investment in joint venture	\$ 267,889	
Governmental capital assets	195,532,290	
Less: Accumulated depreciation	<u>(79,379,012)</u>	116,421,167
<p>Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets</p>		
		7,538,706
<p>Net pension assets (obligations) are not recorded in the current period and therefore are not reported in the funds.</p>		
		28,699
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Governmental note payable	(14,375,000)	
Bond issuance costs	123,420	
Capital lease payable	(836,052)	
Landfill closure	(505,349)	
Compensated absences	<u>(2,165,870)</u>	(17,758,851)
<p>Some deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements</p>		
		436,220
<p>The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet.</p>		
		(1,074,264)
Net Assets of Governmental Activities (page 15)		<u><u>\$ 134,649,647</u></u>

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

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes:			
Property taxes	\$ 14,955,982	\$ -	\$ 14,955,982
Utility taxes	6,921,854	-	6,921,854
Business taxes	612,067	-	612,067
Permits and fees	4,327,571	1,365,055	5,692,626
Intergovernmental	4,721,569	5,289,543	10,011,112
Charges for services	2,289,591	-	2,289,591
Investment income	132,668	52,151	184,819
Fines and forfeitures	147,012	79,349	226,361
Service assessments	-	1,021,823	1,021,823
Miscellaneous	246,445	91,857	338,302
Total revenues	<u>34,354,759</u>	<u>7,899,778</u>	<u>42,254,537</u>
Expenditures			
Current:			
General government	3,067,595	1,804,980	4,872,575
Public safety	19,588,879	2,866,318	22,455,197
Transportation	875,824	1,189,036	2,064,860
Physical environment	1,757,214	-	1,757,214
Economic environment	842,934	-	842,934
Human services	60,907	-	60,907
Culture and recreation	4,095,447	209,704	4,305,151
Debt service:			
Principal	-	2,002,708	2,002,708
Interest and other fiscal charges	-	600,742	600,742
Capital outlay	12,886	3,259,224	3,272,110
Total expenditures	<u>30,301,686</u>	<u>11,932,712</u>	<u>42,234,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,053,073</u>	<u>(4,032,934)</u>	<u>20,139</u>
Other financing sources (uses)			
Capital leases	-	540,000	540,000
Transfers in	9,035	5,059,055	5,068,090
Transfers out	(4,096,244)	(964,201)	(5,060,445)
Issuance of refunding debt	-	15,050,000	15,050,000
Payment to refunded bond escrow agent	-	(15,050,000)	(15,050,000)
Proceeds from sale of property	31,161	4,163	35,324
Total other financing sources (uses)	<u>(4,056,048)</u>	<u>4,639,017</u>	<u>582,969</u>
Net change in fund balances	<u>(2,975)</u>	<u>606,083</u>	<u>603,108</u>
Fund balances			
Beginning of year	17,862,067	10,592,795	28,454,862
End of year	<u>\$ 17,859,092</u>	<u>\$ 11,198,878</u>	<u>\$ 29,057,970</u>

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

CITY OF SANFORD, FLORIDA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended September 30, 2012

Net Change in Fund Balances - Total Governmental Funds (page 20)		\$ 603,108
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	\$ 3,402,476	
Less: Current year depreciation	<u>(5,478,580)</u>	(2,076,104)
<p>In the Statement of Activities, only the "gain" on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(128,111)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(178,955)
<p>Proceeds from issuance of long-term debt are reported in the governmental funds as revenues. Such proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Assets.</p>		
Capital lease	(540,000)	
Note proceeds	<u>(15,050,000)</u>	(15,590,000)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
Principal payments		2,002,708
Payment to refunded bond escrow agent		15,050,000
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of these items.</p>		
		52,662
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in long-term compensated absences	(107,959)	
Change in long-term gasification/landfill	253,027	
Change in net pension obligation	28,699	
Change in post employment benefits obligation	<u>(542,178)</u>	(368,411)
<p>Contributions of capital assets are not reported as revenues in the governmental funds.</p>		
		42,815
<p>Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		759,712
Change in Net Assets of Governmental Activities (page 17)		<u>\$ 169,424</u>

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

CITY OF SANFORD, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Water/Sewer	Stormwater	Solid Waste	Total	
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,424,776	\$ -	\$ 625,009	\$ 5,049,785	\$ 2,841,503
Investments	3,623,819	5,248,136	-	8,871,955	6,355,621
Accounts receivable, net	3,652,058	233,915	939,474	4,825,447	-
Insurance receivable	-	-	-	-	291,280
Due from other governments	425,861	802	14,040	440,703	-
Due from other funds	603,000	-	-	603,000	-
Prepays	15,188	405	-	15,593	276,579
Total current assets	<u>12,744,702</u>	<u>5,483,258</u>	<u>1,578,523</u>	<u>19,806,483</u>	<u>9,764,983</u>
Noncurrent assets:					
Restricted assets:					
Investments	9,079,162	171,115	111,338	9,361,615	-
Total restricted assets	<u>9,079,162</u>	<u>171,115</u>	<u>111,338</u>	<u>9,361,615</u>	<u>-</u>
Capital assets:					
Nondepreciable	6,852,366	1,849,123	-	8,701,489	-
Depreciable, net	130,945,774	17,812,245	3,135	148,761,154	138,167
Total noncurrent assets	<u>146,877,302</u>	<u>19,832,483</u>	<u>114,473</u>	<u>166,824,258</u>	<u>138,167</u>
Total assets	<u>159,622,004</u>	<u>25,315,741</u>	<u>1,692,996</u>	<u>186,630,741</u>	<u>9,903,150</u>
Liabilities and net assets					
Current liabilities:					
Accounts payable	751,755	40,489	410,108	1,202,352	-
Accrued liabilities	383,139	85,635	3,564	472,338	-
Compensated absences	121,367	4,369	107	125,843	-
Unearned revenues	37	-	-	37	-
Claims payable	-	-	-	-	1,433,100
Bonds payable	1,415,000	-	-	1,415,000	-
Loans payable	2,438,413	325,611	-	2,764,024	-
Payable from restricted assets	1,112,732	-	111,338	1,224,070	-
Total current liabilities	<u>6,222,443</u>	<u>456,104</u>	<u>525,117</u>	<u>7,203,664</u>	<u>1,433,100</u>
Noncurrent liabilities:					
Bonds payable	16,190,000	-	-	16,190,000	-
Less: unamortized bond discount	(656,571)	-	-	(656,571)	-
Other post employment benefits	283,224	54,827	5,606	343,657	-
Compensated absences	333,967	7,475	696	342,138	-
Claims payable	-	-	-	-	459,253
Loans payable	23,733,801	6,221,282	-	29,955,083	-
Total noncurrent liabilities	<u>39,884,421</u>	<u>6,283,584</u>	<u>6,302</u>	<u>46,174,307</u>	<u>459,253</u>
Total liabilities	<u>46,106,864</u>	<u>6,739,688</u>	<u>531,419</u>	<u>53,377,971</u>	<u>1,892,353</u>
Net assets:					
Invested in capital assets, net of related debt	94,677,497	13,114,475	3,135	107,795,107	138,167
Restricted for debt service	6,035,059	171,115	-	6,206,174	-
Restricted for renewal and replacement	1,931,371	-	-	1,931,371	-
Unrestricted	10,871,213	5,290,463	1,158,442	17,320,118	7,872,630
Total net assets	<u>\$ 113,515,140</u>	<u>\$ 18,576,053</u>	<u>\$ 1,161,577</u>	<u>133,252,770</u>	<u>\$ 8,010,797</u>

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

	333,924
Net assets of business-type activities	<u>\$ 133,586,694</u>

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

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Water/Sewer	Stormwater	Solid Waste	Total	
Operating revenues					
Charges for sales/services	\$ 20,859,273	\$ 4,032,900	\$ 5,334,208	\$ 30,226,381	\$ -
Other revenue	159,847	4,927	-	164,774	5,842,960
Total operating revenues	<u>21,019,120</u>	<u>4,037,827</u>	<u>5,334,208</u>	<u>30,391,155</u>	<u>5,842,960</u>
Operating expenses					
Cost of sales/services	5,245,949	970,095	4,991,304	11,207,348	5,057,195
Administration	7,278,848	916,804	105,131	8,300,783	-
Depreciation and amortization	3,821,432	595,444	4,702	4,421,578	4,128
OPEB obligation	142,921	28,301	2,830	174,052	-
Total operating expenses	<u>16,489,150</u>	<u>2,510,644</u>	<u>5,103,967</u>	<u>24,103,761</u>	<u>5,061,323</u>
Operating income	<u>4,529,970</u>	<u>1,527,183</u>	<u>230,241</u>	<u>6,287,394</u>	<u>781,637</u>
Nonoperating revenues (expenses)					
Investment income	89,698	28,351	4,366	122,415	64,216
Interest expense	(1,434,211)	(183,107)	(104)	(1,617,422)	-
Operating grant	633,106	169,622	-	802,728	-
Capital recovery fees	1,144,351	-	-	1,144,351	-
Total nonoperating revenues (expenses)	<u>432,944</u>	<u>14,866</u>	<u>4,262</u>	<u>452,072</u>	<u>64,216</u>
Income before contributions	4,962,914	1,542,049	234,503	6,739,466	845,853
Capital contributions	124,273	-	-	124,273	-
Transfers out	<u>(6,255)</u>	<u>-</u>	<u>(1,390)</u>	<u>(7,645)</u>	<u>-</u>
Change in net assets	5,080,932	1,542,049	233,113	6,856,094	845,853
Total net assets - beginning (Restated)	<u>108,434,208</u>	<u>17,034,004</u>	<u>928,464</u>		<u>7,164,944</u>
Total net assets - ending	<u>\$ 113,515,140</u>	<u>\$ 18,576,053</u>	<u>\$ 1,161,577</u>		<u>\$ 8,010,797</u>

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

	(40,098)
Change in net assets of business-type activities	\$ 6,815,996

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

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water/Sewer	Stormwater	Solid Waste	Total	
Cash flows from operating activities:					
Receipts from customers and users	\$ 21,326,563	\$ 4,190,938	\$ 5,207,221	\$ 30,724,722	\$ 5,675,815
Payments to suppliers	(5,570,827)	(686,491)	(4,833,574)	(11,090,892)	(5,264,402)
Payments to employees	(5,650,540)	(936,833)	(101,403)	(6,688,776)	(1,263)
Payments for interfund services used	(1,182,784)	(425,871)	(157,369)	(1,766,024)	-
Net cash provided by operating activities	<u>8,922,412</u>	<u>2,141,743</u>	<u>114,875</u>	<u>11,179,030</u>	<u>410,150</u>
Cash flows from noncapital financing activities:					
Operating grant receipts	633,106	169,622	-	802,728	-
Transfers to other funds	(6,255)	-	(1,390)	(7,645)	-
Net cash provided (used) by noncapital financing activities	<u>626,851</u>	<u>169,622</u>	<u>(1,390)</u>	<u>795,083</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Repayment of notes payable	(1,967,849)	(321,442)	-	(2,289,291)	-
Principal paid on capital debt	(1,365,000)	-	-	(1,365,000)	-
Capital debt issuance costs	(185,191)	(8,869)	-	(194,060)	-
Interest paid	(1,434,211)	(183,107)	(104)	(1,617,422)	-
Proceeds of note payable	1,036,647	8,869	-	1,045,516	-
Purchase of capital assets	(2,048,235)	(881,873)	-	(2,930,108)	(130,366)
Capital contributions	1,144,351	-	-	1,144,351	-
Proceeds from sales of capital assets	4,424	660	-	5,084	-
Net cash used in capital and related financing activities	<u>(4,815,064)</u>	<u>(1,385,762)</u>	<u>(104)</u>	<u>(6,200,930)</u>	<u>(130,366)</u>
Cash flows from investing activities:					
Investment income earned on operating funds	89,698	28,351	4,366	122,415	64,216
Net cash provided by investing activities	<u>89,698</u>	<u>28,351</u>	<u>4,366</u>	<u>122,415</u>	<u>64,216</u>
Net increase in cash and cash equivalents	4,823,897	953,954	117,747	5,895,598	344,000
Cash and cash equivalents at beginning of year	<u>12,303,860</u>	<u>4,465,297</u>	<u>618,600</u>	<u>17,387,757</u>	<u>8,853,124</u>
Cash and cash equivalents at end of year	<u>\$ 17,127,757</u>	<u>\$ 5,419,251</u>	<u>\$ 736,347</u>	<u>\$ 23,283,355</u>	<u>\$ 9,197,124</u>
Reconciliation to cash and pooled investments per Statement of Net Assets:					
Cash	\$ 4,424,776	\$ -	\$ 625,009	\$ 5,049,785	\$ 2,841,503
Investments	3,623,819	5,248,136	-	8,871,955	6,355,621
Restricted investments, noncurrent	9,079,162	171,115	111,338	9,361,615	-
	<u>\$ 17,127,757</u>	<u>\$ 5,419,251</u>	<u>\$ 736,347</u>	<u>\$ 23,283,355</u>	<u>\$ 9,197,124</u>

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

(Continued)

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds (Continued)
For The Year Ended September 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water/Sewer</u>	<u>Stormwater</u>	<u>Solid Waste</u>	<u>Total</u>	
Reconciliation of operating loss to net cash provided by operating activities:					
Operating income	\$ 4,529,970	\$ 1,527,183	\$ 230,241	\$ 6,287,394	\$ 781,637
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	3,531,772	590,593	4,702	4,127,067	4,128
Amortization	289,660	4,851	-	294,511	-
Changes in assets and liabilities:					
Accounts receivable	(595,193)	(74,067)	(138,260)	(807,520)	(167,145)
Due from other governments	880,480	227,178	8,854	1,116,512	-
Prepays	4,152	(405)	-	3,747	25,645
Customer deposits	22,225	-	2,419	24,644	-
Accounts payable	158,269	(149,115)	4,807	13,961	(234,115)
Retainage payable	-	(8,559)	-	(8,559)	-
Accrued liabilities	(41,569)	(4,217)	(718)	(46,504)	-
OPEB obligation	142,920	28,301	2,830	174,051	-
Due to other governments	(206)	-	-	(206)	-
Deferred revenue	(68)	-	-	(68)	-
Net cash provided by operating activities	<u>\$ 8,922,412</u>	<u>\$ 2,141,743</u>	<u>\$ 114,875</u>	<u>\$ 11,179,030</u>	<u>\$ 410,150</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets from developers	\$ 124,273	\$ -	\$ -	\$ 124,273	\$ -
Decrease in fair value of investments	(40,119)	(13,252)	(2,023)	(55,394)	(11,115)
Capitalized interest on capital debt	21,920	-	-	21,920	-

CITY OF SANFORD, FLORIDA
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2012

	<u>Total Employee Retirement Funds</u>
Assets	
Cash and short-term investments	\$ 2,734,347
Accounts receivable	195
Prepaid Expenses	3,567
Investments, at fair value:	
US Government Securities	7,205,797
Bonds	5,786,977
Mutual funds	7,183,085
Common stocks	26,850,038
Total investments	<u>47,025,897</u>
 Total assets	 <u>49,764,006</u>
Liabilities and net assets	
Liabilities	<u>91,789</u>
Net assets	
Held in trust for pension benefits	<u><u>\$ 49,672,217</u></u>

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

CITY OF SANFORD, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For The Year Ended September 30, 2012

	<u>Total Employee Retirement Funds</u>
Additions	
Contributions:	
City	\$ 3,136,234
Employee	596,842
Total contributions	<u>3,733,076</u>
Investment earnings (losses):	
Interest & Dividends	1,096,575
Net increase in fair value of investments	6,928,005
Investment expenses	<u>(303,416)</u>
Net investment earnings	<u>7,721,164</u>
Total additions	<u>11,454,240</u>
Deductions	
Benefit payments	2,638,770
Refund of contributions	134,718
Administrative expenses	<u>108,799</u>
Total deductions	<u>2,882,287</u>
Change in net assets	8,571,953
Net assets - beginning of year	<u>41,100,264</u>
Net assets - end of year	<u>\$ 49,672,217</u>

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity’s financial statements should allow users to distinguish between the primary government (the “City”) and its component units. However, some component units, because of the closeness of their relationships with the City, should be blended as if they were part of the City. Otherwise, most component units should be discretely presented. To accomplish this goal, the City’s financial statements present the fund types of the City and provides an overview of the discretely presented component units in separate columns.

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

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

Discretely Presented Component Units

The Sanford Airport Authority - The Sanford Airport Authority (the “Airport Authority”) was established under Florida Statutes, Chapter 71-924, and Resolution No. 1315 of the City Commission. The City Commission appoints all members of the Board of Directors of the Airport Authority and approves the Airport Authority’s annual operating budget, as well as any budget adjustments or amendments. Separate financial statements of the Airport Authority can be obtained from the Airport Authority, 1200 Red Cleveland Boulevard, Sanford, FL 32773.

The City of Sanford Community Redevelopment Agency - The City of Sanford Community Redevelopment Agency (the “Sanford CRA”) pursuant to Section 163.356, Florida Statutes, was established by City Ordinance No. 3282 and County Ordinance No. 95-R-246. The Sanford CRA was established to enhance selected areas of

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

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

The Sanford CRA is comprised of a five-member board. Three members are nominated and appointed by the City Commission, and two members are nominated by the Board of County Commissioners of Seminole County and appointed by the City Commission. The Sanford CRA's financial records are presented as a discrete component unit of the City. Financial records are maintained by the City. Separate financial statements are not prepared for the Sanford CRA.

Joint Venture

The City of Sanford participates in a joint venture known as SanGroup, LLC, formed for the purpose to acquire, hold, lease and maintain the Christian Prison Ministry (CPM) Property until completion of the remediation of contamination on the site from a gasification plant, sell or otherwise dispose of the CPM Property, unless the Advisory Committee otherwise determines, and to do such other things and engage in any other activities that the members determine to be necessary, convenient, or incidental to any of the foregoing purposes. The members of the joint venture are Atlanta Gas Light Company, Florida Power & Light Company, Florida Power Corporation, and the City of Sanford with interests of 23.6032%, 16.3374%, 45.0482%, and 15.0112% respectively. The joint venture's Advisory Committee is composed of one representative from each member organization and has voting rights equal to their interests. The City of Sanford has an equity interest in the net assets of the joint venture. This interest has been reported using the equity method of accounting. Separate financial statements for this joint venture are available from SanGroup, LLC. At September 30, 2012, this joint venture had total assets of \$2,351,547, total liabilities of \$566,950 and total net assets of \$1,784,597.

B. Fund Accounting

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 61 days of when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental fund:

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

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

The City reports the following major proprietary funds:

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

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Additionally, the City reports the following funds:

The *Internal Service Fund* is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The

City has one (1) Internal Service Fund used to account for the City's risk management activities. This fund is accounted for on the accrual basis of accounting.

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When both assigned and unassigned resources are available for use, it is the City's policy to use assigned resources first, then unassigned resources, as they are needed by using committed, assigned, and then unassigned balances respectively.

D. GASB Statement No. 20 Election

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

E. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased are considered to be cash equivalents. The City presents all investments at fair value.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Receivables

(1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Seminole County Property Appraiser (the "Property Appraiser") and Seminole County Tax Collector (the "Tax Collector"). The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate up to ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2012 was 6.825 mills.

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

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

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

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

G. Inventories

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

H. Prepaids

Prepaids represent payments made to vendors for services that will benefit beyond September 30, 2012.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Capital Assets

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

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

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

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

J. Compensated Absences

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

K. Unamortized Bond Issuance Costs

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

L. Unamortized Bond Discounts

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

M. Deferred and Unearned Revenues

Deferred revenues presented on applicable governmental fund financial statements represent unearned revenues, or revenues which are measurable but not available, primarily related to a lease deposit for which

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

M. Deferred and Unearned Revenues (Continued)

revenue is recognized over the term of the lease. The deferred revenues, which consists mainly of grant revenues not received during the City's availability period, will be recognized as revenue in the fiscal year they are earned or become available. Unearned revenue presented on the government-wide and proprietary fund financial statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of the lease deposit.

N. Post Employment Benefits Other than Pensions

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

O. Encumbrances

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

General Fund	\$ 294,472
CDBG Fund	45,000
Law Enforcement Trust Fund	1,000
Second Generation Sales Tax Fund	237,264
LOGT Fund	7,697
Capital Projects Fund	133,821
Capital Replacement Fund	644,399
	<u>\$ 1,363,653</u>

P. Net Assets and Fund Balance

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

- *Invested in capital assets, net of related debt* – This category groups all capital assets including infrastructure into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, or laws and regulations of other governments.
- *Unrestricted net assets* – This category presents the net assets of the City, not restricted for any purpose.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

P. Net Assets and Fund Balance (Continued)

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

Q. Minimum Fund Balance Policy

The City Commission has informally set policy to provide for a 16% minimum fund balance policy for the General Fund based on budgeted expenditures; this amount is currently reported as unassigned and totals \$5,970,648 of the 2013 adopted budget.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

- (1) On or before July 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of a resolution.
- (4) Formal budgetary integration is employed as a management control device during the year for all funds which have a legally adopted budget, including the General Fund, Police Education Fund, Law Enforcement Trust Fund, Local Option Gas Tax Fund, Second Generation Sales Tax Fund, Building Inspection Fund, ARRA Grant Fund, CDBG Grant Fund, NSP Grant Fund, LIHEAP Grant Fund, Youthbuild Grant Fund, Cemetery Fund, Recreation Facilities Impact Fees Fund, Fire Public Safety Facilities Impact Fees, Police Public Safety Facilities Impact Fees, Debt Service Fund, Water and Sewer Fund, Solid Waste Fund, and Stormwater Fund. The City does not prepare a budget for the Premium Tax Trust Fund.
- (5) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- (6) The City Manager is authorized by the City Commission to transfer budgeted funds within and/or between functions and/or departments. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation among programs within and/or between functions and/or departments. The classification detail at which expenditures may not legally exceed appropriations is at the fund level.
- (7) 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, Year Ended September 30, 2012

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

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

(9) For the year ended September 30, 2012, expenditures exceeded appropriations in the Debt Service Fund by \$15,050,000. This over expenditure was funded by the Sales Tax Refunding Revenue Note, Series 2012 of \$15,050,000 that was issued to refund the Sales Tax Revenue Bonds, Series 2008.

B. Deficit Fund Equity

The LIHEAP, CDBG, NSP, and Youthbuild Grant Funds had deficit fund balances of \$48,760, \$60,684, \$57,391, and \$3,989 respectively, as of September 30, 2012. The grant fund deficits are due to timing issues, and the City will be reimbursed by the appropriate parties in 2013.

Note 3 - Deposits and Investments

The carrying amount (which approximates fair value) of the City's deposits and investments as of September 30, 2012 is as follows:

	Carrying Amount
Primary Government	
Pension Funds:	
Cash	\$ 139,186
Money Market Funds	2,595,162
Mutual funds investing in common stocks and mutual funds	34,003,123
Mutual funds investing in corporate and U.S. Treasury bonds	13,022,773
Total pension funds	49,760,244
Governmental and Business-type Activities:	
Local Government Surplus Funds Trust Fund	7,126,447
Investments	44,203,533
Demand Deposits	6,143,205
Total governmental and business-type activities	57,473,185
Total Primary Government	\$ 107,233,429
Component Unit - Airport Authority	
Local Government Surplus Funds Trust Fund	632,622
Demand Deposits	3,387,377
Total Component Unit - Airport Authority	\$ 4,019,999
Component Unit - Sanford CRA	
Investments	1,000,000
Demand Deposits	313,411
Total Component Unit - Sanford CRA	\$ 1,313,411
Classified as:	
Cash and cash equivalents	20,294,472
Investments	82,859,259
Restricted cash and cash equivalents	42,938
Restricted investments	9,370,170
	\$ 112,566,839

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 3 - Deposits and Investments (Continued)

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

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

Investments - The City Charter, Florida Statutes, and bond resolutions authorize the City to invest in direct obligations of the United States of America, obligations of federal agencies and instrumentalities of the United States of America, certificates of deposit, money market mutual funds, and the Florida State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund. Such investments are stated at amortized cost, which approximates fair value, and are not rated as to credit quality. Investments other than the Local Government Surplus Funds Trust Fund are stated at fair value.

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

Governmental and Business-type Activities Investments

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

As of September 30, 2012, the City's Governmental, Business-type and CRA investment portfolio is composed of the following investments:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)	
				Less Than 1	1 - 5
Pooled Interest Bearing Checking Account	Cash	NR*	\$ 6,456,616	\$ 6,456,616	\$ -
Money Market Savings	Cash	NR*	509,638	509,638	-
State Board of Administration	LGIP	AAAm	7,126,447	7,126,447	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	25,781,512	4,633,941	21,147,571
Government Agency Bonds	Fixed Income	Aaa	16,616,371	2,909,717	13,706,654
Corporate Debt	Fixed Income	Aaa	2,107,579	1,979,504	128,075
Total Portfolio			<u>\$ 58,598,163</u>	<u>\$ 23,615,863</u>	<u>\$ 34,982,300</u>

* Not Rated

As of September 30, 2012 the carrying amount of investments includes accrued interest of \$102,471.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 3 - Deposits and Investments (Continued)

Governmental and Business-type Activities Investments (Continued)

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

Cash and Investments - Statement of Net Assets:	
Cash and Cash Equivalents	\$ 13,583,063
Investments	35,833,363
Restricted Assets:	
Investments	9,370,170
Total Cash and Investments	58,786,596
Accrued Interest	(102,471)
Common Stock	(85,962)
Total Portfolio	\$ 58,598,163

Investment income for the year ended September 30, 2012 consisted of the following:

	Other		
	General Fund	Governmental Funds	Proprietary Funds
Interest income	\$ 191,494	\$ 35,732	\$ 253,140
Net increase (decrease) in fair value of investments	(58,826)	16,419	(66,509)
	\$ 132,668	\$ 52,151	\$ 186,631

Defined-Benefit Pension Plan Investments

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

The City manages its interest rate risk exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten years. Investment guidelines limit cash and cash equivalents to U.S. Government obligations, certificates of deposit, and repurchase agreements with major money center banks, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's. Equity securities are limited to issues of U.S. corporations with a rating by a major rating service in one of the three highest classifications, limited to fifty percent (50%) of the fund's assets overall for the police officers and fifty-five percent (55%) for the firefighters, and limited to five percent (5%) of the equity portfolio value invested in any single corporation.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 3 - Deposits and Investments (Continued)

Defined-Benefit Pension Plan Investments (Continued)

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

Defined-Benefit Pension Plan investments were as follows at September 30, 2012:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)			
				Less Than 1	1 - 5	6 - 10	More than 10
Police Pension:							
Cash and Receivables	Cash	NR*	\$ 50,300	\$ 50,300	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,601,704	1,601,704	-	-	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	897,927	-	100,508	151,377	646,042
U.S. Treasury Bonds/Notes	Fixed Income	NR*	434,480	209,813	224,667	-	-
Government Agency Bonds	Fixed Income	Aaa	497,761	-	497,761	-	-
GNMA, FNMA, FHLMC Pools	Fixed Income	NR*	2,151,602	-	-	146,677	2,004,925
Corporate CMOs and REMICS	Fixed Income	Aaa	852,547	-	852,547	-	-
Corporate CMOs and REMICS	Fixed Income	NR*	518,860	-	200,652	318,208	-
CMOs and REMICS	Fixed Income	NR*	639,499	-	-	575,468	64,031
Corporate Debt	Fixed Income	A2	247,944	-	-	247,944	-
Corporate Debt	Fixed Income	A1	130,131	-	-	130,131	-
Corporate Debt	Fixed Income	A3	107,301	-	107,301	-	-
Corporate Debt	Fixed Income	Aa3	48,835	-	48,835	-	-
Total Police Pension			8,178,891	1,861,817	2,032,271	1,569,805	2,714,998
Firefighters' Pension:							
Cash and Receivables	Cash	NR*	88,886	88,886	-	-	-
Money Market Funds	Money Market	NR*	993,458	993,458	-	-	-
U.S. Treasury Obligations	Fixed Income	Aaa	193,324	-	-	-	193,324
Government Agency Bonds	Fixed Income	A2	508,650	-	508,650	-	-
GNMA, FNMA, FHLMC Pools	Fixed Income	NR*	2,522,052	-	-	285,191	2,236,861
Corporate Debt	Fixed Income	A1	310,154	-	-	310,154	-
Corporate Debt	Fixed Income	A2	916,086	-	-	916,086	-
Corporate Debt	Fixed Income	A3	1,289,202	-	-	1,289,202	-
Corporate Debt	Fixed Income	Baa1	318,597	-	-	318,597	-
Corporate Debt	Fixed Income	Baa2	437,821	-	-	437,821	-
Total Firefighters' Pension			7,578,230	1,082,344	508,650	3,557,051	2,430,185
Total Pension Investments			\$ 15,757,121	\$ 2,944,161	\$ 2,540,921	\$ 5,126,856	\$ 5,145,183

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 3 - Deposits and Investments (Continued)

Investment Risk

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

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

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 4 - Restricted Cash and Cash Equivalents, and Investments

Certain funds have cash and cash equivalents that are restricted either by bond resolutions, ordinances, or governmental regulations. The following is a summary of restricted cash and cash equivalent accounts at September 30, 2012:

	Primary Government		Component Unit
	Governmental Activities	Business-type Activities	Airport Authority
	Restricted investments:		
Sinking Fund	\$ -	\$ 6,206,174	\$ -
Customer Deposits	8,555	1,224,070	-
Utility Trust Impact Fees	-	1,931,371	-
Airport Memorial Fund	-	-	42,938
	<u>\$ 8,555</u>	<u>\$ 9,361,615</u>	<u>\$ 42,938</u>

Note 5 - Receivables

The following is a detailed listing of receivables by type and fund at September 30, 2012:

	Primary Government		Component Unit	
	Governmental Activities	Business-type Activities	Sanford CRA	Airport Authority
	Receivables:			
Accounts Billed	\$ 54,119	\$ 2,801,578	\$ -	\$ 586,815
Unbilled Receivables	-	2,808,918	-	-
Other Miscellaneous	4,920,101	21,935	44	-
Gross Receivables	<u>4,974,220</u>	<u>5,632,431</u>	<u>44</u>	<u>586,815</u>
Less: Allowance for Uncollectibles	<u>2,991,812</u>	<u>806,984</u>	<u>-</u>	<u>174,182</u>
	<u>\$ 1,982,408</u>	<u>\$ 4,825,447</u>	<u>\$ 44</u>	<u>\$ 412,633</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 6 - Capital Assets

A. Changes in Capital Assets

During the year ended September 30, 2012, the following changes in capital assets occurred:

	Balance October 1, 2011*	Additions	Reductions/ Transfers	Balance September 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,573,535	\$ -	\$ 9,115	\$ 5,582,650
Construction in progress	1,056,766	3,063,991	(3,273,150)	847,607
Total capital assets, not being depreciated	<u>6,630,301</u>	<u>3,063,991</u>	<u>(3,264,035)</u>	<u>6,430,257</u>
Capital assets, being depreciated:				
Buildings	66,246,546	14,425	(1,609,724)	64,651,247
Machinery and equipment	21,551,962	366,875	(4,683,897)	17,234,940
Infrastructure	101,023,337	-	6,192,509	107,215,846
Total capital assets, being depreciated	<u>188,821,845</u>	<u>381,300</u>	<u>(101,112)</u>	<u>189,102,033</u>
Less accumulated depreciation for:				
Buildings	21,499,296	1,756,446	(1,369,360)	21,886,382
Machinery and equipment	15,545,412	1,433,426	(2,993,725)	13,985,113
Infrastructure	40,092,720	2,288,708	1,126,089	43,507,517
Total accumulated depreciation	<u>77,137,428</u>	<u>5,478,580</u>	<u>(3,236,996)</u>	<u>79,379,012</u>
Total capital assets, being depreciated, net	<u>111,684,417</u>	<u>(5,097,280)</u>	<u>3,135,884</u>	<u>109,723,021</u>
Governmental activities capital assets, net	<u>\$ 118,314,718</u>	<u>\$ (2,033,289)</u>	<u>\$ (128,151)</u>	<u>\$ 116,153,278</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,907,489	\$ -	\$ -	\$ 6,907,489
Construction in progress	4,296,711	2,561,518	(5,064,229)	1,794,000
Total capital assets, not being depreciated	<u>11,204,200</u>	<u>2,561,518</u>	<u>(5,064,229)</u>	<u>8,701,489</u>
Capital assets, being depreciated:				
Buildings	36,694,875	20,237	19,988	36,735,100
Water and sewer system	128,211,942	124,273	4,084,476	132,420,691
Stormwater management	21,762,749	-	981,460	22,744,209
Machinery and equipment	8,871,269	348,354	(270,138)	8,949,485
Irrigation rights	2,220,000	-	-	2,220,000
Total capital assets, being depreciated	<u>197,760,835</u>	<u>492,864</u>	<u>4,815,786</u>	<u>203,069,485</u>
Less accumulated depreciation for:				
Buildings	7,183,475	680,447	18,201	7,882,123
Water and sewer system	29,797,176	2,237,952	3,589	32,038,717
Stormwater management	4,894,716	483,209	-	5,377,925
Machinery and equipment	6,662,256	726,336	(266,026)	7,122,566
Irrigation rights	1,798,200	88,800	-	1,887,000
Total accumulated depreciation	<u>50,335,823</u>	<u>4,216,744</u>	<u>(244,236)</u>	<u>54,308,331</u>
Total capital assets, being depreciated, net	<u>147,425,012</u>	<u>(3,723,880)</u>	<u>5,060,022</u>	<u>148,761,154</u>
Business-type activities capital assets, net	<u>\$ 158,629,212</u>	<u>\$ (1,162,362)</u>	<u>\$ (4,207)</u>	<u>\$ 157,462,643</u>

*Restated

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 6 - Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

	Balance October 1, 2011	Additions	Reductions/ Transfers	Balance September 30, 2012
CRA				
Capital assets, not being depreciated:				
Construction in progress	\$ 289,908	\$ 172,132	\$ (119,845)	\$ 342,195
Total capital assets, not being depreciated	<u>289,908</u>	<u>172,132</u>	<u>(119,845)</u>	<u>342,195</u>
Capital assets, being depreciated:				
Buildings	3,263,352	-	110,987	3,374,339
Infrastructure	8,030,161	-	8,858	8,039,019
Machinery and equipment	31,096	-	(4,189)	26,907
Total capital assets, being depreciated	<u>11,324,609</u>	<u>-</u>	<u>115,656</u>	<u>11,440,265</u>
Less accumulated depreciation for:				
Buildings	1,440,607	103,553	(3,772)	1,540,388
Infrastructure	2,955,258	207,546	3,772	3,166,576
Machinery and equipment	21,982	1,618	(2,828)	20,772
Total accumulated depreciation	<u>4,417,847</u>	<u>312,717</u>	<u>(2,828)</u>	<u>4,727,736</u>
Total capital assets, being depreciated, net	<u>6,906,762</u>	<u>(312,717)</u>	<u>118,484</u>	<u>6,712,529</u>
Governmental activities capital assets, net	<u>\$ 7,196,670</u>	<u>\$ (140,585)</u>	<u>\$ (1,361)</u>	<u>\$ 7,054,724</u>

B. Depreciation Expense Allocation

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 385,930
Public safety	1,535,392
Physical environment	59,548
Transportation	2,460,431
Human services	11,772
Culture/Recreation	1,025,507
Total depreciation expense - governmental activities	<u>\$ 5,478,580</u>
Business-type activities:	
Water and sewer	\$ 3,531,989
Stormwater	591,253
Solid waste	4,702
Total depreciation expense - business-type activities	<u>\$ 4,127,944</u>
CRA:	
Transportation	\$ 312,717
Total depreciation expense - CRA component unit	<u>\$ 312,717</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt

A. Changes in Long-Term Debt

Changes in long-term debt for the year ended September 30, 2012 are summarized as follows:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Long-term Portion	Due Within One Year
Governmental activities:						
Bonds payable	\$ 16,155,000	\$ -	\$ (16,155,000)	\$ -	\$ -	\$ -
Notes payable	-	15,050,000	(675,000)	14,375,000	13,680,000	695,000
Other post employment benefits	532,085	542,179	-	1,074,264	1,074,264	-
Accrued compensated absences	2,057,911	2,179,666	(2,071,707)	2,165,870	1,494,459	671,411
Claims payable	2,126,468	4,664,400	(4,898,515)	1,892,353	459,253	1,433,100
Capital lease	518,760	540,000	(222,708)	836,052	586,512	249,540
Accrued clean-up and long-term care costs	520,211	-	(14,862)	505,349	490,486	14,863
Governmental activity long-term liabilities	<u>\$ 21,910,435</u>	<u>\$ 22,976,245</u>	<u>\$ (24,037,792)</u>	<u>\$ 20,848,888</u>	<u>\$ 17,784,974</u>	<u>\$ 3,063,914</u>
Business-type activities:						
Utility Revenue Bonds	\$ 18,970,000	\$ -	\$ (1,365,000)	\$ 17,605,000	\$ 16,190,000	\$ 1,415,000
Less: Unamortized discount	(816,005)	-	159,434	(656,571)	(656,571)	-
SRF loans	34,783,002	1,045,516	(2,289,290)	33,539,228	30,775,204	2,764,024
Less: Unamortized discount	(672,338)	(194,060)	46,277	(820,121)	(820,121)	-
Other post employment benefits	169,606	174,051	-	343,657	343,657	-
Compensated absences	511,328	635,248	(678,595)	467,981	342,138	125,843
Business-type activity long-term liabilities	<u>\$ 52,945,593</u>	<u>\$ 1,660,755</u>	<u>\$ (4,127,174)</u>	<u>\$ 50,479,174</u>	<u>\$ 46,174,307</u>	<u>\$ 4,304,867</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments are generally liquidated by the general fund.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt (Continued)

B. Governmental Activities - Special Facilities Revenue Bonds

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

<u>Bond Year Ending</u>	<u>Sales Tax Revenue Note, Series 2012</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2013	\$ 695,000	\$ 467,188	\$ 1,162,188
2014	720,000	444,600	1,164,600
2015	745,000	421,200	1,166,200
2016	770,000	396,988	1,166,988
2017	795,000	371,963	1,166,963
2018-2022	4,380,000	1,454,862	5,834,862
2023-2027	5,140,000	695,337	5,835,337
2028	1,130,000	36,725	1,166,725
	<u>\$ 14,375,000</u>	<u>\$ 4,288,863</u>	<u>\$ 18,663,863</u>

C. Defeasance of Debt

The City has bond issues that have been defeased and remain outstanding. The debt is considered extinguished in an in-substance defeasance and, accordingly, is not reflected in the accompanying financial statements. The following schedule is a summary of the remaining balances outstanding for the defeased bonds as of September 30, 2012:

<u>Type</u>	<u>Series</u>	<u>Date Refunded</u>	<u>Outstanding as of Refunding</u>	<u>Outstanding as of September 30, 2012</u>
Revenue Bonds	1993	September, 2003	\$ 8,575,000	\$ 3,335,000

D. Water and Sewer Fund Revenue Bonds

On April 28, 2010, the City issued a Water and Sewer Revenue Note, Series 2010, in the amount of \$14,720,000 for the purpose of refunding all of the City's outstanding Water and Sewer Revenue Bonds, Series 1993, to finance \$1,000,000 in capital improvements to the system, and to pay for financing costs of the issuance of the Series 2010 Note.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt (Continued)

D. Water and Sewer Fund Revenue Bonds (Continued)

On September 25, 2003, the City issued Water and Sewer Refunding Revenue Bonds, Series 2003, in the amount of \$12,450,000 for the purpose of refunding all of the City's outstanding Water and Sewer Revenue Bonds, Series 1992, and a portion of the City's outstanding Water and Sewer Revenue Bonds, Series 1993, and financing costs of issuance of the Series 2003 Bonds.

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

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

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

- a. Revenue Account - To deposit all gross revenues and provide for payment of costs of operation and maintenance of the System.
- b. Bond Sinking Fund:
 - Interest Account - To deposit monthly from the Revenue Account one-sixth (1/6) of all interest coming due on the next interest payment date.
 - Principal Account - To deposit monthly from the Revenue Account one-twelfth (1/12) of the principal amount, which will become due on such annual maturity date.
- c. Renewal, Replacement and Improvement Account - To deposit monthly from the Revenue Account an amount equal to one-twelfth (1/12) of five percent (5%) of the gross revenues received during the immediately preceding fiscal year until the amount on deposit equals or exceeds \$200,000.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt (Continued)

D. Water and Sewer Fund Revenue Bonds (Continued)

(4) Water and Sewer Fund Bonds Issued and Annual Debt Service Requirements - The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Fund Bonds at September 30, 2012:

<u>Bond Year Ending</u>	<u>Bonds, Series 2003</u>		<u>Bonds, Series 2010</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2013	\$ 1,415,000	\$ 111,725	\$ -	\$ 569,664	\$ 2,096,389
2014	1,470,000	55,125	-	569,664	2,094,789
2015	-	-	1,745,000	569,664	2,314,664
2016	-	-	1,810,000	502,133	2,312,133
2017	-	-	1,885,000	432,086	2,317,086
2018-2022	-	-	9,280,000	1,009,876	10,289,876
	<u>\$ 2,885,000</u>	<u>\$ 166,850</u>	<u>\$ 14,720,000</u>	<u>\$ 3,653,087</u>	<u>\$21,424,937</u>

E. Bonds and Notes Payable

The City has revenue bonds and notes outstanding at September 30, 2012. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt (Continued)

E. Bonds and Notes Payable (Continued)

	<u>Purpose of Issue</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>
Governmental Activities			
Sales Tax, Series 2012	Public safety complex	Sales Tax Revenues	\$ 15,050,000
Key Government Finance	City-wide telephone system	N/A	\$ 300,000
TD Equipment Finance, Inc.	Fire Truck	N/A	582,482
TD Equipment Finance, Inc.	Police Vehicles	N/A	540,000
Total Governmental Activities:			<u>\$ 16,472,482</u>
Business-type Activities			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Series 2003	Refunding	Net revenue of water and sewer system/ water and sewer deveopment charges	12,450,000
Series 2010	Refunding	Net revenue of water and sewer system/ water and sewer deveopment charges	14,720,000
State Revolving Funds:			
CS120586170	Sewage treatment plant/reuse expansion	Net revenues of water and sewer system	5,718,200
CS120586190	Reclaimed water reuse facilities at Site 10	Net revenues of water and sewer system	500,166
CS120586210	Westerly interceptor - influent transmission facilities	Net revenues of water and sewer system	1,544,029
CS120586220	Wastewater pollution control facilities	Net revenues of water and sewer system	7,015,870
DW5906010	Drinking water system improvements	Net revenues of water and sewer system	6,599,510
WW586250	Sanford south water resource center, Phase I	Net revenues of water and sewer system	19,367,124
WW590100	Sewer Restoration of underground pipe and Manhole Rehabilitation	Net revenues of water and sewer system	2,622,385
WW590101	Sewer Restoration of underground pipe and Manhole Rehabilitation	Net revenues of water and sewer system	205,020
DW590120	AMR Water Replacement and pre-chlorinated water pipe bursting	Net revenues of water and sewer system	1,503,541
WW590130	Water Treatment facility rehab	Net revenues of water and sewer system	629,640
DW590110	Drinking water system improvements	Net revenues of water and sewer system	455,247
Total Water/Sewer Utility Debt			<u>73,330,732</u>
Stormwater Utility Debt:			
State Revolving Funds:			
SWG12058624P	Stormwater management	Net revenue of the stormwater system	4,623,557
SW586260	Stormwater management	Net revenue of the stormwater system	2,612,308
SW586261	Stormwater management	Net revenue of the stormwater system	452,818
Total Stormwater Utility Debt			<u>7,688,683</u>
Total Business-type Activities:			<u>\$ 81,019,415</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 – Long-Term Debt (Continued)

E. Bonds and Notes Payable (Continued)

Amount O/S and/or Pledged	Interest Rate	Debt Service as Portion of Revenue Pledged	Total Debt Service Paid	Annual Pledged Revenues
\$ 14,375,000	3.25%	562.10%	\$ 17,415,968	\$ 3,098,395
-	4.41%	N/A	\$ 75,510	N/A
330,725	2.68%	N/A	125,163	N/A
505,326	1.45%	N/A	34,674	N/A
\$ 15,211,051			\$ 17,651,315	
2,885,000	2.00%-4.00%	16.27%	1,524,500	\$ 9,368,815
14,720,000	3.87%	6.08%	569,664	\$ 9,368,815
386,412	2.89%-3.73%	4.74%	400,337	\$ 8,441,100
46,453	2.43%	0.38%	31,724	\$ 8,441,100
99,948	2.89%	1.21%	102,120	\$ 8,441,100
2,624,370	1.67%	3.53%	298,384	\$ 8,441,100
3,773,663	3.55%	5.14%	433,675	\$ 8,441,100
14,773,294	2.42%-2.48%	14.39%	1,215,000	\$ 8,441,100
2,464,835	2.65%	2.01%	169,415	\$ 8,441,100
192,372	2.28%	0.15%	12,804	\$ 8,441,100
1,503,541	1.98%-2.66%	0.00%	-	\$ 8,441,100
629,640	2.63%-2.87%	0.00%	-	\$ 8,441,100
426,227	2.71%	0.35%	29,730	\$ 8,441,100
44,525,755			4,787,353	
3,727,953	2.52%-2.90%	14.16%	304,577	\$ 2,150,978
2,458,573	2.80%	8.03%	172,761	\$ 2,150,978
431,947	2.28%	1.32%	28,315	\$ 2,150,978
6,618,473			505,653	
\$ 51,144,228			\$ 5,293,006	\$ 29,875,187

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 7 - Long-Term Debt (Continued)

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

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the Art Lane Landfill site for thirty (30) years after closure. The City placed a final cover on the landfill during fiscal year 2001, and has since initiated post-closure maintenance and monitoring functions. The estimated future cost for post-closure maintenance, amounting to \$505,349, is reported as long-term debt on the entity-wide statement of net assets. These costs are recognized in the General Fund as expenditures as they became obligations to be liquidated with available financial resources. Amounts reported as long-term debt are based on estimates provided by consulting engineers. All amounts are based on what it would cost to perform post-closure functions in current dollars. Actual costs may differ due to inflation, changes in technology, or changes in laws and regulations.

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

The cost of clean-up activities has been estimated by an engineer to be \$20 million, of which the City has paid their share currently and no outstanding balance is presented as accrued clean-up costs for governmental activities.

Note 8 - Notes Payable - Enterprise Funds

Enterprise Funds notes payable at September 30, 2012 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SW586260 payable, \$2,612,308 authorized, \$2,612,308 drawn for planning and design for downtown drainage, payable in 40 equal semiannual installments, including interest at 2.8%, on October 15 and April 15 of each year. \$ 2,458,573

State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$4,623,557 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 2.9% on \$899,354, 2.81% on \$2,199,972, and 2.52% on \$1,524,231, on July 15 and January 15 of each year. 3,727,953

State Revolving Fund Loan SW586261 payable, \$452,818 authorized, \$452,818 drawn for planning and design for downtown drainage, payable in 40 equal semiannual installments, including interest at 2.28%, on June 15 and December 15 of each year. 431,947

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 8 - Notes Payable - Enterprise Funds (Continued)

Primary Government: Water and Sewer:

State Revolving Fund Loan WW590100 payable, \$2,622,385 authorized, \$2,622,385 drawn for sewer restoration of underground pipe and manhole rehabilitation payable in 40 semiannual installments, including interest at 2.65% on December 15 and June 15 of each year.	\$ 2,464,835
State Revolving Fund Loan WW586250 payable, \$19,367,124 authorized, \$19,367,124 drawn for construction of wastewater pollution control facilities of South Water Resource Center, payable in 40 semiannual installments, including interest at 2.42% on \$18,520,336 and 2.48% on \$982,324, on February 15 and August 15 of each year.	14,773,294
State Revolving Fund Loan CS120586170 payable, \$5,718,200 authorized, \$5,718,200 drawn for construction of wastewater system facilities, payable in 20 equal annual installments, including interest at 3.73% on \$4,835,256 and 2.89% on \$882,944, on December 31 of each year.	386,412
State Revolving Fund Loan CS120586190 payable, \$500,166 authorized, \$500,166 drawn for construction of wastewater pollution control facilities, payable in 40 equal semiannual installments, including interest at 2.43%, on February 1 and August 1 of each year.	46,453
State Revolving Fund Loan CS120586210 payable, \$1,544,029 authorized, \$1,544,029 drawn for construction of the Westerly Interceptor Project, payable in 40 equal semiannual installments, including interest at 2.89%, on February 1 and August 1 of each year.	99,948
State Revolving Fund Loan CS120586220 payable, \$7,015,870 authorized, \$7,015,870 drawn for collection, transmission and treatment facilities, payable in 40 equal semiannual installments, including interest at 1.67%, on October 15 and April 15 of each year.	2,624,370
State Revolving Fund Loan WW590101 payable, \$205,020 authorized, \$205,020 drawn for restoration of underground pipe and manhole rehabilitation, payable in 40 equal semiannual installments, including interest at 2.28%, on June 15 and December 15 of each year.	192,372
State Revolving Fund Loan DW590120 payable, \$15,000,000 authorized, \$1,503,541 drawn for meter replacements and pre-chlorinated water pipe bursting auxiliary plant looping, payable in 40 equal semiannual installments, including interest at 1.98% to 2.66%, on February 15 and August 15 of each year.	1,503,541
State Revolving Fund Loan WW590130 payable, \$888,190 authorized, \$629,640 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 40 equal semiannual installments, including interest at 2.87%, on April 15 and October 15 of each year.	629,640
State Revolving Fund Loan DW590110 payable, \$456,700 authorized, \$455,247 drawn for pre-chlorinated water pipe bursting, payable in 40 equal semiannual installments, including interest at 2.71%, on March 15 and September 15 of each year.	426,227
State Revolving Fund Loan DW5906010 payable, \$6,599,510 authorized, \$6,599,510 drawn for drinking water extension, payable in 40 equal semiannual installments, including interest at 3.55%, on December 15 and June 15 of each year.	3,773,663
Total notes payable	<u>\$ 33,539,228</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 8 - Notes Payable - Enterprise Funds (Continued)

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of sinking funds on the statement of net assets. SRF Loan payments for the first years are based upon the full loan amount available, not the monies actually drawn to date. After completion of the project, a final loan dollar amount is established and a final loan payment/amortization schedule is established. Maturity schedules for those loans which have final loan payment/amortization schedules are as follows (loans DW590110, DW590120, and DW590130 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2012):

Fiscal Year Ending September 30,	SRF Loan CS120586170		
	Principal	Interest	Total
2013	\$ 386,412	\$ 13,924	\$ 400,336
	<u>\$ 386,412</u>	<u>\$ 13,924</u>	<u>\$ 400,336</u>
Fiscal Year Ending September 30,	SRF Loan CS120586190		
2013	\$ 30,781	\$ 943	\$ 31,724
2014	15,672	190	15,862
	<u>\$ 46,453</u>	<u>\$ 1,133</u>	<u>\$ 47,586</u>
Fiscal Year Ending September 30,	SRF Loan CS120586210		
2013	\$ 99,948	\$ 2,171	\$ 102,119
	<u>\$ 99,948</u>	<u>\$ 2,171</u>	<u>\$ 102,119</u>
Fiscal Year Ending September 30,	SRF Loan CS120586220		
2013	\$ 212,489	\$ 85,895	\$ 298,384
2014	219,646	78,738	298,384
2015	227,043	71,341	298,384
2016	234,690	63,694	298,384
2017	242,594	55,790	298,384
2018-2022	1,341,168	150,751	1,491,919
2023	146,740	2,450	149,190
	<u>\$ 2,624,370</u>	<u>\$ 508,659</u>	<u>\$ 3,133,029</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 8 - Notes Payable - Enterprise Funds (Continued)

Fiscal Year Ending September 30,	SRF Loan DW590601		
	Principal	Interest	Total
2013	\$ 302,370	\$ 131,305	\$ 433,675
2014	313,199	120,476	433,675
2015	324,416	109,259	433,675
2016	336,035	97,640	433,675
2017	348,070	85,605	433,675
2018-2022	1,936,517	231,857	2,168,374
2023	213,056	3,780	216,836
	<u>\$ 3,773,663</u>	<u>\$ 779,922</u>	<u>\$ 4,553,585</u>

Fiscal Year Ending September 30,	SRF Loan WW586250		
	Principal	Interest	Total
2013	\$ 861,170	\$ 353,831	\$ 1,215,001
2014	882,225	332,776	1,215,001
2015	903,796	311,205	1,215,001
2016	925,894	289,106	1,215,000
2017	948,532	266,468	1,215,000
2018-2022	5,102,089	972,913	6,075,002
2023-2027	5,149,588	317,914	5,467,502
	<u>\$ 14,773,294</u>	<u>\$ 2,844,213</u>	<u>\$ 17,617,507</u>

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
2013	\$ 204,158	\$ 100,419	\$ 304,577
2014	209,768	94,809	304,577
2015	215,532	89,045	304,577
2016	221,455	83,122	304,577
2017	227,542	77,035	304,577
2018-2022	1,235,046	287,837	1,522,883
2023-2027	1,414,452	108,430	1,522,882
	<u>\$ 3,727,953</u>	<u>\$ 840,697</u>	<u>\$ 4,568,650</u>

Fiscal Year Ended September 30,	SRF Loan WW590100		
	Principal	Interest	Total
2013	\$ 104,786	\$ 64,629	\$ 169,415
2014	107,581	61,834	169,415
2015	110,451	58,964	169,415
2016	113,398	56,017	169,415
2017	116,423	52,992	169,415
2018-2022	630,388	216,685	847,073
2023-2027	719,074	127,999	847,073
2028-2032	562,734	30,217	592,951
	<u>\$ 2,464,835</u>	<u>\$ 669,337</u>	<u>\$ 3,134,172</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 8 - Notes Payable - Enterprise Funds (Continued)

Fical Year Ended September 30,	SRF Loan SW586260		
	Principal	Interest	Total
2013	\$ 103,058	\$ 68,124	\$ 171,182
2014	105,964	65,218	171,182
2015	108,952	62,230	171,182
2016	112,024	59,158	171,182
2017	115,183	55,999	171,182
2018-2022	626,499	229,411	855,910
2023-2027	719,946	135,964	855,910
2028-2032	566,947	32,190	599,137
	<u>\$ 2,458,573</u>	<u>\$ 708,294</u>	<u>\$ 3,166,867</u>

Fical Year Ended September 30,	SRF Loan SW586261		
	Principal	Interest	Total
2013	\$ 18,396	\$ 9,744	\$ 28,140
2014	18,818	9,322	28,140
2015	19,249	8,891	28,140
2016	19,691	8,449	28,140
2017	20,142	7,998	28,140
2018-2022	107,854	32,846	140,700
2023-2027	120,799	19,901	140,700
2028-2032	106,998	5,562	112,560
	<u>\$ 431,947</u>	<u>\$ 102,713</u>	<u>\$ 534,660</u>

Fical Year Ended September 30,	SRF Loan WW590101		
	Principal	Interest	Total
2013	\$ 8,465	\$ 4,339	\$ 12,804
2014	8,660	4,144	12,804
2015	8,858	3,946	12,804
2016	9,061	3,743	12,804
2017	9,269	3,535	12,804
2018-2022	49,632	14,385	64,017
2023-2027	55,590	8,427	64,017
2028-2032	42,837	1,974	44,811
	<u>\$ 192,372</u>	<u>\$ 44,493</u>	<u>\$ 236,865</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

Airport Authority notes payable at September 30, 2012 are as follows:

Note payable to bank, due in monthly principal and interest payments at 1.29%, collateralized by pledged revenues, due September 1, 2023.	\$ 2,316,348
Note payable to bank, due in monthly principal and interest payments at 5.35%, collateralized by pledged revenues, due September 1, 2019.	1,407,883
Construction note payable – bank, collateralized by pledged revenues; interest only at Wall Street Journal PRIE with a floor of 4.75% (5.67% at September 30, 2011) during construction; converts to a five year fixed rate; principal and interest payable monthly through 2041.	2,381,571
Note payable to State of Florida Department of Transportation for land acquisition for 9L-27R runway extension, no interest, due 2013, unsecured.	<u>1,206,250</u>
Less current portion	(589,716)
Long-term portion	<u><u>\$ 6,722,336</u></u>

Changes in Airport Authority long-term liabilities for the year ended September 30, 2012 are as follows:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Amounts Due Within One Year
Notes Payable:					
Revenue Note, Series 2003	\$ 2,473,526	\$ -	\$ 157,178	\$ 2,316,348	\$ 164,999
Revenue Note, Series 2011A	1,738,102	-	330,219	1,407,883	348,325
Line of credit	-	2,892,800	2,440	2,890,360	-
Construction Note	2,451,387	-	69,816	2,381,571	76,392
Florida Department of Transportation	<u>1,231,417</u>	<u>491,323</u>	<u>516,490</u>	<u>1,206,250</u>	<u>-</u>
Total Long-Term Liabilities	<u><u>\$ 7,894,432</u></u>	<u><u>\$ 3,384,123</u></u>	<u><u>\$ 1,076,143</u></u>	<u><u>\$ 10,202,412</u></u>	<u><u>\$ 589,716</u></u>

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

Year Ending September 30,	Principal	Interest
2013	\$ 589,716	\$ 391,699
2014	3,511,499	355,574
2015	654,244	238,569
2016	584,632	204,384
2017	294,613	183,012
2018-2022	2,921,322	673,053
2023-2027	1,018,150	564,652
2028-2031	<u>628,236</u>	<u>89,748</u>
	<u><u>\$ 10,202,412</u></u>	<u><u>\$ 2,700,691</u></u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

A. Changes in Long-Term Liabilities - Sanford CRA

Changes in long-term debt for the Sanford CRA for the year ended September 30, 2012 are summarized as follows:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due Within One Year
Revenue bonds payable	\$ 1,100,000	\$ -	\$ (1,100,000)	\$ -	\$ -
CRA bank loan	<u>844,076</u>	<u>-</u>	<u>(202,269)</u>	<u>641,807</u>	<u>210,000</u>
Long-term liabilities	<u>\$ 1,944,076</u>	<u>\$ -</u>	<u>\$ (1,302,269)</u>	<u>\$ 641,807</u>	<u>\$ 210,000</u>

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

B. Revenue Bonds Payable

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

The Series 1994A Bonds were paid in full as of September 30, 2011. The Series 1994B Bonds are comprised of a single-term bond and bear interest at 9% with a maturity date of December 1, 2011, of which such payment is due only to the extent that the City has adequate, legally available pledged revenues available to make the bond principal payment. The City extinguished the debt without payment due to lack of adequate, legally available pledged revenue available to pay the debt as of December 1, 2011.

C. Community Redevelopment Agency Loan

On September 28, 2004, the City and the Sanford CRA entered into a \$2,100,000 loan agreement with SunTrust Bank for the purpose of funding improvements related to the First Street Streetscape.

Community Redevelopment Agency Loan:	
Loan principal payable	\$ 650,000
Less: Loan issue costs	<u>(8,193)</u>
Net loan payable	<u>\$ 641,807</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

C. Community Redevelopment Agency Loan *(Continued)*

The CRA Loan will mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2013	\$ 210,000	\$ 22,685	\$ 232,685
2014	215,000	15,356	230,356
2015	225,000	7,853	232,853
	\$ 650,000	\$ 45,894	\$ 695,894

Note 11 - Line of Credit

Airport Authority – The Airport Authority entered into a \$3,500,000 million revolving working capital line of credit that bears interest at 80% of the Wall Street Journal published prime rate with a floor of 3% (3.0% at September 30, 2012). Interest is payable monthly in arrears on the principal balance outstanding on the first day of each month commencing on August 1, 2012 and continuing thereafter until maturity on September 30, 2104, at which time all unpaid principal and accrued interest shall be due. This line of credit is secured by a Federal Aviation Administration Airport Improvement Program grant, to be received in a future period. Total outstanding borrowings under this line of credit as of September 30, 2012 were \$2,890,360. The note contains various restrictive financial covenants, including the maintenance of certain liquidity ratios. All covenants have been met through September 30, 2102.

The Airport Authority entered into a line of credit agreement for \$1,000,000 with a financial institution in February 2010. This line of credit is secured by a pledge of substantially all Customer Facility Charges and bears interest at 4.25%. There were no outstanding borrowings under this line of credit at September 30, 2012. Subsequent to September 30, 2012, the Authority had outstanding borrowings of approximately \$750,000 against the line of credit. The note contains various restrictive financial covenants, including the maintenance of certain liquidity ratios. All covenants have been met through September 30, 2012.

The Airport Authority also has available a line of credit up to \$425,000, at prime rate, with Orlando Sanford Domestic, Inc. under the management agreement discussed in Note 19E. The Airport Authority has not borrowed anything on this line of credit.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

Swap Payments and Associated Debt

Revenue Note, Series 2003: Using interest rates as of September 30, 2012, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows. As rates vary, variable rate note interest payments and net swap payments will vary.

Calendar Year	Principal	Interest	Interest Rate Swap, Net	Total
2013	\$ 164,999	\$ 103,442	\$ 71,640	\$ 340,081
2014	172,879	95,562	65,883	334,324
2015	181,134	87,307	59,851	328,292
2016	189,559	78,882	53,539	321,980
2017	198,837	69,604	46,918	315,359
2018-2022	1,145,886	196,319	123,671	1,465,876
2023	263,054	5,387	5,913	274,354
	<u>\$ 2,316,348</u>	<u>\$ 636,503</u>	<u>\$ 427,415</u>	<u>\$ 3,380,266</u>

Pay Fixed, Receive-Variable Interest Rate Swap

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

Fair value, and classification: Because interest rates have declined, the 2003 Swap had a negative fair value as of September 30, 2012. The fair value decreased by \$1,955 from the September 30, 2011 amount. The fair values for each period were obtained from the swap counterparty, Bank of America Merrill Lynch. In accordance with GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments*, the fair value is reflected as a liability in the long-term section on the balance sheet with a corresponding outflow in deferrals. The fair value of the deferred outflows in connection with the swap was \$370,193 and \$372,148 for the years ended September 30, 2012 and 2011, respectively.

Terms and risk: The notional amount of the swap matches the principal amount of the associated debt. The Authority's swap agreement contains scheduled reductions to the outstanding notional amount that approximates scheduled or anticipated reductions in the outstanding principal amount from debt repayment. The terms, fair value and credit rating of the outstanding swap as of September 30, 2012 are as follows:

Associated Note Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Sept. 30, 2012 Fair Value	Swap Termination Date	Counterparty Credit Rating
2003	\$2,316,348	9/1/03	4.62%	LIBOR*	\$ (370,193)	Sep. 2023	A+/A-1

*London Interbank Offered Rate

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

Credit risk: As of September 30, 2012, the Authority was not exposed to credit risk because the pay-fixed, receive-variable swap had a negative fair value. Should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivatives' fair value.

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

Note 13 - Operating Leases

A. Long-Term Ground Leases

The City is the lessor on numerous building and land leases. The land leases are generally noncancelable leases ranging from ten to seventy-five (10 - 75) years. The land lease rental income, which comprises the largest amount of rental income for the City, is based on gross revenue of the leases. The building leases are low-rent agreements, usually with nonprofit agencies offering public services. In fiscal year 2012, the total lease rental income received in the General Fund and the Enterprise Funds was \$141,482 and \$127,372, respectively.

B. Long-Term Airport Lease

Starting in year 2009, the City entered into a lease agreement with the Sanford Airport Authority (lessee) for the control and operations of the Airport. Payments are not required under the terms of the lease. The City grants the lessee the exclusive right and jurisdiction to occupy, operate, control, maintain, and use the airport for a term of fifty (50) years.

C. Airport Authority Operating Leases

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

Year Ending September 30,	Amount
2013	\$ 3,831,962
2014	2,681,236
2015	2,526,240
2016	2,419,739
2017	2,372,419
Thereafter	27,601,210
Total	\$ 41,432,806

The following is a schedule of property under operating leases at September 30, 2012:

Building and improvements	\$ 75,746,272
Accumulated depreciation	(33,864,834)
Net property	\$ 41,881,438

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 14 - Capital Leases

On October 8, 2007 and further amended on November 8, 2008, the City entered into a lease agreement with a local bank to finance the acquisition of a Voice Over Internet Protocol (VOIP) phone system. The agreement has a 5-year fixed term at 4.4% and calls for monthly payments of \$6,293. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The aggregate cost and accumulated depreciation of the governmental activities asset acquired through the capital lease are \$335,598 and \$175,000, respectively, as of September 30, 2012.

On June 1, 2010, the City entered into a lease agreement with a local finance company to finance the acquisition of a 100 foot Aerial Fire Pumper. The agreement has a 5-year fixed term at 2.68% and calls for quarterly payments of \$31,291. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The aggregate cost and accumulated depreciation of the governmental activities asset acquired through the capital lease are \$630,979 and \$114,723, respectively, as of September 30, 2012.

On July 17, 2012, the City entered into a lease agreement with a local finance company to finance the acquisition of a police vehicles. The agreement has a 4-year fixed term at 1.45% and calls for quarterly payments of \$34,674. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The proceeds of this lease were unspent and in escrow as of September 30, 2012.

Year Ending September 30,	Amount
2013	\$ 263,858
2014	263,858
2015	232,567
2016	104,021
Total minimum lease payments	864,304
Less: Amount representing interest costs	(28,252)
Present value of minimum lease payments	\$ 836,052

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 15 - Interfund Accounts and Transfers

Individual fund interfund receivables and payables at September 30, 2012 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General	\$ 579,836	\$ 603,000
NonMajor Funds:		
NSP	-	50,948
CDBG	-	52,102
LIHEAP	-	251,199
Youthbuild	-	33,520
ARRA	-	192,067
Water Utility	603,000	-
	\$ 1,182,836	\$ 1,182,836

The interfund receivable and payable of \$603,000 represents a loan from the Water and Sewer Fund to the General Fund to finance the purchase of land. The purchase and the advance were approved by the City Commission on December 12, 2005.

Interfund Transfers:

	Transfers In	Transfers Out
General	\$ 9,035	\$ 4,096,244
Other Governmental	5,059,055	964,201
Solid Waste	-	1,390
Water/Sewer Fund	-	6,255
	\$ 5,068,090	\$ 5,068,090

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

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

A. Florida Retirement System

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

A. Florida Retirement System

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

Funding Policy

The FRS has nine (9) classes of membership. Only three (3) classes are applicable to the City’s eligible employees. These three (3) classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2012, are as follows (contribution rates are in agreement with the actuarially determined rates, each including an additional 1.11% health insurance subsidy contribution):

Regular Class - Members not qualifying for other classes (5.33% from 10/01/11 to 9/30/12). Twenty-three (23) employees qualified for DROP - Deferred Retirement Option Program (6.01% from 10/01/11 to 9/30/12).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 8.82%.

Special Risk – Members eligible for this class includes the City’s Crime Scene Technicians, and the Evidence Technician. The rate is 15.47%.

The contribution requirements of the City are established and may be amended by FRS. The plan became contributory for employees as of July 1, 2011, with passage of SB2100 during the 2011 legislation with a contribution of 3%. The City’s contributions to FRS for the years ended September 30, 2012, 2011 and 2010 were \$640,962, \$1,172,310, and \$1,293,400, respectively, and equal the required contributions for each year. The Airport Authority’s contributions to FRS for the years ended September 30, 2012, 2011 and 2010 were \$297,211, \$488,938, and \$539,282, respectively, and equal the required contributions for each year.

B. Police Officers’ and Firefighters’ Retirement Systems

The City participates in the Police Officers’ and Firefighters’ Retirement Systems. Each plan is a single-employer, defined-benefit pension plan for the sole benefit of the Police Officers' and Firefighters' of the City.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

B. Police Officers' and Firefighters' Retirement Systems

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

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

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

(2) Contributions - The City's funding policy provides for actuarially determined periodic contributions to the plans. The required contributions include normal costs (after deducting expected employee contributions, if applicable) and the amount of the additional unfunded obligations, amortized over thirty (30) years, created due to increases in plan benefits. Employer contribution rates are determined using the entry age normal actuarial cost method. The City contributed \$1,502,714 and \$1,066,306 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2012. The police officers are required to contribute 5.1% of their gross compensation and the firefighters are required to contribute seven 7% of their base pay compensation (an additional five percent (5%) is paid by the City) for the fire and police employees, and if the employee terminates prior to vesting, this amount is returned to the employee for police and firefighters hired before July 1, 1999. Both of the plans also receive contributions from the state for insurance premium refunds. The state contributions are not based on covered payroll. The City is required to contribute the remaining amount necessary to pay the annual normal cost plus an amount sufficient to fund any unfunded accrued liability over twenty-three (23) years for police officers and twenty-seven (27) years for firefighters. Funding policy was established and may be amended by City Ordinances.

(3) Plan Membership - At September 30, 2012, membership of each plan consisted of the following:

	Police Officers	Firefighters
Retirees and beneficiaries receiving benefits	50	42
Terminated employees entitled to benefits but not yet receiving them	14	1
Active plan members	115	71
Total	179	114

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

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

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

Police Officers' Plan				
Fiscal Year Ended September 30,	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension (Asset)/Obligation
2008	\$ 910,820	\$ 756,363	83.04%	\$ 154,457
2009	1,084,492	1,238,949	114.24%	(154,457)
2010	1,334,411	1,334,411	100.00%	-
2011	1,394,059	1,394,059	100.00%	-
2012	1,666,150	1,666,150	100.00%	-
Firefighters' Plan				
Fiscal Year Ended September 30,	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension (Asset)
2008	\$ 612,347	\$ 611,991	99.94%	\$ (32,083)
2009	729,051	728,699	99.95%	(31,731)
2010	930,610	929,583	99.89%	(30,704)
2011	1,043,677	1,042,656	99.90%	(29,683)
2012	1,225,290	1,225,290	100.00%	(28,699)

The Police Officers' net pension obligation at September 30, 2012, was comprised of the following components:

Annual required contributions	\$ 1,666,150
Annual pension cost	1,666,150
Fiscal 2012 employer contributions	1,666,150
Decrease in net pension obligation	-
Net pension obligation beginning of year	-
Net pension obligation end of year	\$ -

The Firefighters' net pension asset at September 30, 2012, totaled \$28,699. It was comprised of the following components:

Annual required contributions	\$ 1,224,307
Interest on the net pension asset	(2,375)
Adjustment to annual contribution	3,358
Annual pension cost	1,225,290
Fiscal 2012 employer contributions	1,224,306
Decrease in net pension asset	984
Net pension asset beginning of year	(29,683)
Net pension asset end of year	\$ (28,699)

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

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

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

(6) The funded status and funding progress of the plans as of September 30, 2012, were as follows:

Police Officers' Plan:

Actuarial accrued liability (AAL)	\$ 39,844,078
Actuarial value of plan assets	28,097,531
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,746,547</u>
Funded ratio (actuarial value of plan assets/AAL)	70.52%
Covered payroll (active plan members)	\$ 5,283,683
UAAL as a percentage of covered payroll	222.32%

Firefighters' Plan:

Actuarial accrued liability (AAL)	\$ 28,282,168
Actuarial value of plan assets	19,700,161
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,582,007</u>
Funded ratio (actuarial value of plan assets/AAL)	69.66%
Covered payroll (active plan members)	\$ 3,729,721
UAAL as a percentage of covered payroll	230.10%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

	<u>Police Officers</u>	<u>Firefighters</u>
Valuation date	10/01/2010	10/01/2010
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, closed	Level percent, closed
Amortization period	10 years	10 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increase (including both cost of living and merit)	6.00%	6.00%
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

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

Pension Trust Fund Financial Statements

Financial statements for the Police Officers' Retirement System and Firefighters' Retirement System at September 30, 2012 and for the year then ended are as follows:

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Assets			
Investments, at fair value:			
Cash and receivables	\$ 50,495	\$ 88,885	\$ 139,380
Prepaid Expenditures	2,178	1,389	3,567
Money market funds	1,601,704	993,458	2,595,162
Equity securities, individual stocks, and mutual funds	22,895,153	15,451,927	38,347,080
Mutual funds investing in corporate debt and U.S. Treasury bonds	4,708,811	3,970,005	8,678,816
Total investments	29,258,341	20,505,664	49,764,005
Total assets	29,258,341	20,505,664	49,764,005
Liabilities			
Accounts payable	49,108	42,681	91,789
Total liabilities	49,108	42,681	91,789
Net assets			
Held in trust for pension benefits	\$ 29,209,233	\$ 20,462,983	\$ 49,672,216

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

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

Pension Trust Fund Financial Statements (Continued)

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Additions:			
Contributions:			
Employer	\$ 1,793,050	\$ 1,343,184	\$ 3,136,234
Plan members and others	290,364	306,478	596,842
Total contributions	<u>2,083,414</u>	<u>1,649,662</u>	<u>3,733,076</u>
Investment earnings:			
Net increase/(decrease) in fair value			
of investments	4,361,098	2,554,323	6,915,421
Dividends	332,698	217,628	550,326
Interest	219,715	326,534	546,249
Total investment earnings	<u>4,913,511</u>	<u>3,098,485</u>	<u>8,011,996</u>
Less investment expenses	191,107	112,309	303,416
Net investment earnings	<u>4,722,404</u>	<u>2,986,176</u>	<u>7,708,580</u>
Miscellaneous income	1,790	10,794	12,584
Total additions	<u>6,807,608</u>	<u>4,646,632</u>	<u>11,454,240</u>
Deductions:			
Benefits	1,569,832	1,068,938	2,638,770
Refund of contributions	101,723	32,995	134,718
Other services and charges	52,788	56,011	108,799
Total deductions	<u>1,724,343</u>	<u>1,157,944</u>	<u>2,882,287</u>
Change in assets	5,083,265	3,488,688	8,571,953
Total net assets - beginning	<u>24,125,968</u>	<u>16,974,296</u>	<u>41,100,264</u>
Total net assets - ending	<u>\$ 29,209,233</u>	<u>\$ 20,462,984</u>	<u>\$ 49,672,217</u>

C. Post Employment Benefits Other than Pensions

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

C. Post Employment Benefits Other Than Pensions (Continued)

The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. For the year ended September 30, 2012, 54 retirees were receiving health insurance and 130 were receiving life insurance benefits. The nature of the plan is such that no formal trust fund exists. The self-insurance plan pays premiums to an insurance company that maintains no assets or liabilities in the name of the City or on the City's behalf. This plan does not issue stand-alone financial statements.

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

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2012 is as follows:

Annual Required contribution	\$ 1,205,113
Interest on net OPEB Obligation	28,068
Adjustment to annual required contribution	<u>(25,779)</u>
Annual OPEB Cost	1,207,402
Employer Contributions	<u>(491,172)</u>
Increase in Net OPEB Obligation	716,230
Net OPEB Obligation (beginning of year)	<u>701,691</u>
Net OPEB Obligation (end of year)	<u><u>\$ 1,417,921</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009, 2010, 2011, and 2012 are shown below.

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	Net Obligation
2012	\$ 1,207,402	\$ 491,172	40.68%	\$ 1,417,921
2011	1,180,187	739,782	62.68%	701,691
2010	729,717	677,899	92.90%	261,286
2009	721,338	511,870	70.96%	209,468

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

Summary of Actuarial Methods & Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

C. Post Employment Benefits Other Than Pensions (Continued)

progress, presented as required supplementary information following the notes to the financial statements, normally presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Actuarial Cost Method:

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

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

Decrements:

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

Disability: None assumed.

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

Retirement: Retirement was assumed to occur as follows:

Firefighters & Police Officers: Age 45 with at least ten years of service, or
Any age with at least 25 years of service

All others: If enrolled prior to July 1, 2011:
Age 62 with at least six years of service
Any age with at least 30 years of service
If enrolled on or after July 1, 2011:
Age 65 with at least six years of service
Any age with at least 33 years of service

Investment Return (Discount Rate):

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

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

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

Retiree contributions:

Retirees hired after October 1, 2002 and electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to active employees plus the amount paid by the City for active employees. Retirees hired prior to October 1, 2002 and retiring after September 30, 1991 with at least 25 years of City service are assumed to pay the same amount that current employees pay. Retirees retiring before October 1, 1991 with at least 25 years of service

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

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

C. Post Employment Benefits Other Than Pensions (Continued)

do not contribute to the cost of their health insurance. Contribution rates are set by the City during the yearly budget process.

Cost of Living Increases:

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

Future Participation Rates:

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

COBRA Assumption:

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

Summary of Benefits:

Other Post-Employment Benefits (OPEBs)

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

Eligible Individuals:

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

Note 17 - Deferred Compensation Plan

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 18 - Risk Management

Primary Government

The City accounts for its risk management activities in an internal service fund that includes self-insurance programs for workers' compensation, general liability, property, auto, and employee healthcare. The City has made the decision to retain up to \$200,000 per incident relating to workers' compensation. Coverage in excess of \$200,000 per incident for workers' compensation has been purchased from an outside carrier. All other liability and property damage insurance is obtained through insurance carriers with a \$25,000 deductible for general liability claims per occurrence and an aggregate stop loss that varies by line-of-coverage for all types of claims for fiscal year 2012. Employee healthcare exposure is subject to aggregate maximum limitations. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance coverage for each of the past four (4) fiscal years.

The City utilizes the expertise of the plan administrator in determining the liability for claims incurred and other related costs on a claim-by-claim basis. The determination includes consideration of nonincremental claims adjustment expenditures.

The changes in the City's claims liability during the years ended September 30, 2011 and 2012 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2010 - 2011	\$ 1,995,675	\$ 4,621,493	\$ (4,490,700)	\$ 2,126,468
2011 - 2012	2,126,468	4,664,400	(4,898,515)	1,892,353

Airport Authority

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

Note 19 - Commitments and Contingencies

Primary Government

- A. Various lawsuits and claims arising in the ordinary course of the City's operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.
- B. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, any such adjustments would not be significant.
- C. The City has various construction contracts outstanding in the Governmental Funds and Enterprise Funds, commitments of which amount to \$2,177,301 at September 30, 2012.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 19 - Commitments and Contingencies (Continued)

Airport Authority

- D. During the ordinary course of its operations, the Airport Authority is a party of various claims, legal actions, and complaints. Although the outcome of one of these lawsuits cannot presently be determined, in the opinion of the Airport Authority's management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Airport Authority.
- E. During the year ended September 30, 2001, the Domestic Terminal project was completed. In concert with the design and construction of the domestic terminal expansion, the Airport Authority entered into a Memorandum of Understanding with TBI, plc to negotiate a thirty-year (30) management contract for the domestic terminal in exchange for their private sector investment in the project of \$7,500,000. TBI, plc's United States Corporation, known as Orlando Sanford Domestic, Inc. (OSD), will manage all operations involving the domestic terminal. The contractual agreement provides for five (5) fixed annual, lump-sum payments to the Airport Authority, as well as additional minimum operation payments to the Airport Authority for years one through thirty (1 - 30) in exchange for the revenues generated by the operation of the domestic terminal. The Airport Authority will also participate in a percentage of gross revenues generated from the operation of the domestic terminal should those amounts exceed the agreed-upon revenue thresholds. Additionally, many expenses and liabilities associated with the operation of the domestic terminal will be removed from the Airport Authority and transferred to OSD.
- F. At the end of fiscal year September 30, 2012, the Airport Authority had entered into construction contracts in the amount of \$15,150,063.
- G. The Airport Authority receives a significant amount of other revenue under several federal and state grant programs. These programs are subject to compliance audits, as required by the federal government and the State of Florida. The amount, if any, of expenditures, which may be disallowed, cannot be determined at this time.
- H. The Airport Authority has identified several sites that have environmental issues on airport property. The State of Florida and the United States Navy are responsible for cleaning up the majority of these sites. At this time, the Airport Authority is unable to determine the cost and its responsibility in the clean-up of these sites. The Airport Authority has pursued all possible remedies to mitigate any contamination and, as of September 30, 2012, the Authority has no known sites requiring mitigation. The Authority does have an ongoing obligation to monitor and test each site.

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

The elements of this calculation are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets (Net)		
Non depreciable	\$ 6,430,257	\$ 8,701,489
Depreciable, net	<u>109,723,021</u>	<u>148,761,154</u>
	<u>116,153,278</u>	<u>157,462,643</u>
Debt related to capital assets		
Lease	836,052	-
Bonds and loans	<u>14,375,000</u>	<u>49,667,536</u>
	<u>15,211,052</u>	<u>49,667,536</u>
Subtotal	100,942,226	107,795,107
Amount unspent on police vehicle lease	540,000	-
Invested in capital assets	<u>\$ 101,482,226</u>	<u>\$107,795,107</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 21 - Component Unit - Sanford CRA

Condensed financial statement information related to the Sanford CRA as of and for the year ended September 30, 2012 is as follows:

	General	Debt Service	Total	Adjustments	Statement of Net Assets
Condensed Balance Sheet:					
Cash and cash equivalents	\$ 313,411	\$ -	\$ 313,411	\$ -	\$ 313,411
Investments	1,000,000	-	1,000,000	-	1,000,000
Accounts receivable (net)	44	-	44	-	44
Due from other governments	3,731	-	3,731	-	3,731
Capital assets:					
Nondepreciable	-	-	-	342,195	342,195
Depreciable, net	-	-	-	6,712,529	6,712,529
Total Assets and Other Debits	<u>\$ 1,317,186</u>	<u>\$ -</u>	<u>\$ 1,317,186</u>	<u>\$ 7,054,724</u>	<u>\$ 8,371,910</u>
Accounts payable	\$ 147,794	\$ -	\$ 147,794	\$ -	\$ 147,794
Accrued liabilities	3,361	-	3,361	1,817	5,178
Loans payable	-	-	-	641,807	641,807
Fund balance/invested in capital assets, net of related debt	-	-	-	6,412,917	6,412,917
Net assets - unrestricted	<u>1,166,031</u>	<u>-</u>	<u>1,166,031</u>	<u>(1,817)</u>	<u>1,164,214</u>
Total Liabilities and Fund Balances	<u>\$ 1,317,186</u>	<u>\$ -</u>	<u>\$ 1,317,186</u>	<u>\$ 7,054,724</u>	<u>\$ 8,371,910</u>
Condensed Revenues, Expenditures and Changes in Fund Balances:					
Revenues:					
Taxes	\$ 1,014,246	\$ -	\$ 1,014,246	\$ -	\$ 1,014,246
Interest	8,637	-	8,637	-	8,637
Total revenues	<u>1,022,883</u>	<u>-</u>	<u>1,022,883</u>	<u>-</u>	<u>1,022,883</u>
Expenditures/Expenses:					
Transportation	-	-	-	312,717	312,717
Economic environment	701,257	-	701,257	(168,040)	533,217
Principal retirement	-	205,000	205,000	(205,000)	-
Interest and other fiscal charges	-	29,839	29,839	(554)	29,285
Total expenditures	<u>701,257</u>	<u>234,839</u>	<u>936,096</u>	<u>(60,877)</u>	<u>875,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>321,626</u>	<u>(234,839)</u>	<u>86,787</u>	<u>60,877</u>	<u>147,664</u>
Other financing sources (uses):					
Transfers in	-	234,839	234,839	-	234,839
Transfers (out)	(234,839)	-	(234,839)	-	(234,839)
Total other financing sources (uses)	<u>(234,839)</u>	<u>234,839</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	86,787	-	86,787	60,877	147,664
Special item:					
Extinguish debt	-	-	-	1,100,000	1,100,000
Fund balance					
Beginning of year	1,079,244	-	1,079,244	5,250,223	6,329,467
End of year	<u>\$ 1,166,031</u>	<u>\$ -</u>	<u>\$ 1,166,031</u>	<u>\$ 6,411,100</u>	<u>\$ 7,577,131</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 22 – Prior Period Adjustment

During the current fiscal year, the City of Sanford elected to increase the capitalization policy from \$1,000 to \$5,000 for all capital items with the exception of infrastructure which is \$20,000. The increase was applied retroactively to all assets acquired prior to October 1, 2011. The increase in the capitalization policy resulted in a decrease of \$6,632,444 in fixed assets, \$5,557,086 in accumulated depreciation resulting in a net decrease of \$1,075,358 in net assets.

Beginning capital assets and related accumulated depreciation balances were restated as follows:

	Balance October 1, 2011 as Previously Reported	Decrease for Change in Capitalization Policy	Balance October 1, 2011 as Restated
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 5,583,405	\$ (9,870)	\$ 5,573,535
Construction in progress	1,056,766	-	1,056,766
Total capital assets, not being depreciated	<u>6,640,171</u>	<u>(9,870)</u>	<u>6,630,301</u>
Capital assets, being depreciated:			
Buildings	66,321,060	(74,514)	66,246,546
Machinery and equipment	26,826,412	(5,274,450)	21,551,962
Infrastructure	101,023,337	-	101,023,337
Total capital assets, being depreciated	<u>194,170,809</u>	<u>(5,348,964)</u>	<u>188,821,845</u>
Less accumulated depreciation for:			
Buildings	21,554,519	(55,223)	21,499,296
Machinery and equipment	19,921,236	(4,375,824)	15,545,412
Infrastructure	40,092,720	-	40,092,720
Total accumulated depreciation	<u>81,568,475</u>	<u>(4,431,047)</u>	<u>77,137,428</u>
Total capital assets, being depreciated, net	<u>112,602,334</u>	<u>(917,917)</u>	<u>111,684,417</u>
Governmental activities capital assets, net	<u>\$ 119,242,505</u>	<u>\$ (927,787)</u>	<u>\$ 118,314,718</u>
Business-type activities:			
Capital assets, not being depreciated:			
Land	\$ 6,937,084	\$ (29,595)	6,907,489
Construction in progress	4,296,711	-	4,296,711
Total capital assets, not being depreciated	<u>11,233,795</u>	<u>(29,595)</u>	<u>11,204,200</u>
Capital assets, being depreciated:			
Buildings	36,701,409	(6,534)	36,694,875
Water and sewer system	128,211,942	-	128,211,942
Stormwater management	21,762,749	-	21,762,749
Machinery and equipment	10,108,750	(1,237,481)	8,871,269
Irrigation rights	2,220,000	-	2,220,000
Total capital assets, being depreciated	<u>199,004,850</u>	<u>(1,244,015)</u>	<u>197,760,835</u>
Less accumulated depreciation for:			
Buildings	7,187,629	(4,154)	7,183,475
Water and sewer system	29,797,176	-	29,797,176
Stormwater management	4,894,716	-	4,894,716
Machinery and equipment	7,784,141	(1,121,885)	6,662,256
Irrigation rights	1,798,200	-	1,798,200
Total accumulated depreciation	<u>51,461,862</u>	<u>(1,126,039)</u>	<u>50,335,823</u>
Total capital assets, being depreciated, net	<u>147,542,988</u>	<u>(117,976)</u>	<u>147,425,012</u>
Business-type activities capital assets, net	<u>\$ 158,776,783</u>	<u>\$ (147,571)</u>	<u>\$ 158,629,212</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2012

Note 22 – Prior Period Adjustment (Continued)

Statement of Activities

	Governmental Activities	Business-type Activities
Net Assets - Beginning of Year, as previously reported	\$ 135,408,010	\$ 126,918,269
Increase in capitalization scope	(927,787)	(147,571)
Net Assets - Beginning of Year, as Restated	\$ 134,480,223	\$ 126,770,698

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

	Water/Sewer	Stormwater	Solid Waste
Net Assets - Beginning of Year, as previously reported	\$ 108,540,957	\$ 17,074,627	\$ 928,663
Increase in capitalization scope	(106,749)	(40,623)	(199)
Net Assets - Beginning of Year, as Restated	\$ 108,434,208	\$ 17,034,004	\$ 928,464

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF SANFORD, FLORIDA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 14,813,130	\$ 14,813,130	\$ 14,955,982	\$ 142,852
Utility taxes	7,066,474	7,066,474	6,921,854	(144,620)
Business taxes	591,556	591,556	612,067	20,511
Permits and fees	4,679,159	4,679,159	4,327,571	(351,588)
Intergovernmental	4,685,865	4,695,765	4,721,569	25,804
Charges for services	2,068,866	2,083,866	2,289,591	205,725
Investment income	128,266	128,266	132,668	4,402
Fines and forfeits	62,600	62,600	147,012	84,412
Miscellaneous	348,890	353,906	246,445	(107,461)
Total revenues	<u>34,444,806</u>	<u>34,474,722</u>	<u>34,354,759</u>	<u>(119,963)</u>
Expenditures				
Current:				
General government	2,924,097	3,263,303	3,067,595	195,708
Public safety	20,431,238	20,531,606	19,588,879	942,727
Transportation	878,544	894,662	875,824	18,838
Physical environment	1,939,423	1,939,423	1,757,214	182,209
Economic environment	1,082,188	1,082,188	842,934	239,254
Human services	90,021	89,429	60,907	28,522
Culture and recreation	4,196,997	4,217,153	4,095,447	121,706
Capital outlay	-	5,244	12,886	(7,642)
Total expenditures	<u>31,542,508</u>	<u>32,023,008</u>	<u>30,301,686</u>	<u>1,721,322</u>
Excess of revenues over expenditures	<u>2,902,298</u>	<u>2,451,714</u>	<u>4,053,073</u>	<u>1,601,359</u>
Other financing sources (uses)				
Transfers in	-	9,035	9,035	-
Transfers out	(3,535,902)	(4,134,557)	(4,096,244)	38,313
Proceeds from sale of property	15,000	15,000	31,161	16,161
Total other financing uses	<u>(3,520,902)</u>	<u>(4,110,522)</u>	<u>(4,056,048)</u>	<u>54,474</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(618,604)	(1,658,808)	(2,975)	1,655,833
Fund balance				
Beginning of year	-	-	17,862,067	17,862,067
Prior carryforward	1,141,409	1,799,088	-	(1,799,088)
Future carryforward	(522,805)	(140,280)	-	140,280
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,859,092</u>	<u>\$ 17,859,092</u>

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2012

Schedule of Funding Progress for

Police Officers' Retirement Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2012	\$ 28,097,531	\$ 39,844,078	\$ 11,746,547	70.52%	\$ 5,283,683	222.32%
10/1/2011	26,199,271	37,487,673	11,288,402	69.89%	5,438,870	207.55%
10/1/2010	26,746,567	36,637,341	9,890,774	73.00%	5,529,328	178.88%
10/1/2009	25,844,720	35,352,545	9,507,825	73.11%	5,911,558	160.83%
10/1/2008	25,895,602	34,365,528	8,469,926	75.35%	6,164,376	137.40%
10/1/2007	24,374,453	30,770,016	6,395,563	79.21%	5,437,435	117.62%
10/1/2006	21,950,941	28,237,042	6,286,101	77.74%	4,587,810	137.02%
10/1/2005	19,833,502	26,454,219	6,620,717	74.97%	4,468,502	148.16%
10/1/2004	19,095,103	24,090,829	4,995,726	79.26%	4,470,513	111.75%

Firefighters' Pension Trust Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2012	\$ 19,700,161	\$ 28,282,168	\$ 8,582,007	69.66%	\$ 3,729,721	230.10%
10/1/2011	17,588,218	26,714,715	9,126,497	65.84%	3,936,215	231.86%
10/1/2010	17,235,155	25,575,611	8,340,456	67.39%	4,039,032	206.50%
10/1/2009	16,396,113	24,972,871	8,576,758	65.66%	4,101,210	209.13%
10/1/2008	15,686,965	23,037,305	7,350,340	68.09%	3,923,317	187.35%
10/1/2007	15,034,611	21,484,547	6,449,936	69.98%	3,571,946	180.57%
10/1/2006	14,007,003	18,838,018	4,831,015	74.35%	3,075,816	157.06%
10/1/2005	13,209,266	17,624,713	4,415,447	74.95%	2,781,577	158.74%
10/1/2004	12,805,517	16,372,831	3,567,314	78.21%	2,540,193	140.43%

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

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	State Contribution
2012	\$ 1,489,802	\$ 1,489,802	100.00%	\$ 176,349 *
2011	1,394,059	1,394,059	100.00%	176,349 *
2010	1,334,411	1,334,411	100.00%	176,349 *
2009	1,084,492	1,331,300	122.76%	176,349 *
2008	910,820	664,012	72.90%	176,349 *
2007	1,000,384	1,081,424	108.10%	176,349 *
2006	1,000,384	842,611	84.23%	176,349 *
2005	804,865	823,011	102.25%	174,728 *
2004	717,308	717,309	100.00%	163,847 *

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

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	State Contribution
2012	\$ 1,055,621	\$ 1,055,621	100.00%	\$ 168,686 **
2011	1,042,656	1,042,656	100.00%	168,686 **
2010	929,582	929,583	100.00%	169,201 **
2009	728,699	728,699	100.00%	169,201 **
2008	611,991	611,991	100.00%	169,201 **
2007	528,079	567,150	107.40%	156,568 **
2006	483,147	444,074	91.91%	156,568 **
2005	408,449	440,254	107.79%	153,653 **
2004	388,876	388,876	100.00%	125,840 **

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

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2012

Schedule of Funding Progress for

Retiree Continuation Insurance Plan

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

Schedule of Contributions From the Employer and Other Contributing Entities

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	Net Obligation
2012	\$ 1,207,402	\$ 491,172	40.68%	\$ 1,417,921
2011	1,180,187	739,782	62.68%	701,691
2010	729,717	677,899	92.90%	261,286
2009	721,338	511,870	70.96%	209,468



CITY OF SANFORD, FLORIDA

Combining Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Capital Projects Fund

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

Projects – To account for funds set aside for capital projects.

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

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

Public Safety Complex – To account for bond funds and funds set aside for a combined police/fire complex.



CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	Special Revenue Funds									
	Recreation Impact Fees	Fire Impact Fees	Local Option Gas Tax	Law Enforcement	Police Impact Fees	Second Generation Sales Tax Fund	Building Inspection	Cemetery	LIHEAP	Police Education
Assets										
Cash	\$ -	\$ -	\$ 195,966	\$ 117,960	\$ -	\$ 139,973	\$ 274,279	\$ -	\$ -	\$ 9,613
Investments	926,841	505,718	500,000	100,000	691,199	-	704,736	351,904	-	-
Accounts receivable, net	31	18	23	308	23	19	32	12	420	1
Prepays	-	-	-	165	-	-	327	-	146	-
Due from other governments	-	-	58,061	3,704	-	5,175,661	-	-	395,649	670
Total assets	\$ 926,872	\$ 505,736	\$ 754,050	\$ 222,137	\$ 691,222	\$ 5,315,653	\$ 979,374	\$ 351,916	\$ 396,215	\$ 10,284
Liabilities and fund balances										
Liabilities:										
Accounts payable	-	4,000	85,283	39	-	184,463	11,694	3,951	128,479	-
Accrued liabilities	-	-	-	-	-	-	20,715	-	8,298	-
Due to other funds	-	-	-	-	-	-	-	-	251,199	-
Deferred revenue	-	-	-	-	-	-	-	-	56,999	-
Total liabilities	-	4,000	85,283	39	-	184,463	32,409	3,951	444,975	-
Fund balances:										
Nonspendable	-	-	-	165	-	-	327	-	146	-
Restricted	926,872	501,736	668,767	169,729	691,222	5,131,190	946,638	-	-	10,284
Committed	-	-	-	-	-	-	-	347,965	-	-
Assigned	-	-	-	52,204	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(48,906)	-
Total fund balances	926,872	501,736	668,767	222,098	691,222	5,131,190	946,965	347,965	(48,760)	10,284
Total liabilities and fund balances	\$ 926,872	\$ 505,736	\$ 754,050	\$ 222,137	\$ 691,222	\$ 5,315,653	\$ 979,374	\$ 351,916	\$ 396,215	\$ 10,284

Special Revenue Funds					Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
ARRA Grant	CDBG	NSP	Youthbuild	Total	Debt Service	Projects	Recovery	Replacement	Total	
\$ -	\$ -	\$ -	\$ -	\$ 737,791	\$ 8,397	\$ 378,407	\$ 13,957	\$ 1,672,942	\$ 2,065,306	\$ 2,811,494
-	-	-	-	3,780,398	-	-	-	-	-	3,780,398
-	-	-	952	1,839	-	13	36	43	92	1,931
-	-	-	-	638	-	-	-	-	-	638
209,630	60,489	57,391	35,551	5,996,806	-	164,615	-	149,851	314,466	6,311,272
<u>\$ 209,630</u>	<u>\$ 60,489</u>	<u>\$ 57,391</u>	<u>\$ 36,503</u>	<u>\$ 10,517,472</u>	<u>\$ 8,397</u>	<u>\$ 543,035</u>	<u>\$ 13,993</u>	<u>\$ 1,822,836</u>	<u>\$ 2,379,864</u>	<u>\$ 12,905,733</u>
-	8,133	5,752	3,985	435,779	6,327	148,229	-	123,732	271,961	714,067
17,563	449	691	-	47,716	-	-	-	-	-	47,716
192,067	52,102	50,948	33,520	579,836	-	-	-	-	-	579,836
-	60,489	57,391	2,987	177,866	-	187,060	310	-	187,370	365,236
209,630	121,173	114,782	40,492	1,241,197	6,327	335,289	310	123,732	459,331	1,706,855
-	-	-	-	638	-	-	-	-	-	638
-	-	-	-	9,046,438	-	-	-	540,000	540,000	9,586,438
-	-	-	-	347,965	-	-	13,683	-	13,683	361,648
-	-	-	-	52,204	2,070	207,746	-	1,159,104	1,366,850	1,421,124
-	(60,684)	(57,391)	(3,989)	(170,970)	-	-	-	-	-	(170,970)
-	(60,684)	(57,391)	(3,989)	9,276,275	2,070	207,746	13,683	1,699,104	1,920,533	11,198,878
<u>\$ 209,630</u>	<u>\$ 60,489</u>	<u>\$ 57,391</u>	<u>\$ 36,503</u>	<u>\$ 10,517,472</u>	<u>\$ 8,397</u>	<u>\$ 543,035</u>	<u>\$ 13,993</u>	<u>\$ 1,822,836</u>	<u>\$ 2,379,864</u>	<u>\$ 12,905,733</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2012

	Special Revenue Funds									
	Recreation Impact Fees	Fire Impact Fees	Local Option Gas Tax	Law Enforcement	Police Impact Fees	Second Generation Sales Tax Fund	Premium Tax Trust	Building Inspection	Cemetery	LIHEAP
Revenues										
Intergovernmental revenues	\$ -	\$ -	\$ 918,302	\$ 31,803	\$ -	\$ 440,106	\$ 567,213	\$ -	\$ -	\$ 1,211,322
Permits and fees	-	-	-	-	-	-	-	1,365,055	-	-
Investment income	3,992	2,480	3,366	1,310	3,291	28,285	-	3,732	-	-
Fines and forfeitures	-	-	-	68,370	-	-	-	-	-	-
Service assessments	506,251	241,719	-	-	265,451	-	-	-	-	-
Miscellaneous	-	-	-	10,077	-	-	-	16,489	65,291	-
Total revenues	510,243	244,199	921,668	111,560	268,742	468,391	567,213	1,385,276	65,291	1,211,322
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	1,267,697
Public safety	-	4,396	-	68,778	532	-	567,213	722,449	-	-
Transportation	-	-	624,400	-	-	451,089	-	-	-	-
Culture and recreation	735	-	-	-	-	-	-	-	97,738	-
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	95,259	24,717	-	1,433,079	-	-	-	-
Total expenditures	735	4,396	719,659	93,495	532	1,884,168	567,213	722,449	97,738	1,267,697
Excess (deficiency) of revenues over (under) expenditures	509,508	239,803	202,009	18,065	268,210	(1,415,777)	-	662,827	(32,447)	(56,375)
Other financing sources (uses)										
Capital leases	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(32,909)	-	-	-	-	-	(1,390)	-	-
Issuance of refunding debt	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property	-	-	-	4,163	-	-	-	-	-	-
Total other financing sources (uses)	-	(32,909)	-	4,163	-	-	-	(1,390)	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financial uses	509,508	206,894	202,009	22,228	268,210	(1,415,777)	-	661,437	(32,447)	(56,375)
Fund balances										
Beginning of year	417,364	294,842	466,758	199,870	423,012	6,546,967	-	285,528	380,412	7,615
End of year	\$ 926,872	\$ 501,736	\$ 668,767	\$ 222,098	\$ 691,222	\$ 5,131,190	\$ -	\$ 946,965	\$ 347,965	\$ (48,760)

Special Revenue Funds						Debt Service Fund			Capital Project Funds			Total Nonmajor Governmental Funds
Police Education	ARRA Grant	CDBG	NSP	Youthbuild	Total	Debt Service	Projects	Recovery	Replacement	Public Safety Complex	Total	
\$ -	\$ 610,113	\$ 209,035	\$ -	\$ 270,411	\$ 4,258,305	\$ -	\$ 798,826	\$ -	\$ 232,412	\$ -	\$ 1,031,238	\$ 5,289,543
-	-	-	-	-	1,365,055	-	-	-	-	-	-	1,365,055
34	-	-	-	-	46,490	-	3,927	42	1,692	-	5,661	52,151
10,979	-	-	-	-	79,349	-	-	-	-	-	-	79,349
-	-	-	-	-	1,013,421	-	-	8,402	-	-	8,402	1,021,823
-	-	-	-	-	91,857	-	-	-	-	-	-	91,857
11,013	610,113	209,035	-	270,411	6,854,477	-	802,753	8,444	234,104	-	1,045,301	7,899,778
-	21,761	122,116	36,621	200,452	1,648,647	-	-	-	156,333	-	156,333	1,804,980
5,339	388,313	-	-	-	1,757,020	-	-	-	1,109,298	-	1,109,298	2,866,318
-	-	-	-	-	1,075,489	-	113,547	-	-	-	113,547	1,189,036
-	-	-	-	-	98,473	-	87,139	41	24,051	-	111,231	209,704
-	-	-	-	-	-	2,002,708	-	-	-	-	-	2,002,708
-	-	-	-	-	-	600,742	-	-	-	-	-	600,742
-	48,157	-	-	-	1,601,212	-	1,288,359	-	369,653	-	1,658,012	3,259,224
5,339	458,231	122,116	36,621	200,452	6,180,841	2,603,450	1,489,045	41	1,659,335	-	3,148,421	11,932,712
5,674	151,882	86,919	(36,621)	69,959	673,636	(2,603,450)	(686,292)	8,403	(1,425,231)	-	(2,103,120)	(4,032,934)
-	-	-	-	-	-	-	-	-	540,000	-	540,000	540,000
-	-	-	-	-	-	2,601,314	230,000	-	2,227,741	-	2,457,741	5,059,055
-	-	-	-	-	(34,299)	-	-	-	-	(929,902)	(929,902)	(964,201)
-	-	-	-	-	-	15,050,000	-	-	-	-	-	15,050,000
-	-	-	-	-	-	(15,050,000)	-	-	-	-	-	(15,050,000)
-	-	-	-	-	4,163	-	-	-	-	-	-	4,163
-	-	-	-	-	(30,136)	2,601,314	230,000	-	2,767,741	(929,902)	2,067,839	4,639,017
5,674	151,882	86,919	(36,621)	69,959	643,500	(2,136)	(456,292)	8,403	1,342,510	(929,902)	(35,281)	606,083
4,610	(151,882)	(147,603)	(20,770)	(73,948)	8,632,775	4,206	664,038	5,280	356,594	929,902	1,955,814	10,592,795
\$ 10,284	\$ -	\$ (60,684)	\$ (57,391)	\$ (3,989)	\$ 9,276,275	\$ 2,070	\$ 207,746	\$ 13,683	\$ 1,699,104	\$ -	\$ 1,920,533	\$ 11,198,878

CITY OF SANFORD, FLORIDA
Recreation Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 767	\$ 767	\$ 3,992	\$ 3,225
Service assessments	128,532	128,532	506,251	377,719
Total revenues	<u>129,299</u>	<u>129,299</u>	<u>510,243</u>	<u>380,944</u>
Expenditures				
Current				
Culture and recreation	-	-	735	(735)
Total expenditures	<u>-</u>	<u>-</u>	<u>735</u>	<u>(735)</u>
Excess of revenues over expenditures	<u>129,299</u>	<u>129,299</u>	<u>509,508</u>	<u>380,209</u>
Net change in fund balance	129,299	129,299	509,508	380,209
Fund balance				
Beginning of year	-	-	417,364	417,364
Future carryforward	<u>(129,299)</u>	<u>(129,299)</u>	<u>-</u>	<u>129,299</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 926,872</u>	<u>\$ 926,872</u>

CITY OF SANFORD, FLORIDA
Fire Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 591	\$ 591	\$ 2,480	\$ 1,889
Service assessments	149,028	149,028	241,719	92,691
Total revenues	<u>149,619</u>	<u>149,619</u>	<u>244,199</u>	<u>94,580</u>
Expenditures				
Current				
Public safety	-	4,001	4,396	(395)
Total expenditures	<u>-</u>	<u>4,001</u>	<u>4,396</u>	<u>(395)</u>
Excess of revenues over expenditures	<u>149,619</u>	<u>145,618</u>	<u>239,803</u>	<u>94,185</u>
Other financing uses				
Transfers out	-	(59,753)	(32,909)	26,844
Total other financing uses	<u>-</u>	<u>(59,753)</u>	<u>(32,909)</u>	<u>26,844</u>
Net change in fund balance	149,619	85,865	206,894	121,029
Fund balance				
Beginning of year	-	-	294,842	294,842
Future carryforward	<u>(149,619)</u>	<u>(85,865)</u>	<u>-</u>	<u>85,865</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,736</u>	<u>\$ 501,736</u>

CITY OF SANFORD, FLORIDA
Local Option Gas Tax Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 968,947	\$ 968,947	\$ 918,302	\$ (50,645)
Investment income	934	934	3,366	2,432
Total revenues	<u>969,881</u>	<u>969,881</u>	<u>921,668</u>	<u>(48,213)</u>
Expenditures				
Current				
Transportation	735,977	742,484	624,400	118,084
Capital outlay				
Transportation	233,904	233,904	95,259	138,645
Total expenditures	<u>969,881</u>	<u>976,388</u>	<u>719,659</u>	<u>256,729</u>
Excess of revenues over expenditures	<u>-</u>	<u>(6,507)</u>	<u>202,009</u>	<u>208,516</u>
Net change in fund balance	-	(6,507)	202,009	208,516
Fund balance				
Beginning of year	-	-	466,758	466,758
Prior carryforward	<u>-</u>	<u>6,507</u>	<u>-</u>	<u>(6,507)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 668,767</u>	<u>\$ 668,767</u>

CITY OF SANFORD, FLORIDA
Law Enforcement Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ 19,097	\$ 31,803	\$ 12,706
Investment income	1,871	1,594	1,310	(284)
Fines and forfeitures	64,777	64,697	68,370	3,673
Miscellaneous	1,984	-	14,240	14,240
Total revenues	<u>68,632</u>	<u>85,388</u>	<u>115,723</u>	<u>30,335</u>
Expenditures				
Current				
Public safety	22,116	103,194	68,778	34,416
Capital outlay				
Public safety	-	35,600	24,717	10,883
Total expenditures	<u>22,116</u>	<u>138,794</u>	<u>93,495</u>	<u>45,299</u>
Excess of revenues over expenditures	<u>46,516</u>	<u>(53,406)</u>	<u>22,228</u>	<u>75,634</u>
Net change in fund balance	46,516	(53,406)	22,228	75,634
Fund balance				
Beginning of year	-	-	199,870	199,870
Prior carryforward	8,975	67,807	-	(67,807)
Future carryforward	<u>(55,491)</u>	<u>(14,401)</u>	<u>-</u>	<u>14,401</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,098</u>	<u>\$ 222,098</u>

CITY OF SANFORD, FLORIDA
Police Impact Fees Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 813	\$ 813	\$ 3,291	\$ 2,478
Service assessments	218,661	218,661	265,451	46,790
Total revenues	<u>219,474</u>	<u>219,474</u>	<u>268,742</u>	<u>49,268</u>
Expenditures				
Current				
Public safety	-	-	532	(532)
Capital outlay				
Public safety	-	219,474	-	219,474
Total expenditures	<u>-</u>	<u>219,474</u>	<u>532</u>	<u>218,942</u>
Excess of revenues over expenditures	<u>219,474</u>	<u>-</u>	<u>268,210</u>	<u>268,210</u>
Net change in fund balance	219,474	-	268,210	268,210
Fund balance				
Beginning of year	-	-	423,012	423,012
Future carryforward	<u>(219,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,222</u>	<u>\$ 691,222</u>

CITY OF SANFORD, FLORIDA
Second Generation Sales Tax Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 141,350	\$ 141,350	\$ 440,106	\$ 298,756
Investment income	-	-	28,285	28,285
Total revenues	<u>141,350</u>	<u>141,350</u>	<u>468,391</u>	<u>327,041</u>
Expenditures				
Current				
Transportation	385,000	385,000	451,089	(66,089)
Capital				
Transportation	1,265,000	5,724,846	1,433,079	4,291,767
Total expenditures	<u>1,650,000</u>	<u>6,109,846</u>	<u>1,884,168</u>	<u>4,225,678</u>
Deficiency of revenues under expenditures	<u>(1,508,650)</u>	<u>(5,968,496)</u>	<u>(1,415,777)</u>	<u>4,552,719</u>
Net change in fund balances	(1,508,650)	(5,968,496)	(1,415,777)	4,552,719
Fund balance				
Beginning of year	-	-	6,546,967	6,546,967
Prior carryforward	1,508,650	5,968,496	-	(5,968,496)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,131,190</u>	<u>\$ 5,131,190</u>

CITY OF SANFORD, FLORIDA
Building Inspection Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Permits and fees	\$ 883,205	\$ 883,205	\$ 1,365,055	\$ 481,850
Investment income	100	100	3,732	3,632
Miscellaneous	12,827	12,827	16,489	3,662
Total revenues	<u>896,132</u>	<u>896,132</u>	<u>1,385,276</u>	<u>489,144</u>
Expenditures				
Current				
Public safety	715,562	718,562	722,449	(3,887)
Total expenditures	<u>715,562</u>	<u>718,562</u>	<u>722,449</u>	<u>(3,887)</u>
Excess of revenues over expenditures	<u>180,570</u>	<u>177,570</u>	<u>662,827</u>	<u>485,257</u>
Other financing uses				
Transfers out	-	(1,390)	(1,390)	-
Total other financing uses	<u>-</u>	<u>(1,390)</u>	<u>(1,390)</u>	<u>-</u>
Net change in fund balance	180,570	176,180	661,437	485,257
Fund balance				
Beginning of year	-	-	285,528	285,528
Prior carryforward	-	1,390	-	(1,390)
Future carryforward	<u>(180,570)</u>	<u>(177,570)</u>	<u>-</u>	<u>177,570</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,965</u>	<u>\$ 946,965</u>

CITY OF SANFORD, FLORIDA
Cemetery Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous revenue	\$ 57,000	\$ 57,000	\$ 65,291	\$ 8,291
Total revenues	<u>57,000</u>	<u>57,000</u>	<u>65,291</u>	<u>8,291</u>
Expenditures				
Current				
Culture and recreation	108,886	112,210	97,738	14,472
Capital outlay				
Culture and recreation	20,000	16,676	-	16,676
Total expenditures	<u>128,886</u>	<u>128,886</u>	<u>97,738</u>	<u>31,148</u>
Deficiency of revenues under expenditures	<u>(71,886)</u>	<u>(71,886)</u>	<u>(32,447)</u>	<u>39,439</u>
Net change in fund balance	(71,886)	(71,886)	(32,447)	39,439
Fund balance				
Beginning of year	-	-	380,412	380,412
Prior carryforward	<u>71,886</u>	<u>71,886</u>	<u>-</u>	<u>(71,886)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,965</u>	<u>\$ 347,965</u>

CITY OF SANFORD, FLORIDA
LIHEAP Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 1,146,475	\$ 1,271,475	\$ 1,211,322	\$ (60,153)
Total revenues	<u>1,146,475</u>	<u>1,271,475</u>	<u>1,211,322</u>	<u>(60,153)</u>
Expenditures				
Current				
General government	1,146,475	1,271,475	1,267,697	3,778
Total expenditures	<u>1,146,475</u>	<u>1,271,475</u>	<u>1,267,697</u>	<u>3,778</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(56,375)</u>	<u>(56,375)</u>
Net change in fund balance	-	-	(56,375)	(56,375)
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>7,615</u>	<u>7,615</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,760)</u>	<u>\$ (48,760)</u>

CITY OF SANFORD, FLORIDA
Police Education Special Revenue Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 53	\$ 53	\$ 34	\$ (19)
Fines and forfeitures	5,808	5,808	10,979	5,171
Total revenues	<u>5,861</u>	<u>5,861</u>	<u>11,013</u>	<u>5,152</u>
Expenditures				
Current				
Public safety	6,000	5,861	5,339	522
Total expenditures	<u>6,000</u>	<u>5,861</u>	<u>5,339</u>	<u>522</u>
Excess of revenues over expenditures	<u>(139)</u>	<u>-</u>	<u>5,674</u>	<u>5,674</u>
Net change in fund balance	(139)	-	5,674	5,674
Fund balance				
Beginning of year	-	-	4,610	4,610
Prior carryforward	<u>139</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,284</u>	<u>\$ 10,284</u>

CITY OF SANFORD, FLORIDA
ARRA Grant Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 394,772	\$ 515,550	\$ 610,113	\$ 94,563
Total revenues	<u>394,772</u>	<u>515,550</u>	<u>610,113</u>	<u>94,563</u>
Expenditures				
Current				
General government	-	60,579	21,761	38,818
Public safety	394,772	418,090	388,313	29,777
Capital outlay				
General government	-	36,881	48,157	(11,276)
Total expenditures	<u>394,772</u>	<u>515,550</u>	<u>458,231</u>	<u>57,319</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>151,882</u>	<u>151,882</u>
Net change in fund balance	-	-	151,882	151,882
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>(151,882)</u>	<u>(151,882)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANFORD, FLORIDA
CDBG Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 387,375	\$ 387,375	\$ 209,035	\$ (178,340)
Total revenues	<u>387,375</u>	<u>387,375</u>	<u>209,035</u>	<u>(178,340)</u>
Expenditures				
Current:				
General government	81,479	150,504	122,116	28,388
Total expenditures	<u>81,479</u>	<u>150,504</u>	<u>122,116</u>	<u>28,388</u>
Excess of revenues over expenditures	<u>305,896</u>	<u>236,871</u>	<u>86,919</u>	<u>(149,952)</u>
Net change in fund balance	305,896	236,871	86,919	(149,952)
Fund balance				
Beginning of year	-	-	(147,603)	(147,603)
Future carryforward	<u>(305,896)</u>	<u>(236,871)</u>	<u>-</u>	<u>236,871</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,684)</u>	<u>\$ (60,684)</u>

CITY OF SANFORD, FLORIDA
NSP Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 344,537	\$ 344,537	\$ -	\$ (344,537)
Total revenues	<u>344,537</u>	<u>344,537</u>	<u>-</u>	<u>(344,537)</u>
Expenditures				
Current:				
General government	67,746	67,746	36,621	31,125
Total expenditures	<u>67,746</u>	<u>67,746</u>	<u>36,621</u>	<u>31,125</u>
Deficiency of revenues under expenditures	<u>276,791</u>	<u>276,791</u>	<u>(36,621)</u>	<u>(313,412)</u>
Net change in fund balance	276,791	276,791	(36,621)	(313,412)
Fund balance				
Beginning of year	-	-	(20,770)	(20,770)
Future carryforward	<u>(276,791)</u>	<u>(276,791)</u>	<u>-</u>	<u>276,791</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,391)</u>	<u>\$ (57,391)</u>

CITY OF SANFORD, FLORIDA
Youthbuild Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 223,469	\$ 223,469	\$ 270,411	\$ 46,942
Total revenues	<u>223,469</u>	<u>223,469</u>	<u>270,411</u>	<u>46,942</u>
Expenditures				
Current				
General government	223,469	223,469	200,452	23,017
Total expenditures	<u>223,469</u>	<u>223,469</u>	<u>200,452</u>	<u>23,017</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>69,959</u>	<u>69,959</u>
Net change in fund balance	-	-	69,959	69,959
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>(73,948)</u>	<u>(73,948)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,989)</u>	<u>\$ (3,989)</u>

CITY OF SANFORD, FLORIDA
Debt Service Fund
Budgetary Comparison Schedule
For The Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Debt service				
Principal	851,635	1,996,309	2,002,708	(6,399)
Interest and other	700,780	605,006	600,742	4,264
Total expenditures	<u>1,552,415</u>	<u>2,601,315</u>	<u>2,603,450</u>	<u>(2,135)</u>
Deficiency of revenues under expenditures	<u>(1,552,415)</u>	<u>(2,601,315)</u>	<u>(2,603,450)</u>	<u>(2,135)</u>
Other financing sources				
Transfers in	1,552,415	2,601,315	2,601,314	(1)
Issuance of refunding debt			15,050,000	15,050,000
Payment to refunded bond escrow agent	-	-	<u>(15,050,000)</u>	<u>(15,050,000)</u>
Total other financing sources	<u>1,552,415</u>	<u>2,601,315</u>	<u>2,601,314</u>	<u>(1)</u>
Net change in fund balance	-	-	(2,136)	(2,136)
Fund balance				
Beginning of year	<u>-</u>	<u>-</u>	<u>4,206</u>	<u>4,206</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,070</u>	<u>\$ 2,070</u>

STATISTICAL SECTION (UNAUDITED):

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

**CITY OF SANFORD, FLORIDA
STATISTICAL SECTION CONTENTS
For The Year Ended September 30, 2012**

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

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the City's financial performance and financial position have changed over time.	104-113
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City's most significant local revenue source – property taxes.	114-117
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, the ability to issue additional debt in the future, and related historical trend data.	118-121
<u>Demographic and Economic Information</u>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	122-124
<u>Operating Information</u>	
These schedules contain service levels and capital asset data to help the reader understand how the information in the City's financial report relate to the services the City provides to its citizens and visitors.	126-129

Schedule 1
CITY OF SANFORD, FLORIDA

NET ASSETS BY COMPONENT
(accrual basis of accounting)

Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Governmental activities</u>					
Invested in capital assets, net of related debt	\$ 29,346,215	\$ 34,149,786	\$ 36,293,287	\$ 38,473,897	\$ 100,681,175
Restricted	1,833,224	1,869,556	2,507,199	3,110,023	10,549,515
Unrestricted	9,983,304	13,796,173	14,924,212	17,872,420	18,631,636
Total governmental activities net assets	<u>\$ 41,162,743</u>	<u>\$ 49,815,515</u>	<u>\$ 53,724,698</u>	<u>\$ 59,456,340</u>	<u>\$ 129,862,326</u>
<u>Business-type activities</u>					
Invested in capital assets, net of related debt	\$ 53,700,928	\$ 60,689,258	\$ 75,632,685	\$ 85,888,293	\$ 86,901,903
Restricted	9,777,458	9,331,175	10,088,357	10,753,432	11,811,488
Unrestricted	13,548,581	14,699,489	5,337,171	4,044,563	8,329,896
Total business-type activities net assets	<u>\$ 77,026,967</u>	<u>\$ 84,719,922</u>	<u>\$ 91,058,213</u>	<u>\$ 100,686,288</u>	<u>\$ 107,043,287</u>
<u>Primary government</u>					
Invested in capital assets, net of related debt	\$ 83,047,143	\$ 94,839,044	\$ 111,925,972	\$ 124,362,190	\$ 187,583,078
Restricted	11,610,682	11,200,731	12,595,556	13,863,455	22,361,003
Unrestricted	23,531,885	28,495,662	20,261,383	21,916,983	26,961,532
Total primary government net assets	<u>\$ 118,189,710</u>	<u>\$ 134,535,437</u>	<u>\$ 144,782,911</u>	<u>\$ 160,142,628</u>	<u>\$ 236,905,613</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 98,814,290	\$ 105,645,908	\$ 104,250,077	\$ 102,568,745	\$ 101,482,226
28,464,057	24,120,145	9,680,361	7,924,107	8,469,141
5,361,947	1,555,358	19,401,295	24,915,158	24,698,280
<u>\$ 132,640,294</u>	<u>\$ 131,321,411</u>	<u>\$ 133,331,733</u>	<u>\$ 135,408,010</u>	<u>\$ 134,649,647</u>
\$ 92,584,371	\$ 101,598,575	\$ 105,427,868	\$ 107,512,124	\$ 107,795,107
2,473,650	7,680,009	7,401,643	7,333,198	8,137,545
14,849,417	4,489,557	6,500,159	12,072,947	17,654,042
<u>\$ 109,907,438</u>	<u>\$ 113,768,141</u>	<u>\$ 119,329,670</u>	<u>\$ 126,918,269</u>	<u>\$ 133,586,694</u>
\$ 191,398,661	\$ 207,244,483	\$ 209,677,945	\$ 210,080,869	\$ 209,277,333
30,937,707	31,800,154	17,082,004	15,257,305	16,606,686
20,211,364	6,044,915	25,901,454	36,988,105	42,352,322
<u>\$ 242,547,732</u>	<u>\$ 245,089,552</u>	<u>\$ 252,661,403</u>	<u>\$ 262,326,279</u>	<u>\$ 268,236,341</u>

Schedule 2
CITY OF SANFORD, FLORIDA

CHANGES IN NET ASSETS
(accrual basis of accounting)

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Expenses</u>					
Governmental activities:					
General government	\$ 4,662	\$ 4,068	\$ 5,494	\$ 5,826	\$ 5,720
Public safety	14,388	15,489	16,279	17,961	22,909
Transportation	2,295	7,705	3,597	3,739	7,998
Physical environment	3,813	3,050	3,976	3,554	862
Economic environment	599	398	622	601	789
Human services	366	521	128	431	259
Culture and recreation	3,258	3,840	3,914	4,625	7,757
Interest on long-term debt	*	*	76	72	65
Total governmental activities expenses	<u>29,381</u>	<u>35,071</u>	<u>34,086</u>	<u>36,809</u>	<u>46,359</u>
Business-type activities:					
Water and sewer	10,934	11,961	12,960	15,631	16,563
Stormwater	1,395	1,462	1,671	1,420	1,899
Solid waste	-	-	-	-	4,519
Total business-type activities expenses	<u>12,329</u>	<u>13,423</u>	<u>14,631</u>	<u>17,051</u>	<u>22,981</u>
Total primary government expenses	<u>41,710</u>	<u>48,494</u>	<u>48,717</u>	<u>53,860</u>	<u>69,340</u>
<u>Program revenues</u>					
Governmental activities:					
Charges for services:					
General government	1,833	1,908	2,105	2,210	2,708
Public safety	1,385	2,017	2,267	2,347	2,049
Transportation	14	32	55	57	59
Physical environment	3,458	3,685	3,927	4,232	199
Culture and recreation	207	243	253	279	281
Operating grants and contributions	1,127	5,719	902	1,312	1,458
Capital grants and contributions	4,486	3,788	2,433	704	1,217
Total governmental activities program revenues	<u>12,510</u>	<u>17,392</u>	<u>11,942</u>	<u>11,141</u>	<u>7,971</u>
Business-type activities:					
Charges for services	13,622	15,143	15,136	17,467	23,087
Operating grants and contributions	29	-	-	50	274
Capital grants and contributions	2,169	5,676	4,871	8,122	4,151
Total business-type activities program revenues	<u>15,820</u>	<u>20,819</u>	<u>20,007</u>	<u>25,639</u>	<u>27,512</u>
Total primary government program revenues	<u>28,330</u>	<u>38,211</u>	<u>31,949</u>	<u>36,780</u>	<u>35,483</u>
<u>Net (expense) / revenue</u>					
Governmental activities	(16,871)	(17,679)	(22,144)	(25,668)	(38,388)
Business-type activities	3,491	7,396	5,376	8,588	4,531
Total primary government net expense	<u>(13,380)</u>	<u>(10,283)</u>	<u>(16,768)</u>	<u>(17,080)</u>	<u>(33,857)</u>

* Data not available

(Continued)

	2008	2009	2010	2011	2012
\$	6,268	\$ 7,551	\$ 5,839	\$ 6,126	\$ 5,438
	22,875	23,600	22,506	22,854	24,434
	5,748	5,384	4,968	5,004	4,544
	3,088	2,983	2,325	1,899	1,554
	1,354	2,345	1,116	828	844
	146	214	122	90	73
	5,779	5,835	5,311	5,188	5,420
	358	834	749	728	601
	45,616	48,746	42,936	42,717	42,908
	18,646	18,075	17,600	16,585	17,832
	5,329	1,904	2,022	2,574	2,704
	2,377	5,163	5,190	5,069	5,101
	26,352	25,142	24,812	24,228	25,637
	71,968	73,888	67,748	66,945	68,545
	1,110	992	892	1,120	1,248
	3,312	3,344	3,175	3,318	4,390
	61	69	66	68	70
	119	103	247	67	13
	480	721	674	647	1,031
	1,460	2,097	2,478	3,172	2,773
	1,100	1,591	972	1,408	1,124
	7,642	8,917	8,504	9,800	10,649
	25,156	25,947	28,113	29,097	30,226
	-	1,580	1,873	1,593	803
	3,393	1,171	722	1,074	1,144
	28,549	28,698	30,708	31,764	32,173
	36,191	37,615	39,212	41,564	42,822
	(37,974)	(39,829)	(34,432)	(32,917)	(32,259)
	2,197	3,556	5,896	7,536	6,536
	(35,777)	(36,273)	(28,536)	(25,381)	(25,723)

Schedule 2
CITY OF SANFORD, FLORIDA

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

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	2003	2004	2005	2006	2007
General revenues and other changes in net assets					
Governmental activities:					
Property tax	\$ 8,855	\$ 9,483	\$ 10,265	\$ 12,101	\$ 16,557
Other taxes	12,178	16,047	14,835	16,923	20,570
Unrestricted investment earnings	265	241	574	1,201	1,656
Gain on sale of capital assets	20	142	3	-	69
Miscellaneous	4,091	430	713	795	(750)
Transfers in (out)	(550)	(12)	(338)	(175)	(598)
Total governmental activities	<u>24,859</u>	<u>26,331</u>	<u>26,052</u>	<u>30,845</u>	<u>37,504</u>
Business-type activities:					
Unrestricted investment earnings	373	286	580	785	980
Gain on sale of capital assets	133	-	8	6	14
Miscellaneous	1,833	-	37	74	130
Transfers in (out)	550	12	338	175	702
Total business-type activities	<u>2,889</u>	<u>298</u>	<u>963</u>	<u>1,040</u>	<u>1,826</u>
Total primary government	<u>27,748</u>	<u>26,629</u>	<u>27,015</u>	<u>31,885</u>	<u>39,330</u>
Change in net assets					
Governmental activities	7,988	8,652	3,908	5,177	(884)
Business-type activities	6,380	7,694	6,339	9,628	6,357
Total government	<u>\$ 14,368</u>	<u>\$ 16,346</u>	<u>\$ 10,247</u>	<u>\$ 14,805</u>	<u>\$ 5,473</u>

	2008	2009	2010	2011	2012
\$	19,325	\$ 18,644	\$ 16,387	\$ 15,502	\$ 14,956
	19,907	18,435	18,706	18,820	17,082
	1,105	996	401	254	236
	86	14	11	33	(3)
	329	421	294	169	149
	-	-	643	214	8
	<u>40,752</u>	<u>38,510</u>	<u>36,442</u>	<u>34,992</u>	<u>32,428</u>
	481	155	157	122	123
	-	-	-	-	-
	186	150	152	146	165
	-	-	(643)	(214)	(8)
	<u>667</u>	<u>305</u>	<u>(334)</u>	<u>54</u>	<u>280</u>
	<u>41,419</u>	<u>38,815</u>	<u>36,108</u>	<u>35,046</u>	<u>32,708</u>
	2,778	(1,319)	2,010	2,075	169
	<u>2,864</u>	<u>3,861</u>	<u>5,562</u>	<u>7,590</u>	<u>6,816</u>
\$	<u><u>5,642</u></u>	<u><u>2,542</u></u>	<u><u>7,572</u></u>	<u><u>9,665</u></u>	<u><u>6,985</u></u>

Schedule 3
CITY OF SANFORD, FLORIDA

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

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	\$ 105	\$ 134	\$ 177	\$ 175	\$ 109	\$ 1,533	\$ -	\$ -	\$ -	\$ -
Unreserved	13,154	9,990	16,051	19,622	18,525	10,222	-	-	-	-
Total general fund	\$ 13,259	\$ 10,124	\$ 16,228	\$ 19,797	\$ 18,634	\$ 11,755	\$ -	\$ -	\$ -	\$ -
All other governmental funds										
Reserved	\$ 208	\$ 52	\$ 52	\$ -	\$ -	\$ 33,971	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,118	2,334	3,019	3,670	3,869	2,586	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(1,516)	9	131	189	585	1,384	-	-	-	-
Various	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 810	\$ 2,395	\$ 3,202	\$ 3,859	\$ 4,454	\$ 37,941	\$ -	\$ -	\$ -	\$ -
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151	\$ 173	\$ 258	\$ 315
Restricted	-	-	-	-	-	-	2	4	2	-
Assigned	-	-	-	-	-	-	3,701	1,277	1,369	1,446
Unassigned	-	-	-	-	-	-	8,331	11,847	16,233	16,098
Total general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,185	\$ 13,301	\$ 17,862	\$ 17,859
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 1
Restricted	-	-	-	-	-	-	23,999	9,666	8,203	9,586
Committed	-	-	-	-	-	-	-	-	5	362
Assigned	-	-	-	-	-	-	5,487	4,878	2,378	1,421
Unassigned	-	-	-	-	-	-	-	-	-	(171)
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,486	\$ 14,544	\$ 10,593	\$ 11,199

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



Schedule 4
CITY OF SANFORD, FLORIDA

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

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues						
Taxes	\$ 21,034	\$ 21,287	\$ 20,158	\$ 23,638	\$ 29,917	\$ 27,272
Licenses and permits	1,006	1,490	1,564	1,721	1,265	4,408
Intergovernmental revenues	8,615	7,953	12,358	6,737	7,156	11,090
Charges for services	4,524	4,979	5,537	5,835	1,960	2,229
Fines and forfeitures	323	362	289	428	422	400
Impact fees	286	747	386	502	648	679
Interest earnings	265	241	574	1,201	1,656	973
Administrative services	906	906	1,060	1,095	1,557	-
Miscellaneous revenues	775	866	697	1,112	944	630
Total revenues	<u>37,734</u>	<u>38,831</u>	<u>42,623</u>	<u>42,269</u>	<u>45,525</u>	<u>47,681</u>
Expenditures						
General government	4,412	4,284	5,481	5,352	6,910	6,131
Public safety	13,415	14,247	15,268	16,327	18,782	21,224
Transportation	2,520	2,538	3,138	3,002	5,414	2,455
Physical environment	2,930	2,975	2,948	3,567	818	2,972
Economic environment	534	383	609	560	731	1,885
Human services	252	260	147	450	251	167
Culture and recreation	3,217	3,198	3,339	3,795	4,955	5,108
Capital outlay	12,359	7,056	4,301	5,241	5,861	6,114
Principal	85	90	95	100	110	168
Interest and fiscal charges	87	82	77	72	65	456
Total expenditures	<u>39,811</u>	<u>35,113</u>	<u>35,403</u>	<u>38,466</u>	<u>43,897</u>	<u>46,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,077)</u>	<u>3,718</u>	<u>7,220</u>	<u>3,803</u>	<u>1,628</u>	<u>1,001</u>
Other financing sources (uses)						
Capital Leases	-	-	-	-	-	-
Transfers in	1,340	172	551	172	4,658	12,603
Transfers (out)	(1,891)	(183)	(888)	(347)	(5,257)	(12,603)
Proceeds from sale of property	12	24	29	44	20	125
Issuance of debt	-	-	-	-	-	18,300
Issuance of refunding debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>(539)</u>	<u>13</u>	<u>(308)</u>	<u>(131)</u>	<u>(579)</u>	<u>18,425</u>
Extraordinary item						
Hurricane expenditures	-	(5,281)	-	-	-	-
Lease termination	-	-	-	-	(1,618)	-
Total extraordinary items	<u>-</u>	<u>(5,281)</u>	<u>-</u>	<u>-</u>	<u>(1,618)</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,616)</u>	<u>\$ (1,550)</u>	<u>\$ 6,912</u>	<u>\$ 3,672</u>	<u>\$ (569)</u>	<u>\$ 19,426</u>
Debt service as a percentage of non-capital expenditures	<u>0.63%</u>	<u>0.61%</u>	<u>0.55%</u>	<u>0.52%</u>	<u>0.46%</u>	<u>1.54%</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 26,639	\$ 24,339	\$ 23,242	\$ 22,490
5,031	5,249	5,829	5,693
9,976	9,380	12,076	10,011
2,277	2,357	1,963	2,290
291	246	158	226
376	262	423	1,022
926	313	204	185
-	-	-	-
853	562	377	338
<u>46,369</u>	<u>42,708</u>	<u>44,272</u>	<u>42,255</u>
6,175	4,839	5,280	4,873
21,335	21,806	21,564	22,455
2,342	2,162	1,961	2,065
2,692	3,842	2,149	1,757
1,418	1,119	825	843
213	109	77	61
4,758	4,357	4,093	4,305
13,029	18,079	6,523	3,272
4,354	708	822	2,003
834	749	728	601
<u>57,150</u>	<u>57,770</u>	<u>44,022</u>	<u>42,235</u>
(10,781)	(15,062)	250	20
-	-	-	540
4,519	2,846	5,315	5,068
(4,519)	(2,203)	(5,101)	(5,060)
20	12	145	35
2,736	582	-	-
-	-	-	15,050
-	-	-	(15,050)
<u>2,756</u>	<u>1,237</u>	<u>359</u>	<u>583</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ (8,025)</u>	<u>\$ (13,825)</u>	<u>\$ 609</u>	<u>\$ 603</u>
<u>11.76%</u>	<u>3.67%</u>	<u>4.13%</u>	<u>6.68%</u>

**Schedule 5
CITY OF SANFORD, FLORIDA**

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(dollar amounts are expressed in thousands)

Fiscal Year	Assessed Values			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total					
2003*	\$ 1,832,640	\$ 267,432	\$ 2,100,072	\$ (600,923)	\$ 1,499,149	6.500	\$ 1,511,239	99.20%
2004*	1,966,176	288,833	2,255,009	(652,922)	1,602,087	6.475	1,639,802	97.70%
2005*	2,186,595	296,821	2,483,416	(708,255)	1,775,161	6.350	1,794,905	98.90%
2006	2,622,524	314,837	2,937,361	(821,501)	2,115,860	6.325	2,176,811	97.20%
2007	3,777,524	347,830	4,125,354	(1,220,061)	2,905,293	6.325	2,885,097	100.70%
2008	4,388,732	379,778	4,768,510	(1,363,021)	3,405,489	6.325	3,532,665	96.40%
2009	4,340,613	399,744	4,740,357	(1,483,654)	3,256,703	6.325	3,353,968	97.10%
2010	3,695,403	395,393	4,090,796	(1,213,705)	2,877,091	6.325	2,920,904	98.50%
2011	3,216,500	367,284	3,583,784	(1,077,847)	2,505,937	6.825	2,618,554	95.70%
2012	2,905,133	370,398	3,275,531	(975,751)	2,299,780	6.825	2,309,016	99.60%

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

Source: Seminole County Property Appraiser

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

**Schedule 6
CITY OF SANFORD, FLORIDA**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Per \$1,000 of Assessed Taxable Value)

<u>Fiscal Year</u>	<u>City of Sanford, Florida</u>	<u>Seminole County</u>		<u>St. Johns River Water Mgmt. Dist.</u>	<u>Total</u>
		<u>Government</u>	<u>School Board</u>		
2003	6.500	5.208	9.000	0.462	21.170
2004	6.475	5.190	8.736	0.462	20.863
2005	* 6.350	5.171	8.512	0.462	20.495
2006	* 6.325	5.203	7.965	0.462	19.955
2007	6.325	5.144	7.753	0.462	19.684
2008	6.325	4.358	7.413	0.416	18.512
2009	6.325	4.660	7.543	0.416	18.944
2010	6.325	5.045	7.723	0.416	19.509
2011	6.825	5.045	7.801	0.416	20.087
2012	6.825	5.045	7.722	0.331	19.923

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

Source: Seminole County Property Appraiser

Schedule 7
CITY OF SANFORD, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer Name	Business Name	Fiscal Year 2012			Fiscal Year 2003		
		Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Seminole Towne Center LP	Seminole Towne Center Mall	\$ 84,442,350	3.65%	1			
Florida Power & Light Co	Florida Power & Light Co	39,366,405	1.70%	2			
Central Florida Regional Hospital	Central Florida Regional Hospital	39,131,417	1.69%	3			
Wal-Mart Stores East LP	Wal-Mart Stores, Inc.	33,319,893	1.44%	4			
Lakes Edge Apartments LLC	Lakes Edge Apartments LLC	30,880,993	1.34%	5			
CRLP Twin Lakes LLC	CRLP Twin Lakes LLC	27,875,281	1.21%	6			
Westlake Sanford Assoc LLC	Westlake Sanford Assoc LLC	23,125,830	1.00%	7			
WRI Seminole II LLC	WRI Seminole II LLC	22,057,321	0.95%	8			
Bellsouth Telecommunication Inc	Bellsouth Telecommunication Inc	20,211,884	0.87%	9			
Sanford Airport Authority	Sanford Airport Authority	14,751,959	0.64%	10			
Seminole Towne Center LP	Seminole Towne Center Mall				\$ 87,867,747	5.86%	1
Central Florida Regional Hospital	Central Florida Regional Hospital				33,744,384	2.25%	2
BellSouth	BellSouth				30,104,891	2.01%	3
Florida Power & Light Co	Florida Power & Light Co				23,076,200	1.54%	4
Plantation Lakes	Plantation Lakes Ltd				22,067,478	1.47%	5
Unicell Paper Mills Inc	Unicell Paper Mills Inc				20,109,266	1.17%	6
Wal-Mart Stores East	Wal-Mart Stores East				17,574,445	1.17%	7
Westlake Apartments LTD	Cardinal Cove				16,015,754	1.07%	8
KIMCO of Merrit Island inc.	KIMCO Realty Corp.				12,720,120	0.85%	9
Arbor Lakes Ltd.	Arbor Lakes Ltd.				12,052,610	0.80%	10
	Total	<u>\$ 335,163,333</u>	<u>14.50%</u>		<u>\$ 275,332,895</u>	<u>18.19%</u>	

Source: Seminole County Property Appraiser - 2011 Top Ten Taxpayer for Sanford and City of Sanford FY 2003 CAFR

**Schedule 8
CITY OF SANFORD, FLORIDA**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Collections as a Percent of Current Levy
2003	\$ 9,207,029	\$ 8,808,277	95.7%	\$ 46,371	\$ 8,854,648	96.2%
2004	9,822,331	9,415,246	95.9%	67,644	9,482,890	96.5%
2005	10,728,465	10,094,787	94.1%	170,532	10,265,319	95.7%
2006	12,782,036	12,063,863	94.4%	37,191	12,101,054	94.7%
2007	17,441,759	16,522,411 *	94.7%	34,973 *	16,557,384	94.9%
2008	20,524,602	19,272,717	93.9%	51,814	19,324,531	94.2%
2009	19,577,301	18,570,633	94.9%	72,819	18,643,452	95.2%
2010	17,323,288	16,162,695	93.3%	224,474	16,387,168	94.6%
2011	16,339,748	15,305,619	93.7%	196,872	15,502,491	94.9%
2012	15,772,478	14,864,192	94.2%	91,790	14,955,982	94.8%

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

Schedule 9
CITY OF SANFORD, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental-type Activities		Business-type Activities			Total Primary Government	Sanford * Personal Income	Percentage of Personal Income	Per Capita
	Special Facilities Revenue Bonds	Public Safety Complex Revenue Bonds	Utility System Revenue Notes	State Revolving Loans	Stormwater System Revenue Bonds				
2003	\$ 1,510,000	-	\$ 24,974,690	\$ 16,172,724	\$ 2,497,680	\$ 45,155,094	\$ 1,499,964,830	3.0%	\$ 1,014
2004	1,420,000	-	24,192,633	15,207,361	2,210,670	43,030,664	1,645,721,848	2.6%	934
2005	1,325,000	-	23,381,500	14,668,181	1,910,228	41,284,909	1,817,300,296	2.3%	838
2006	1,225,000	-	22,550,368	24,658,809	1,596,079	50,030,256	1,897,089,491	2.6%	977
2007	1,115,000	-	21,699,236	31,505,217	1,267,539	55,586,992	2,123,853,802	2.6%	1,047
2008	1,000,000	18,000,000	20,828,102	32,712,870	924,058	73,465,030	2,065,257,180	3.6%	1,353
2009	-	17,410,000	19,921,968	30,854,659	564,805	68,751,432	2,076,807,874	3.3%	1,278
2010	-	16,795,000	19,107,056	33,717,701	189,126	69,808,883	2,087,202,200	3.3%	1,307
2011	-	16,155,000	18,153,995	34,110,664	-	68,419,659	2,105,636,143	3.2%	1,281
2012	-	14,375,000	16,948,428	32,719,107	-	64,042,535	2,190,775,461	2.9%	1,185

* Changes made to FY2003-FY2011 personal income to agree to schedule 12 of the statistics.

Sources: Population data from the Office of Economic and Demographic Research, Florida Population Estimates of Counties and Municipalities, Bureau of Economic Business Research (BEBR) @ the University of Florida. Personal income data the U.S. Department of Commerce Bureau of Economic Analysis, the Metro Orlando Economic Development Commission, State of Florida Office of Economic & Demographic Research.

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

**Schedule 10
CITY OF SANFORD, FLORIDA**

**Computation of Direct and Overlapping Debt
General Obligation Bonds
September 30, 2012**

<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>
Direct:			
City of Sanford	\$ -	100.0%	\$ -
Overlapping:			
Seminole County Government	4,340,000	9.8%	426,601
Total Direct and Overlapping Debt			<u>\$ 426,601</u>

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

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

Sources: Seminole County Finance Department

Schedule 11
CITY OF SANFORD, FLORIDA

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

General Government
Sales Tax Revenue Bonds

Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4), (8)		Coverage
		Principal	Interest	
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	\$ 3,371,680	\$ -	\$ 286,960	11.75
2009	2,975,011	590,000	759,600	2.20
2010	2,915,832	615,000	734,702	2.16
2011	2,939,839	640,000	708,749	2.18
2012	3,098,395	670,000	585,968	2.47

Proprietary Funds

Water and Sewer Revenue Bonds

Fiscal Year	Gross Revenues (1), (5)	Water System Development Charges (7)	Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (3)		Coverage
					Principal	Interest	
2003	\$ 12,330,291	\$ 1,121,190	\$ 7,197,024	\$ 6,254,457	\$ 935,000	\$ 1,538,940	2.53
2004	13,242,221	895,419	7,928,953	6,208,687	920,000	1,055,770	3.14
2005	14,283,596	906,890	8,346,553	6,843,933	970,000	1,031,082	3.42
2006	15,876,810	907,163	11,385,610	5,398,363	990,000	1,011,683	2.70
2007	16,874,390	907,253	11,573,187	6,208,456	1,010,000	991,883	3.10
2008	17,105,148	906,018	13,170,977	4,840,189	1,030,000	969,158	2.42
2009	17,490,831	907,877	11,691,337	6,707,371	1,065,000	938,258	3.35
2010	19,244,661	721,961	12,093,933	7,872,689	1,095,000	924,297	3.90
2011	20,294,405	837,165	11,915,644	9,215,926	1,120,000	769,764	4.88
2012	21,108,818	927,715	12,667,718	9,368,815	1,365,000	729,164	4.47

Water and Sewer State Revolving Loans

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
				Principal	Interest	
2003	\$ 12,330,291	\$ 7,197,024	\$ 5,133,267	\$ 1,189,621	\$ 354,057	3.33
2004	13,242,221	7,928,953	5,313,268	2,078,323	527,783	2.04
2005	14,283,596	8,346,553	5,937,043	2,114,409	491,697	2.28
2006	15,876,810	11,385,610	4,491,200	1,544,670	452,834	2.25
2007	16,874,390	11,573,187	5,301,203	1,455,791	572,969	2.61
2008	17,105,148	13,170,977	3,934,171	1,844,249	792,010	1.49
2009	17,490,831	11,691,337	5,799,494	1,796,473	789,846	2.24
2010	19,244,661	12,093,933	7,150,728	1,851,177	716,019	2.79
2011	20,294,405	11,915,644	8,378,761	1,854,547	757,727	3.21
2012	21,108,818	12,667,718	8,441,100	1,967,848	705,047	3.16

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

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

Source: City of Sanford Finance Department.

General Government
Special Facilities Revenue Bonds

Facilities Revenue	Debt Service Requirements (4)		Coverage (6)
	Principal	Interest	
\$ 58,962	\$ 85,000	\$ 86,940	NA
62,298	90,000	79,040	NA
67,929	95,000	73,860	NA
54,948	100,000	71,400	NA
48,551	110,000	65,710	NA
67,256	115,000	59,064	NA
71,347	1,000,000	51,682	NA
-	-	-	-
-	-	-	-
-	-	-	-

Proprietary Funds

Stormwater Revenue Bonds

Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 1,864,213	\$ 1,022,655	\$ 841,558	\$ 277,348	\$ 120,540	4.69
2,224,518	1,086,224	1,138,294	289,827	108,061	5.59
2,308,855	1,310,723	998,132	302,768	95,120	5.80
3,198,778	1,060,592	2,138,186	316,391	81,947	8.03
2,959,982	1,444,894	1,515,088	330,627	68,557	7.42
3,035,556	1,863,121	1,172,435	344,270	53,618	7.63
3,249,301	1,259,700	1,989,601	360,043	62,662	7.69
3,800,074	1,574,814	2,225,260	376,471	8,468	9.87
3,731,188	1,895,947	1,835,241	191,564	4,239	19.06
-	-	-	-	-	-

Stormwater State Revolving Loans

Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage (9)
			Principal	Interest	
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 3,035,556	\$ 1,863,121	\$ 1,172,435	\$ 132,120	\$ 122,937	4.60
3,249,301	1,259,700	1,989,601	183,184	121,393	6.53
3,800,074	1,574,814	2,225,260	188,215	116,361	7.31
3,731,188	1,895,947	1,835,241	245,250	191,783	4.20
4,066,178	1,915,200	2,150,978	321,442	183,107	4.26

**Schedule 12
CITY OF SANFORD, FLORIDA**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
2003	44,549	\$ 33,670	\$ 1,499,964,830	12,450	5.1%
2004	46,078	35,716	1,645,721,848	13,326	3.8%
2005	49,252	36,898	1,817,300,296	14,060	3.6%
2006	51,227	37,033	1,897,089,491	13,693	3.3%
2007	53,099	39,998	2,123,853,802	12,966	3.1%
2008	54,306	38,030	2,065,257,180	11,080	4.7%
2009	53,816	38,591	2,076,807,874	12,969	9.0%
2010	53,392	39,092	2,087,202,200	13,139	11.8%
2011	53,422	39,415	2,105,636,143	13,597	10.8%
2012	54,064	40,522	2,190,775,461	13,164	8.5%

Source:

- (1) Office of Economic and Demographic Research
Florida Population Estimates for Counties and Municipalities - April 1, 2011
Bureau of Economic and Business Research (BEBR) @ the University of Florida
- (2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System
The actual per capita personal income is for Seminole County. The per capita figures are multiplied by the population to determine the total personal income. The 2005 figures were estimated by using an average growth of \$1,182 annually from 1997. The 2006 and 2007 per capita personal income figures use the median household income for the city of Sanford provided by the Metro Orlando Economic Development Commission. The 2008 - 2012 per capita personal income figures use the Florida per capita personal income, history and forecast provided by the State of Florida Office of Economic and Demographic Research.
- (3) Seminole County School Board - school year ending June of fiscal year
- (4) Florida Research and Economic Database
Labor Force Data
FY 2007-2009, 2012 average unemployment rate (October - September) - Seminole County
FY 2010-2011 average unemployment rate (October - September) - Orlando-Kissimmee-Sanford, FL MSA

**Schedule 13
CITY OF SANFORD, FLORIDA**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

<u>Employer</u>	<u>Fiscal Year 2011 / 2012</u>		<u>Fiscal Year 2002 / 2003</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Seminole County Public Schools**	1,623	1	*	*
Seminole State College	1,542	2	*	*
Seminole County Government	1,270	3	*	*
Seminole County Sheriff	1,134	4	*	*
Central Florida Regional Hospital	1,043	5	*	*
Wal-Mart Stores	831	6	*	*
Orlando Sanford International Airport***	531	8	*	*
City of Sanford	495	7	*	*
Sanford Auto Dealers Exchange	292	9	*	*
Davis Maus Toyota	270	10	*	*
Total	<u>9,031</u>		<u>*</u>	

* Data not available

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

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

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

**Schedule 14
CITY OF SANFORD, FLORIDA**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010 *	2011 *	2012
General Government:										
City Manager	5.00	3.00	3.00	6.00	8.50	9.00	7.00	12.00	11.68	7.33
Code Enforcement	-	5.00	5.00	9.00	8.00	6.00	8.00	10.00	10.24	12.24
City Clerk	2.00	2.00	2.00	3.00	3.50	3.00	3.00	3.00	3.00	3.00
Human Resources	3.00	2.00	2.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
Civil Service	1.00	-	-	-	-	-	-	-	-	-
Finance/IT	16.00	16.00	16.00	17.00	16.00	14.00	20.00	20.00	13.73	16.23
Planning/Development	25.00	15.00	15.00	22.00	22.50	13.00	11.00	11.00	8.50	8.00
Public Safety:										
Police	135.00	140.00	140.00	147.00	155.00	153.00	145.00	153.00	143.00	143.00
Fire	67.50	67.50	67.50	69.00	78.20	94.00	90.00	90.20	89.20	89.50
Public Works	52.00	52.00	52.00	86.00	95.00	90.00	86.00	93.20	88.05	88.05
Utilities	94.00	91.00	91.00	97.00	102.00	100.00	99.00	100.50	101.00	101.00
Recreation	41.00	42.00	42.00	31.10	34.10	18.00	18.00	34.60	32.80	33.80
Total	441.50	435.50	435.50	491.10	527.80	505.00	491.00	531.50	505.20	506.15

Source: City of Sanford Budgets 2001-2008, 2010-2012
City of Sanford Financial Services Department



**Schedule 15
CITY OF SANFORD, FLORIDA**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Building Inspections</u>					
All permits issued	7,233	5,901	6,413 **	5,335 **	4,106 **
Building permits issued	*	*	3,252	2,260	2,030
Inspections completed	*	*	*	5,168	13,784
Re-inspections completed	*	*	*	8,014	2,190
<u>Law Enforcement</u>					
Physical arrests	*	*	*	3,285	6,751
DUI arrests	*	333	193	167	234
Traffic violations	*	*	8,127	7,808	7,387
Traffic crashes	*	1,894	1,862	1,686	1,837
Total calls received by agency	*	*	*	111,089	121,411
Dispatched calls requiring police service (based on calendar year figures)	70,094	79,322	89,083	96,198	95,598
<u>Fire</u>					
Emergency responses	8,091	8,681	8,813	8,690	8,952
Number of actual fires suppressed	262	214	180	268	234
Number of commercial building inspections	*	*	1,420	1,153	1,630
Number of school inspections	*	*	*	17	17
Number of investigations	*	*	34	42	37
<u>Planning & Engineering</u>					
Paved streets (miles)	154.38	157.33	163.13	156.12	156.12
Unpaved streets (miles)	*	*	*	2.10	2.10
<u>Public Works</u>					
Street resurfacing (miles)	*	*	*	1.85	2.85
Other street repairs (# of potholes, etc.)	70	87	101	115	133

* Data not available

** Data corrected for previous years.

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

Source: Various City Departments

2008	2009	2010	2011	2012
3,271 **	2,957 **	2,521 **	3,009 **	3,189
1,602	1,643	1,244	1,393	1,342
10,480	3,515	2,991	9,205	10,396
1,793	514	352	1,087	997
3,258	3,516	3,040	2,422	2,394
127	102	107	63	94
6,419	5,306	4,428	5,123	6,922
1,595	1,352	1,261	1,346	1,581
100,235	127,471	72,482	121,149 **	119,018
89,339	96,712	85,281	90,388 **	84,691
8,929	8,632	8,480	8,794	8,977
241	265	58	63	56
1,022	2,178	1,363	2,220	2,100
17	19	14	24	24
47	31	23	29	33
156.12	156.35	156.61	160.64 **	160.64
2.10	2.10	2.10	0.38 **	0.38
3.95	3.25	4.30	4.36	3.53
162	150	119	206	231

**Schedule 16
CITY OF SANFORD, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2003	2004	2005	2006	2007
<u>Transportation</u>					
Miles of streets	149	157	163	158.22	158.22
<u>Public Safety</u>					
Number of Fire Stations	3	3	3	3	3
Number of Firefighters and Officers	69.5	69.5	72	73	78
Number of Police Stations*	5	5	5	4	4
Number of Sworn Officers	108	116	114	126	125
<u>Municipal Water System</u>					
Number of Customers	13,574	13,867	16,256	16,861	17,684
Average Daily Consumption	6.1 MGD	6.6 MGD	6.6 MGD	7.31 MGD	7.498 MGD
Plant Capacity - All Plants	17.5 MGD	17.5 MGD	17.5 MGD	17.5 MGD	14.688 MGD
Deep Wells	20	20	20	20	19
Number of Fire Hydrants	1,008	1,008	1,008	1,200	1,207
<u>Municipal Sewer System</u>					
Number of Customers	12,641	12,461	14,856	12,850	13,882
Treatment Facility Capacity	7.3 MGD	7.3 MGD	7.3 MGD	7.3 MGD	9.3 MGD
Annual Average Flow	6.5 MGD	6.5 MGD	7.6 MGD	5.7 MGD	6.12 MGD
<u>Municipal Stormwater System</u>					
Number of Customers	11,927	12,482	12,482	13,530	13,688
<u>Building Permits Issued</u>					
	7,233	5,901	6,879	5,542	4,123
<u>Recreation & Culture</u>					
Number of Regional Parks	1	1	1	1	1
Number of Neighborhood Parks	36	36	37	37	37
Park Area - #of acres	342	342	348	348	348
Number of Museums	1	1	1	1	1
Number of Books	3,556	3,556	3,621	3,621	3,630

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

Source: Various City Departments

2008	2009	2010	2011	2012
158.22	158.45	158.71	162.16	161.23
3	3	3	3	3
80	76	75	77	79
4	4	3	2	1
137	125	125	123	124
16,781	15,443	15,625	15,127	15,207
7.180 MGD	7.31 MGD	6.971 MGD	6.513 MGD	6.154 MGD
14.688 MGD				
19	19	19	19	19
1,207	1,271	1,352	1,281	1,281
14,093	12,843	12,574	14,114	14,182
9.3 MGD				
7.57 MGD	6.438 MGD	6.334 MGD	6.05 MGD	6.396 MGD
13,842	13,260	12,982	13,861	13,909
3,419	3,530	2,430	3,009	3,147
1	1	1	1	1
38	36	36	36	36
350	350	350	350	350
1	1	1	1	1
3,630	3,630	3,630	3,630	3,630



COMPLIANCE SECTION:

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
- INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
- NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
- SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
- INDEPENDENT AUDITORS' MANAGEMENT LETTER



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency (discretely presented component unit), each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City"), as of and for the year ended September 30, 2012, and have issued our report thereon dated March 6, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 6, 2013



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Sanford, Florida (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

The City's basic financial statements include the operations of the Sanford Airport Authority (the "Airport"), a discretely presented component unit of the City, which expended \$20,758,381 in federal awards during the year ended September 30, 2012, which is not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the Airport because the financial statement and compliance audits were performed by other auditors who have issued their own report.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

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

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the City of Sanford Community Redevelopment Agency (discretely presented component unit), each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2012, and have issued our report thereon dated March 6, 2013, which contained references to the reports of other auditors. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 6, 2013

CITY OF SANFORD, FLORIDA
Schedule of Findings and Questioned Costs
For The Year Ended September 30, 2012

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unqualified Opinion

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Type of report issued on compliance for major federal programs:

Unqualified Opinion

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

Identification of Major Federal Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.710	ARRA – COPS Hiring Recovery Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.468	ARRA – Capitalization Grants for Drinking Water State Revolving Funds
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs: Federal \$300,000

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

CITY OF SANFORD, FLORIDA
Schedule of Findings and Questioned Costs *(Continued)*
For The Year Ended September 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

None Reported.

City of Sanford Florida
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Reimbursable Expenditures
U.S. Department of Agriculture			
Passed through Florida Department of Education Summer Food Service Program	10.559	04-0720	\$ 4,835
Total Department of Agriculture			<u>4,835</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-10-MC-12-0057	48,476
Community Development Block Grant Passed through Seminole County	14.218	B-11-MC-12-0057	73,640
Community Development Block Grant - Georgetown Community	14.218	Program Year 2009 -2010	169,622
ARRA - Neighborhood Stabilization Program	14.256	B-11-MN-12-0035	36,622
Total Department of Housing and Urban Development			<u>328,360</u>
U.S. Department of the Interior			
Passed through Florida Division of Historical Resources Save America's Treasures	15.929	12PA10	970
Total Department of the Interior			<u>970</u>
U.S. Department of Justice			
DEA Officer Reimbursement	16.580	DEA Orlando	17,202
Bulletproof Vest Grant - FY 2008	16.607	BPV 2008	7,826
ARRA - COPS Hiring Recovery Program	16.710	2009RKWX0251	388,313
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0560	2,402
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2767	27,915
Total Department of Justice			<u>443,658</u>
U.S. Department of Labor			
Youthbuild Program	17.274	YB-19111-09-60-A-12	199,370
Total Department of Labor			<u>199,370</u>
U.S. Department of Transportation			
Passed through Florida Department of Transportation Highway Planning & Construction	20.205	AQH50	80,000
Passed through Florida Department of Environmental Protection Recreation Trails Program	20.219	RTPT27031	95,886
Total Department of Transportation			<u>175,886</u>
U.S. Environmental Protection Agency			
Passed through Florida Department of Environmental Protection ARRA - State Revolving Fund Loan	66.468	DW590110	43,039
State Revolving Fund Loan	66.468	DW590120	624,175
Total Environmental Protection Agency			<u>667,214</u>
U.S. Department of Energy			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0003175	69,918
Total Department of Energy			<u>69,918</u>
U.S. Department of Health and Human Services			
Passed through Florida Department of Community Affairs LIHEAP Low Income Home Energy Assistance Program	93.568	11EA-EU-06-69-02-028	605,877
LIHEAP Low Income Home Energy Assistance Program	93.568	12EA-0F-06-69-02-028	661,934
Total Department of Health and Human Services			<u>1,267,811</u>
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2010-FO-01519	9,702
Passed through City of Casselberry, FL Assistance to Firefighters Grant	97.044	EMW-2011-FR-00007 Subrecipient	121,935
Passed through Florida Department of Financial Services Homeland Security Grant Program	97.067	10-DS-39-13-00-16-414	1,788
Homeland Security Grant Program	97.067	11-DS-9Z-13-00-16-436	1,830
Total Department of Homeland Security			<u>135,255</u>
Total Expenditure of Federal Awards			<u><u>\$ 3,293,277</u></u>

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

City of Sanford, Florida
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012

Note 1 – Reporting Entity

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

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – State Revolving Fund Loans

The City had the following loan balances outstanding at September 30, 2012. The loan balance is also included in the Federal expenditures presented in the Schedule of Expenditures of Federal Awards.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	66.468	DW590110	\$426,227
State Revolving Fund	66.468	DW590120	\$1,503,541

CITY OF SANFORD, FLORIDA
Summary Schedule of Prior Audit Findings
For The Year Ended September 30, 2012

PRIOR-YEAR AUDIT FINDINGS

2011-01 Compliance Issue – CFDA 81.128

This finding is considered to be resolved.



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

We have audited the financial statements of the City of Sanford, Florida (the "City"), as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated March 6, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 6, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

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

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we had the following finding:

2012-01 – Community Development Block Grant (“CDBG”)

Condition

The City received a letter from the U.S. Department of Housing and Urban Development (“HUD”) dated January 31, 2013, which stated that the City’s progress on meeting the federal standards for timely expenditure of CDBG funds and the filing of required status reports was unsatisfactory. HUD did not report any concerns associated with the actual grant dollars spent and recorded by the City. Therefore, we did not consider this matter to be of significance to our financial or single audit.

Criteria

The City’s Consolidated Plan requires that the City remain in compliance with statutes and possess continuing capacity to implement and administer HUD-assisted programs.

Effect

Noncompliance with federal regulations could result in reduced federal funding for this program.

Recommendations

We recommend that the City respond appropriately to the HUD notice and implement a corrective action plan to bring the City back into compliance with federal standards. In addition, as recommended by HUD, the City should implement safeguards to ensure that it will have the capacity to carry out the approved programs in a timely manner.

Management Response

Management is addressing HUD’s concerns by taking steps to ensure that reports are filed timely and making every effort to meet the next expenditure deadline.

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

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

- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2012, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 6, 2013